

# Real Estate Market Insights & Investment Takeaways

Data-driven recommendations for smart property decisions

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# Size Matters – But Quality Matters More

## How Lot Size Affects House Price:

### 1. Bigger Lots Usually Mean Higher Prices

Generally, as the size of a property's lot increases, its sale price tends to go up. This is because more land often offers more space and potential for use.

### 2. But There's a Limit to the Benefit

However, after a certain point, increasing the lot size doesn't significantly boost the property's value. For instance, a lot that's 20,000 square feet might not be much more valuable than one that's 15,000 square feet. This concept is known as "diminishing returns"—adding more doesn't always mean getting more in return.

### 3. Exceptions Exist

Some properties with large lots might still have lower prices. This could be due to factors like location, the condition of the house, or if the land isn't easily usable. Conversely, smaller lots in prime locations with high-quality homes can command higher prices.

### 4. Advice for Buyers and Investors

**Mid-Sized Lots Are Often Best:** They strike a balance between size and value.

**Consider Location and Usability:** A well-located property with a usable lot is more valuable than just a large piece of land.

**Quality Over Quantity:** Investing in the quality of the home and its features can yield better returns than simply having more land.



# Insights from Univariate Analysis

## 1. House Prices (Sale Price)

**Observation:** Most homes are priced between ₹1,00,000 and ₹3,00,000. However, a few luxury properties are priced much higher.

**Implication:** These expensive homes raise the average price, even though most homes are in the mid-range.

**Conclusion :** The market has many affordable homes, but a few high-end properties can skew the average price upwards.

## 2. Land Size (Lot Area)

**Observation:** Most homes have small to medium-sized plots. A few have very large plots.

**Implication:** These large plots are outliers and can affect the average land size.

**Conclusion :** While most properties are compact, some with vast landholdings exist, influencing overall statistics.

## 3. Ground Living Area (GrLivArea)

**Observation:** Most homes have a standard amount of living space.

**Implication:** This consistency makes it a reliable factor when comparing homes.

**Conclusion :** Living area is a stable feature, useful for benchmarking and comparisons.

## 4. Basement Size (TotalBsmtSF)

**Observation:** Basement sizes vary; some homes have none, others have large basements.

**Implication:** This variation can affect property value and should be considered when evaluating homes.

**Conclusion :** Basement presence and size can significantly impact a home's value.

## 5. Year Built (Year Built)

**Observation:** Most homes were built between 1990 and 2010.

**Implication:** Newer homes are more common, aligning with modern buyer preferences.

**Conclusion :** The housing market is dominated by relatively modern homes.

## Summary for Clients

**Price and Land Size:** Both are skewed by a few high-end properties.

**Living Area:** Consistent across most homes; a reliable comparison metric.

**Basement and Construction Year:** Variations exist; newer homes and larger basements can add value.

**Recommendation:** Focus on properties with standard living areas and consider the age and basement size for added value.



# Bedroom & Bathroom Impact

## **Bedrooms: More Isn't Always Better**

**Up to 3 Bedrooms:** Adding bedrooms up to this point can increase a home's value.

**Beyond 4 Bedrooms:** Adding more bedrooms beyond this may not significantly boost the price.

**Key Insight:** Buyers prioritize the overall layout and quality of the home over just the number of bedrooms.

## **Bathrooms: A Worthwhile Investment**

**Adding a Full Bathroom:** Can increase a home's value by approximately 10-20% .

**Adding a Half Bathroom:** Can boost value by about 10-12% .

**Key Insight:** Buyers often value additional bathrooms more than extra bedrooms, as they enhance comfort and convenience.

**Focus on Quality:** Ensure that any additions or renovations maintain a high standard of quality.

**Consider Buyer Preferences:** Modern buyers often look for homes with multiple bathrooms and a functional layout.

**Balance Additions:** While adding bedrooms and bathrooms can increase value, it's essential to balance these additions with the overall design and flow of the home.



