

House Price Prediction

Submitted by:

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**INTRODUCTION**

Business Problem Framing

Buying your own house need of each and every individual. It contributes a lot in building up an economy. Data science comes as a very important tool to solve problems in the domain to help the companies increase their overall revenue, profits, improving their marketing strategies and focusing on changing trends in house sales and purchases.

Conceptual Background of the Domain Problem

A US-based housing company named Surprise Housing has decided to enter the Australian market. The company uses data analytics to purchase houses at a price below their actual values and flip them at a higher price.

Review of Literature

Several characteristics are utilized by researchers in their work to forecast house prices after reviewing numerous papers. All of these characteristics fall into four broad categories: locational, structural, neighbourhood, and economic. The variables that make up the locational attribute describe how easily restaurants, public transportation, schools, hospitals, shopping malls, and other locations can be reached. The number of bedrooms, bathrooms, floor area, garage, and patio, as well as the age of the housing and lot size, are all variables in the structural attribute. On the other hand, the neighbourhood’s socioeconomic factors, crime rates, place of worship, pleasant landscape, and peaceful atmosphere were all highly subjective. The income factor and the cost of materials factor round out the economic attributes. Because neighbourhood and economic attributes are difficult to define and measure, locational and structural attributes are the most frequently used attributes in previous research regarding the prediction of house prices.

**These are the two main problem which I focus during working.**

**1. Which variables are important to predict the price of houses?**

**2. How do these variables describe the price of the house?**