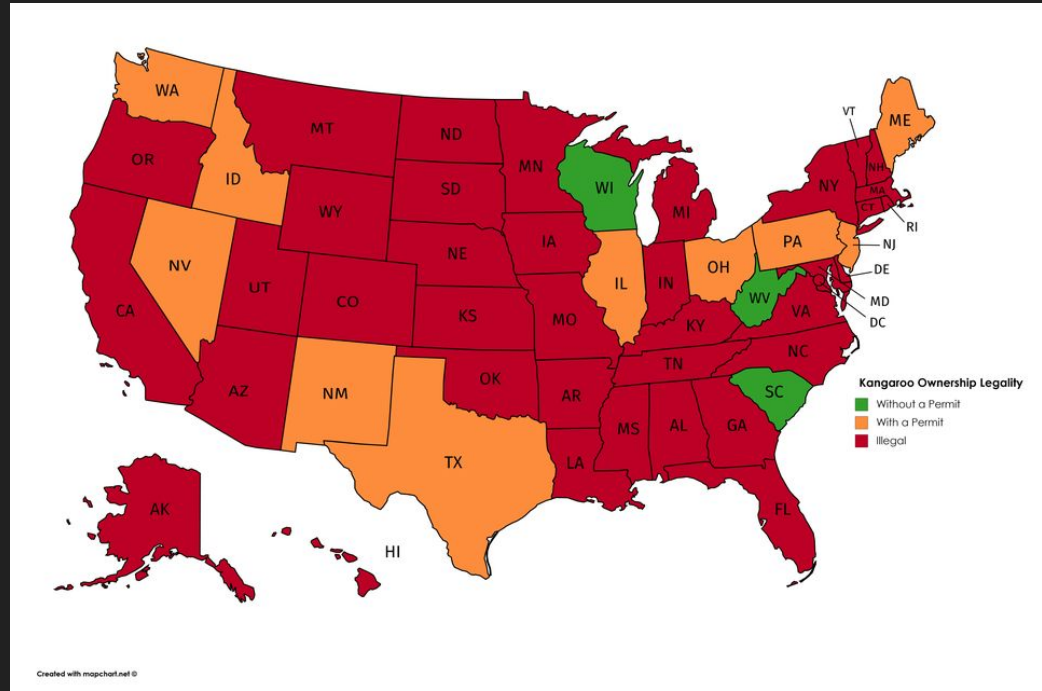


Forecasting Zillow Property Values

By: Jaklyn Soler

Objective

- Help a real estate investment firm make money by deciding what zip codes would be best for real estate investing.



Strategy for Investor

Rental Strategy

.8% - 1.1% of property value = Reasonable rental price.

.9% of property value = Competitive price.

Diversify with multiple properties.

Not accounting for property taxes, interest and maintenance, principal value is paid off in 9 years and 4 months.

Narrowing Data

Vacancy Rate: Census showed Northeast lowest rental supply.

Population Density: Queens highest population.

Probate Likelihood: New York has most baby boomers.

Proximity: Queens County only.

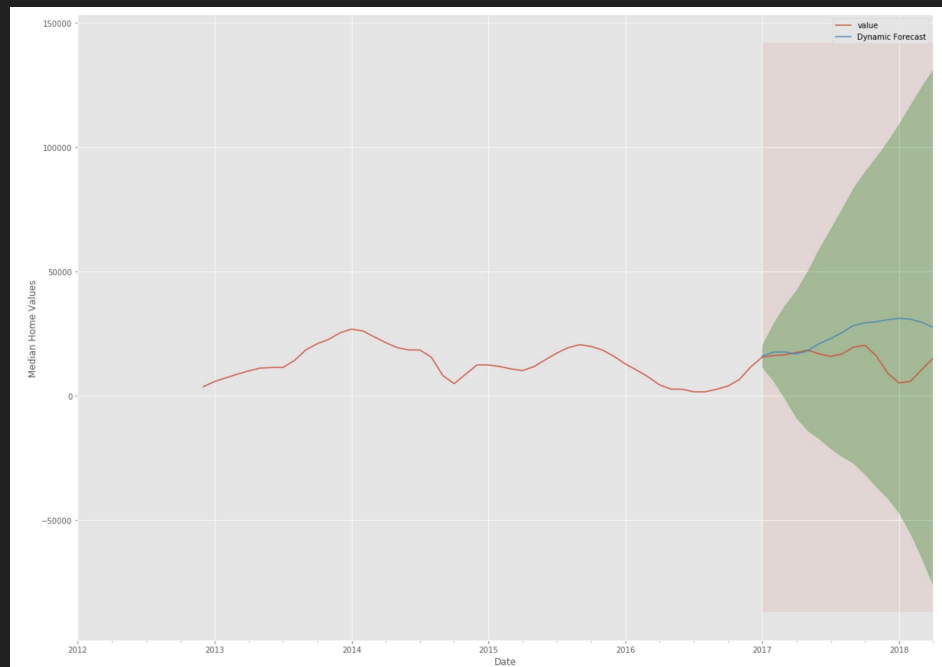
Price: \$500,000 to \$700,000 to have multiple properties and diversify.