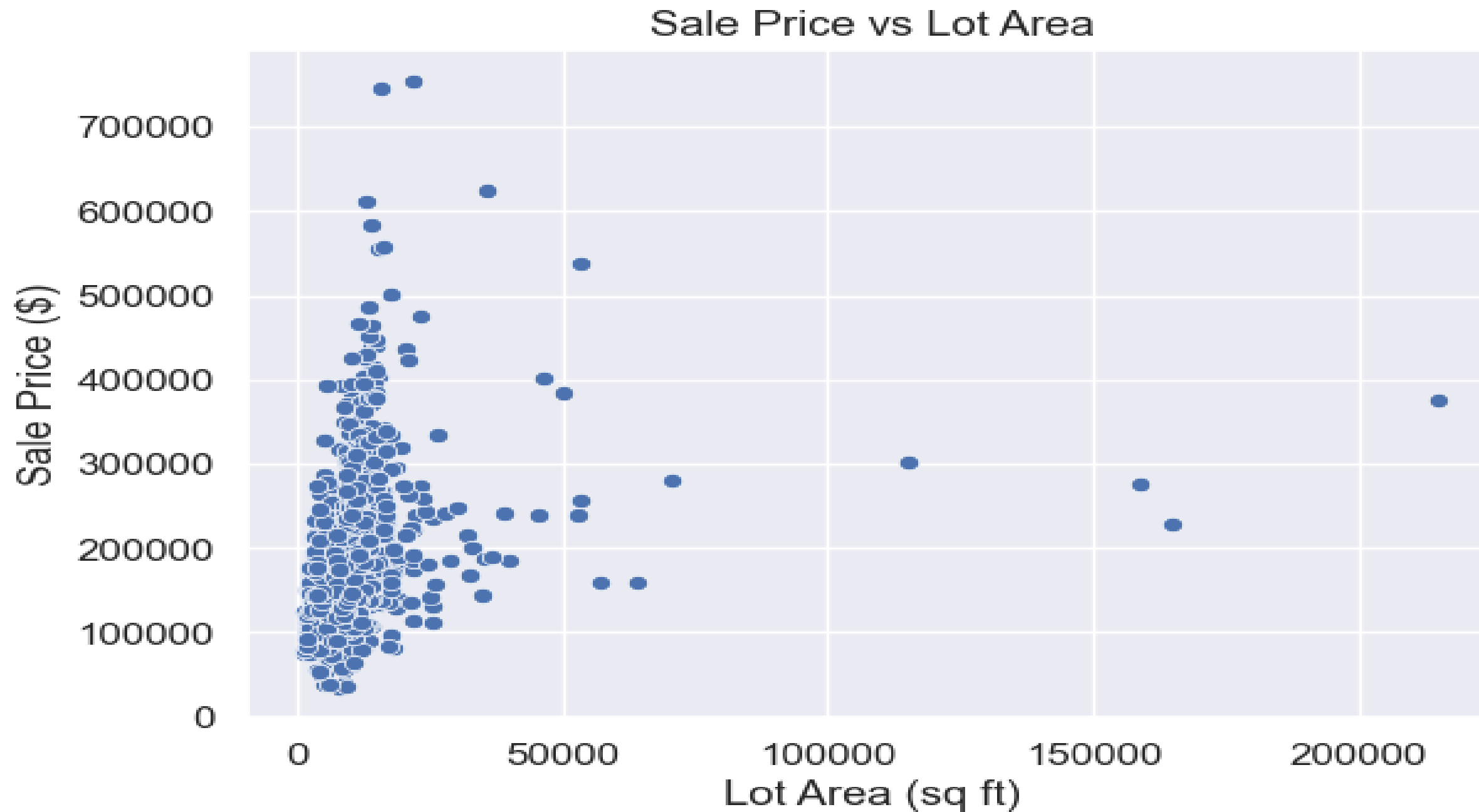
# Price per Square Foot – A Smarter Metric

