



Project 2: Ames Housing Data

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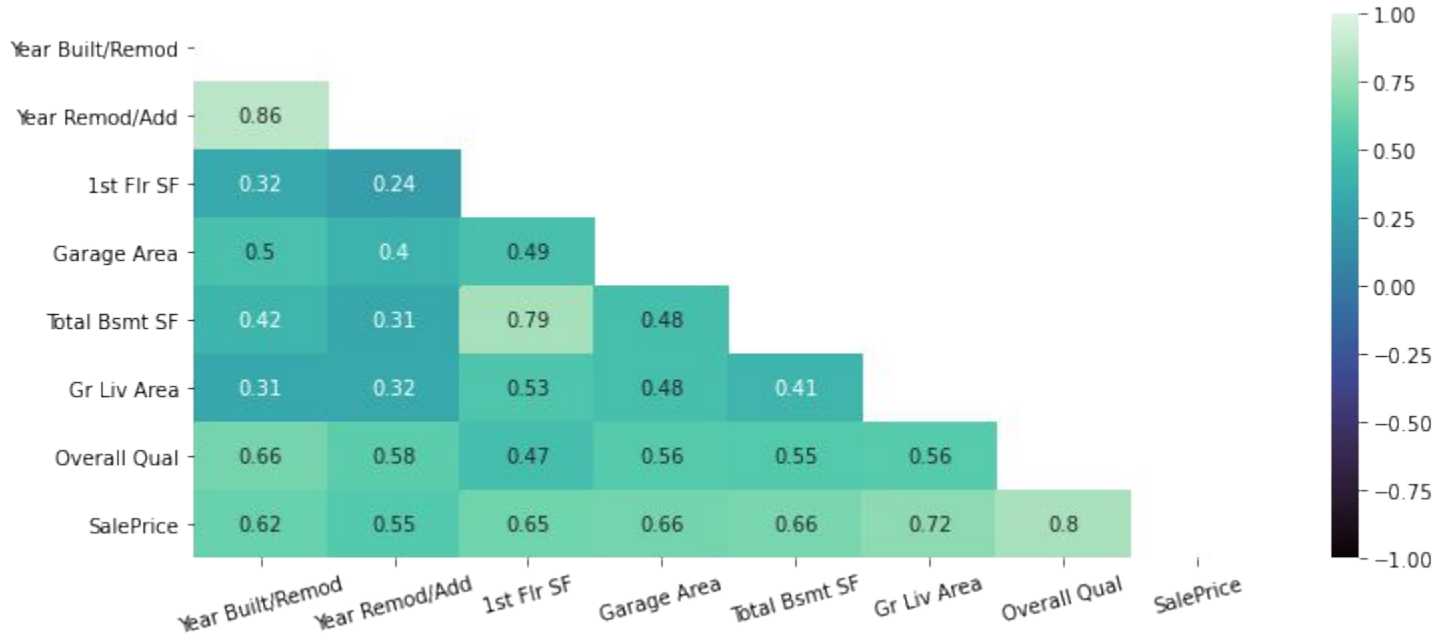


Introduction

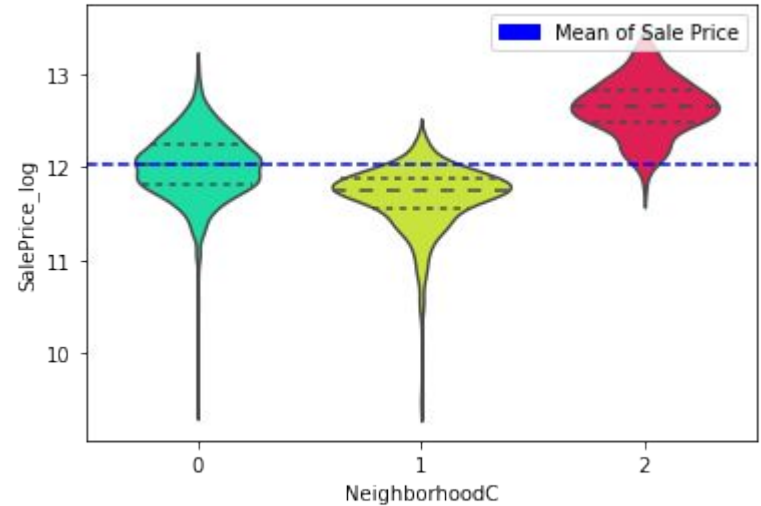
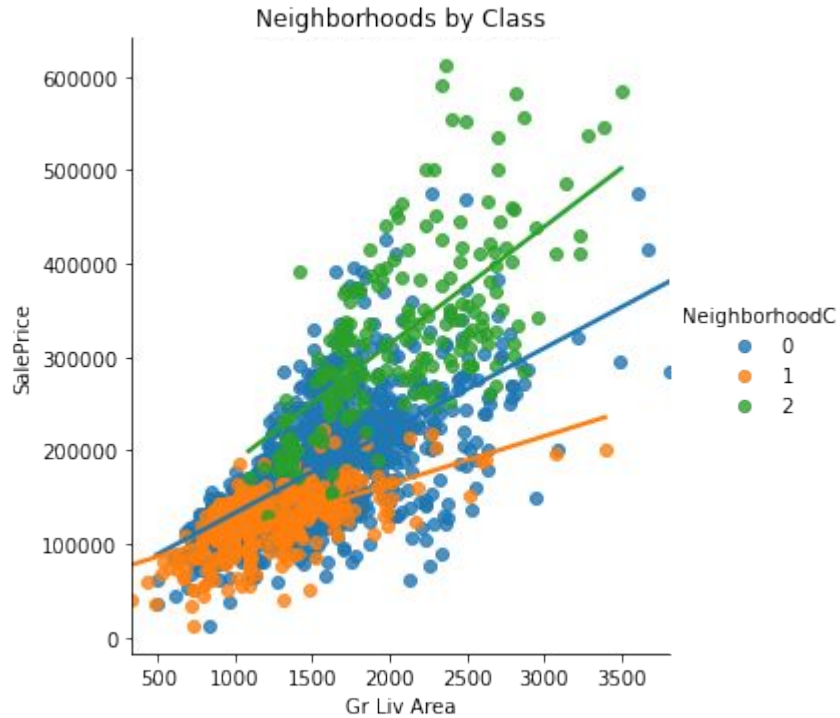
Problem Statement: Are location and size the most important factors in the final sale price of a home?

