**Initial Question- What causes housing prices to fluctuate?**

**Outcome of your EDA**

There are three factors that have an influence on the final sale price of a home. These three variables are square feet of living space, building grade, and year built. Square feet of living space seems to have the strongest correlation with the sale price. Each additional sq foot leads to a higher price of around 183 dollars.

**What do you feel was missed during the analysis?**

Our current housing market today seems to not be following any rules. Since there are so few homes and so many buyers houses are being sold for way over market price. The data I have looks at homes from 1964 to 2016. I do not think these relationships would be as prevalent in todays market as they were a few years ago.

**Were there any variables you felt could have helped in the analysis?**

Some variables that would have been interesting to have include time spent on market. This variable could be used to see if homes that don’t initially receive much attention drop in price. Another variable I would have liked to have is the amount of offers received on the home.

**Were there any assumptions made you felt were incorrect?**

One initially assumption was that the amount of bedrooms would be very closely correlated with a higher sale price. This did not appear to be true. Even though square footage and bedrooms has a correlation above .5.

**What challenges did you face, what did you not fully understand?**

One major challenge I had was getting the regression analysis to work. My understanding of it now is that the coefficient that it produced is directly tied into the sale price. For example I received a coefficient of 183.346 which means for every square foot the sale price changes by 183 dollars.