# Assignment 3 Building ELT data pipelines with Airflow

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# 1. Project Overview

Airbnb connects travelers with hosts renting out properties, reshaping hospitality with a vast network of global stays and rich data on rentals, pricing, and guest reviews. This project aims to create production-ready ELT data pipelines using Apache Airflow and dbt Cloud to process and transform Sydney's Airbnb and Census data. Following the Medallion architecture (Bronze, Silver, Gold), the data is structured to support a data mart for analytical insights, along with ad-hoc analyses to address key business questions.

## 1.1 Project overview

The project aims to leverage Airflow, Postgres' environment using GCP and dbt Cloud for data warehousing to provide valuable insights. Objectives include setting up a data warehouse architecture, transforming data through layers, and creating a data mart for business analysis.

## **Specific Tasks:**

#### Part 0: Data Download

Download the Airbnb listing data (May 2020–April 2021) and Census datasets from the Australian Bureau of Statistics, including LGA mapping.

#### Part 1: Data Ingestion with Airflow

Set up an Airflow DAG to load initial raw data (Airbnb and Census) into Postgres, establishing a Bronze schema for the data.

### • Part 2: Data Warehouse Design with dbt

Design a data warehouse using Medallion architecture (Bronze, Silver, Gold) in Postgres.

- Bronze: Store raw data.
- Silver: Create cleaned tables with consistent naming conventions and snapshots for dimensions.
- Gold: Implement a star schema and create data mart views (e.g., dm\_listing\_neighbourhood, dm\_property\_type, dm\_host\_neighbourhood) to address key metrics such as active listing rate, revenue per listing, and demographic insights.

#### Part 3: End-to-End Orchestration

Update the Airflow DAG to include a dbt transformation step and load Airbnb data month-by-month sequentially.

#### • Part 4: Ad-Hoc Analysis

Perform SQL-based analyses to answer business questions, such as demographic differences in high/low-performing LGAs, correlation between median age and revenue, optimal listing types, and revenue comparisons against mortgage repayments.

## 1.2 Data Exploration

The Airbnb is public on Inside Airbnb website: <a href="https://insideairbnb.com/get-the-data/">https://insideairbnb.com/get-the-data/</a>
The Census and NSW\_LGA is on Australian Bureau of Statistics: <a href="https://www.abs.gov.au/census/find-census-data/datapacks">https://www.abs.gov.au/census/find-census-data/datapacks</a>

Table 1.1 Summary of dataset

File name	File	Number of files	Describe
	type		
	CSV	2SV 12 (from 5/2020 to 4/2021)	This dataset contains
			monthly snapshots of
			Airbnb listings,
Listing			capturing key
Listing			information about
			each property listed
			on the platform
			during this period.
	CSV	V 2	This dataset includes
			demographic and
Census data			socio-economic data
			from the New South
			Wales (NSW) Census
NSW_LGA	CSV	CSV 2	This dataset contains
			geographic and
			administrative
			information about
			Local Government
			Areas in New South
			Wales

## 1.3 Tools Used

- Google Cloud Platform (store data)
- Airflow (Load data)
- dbt Cloud (create data pipeline)
- DBeaver (PostgreSQL)

## 1.4 Challenges

Issue	Solution
Couldn't finished project because of	
dealing with pipeline and snapshot.	

# 2. Part 1 – Data Ingestion & Preparation

Corresponding file: part\_1.sql and dag\_1.py

Step 1: Establish Connection between GCP and DBeaver

• Set Up Google Cloud Platform:

In Google Cloud Composer, configure the environment to support connections with Cloud SQL and Airflow UI.

Enable IP Allowlisting for your local machine's IP in the Google Cloud SQL instance, allowing access over a Public/Private IP.

• Configure PostgreSQL on DBeaver:

Create a new PostgreSQL connection.

Enter the Public IP of the Google Cloud SQL instance, along with the necessary credentials.

Test the connection to ensure access to the Google Cloud-hosted PostgreSQL database.

Create the Bronze Schema:

Using DBeaver or an SQL script, create a schema named bronze. This schema will store raw, unprocessed data directly imported from sources.

