

PREDICTING PROPERTY SALES PRICES

IN AMES, IOWA

by Gary, Jia Qing & Pei Yiing





AGENDA

01

**PROBLEM
STATEMENT**

02

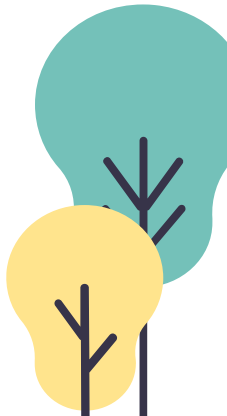
SCOPE

03

ANALYSIS

04

CONCLUSION





PROBLEM STATEMENT

“What are the top predictors of property sales price?”

PROPERTY AGENTS

We aim to help all agents understand
the housing sales price.



HOW DOES KNOWING THE TOP PREDICTORS HELP US?

UNDERSTAND THE BUYERS

What features attracts the buyers.



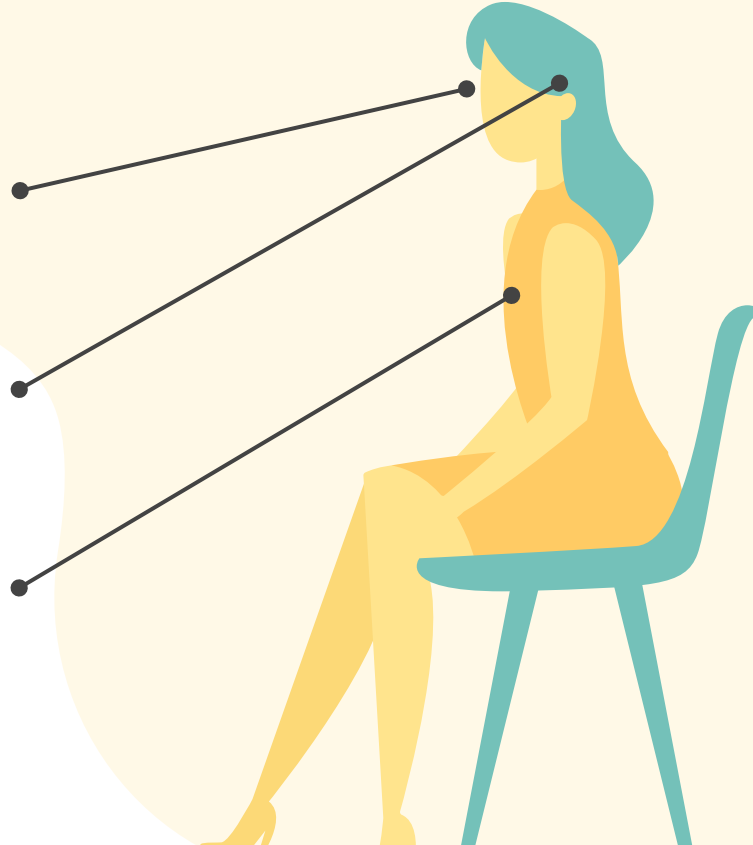
UPSELL THE PROPERTIES

"This house is your dream house."



ACCEPTABLE SELLING PRICE

Guide sellers on what is a reasonable range to price their house.



OUTSIDE RESEARCH: COMMON FEATURES OF A 'PERFECT' HOUSE

SECURITY

How safe is your neighbourhood?

BIG SPACE

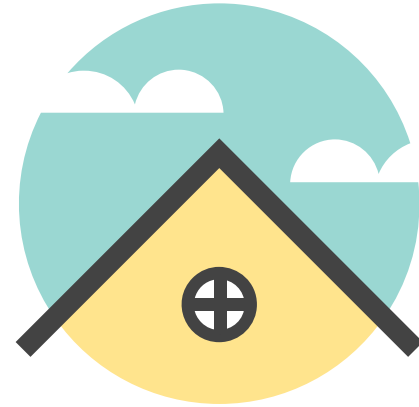
Buyers want outdoor areas and garage.

100% FUNCTIONALITY

Practical or functional?



SCOPE



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REAL ESTATE

Ames Residential Property Transactions

Top 3 most transacted property types from 2006 to 2010:



5426 Kansas Dr

1-storey (42.5 %)



2624 Kingston Dr

1.5-storey (10.2 %)

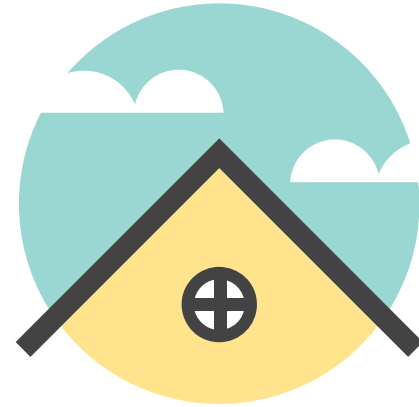


618 Agg Ave

2-storey (23.6 %)

ANALYSIS

Top predictors of Sales Prices



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Size Matters



Livable space is important to home buyers.

