

Predicting House Prices in Ames

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Background Information

- Ames is a city in central Iowa, just north of Des Moines
- In 2017, population of about 66,000
- Home of the Iowa State University, other USDA sites
- Ranked 9th in CNNMoney's "Best Places" to Live in 2010



Goal

- Determine what features are most important in predicting the price of a house in the Ames market.
- Develop a model that accurately predicts house prices.

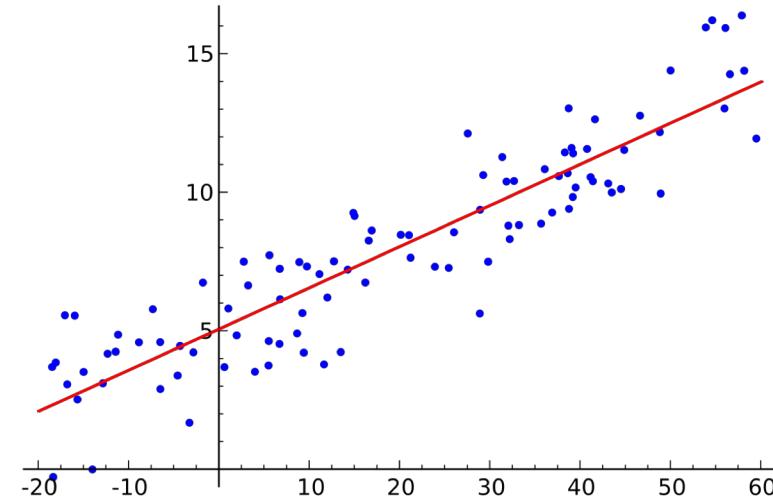
Problem Statement

Can we make more accurate house price estimates to benefit our clients and maximize profit?

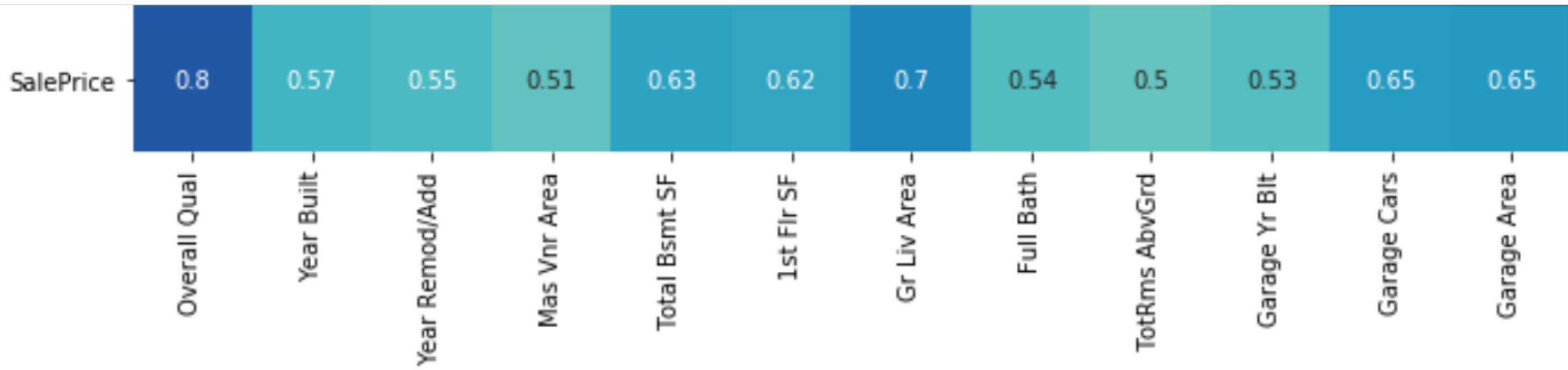


Approach

1. Import Ames Housing data
2. Clean the data (mostly resolving null values)
3. Analyze data to have a basic idea of important features
4. Create a highly accurate model to predict sale price
5. Analyze model to see what the most important features are, and present findings



