

Evaluation of property price fluctuation according to geographical landmarks, an Dublin case study

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Abstract

This is the abstract.

It consists of two paragraphs.

Introduction

To acquire a property is one of the most important achievement that individuals are seeking. It provides not only a housing security but also the feeling of being a landowner. However the access to the status of landowner is complicated because buying a property is the most expensive spending of in a lifetime. For this reason understanding the factors which are explaining how property prices evolve is a necessity.

Due to its geographic, economic and political situation, Ireland in general and Dublin in particular saw important changes in property prices in the last ten years. From a economic boom known as the “celtic tiger” in the 2000’s, Ireland were deeply impacted by the 2007 economic crisis. With an expected GDP growth of 4% for 2019, property prices are back to their highest. Whereas this grow is moderated in Irish mainland, its capital Dublin is at the center of a housing crisis. Because of factors including Irish economic wealth, the presence of tec companies european headquarters such as Facebook or Google and the historic configuration of the city which low population density structure and underdeveloped public transportation, property prices became unaffordable to most of irish families.

In this paper we want to identify the spatio-temporal factors that influencend the evolution of Dublin property prices. More precisely we want to highlight not only macroeconomical influences such as GDP but also the presence of economical landmarks such as tec companies headquarters and public transportation system on property prices evalution.

Method

Since the 1st January 2010, under the Property Services (Regulation) Act, all individuals aquering a property in Ireland has to declare it to Property Services

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Regulatory Authority (PSRA). It includes Date of Sale, Price and Address of all residential properties purchased in Ireland as declared to the Revenue Commissioners for stamp duty purposes (<https://propertypriceregister.ie>). It must be noticed that data is filed electronically by persons doing the conveyancing of the property on behalf of the purchaser and errors may occur when the data is being filed. In order to evaluate the spacial distribution of the property sold, a geocoding from the filled addresses to GPS coordinates was performed using the OpenStreetMap API.

Table 1: Size of the PSRA database for properties sold in Dublin County per year since 2010 after filtering the original database.

year	n
2010	4819
2011	3745
2012	4910
2013	5577
2014	832
2015	9657
2016	10731
2017	11991
2018	10395

By focusing on the property sold in Dublin, 111155 entries were recorded since 2010. After having filtered properties not corresponding to houses, properties for which address was not possible to geocode, artefacts in geocodes and aberrant value in sales price. From the self-reported database, 62657 properties sold in Dublin between 2010-01-01 and 2018-11-30 was geocoded (Table 1).

