

Northwestern County Real Estate

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Overview

Based on the Northwestern county real estate data set, this is a real estate analysis for a hypothetical real estate agency to find trends and useful information that can be applied to predict sales.

Business and Data Understanding

Our customer is a real estate agency

We are looking for features that may be used as a predictor of sale price for houses.

These features will predict the sale price of a house and therefore determine profitability.

Modelling

The modelling process used to find the best predictors was a statistical method called linear regression.

This model was used to get a prediction of which features the real estate agency should focus on to predict the price of a house and hence the best returns.

Modelling Results

The biggest predictors of house sale price with the most impact was the square footage of living area followed by number of bathrooms, number of floors and whether or not a house had a waterfront

Modelling Results Continued

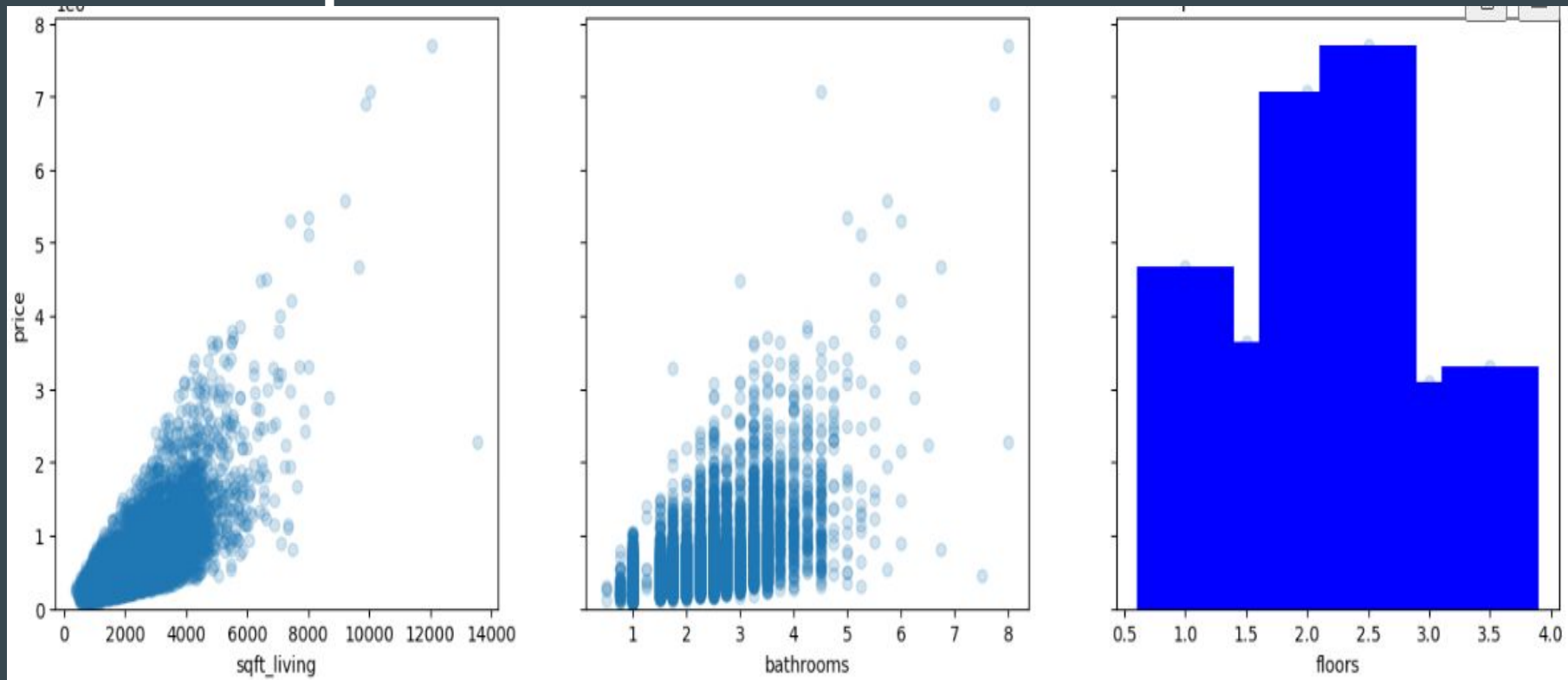
Each square footage of a house increases its value by \$301. To put this in perspective a hypothetical house with zero square footage sells at a price of \$35,000, and the average square footage of a house is 2,080.

A house with a waterfront is likely to be \$800,000 more expensive than a house without.

Modelling Results Continued 2

With an increase of one bathroom we expect to see an increase of \$10,000 in house price. With one floor increase the sale price would be predicted to increase by \$17,000.

Visual Representation



Recommendations

The four main predictors of house sale price for our real estate agency to focus on are:

1. Square footage of living area
2. Number of bathrooms in a house
3. Number of floors
4. Whether or not a house has a waterfront

Conclusion

Living area space seems to be the main predictor and waterfront houses sell at the highest prices. These should be the foremost considerations when considering houses to sell.

Thank You