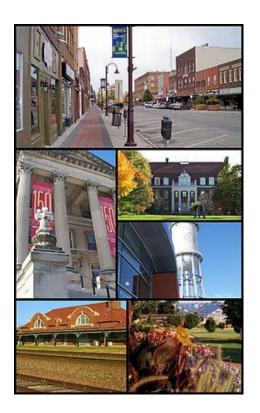
# What Determines the Price of a House?

Joey Romness

When Predicting a House's Price, What Factors Impact Price Point the Most?

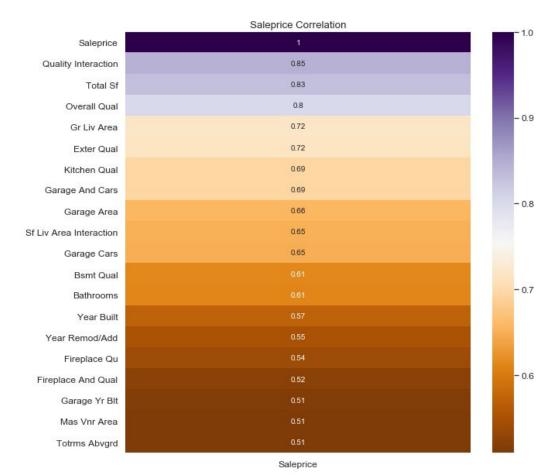
# A Case Study of Ames Iowa Housing

 All conclusions and inferences from this presentation were made after examination and analysis of the widely available Ames Housing Dataset.

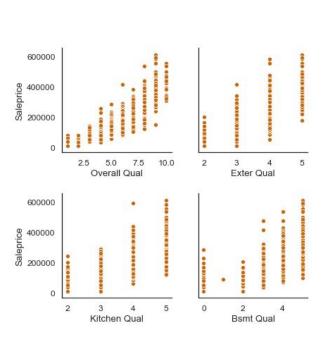


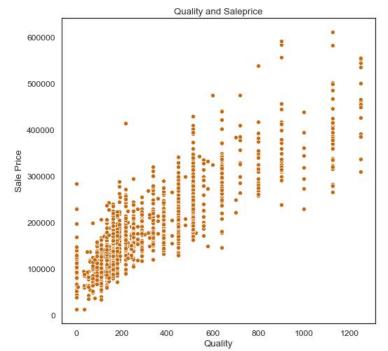


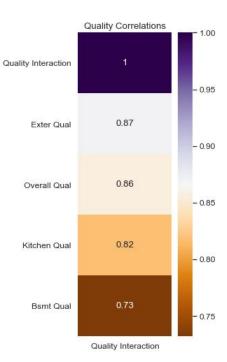
An Overview of What Most Determines the Sale Price of a House



