

Austin Metro Area Housing Investment Proposal



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Business Problem

- Our client is an individual investor who is interested in buying an investment property in Austin, TX.
- Focused on the zip codes with highest ROI

Data

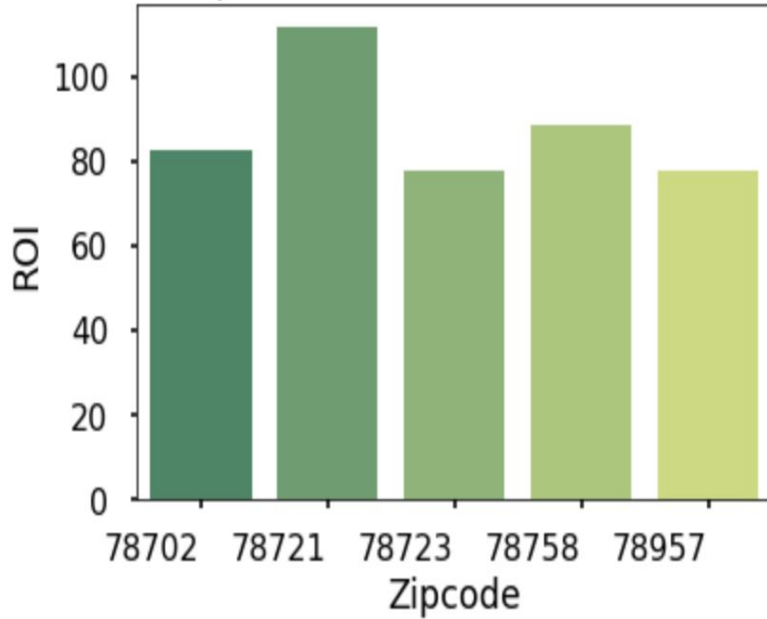
- Zillow Housing Data from April 1996 to April 2018
- 14723 Zip codes
- 7554 City
- 51 States
- 701 Metro Area

Methods

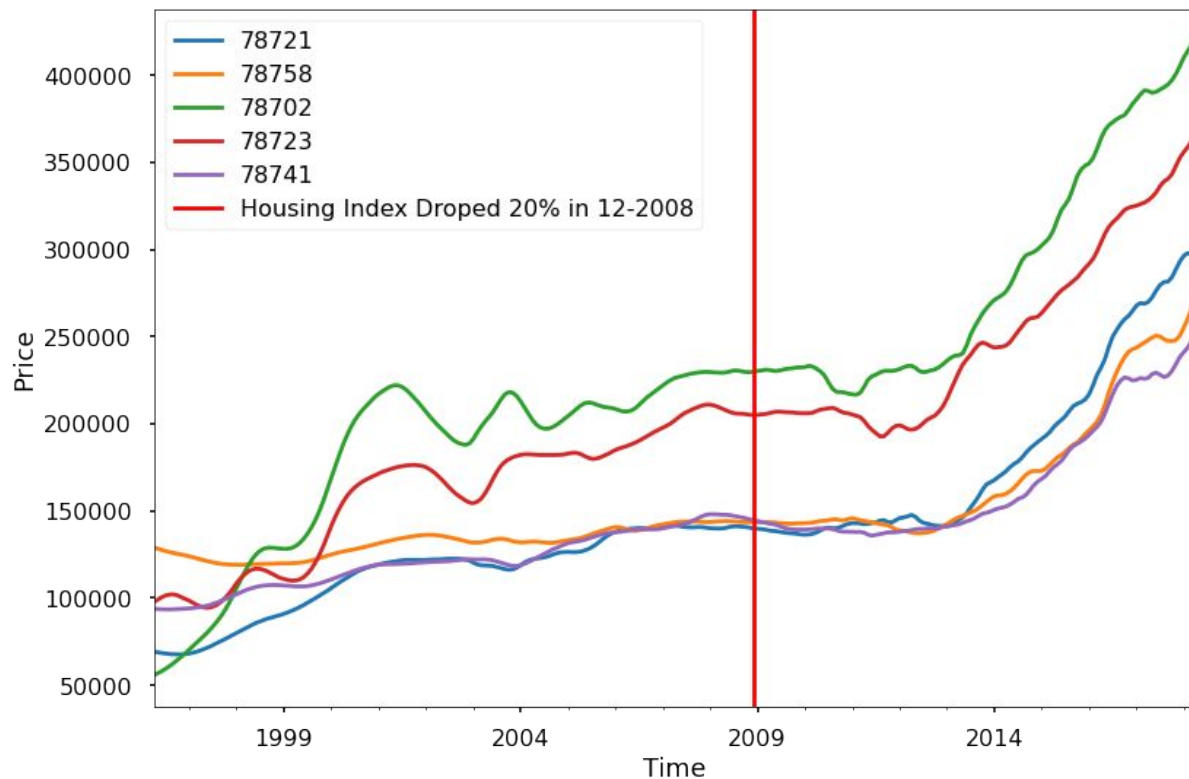
- Selected top 5 ROI zip codes in Austin metro area from 2009-01 to 2018-04
- Used Time Series ARIMA model to predict 5 year housing price for the selected zip codes
- Chose the highest ROI by 5 year projection

