What's the Deal with Ames Housing Prices?

Tri Nguyen

Data Science Problem

How does house quality conditions change sale prices?
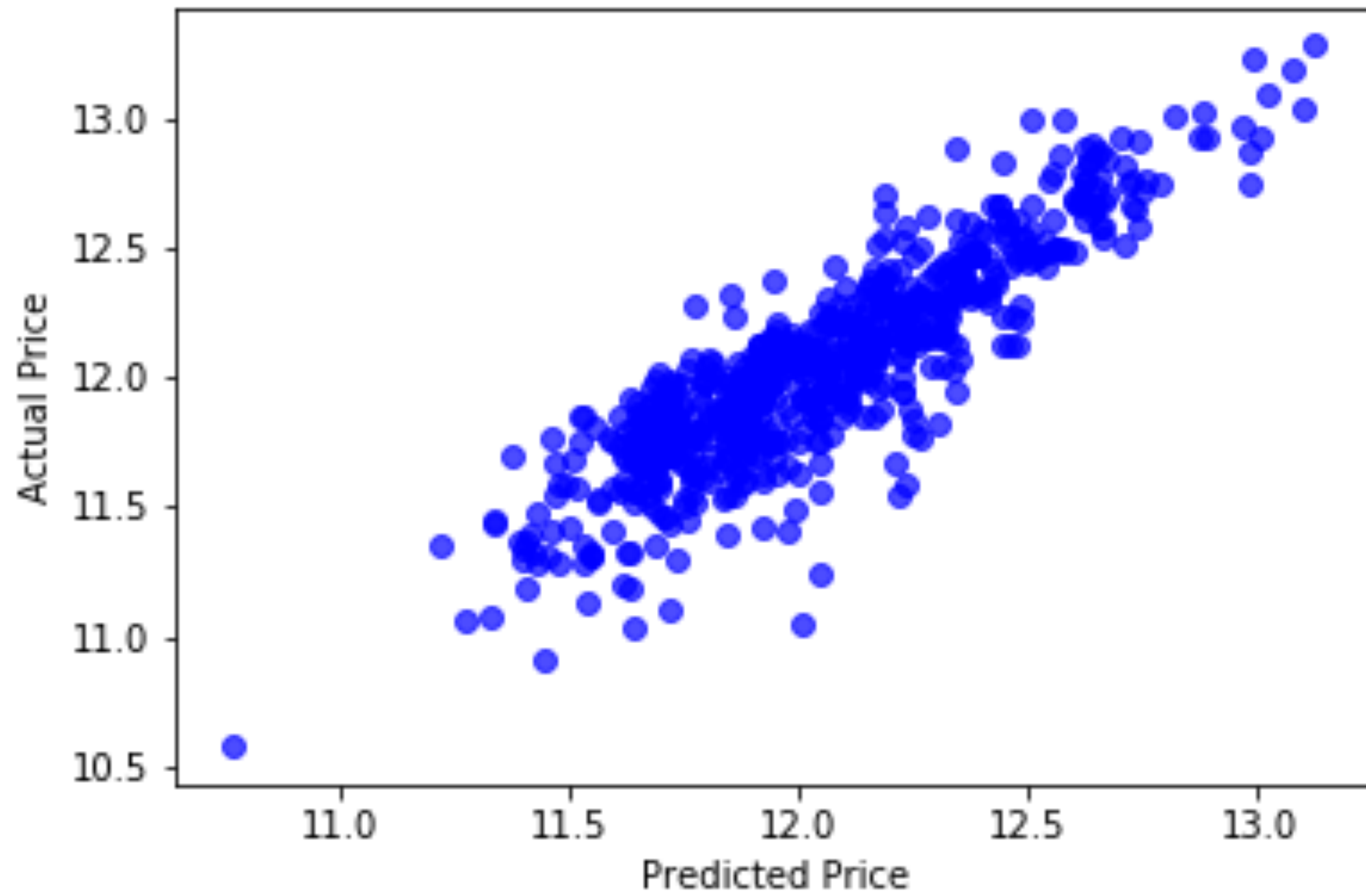
Procedure

