

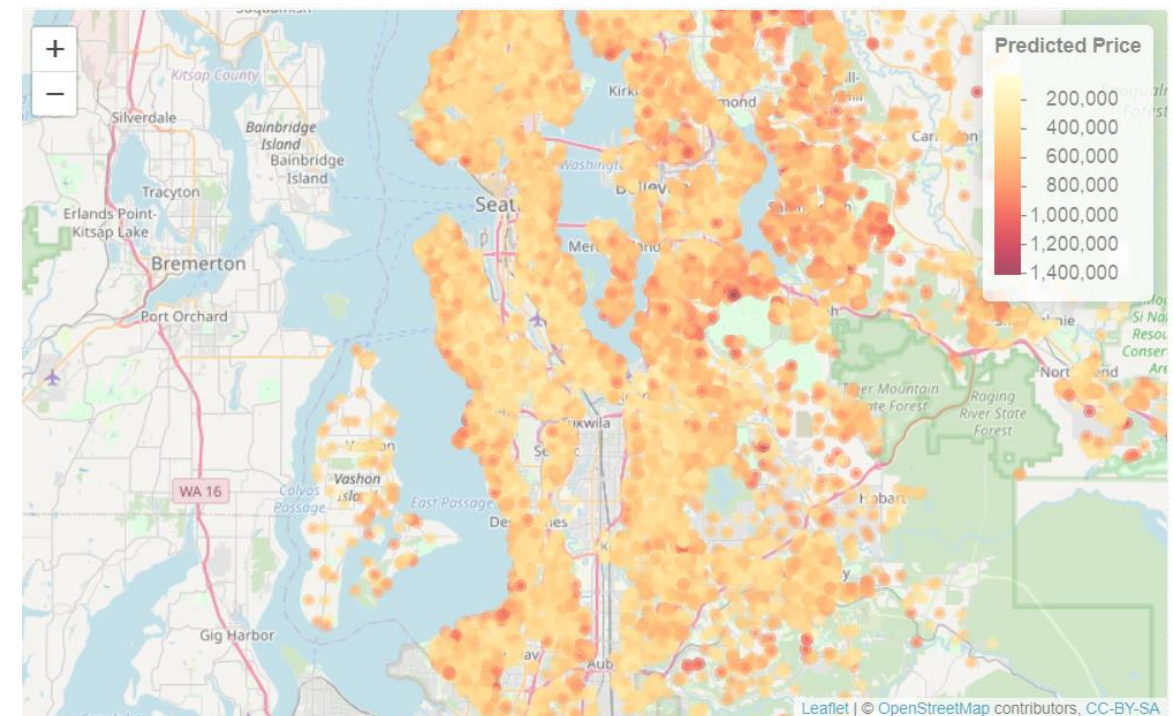
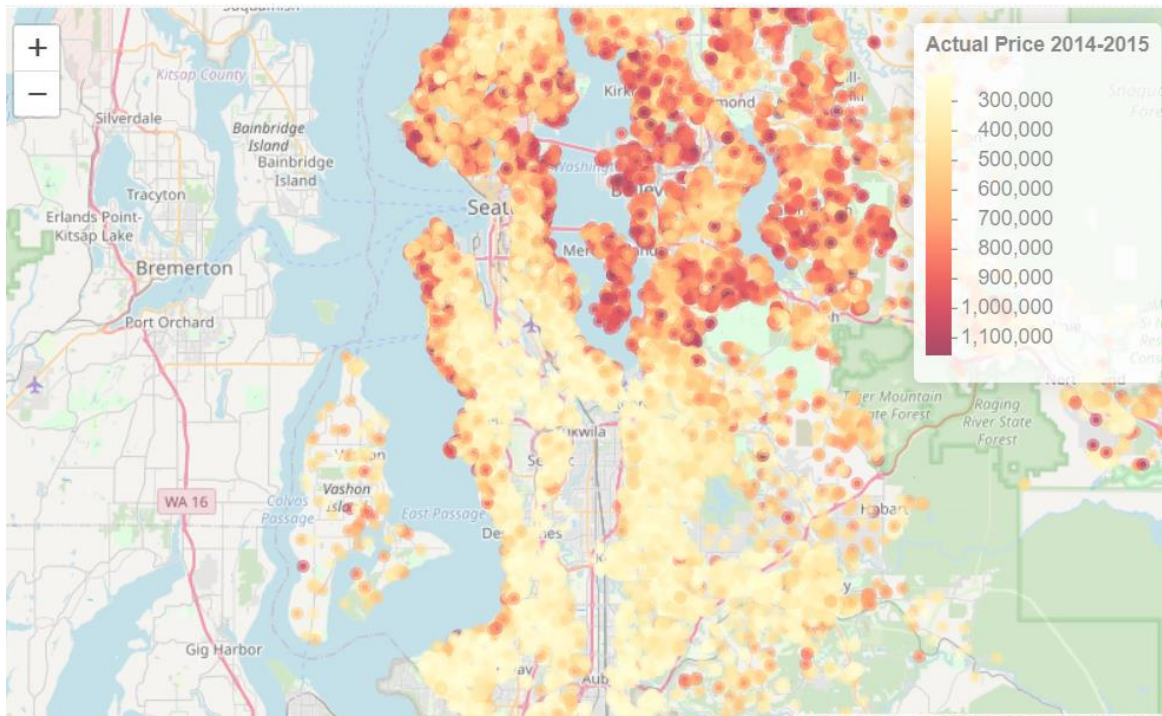
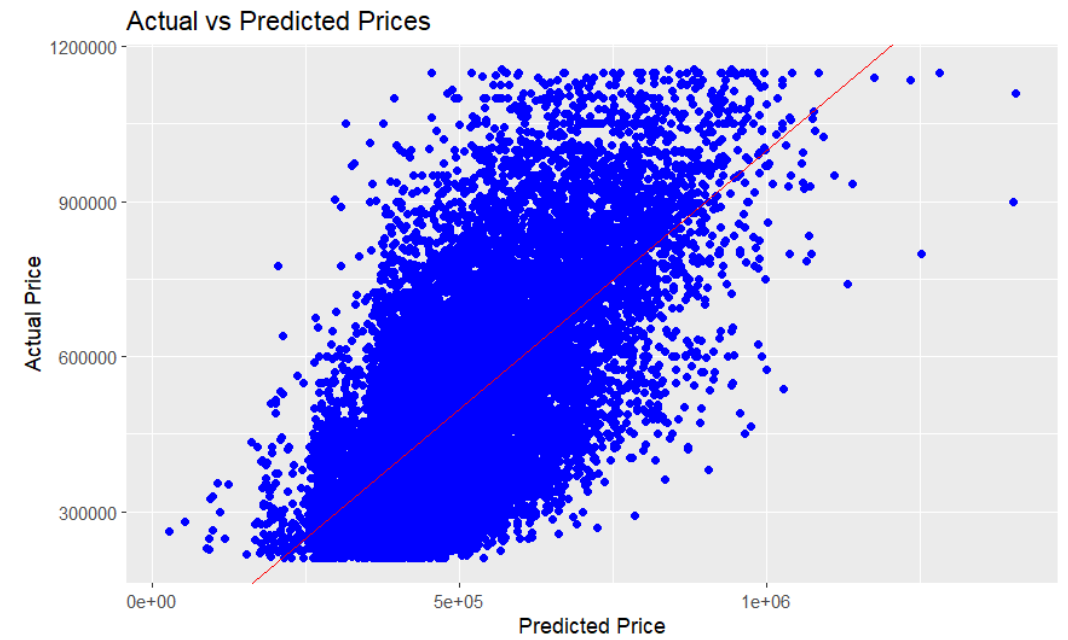
# Linear Regression Model



```
# Create a linear regression model to predict the sale price based on bedrooms, bathrooms, sqft_living,  
grade, waterfront and view  
model <- lm(price ~ bedrooms + bathrooms + sqft_living + grade + view + waterfront, data =  
kc_house_data_filtered)
```