Create Raw Data Tables:

Define 5 tables within the Bronze schema to store the raw data as follows:

listing: Store data for May 2020, representing Airbnb listings.

nsw\_census\_01 and nsw\_census\_02: Store data from the two NSW Census CSV files.

nsw\_lga\_01 and nsw\_lga\_02: Store Local Government Area (LGA) data from two CSV files.

Structure each table with columns matching the CSV headers, ensuring each field aligns with the data type in the CSV files.

Ingest Data into Bronze Tables:

Use Airflow to automate data ingestion by creating DAGs that pull data from the source files and load them into the corresponding Bronze tables in PostgreSQL.

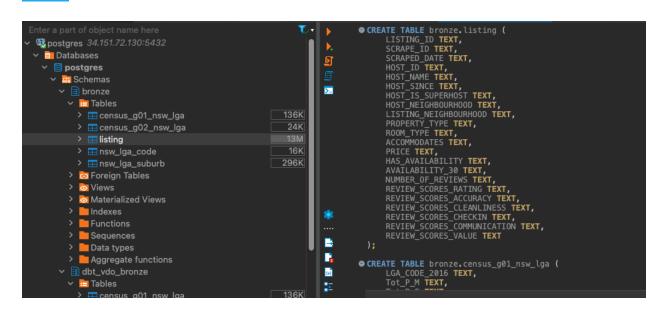


Figure 1.1: Create tables to store raw data

Step 2: Upload dag\_1.py to dag folder in Google Cloud Storage (GCS) and 5 csv files in step 1 to data folder. After that, go to Airflow UI to trigger dag. This will help to load raw data from Google Cloud Storage to DBeaver.

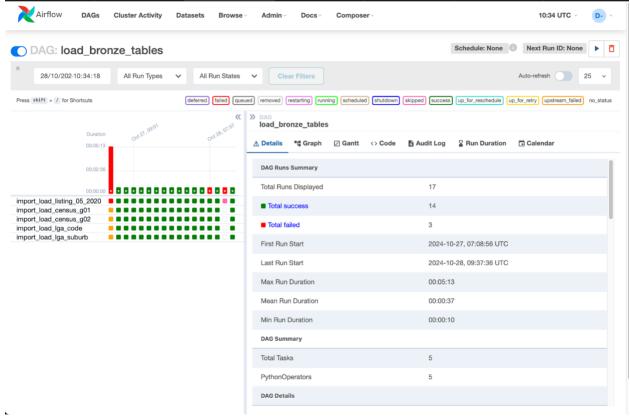


Figure 1.2: Load raw data from GCS to DBeaver

## 3. Part 2 - Build data warehouse with dbt

Corresponding file: dbt Cloud Files

In this part, I design and implement data warehouse architecture using dbt (data build tool) on Postgres, following the Medallion architecture pattern. This approach includes three layers:

- **Bronze** (raw data)
- Silver (cleaned and transformed data)
- Gold (curated data for analysis)

#### 3.1 Bronze Layer

Corresponding file: dbt Cloud Files/bronze

This layer contains unprocessed and uncleaned data to serve as a historical reference.



Figure 3.1 List of files in bronze layer

#### 3.2 Silver Layer

Corresponding file: dbt Cloud Files/silver and dbt Cloud Files/snapshot

In the Silver layer, data from the Bronze layer is refined through straightforward cleaning processes, including setting the appropriate data types for columns and managing missing values.

A snapshot approach with timestamps is employed to track changes in key Airbnb features such as host and neighborhood information, property type, and room type. This approach, based on Slowly Changing Dimensions (SCD) Type 2, enables tracking of updates over time, with multiple versions of records maintained as changes occur. The snapshots acts as silver layer (cleaning and transforming data, prepare for Gold Layer).

The Silver layer queries ensure only the latest version of each record is used, organizing data into dimensions and fact tables, and loading these from the most recent snapshot version.



