

# The Real Estate Project March 4th, 20223 By Craig Schlachter

# Step 1: Ask

In this step we define the problem and objectives of our case study and its desired outcome

#### 1.1 Background

The Schlachters are making a big move in 2023. Craig and his wife, Jihyeon, are moving from South Korea to Georgia, USA. After using data analysis for over a year, Craig wants to use his SQL and visualization skills to understand the local housing market better and run linear regression models to predict housing prices.

Craig is confident that an analysis of credible housing data will provide useful insights for budgeting and scouting potential cities for his family to settle in.

#### 1.2 Business Task

Analyze a comprehensive housing dataset to gain insights into how variables affect housing prices and **discover trends** of the Georgia housing market.

#### 1.3 Business Objectives

- What trends have been identified?
- How do different variables affect home prices?
- How can these trends and the variables' differing price effects help the Schlachters form their house-hunting strategy?

#### 1.4 Deliverables

- A clear summary of the business task
- · A description of all data sources used
- Documentation of any data cleaning and manipulation
- A summary of the analysis
- Supporting visualizations and key findings
- Useful recommendations based on the analysis

# 1.5 Key Stakeholders

- Craig Schlachter, the husband of the family moving to Georgia.
- Jihyeon Kim, the wife of the family moving to Georgia.

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# **Step 2: Prepare**

In the prepare phase, we identify the data being used and its limitations.

#### 2.1 Information on Data Source

- 1. Data is publicly available on <u>Kaggle: Real Estate Georgia</u> and stored in 1 csv file containing 39 columns.
- 2. This dataset was co-produced by Guenter Roehrich and Jordan, who produced a dataset of real estate listings for Georgia for the first 6 months of 2021.
- 3. Data collected includes address, price, living area, city, county, house description, hometype, bedrooms, bathrooms, year built and much more.

#### 2.2 Limitations of Data Set

- This dataset is not highly cited or used widely in other people's projects from what we can see on Kaggle.
- This dataset only provides the first 6 months of data of 2021, for one state, Georgia.
- As data was collected through web-scraping, we are unable to know its integrity or exact accuracy due to no website source being listed.

#### 2.3 Is Data ROCCC?

A good data source is ROCCC which stands for Reliable, Original, Comprehensive, Current, and Cited.

- Reliable HIGH Dataset has 13,800 records for 39 different fields
- Original LOW Third party provider (Kaggle, Jordan & Geunter web-scrapped)
- Comprehensive HIGH 39 different parameters match need of business task
- Current MED Data is under two years old, but may not be as relevant
- Cited LOW Data collected by third party who didn't give their source

Overall, this dataset is considered medium quality and is recommended only as rough guideline for the Schlachters to use for budgeting and house-hunting.

#### 2.4 Data Selection

The following file is downloaded and then imported into our created SQL table 'g\_housing'.



#### 2.5 Tools

We are using SQL for data-wrangling and exploratory data analysis. Finally, we are using Tableau for visualizations.

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# **Step 3: Process**

Here, we will process the data to ensure it is clean, correct, relevant, complete and free of errors and outliers by performing:

- Explore and observe our dataset
- Check for and treat missing or null values
- Transform data format data type
- Validate the data is processed with preliminary statistical analysis.

#### 3.1 Preparing the environment

The SQL table is created, columns are named, and data types are set.

```
-- Table: public.g housing
> 🏗 FTS Dictionaries
> Aa FTS Parsers
                                                      -- DROP TABLE IF EXISTS public.g_housing;
> @ FTS Templates
> 📑 Foreign Tables
                                                    CREATE TABLE IF NOT EXISTS public.g_housing
> (ii) Functions
                                                           index integer,
> 📴 Materialized Views
                                                           id text COLLATE pg_catalog."default",
stateid integer,
> 4 Operators
> (() Procedures
                                                10
11
                                                           countyid integer,
cityid integer,
> 1..3 Sequences
                                                12
                                                           country text COLLATE pg_catalog."default", datepostedstring date,

→ Tables (3)

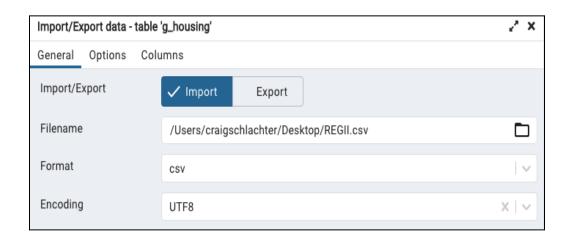
→ 

g_housing

                                                14
15
                                                           is_bankowned integer, is_forauction integer,
    > 🛅 Columns
    > M Constraints
                                                           event text COLLATE pg_catalog."default",
"time" double precision.
    > 🚴 Indexes
```

#### 3.2 Importing Dataset

Reading in the selected file.



