

REAL ESTATE MARKETING PLAN

Recommendation for San Diego RE
Market Investors



Business Opportunity



Due to work from home trend, people are moving from Bay area to South California

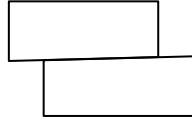


Investors invest in Real Estate Market due to inflation risk



San Diego house price increases 25% in a year and become one of hottest nationwide real estate market.





What area and what type of residential properties to invest? Which has good cash flow or value growth potentials?



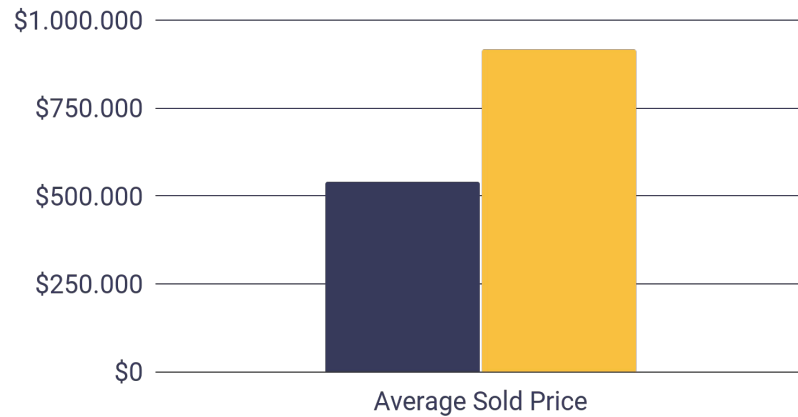
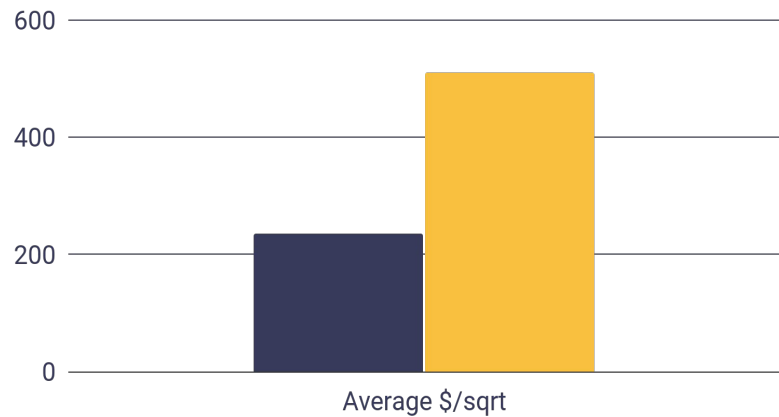
PROBLEM

Find properties with good rent to value ratios and those with good value growth.

