Ames Iowa Housing Analysis

Guide for Middle-Class Buyers

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Agenda

1. Problem Overview
2. Data Overview
3. Data Analysis
4. Model Analysis
5. Problem Analysis
6. Next Steps

Problem Overview

- What features drive home prices?

- How can one capitalize on these trends?

- How can the model be used going forward?

Data Overview

- Set included data on home sales in Ames, Iowa

- Data is for period from 2007 - 2010

- Features include:

  - Property features (size, neighborhood, bed/bath count, etc.)

  - Style features (finishes, roof type, window type, etc.)

  - Quality and condition (overall quality/condition, exterior)

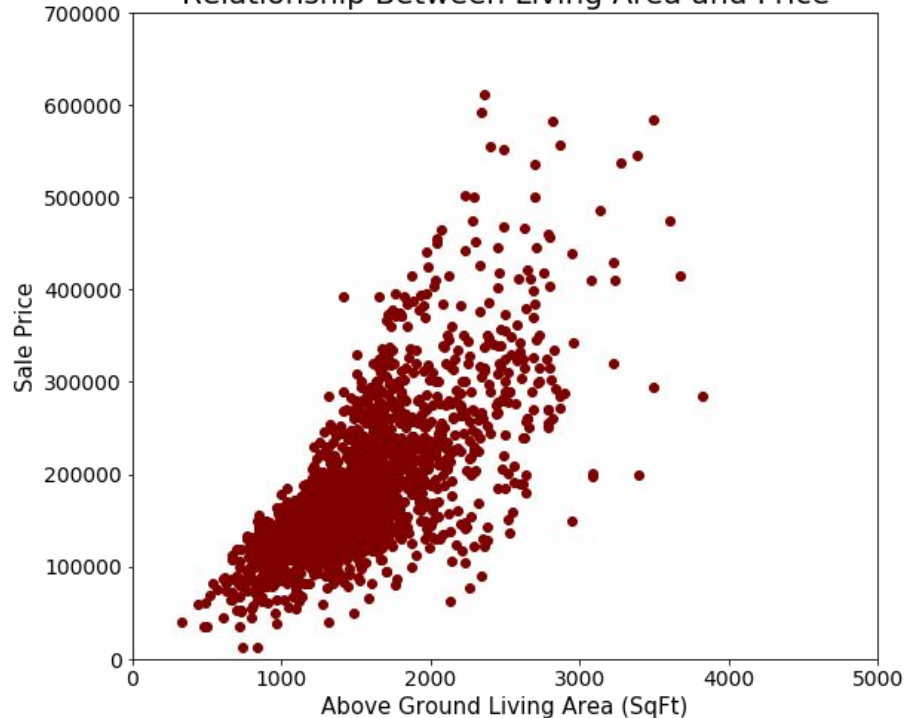- Model built on over 2,000 observations

Data Analysis
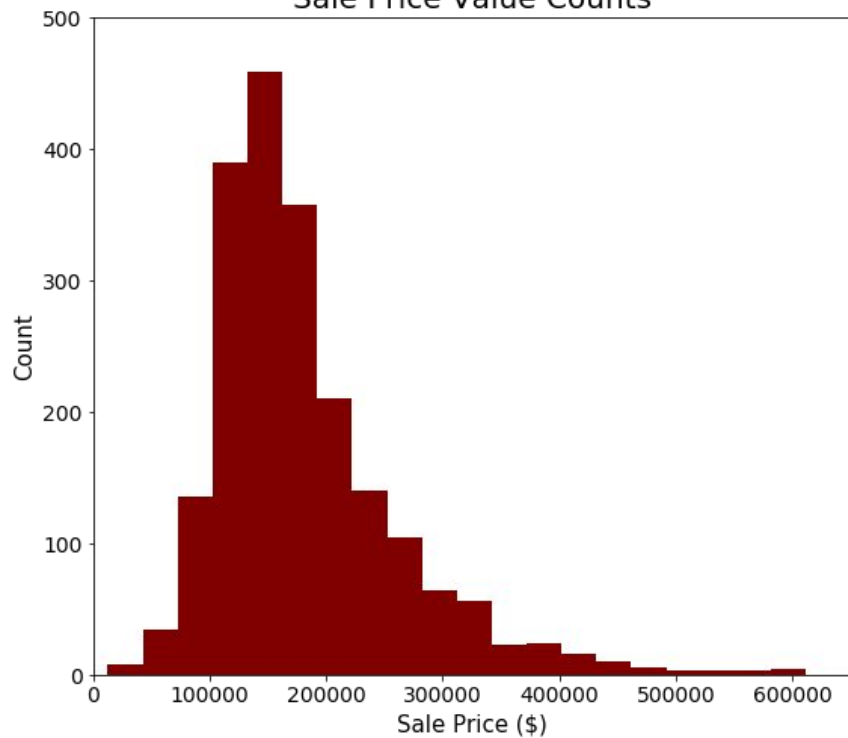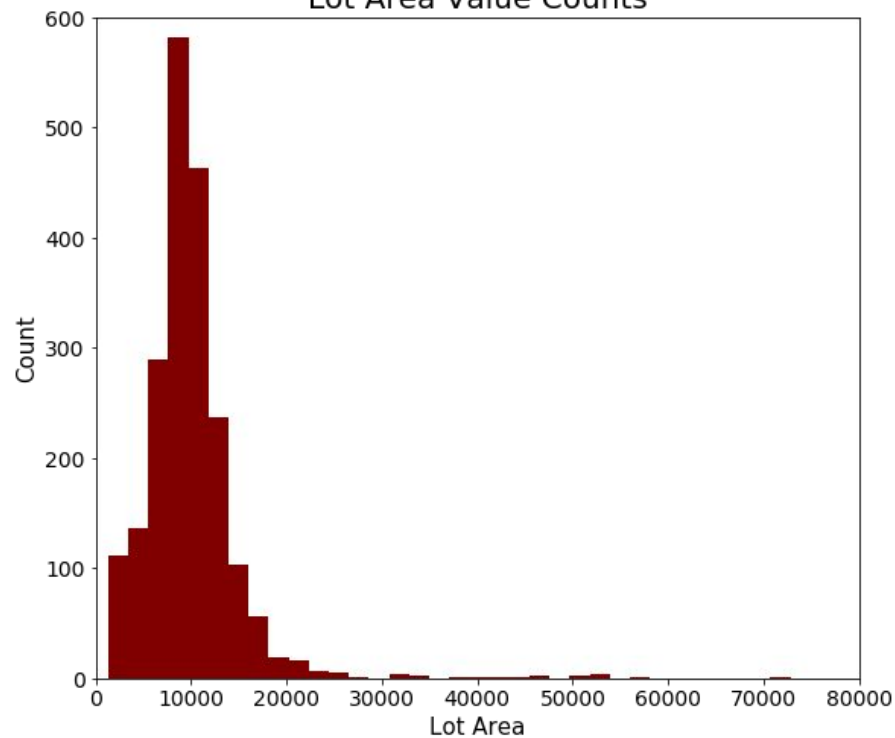
Data Analysis (cont.)

