



Agenda

- Executive Summary
- The Source
- What is Driving Prices
- The Crystal Ball
- Taxes in California
- Conclusion



Executive Summary

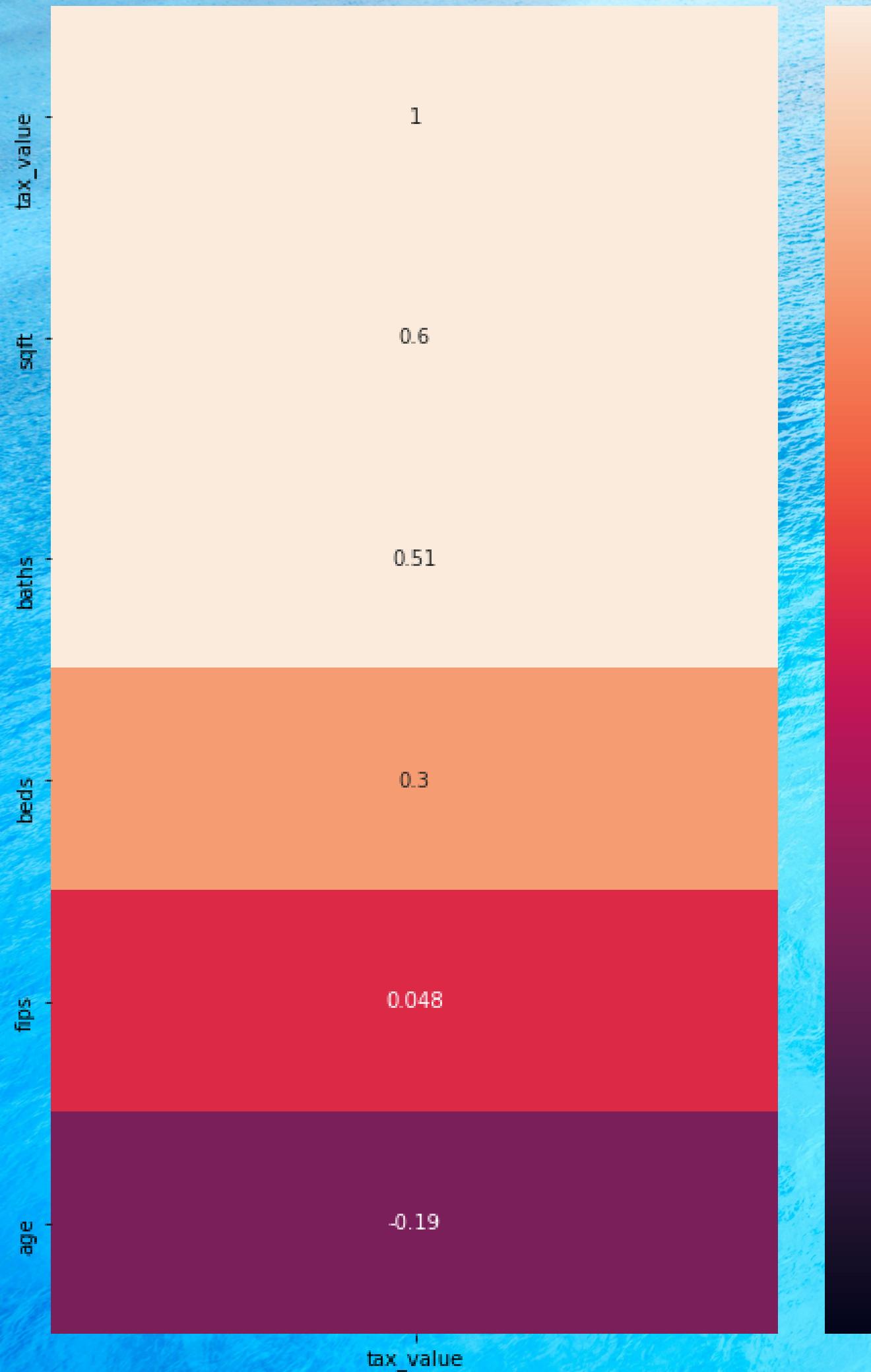
- Data for single unit properties from May-August, 2017
- Key drivers of home value
 - Square Feet
 - Bedrooms
 - Bathrooms
- Polynomial Regression = Best model for predicting value
- Tax Distribution by highest
 - Las Angeles
 - Orange
 - Ventura



The Source

- Single unit property records from May-August, 2017
- Location: California
- Condensed data down to 38,622 rows
- Max sq. ft of 11,020 and minimum of 240 sq. ft.





