

Analyzing Airbnb Listing Price and Host Type in New York City

Presented by Team 3B

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AGENDA

- Project Overview
- About the Dataset
- Data Cleaning
- Exploratory Data Analysis
- Machine Learning:Classification & Regression
- Conclusion & Future Work





Objectives

- Analyzing neighborhood popularity for superhosts and non-superhosts
- Comparing the pre- and post-COVID listing prices
- Predicting the type of host and understanding what attributes contribute to the classification of a superhost
- Predicting the price for Airbnb listings in New York City and understanding what features contribute to profitable business opportunities for Airbnb



Data Source

The datasets have been taken from InsideAirbnb and were last updated in October 2020.





• About the Dataset



Listings

There are 44666 unique observations (listings) and 74 features.



Neighborhoods

There are 230 unique observations (neighborhoods) in 5 boroughs.



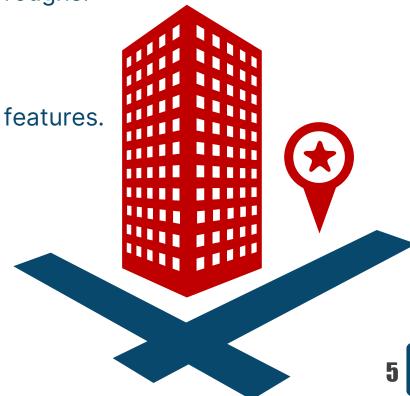
Reviews

There are 1003064 unique observations (comments) and 6 features.



Calendar

There are 18747307 observations and 7 features.





Listings

- Step 1: Unifying Formats and Data Types
 - Converted each column to the correct format and data type
- Step 2: Dealing with Missing Values
 - Dropped empty columns (E.g., "bathrooms")
 - Dropped 25 listings had price as \$0 and 1595 listings had no beds
- Step 3: Analyzing Outliers
 - Some listing prices are greater than 5,000 USD
 - The maximum number of beds is 40 and it hosts 16 people

After cleaning, we now have 31880 unique observations.





Data Cleaning - Outlier Examples

~New jersey loft

★ 4.50 (11) · New York, United States



the best you can find

New York, United States





Shared room in loft hosted by Rom

1 guest · 1 bedroom · 5 beds · 2 shared baths



\$10,000 / night

4.50 (11)

::: Show all photos





Reviews

 Dropped comments with missing values and those that have less than 3 characters, after which we have 1002383 comments for 34142 listings.

Calendar

- Converted "price" and "date" columns to float and datetime data types
- Brought in archived datasets to compare price fluctuations between 2019 and 2020