SOLUTION

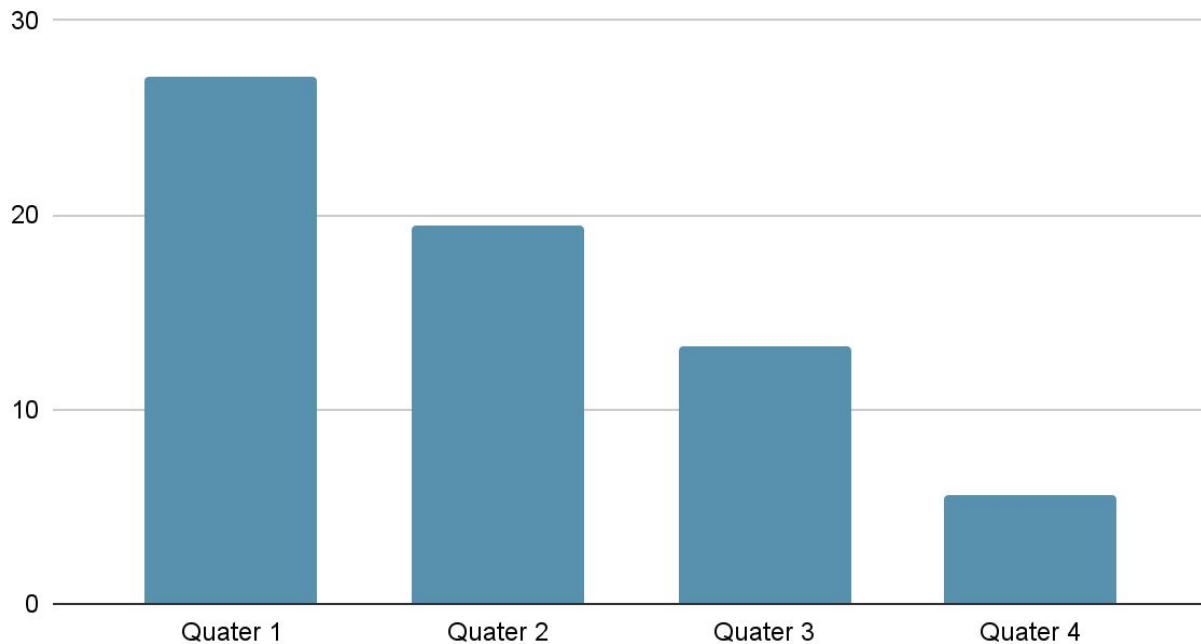
Market summary - VALUE GROWTH

2012 2021



Market summary - RENTAL DAYS ON MARKETS (DOMLS)

Rental average days on markets in 2021 (days)



Methodology

Collect Data

Purchasing and rental transaction records can be found in the San Diego Multiple Listing System (MLS).

EDA

Calculate rent_to_value ratios and value growth percentage for different house (based on combination of several features)

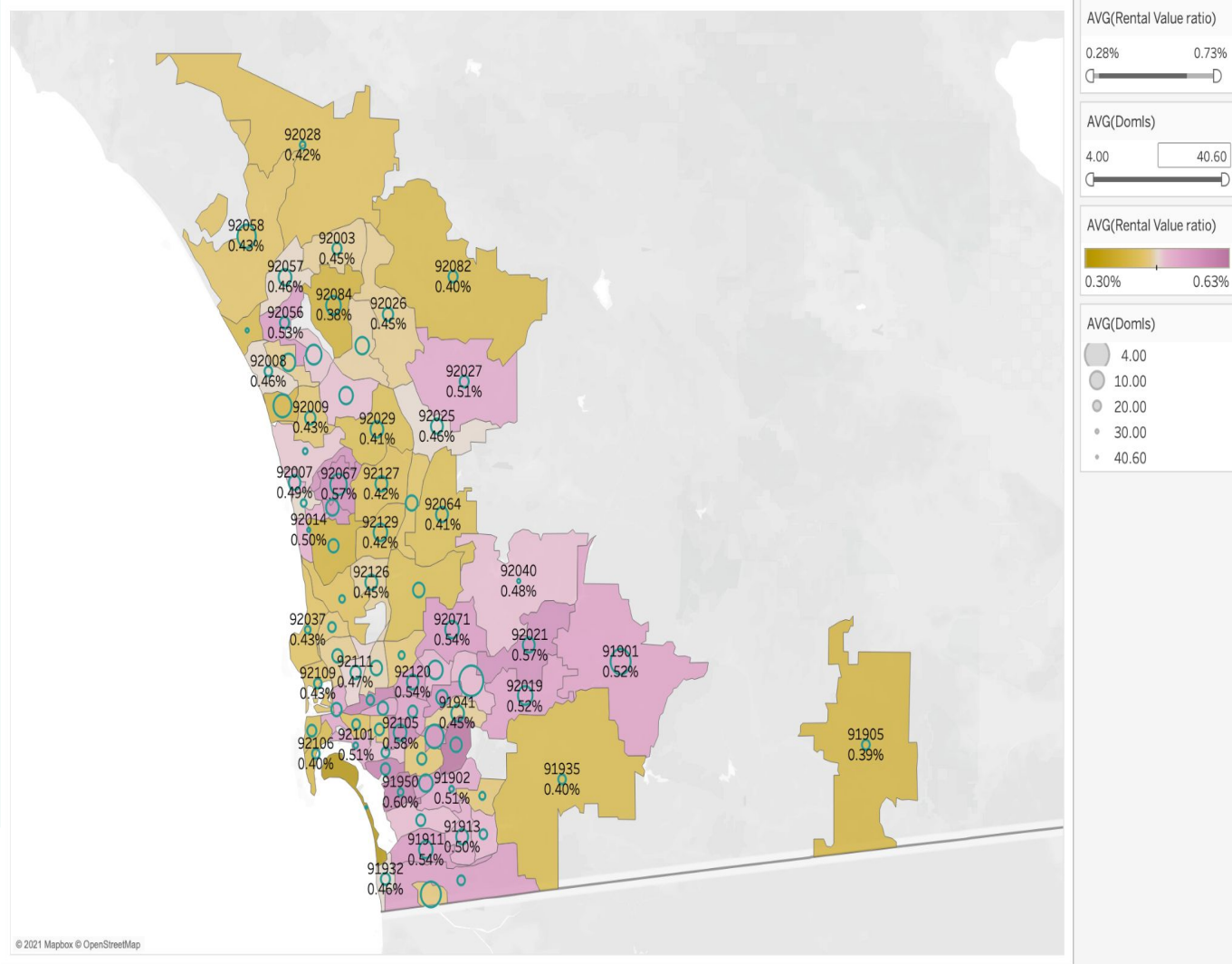
**Future work:
Collect complete
rental data**

