
Forecasting Real Estate Property value in the Greater Chicago Metropolitan Area

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Project Overview

- **Business Question:**

- What are the top 5 Zip Codes to invest in near the Chicago metropolitan area?

- **Methodology:**

- CRISP-DM

- **Evaluation**

- Modeling Criteria: **AIC**
- Zip Code Value: **ROI**

$$\left[\frac{\text{Future value} - \text{Present value}}{\text{Present Value}} \right] \times 100$$

Exploring The Data

Exploring the Data

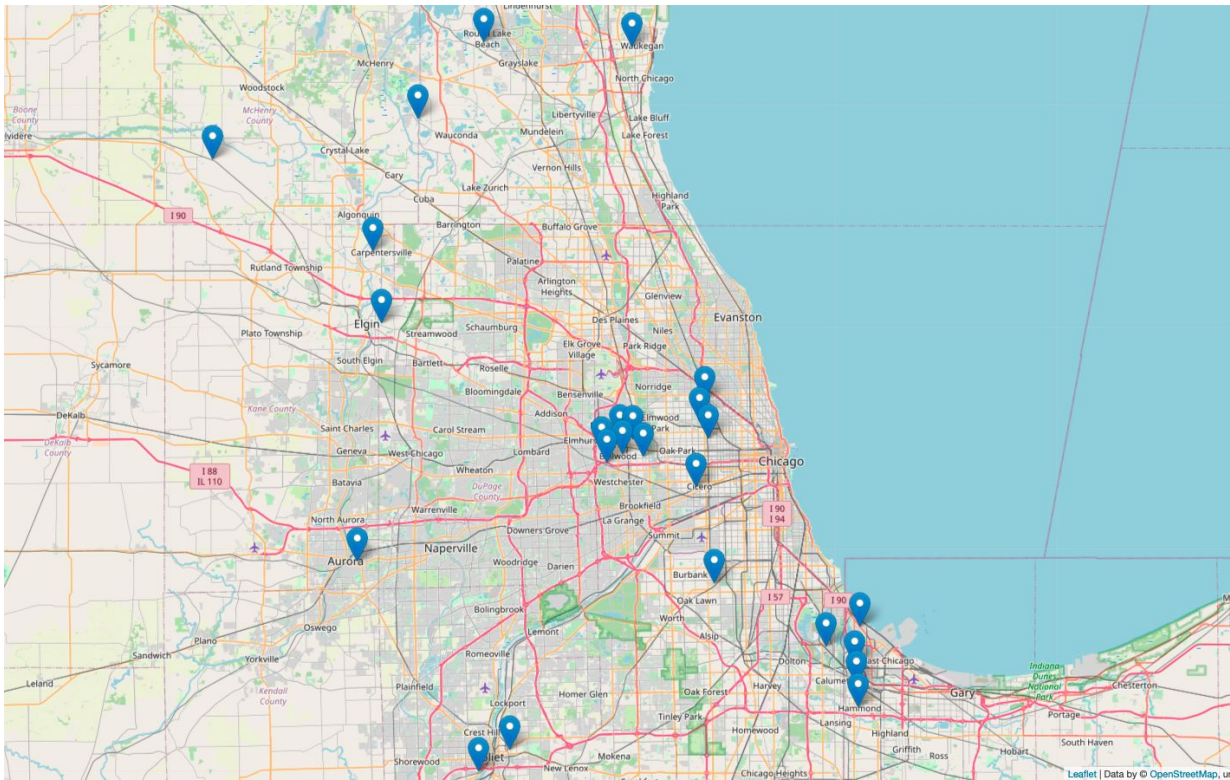
~15,000 Zip Codes

 Subset to 325 → Chicago area

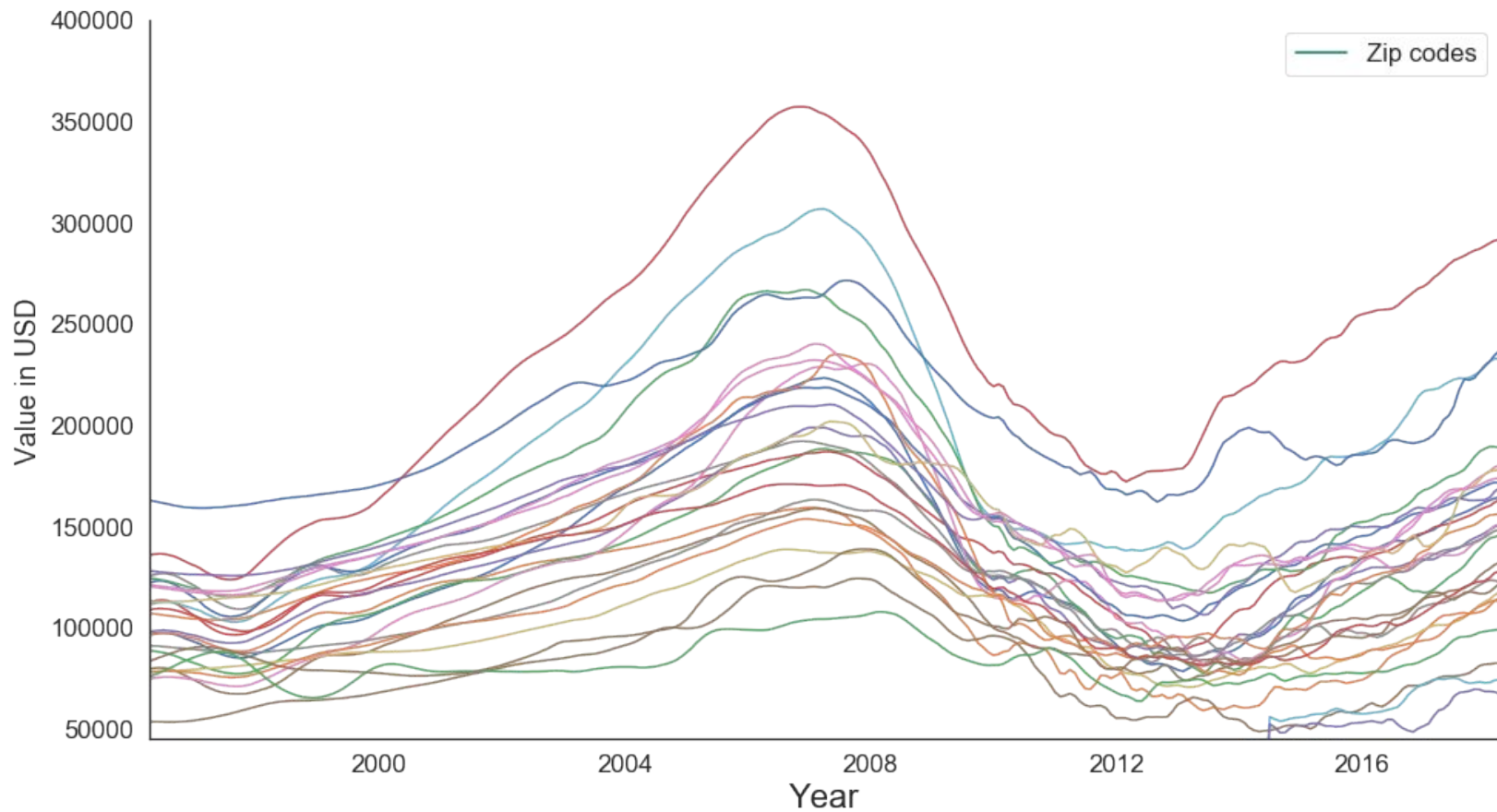
 Subset to 30 → Historical ROI (5 year, 2 year)

Focus on the Zillow Dataset post 2008 Market crash and the markets restabilization 2013-2018