### 3.2 Data Cleaning and Manipulation

- 1. Observe and familiarize with data
- 2. Check for nulls or missing values
- 3. Perform validation checks of data

Previewing the first 100 rows to familiarize with the data.

1 2 3	SELECT * FROM public.g_housing LIMIT 100												
Data	Data Output Messages Notifications												
=+													
	index integer	id text	stateid integer	countyid integer	cityid integer	country text	datepostedstring date	is_bankowned integer	is_forauction integer	event text	time double precision	price double precision	pricepers double pr
1	9374	30002-14475947	16	312677	0	USA	2021-07-09	0	0	Listed for sale	1625788800000	592500	
2	9375	30002-14481404	16	312678	14956	USA	2021-07-08	0	0	Listed for sale	1625702400000	499900	
3	9378	30002-97971641	16	312681	14956	USA	2021-06-29	0	0	Listed for sale	1624924800000	614900	
4	9383	30002-14508955	16	312686	14956	USA	2021-06-03	0	0	Listed for sale	1622678400000	648900	
5	9384	30002-14508960	16	312687	14956	USA	2021-06-03	0	0	Listed for sale	1625529600000	614900	
6	9385	30002-14509095	16	312688	14956	USA	2021-05-14	0	0	Price change	1625184000000	384900	
7	9376	30002-14481330	16	312679	14956	USA	2021-07-02	0	0	Listed for sale	1625184000000	350000	177.147
8	9386	30002-14475917	16	312689	14956	USA	2021-04-15	0	0	Price change	1625529600000	549000	277.86
9	9387	30002-2078041517	16	312690	14956	USA	2021-03-20	0	0	Price change	1624060800000	169000	85.537
10	9388	30002-2088745111	16	312691	14956	USA	2021-01-30	0	0	Price change	1624147200000	179500	90.851

Then I'm going to find out if there are any nulls or missing values in the dataset.

```
93 /* pricepersquarefoot has 5432 missing values. Updating by imputing livingarea averages first, then updating
 94 by imputing pricepersquarfoot derived from price & livingarea. */
 95 SELECT pricepersquarefoot
 96 FROM g_housing
97 WHERE pricepersquarefoot = 0
98 OR pricepersquarefoot IS NULL
99 ;
100
101
102 UPDATE g_housing
103 SET livingarea = avg_liv_area.avg_living_area
104 FROM(
105 SELECT city, AVG(livingarea) AS avg_living_area
106 FROM g_housing
       WHERE livingarea <> 0
107
       GROUP BY city
) AS avg_liv_area
108
109
110 WHERE g_housing.city = avg_liv_area.city
111 AND livingarea = 0
112
114 /* pricepersquarefoot has been imputed. Update again because i need to calculate living area based on city
115 and hometype for more accurate results.*/
116
117 UPDATE g_housing
118 SET pricepersquarefoot = price/livingarea
119 WHERE pricepersquarefoot = 0
120 ;
```

Imputing the **5,432 missing values** of the **pricepersquarefoot** column by taking the **average livingarea** for each unique city and then **updating the table** to set pricepersquarefoot = to price divided by livingarea for the 5,432 missing values.

**5,183** missing values for the **livingareavalue** were found. After comparing it to **livingarea** column, they proved identical. We **dropped livingareavalue** to avoid future confusion.

```
216 -- 7138 values of 0. livingarea and building area are copies of each other.
217 SELECT livingarea, buildingarea, livingarea - buildingarea
218 FROM g_housing
219 WHERE buildingarea <> 0
220 AND livingarea - buildingarea > 0;
221
222 ALTER TABLE g_housing --Dropped the buildingarea column
223 DROP COLUMN buildingarea;
```

**7,138** missing values for the **buildingarea** were found. After comparing it to **livingarea** column, they proved identical. We **dropped buildingarea** to avoid future confusion.