Sale Price	Lot Area	₹/SqFt
₹200,000	8,000	₹25
₹500,000	10,000	₹50

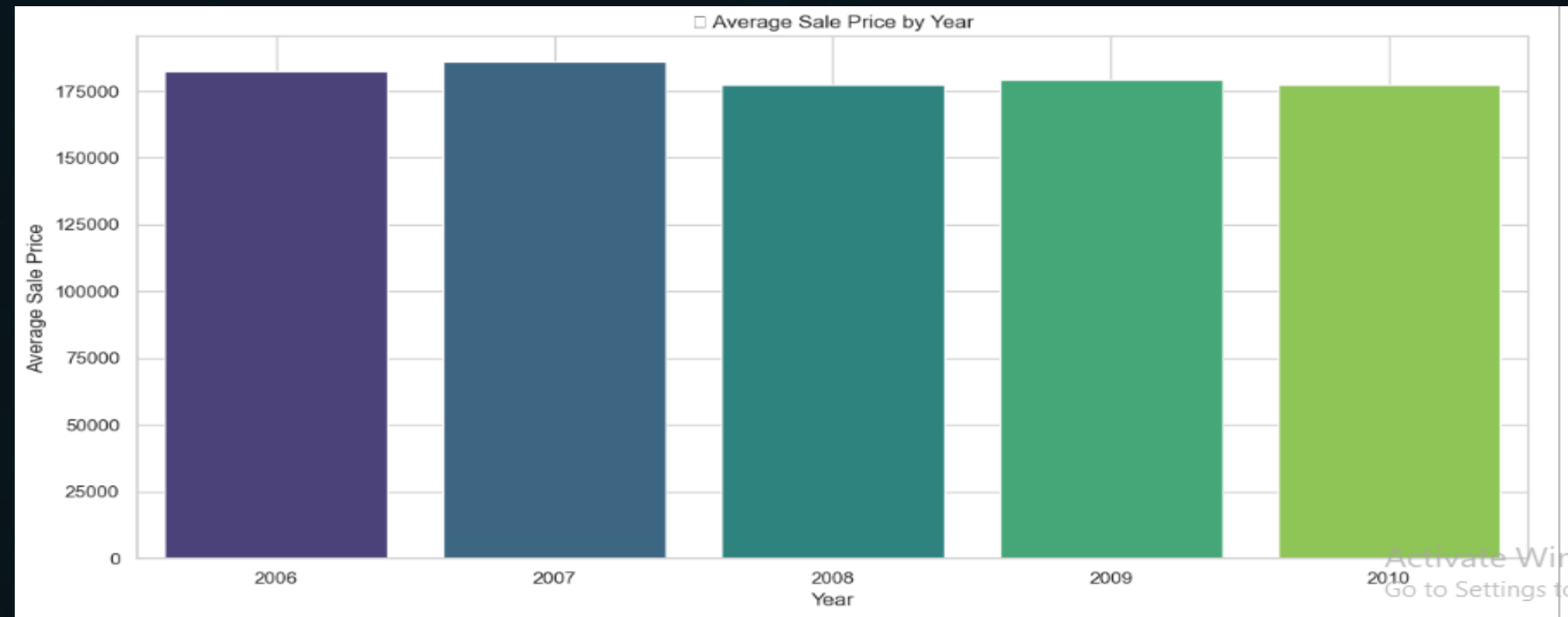
Use ₹/SqFt to quickly benchmark property value



# SCATTER PLOT



# Bar Plot



## Market Trends – Yearly Overview

Strong Demand

Gradual upward trend in prices

Clients should list during peaks and buy during dips

Seasonality

Peaks in spring and summer months

Buying Opportunities

Winter dips offer smart purchase windows



Key Insights from the Heat map:-

Living Area and Price:

**GrLivArea (Above Ground Living Area)** shows a strong positive correlation with **Sale Price**.

**Implication:** Larger living spaces tend to fetch higher prices.

Overall Quality and Price:

**OverallQual (Overall Material and Finish Quality)** is highly correlated with **Sale Price**.

**Implication:** Better quality homes are valued higher.

Garage Features:

Both **Garage Area** and **Garage Cars** have positive correlations with **Sale Price**.

**Implication:** Homes with larger or more garages are generally priced higher.

Basement and First Floor Areas:

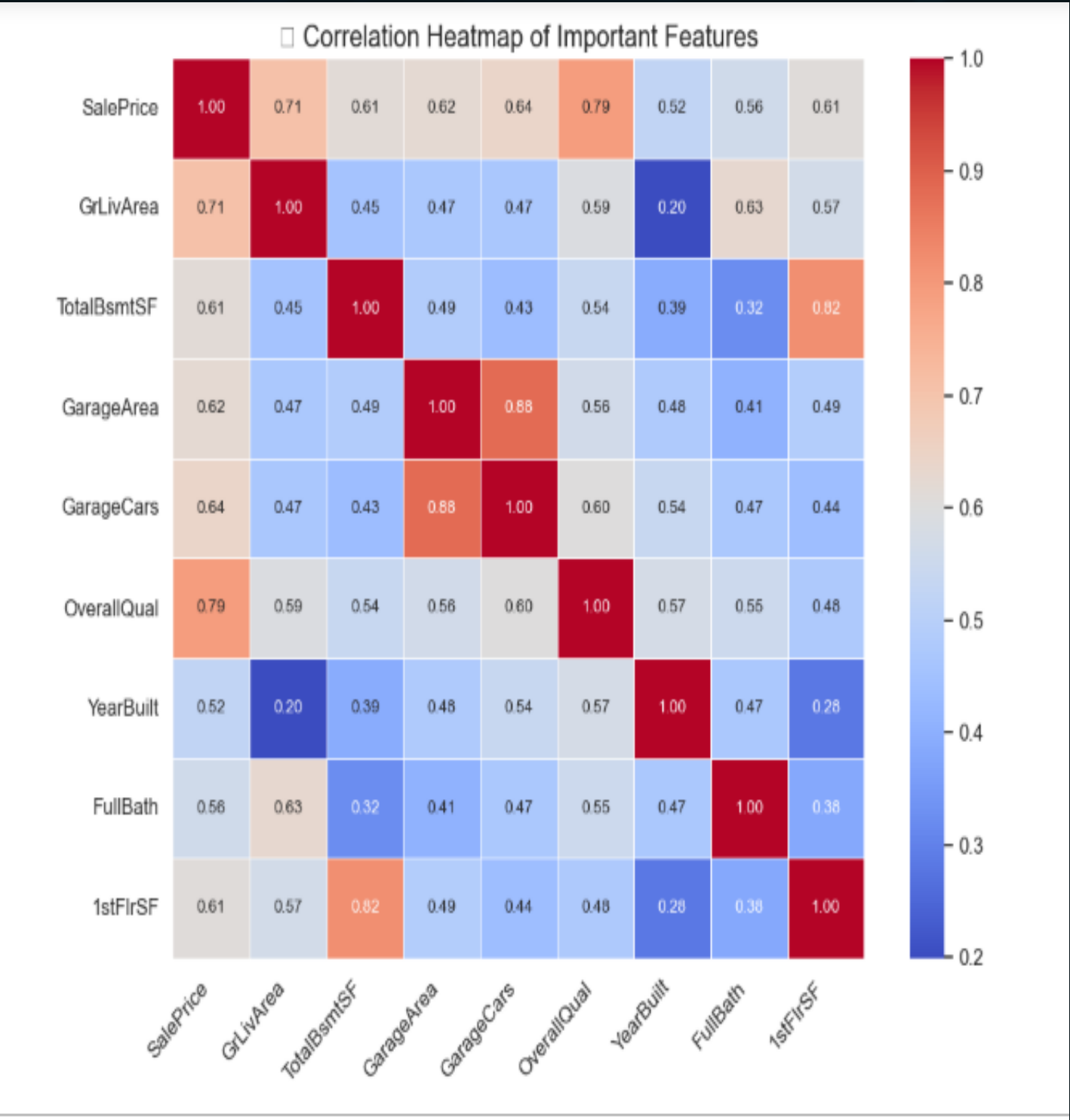
**TotalBsmtSF (Total Basement Area)** and **1stFlrSF (First Floor Area)** show moderate positive correlations with **Sale Price**.

**Implication:** More space in these areas can contribute to higher home values.

Year Built:

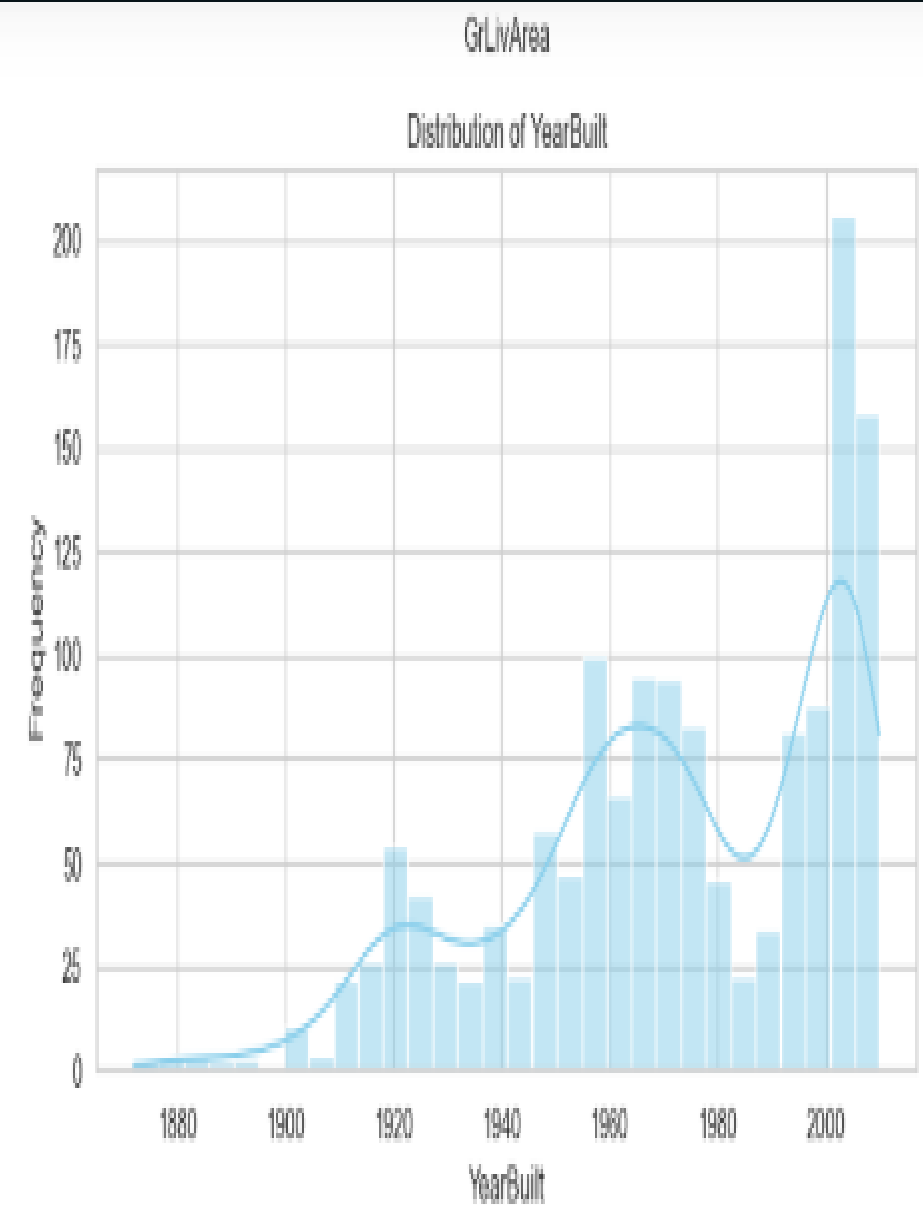
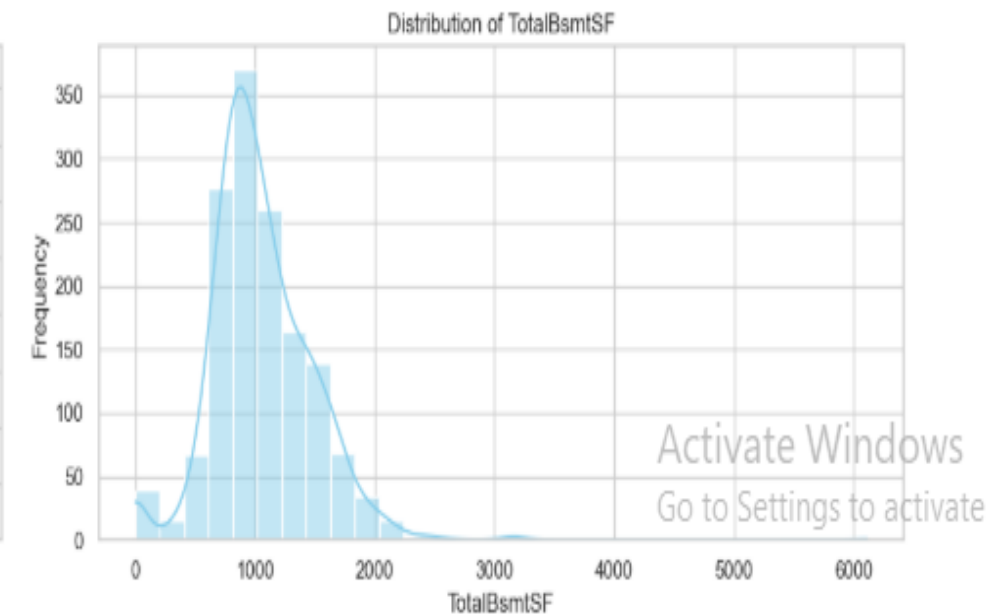
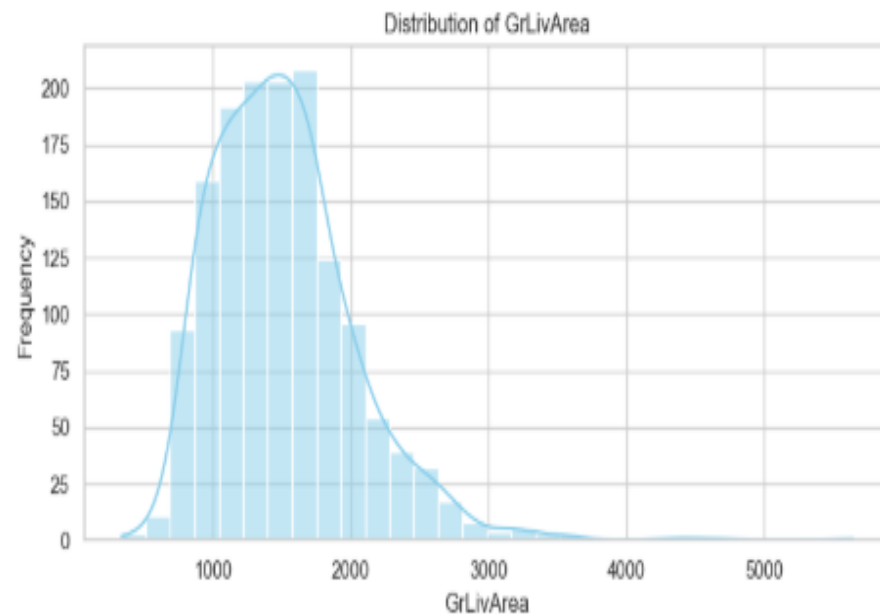
