

Real Estate Analysis

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The Business Problem

Substantial Rentals LLC - a Seattle based real estate manager

Which real estate listings are overvalued?

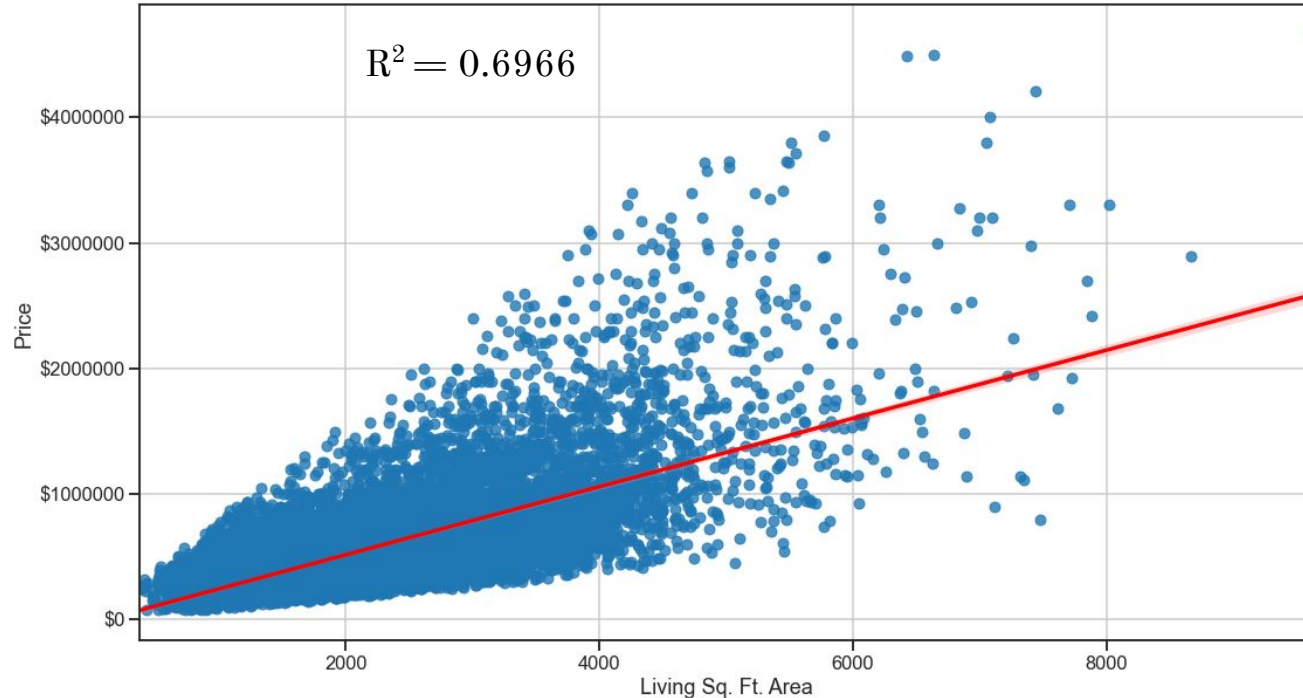
Can we get Substantial a good deal with data?

The Model

- Linear regression (a statistical technique) will predict a home's price given certain features.
- This model requires a lot of data to make accurate predictions.

Base Model Graph

Living Sq Ft Area vs Price



This here means
that a houses usable
sq ft can account for
69% of the variance
of the price

THE DATA

The King County
Housing Dataset

Target variable is price

features most strongly correlated with
price are:

sqft living (intuitively more house ==
more expensive)