Results

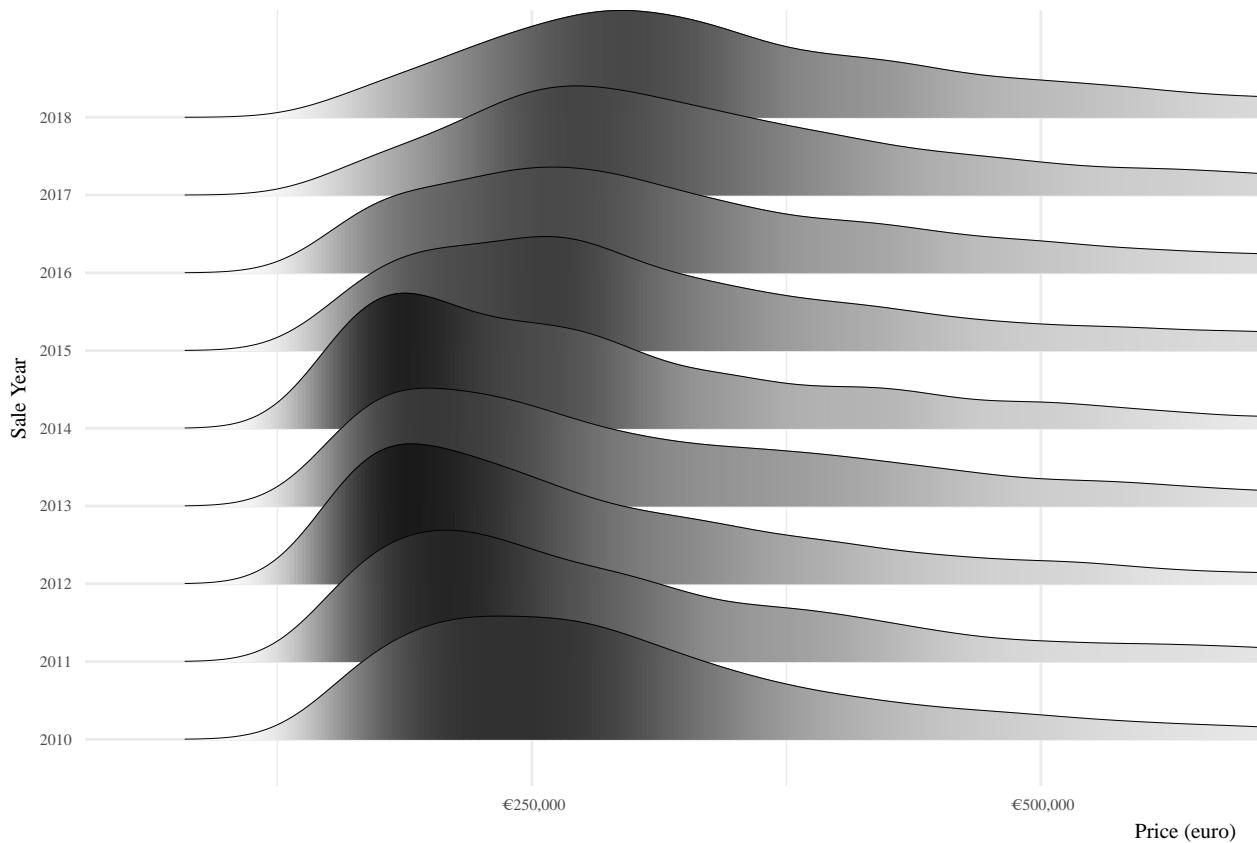


Figure 1: Distribution of the PSRA database (filtered).

The average properties price is 330364 euros ($SD = 180448$). In order to remove potential human errors and outliers, prices higher or lower than 1 SD were removed from the original dataset (Figure 1).

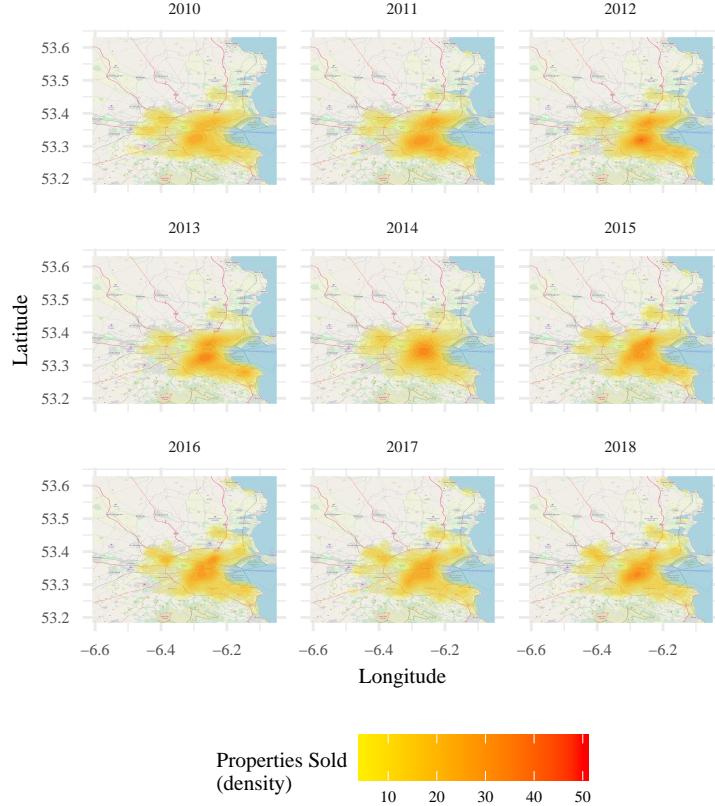


Figure 2: Geographical density of the PSRA database (filtered).

