

# Real Estate Investment Plan

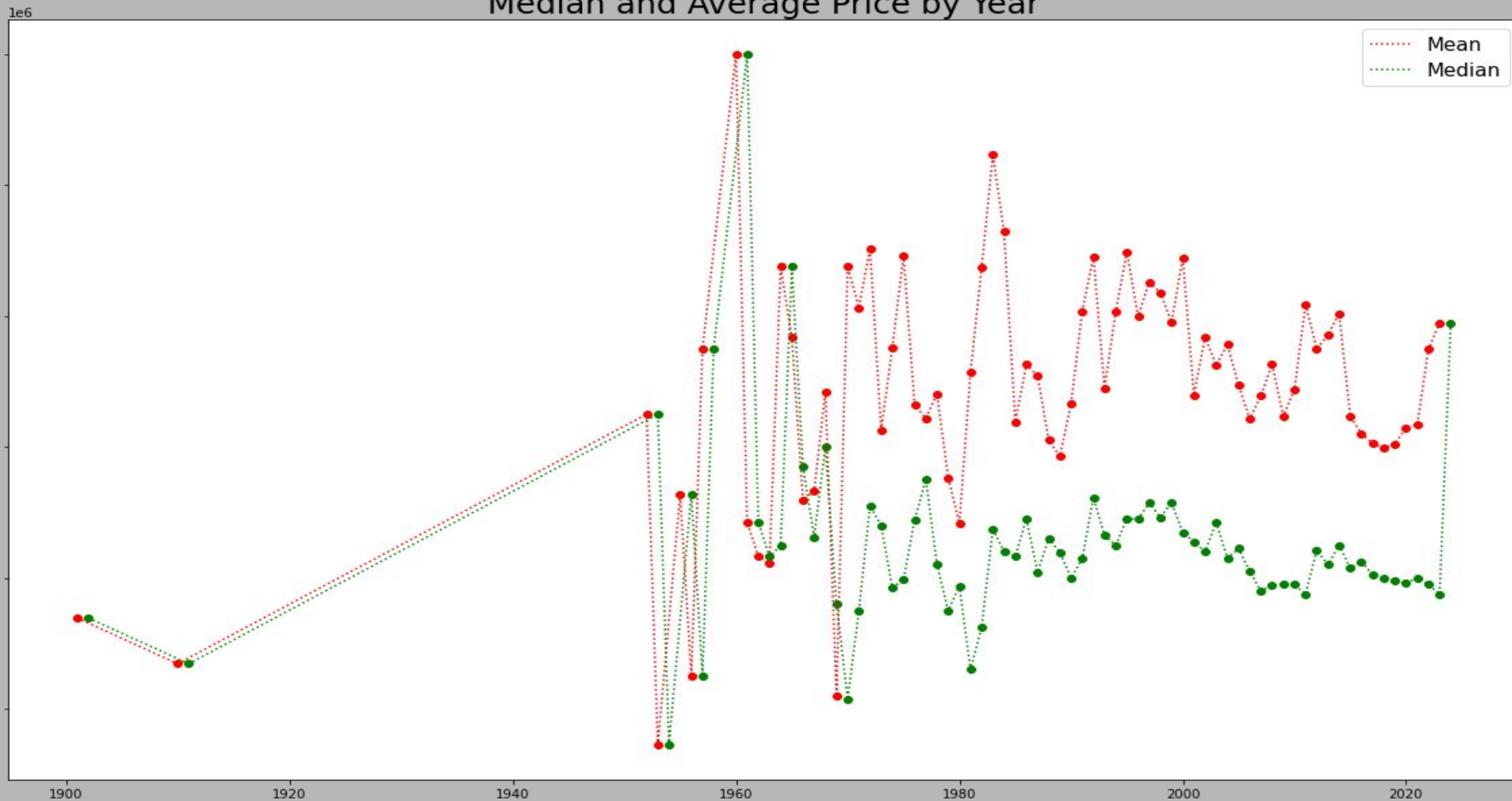


By  
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# What Should We Do For An Investment Property?