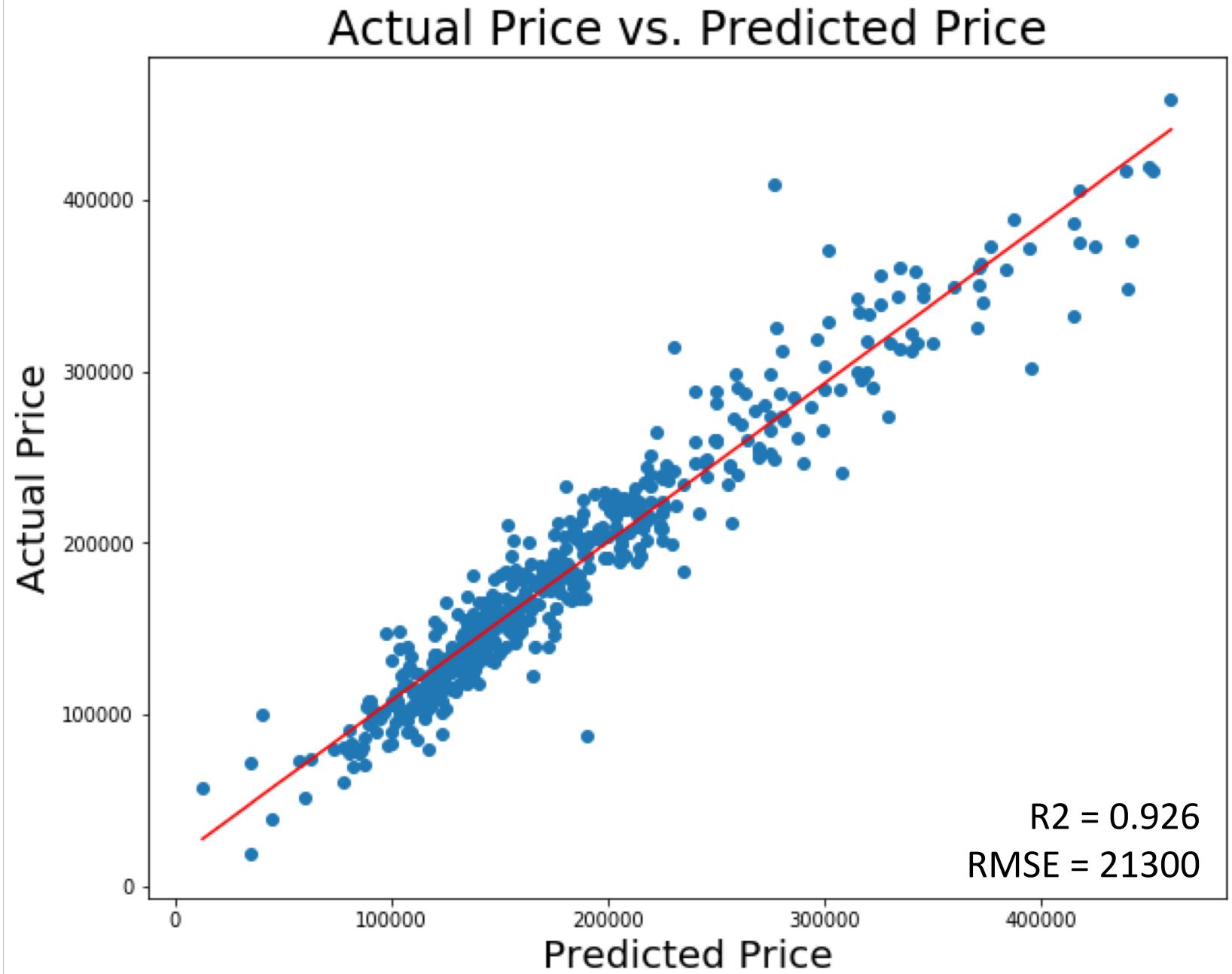
Step 1 Findings / Supporting Information



- Features that are highly correlated to ‘SalePrice’
- Characteristics of houses that will likely increase the value of the house



Step 2 Findings / Supporting Information





Conclusion

Yes! Accurate house price predictions are possible!

Recommended Actions

- Keep in mind important features that increase the value of a house when meeting potential buyers/sellers
- Use model to more accurately predict prices



Next Steps / Questions

- Apply model to all house valuations in Ames with real estate company
- Continue to strengthen partnership between realtor team and data team to expand profits