Exploratory Data Analysis



Neighborhood



Hosts



Reviews



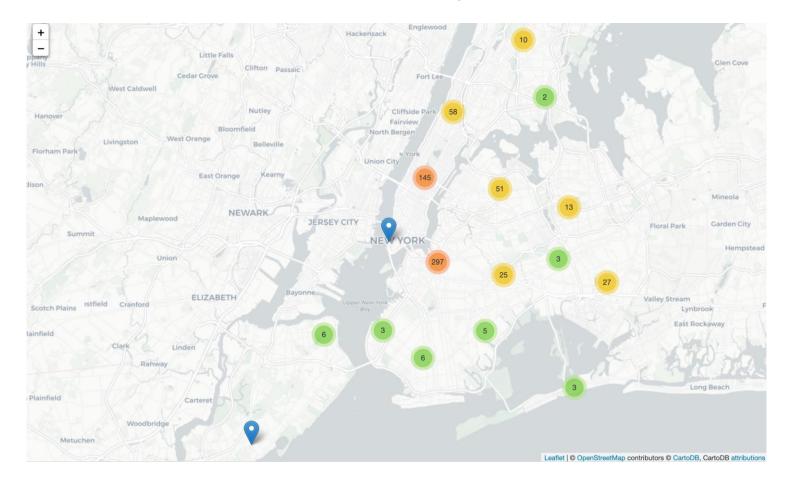
Price





Most Reviewed Listings

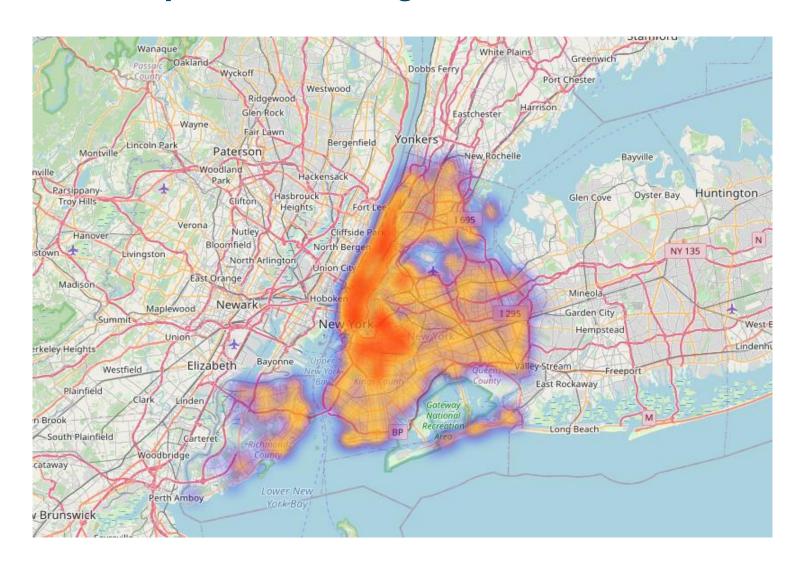
• There are 657 apartments with more than 200 reviews, out of which 336 apartments are from Brooklyn, 204 are from Manhattan, followed by 97 in Queens.