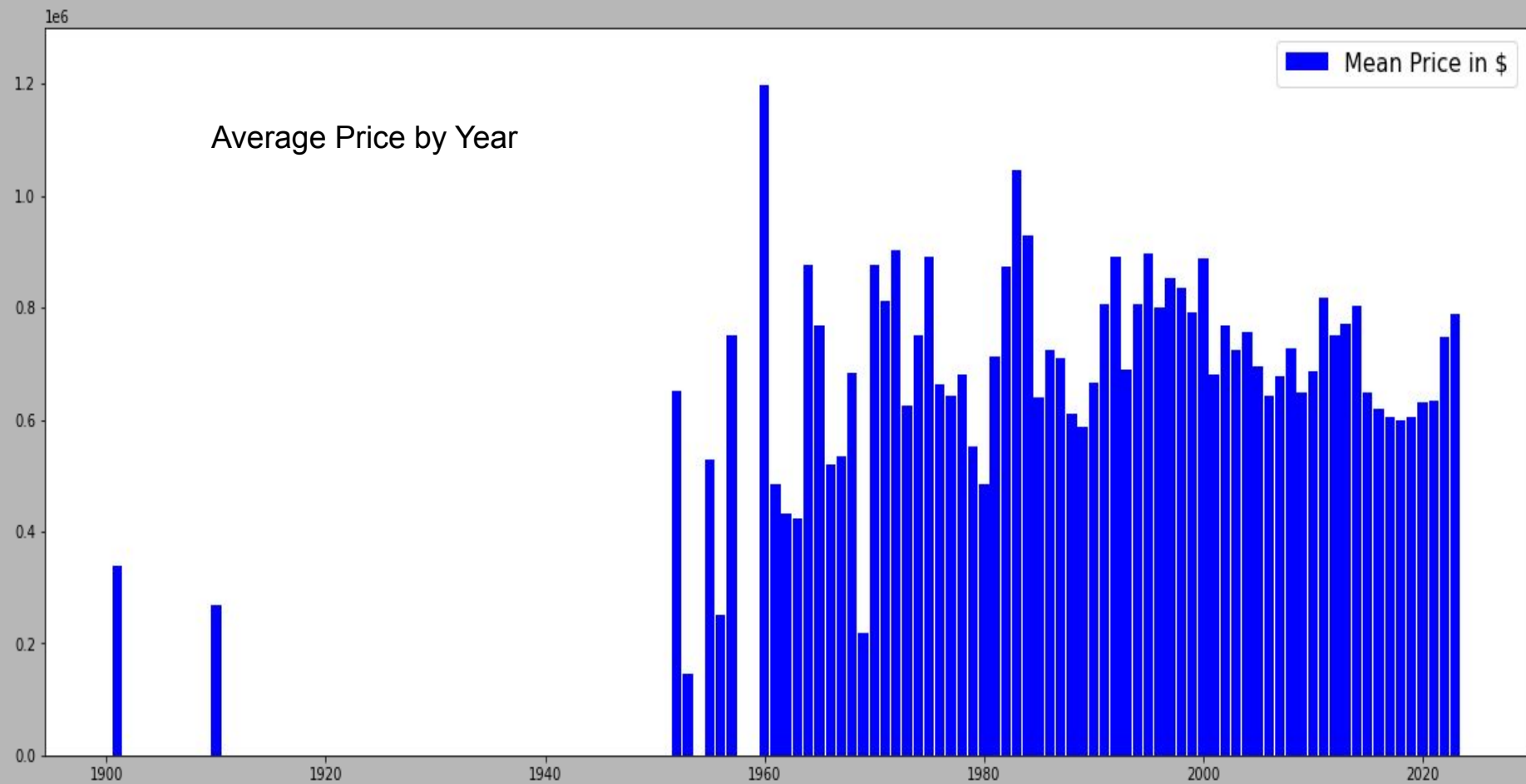
1. Which state should we buy an investment property in?
2. How many bedrooms and bathrooms should the house have?
3. What is the median & mean price of houses?
4. What traits do the houses have in common?