Above were a summation of the significant missing values we found and how we remedied them. This isn't an exhaustive list. Please read the SQL transcript for complete details.

Next, I'm going to handle the duplicates by **identifying and removing duplicate** records.

```
289 -- Have 1250 duplicates that I need to remove. Use MIN function on index to single out lowest value duplicates.
290 SELECT id, COUNT(*)
291 FROM g_housing
292 GROUP BY id
293 HAVING COUNT(*) > 1;
294
295
296 DELETE FROM g_housing
                                    -- The 1250 duplicate ids have been removed
297 WHERE index NOT IN (
                        SELECT MIN(index)
298
299
                        FROM g_housing
300
                        GROUP BY id)
301
```

We discovered **1,250 duplicate ids**. To remove them, we used the **MIN() function** to find the lowest index value among the ids. Then we deleted index numbers that weren't minimum values.

Next, we are going to look for **outliers** and correct these.

```
/* Have a min. price of 10 then ascending prices of 795,895,975,1000, and etc. 177 values lower than 10,000.
359 May have to filter these low values so they don't skew my data.*/
360
361 SELECT price
362 FROM g_housing
363 ORDER BY price ASC;
364
365 -- The low value of 0.005 pricepersqft are tied to the low values above in price.
366 SELECT MAX(pricepersquarefoot), MIN(pricepersquarefoot)
367 FROM g_housing;
```

From the above query we observed that the price column has some **extremely low values** for house prices. We made a note of these values where in the future we **filter these out with the N\_TILE function**.

Next, we found a number of the same city names being used twice. With further analysis we **uncovered inconsistent case usage** for the city inputs.(e.g. All uppercase/lowercase)

```
369 /* Some cities are UPPER CASE. Cross check for duplicates of UPPER and normal case. (Avondale Est, Avondale Estates,
370 Ball ground, Ball Ground, Blue ridge, Blue Ridge, Trenton, Trenton, JESUP, Jesup, LAGRANGE, Lagrange, JOHNS CREEK,
371 Johns Creek, Mc Caysville, McCaysville, Mc Rae, Mc Rae Helena, McRae Helena, Merritt St, Hawkinsville, Norman park,
372 Norman Park, Pt Wentworth, Port Wentworth, Rock spring, Rock Spring, Rocky face, Rocky Face, Sandy springs,
373 Sandy Springs, Talking rock, Talking Rock, Tunnel Hill, Tunnel Hill, Union Pt, Union Point, Warner robins,
374 Warner Robins, West Pt, West Point) */
375
376 SELECT city, COUNT(*)
377 FROM g_housing
378 GROUP BY city
379 ORDER BY city;
380
381 -- Updated the cities above and made them uniform.
382 UPDATE g_housing
383 SET city = REPLACE(city, 'West Pt', 'West Point')
384 WHERE city LIKE '%West Pt%';
```

By running the above query and **ordering it alphabetically**, we're able to know all the unique city names and check for duplicates written in all uppercase or lowercase. After completing a list of the duplicates, we **updated the table to replace** the affected cities with camel case style.

When looking for outliers, we stumbled upon **another set of duplicates** in the **streetaddress column** that needed to be handled.

```
397 -- DELETE id '31401-317206349', '31401-317206359','30363-82610574', streetaddress were exact same.
398 SELECT streetaddress, COUNT(*), hometype, city, price
399 FROM g_housing
400 GROUP BY streetaddress, hometype, city, price
401 ORDER BY COUNT(*) DESC;
402
403 -- DELETING 3 Duplicate streetaddresses that were the same but slightly different id
404 DELETE FROM g_housing
405 WHERE id IN('30510-2076566105','31401-317206349', '31401-317206359','30363-82610574')
406 RETURNING *;
```

We ran a simple **DELETE statement** to delete all rows in the list of ids we gave it. The duplicates have been successfully removed.

This **concludes** our task of detecting and correcting outliers.

Moving on, we are combing through the dataset looking for inconsistencies and inaccurate data.