Model Analysis

Linear Regression Residual Plot
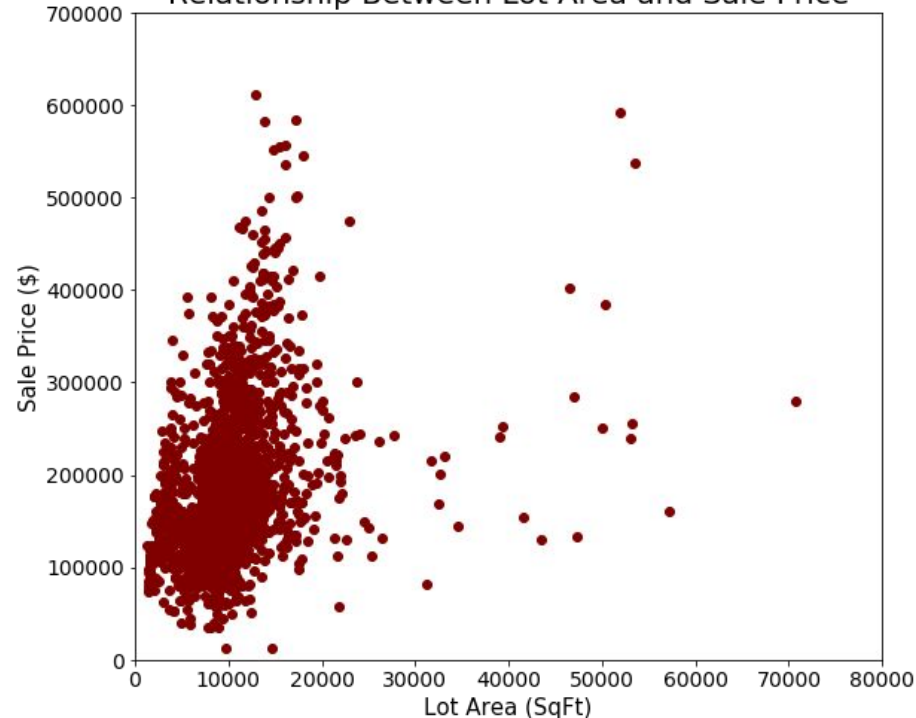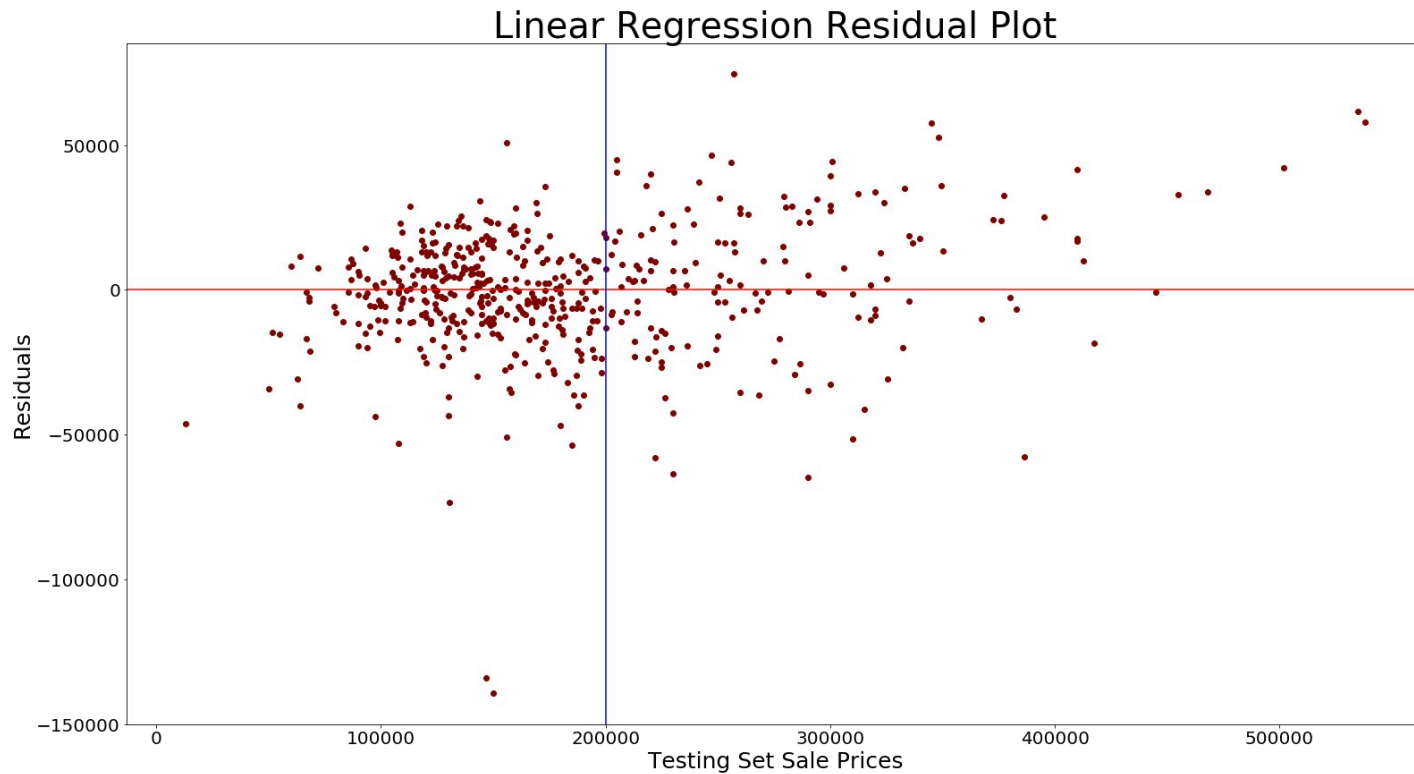
Problem Analysis

- Some traits driving price are obvious:
  - Size, quality, etc.
- Some traits driving price are less so:
  - Lacking a veneer, strong foundation, certain forms of siding, fireplaces, others
- Finding a home deemphasizing these traits can lead to good deals
  - Potential to find space and comfort without extra features
- Alternatively, can look to make upgrades to boost resale price

Next Steps

- Identify good value on future listings

- Can we identify trends?

- Making additional updates