**Introduction/Business Problem**

According to the hedonic pricing model, the value of residential property depends on many characteristics which are related to both the physical aspects of the property and its location. Location incorporates numerous factors including leisure and recreational amenities. For example, Harvard Business School paper found that the entry of each Starbucks into a ZIP code is associated with a 0.5 percent increase in housing prices within a year.

In this analysis, we will conduct a study of the residential property market in Manhattan neighborhoods and explore which venues accompany higher housing prices.

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etc., are attributes that influence residential property value.

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We are going to cluster Manhattan neighborhoods in order to select neighborhoods that are potentially underpriced with regards to their most common venues and surrounding features. Finally, recommendation on neighborhoods with a potential for profitable family home investment based on venues surrounding such properties will be given.

The results of this analysis are intended to assist real estate investors in selecting undervalued properties in Manhattan neighborhoods. Also, it might be of interest of families looking for affordable homes with desired characteristics in terms of surrounding venues and facilities.