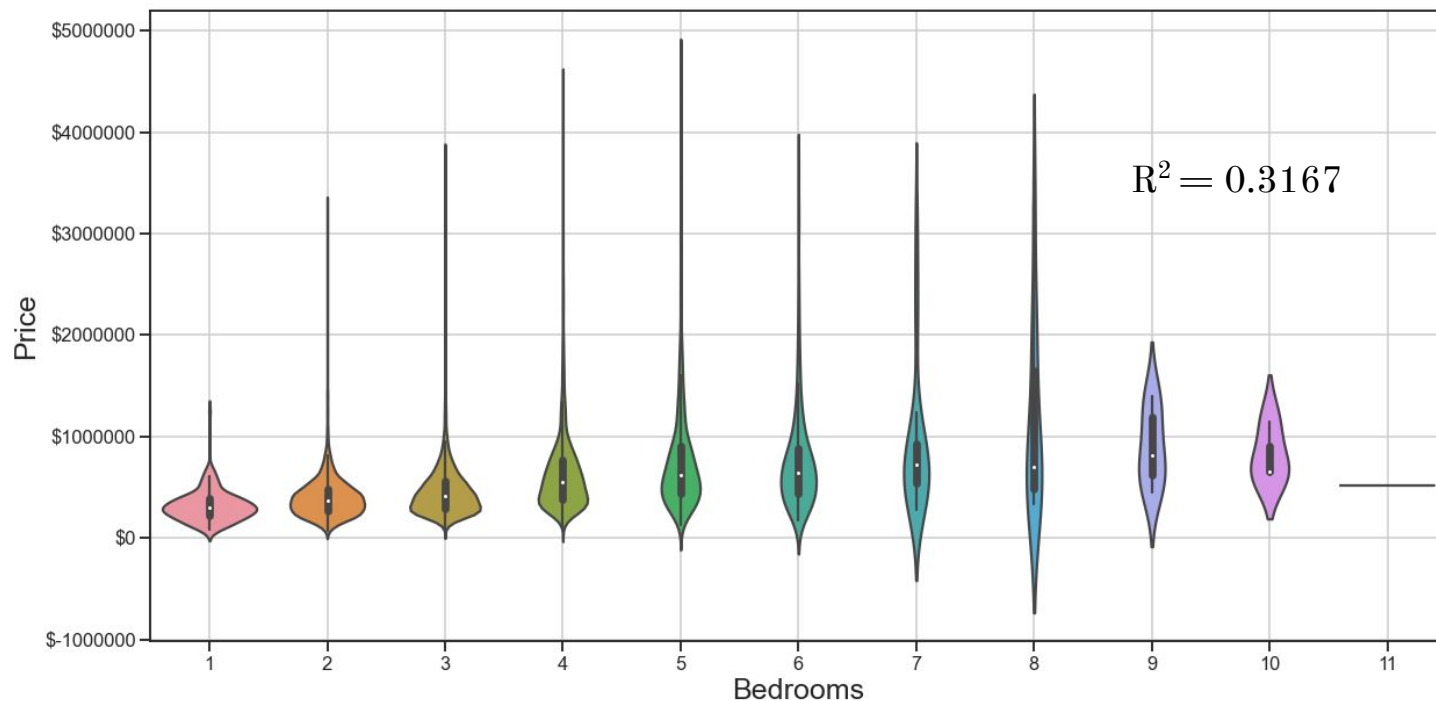
Grade

And (not posted in this heatmap)
zipcode 98004



Feature based on bedrooms

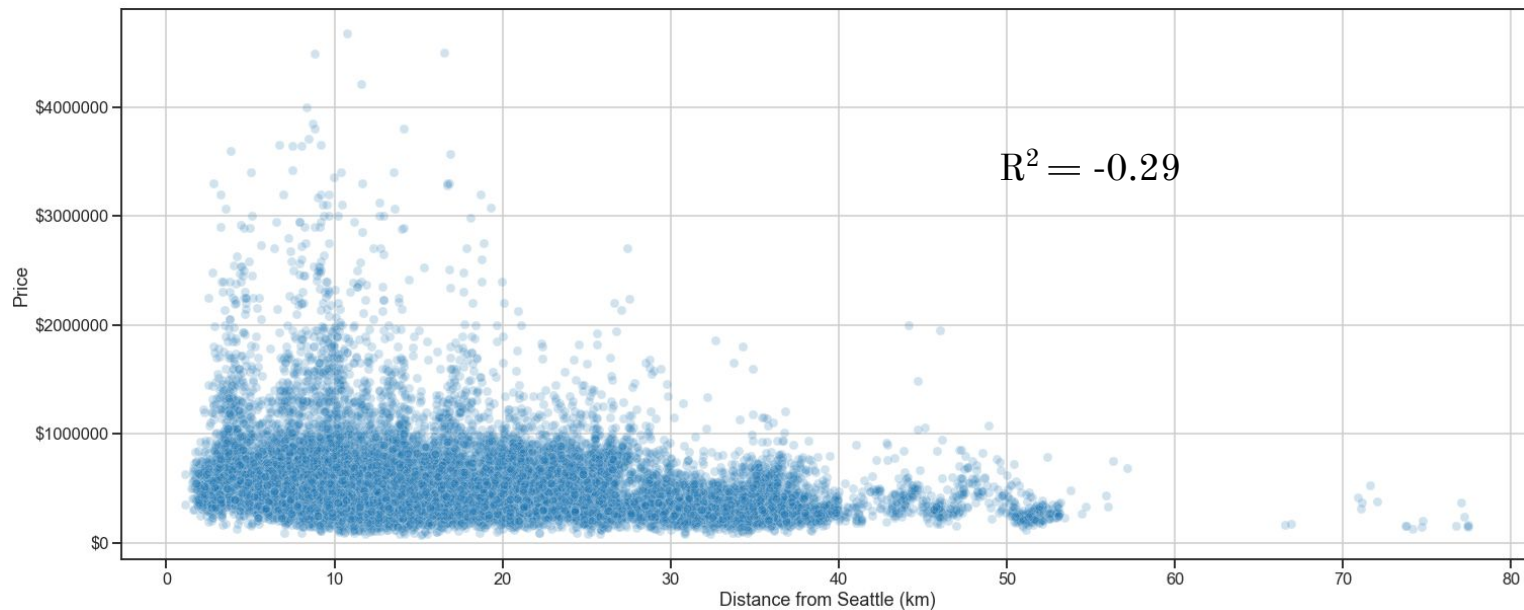
Bedroom vs Price