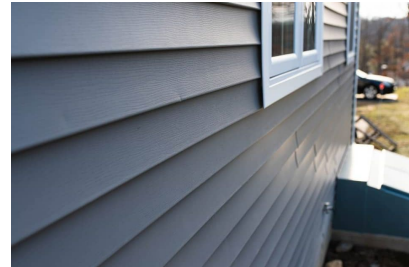
Homes with more bedrooms and bathrooms are highly valued.

Higher Quality, Higher Sales Price

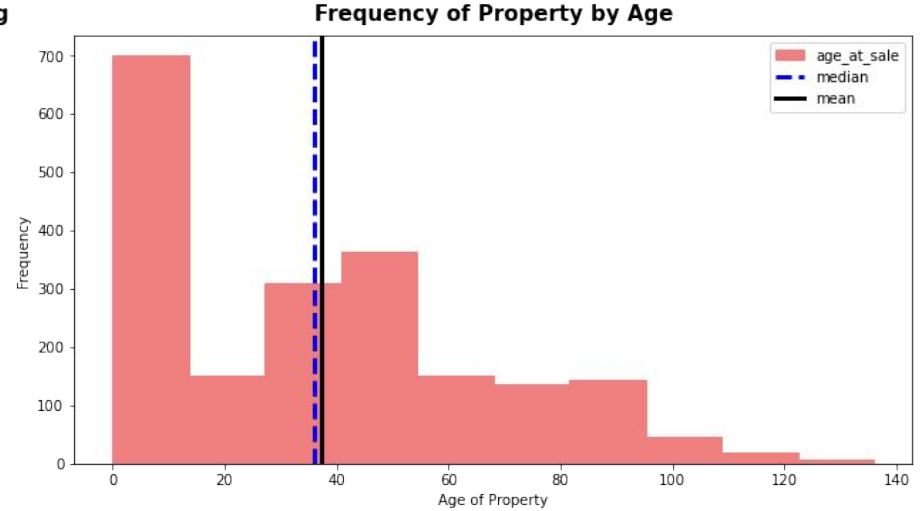
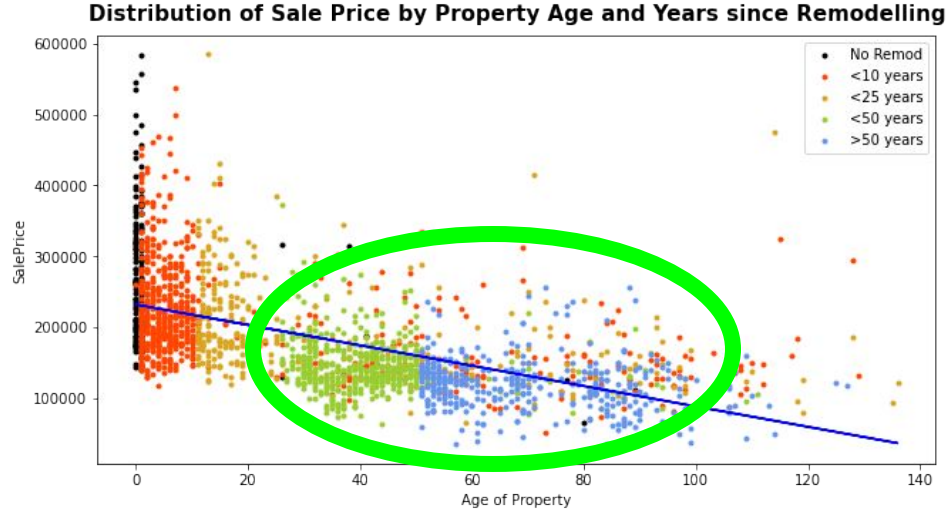