The Drive

The Top 3 Drivers of Value

1. Square Feet

2. # of Bathrooms

3. # of Bedrooms

The Crystal Model

BASELINE

RMSE using Mean

Train/In-Sample: 357,185.61\$

Validate/Out-of-Sample: 359,454.06\$

The R squared score for the baseline is -3.0

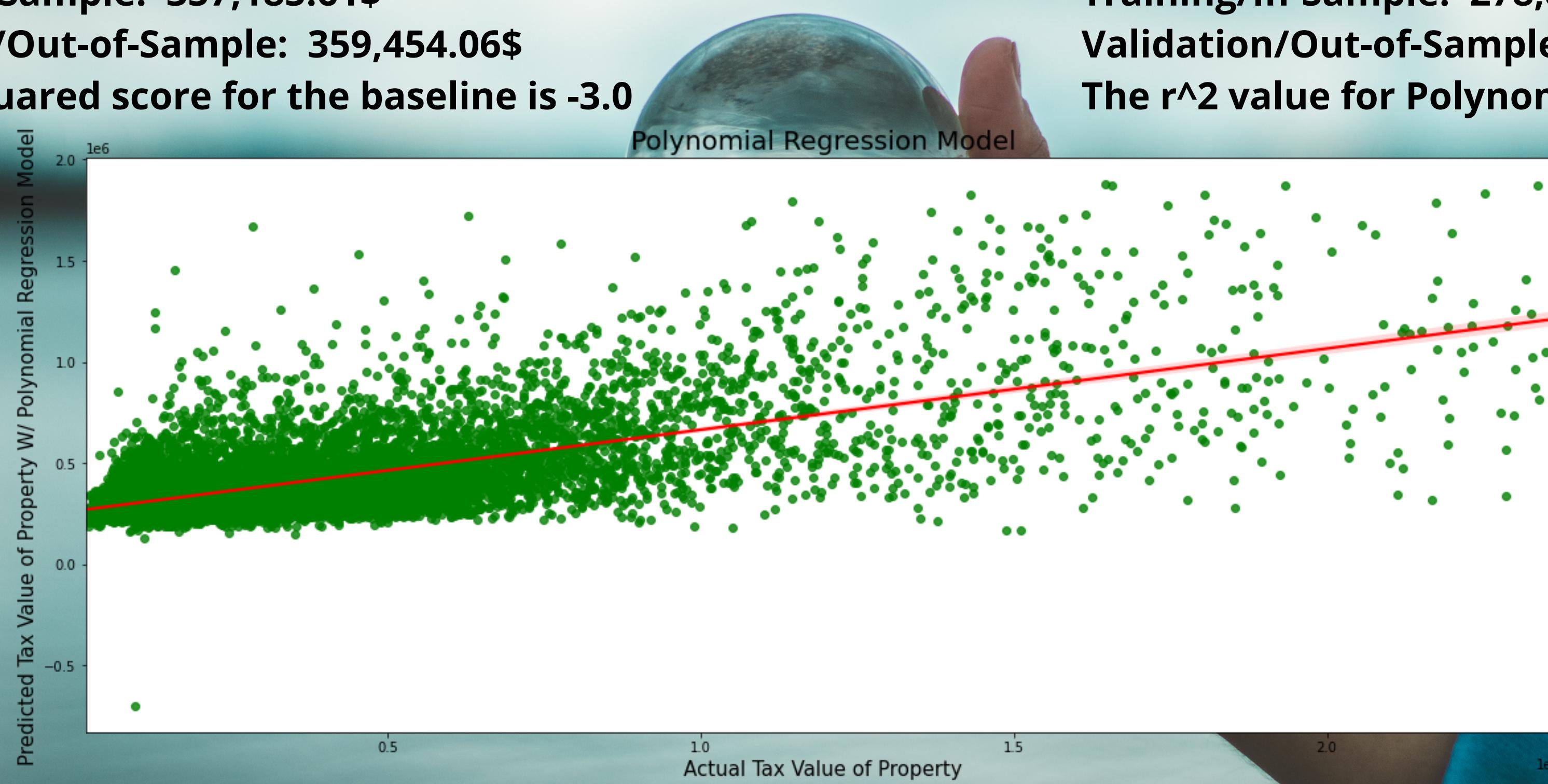
Polynomial Regression Model

RMSE for Polynomial Model, degrees=3

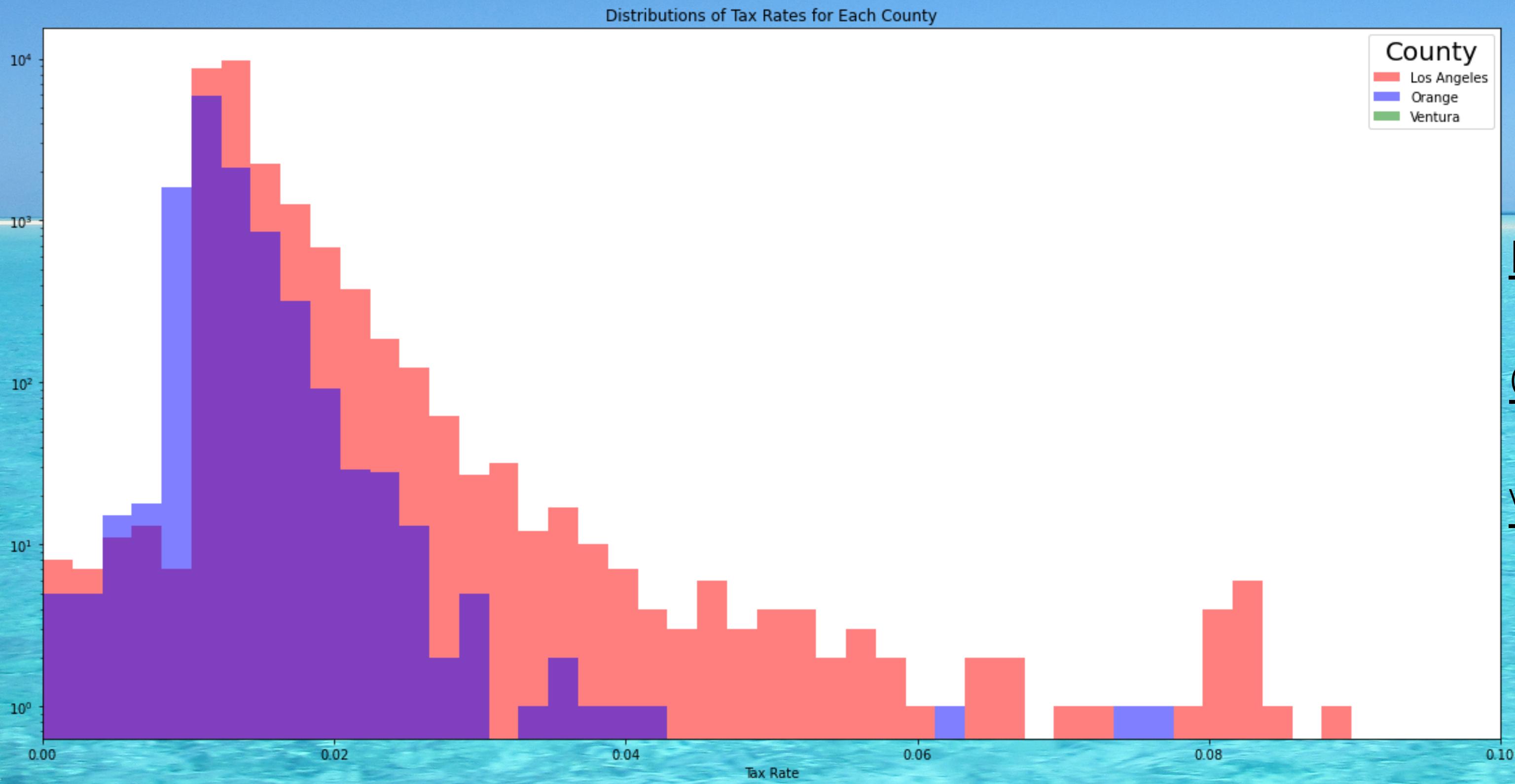
Training/In-Sample: 278,845.48\$

Validation/Out-of-Sample: 277,370.689\$

The r^2 value for Polynomial is 0.4



Tax Distributions



Conclusion

Drivers of Value

Square Foot

Bedrooms

Bathrooms

The Prediction

Polynomial Model
performed best

Tax Rate

Highest tax rate
was found in LA

Next Steps

Add more features to run
more models

Ask for data on out of state
buyers to accurately predict
migration