

Case – Always Be Closing

My name is Jim Armilay, and I am a real estate broker in the state of Virginia. I have been moderately successful in the past five years selling large high end homes, but recently more rival brokers have been moving into this market. I think one way I can gain an advantage in this market is if I start to use data to study the home prices, but I'm not sure how to start. I recorded some of my recent sales with the Price in dollars and Square feet (Sqft) for each of the sales. The data is included in the separate attachment.

I know that bigger properties sell for more, but I'm not sure how much it affects the price. Would you be able to help me to explore the data so that I can better understand what the data means; what it looks like. I also would like to better understand how the house prices are related to the square feet of the properties, in a general sense. Ultimately, I would like to use this data to help me make better decisions. For example, a client came to me trying to sell their 1500 square foot house for \$300,000, which I think is a low price. Can this data help me to convince my client that the house should be sold for more, so that I can get a bigger commission? I am also talking to another client who is considering buying this massive 3750 sqft house! This client wants to know if the house price listed, \$825,000, is reasonable among houses that size; can the model help me decide if the property is a good value?