We found **instances of inconsistent data** for the **bedrooms and bathrooms columns**. Using **Regular Expressions**, we found the relevant bedroom and bathroom data in the description column that we used to populate the fields.

```
507
     -- 1.4: Handle Inconsistent Data: Correct inconsistent or inaccurate data(bed/baths columns)
508
509
510 /* Using REGEXP to find listings with 0 bed or bath that have descriptions of bed/bath so that we can update them.
511 127 records found for Multi_Family hometypes */
512
513 SELECT id.
            bathrooms.
514
515
            bedrooms,
516
            description.
517
            regexp\_matches(description, '(\d+)[\s-]*(bed(room)?|bath(room)?(s)?|full\s+bath(s)?)[\s,-]*(\d+)?','gi')
518 FROM g housing
519 WHERE hometype = 'MULTI_FAMILY' AND (bedrooms = 0 OR bathrooms = 0)
520 ORDER BY bedrooms DESC, bathrooms DESC;
521
522 /* ids of Multi_Family to update: "31639-2072223671","31602-248201096","31602-2071770776","31601-217674146",
523 "31602-248201097", "31602-248201057", "30108-71746930", "30415-76364920", "30520-2069567562", "30017-14721246"
524 "31027-2070051057", "30093-14776437", "30071-2069710884", "30417-247166169", "30046-14720333", "30046-14724390"
525 "30314-35834054", "30096-14786700", "30417-2087070435", "30228-69916037", "30318-69382789", "30012-14998190"
526 "31811-299036383", "31811-299036388", "30344-35853078", "30165-2069653573", "30014-2082533786", "30014-69860893"
527 "30014-69887141", "30310-35842739", "30312-65441115", "30017-14721251", "30017-14721237", "30305-35900793"
528 "30240-2125751331", "31537-240254700", "30017-14721243", "30017-2069927215", "30017-14722251", "30017-14722256"
     "30017 - 14722252", "30501 - 2071106315", "30224 - 69895285", "30236 - 35790794", "30121 - 2069810607", "30315 - 35892457"
530 "31794-227347040", "30058-70839448", "31794-227350438", "31794-227346845", "31794-227345449", "30161-217338552"
531 "30317-14466278", "30525-2069576184", "30401-2073114878", "30291-2070335389", "30663-252314697", "30337-55016988"
532 "30012-2069621595", "30308-71752019", "31204-210204723", "30017-14721236", "30046-14723744", "31023-105215604" */
```

After uncovering the **127 inconsistent listings for Multi\_Family hometypes**, we next checked the Single\_Family homes.

```
536
    -- 8 records found for SINGLE_FAMILY hometypes
537
538 SELECT id.
539
            bathrooms,
540
            bedrooms
541
            regexp\_matches (description, '(\d+)[\s-]*(bed(room)?|bath(room)?(s)?|full\s+bath(s)?)[\s,-]*(\d+)?','gi') \\
543 FROM g_housing
     WHERE hometype = 'SINGLE_FAMILY' AND (bedrooms = 0 OR bathrooms = 0)
544
545 ORDER BY bedrooms DESC, bathrooms DESC;
546
547
   /* ids of Single_Family to update:"30184-55491257","31069-70827021"
548
549
     "30607-54366335", "30747-2071169210"*/
550
551
552 -- 1 records found for CONDO hometypes
553
554 SELECT id,
555
            bedrooms.
557
            description.
            regexp\_matches (description, '(\d+)[\s-]*(bed(room)?[bath(room)?(s)?]full\s+bath(s)?)[\s,-]*(\d+)?','gi')
558
559 FROM g housing
560 WHERE hometype = 'CONDO' AND (bedrooms = 0 OR bathrooms = 0)
561
    ORDER BY bedrooms DESC, bathrooms DESC:
562
    /* ids of CONDO to update:"30605-2069710143"*/
563
```

Above, we found **9 records** that needed further analysis for **Single\_Family and Condo** homes. After further investigation, we found **5 records needed updating**.