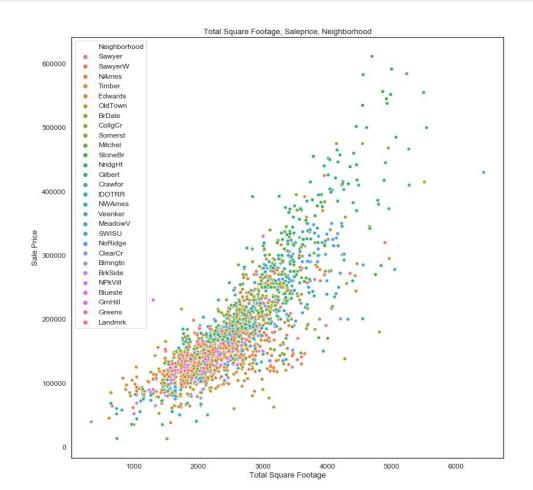
### **Quality Matters**



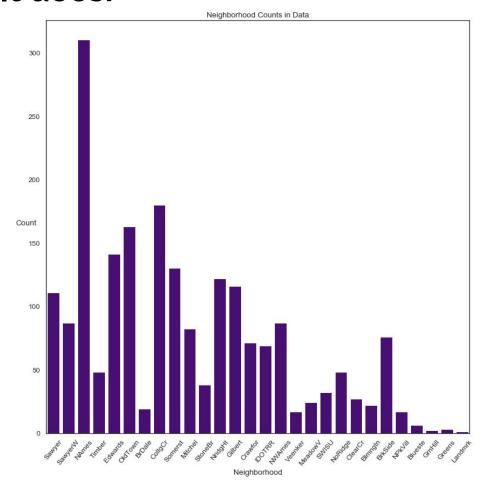




## Size Matters... Does Neighborhood Matter?



#### It does!

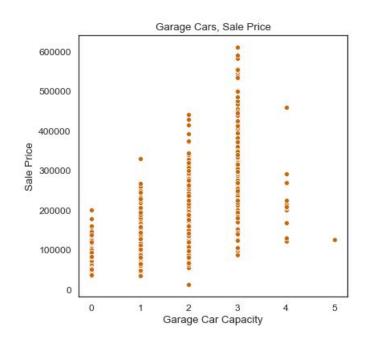


Neighborhood Correlation with Saleprice

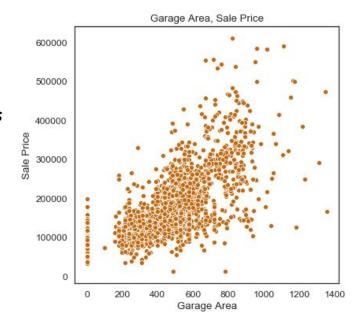
N	eighborhood Correlation with Saleprice	
Saleprice	11	
Neighborhood Nridght	0.45	
Neighborhood Noridge	0.26	- 0.8
Neighborhood Stonebr	0.26	
Neighborhood Somerst	0.15	
Neighborhood Timber	0.12	
Neighborhood Veenker	0.083	
Neighborhood Collgcr	0.082	
Neighborhood Crawfor	0.058	- 0.4
Neighborhood Clearcr	0.052	
Neighborhood Grnhill	0.039	
Neighborhood Nwames	0.035	
Neighborhood Gilbert	0.024	
Neighborhood Sawyerw	0.017	
Neighborhood Greens	0.0035	- 0.0
Neighborhood Landmrk	-0.012	
Neighborhood Blueste	-0.025	
Neighborhood Mitchel	-0.036	
Neighborhood Npkvill	-0.047	
Neighborhood Swisu	-0.074	0.4
Neighborhood Brdale	-0.095	
Neighborhood Meadowv	-0.11	
Neighborhood Sawyer	-0.13	
Neighborhood Brkside	-0.13	
Neighborhood Edwards	-0.18	
Neighborhood Idotrr	-0.19	0.8
Neighborhood Names	-0.19	
Neighborhood Oldtown	-0.21	
	Colonias	

Saleprice

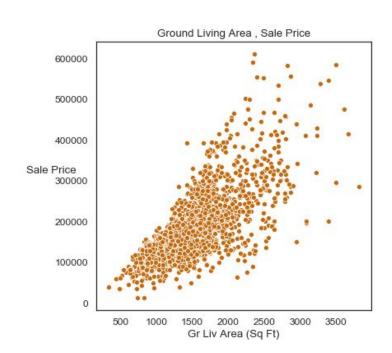
#### **Let's Cross-Examine Some Plots**



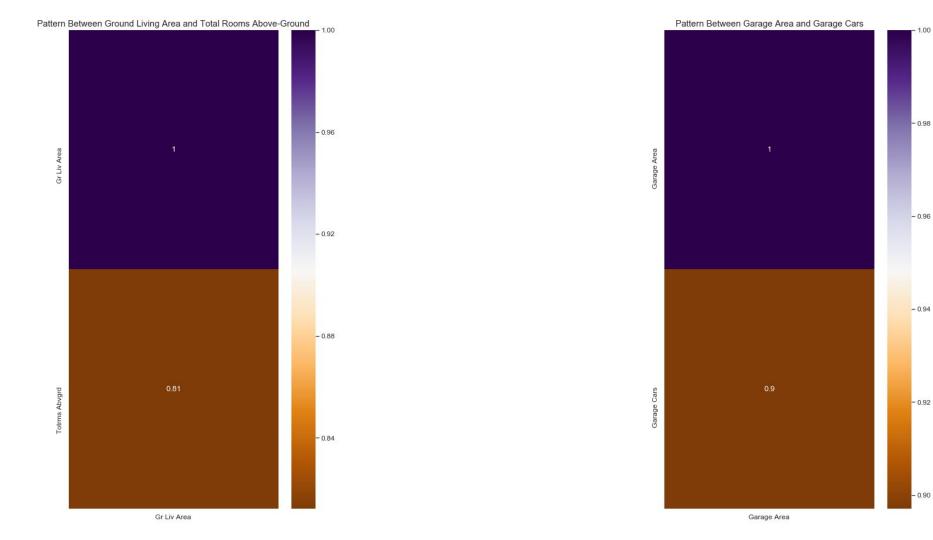
Are there any noticeable patterns between these two plots?



#### What About Here?







**Finding Patterns and Figuring Out How to Make Sense of Them and Account for Them is Vastly** Important for Determining House Price.

#### **Conclusions**

When predicting housing prices (at least in the case of Ames, Iowa) the most important overall factors are Quality and Area. Despite how simple this may sound, the way these factors interact with one another can cause housing price to change significantly. It is important to recognize patterns case by case for each individual house in order to determine what its sale price will be.