Target Audience: A tech savvy daughter of a real estate tycoon has recently inherited her late mother's assets. She hired me to run an OLS regression analysis to help her maximize profit while selling her homes in Iowa as she heads to Florida for early retirement.

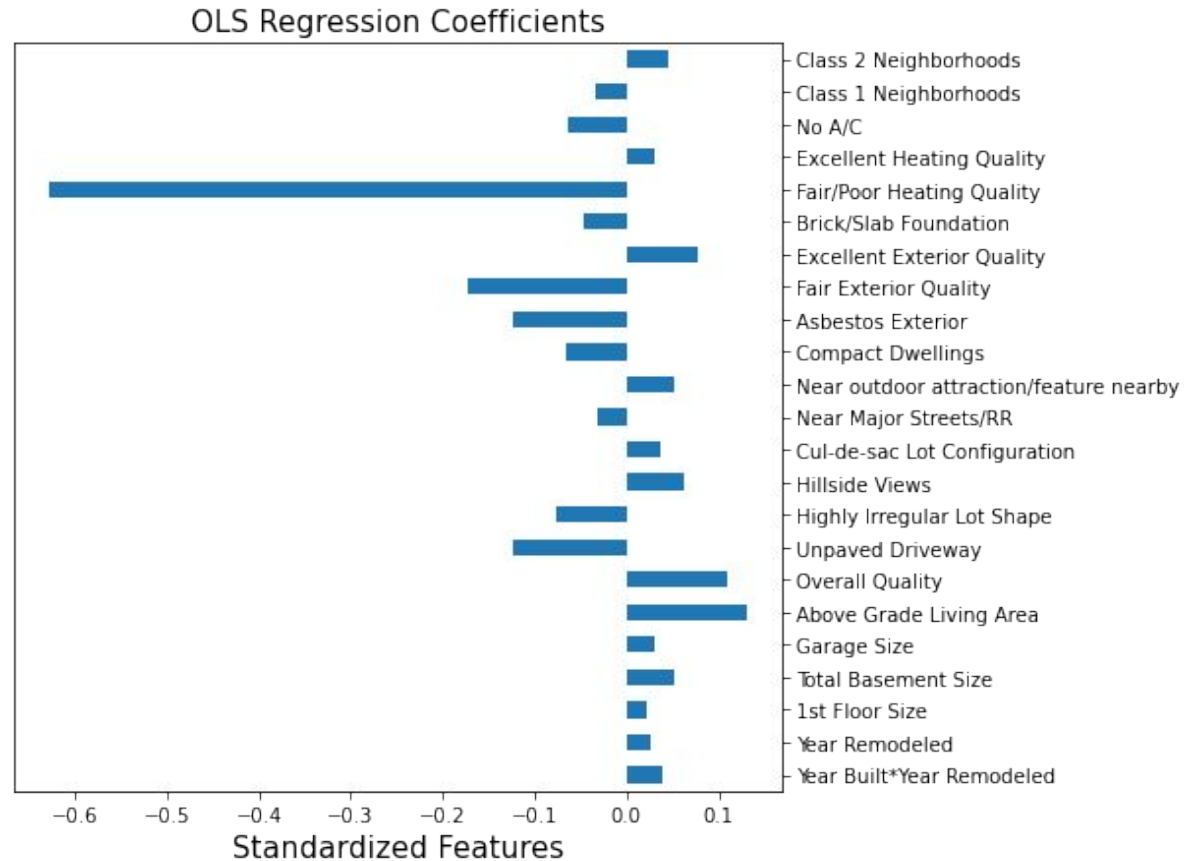
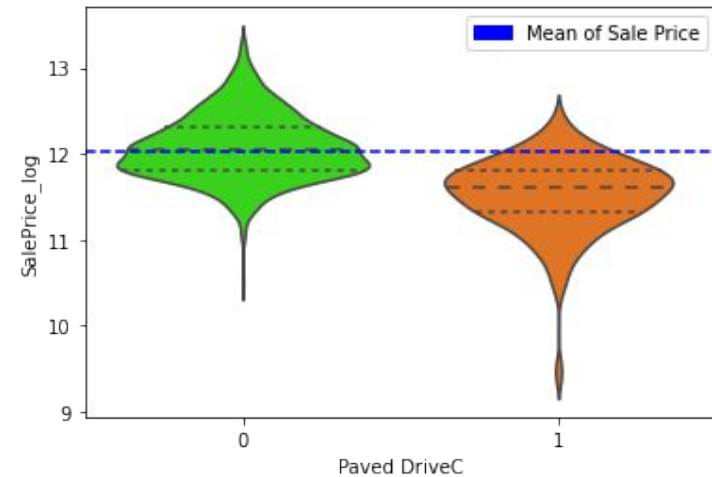
Methodology/Procedure



