

Executive Summary: Real Estate Analysis

Business Objective

The goal of this analysis was to determine the primary drivers of house prices to optimize investment strategies. We analyzed a dataset of 300 properties across Rural, Suburb, and City Center locations.

Key Findings

- Location is the most critical factor: Properties in the City Center command a significant premium over Suburb and Rural areas.
- Property Size: There is a strong linear correlation between Area, Bedrooms, and Price.
- Property Age: Older properties show a consistent decline in market value by approximately \$82,443 per year of age.
- Prediction Accuracy: Our statistical model can predict prices with 94% accuracy (R-squared = 0.94).

Actionable Recommendations

1. Focus acquisitions on City Center locations where ROI is statistically higher.
2. Prioritize properties with more bedrooms over larger square footage alone, as bedrooms show a higher price impact (\$1.58M per bedroom).
3. Avoid properties older than 30 years unless a major renovation is planned to offset the age-related depreciation.