**Selected 5 zip
codes with highest
ROI with time frame
from 2009-01 to
2018-04**

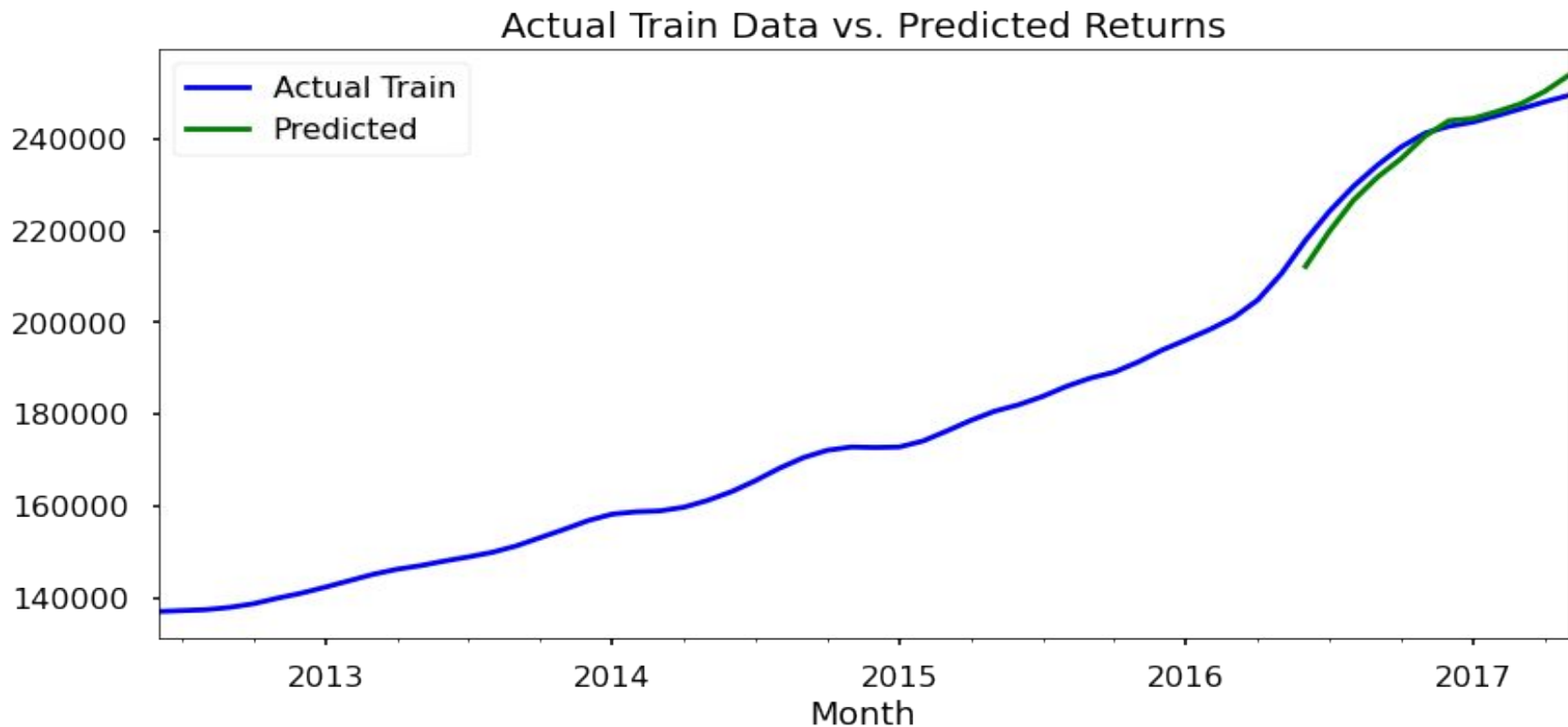
Top 5 ROI in Austin Metro Area



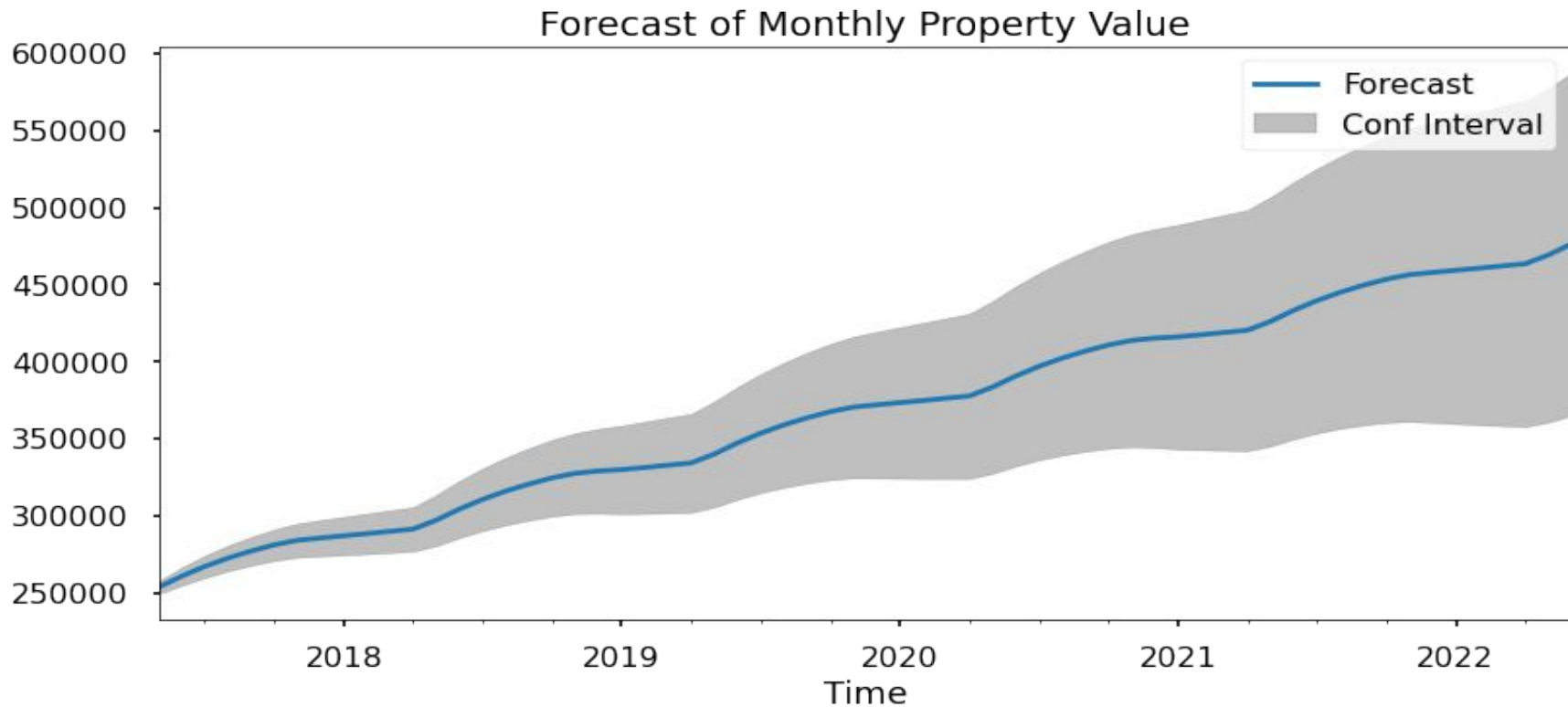
Price Trend for the Top 5 Zip Codes



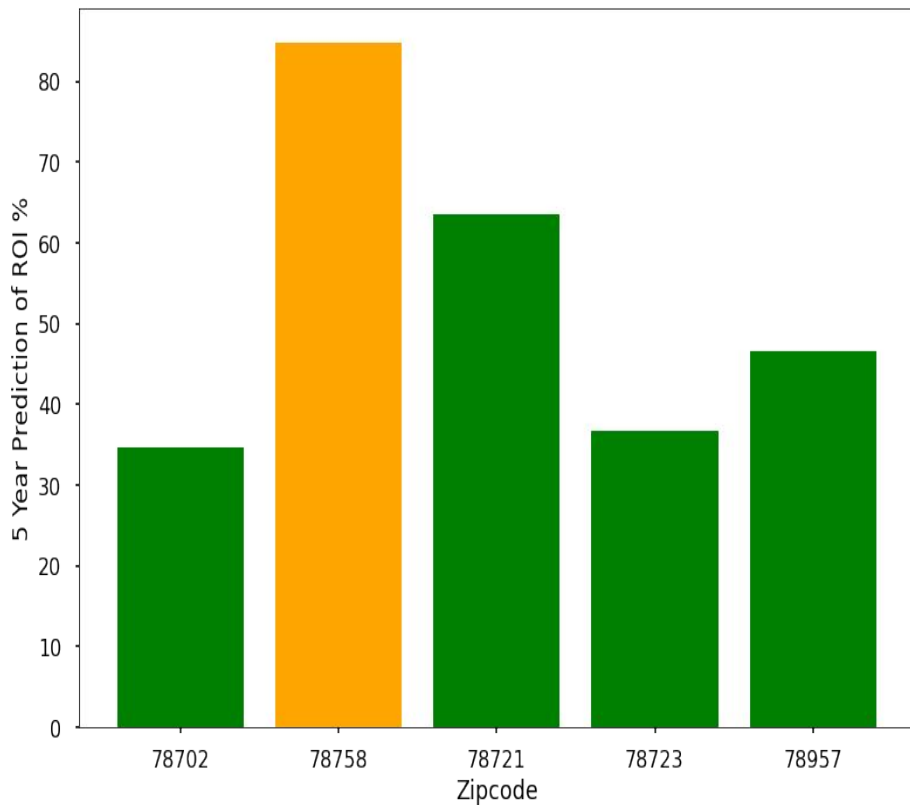
Price Prediction VS. Actual Training Data



5 Year Housing Price Projection



5 Year Prediction ROI from 2017-04



Zip code 78758
with the highest
ROI 84%

Recommendation

- Austin TX has become a tech hub in the last five to six years, and it's a hot spot for growing tech companies
- Austin consistently ranks as one of the best places to live, start a business, raise a family, and the most popular city for migration
- Suggest the investor to look for a property in zip code 78758

Next Step

- Paying cash or mortgage makes difference
- Analyze rental price to obtain annual return if available
- Housing type - Apartment, Townhouse or Single House
- Use the model to predict other interested state, metro area to find the property with highest ROI to invest in



Photo by [Megan Bucknall](#) on [Unsplash](#)

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