# Median and Average Price by Year



## Median and Average Price

- Median price is lower than the mean
- It is possible the price of our property will be less than the mean
- Mean prices have gone up in the last six years
- Median prices have gone down



## Mean Prices

- Average reported sales have been steady
- Missing data in the early 1900s
- Rising mean prices after taking a dip

# Correlation Matrix of Housing Investment Data

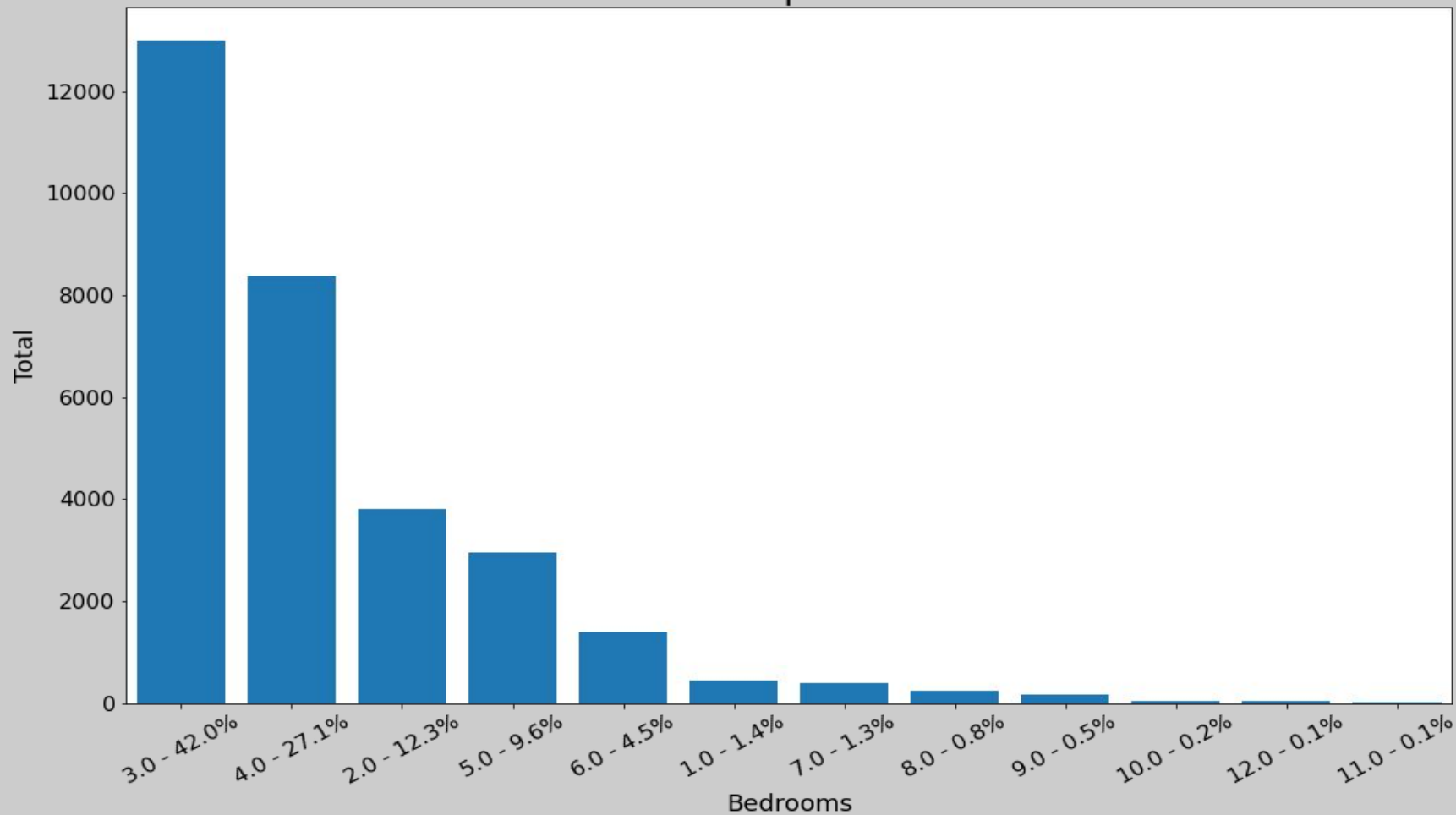


## Common Traits

- Bed & bath go together
- These relationships help with what kind of house we should buy
  - Bath & size of the house go together
  - Most of the elements are slightly correlated