- Co-Relation

- Linear Model

- Train-Test-Split

- R^2 (Cofficients of Determinents)

- Root Mean Square Error

- Ridge & Lasso Regression

Models
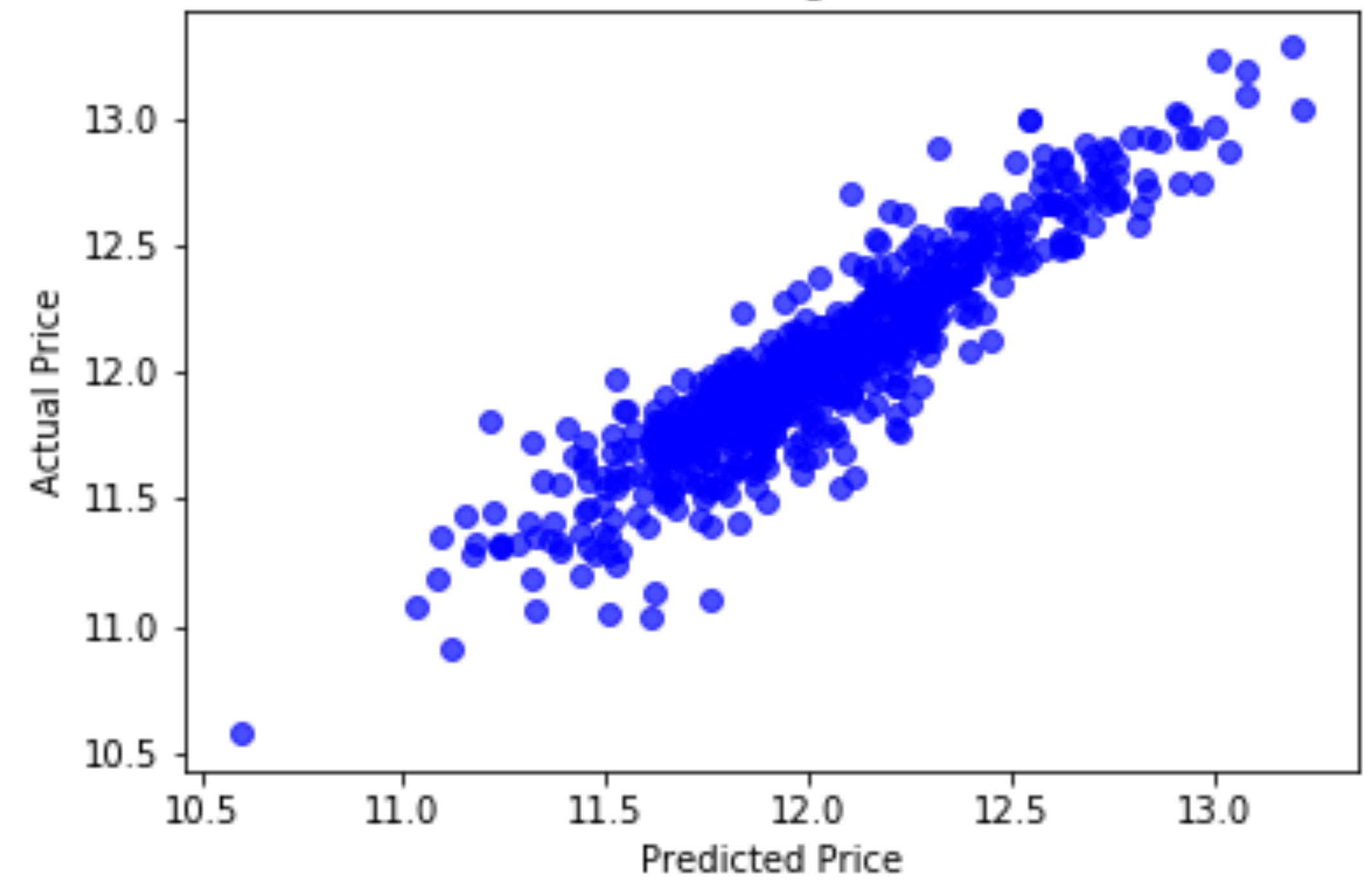
Alternative Models
