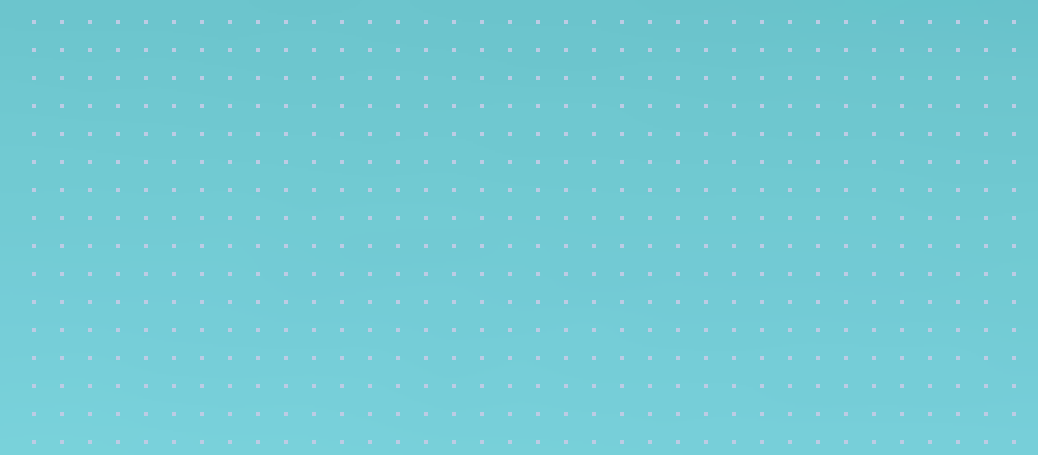# PREDICTING HOUSE PRICES.

Business Understanding

•To find out factors influencing house prices in order to give advisory services to home sellers and home buyers.

Data Understanding

- The data used is from house sales in King County. It includes house prices, number of bedroom, bathrooms and floors, condition and grade of the houses, the footage of the houses among others.

Process

1.Data Cleaning and Scrubbing.

2.Exploratory Data Analysis.

3.Creating Linear Models.

4.Model Validation.

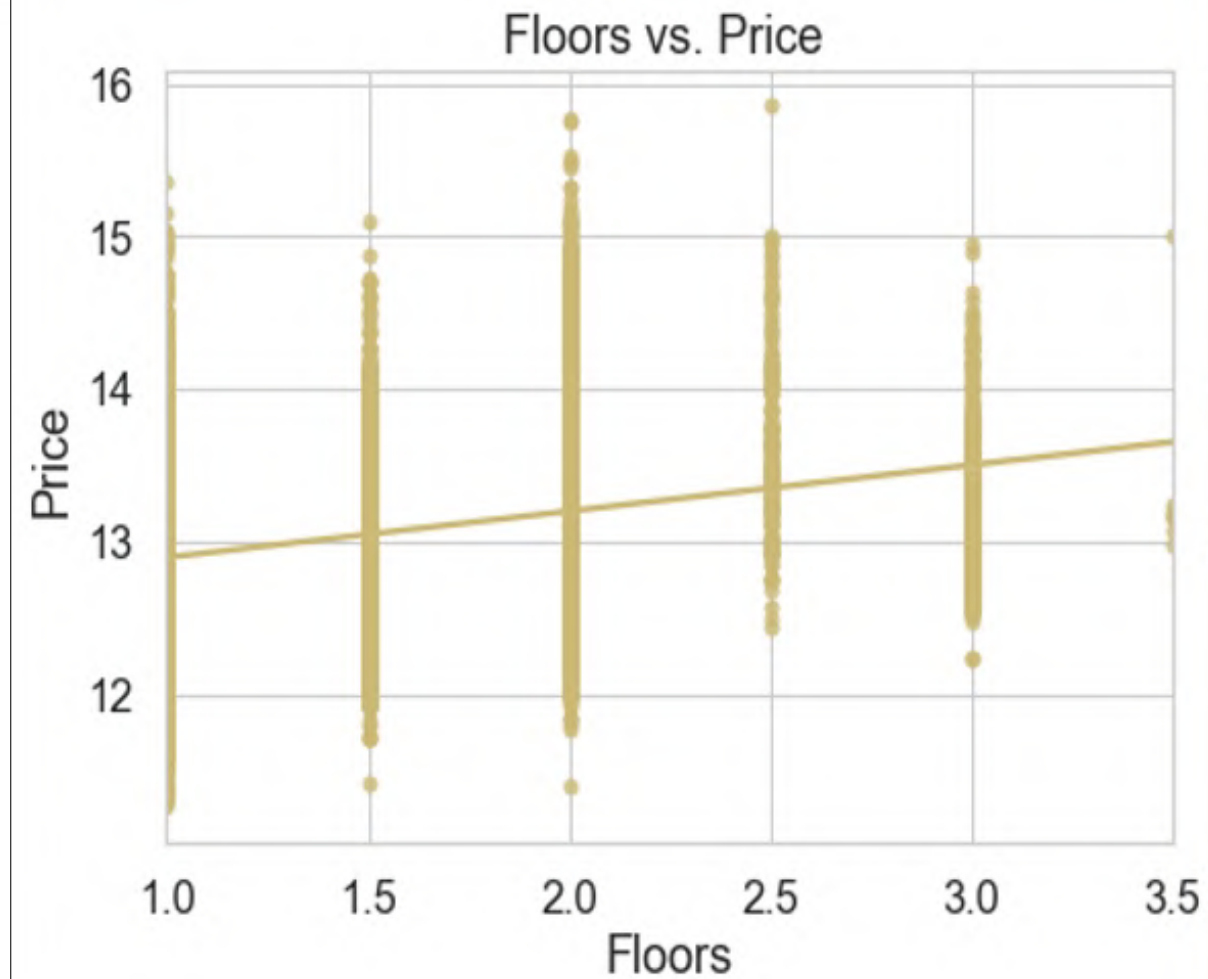5.Interpretation of final model.