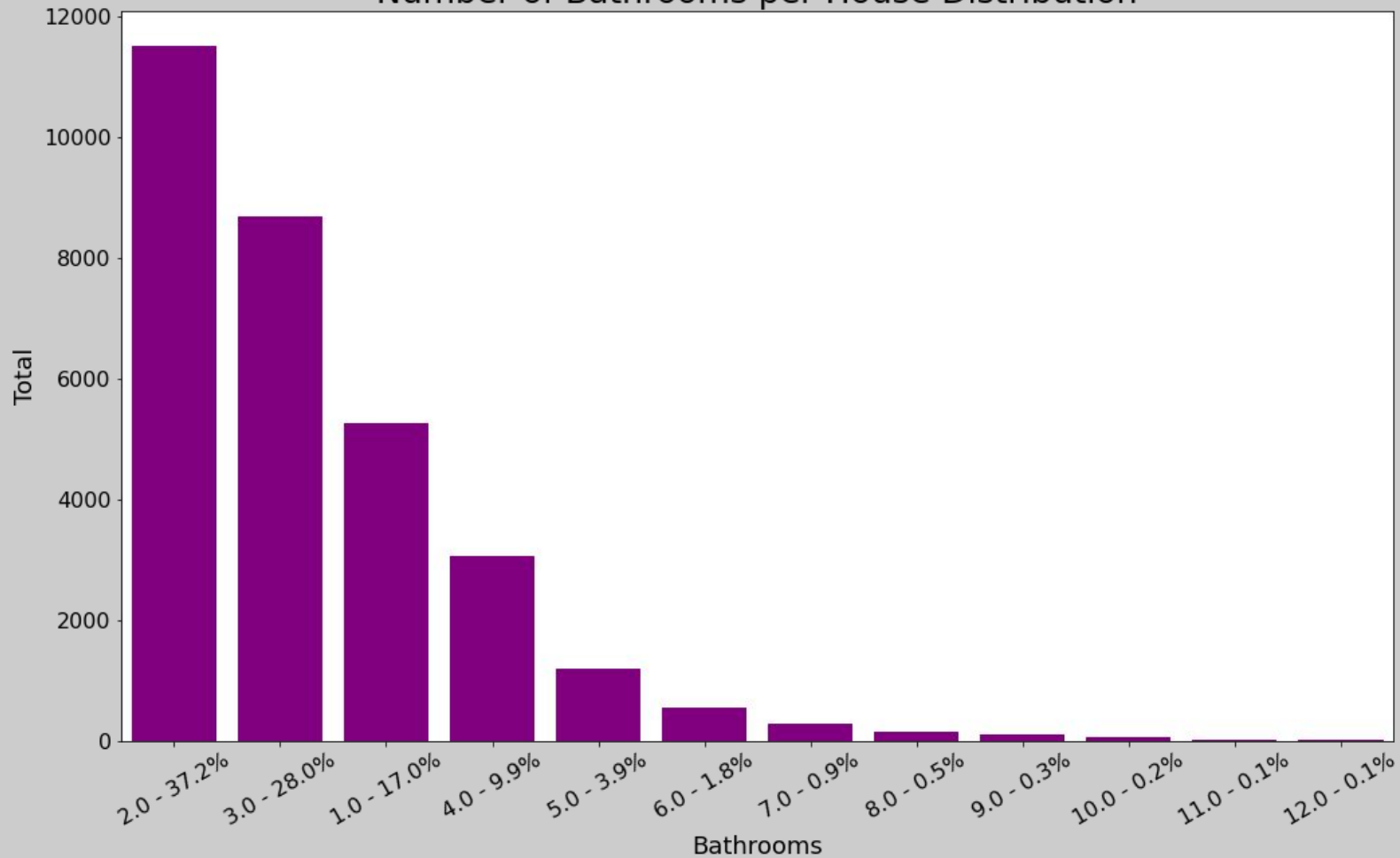
# Number of Bedrooms per House Distribution



## Bedroom Data

- We should purchase a three or four bedroom house
  - Most popular type of house
- These would be the most profitable types of properties