Figure 3.2 Workflow of silver layer

#### 3.3 Gold Layer

The Gold layer is designed to hold data that is fully cleaned, aggregated, and ready for analysis. This layer is structured to align with business objectives, enabling insightful decision-making. It includes the following components:

#### 3.3.1 Star Schema

Corresponding file: dbt Cloud Files/gold/star

Data is organized in a star schema format, with fact tables containing key metrics (like prices and counts) and dimension tables holding descriptive attributes (such as host and property information). This setup makes data retrieval more efficient and suitable for analysis.

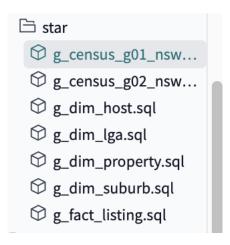


Figure 3.3 List of files in star schema

This project's star schema includes one fact table and six dimension tables for analyzing Airbnb data. The "g\_fact\_listing" table captures key metrics like price and review scores, as well as IDs for joining tables. Airbnb-specific details are organized into "g\_dim\_host" (host-related info) and "g\_dim\_property" (property-related info). Additionally, two dimension tables for Census data and two for LGAs mapping data provide context for broader analysis. These tables are linked through ID columns, enabling efficient querying to address business needs.

#### 3.3.2 Data Mart

Corresponding file: dbt Cloud Files/gold/mart

In Data Mart, this step includes make 3 views with metrics defined below:

Table 3.1 Metrics definition

Metrics	How to calculate
Active listings	Listings where "has_availability" = "t".
Active Listing Rate	(total Active listings / total listing) * 100
Superhost Rate	(total distinct hosts with "host_is_superhost" = 't' / total distinct hosts) * 100
Percentage change (month to month)	((final value - original value) / original value) * 100
Number of stays (only for active listings)	30 - availability_30
Estimated revenue per active listings	for each active listing per period: number of stays * price
Estimated revenue per host	Total Estimated revenue per active listings/ total distinct hosts

## $3.3.3.1\ dm\_listing\_neighbourhood$

This view provides insights per listing neighbourhood and month/year with the following metrics:

- Active listings rate
- Minimum, maximum, median and average price for active listings
- Number of distinct hosts
- Superhost rate
- Average of review\_scores\_rating for active listings
- Percentage change for active listings
- Percentage change for inactive listings
- Total Number of stays
- Average Estimated revenue per active listings

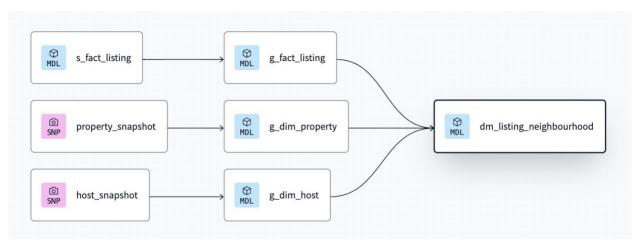


Figure 3.4 Pipeline to create dm\_listing\_neighbourhood

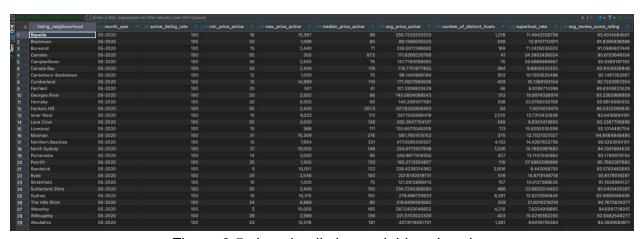


Figure 3.5 view dm\_listing\_neighbourhood

## 3.3.3.2 dm\_property\_type

This view present information per property\_type, room\_type, accommodates, and month/year including:

- Active listings rate
- Minimum, maximum, median and average price for active listings
- Number of distinct hosts
- Superhost rate
- Average of review\_scores\_rating for active listings
- Percentage change for active listings
- Percentage change for inactive listings
- Total Number of stays
- Average Estimated revenue per active listings