Finally, we analyzed the final hometype, **LOT**, **which yielded 29 records that needed updating**. After all records were flagged, we ran the **UPDATE** statement and **DELETE statement** to make our data consistent and accurate.

```
568 -- 186 records found for LOT hometypes
570 SELECT id.
571
            bathrooms,
572
            bedrooms.
573
574
           regexp\_matches(description, '(\d+)[\s-]*(bed(room)?|bath(room)?(s)?|full\s+bath(s)?)[\s,-]*(\d+)?','gi')
575 FROM g_housing
576 WHERE hometype = 'LOT' AND (bedrooms = 0 OR bathrooms = 0)
577 ORDER BY bedrooms DESC, bathrooms DESC;
578
579 /* ids of LOTS to update: "31632-76508777", "31064-2075414403", "31063-111810006", "31546-105433918", "31005-49861887"
"30094-14994046", "30564-105323006", "30721-214754566", "30241-2072211750", "31032-2079673115", "30240-2097965622"
581 "30547-2072716008", "31076-2071593083", "30630-232367700", "30442-2071053141", "31791-242687198", "30635-105241420"
582 "30543-101327579", "30525-2077488869", "30628-89890606", "31714-193667520", "30531-89880673", "30728-58519842"
583 "30629-230148045", "30176-2095958273", "31021-243909060", "30045-14722414", "31037-2069653151", "30669-2074037854" */
584
585
--Updating all the records for the different hometypes that I flagged above. /* All Records Updated */
587
588 UPDATE g_housing
589 SET bedrooms = 1,
590
      bathrooms = 1
591 WHERE id = '30669-2074037854';
592
593 -- Deleting records that didn't have enough info to impute. /* Deleted */
594 DELETE FROM g_housing
595 WHERE id = '31601-217674146'
596 RETURNING *;
```

This **concludes** our task. All data is now considered consistent and accurate.

Next, we were **tasked with checking if our data types were correct and standardized**. After looking through the dataset, **all data types were ready** and standardized for the analysis and visualization phases.

Lastly, we need to validate (check for nulls/missing values, duplicates, outliers) our data before saving the cleaned data to a new file.

As mentioned earlier, extreme outliers were found in the price column. Remembering this, we need to update our table to make sure it is validated for the analysis phase of our project.

```
--Finding outliers using the N_tile function. Filtering the outliers in the bottom 1 and top 100 percentiles.
661
662 WITH q1 AS (
663
               SELECT price, NTILE(100) OVER (ORDER BY price) AS percentile
664
               FROM g_housing)
665
666 SELECT price
667 FROM q1
668 WHERE percentile IN (1, 100);
670 -- Deleting the 255 price outliers to make the data more representative
671
672 DELETE FROM g_housing
673 WHERE price IN(
        WITH q1 AS (
SELECT price, NTILE(100) OVER (ORDER BY price) AS percentile
674
675
676
              FROM g_housing)
677
678 SELECT price
679 FROM q1
680 WHERE percentile IN (1, 100))
681 RETURNING *;
```

We used the **NTILE function** to order the prices into **percentiles from 1-100**. We put this query into a CTE, then selected the prices that were only in the bottom 1 and top 100 percentiles, our outliers. Finally, we put this query into a DELETE statement to take the 255 price outliers from our dataset.

This concluded our validation so we saved the cleaned data to a new file to prep it for the analysis phase.

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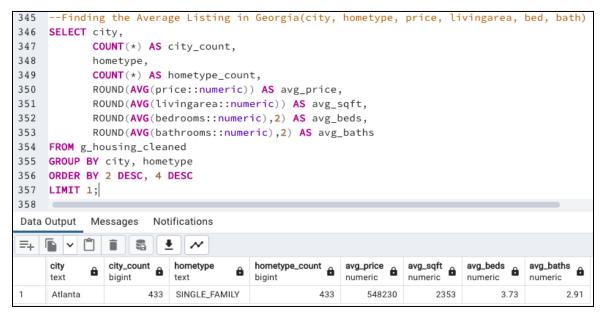
# Step 4: Analyze

#### 4.1 Performing Calculations

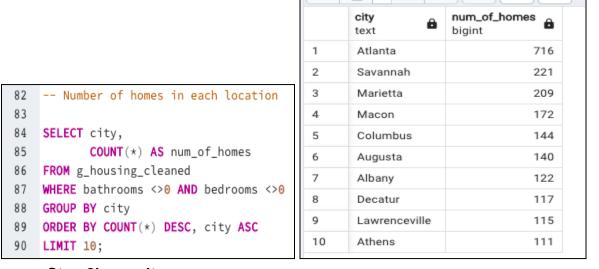
Pulling statistics for analysis:

1. Count number of listings for top city and hometype. Find average home price, square footage, bedrooms and bathrooms.

- 2. Count the top 10 most popular cities measured by a count of home listings.
- Calculate the average home price by city.
- 4. Calculate the correlation coefficient of price to square feet, price to bedrooms, price to bathrooms, and price to year built.



