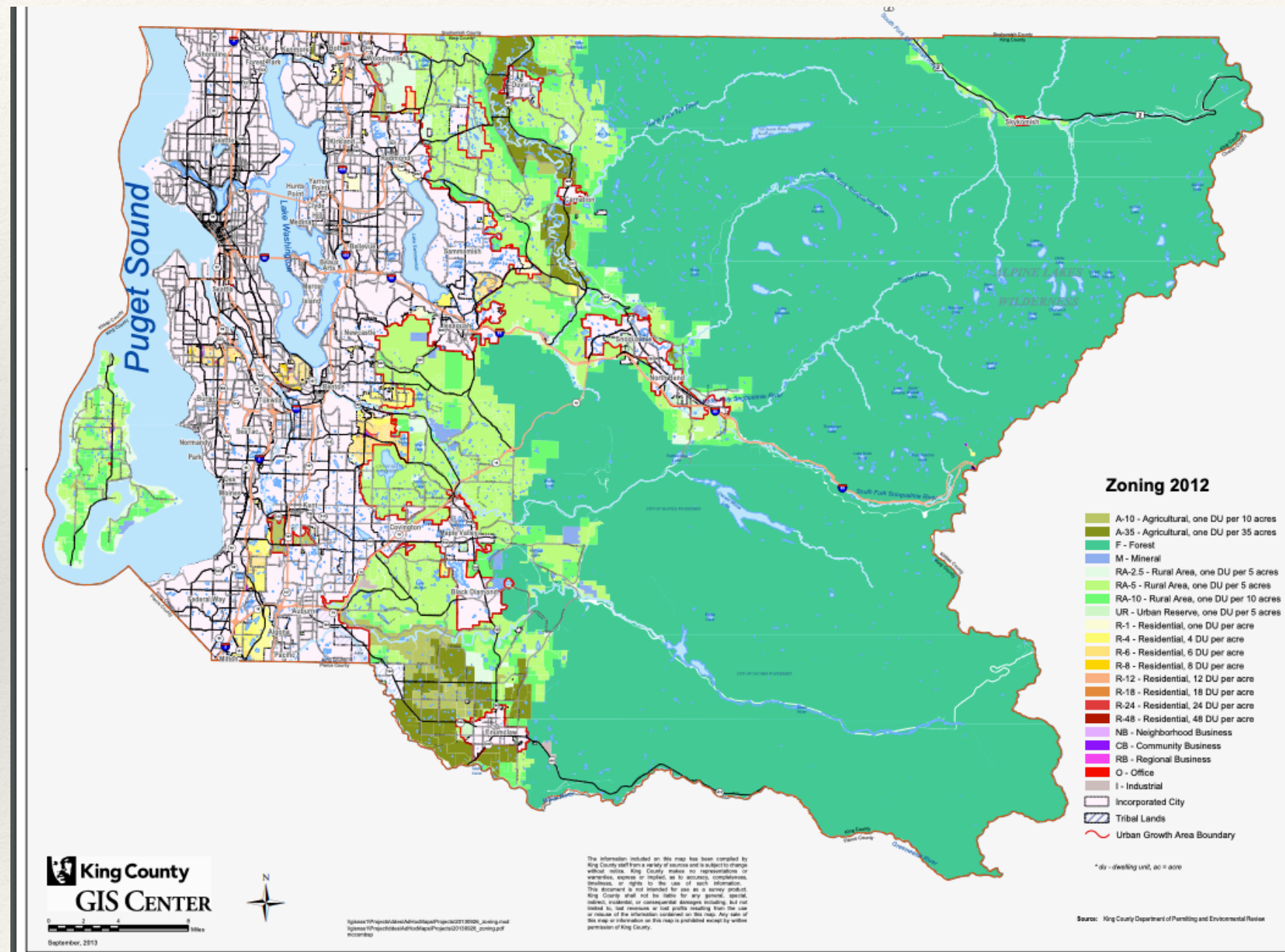

King County House Prices

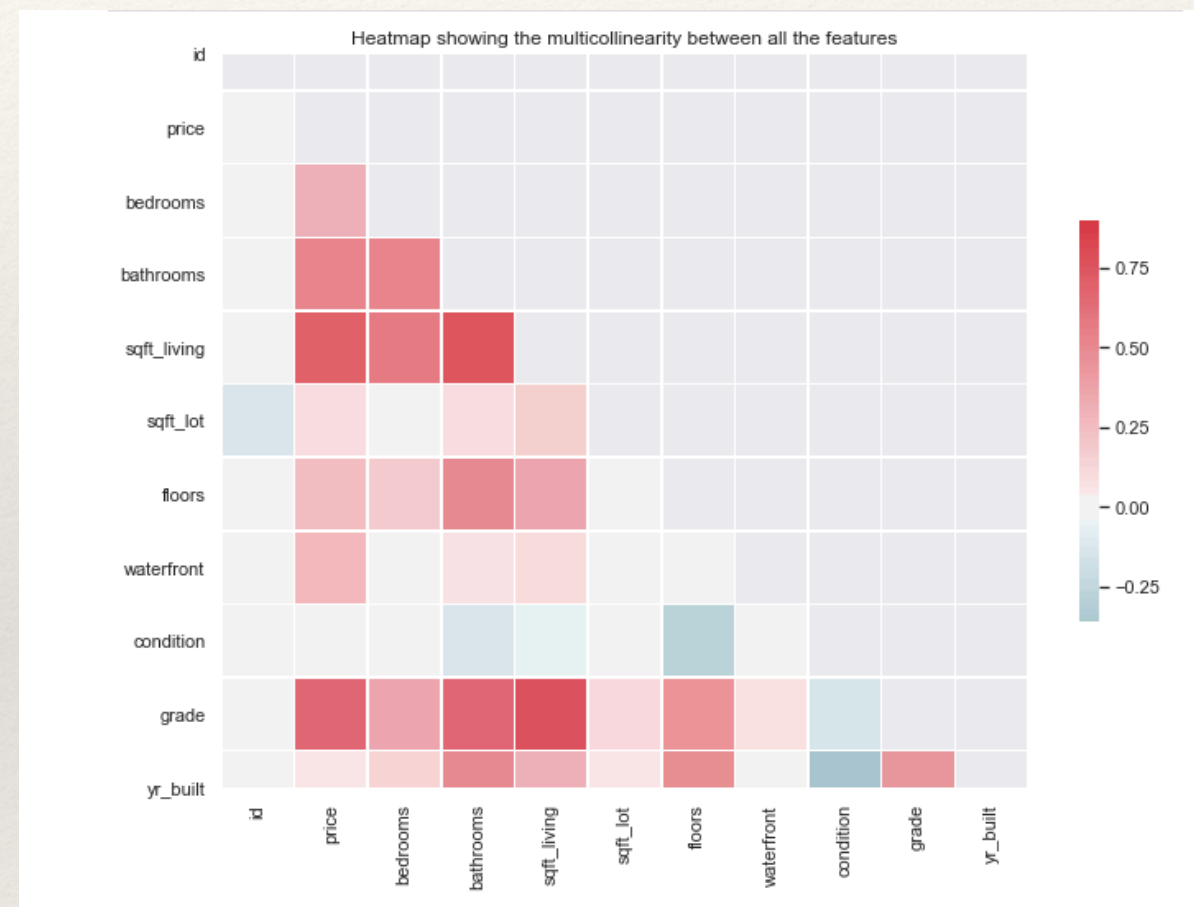
Nuno Delgado

King County Area



The Method

- ❖ Multicollinearity undermines the statistical significance of an independent variables



❖ How accurate is to predict the sale price of a house based on its:

❖ 1* Condition, grade, total area and year

| | |
|-----------|---------------|
| Intercept | 5.574971e+06 |
| condition | 2.719050e+04 |
| grade | 2.516489e+05 |
| sqft_lot | 1.287916e-01 |
| yr_built | -3.579870e+03 |

❖ 2* Grade, bathrooms, year

| | |
|-----------|---------------|
| Intercept | 8.034849e+06 |
| grade | 2.033097e+05 |
