



DC's Hottest Zip Codes for Investment

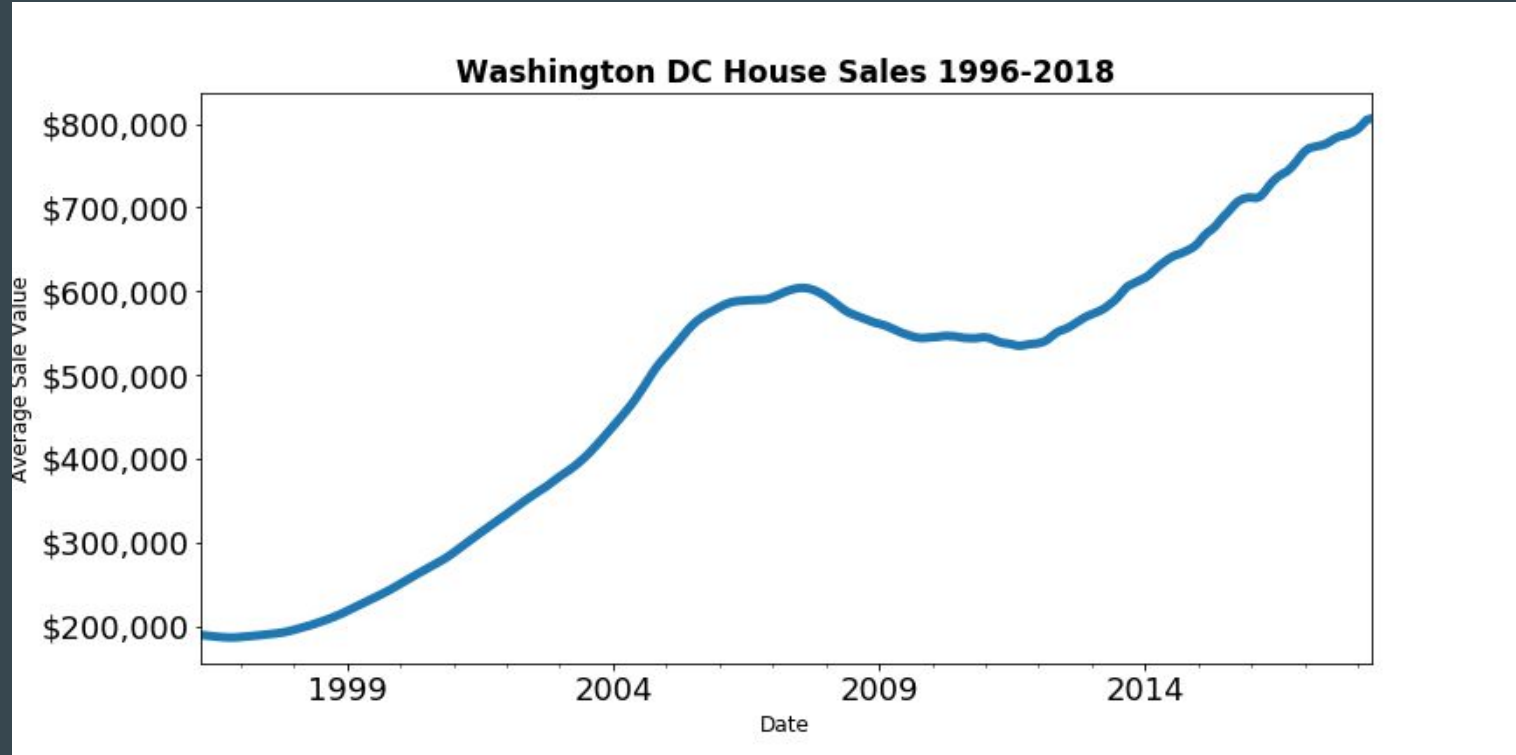
Module 4 Project
Thursday, June 20,
2019
Angel, Kelly, & Mark

Overview

Using a SARIMAX time series model, we identified five zip codes for potential investment. These were selected based on their overall propensity to increase in value over the next 12 months.