Good: vinyl siding, cement board

Bad: asbestos shingles, hard board



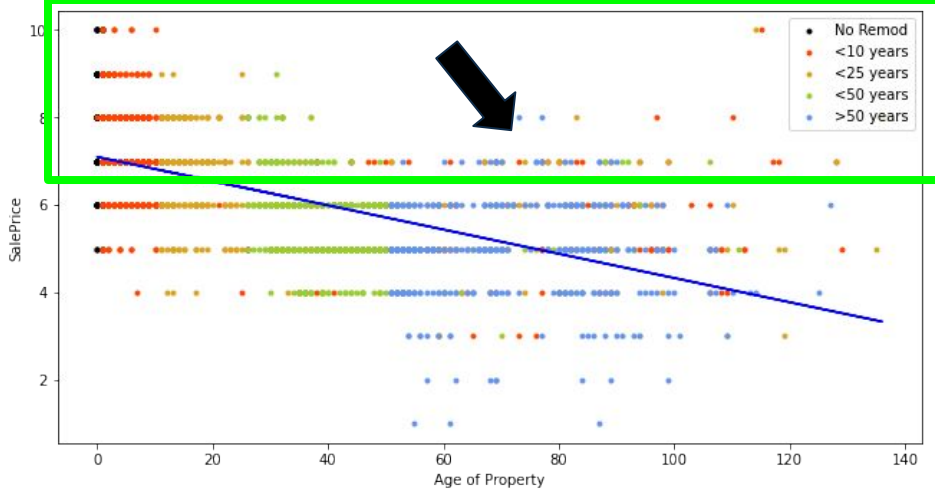
Older Properties Sell for Lower Prices



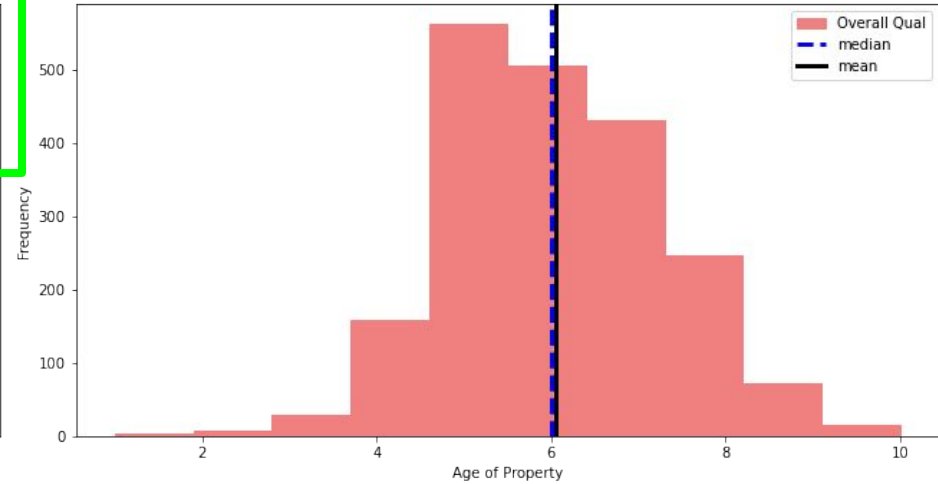
While recent remodeling can increase Sale Price, property age is still a stronger predictor