6.Recommendations and Conclusion.
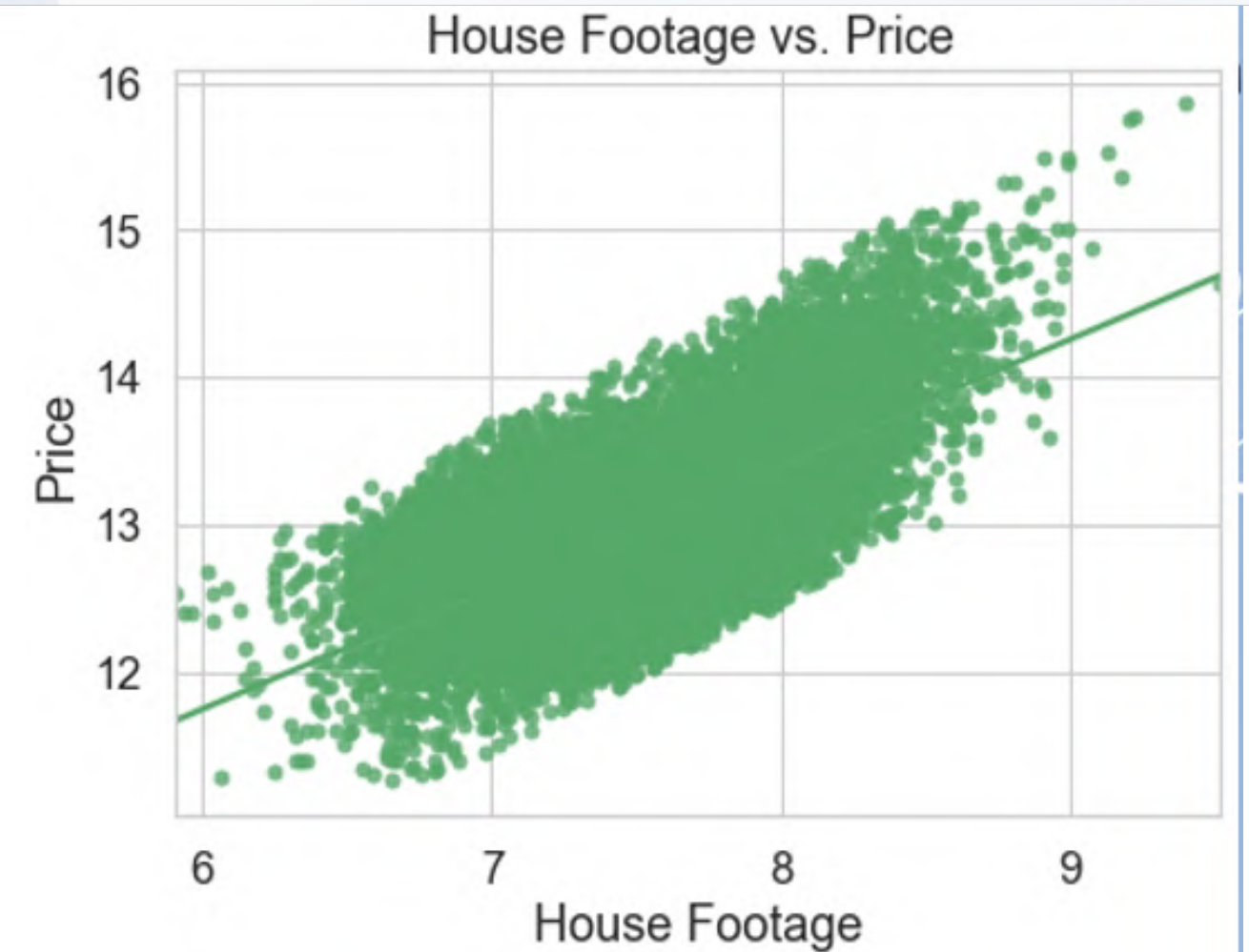
Final Model