Subsetted Zip Codes

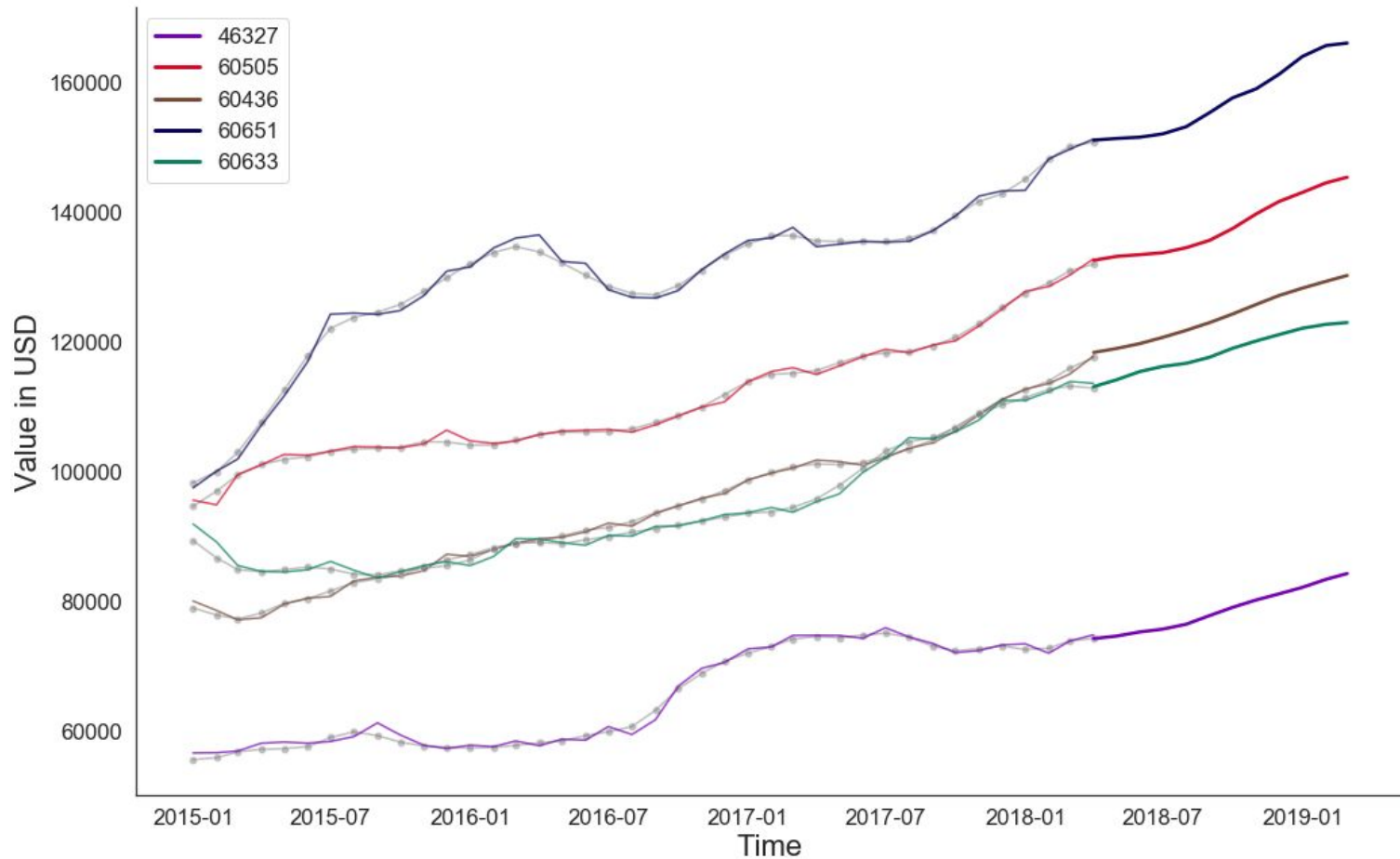


Zip Code Trend

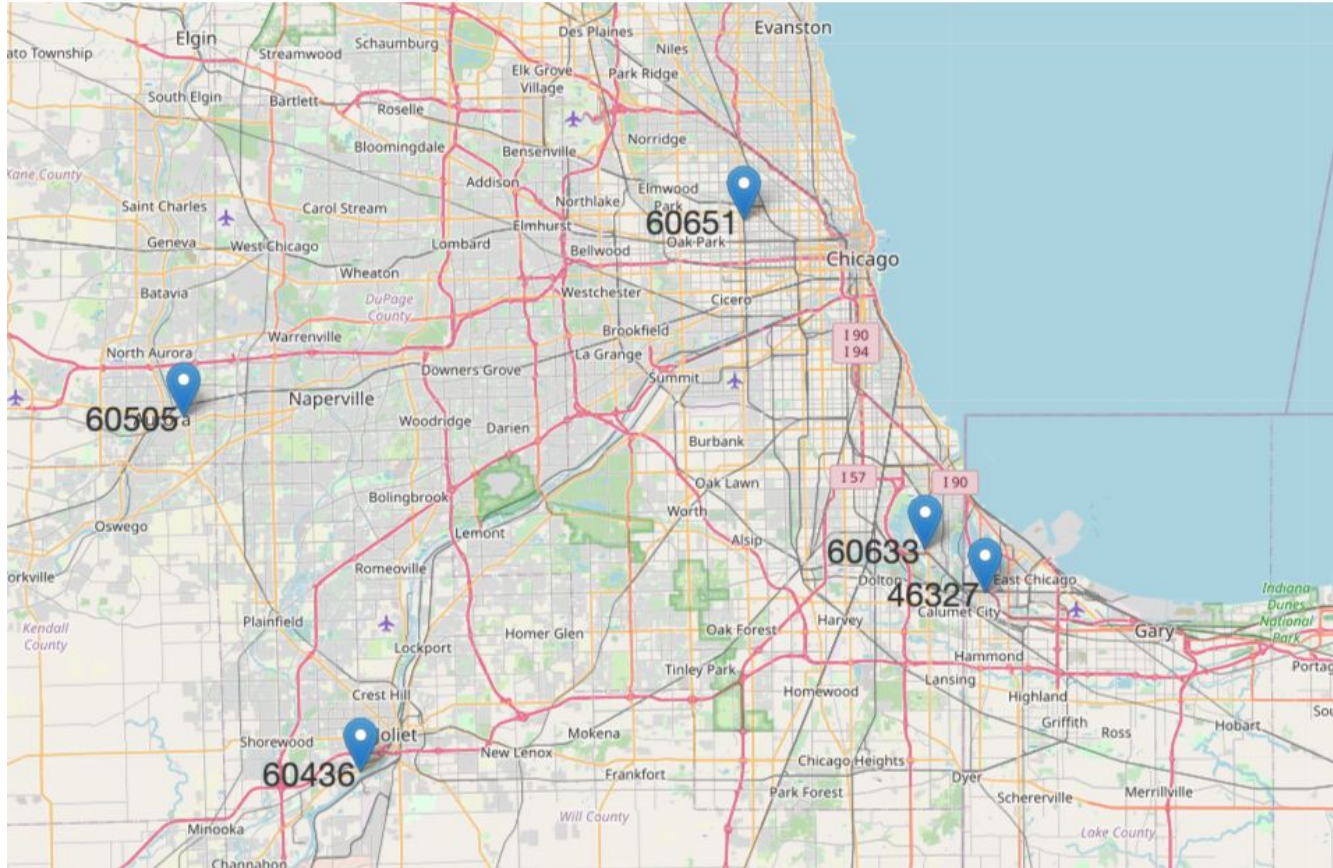


Modeling

Model Performance