Heatmap of NYC Listings





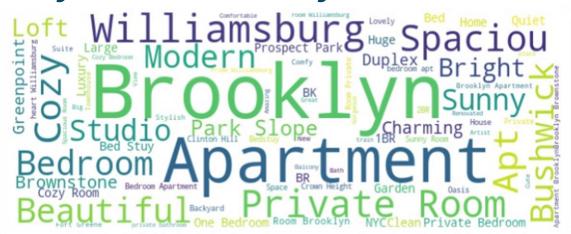


Keywords in Manhattan





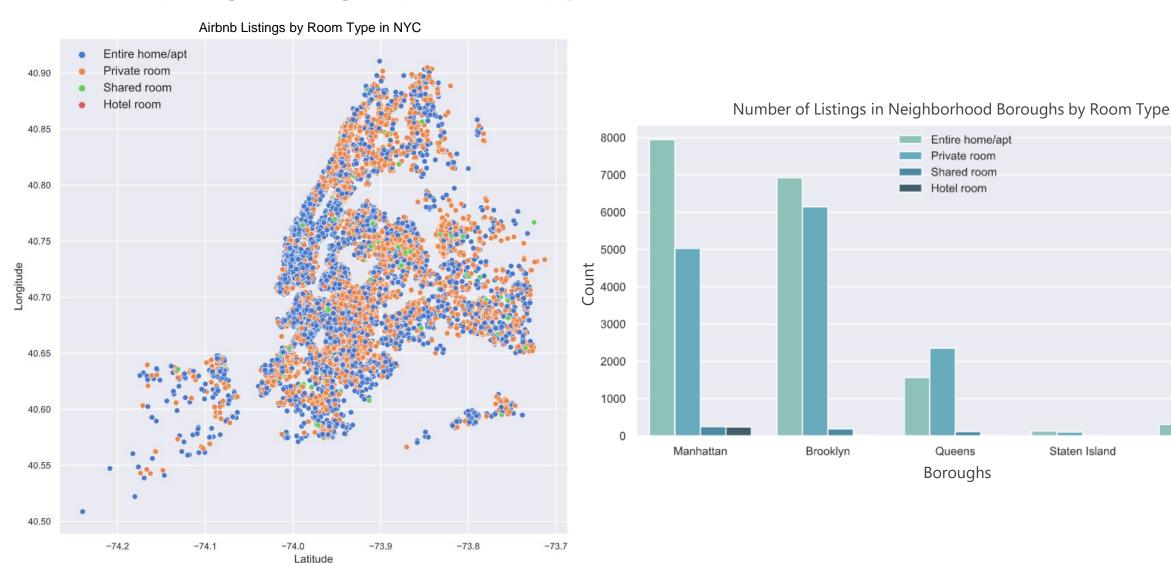
Keywords in Brooklyn







Analyzing Listings by Room Type



Bronx



Top 10 Hottest Neighborhoods by Room Type

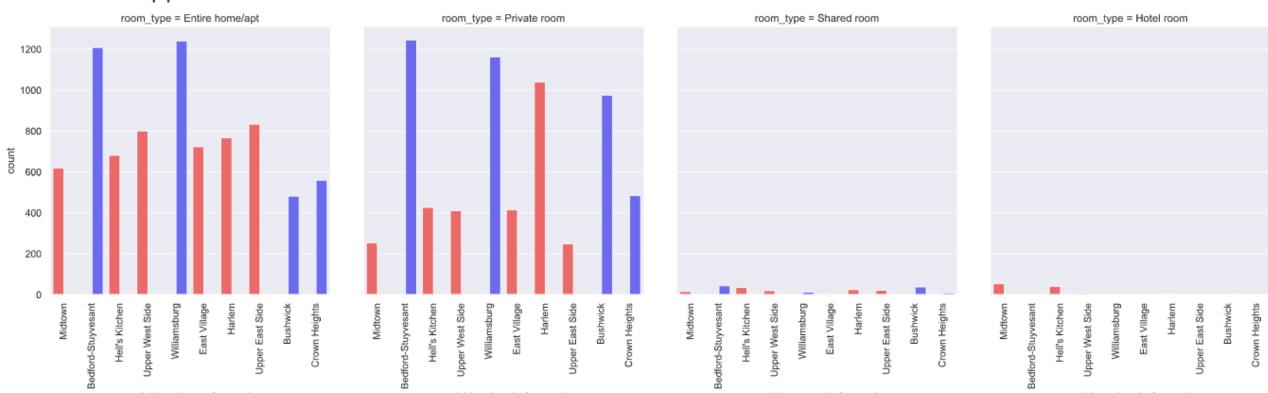
- 1. Bedford-Stuyvesant
- 2. Williamsburg
- 3. Harlem
- 4. Bushwick
- 5. Upper West Side

- Hell's Kitchen
- East Village
- **Upper East Side**

Manhattan

Brooklyn

- **Crown Heights**
- 10. Midtown

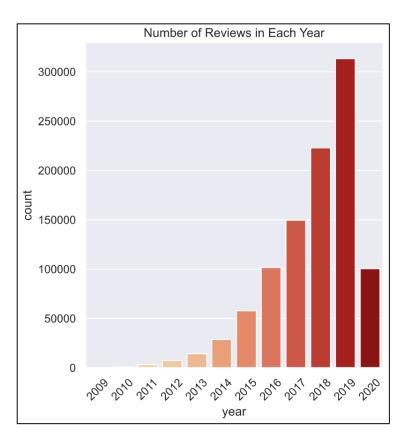


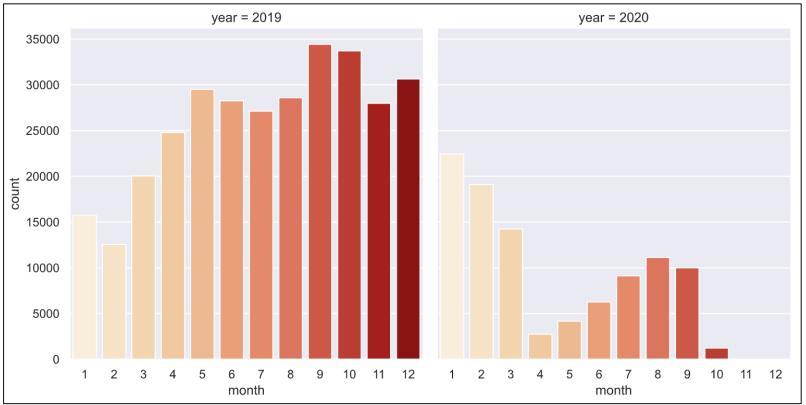


Exploratory Data Analysis for Reviews

Impact of COVID-19 on the Number of Reviews

The number of reviews drastically reduces approximately 66% in 2020.