**Future work:
Advanced algorithm**



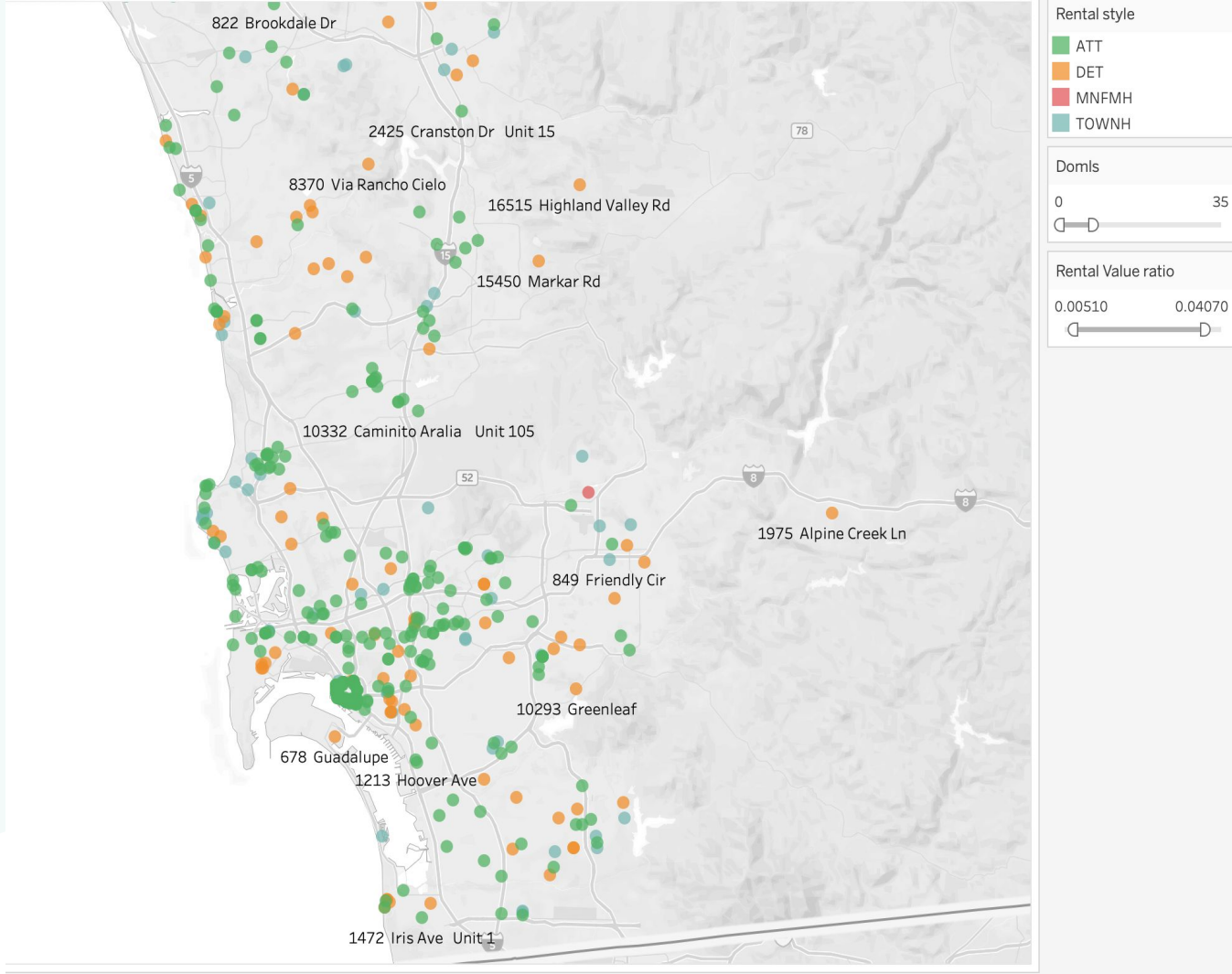
EDA Insight-

Rent_to_value ratio
and Days on market