The final model is as shown below:

price~ sqft_living + bedrooms + floors +
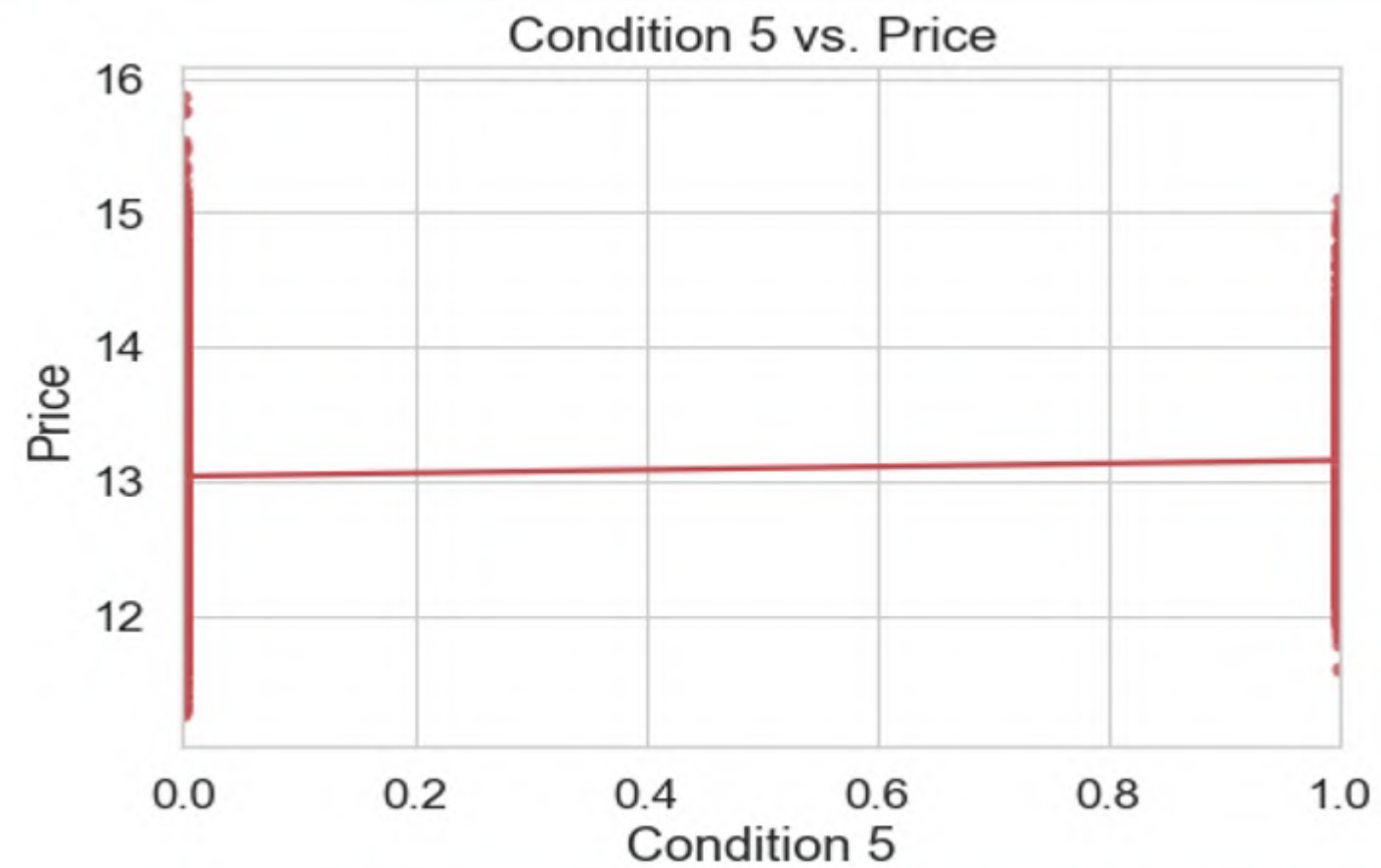
cond_5 + cond_2+cond_1