Exploratory Data Analysis for Reviews

Comments for the Top-Rated Listing

Comments for the Lowest-Rated Listing







Superhost is a host who consistently receives good reviews and provides guests with extraordinary experiences over at least a year.



4.8+ overall rating



10+ stays in the past year



90% response rate



<1% cancellation rate

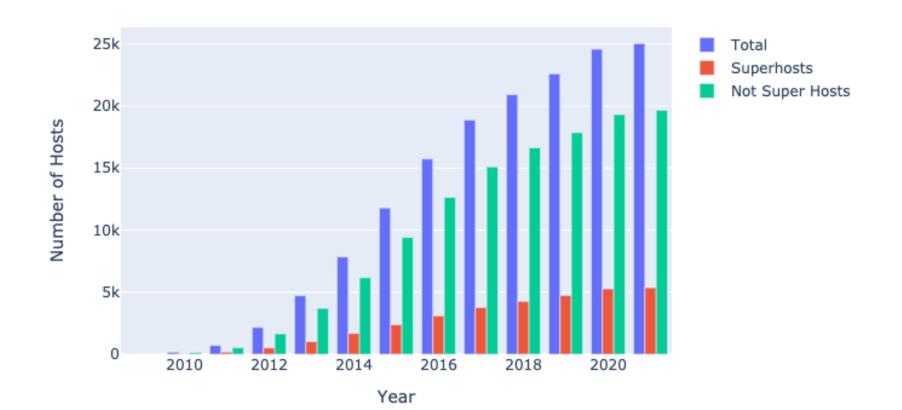




Breakdown on Number of Hosts by Type (Superhosts/Non-Superhosts)

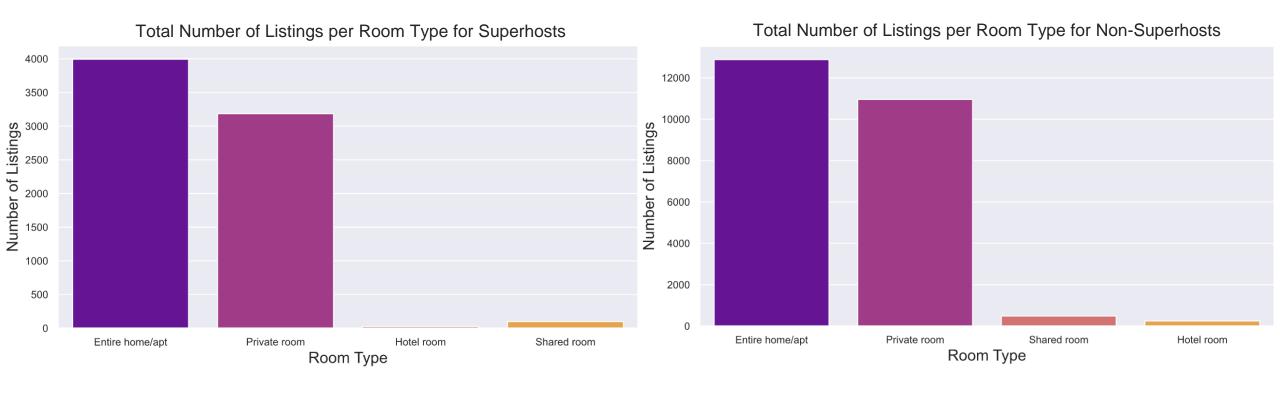
- There is an upward trend in the number of superhosts and non-superhosts.
- The number of non-superhosts is higher for each year.

