

Scenario

Logistic regression is used to model the relationship between a binary response and a set of predictor variables. Because the response is categorical, we estimate the probability of the response given the various categorical and continuous predictors.

For example, we've discussed tests to find significant associations between the Bonus variable and a few candidate predictors. But what is the increase in the probability of a bonus-eligible home if an identical home has one fireplace as opposed to none, or if the home has an irregular lot shape as opposed to regular, or if the basement area increased from 500 to 1,000 square feet? Once we build our logistic regression model, we can then use the estimated probabilities to predict whether a home will sell for more than \$175,000.

Statistics 1: Introduction to ANOVA, Regression, and Logistic Regression

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