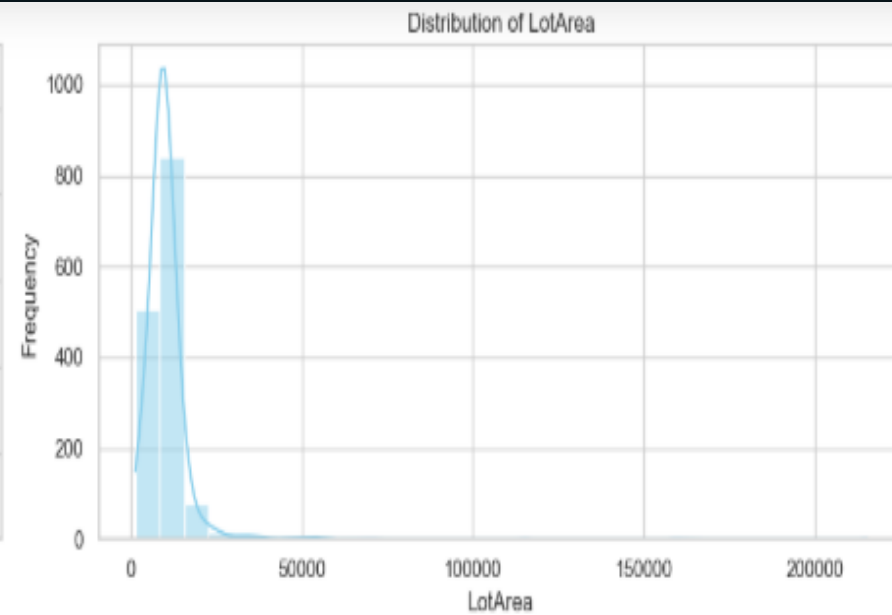
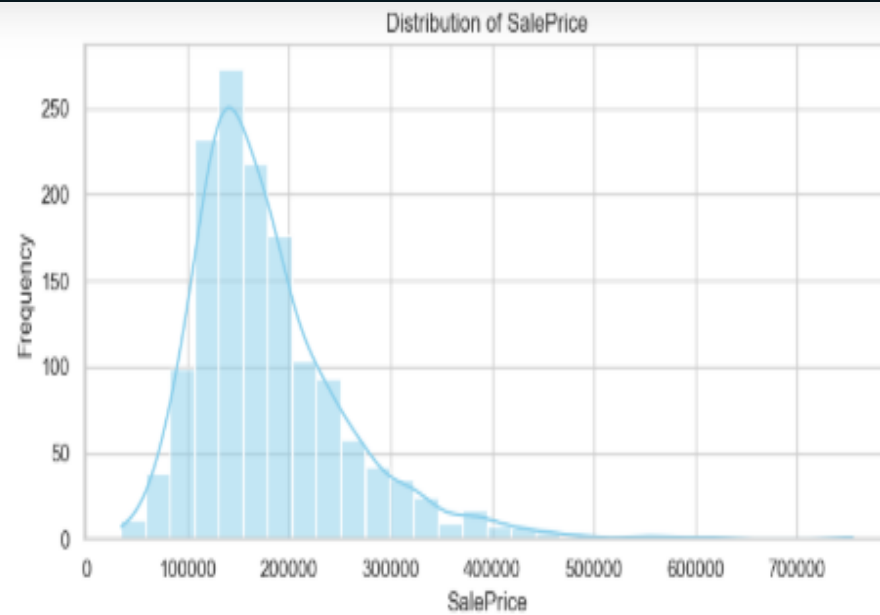
**Year Built** has a moderate positive correlation with **Sale Price**.