Newer Properties tend to be rated higher on Overall Quality

Distribution of Overall Qual by Property Age and Years since Remodelling



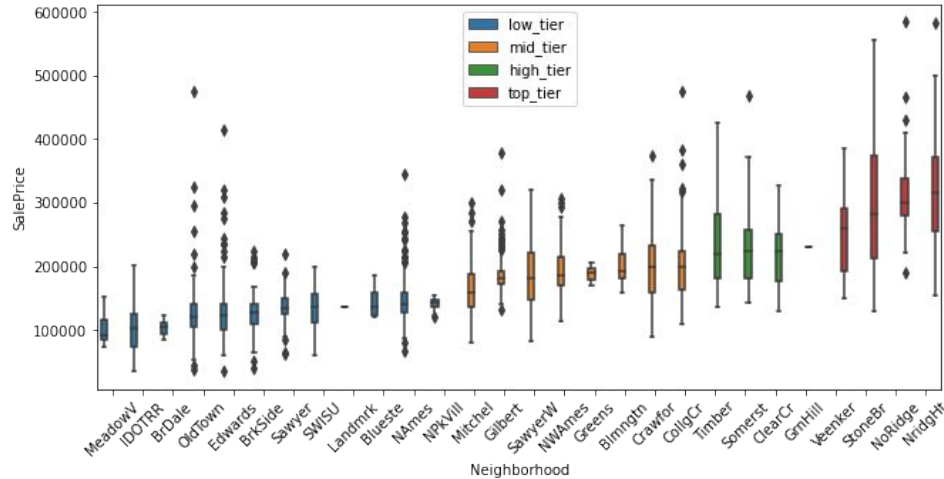
Frequency of Property by Overall Qual



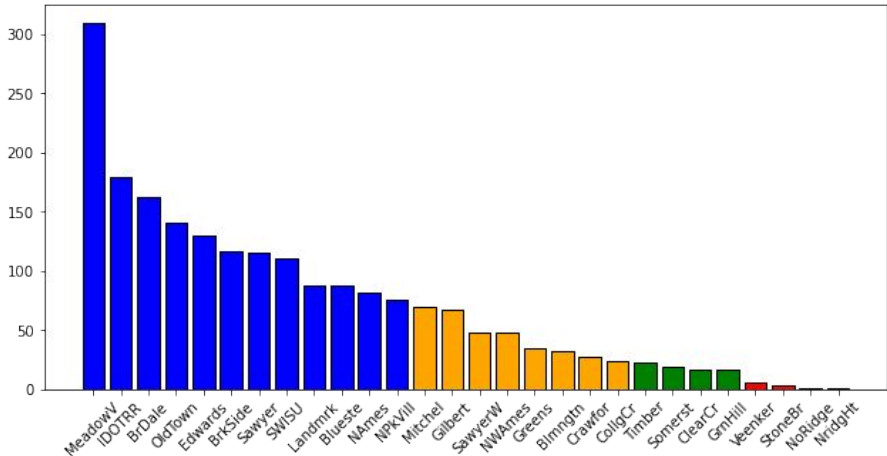
- Properties which are rated highly on Overall Quality tend to be houses built within the last decade.
- Older houses do not get rated as highly on Overall Quality even if they have been remodeled in the past 25 years

Sale Price varies by Neighborhood

Distribution of SalePrice by Neighborhood



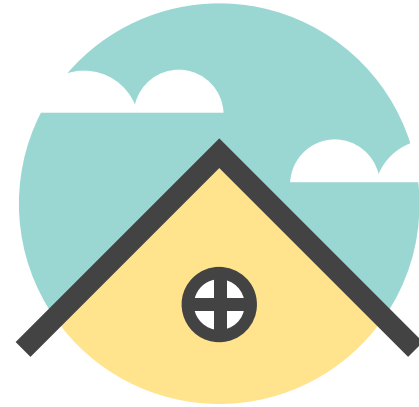
Frequency of Properties sold by Neighborhood



- Age of buildings in neighborhood can affect sale prices (eg: Old Town, Northridge Heights).
- Proximity to downtown (eg: College Creek)

CONCLUSION

Summary of Analysis



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TOP PREDICTORS of SALE PRICE



#1
Living Area
(Above
Ground)

#2
Overall
Quality

#3
Property
Age

#4
Neighbor-
hood



Recommended further analysis

Predictive value of:

- Neighborhood demographics
- Surrounding amenities

Ames City Neighborhood map:

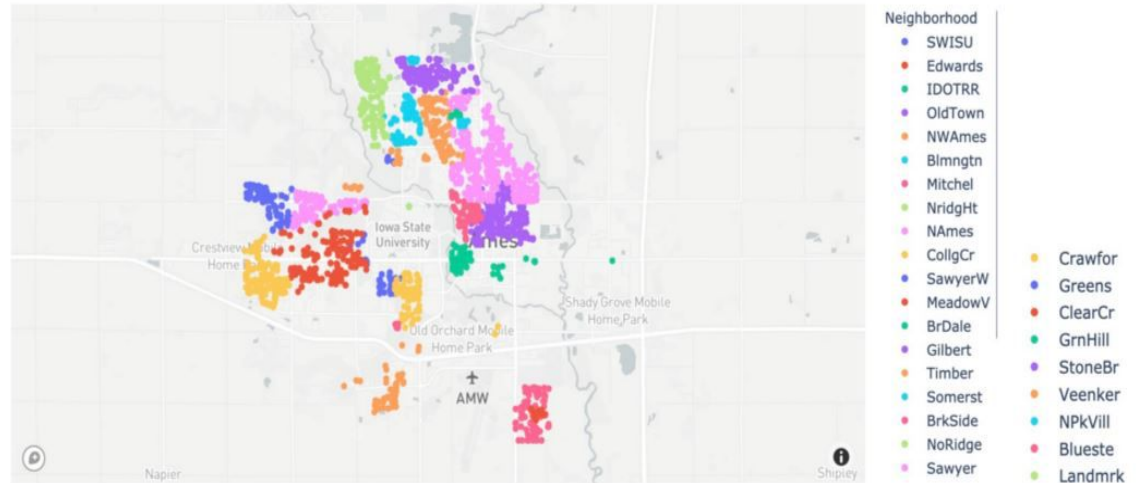


Image source:

<https://nycdatascience.com/blog/r/data-analysis-on-real-estate-in-ames-iowa/>

THANK YOU!

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