R Squared	48.2%
P- value	0.00

Relationship between Price and its Predictors

Floors vs. Price

Increase by 1 floor= increase in price by 7%

House Footage vs. Price

Increase in footage= increase in price by 0.93

Condition 5 vs. Price

House being in best condition increases price by 16.6%.

Condition 2 vs. Price
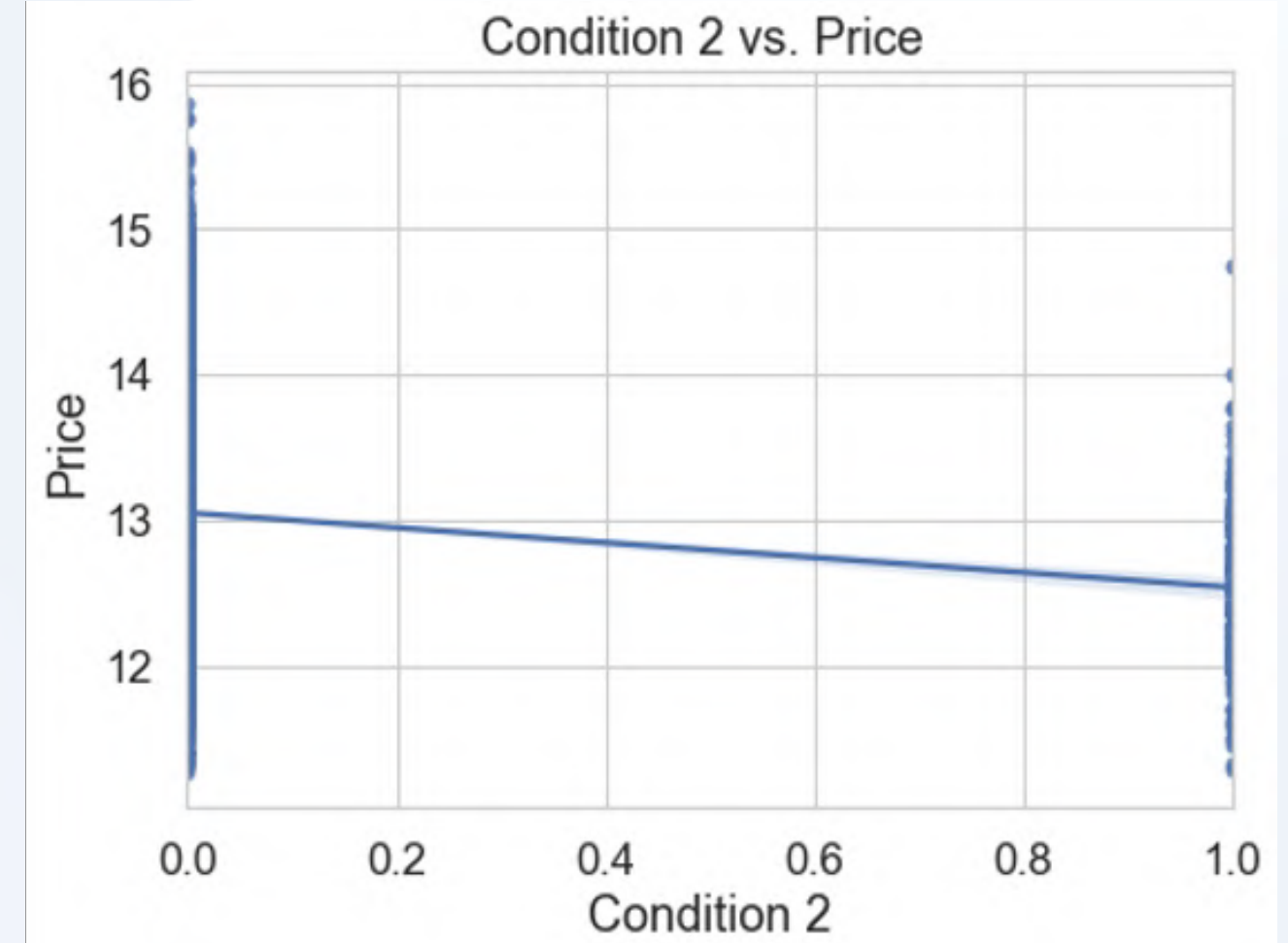