**Implication:** Newer homes tend to be priced higher, possibly due to modern designs and amenities.

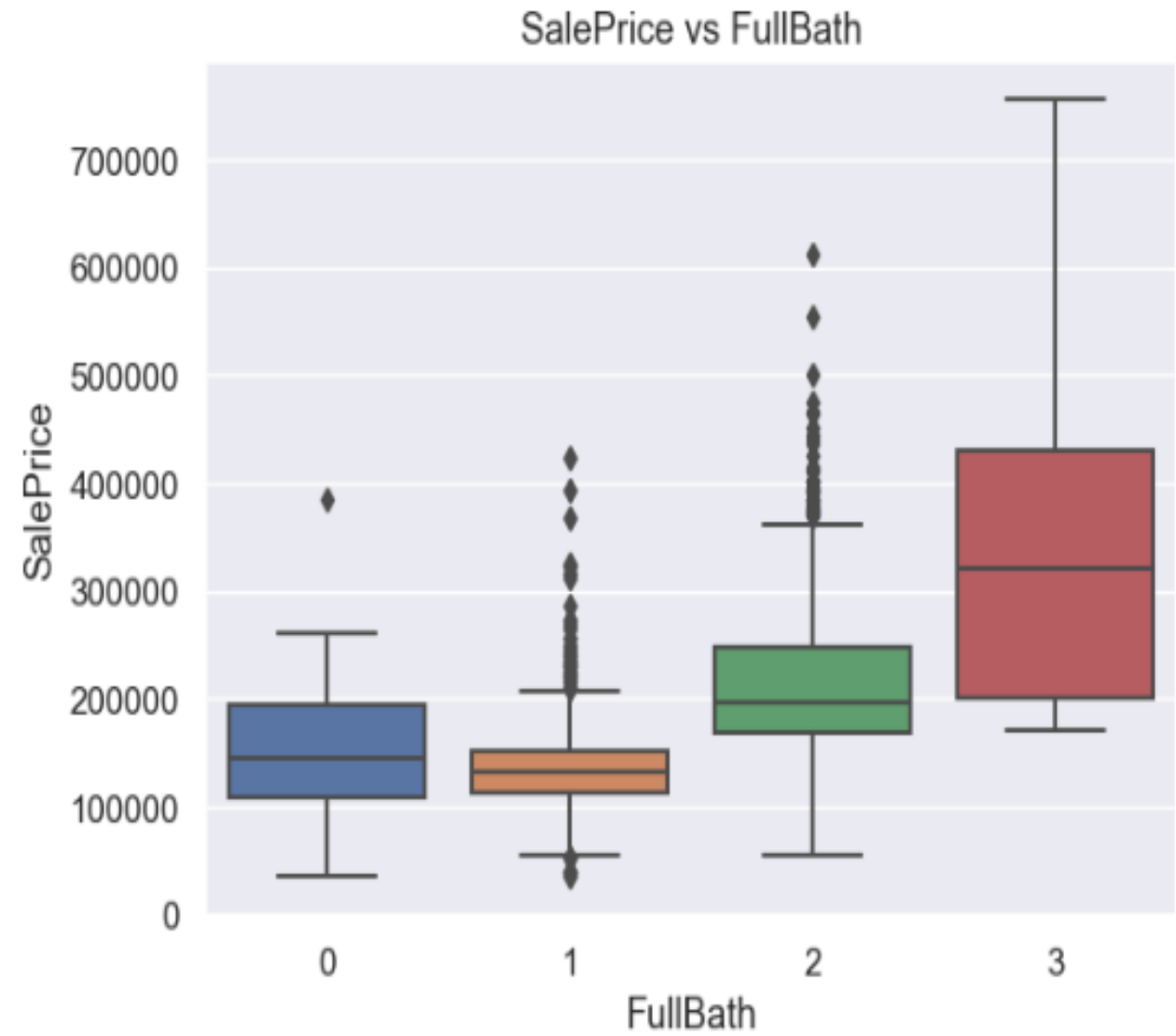
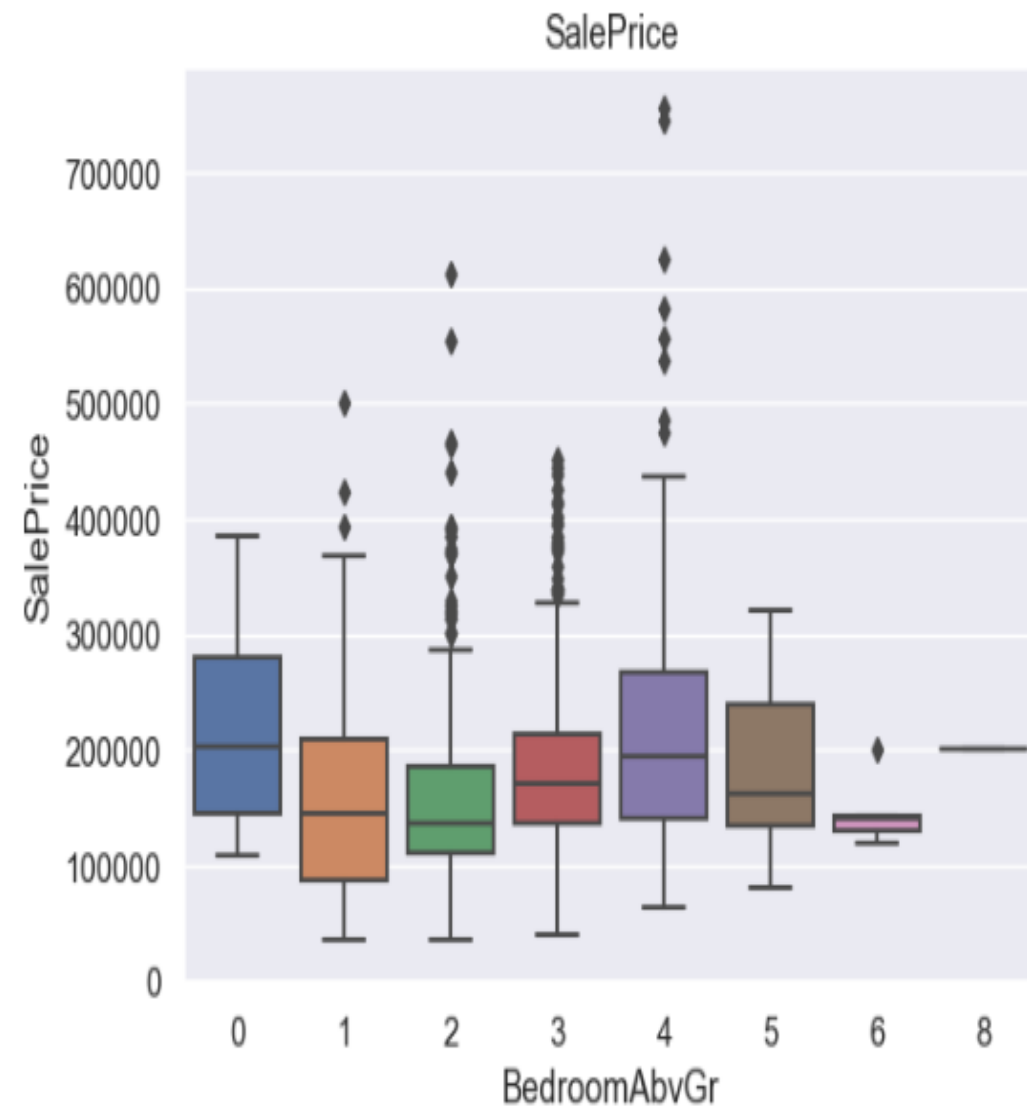




# HISTOGRAM CHART



# Box Plot



# Final Client Recommendations

## **For Buyers:**

Focus on homes with ample living space and multiple bathrooms for better value. Don't assume that more bedrooms always mean a higher price; consider the overall layout and quality.

## **For Sellers:**

Enhancing bathrooms or adding functional spaces like finished basements can increase home's appeal. Highlight the quality and condition of home, not just its size.



**“THANK YOU”**

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