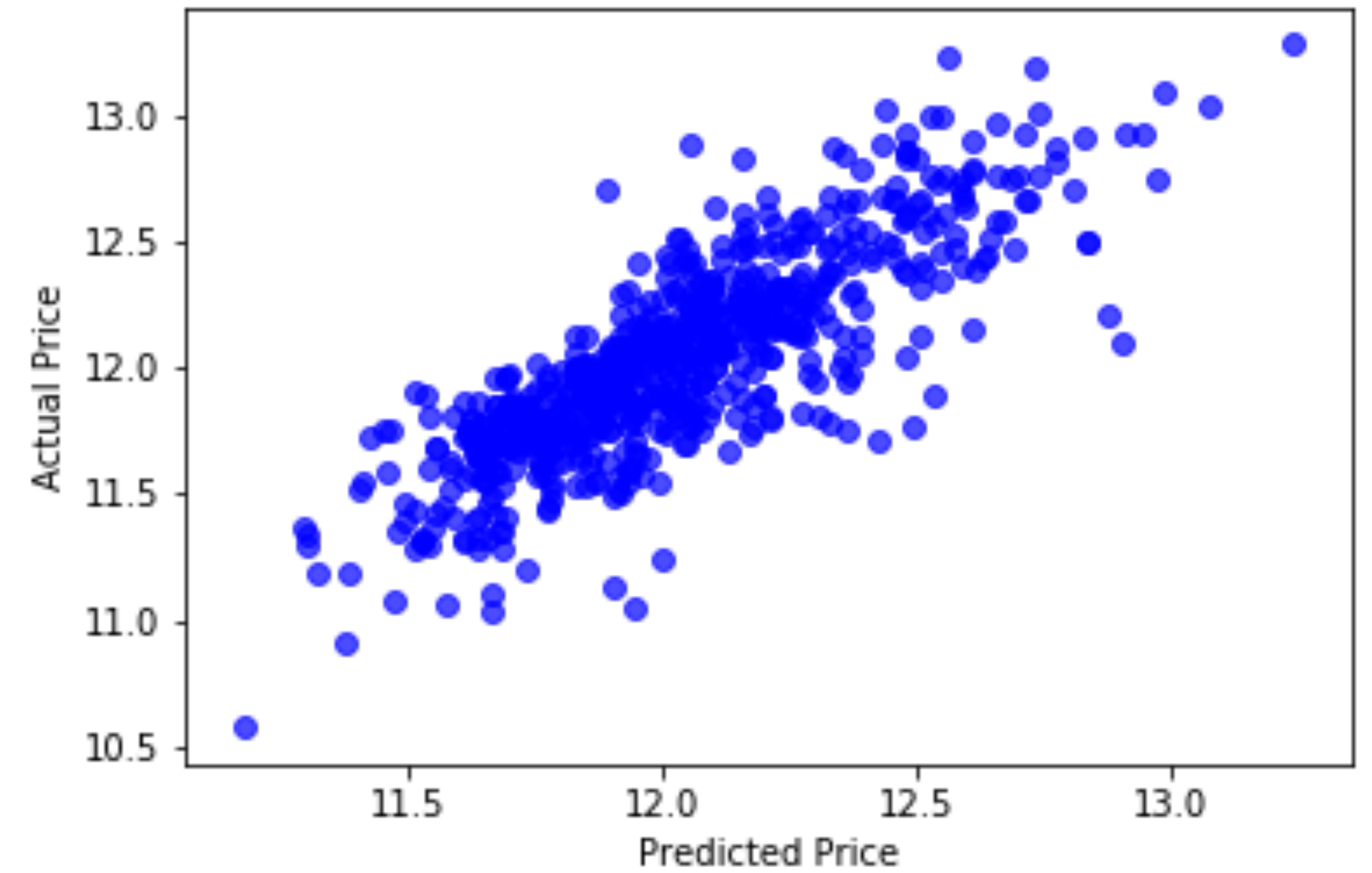
Findings
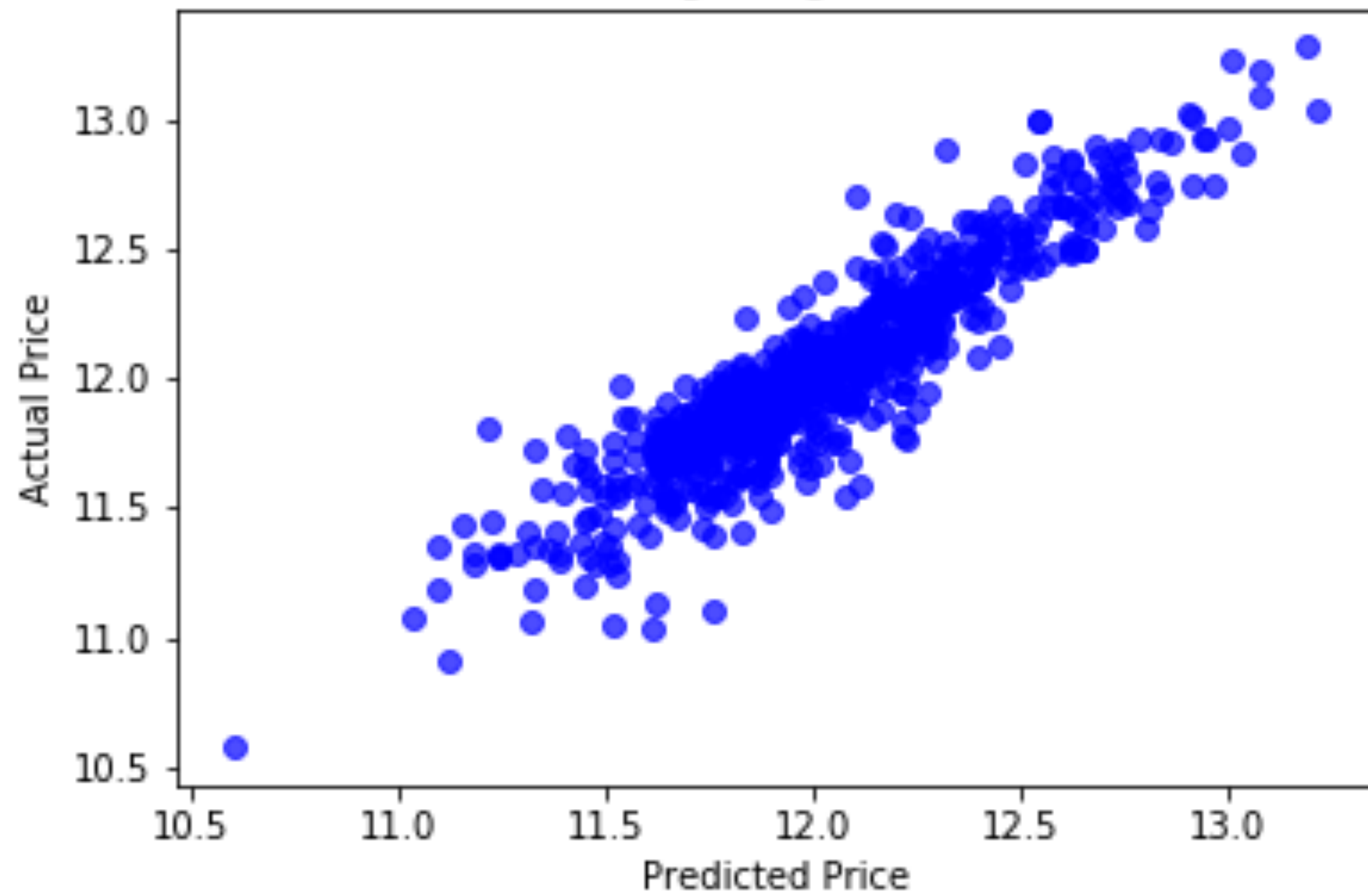
Model	R^2	RMSE
1	0.78	0.04
2	0.84	0.03
3	0.84	0.03
4	0.84	0.03

❖ Model 2 improvement over Model 1

❖ Model 3 & 4 have the same results

Recommendation

❖ Yes, house quality conditions does change sale prices

❖ More new and/or improved conditions mean high sale prices

❖ Don't settle for less if your house is in top condition