The distribution of properties sold in Dublin indicates that most of the properties sold are located around Dublin 6 and Dublin 6 West districts for every year investigated (Figure 2). However in order to evaluate and to predict the distribution of housing prices, a generalised additive model with model soap film smoothers (Wood, Bravington and Hedley, 2008) is computed on the Dublin area. Soap film smoothers are constructing a 2-D smooth prediction of non-linear parameters such as latitude and longitude. The smooths are designed to fit geographical models including coastal boundaries.

In order to model the distribution of properties, a Generalized Additive Model using gaussian scale family for Soap film smooths was calculated to fit the price of properties sold according to their GPS coordinates. The result indicates that 20.3% of property prices is explained by property localisation ($F(62657,60.95) = 214.97; p < 0.001$).

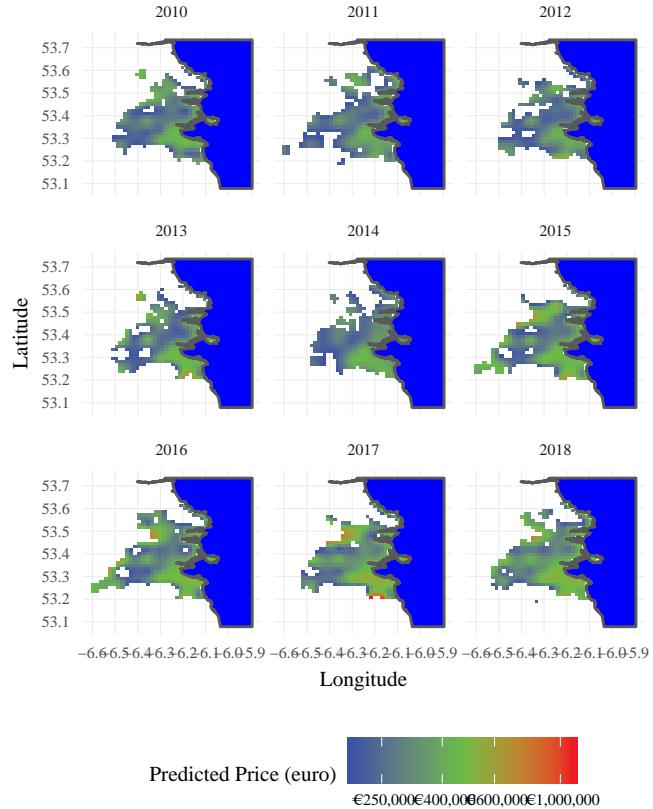


Figure 3: Prediction of property price according the GAM model.

The Generalized Additive Model reveal not only high prices located on the coast of Dublin (i.e Dublin 4 and Dun Laoghaire) but also a spot in Dublin 7 which was un expected.

Prediction of property price using XGBoost

In order to increase the prediction accuracy of the Generalized Additive Model an XGBoost regression was performed on 195 geographic, economic and social features.

Geographical feature extraction using Open Street Map

Open Street map is a collaborative project which aims to create and provide access to free editable maps of the world. Open Street Map combines informations about more than 1177 features including road informations and building informations to categorize amenities, leisure or tourism structure for example. Among the 1177 features only 143 contain data for the Dublin Area

(See list of Open Street Map features in Appendix 1). In order to process the XGBoost regression the distance between each property and the closest point corresponding to each of the 143 relevant Open Street Map.

\begin{table}[]
\caption{Open Street Map features importance (higher than 1%).}

Feature	Importance
amenity_embassy	16.9%
natural_grassland	6.3%
route_bus	2.1%
power_line	1.8%
boundary_administrative	1.8%
barrier_wall	1.7%
cycleway_lane	1.7%
amenity_bar	1.5%
place_island	1.5%
boundary_political	1.4%
boundary_historic	1.4%
cutting_yes	1.1%
barrier_full-height_turnstile	1.1%
area_yes	1.1%
route_road	1.1%
place_locality	1.1%
tunnel_yes	1.1%
junction_roundabout	1.0%
cycleway_track	1.0%
barrier_hedge	1.0%
route_ferry	1.0%