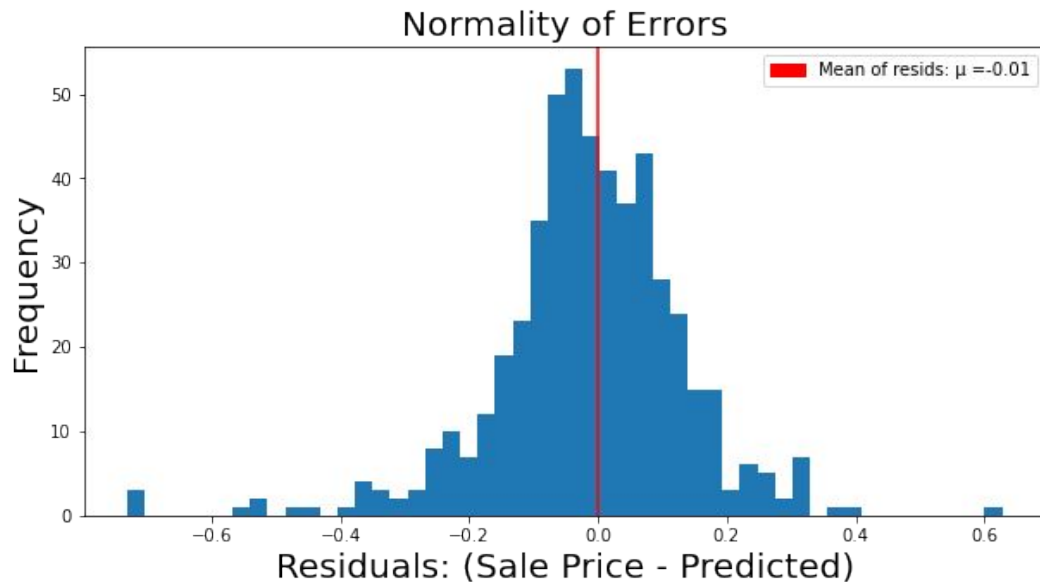
Data Considered



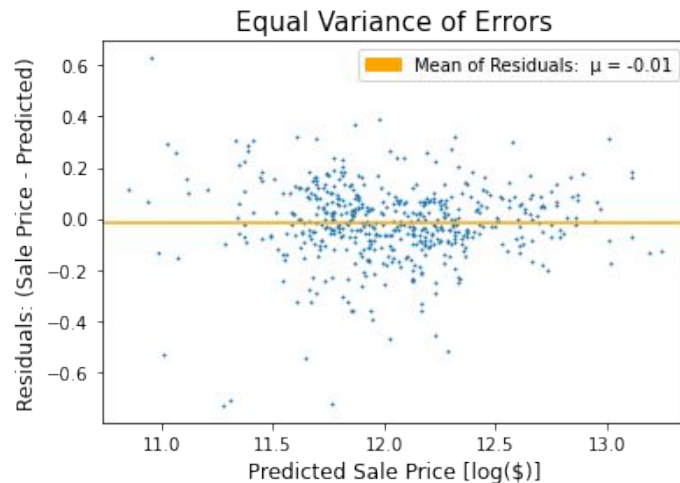
Primary Findings



Reliability of Model



Metric	Score
RMSE	0.15 (<30,174)
R ²	0.876108
Baseline RMSE	83,323



Recommendations to client

1. Quality over quantity

- Exterior quality: Make necessary repairs!

2. Above ground living area is important

3. Central A/C and quality of heating are surprisingly important

4. Paved driveways have value

5. No asbestos

Sources

-Ames Iowa Assessors Office <<http://jse.amstat.org/>>