Number of Hosts on Airbnb By The Last Day of Each Year





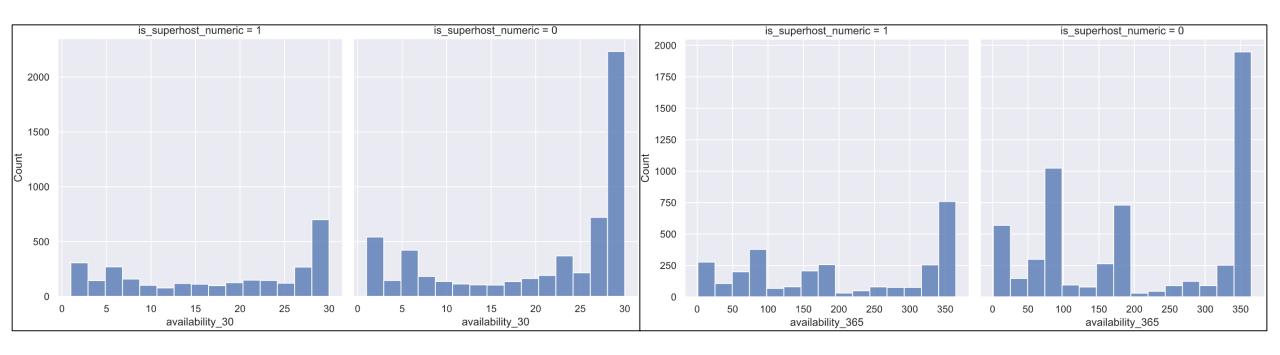
Comparison of Superhost and Non-Superhost by Room Type



- The most prolific room type is an entire home/apartment, and the least prolific appears to be the hotel room.
- A critical observation is that non-superhosts have 68% more listings that are entire homes/apartments than superhosts, and 75% more listings that are private rooms.



Superhosts and Non-Superhosts Availability (Over 30 days and 365 days)



Generally, non-superhosts have higher number of listings available over a period of 30 and 365 days.



Exploratory Data Analysis for Price

Average Daily Room Price for Superhosts and Non-Superhosts in 2019

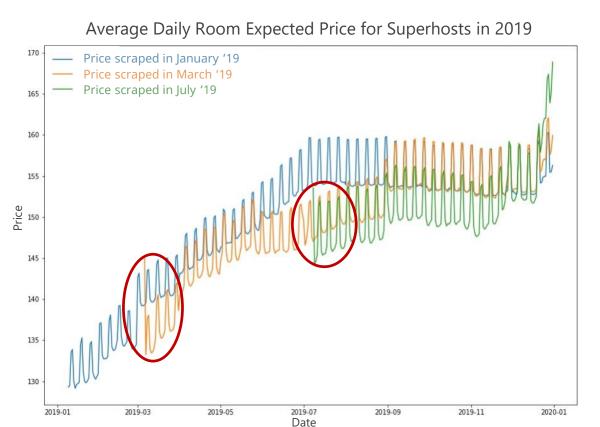
- During a year, the price rises between Jan. and Jul., and fluctuates between Jul. and Dec.
- For each week, the price on weekends is higher than that of weekdays.
- The average daily room price for super hosts tends to be higher than that of non-super hosts.



