

# Predicting House Prices

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# Problem Statement

Company X is a newly launched Customer-to-Customer marketplace that aims to empower individuals to be able to buy/sell property without the hassle and high commission rates of real estate agents.

One feature the company wants to provide is a pricing mechanism to help sellers determine the price they should market their property at and what they can do to get a better price for their home.

# Methodology

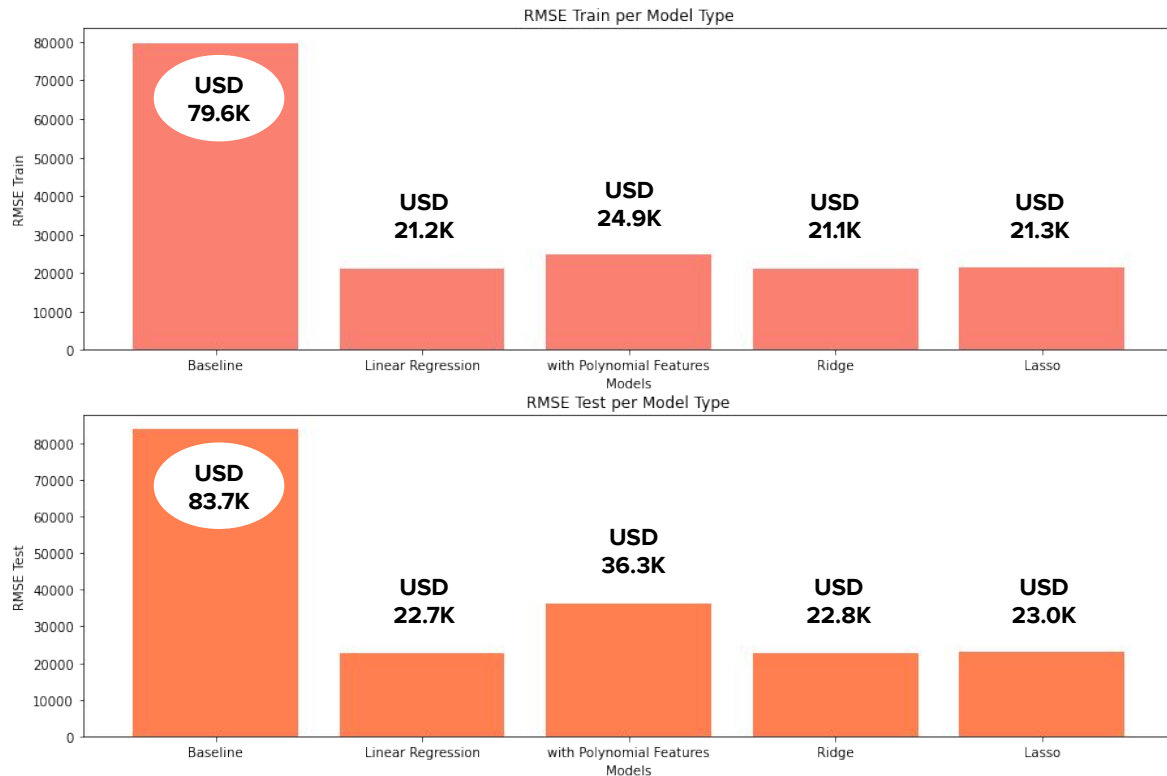
Data Clean Up

Creating and  
Choosing Features

Trial and Error:  
Modeling

Recommended  
Model

# Trial and Error: Modeling



**Root Mean Squared Error (RMSE)**  
as metric of success:

- RMSE tells you how concentrated the data is around the line of best fit (A.K.A. the model).
- The larger the RMSE the worse the model performs.

Source:

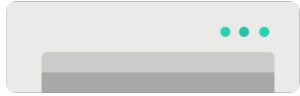
<https://www.statisticshowto.com/probability-and-statistics/regression-analysis/rmse-root-mean-square-error/>

# Recommended Model: Linear Regression



# Recommendation of Feature Relationships

+12.4  
%



**Central Air**

+5.9%



**NEW**

+8.3%



**Overall Quality**