As the amount of rooms in a house increases, normally, so does the price.

Feature(we engineered) Based on Distance

Seattle Proximity vs Price

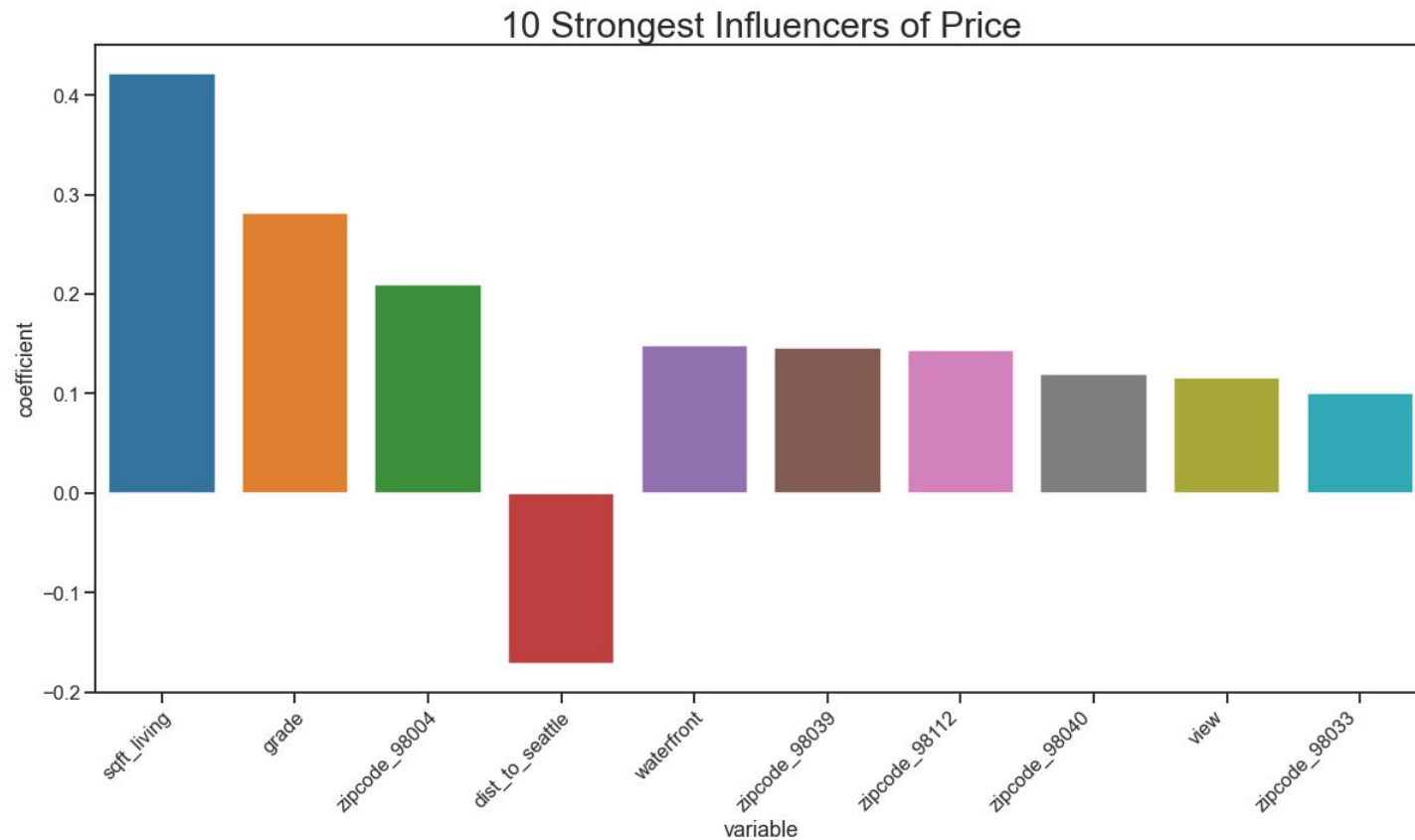


Proximity to Seattle actually increases price.