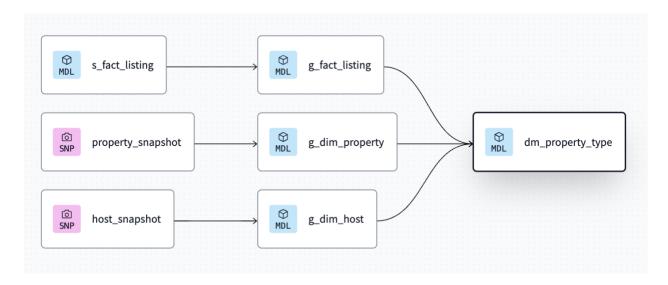


Figure 3.6 Pipeline to create dm\_property\_type

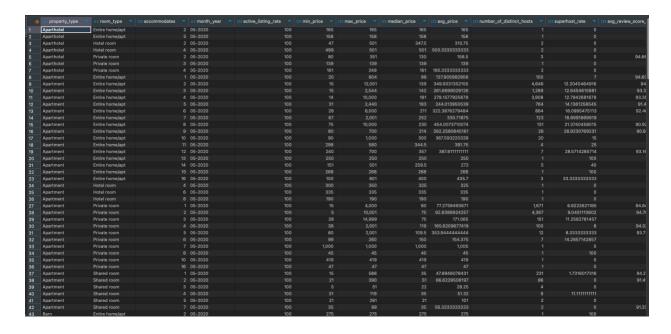


Figure 3.7 view dm\_property\_type

## 3.3.3.3 dm\_host\_neighbourhood

This view provides data per host neighbourhood Iga (derived from transforming host neighbourhood to the corresponding LGA) and month/year with the following metrics:

- Number of distinct host
- Estimated Revenue

Estimated Revenue per host (distinct)

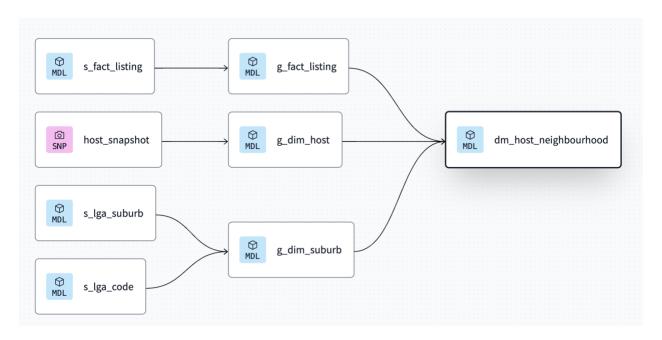


Figure 3.7 Pipeline to create dm\_host\_neighbourhood

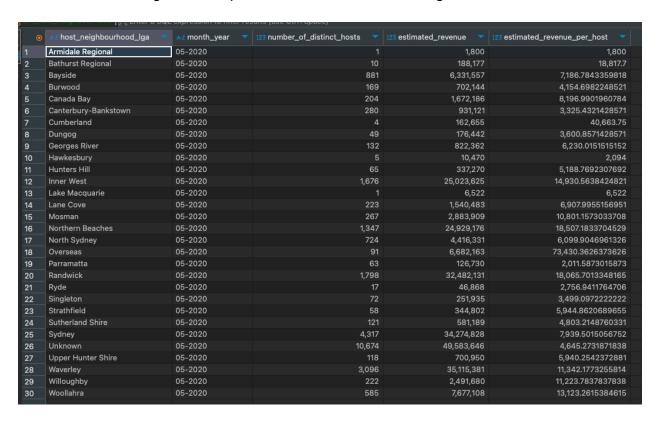


Figure 3.8 view dm\_host\_neighbourhood

## 4. Part 3 – End to end orchestration

Corresponding file: dag1\_3.py and snapshot\_update.sql

In this section, I built and trained a baseline model as well as two machine learning models: Linear Regression and Decision Tree. The steps followed are as outlined below:

Step 1: In updating the Airflow pipeline, I started by modifying the existing DAG to add a new task that initiates a dbt job. This integration ensures that dbt models are executed as part of the DAG run, allowing the data to flow seamlessly through the various layers of the data warehouse and transforming it as needed.