Modeling

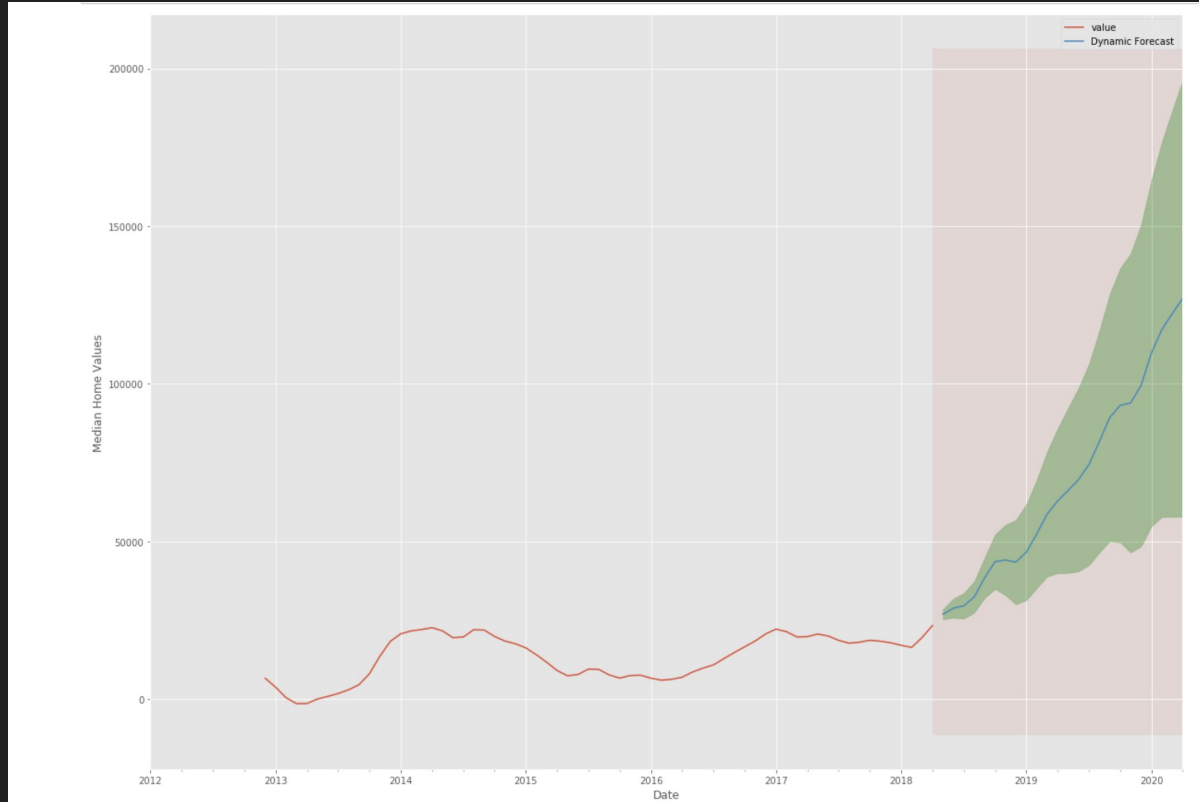
Time Series Models

SARIMAX

Calculating ROI Percentage



Zip code 11428 ROI = 370% - Best Zipcode

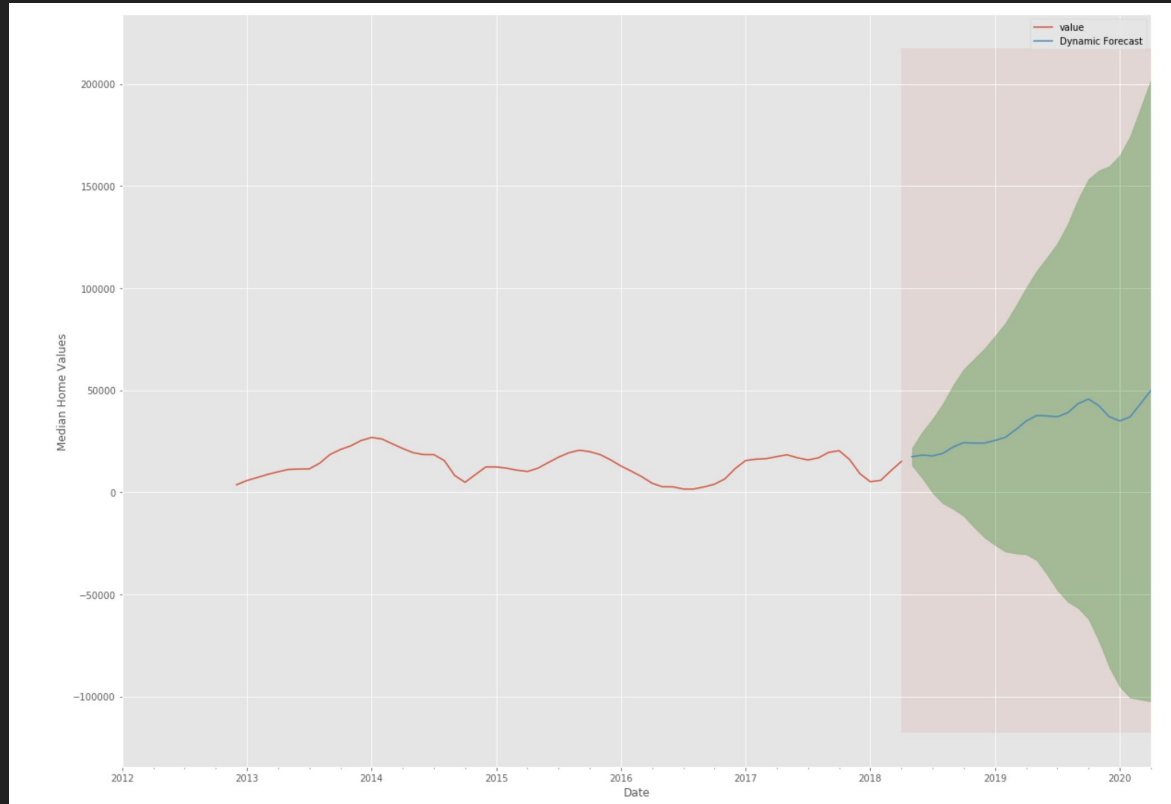


Zip code 11427 ROI = 1438%

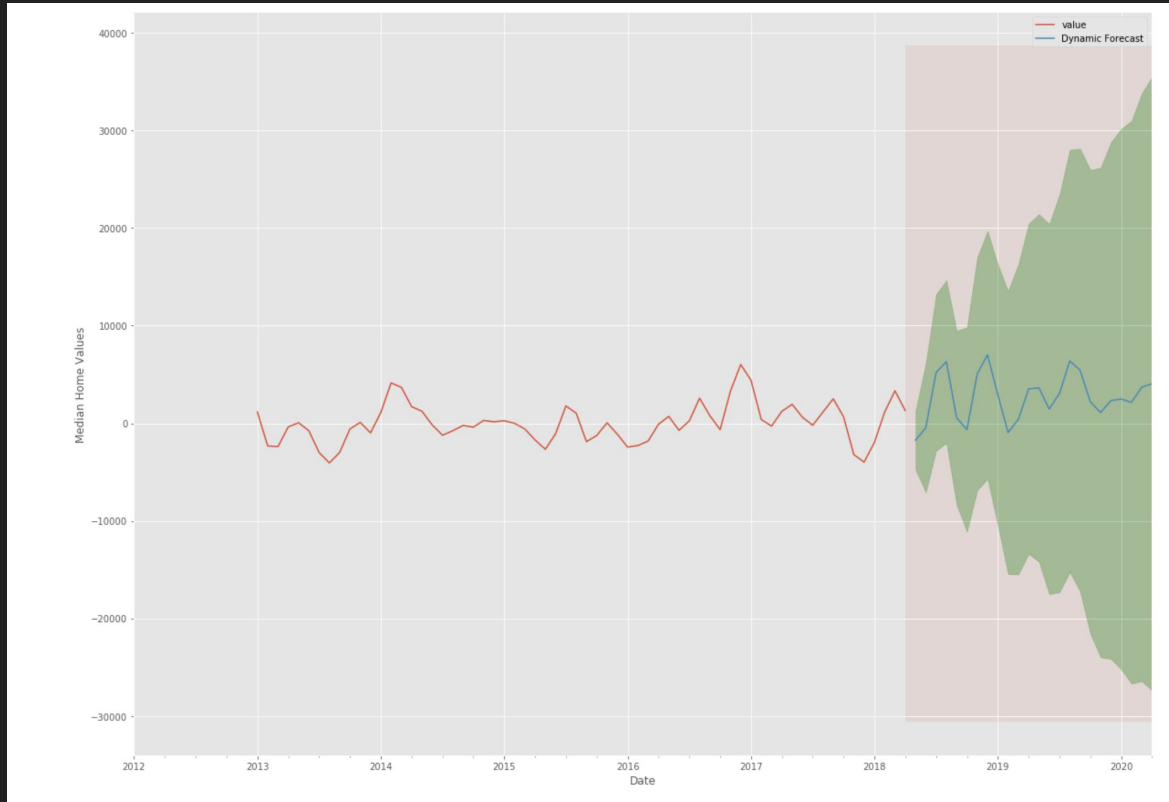


Roi equation includes dividing by initial predicted average that varies by zip code which is why percentage may not be clearly represent the graph.

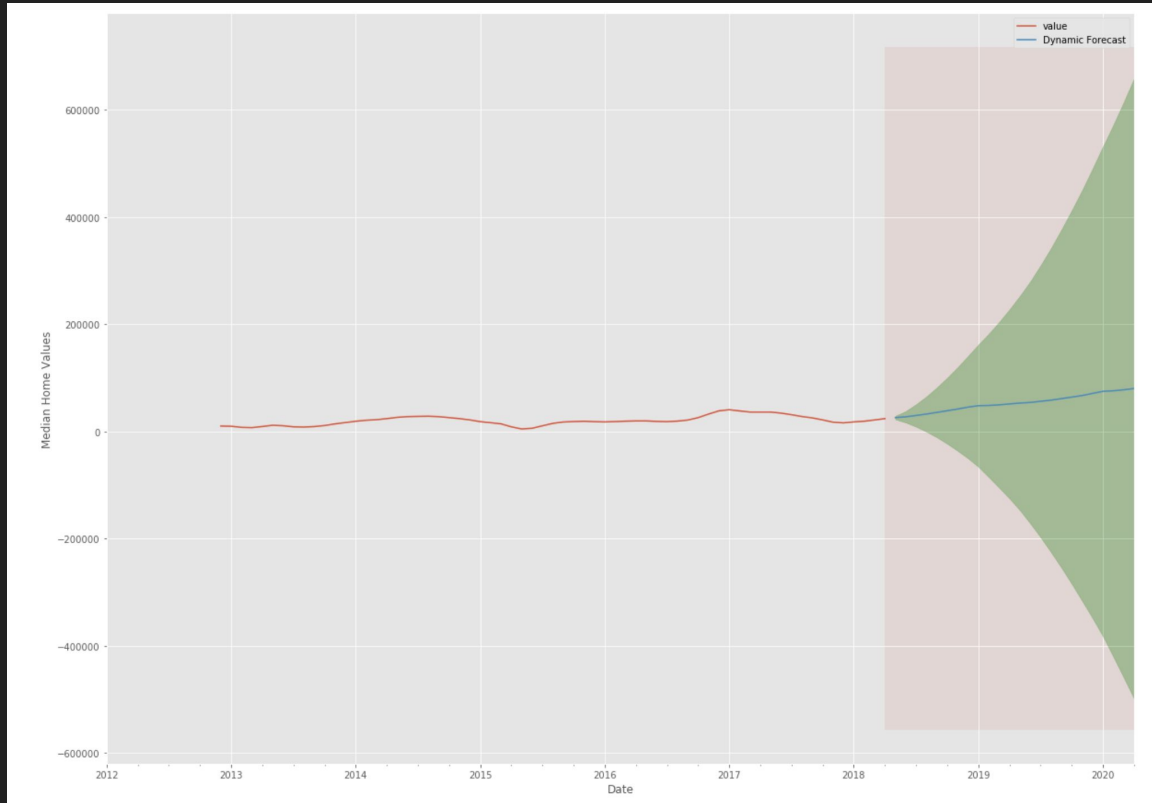
Zip code 11004 ROI = 186%



Zip code 11426 ROI = 333%



Zip code 11385 ROI = 211%



Conclusion of Zip Codes

- 11427: 1438% increase
- 11428: 370% increase
- 11426: 333% increase
- 11385: 211% increase
- 11004: 186% increase

The ROI equation includes dividing by initial predicted average that varies by zip code which is why percentage may not be clearly represent the graph. The best graph was that of the 11428 zip code.

Future Work

PDQ range expansion.

Continue to model as new data becomes available.

More revenue may create the need for more modeling in other areas.

Substantiate claim: the passing of baby boomers will create a bubble in the market that will create a positive environment for a real estate investment company.

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Seeking Opportunities in Data
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