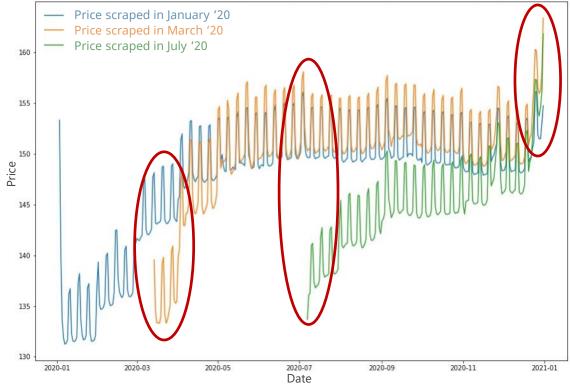


Exploratory Data Analysis for Price

Impact of COVID-19 on Average Daily Room Price for Superhosts



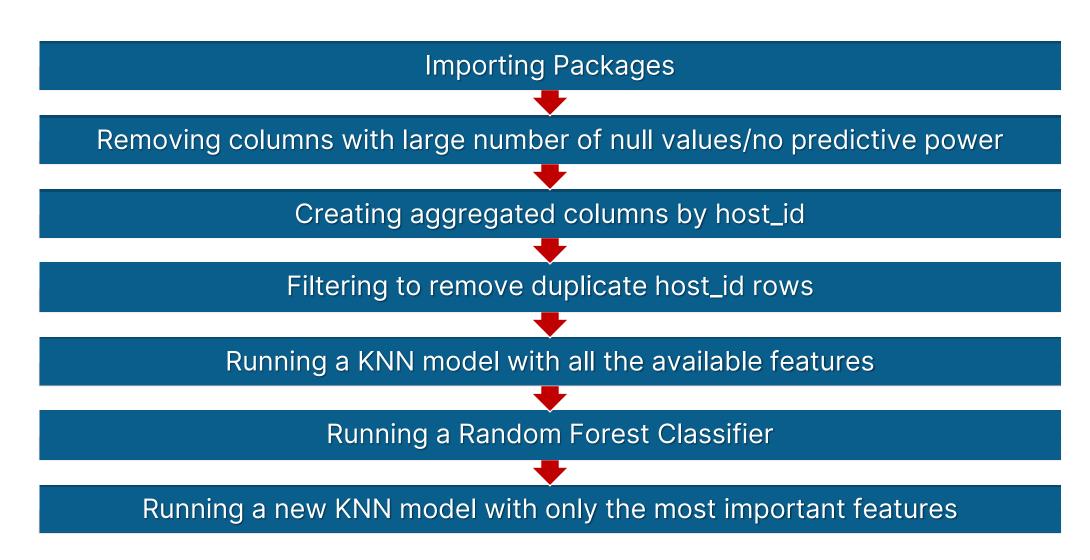
Average Daily Room Expected Price for Superhosts in 2020





Machine Learning - Classification Model

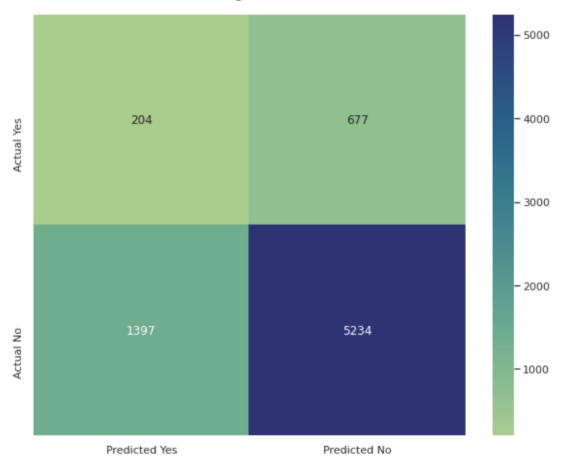
Steps implemented to build the model to predict if the host is a superhost/non-superhost





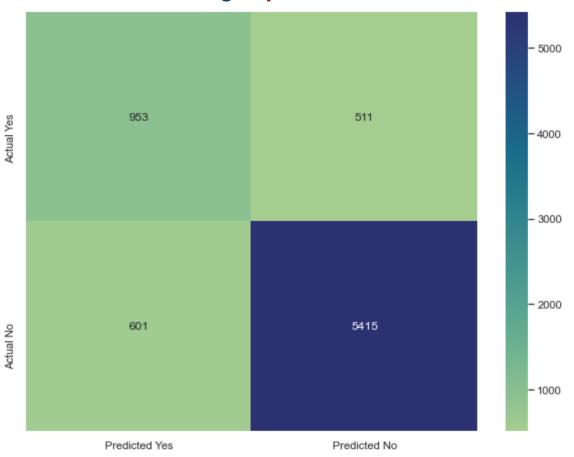
Machine Learning – Classification Model

Confusion Matrix for Prediction of Superhosts Using All Features



True Positive Rate: 12.74% False Positive Rate: 21% Accuracy Score: 72.39%

Confusion Matrix for Prediction of Superhosts Using Top Features



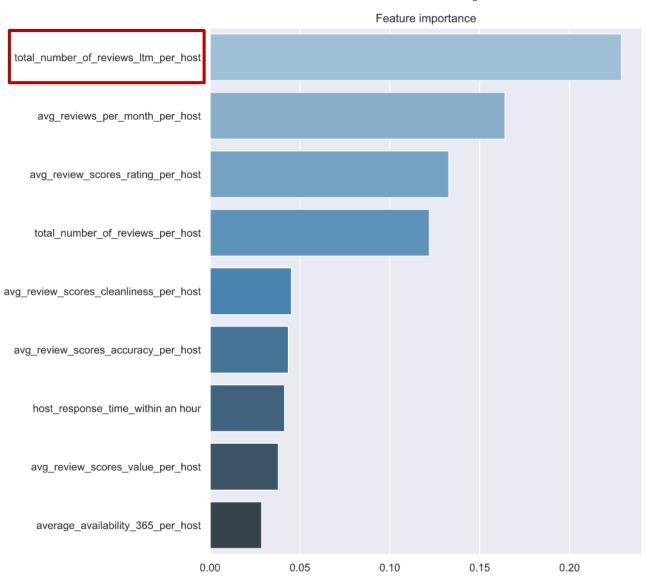
True Positive Rate: 62.96% False Positive Rate: 8.94%