Step 1's Results



Data Output

=+

Messages

Notifications

Step 2's results

		Data Output Messages Notification				
		=+				
			city text	avg_price numeric		
		1	Juliette	1600000		
		2	Plainville	1112500		
		3	Woodville	1055000		
		4	Mount Airy	949000		
		5	Berkeley Lake	940000		
		6	Lyerly	879500		
		7	Tybee Island	863804		
		8	Fairmount	806362		
		9	Bishop	779557		
155	Avg Price per location	10	Cherry Log	777692		
156	SELECT city,	11	Roopville	769083		
157	ROUND(AVG(price::numeric)) AS avg_price	12	Saint Simons Island	760317		
158	FROM g_housing_cleaned	13	Greensboro	754379		
159 160	WHERE bedrooms <> 0 AND bathrooms <> 0 GROUP BY city	14	Brookhaven	751761		
161	ORDER BY ROUND(AVG(price::numeric)) DESC;	15	Menlo	750000		

**Step 3's results**(truncated for visual purposes)



Step 4's Price to Sqft. Correlation

```
214 -- Checking correlation between bedrooms and price
     SELECT ROUND(correlation::numeric,2) AS corr_price_bed
215
216
     FROM(SELECT CORR(bedrooms, price) AS correlation
217
     FROM g_housing_cleaned
     WHERE bathrooms <> 0 AND bedrooms <> 0) t;
218
219
Data Output Messages Notifications
=+
     corr_price_bed
     numeric
              0.40
1
```

**Step 4's Price to Beds Correlation** 

227	Checking correlation between bathrooms and price						
228	SELECT ROUND(correlation::numeric, 2) AS corr_price_bath						
229	FROM(SELECT CORR(bathrooms, price) AS correlation						
230	FROM g_housing_cleaned						
231	WHERE bathrooms <> 0 AND bedrooms <> 0) t;						
232	232						
Data Output Messages Notifications							
	corr_price_bath numeric						
1	0.64						

**Step 4's Price to Baths Correlation** 

```
-- Checking correlation between yearbuilt and price
     SELECT ROUND(correlation::numeric, 2) AS corr_price_year
241
242
     FROM(SELECT CORR(yearbuilt, price) AS correlation
     FROM g_housing_cleaned
243
     WHERE bathrooms <> 0 AND bedrooms <> 0 AND yearbuilt <> 0) t;
244
245
Data Output
            Messages
                       Notifications
=+
     corr_price_year
     numeric
               0.06
1
```

**Step 4's Price to Year Built Correlation** 

Interpreting statistical findings:

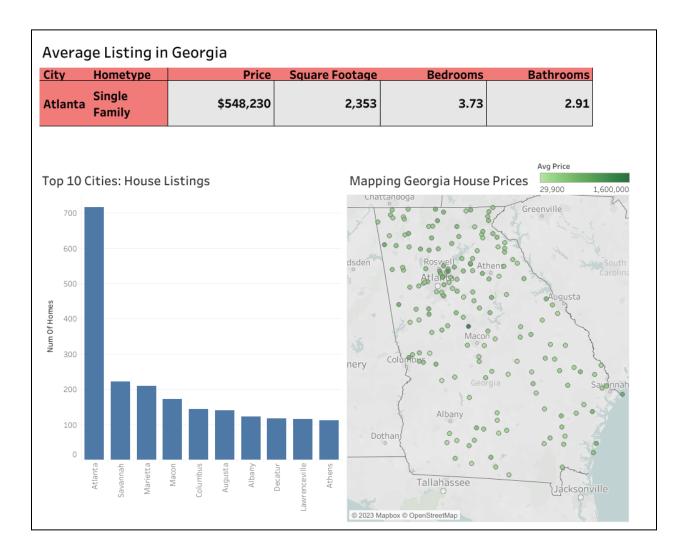
- 1. The average home you will find in Georgia is a single family home located in Atlanta with a price of \$548,230 giving you 2353 sqft., 3.73 bedrooms and 2.91 bathrooms.
- 2. **Atlanta is the most popular destination** for home listings followed by Savannah, Marietta and eventually Athens rounding out the top 10.
- 3. Average home prices per city can be affected by the sample of listings per city. The top 10 most popular cities for listings will have a very accurate representation compared to tiny cities.
- 4. The **price correlation coefficient** is **0.52** for sqft., **0.40** for bedrooms, **0.64** for bathrooms and **0.06** for year built.