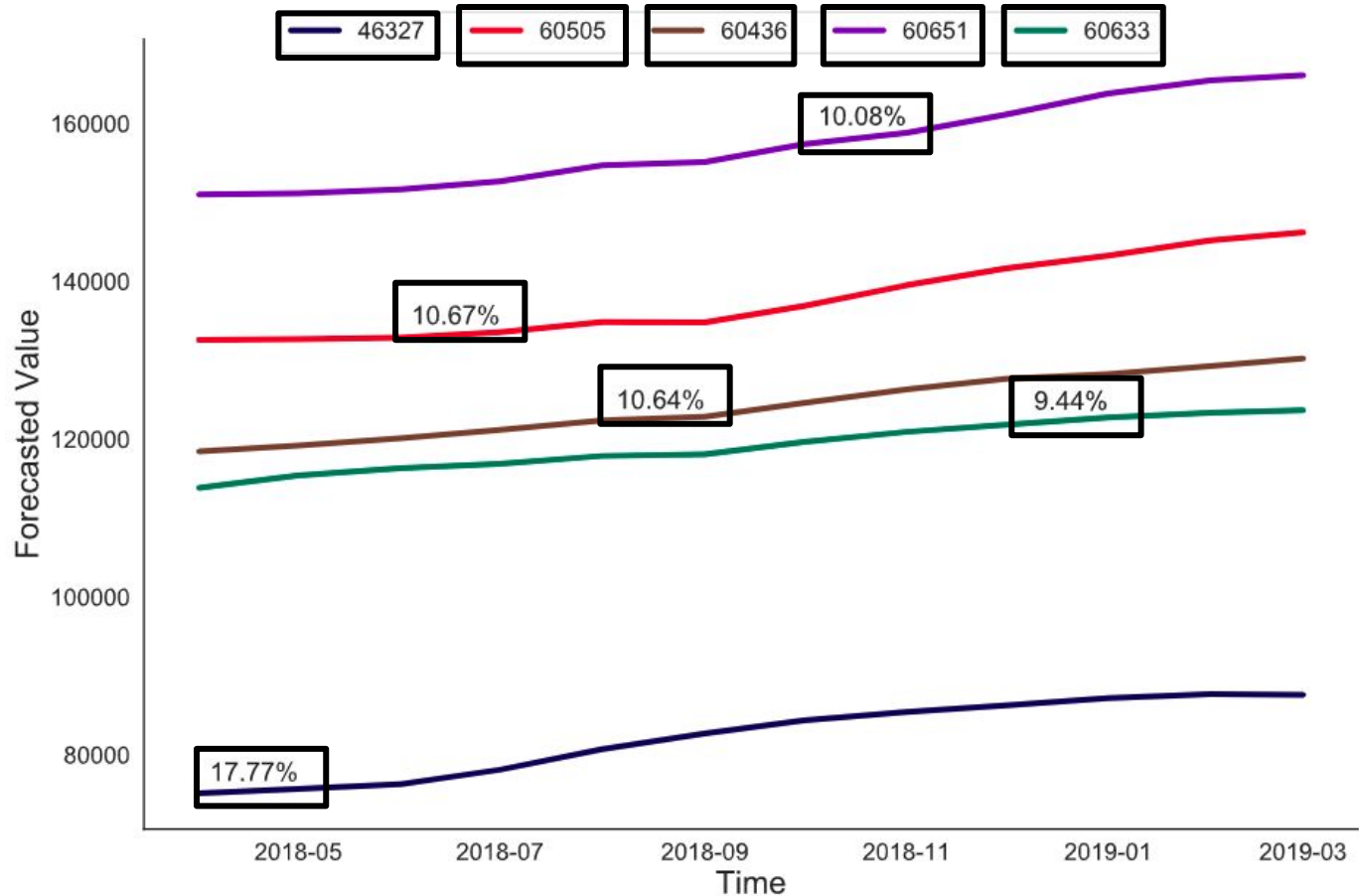


Top 5 Zip-Codes



Results

Forecast Values



Recommendations

- Real Estate properties within these areas will yield on average a higher rate of return than most stocks

Next Steps

- Acquire more recent data
- Consider other Metrics (risk)

Contact Information

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