| bathrooms | 1.364454e+05 |
| yr_built | -4.738563e+03 |

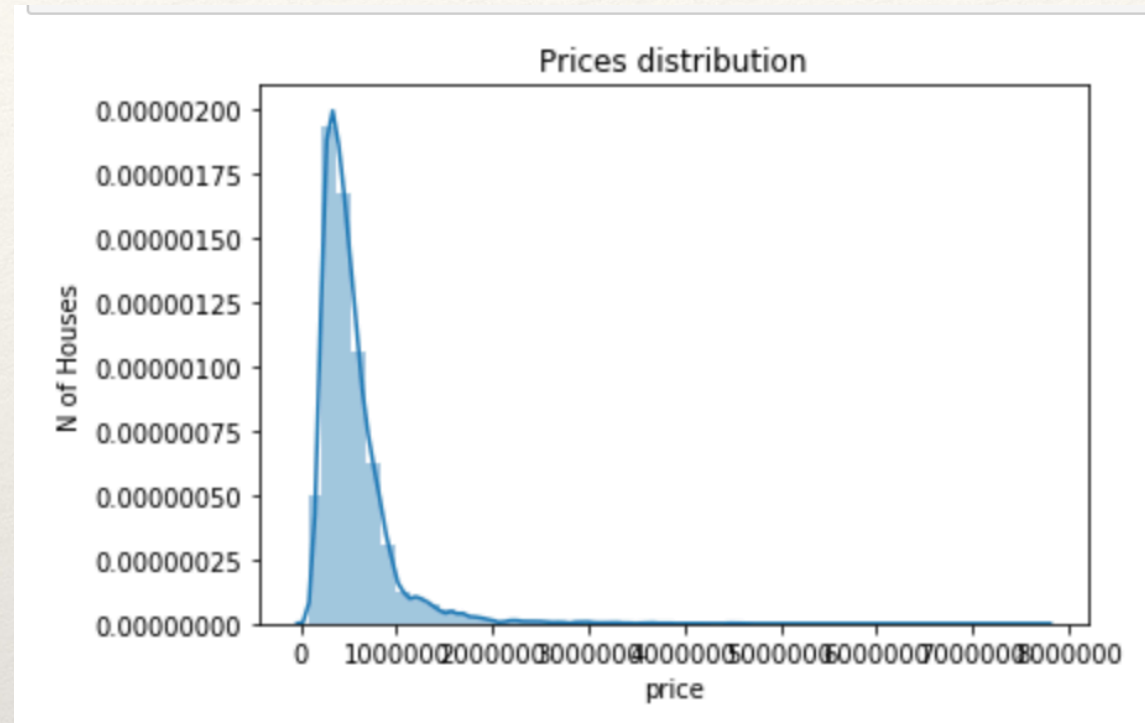
❖ 3* Grade, bathrooms, total area

| | |
|-----------|----------------|
| Intercept | -972559.240554 |
| sqft_lot | 0.093261 |
| bathrooms | 67812.398363 |
| grade | 178607.302911 |

❖



Improvements



- ❖ Dropping the extreme prices
- ❖ Accuracy higher

Conclusions

- ❖ Predicting house prices is an extremely complex and challenging problems because houses vary widely and house prices are not only based on the physical properties of a house but also on the emotional, social and financial position of the parties involved.



Thank You!!