House being in the condition 2 decreases price by 17%
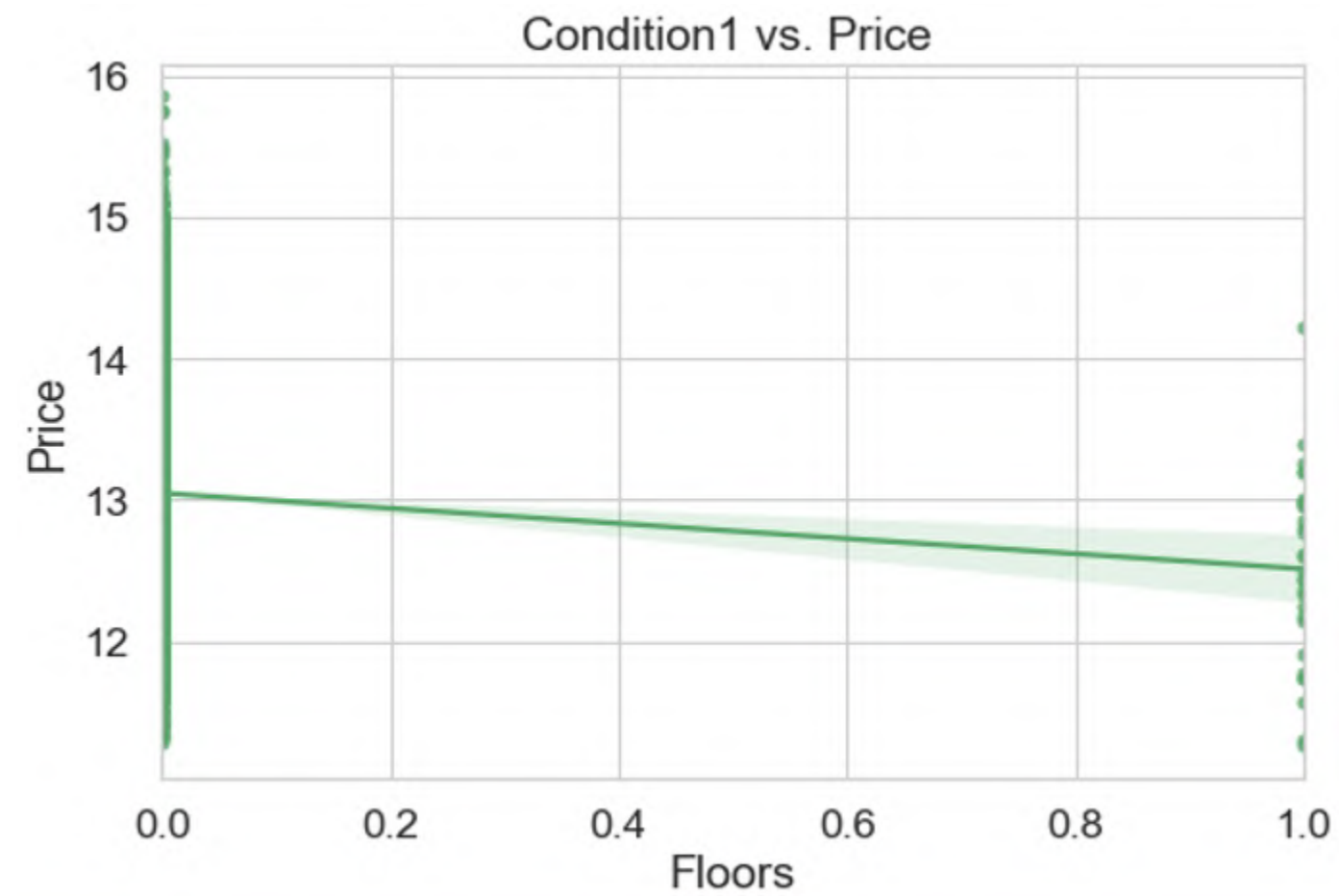
House being in the worst condition, decreases price by 12 %

Recommendations

- House sellers to increase the number of floors and the footage of the houses.
- House buyers to properly plan financially in order to get the houses with the best features.