IBM CAPSTONE PROJECT – THE BATTLE OF NEIGHBORHOODS: FINAL – M GOGOI

CLUSTER ANALYSIS OF LONDON REAL ESTATE MARKET

BUSINESS PROBLEM

- London Housing Market is slowing down:

1. Brexit
2. Hidden price falls
3. Record-low sales
4. Homebuilder exodus
5. Tax hikes addressing overseas buyers of homes in England and Wales.

BUSINESS PROBLEM

How could we provide support to homebuyers clientele in to purchase a suitable real estate in London in this uncertain economic and financial scenario?

SOLUTION

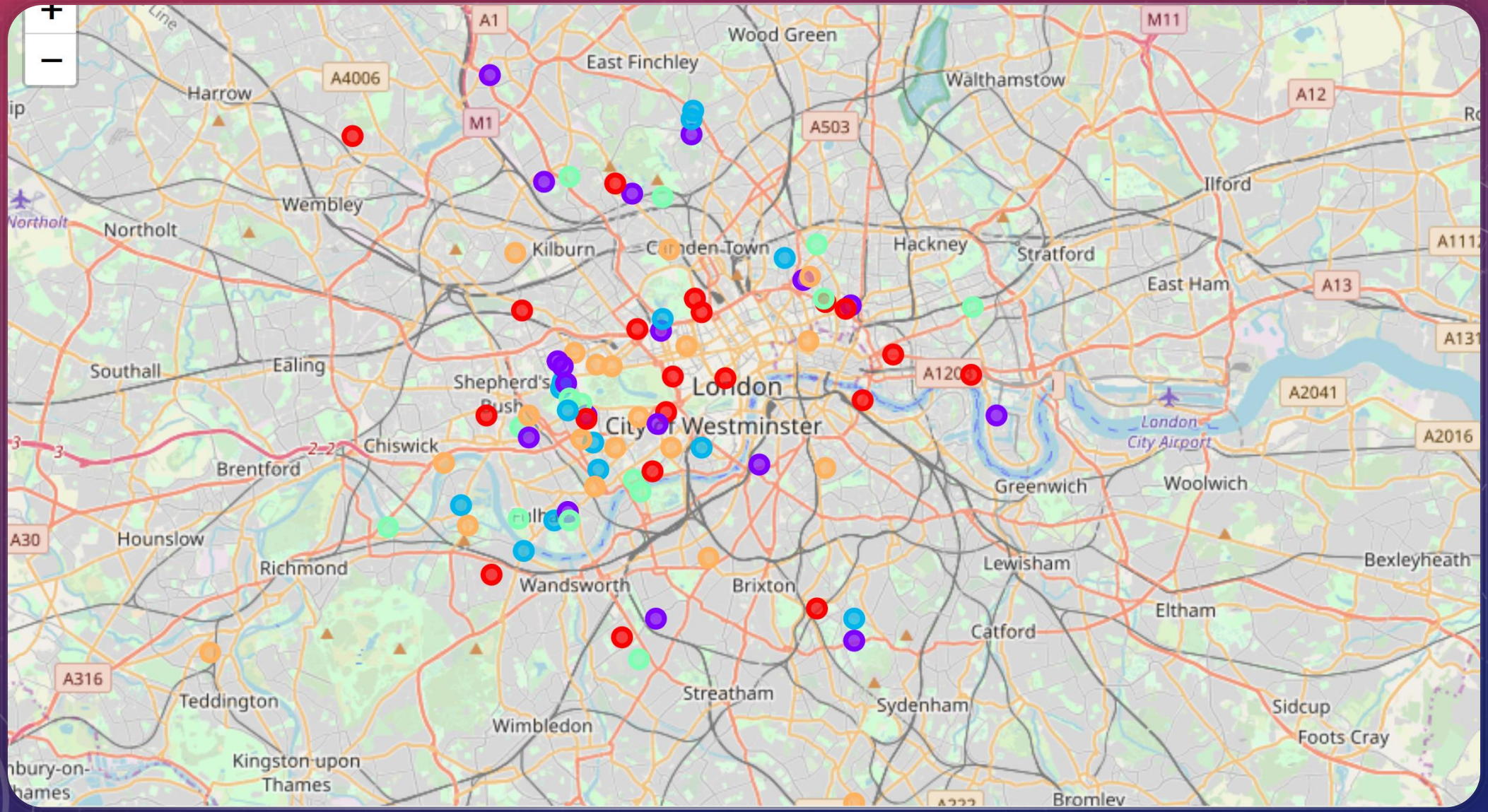
- Clustering London neighborhoods in order to recommend venues and the current average price of real estate where homebuyers can make a real estate investment.

DATA AND METHODOLOGY

- ❑ Data: merging data on London properties and the relative price paid data from the HM Land Registry and data on amenities and essential facilities surrounding such properties from FourSquare API interface.
- Methodology:

1. Collect Inspection Data
2. Explore and Understand Data
3. Data preparation and preprocessing
4. Modeling

K-MEANS CLUSTERING



CONCLUSION

- ❑ Examination of real estates according to neighborhoods/London areas

1. West London (Notting Hill, Kensington, Chelsea, Marylebone) and North-West London (Hampsted) might be considered highly profitable venues to purchase a real estate;
2. South-West London (Wandsworth, Balham) and North-West London (Isliington) are arising as next future elite venues with a wide range of amenities and facilities.

- ❑ Examination of real estates by clusters

1. Clusters 0, 2 and 4 may target home buyers prone to live in 'green' areas with parks, waterfronts;
2. Clusters 1 and 3 may target individuals who love pubs, theatres and soccer.