Real Estate Market Analysis

Milan Real Estate Insights & Data-Driven Decision Making
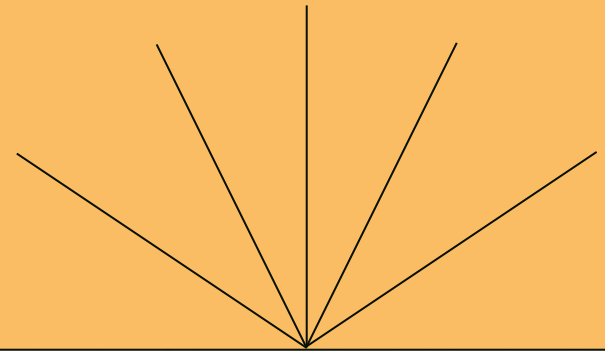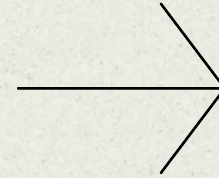
TABLE OF CONTENTS

SECTION

01.

Introduction and Market Context

Market Context and Study Objectives

"The Milan Real Estate Market Context"

Milan's real estate market is experiencing significant growth, driven by increasing demand in residential and commercial sectors. Key macrozones show a rise in housing prices, and investors are paying attention to the affordability of properties in different segments.

"Study Objectives"

This project aims to analyze the Milan real estate market by calculating key indices, including the HPI (House Price Index) and HAI (Housing Affordability Index), to help investors make informed decisions.
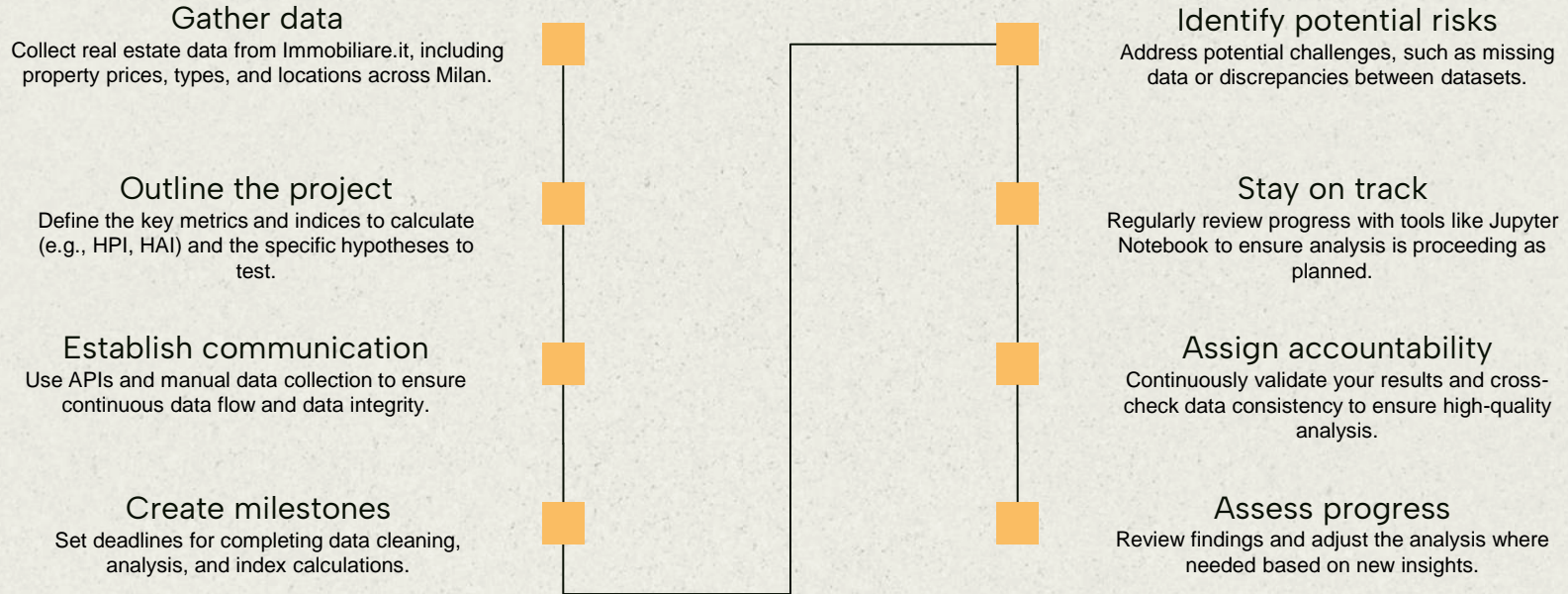
SECTION

02.