Accuracy Score: 85%



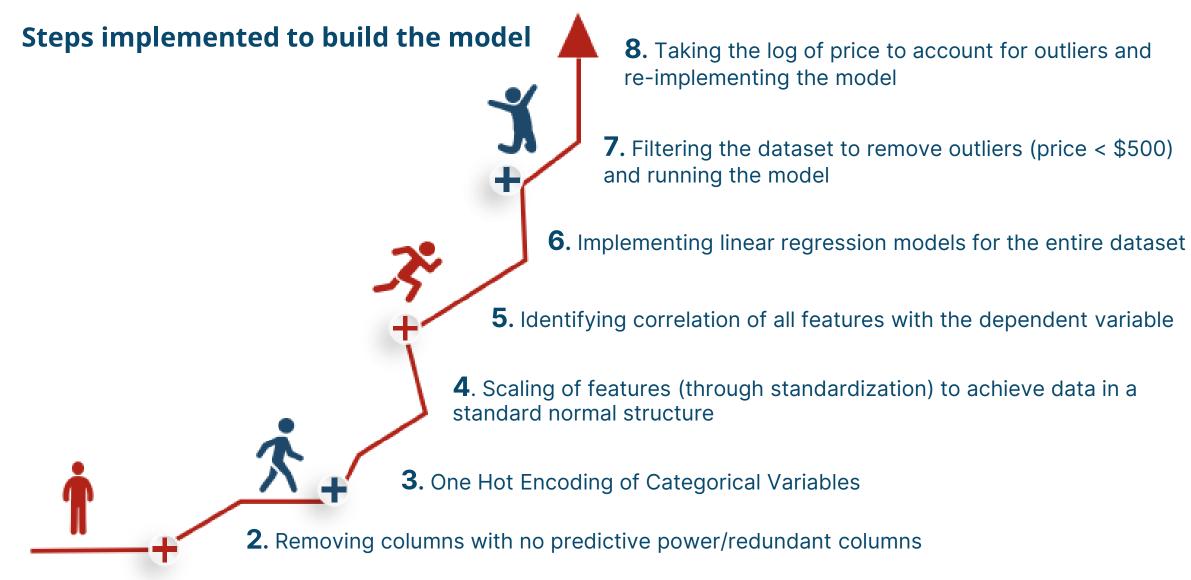
Machine Learning - Classification Model

Random Forest Classifier with Top Features





Machine Learning – Linear Regression Model



1. Import Packages

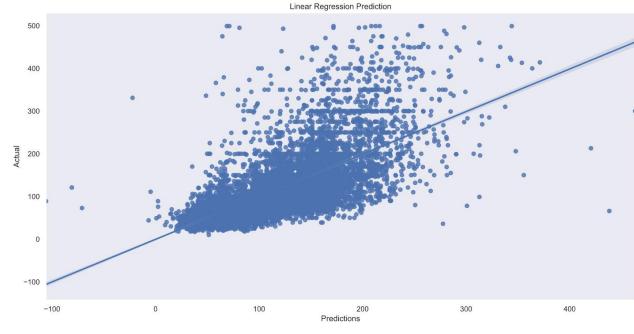


Machine Learning – Linear Regression Model

Linear Regression Model with Total Price

Linear Regression Prediction . . . Predictions

Linear Regression Model with Price < \$500



MAE: 61.83

MSE: 49282.50

RMSE: 221.99

R-Squared: 0.1228

MAE: 39.40

MSE: 3265.60

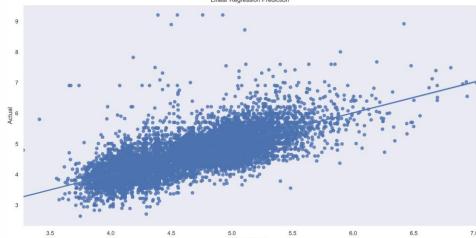
RMSE: 57.14

R-Squared: 0.47



Machine Learning - Linear Regression Model

OLS Regression Results							
Dep. Variable:	price	R-squared:		0.534			
Model:		Adj. R-squared:		0.534			
Method:	Least Squares			1828.			
		Prob (F-statistic):		0.00			
Time:		Log-Likelihood:		-20708.			
No. Observations:		AIC:		4.146e+04			
Df Residuals:	31859	BIC:		4.163e+04			
Df Model:	20						
Covariance Type:	nonrobust						
						40.005	A 0751
		coef	std err	t	P> t	[0.025	0.975]
const		4.6056	0.017	277.020	0.000	4.573	4.638
accommodates		0.1743	0.005	36.997	0.000	0.165	0.184
bedrooms		0.1088	0.004	26.263	0.000	0.101	0.117
beds		-0.0260	0.004	-5.831	0.000	-0.035	-0.017
availability_30		0.1705	0.011	15.725	0.000	0.149	0.192
availability 60		-0.1020	0.025	-4.142	0.000	-0.150	-0.054
availability_90		-0.0015	0.019	-0.080	0.937	-0.038	0.035
availability_365		-0.0070	0.004	-1.663	0.096	-0.015	0.001
number_of_reviews		0.0035	0.004	0.855	0.392	-0.004	0.011
number_of_reviews_1		-0.0232	0.005	-4.502	0.000	-0.033	-0.013
number_of_reviews_1	30d	-0.0184	0.003	-5.442	0.000	-0.025	-0.012
reviews_per_month		-0.0221	0.006	-3.547	0.000	-0.034	-0.010
is_superhost_numeri		0.0674	0.007	10.113	0.000	0.054	0.080
neighbourhood_group	0.1886	0.017	11.414	0.000	0.156	0.221	
neighbourhood_group_cleansed_Manhattan 0.466			0.017	28.194	0.000	0.434	0.499
neighbourhood group	0.0745	0.018	4.259	0.000	0.040	0.109	
	_cleansed_Staten Isl		0.034	-1.955	0.051	-0.133	0.000
room_type_Hotel room		0.4463	0.029	15.377	0.000	0.389	0.503