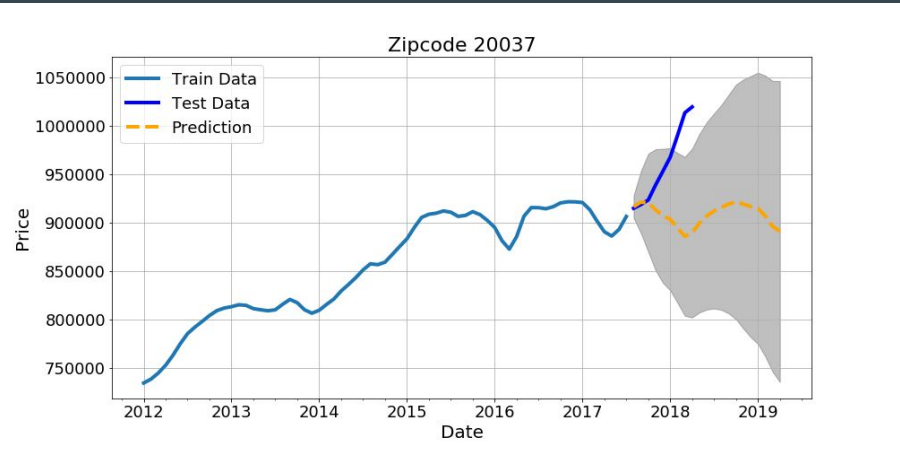


Overall Trend



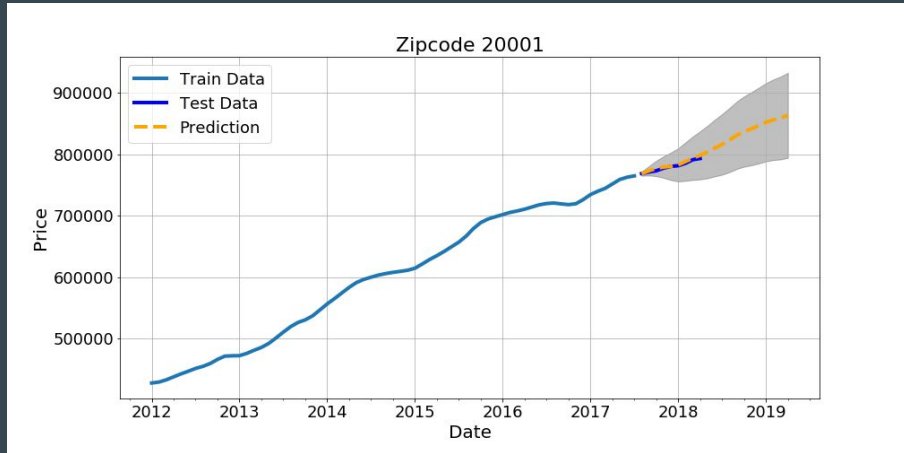
About Our Prediction Models

- Removed trends, established stationarity
 - Identified model parameters
 - Trained models with data between 2012 and 2017
 - Tested models with data from 2017
 - Fit satisfactory models with *all* available data to make final predictions
 - Make \$\$
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Not conclusive



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Much better
(based on RMSE)

What is the best investment? Some considerations:

TOTAL PROFIT

- What will give me the greatest return?

PERCENT INCREASE

- What will maximize the amount I invest?

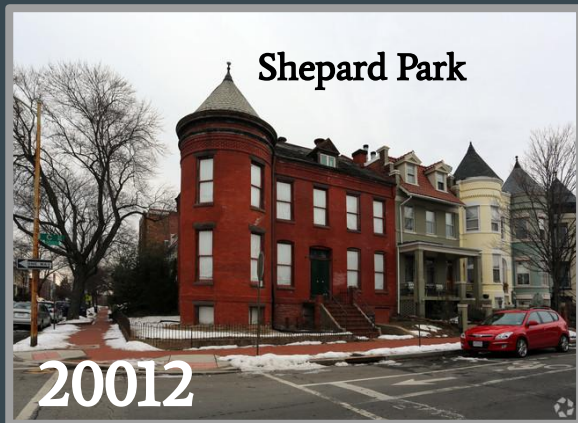
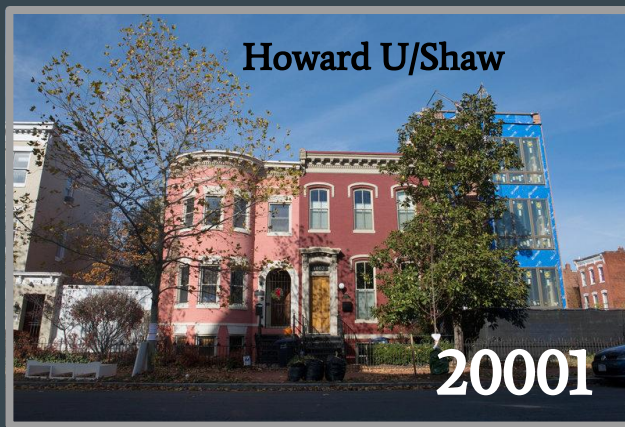
LOWEST RISK

- What will hedge my bets against losses?

Top picks

ZIPCODE	PROFIT	PERCENT	BEST CASE	WORST CASE
20002	\$51,335	7.4%	\$73,666	\$29,000
20001	\$69,518	8.7%	\$120,294	\$18,740
20012	\$35,355	4.8%	\$52,199	\$18,510
20018	\$60,362	10.8%	\$105,807	\$14,920
20020	\$24,980	7.4%	\$47,396	\$2,569

Top Picks



The Team



Kelly Epley, Ph.D



Angel Manzur, Ph.D.



J. Mark Daniels, Ph.D.