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# Step 5: Share

In this step, we are creating visualizations and communicating our findings based on our analysis.

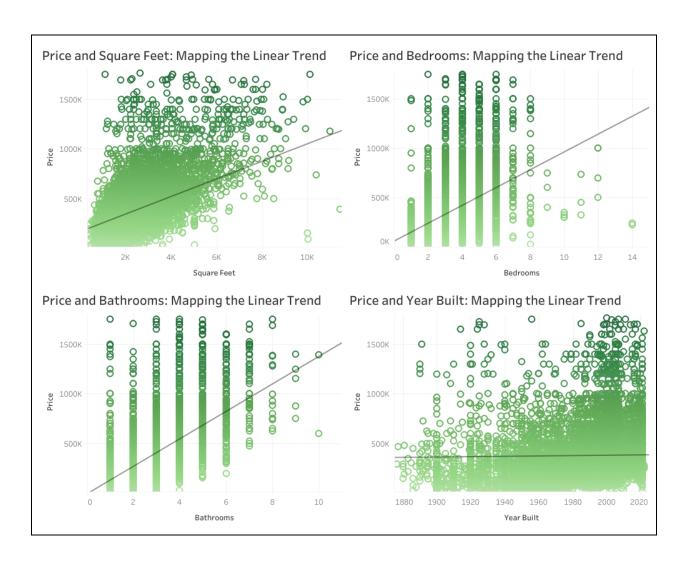
#### 5.1 Data Visualizations and Findings



#### **Average Home Listings in Georgia**

In this dashboard, we are looking at the typical average Georgia home listing, the top 10 cities by house listings and a map of average house prices in Georgia.

- 1. We discovered your typical listing in Georgia will be found in Atlanta, cost you \$550K, give you 2,353 sqft, 3.71 bedrooms on average and 2.91 bathrooms.
- 2. People prefer to live in Atlanta where there are a lot of career opportunities and entertainment or on the coastline in Savannah where there is a lot of beauty.
- 3. Average home prices increase as we geographically move closer to Atlanta's economic sphere of influence.



#### **Performing Linear Regression on Home Prices**

In this dashboard, we are looking at the breakdown of linear regression for price correlated to the variables of square feet, bedrooms, bathrooms and year built.

- 1. We discovered that these four variables all have positive correlations to an increasing price.
- 2. The strongest correlation was exhibited in the amount of bathrooms the home has.
- 3. We discovered that after the amount of bathrooms, square footage and bedrooms had the most influence on price
- 4. We noted that the year built doesn't have a particularly strong correlation to an increasing price.

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# Step 6: Act

In the final step, we will be delivering our insights and providing recommendations based on our analysis.

Here, we revisit our business questions and share with you our high-level business recommendations.

#### 1. What trends have been identified?

- The majority of people prefer to live in single family homes in the Atlanta metro area.
- House prices are higher on average in and around Atlanta. This signals there is more desire to live near economically thriving areas with a lot of entertainment.

#### 2. How do different variables affect home prices?

 The strongest indicator of a home price is the amount of bathrooms(0.64 coefficient). After that the most influential variables are square footage(0.54 coefficient) and bedrooms(0.46) in sequential order. Surprisingly, the year a home is built (0.06) barely affects the price of it.

# 3. How can these trends and the variables' differing price effects help the Schlachters form their house-hunting strategy?

- By understanding these trends and knowledge of how different variables affect home prices, the Schlachters can feel encouraged to know that they will be able to find a house in the metro area of Atlanta and remain in their budget by reducing the amount of bathrooms and square footage of the home.
- The best home recommendation for the Schlachters is a newly constructed Atlanta area Condo with 1 bathroom, 1 bedroom, and less than 1,000 sqft.