by zip code
([link](#))



EDA Insight-

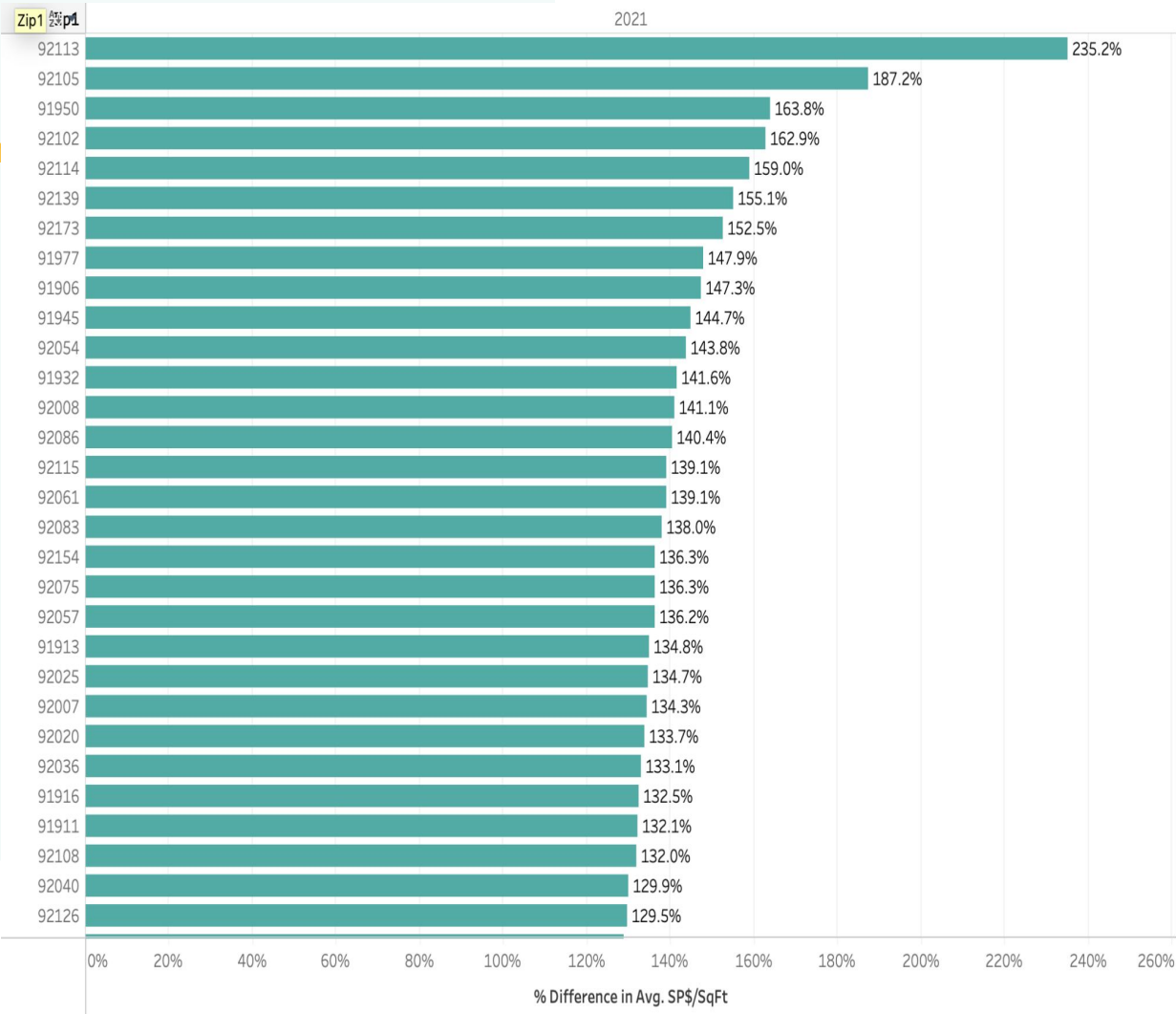
Recommend by
individual house
([link](#))