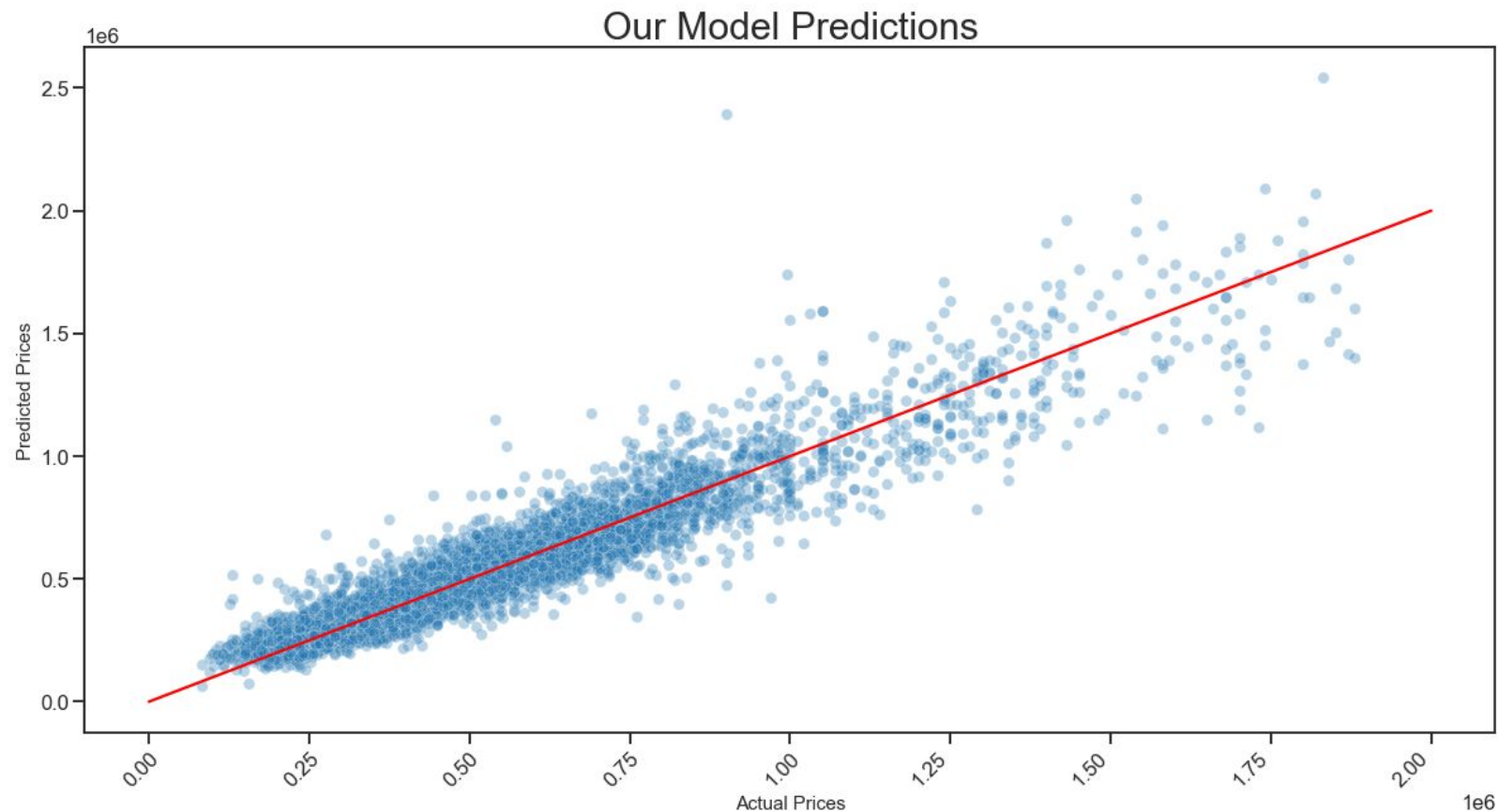
When we combine these features(and other useful ones)
into one model?



What things influence price?



Our model becomes much more accurate with an r^2 score of .903



Prediction of Zillow listing: \$655,458.23





 Save  Share  More

\$625,000 2 bd | 1 ba | 1,400 sqft

Price cut: \$164K (9/6)

80 S Jackson Street UNIT 408, Seattle, WA 98104

● **Active** | Zestimate®: **\$610,835**

Est. payment: \$5,466/mo  **Get pre-qualified**

Request a tour
as early as today at 3:00 pm


Contact agent

Overview Facts and features Home value Price and tax hist >

 Condominium

 Built in 1900

 Ductless hp-mini split, baseboard

 Baseboard, ductless hp-mini split

Information

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