# Comparison of King County Predicted Prices vs Actual Prices



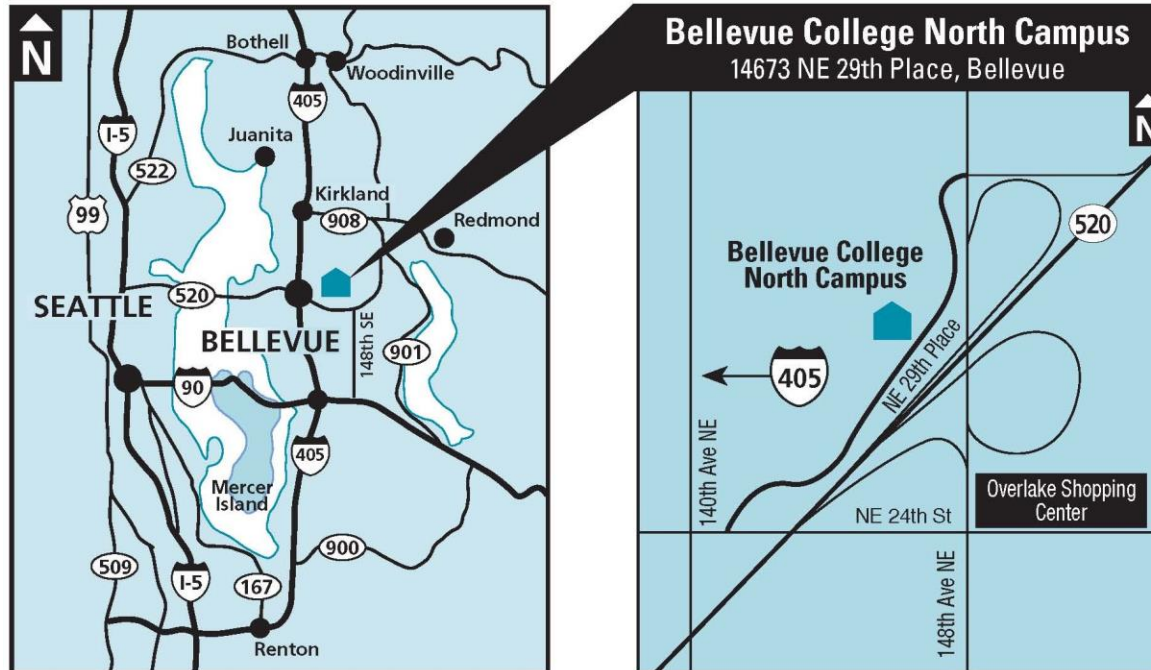
# King County Price Model Accuracy:

72.84% accuracy



```
# Calculate the mean absolute percentage error (MAPE) with outliers removed
kc_house_data_filtered <- kc_house_data_filtered %>%
  mutate(error_pct = abs((price - predicted_price) / price) * 100)
```

# Testing Our Model: House Price Prediction Near Bellevue College



```
# Set the coordinates of Bellevue College
lat_bc <- 47.5852
long_bc <- -122.1479

# Filter the data to include only properties within 1 km of Bellevue College
near_bc <- kc_house_data_filtered %>%
  filter((abs(lat - lat_bc) < 0.009) & (abs(long - long_bc) < 0.009))
```



# Actual Price vs Predicted Price Example with Small Percentage of Error



**\$1,282,559**

Redfin Estimate

**3**

Beds

**2**

Baths

**1,660**

Sq Ft

**Off Market**

This home last sold for \$490,000 on Nov 20, 2014.

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2014 Actual Price : \$490,000

2014 Predicted Price : \$491538.90

Percentage Error = 0.314%