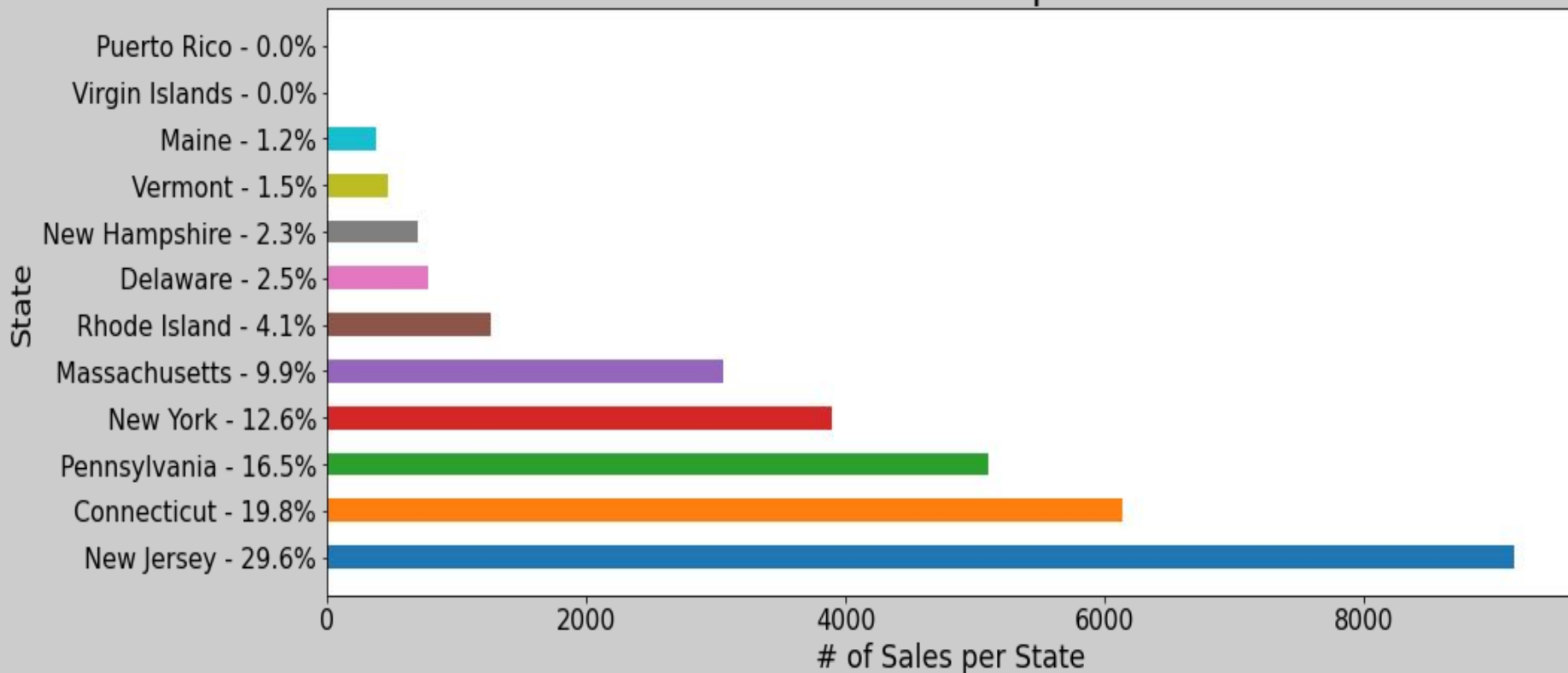
Number of Bathrooms per House Distribution



## Bathrooms Data

- We should purchase a house with four to three beds & three to two baths.
- These are the traits that people want in a house
- A one bathroom would be ideal but not many of these

## Real Estate Sales per State



## Which State Should We Choose?

- Best to choose a state in the middle
- I recommend Massachusetts
- Universities, smaller area, and beach potential
- Lots of potential competition in New Jersey

# Summary

I suggest we purchase:

1. Four Bedrooms
2. Two Bathrooms
3. In Massachusetts
4. Less than the mean price
5. Is it possible to find this?
6. What is Next?