



# Location, Location, Location.

Is the common Real Estate phrase  
actually useful?



# Who's here?

I am Andres, Data Scientist.

You are the Iowa Council  
for Attracting Remote  
Workers.

# Outline

- The Problem
- The Data
- The Results



# 01 The Problem

Is Location the most important factor in predicting House prices?



# 02 The Data

Ames Housing Data

# Neighborhoods Ranked by Price

## Top 5:

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1. Stone Brook
2. Northridge Heights
3. Northridge
4. Green Hills
5. Veenker

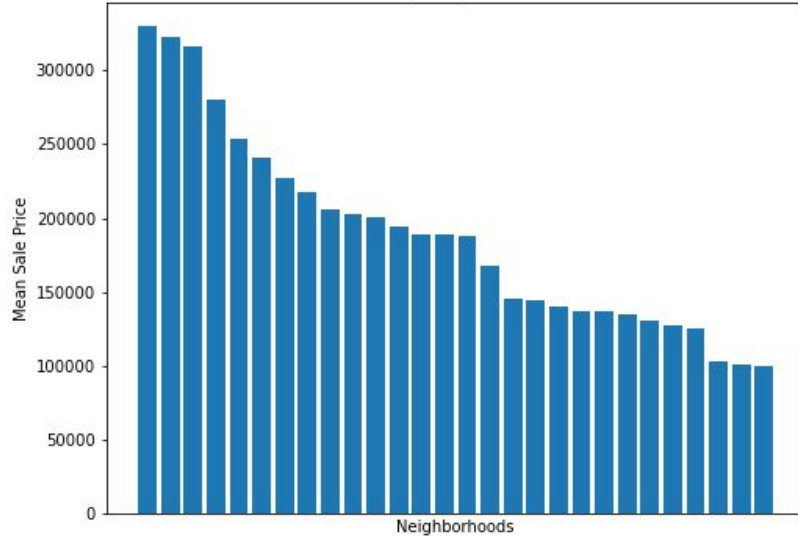
## Bottom 5:

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1. Meadow Village
2. Iowa DOT and Rail Road
3. Briardale
4. Old Town
5. Brookside



Mean Sale Price by Neighborhood in Ames, IA



**A picture is worth a thousand words**



# Other Location Proxies

## Lot Shape

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Regular, Slightly  
irregular, Moderately  
Irregular, Irregular

## Lot Configuration

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Inside lot, Corner lot,  
Cul-de-sac, Frontage on  
2 sides of property,  
Frontage on 3 sides of  
property

## Proximity

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Adjacent to arterial  
street, feeder street.  
Within 200' of  
North-South Railroad,  
near positive off-site  
feature: park, greenbelt,  
etc.

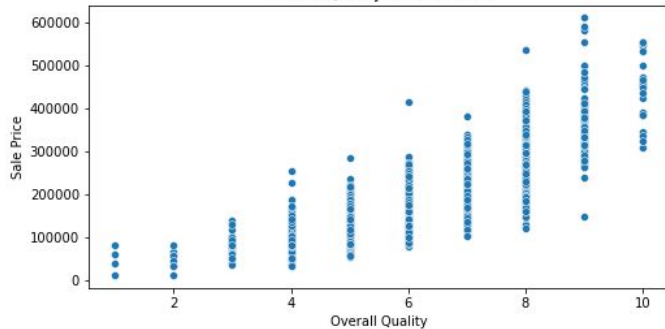


**Is there any  
additional data?**

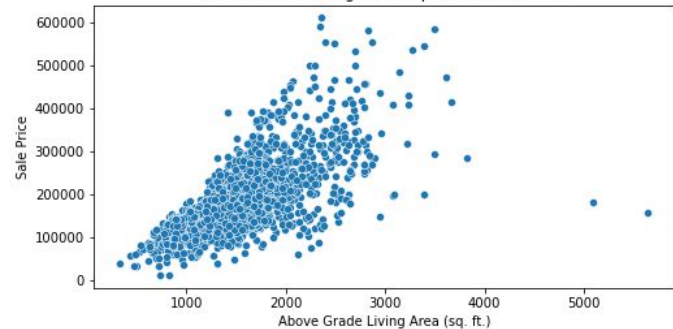


# Other Numerical Features

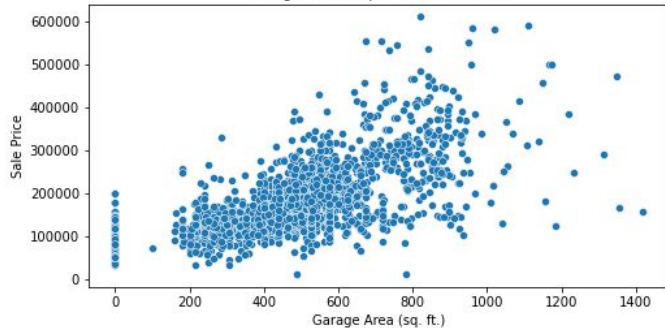
Overall Quality vs. Sale Price



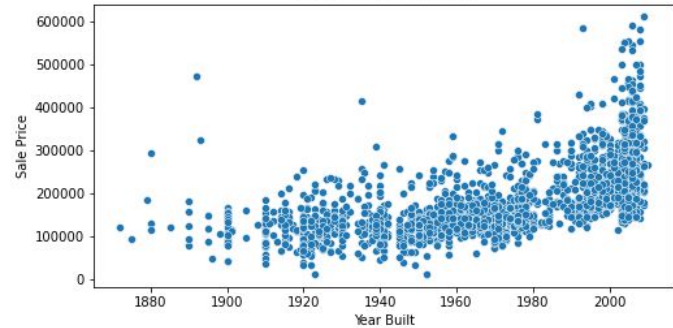
Above Grade Living Area (sq. ft.) vs. Sale Price



Garage Area (sq. ft.) vs. Sale Price



Year Built vs. Sale Price





# 03 The Results

Don't get tunnel vision! Look at more factors!

	R2	RMSE
Null Model	-	79,276.56
LinReg Numericals	77.44%	37,279.67
Neighborhoods Only	59.86%	49,726.20
Location Proxies	62.63%	47,982.08
Best Model (Ridge)	87.04%	28,258.67



## Conclusions and Recommendations

*Location alone is not enough!  
Consider more factors  
like: Square Feet,  
Overall Quality and  
Garage Area.*

# Thanks! Questions?

Do you have any questions?

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