



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

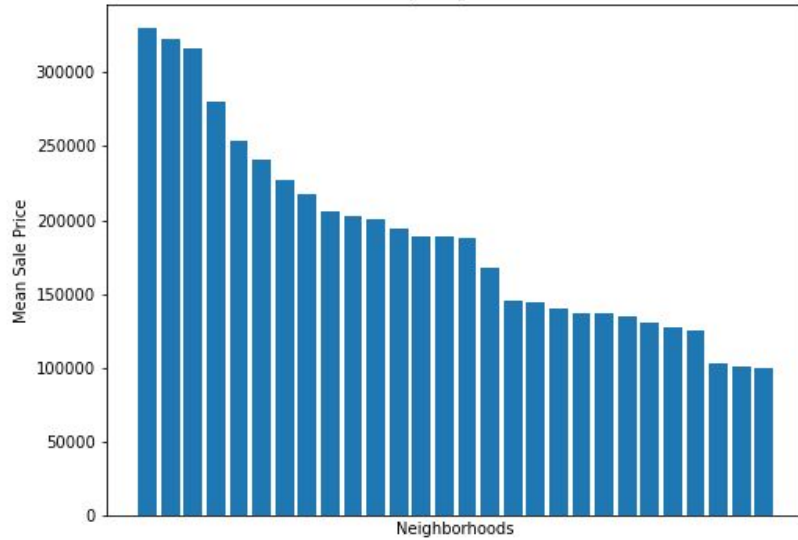
Top 5:

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

Bottom 5:

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

Regular, Slightly
irregular, Moderately
Irregular, Irregular

Lot Configuration

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

Proximity

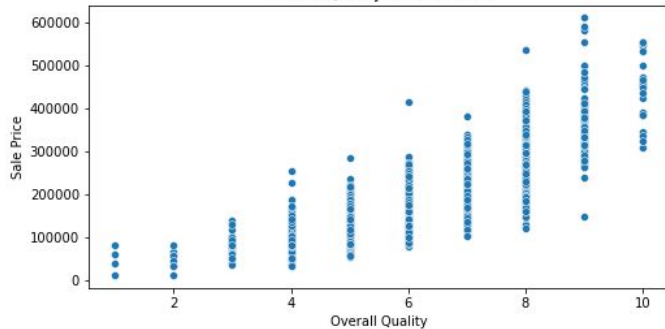
Adjacent to arterial
street, feeder street.
Within 200' of
North-South Railroad,
near positive off-site
feature: park, greenbelt,
etc.

**Do we consider any
other data?**

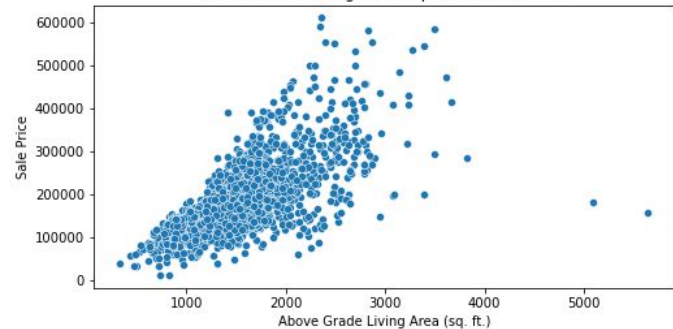


Other Numerical Features

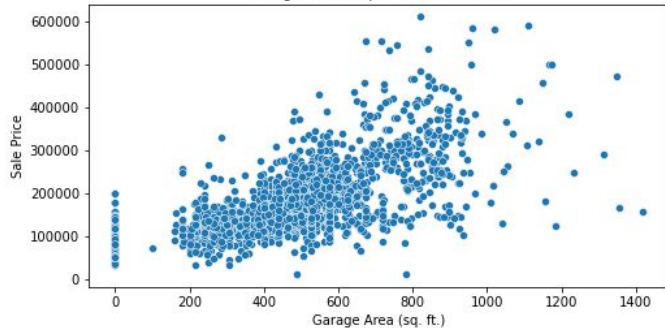
Overall Quality vs. Sale Price



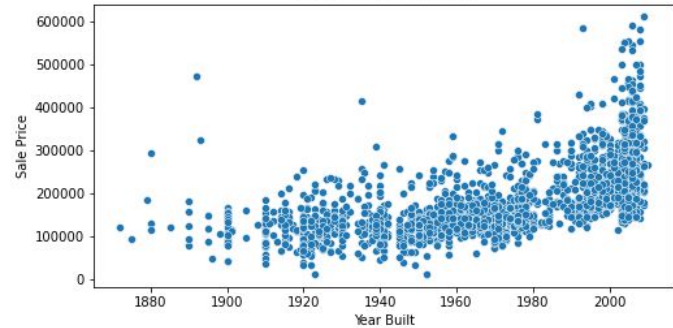
Above Grade Living Area (sq. ft.) vs. Sale Price



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



Year Built vs. Sale Price





03 The Results

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

	RMSE
Null Model	79,276.56
LinReg Numericals	37,279.67
Neighborhoods Only	49,726.20
Location Proxies	47,982.08
Best Model (Ridge)	28,258.67



Conclusions and Recommendations

*Location alone is not enough!
Consider more factors like:*

- 1. Above Ground Living Area*
- 2. Overall Quality*
- 3. Garage Area*
- 4. Year Built*
- 5. Excellent Kitchen Quality*

Thanks! Questions?

Do you have any questions?

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