EDA Insight - Recommend by Weighted Index

<i>Zip</i>	<i>Rental_style</i>	<i>sqr_range</i>	AVERAGE of Rented Price	AVERAGE of Rental_Value_ratio	AVERAGE of DOMLS	AVERAGE of Weighted recommend index
91977	ATT	500 - 999	\$1,889	0.79%	15.80	5.69
92108	ATT	500 - 999	\$2,740	0.73%	18	4.65
92014	ATT	500 - 999	\$3,994	0.69%	22.67	3.66
92109	ATT	0 - 499	\$1,710	0.61%	16	2.72
92115	ATT	500 - 999	\$1,845	0.60%	9.29	2.67
92120	ATT	500 - 999	\$1,878	0.59%	10.8	2.44
92024	ATT	500 - 999	\$3,029	0.58%	21.2	1.97
92105	ATT	500 - 999	\$1,556	0.56%	16.22	1.86
91932	DET	1500 - 1999	\$4,282	0.56%	15.17	1.76
91932	ATT	500 - 999	\$2,379	0.55%	18.17	1.54

EDA Insight-
Value growth by zip code from
2012 - 2021
([link](#))



EDA Insight - Value growth by zip code & type & SF_range

Zip code	Type	SF_Range	Average_price_sq rt_2021	Average_price_sq rt_2012	Growth Ratio
92102	ATT	0 - 499	\$683.62	\$180.79	278.14%
92040	ATT	500 - 999	\$384.34	\$106.04	262.44%
92113	DET	500 - 999	\$658.67	\$184.31	257.38%
92105	ATT	1000 - 1499	\$386.09	\$110.03	250.91%
92105	ATT	500 - 999	\$405.83	\$117.14	246.44%
91977	TOWNH	1000 - 1499	\$392.34	\$113.28	246.35%
92025	ATT	1500 - 1999	\$381.99	\$111.46	242.70%
92083	ATT	500 - 999	\$417.53	\$123.08	239.24%
91977	ATT	1000 - 1499	\$391.21	\$116.79	234.98%
92154	ATT	500 - 999	\$397.76	\$119.24	233.57%



Future work

- Linear regression model to predict house value, so that investors can find properties with better rent_to_value ratio.
- Time series model to forecast future house value, so that investors to find properties with good value growth potentials.
- Clustering Algorithms to help find good substitutes when desired property type is not available on the market.



Thanks

& Questions

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