room_type_Private r		-0.5633	0.006	-90.531	0.000	-0.576	-0.551
room_type_Shared ro	om	-0.7556	0.020	-37.598	0.000	-0.795	-0.716
instant_bookable_t		-0.0122	0.006	-2.159	0.031	-0.023	-0.001
Omnibus:	9770.630	Durbin-Watson:		1.853			
Prob(Omnibus):	0.000	Jarque-Bera (JB)	:	81763.289			
Skew:	Prob(JB):		0.00				
Kurtosis:	10.445	Cond. No.		31.1			



Number of reviews as well as features related to availability for 90 and 365 days and Staten Island are not statistically significant in predicting price (p-value > 0.05).

Notes:

[1] Standard Errors assume that the covariance matrix of the errors is correctly specified.





Higher competition for Airbnb hosts in Manhattan and the most expensive neighborhoods (Flatiron District and Tribeca) are in downtown Manhattan



Hosts in Manhattan might look at Airbnb listings as a business opportunity, viz-av-z hosts in Brooklyn, who would be looking to save rent/money by renting out private rooms



COVID-19 impacted the price and number of reviews of the listings which decreased



The number of reviews plays a significant role in determining the prediction of host types, but is not significant in predicting price of listings



Features related to accommodation, room type and neighborhoods in Manhattan, Queens and Brooklyn play an important role in determining future price of the listings





Recommendations for Prospective Hosts

- Regular updates of listing images and descriptions
- Adjustment of listing prices based on the availability of competing listings within the neighborhood
- Airbnb hosts can place more emphasis in finding guests who are opinion leaders and bloggers who can leave positive reviews and increase exposure
- Prospective hosts can penetrate markets/boroughs with popular neighborhood locations where listings are in higher demand



Future Work

- Exploring other models to predict price
- Finding new alternatives to deal with outliers and missing values
- Gaining more insight on the lack of number of listings for shared room types in NYC





THANK YOU!

Any questions?