Step 2: I extended the DAG to load the remaining Airbnb datasets one month at a time, in chronological order. Processing each month's data sequentially maintains the correct order and ensures data integrity throughout the pipeline.

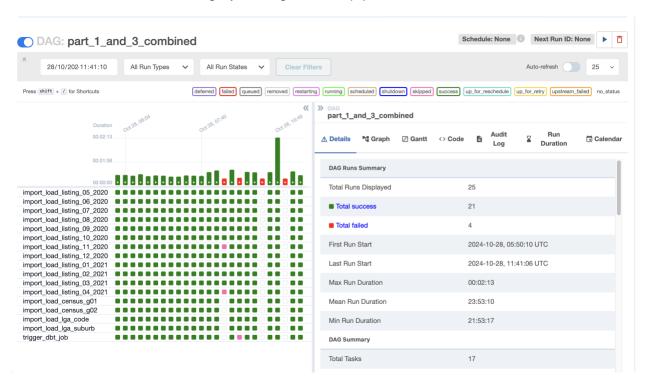


Figure 4.1 Load new data and trigger dbt job

Step 3: After triggering the DAG in Airflow, I proceed by running the SQL script in "snapshot\_update.sql" to ensure the snapshots are updated with the latest data. This step is crucial as it captures any changes or updates in the existing data before moving on to load the next month's dataset. By updating the snapshot first, I ensure that each batch of data loaded sequentially remains consistent, accurately reflecting any historical changes, and maintaining data integrity as we progress through each month's records.





Figure 4.3 Trigger dbt job

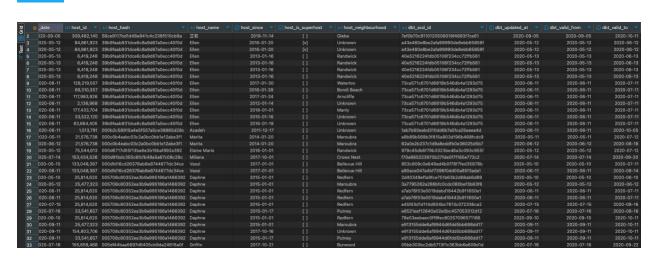


Figure 4.4 Update host\_snapshot using SCD type 2

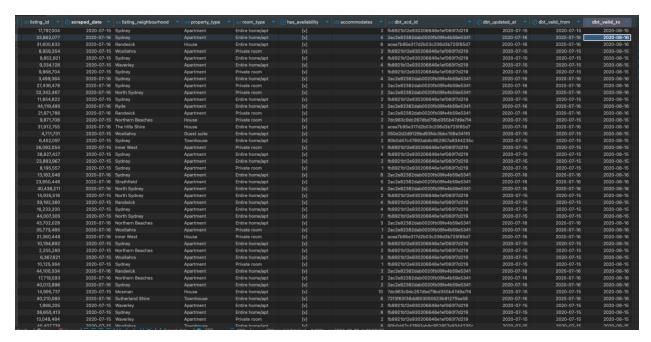


Figure 4.5 Update property\_snapshot using SCD type 2

# 5. Part 4 – Ad-hoc analysis

I wasn't able to complete this part as I encountered challenges in loading all the data for Part 3. I faced significant delays in Part 2, particularly with managing snapshots, and struggled to keep up with the workload. In the end, I managed to get the pipeline running for Part 2, but I didn't have enough time to load all the data for Part 3. I was only able to load data from May 2020 to July 2020. I feel disappointed with myself for not meeting my expectations in this task.

## 6. Conclusion

In conclusion, this project showcases the integration of Apache Airflow and dbt Cloud to create a robust ELT pipeline for Airbnb and Census data, following the Medallion architecture. Despite challenges with pipeline and snapshot management, significant progress was made in structuring the data across Bronze, Silver, and Gold layers. These layers support a well-defined data mart for comprehensive analytical insights, aiding business decision-making with key metrics like active listing rates and estimated revenues. Although some data remains to be processed, the established framework provides a strong foundation for further analysis, ensuring scalability and data integrity for future enhancements.