Data Analysis and Index Calculations

Data Analysis Process

Gather data
Collect real estate data from Immobiliare.it, including property prices, types, and locations across Milan.

Outline the project
Define the key metrics and indices to calculate (e.g., HPI, HAI) and the specific hypotheses to test.

Establish communication
Use APIs and manual data collection to ensure continuous data flow and data integrity.

Create milestones
Set deadlines for completing data cleaning, analysis, and index calculations.

Identify potential risks
Address potential challenges, such as missing data or discrepancies between datasets.

Stay on track
Regularly review progress with tools like Jupyter Notebook to ensure analysis is proceeding as planned.

Assign accountability
Continuously validate your results and cross-check data consistency to ensure high-quality analysis.

Assess progress
Review findings and adjust the analysis where needed based on new insights.

Key Index Calculations

House Price Index (HPI)

$$HPI = \frac{\text{Current Price per sqm}}{\text{Base Price per sqm}} \times 100$$

The HPI is calculated by comparing the current price per square meter of properties to a base price (from a reference year or period), then multiplying by 100 to get an index value. This shows how much property prices have increased or decreased relative to the base period.

Housing Affordability Index (HAI)

$$HAI = \frac{\text{Median Household Income}}{\text{Income Required to Buy a Median-Priced House}} \times 100$$

The HAI is calculated by comparing the median household income to the income required to afford a median-priced home in the area. An HAI value of 100 means that the median household has exactly enough income to afford the median home. If the HAI is greater than 100, homes are more affordable, while values below 100 indicate homes are less affordable relative to income.

SECTION

03.

Case Studies & Use Cases
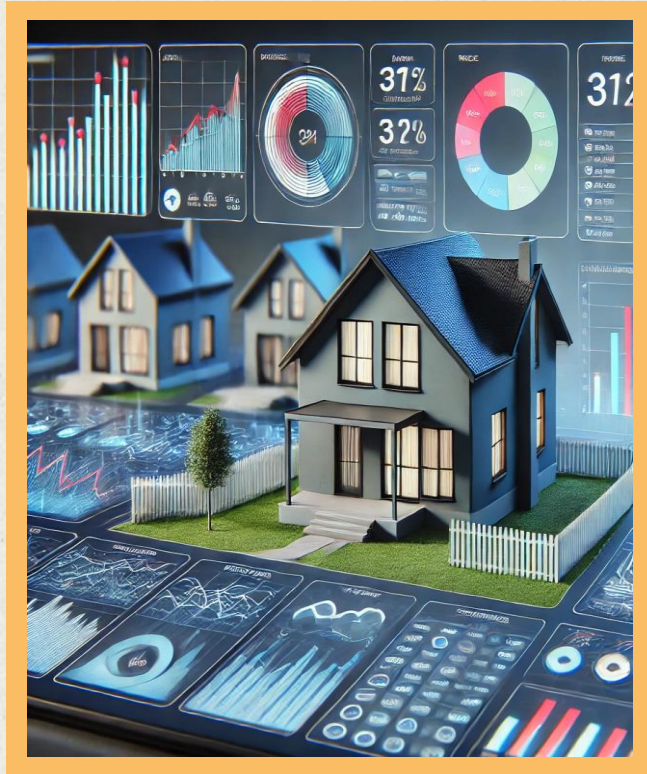
Real Estate Investment Scenarios

- **Scenario 1**: "Exploring Affordable Housing Options in Emerging Macro Areas."

- **Scenario 2**: "Identifying Luxury Investments Based on HPI and Price Segmentation."

- **Scenario 3**: "Mid-Range Opportunities in Central Macro Zones for Long-Term Growth."

Thank you for the attention!