\end{table}

Economic and social feature extraction using Irish census

The results of Irish 2011 census consultation is accessible through the All-Island Research Observatory (<http://airo.maynoothuniversity.ie/>) and can be mapped over Ireland small area boundaries which are fraction of Irish Electoral Division map. The social features extracted are corresponding to population information, religion, carers and health. Economic features correspond to the type of each small area including the proportion of housing type, rooms number, occupancy and tenure per small area. Each property is then associated to the value corresponding to its small area.

\begin{table}[]
\caption{Census features importance (higher than 1%).}

Feature	Importance
% 8 or more Rooms (Households)	29.4%
PC_NO_REL	5.3%
PCAGE014T	4.2%
% Very Good	3.4%
% 6 Rooms (Households)	3.1%
PCAGE80P	2.9%
% 5 Rooms (Households)	2.2%
PC_OTH_C	2.1%
PC_NS	2.0%
% 3 Rooms (Households)	2.0%
% Social Rented	2.0%
% 7 Rooms (Households)	1.9%
% Owner Occupier No Mortgage (Households)	1.9%
% Persons with a disability aged 0-14	1.8%
% Private Rented	1.8%
% Owner Occupier with Mortgage (Households)	1.7%
PC_RO_CATH	1.7%
% Good	1.7%
PCAGE4564	1.6%
% 4 Rooms (Households)	1.6%
% Persons with a disability aged 25 - 44	1.6%
% Persons with a disability aged 65 Plus	1.6%
% Bad	1.6%
% 1 Room (Households)	1.4%
PCAGE1524T	1.3%
% Provides No Care	1.3%
PCAGE2544T	1.3%
PC_FEMALE	1.2%
% Persons with a disability aged 45 - 64	1.2%
% Occupied/HS With ususal Residents	1.2%
PCAEG65P	1.2%
% House/Bungalow	1.1%

\end{table}

Conclusion

Using Generalized Additive Model we were able to identify the influence of property locations based in Dublin, Ireland on their actual sale price.

Appendix

References

Table 2: Relevant Open Street Map features for dublin area.

Feature Category	Feature Type
amenity	bar, college, school, university, bicycle parking, fuel, parking, community centre, bench, embassy, police, prison, recycling
barrier	city wall, ditch, fence, guard rail, hedge, kerb, retaining wall, wall, block, bollard, chain, full-height turnstile, gate, jersey barrier, yes
boundary	administrative, historic, political, postal code, protected area
building	apartments, house, residential, commercial, industrial, retail, hospital, university, yes
highway	motorway, trunk, secondary, tertiary, unclassified, residential, service, motorway link, trunk link, secondary link, tertiary link, pedestrian, track, road, footway, steps, path, cycleway
cycleway	lane, opposite, opposite lane, track, share busway, shared lane
busway	lane
highway	proposed, construction
junction	roundabout
historic	yes
landuse	commercial, construction, industrial, residential, retail, farmland, grass, military, railway, recreation ground, religious
leisure	nature reserve, park, slipway, sports centre, stadium, track
man made	breakwater, crane, embankment, groyne, pier, pipeline
natural	wood, tree row, scrub, grassland, water, beach, coastline, ridge, cliff
place	district, county, city, suburb, island, locality
power	cable, line, minor line, portal
line	busbar
public transport	platform, stop area
railway	abandoned, disused, rail, tram, platform
bridge	yes
cutting	yes
electrified contact	line
embankment	yes
service	crossover, siding, spur, yard
tunnel	yes
usage	main
route	bicycle, bus, ferry, hiking, power, road, train, tram
shop	paint, kitchen,
sport	badminton, equestrian, gaelic games, rugby union, running
tourism	artwork, zoo
waterway	river, riverbank, stream, canal, drain, ditch, weir, lock gate
source	survey
area	yes
covered	yes
disused	yes
tidal	yes