

# **FORECASTING REAL ESTATE PRICES:**

Top 5 Best Connecticut Zipcodes to Invest in

PRESENTATION BY ANDREA CABELLO



## **BUSINESS PROBLEM**

Selecting the Top 5 best zipcodes for  
a real estate firm to invest in



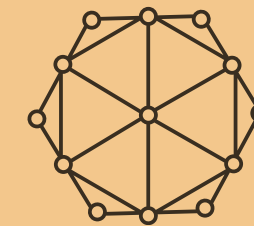
## **ANALYSIS**

What is the definition of best?  
Return On Investment



## **DATA**

Zillow Research Data 1996 -2018  
<https://www.zillow.com/research/data/>



## **TIME SERIES MODEL**

Predict real estate prices based on  
previous registered values.

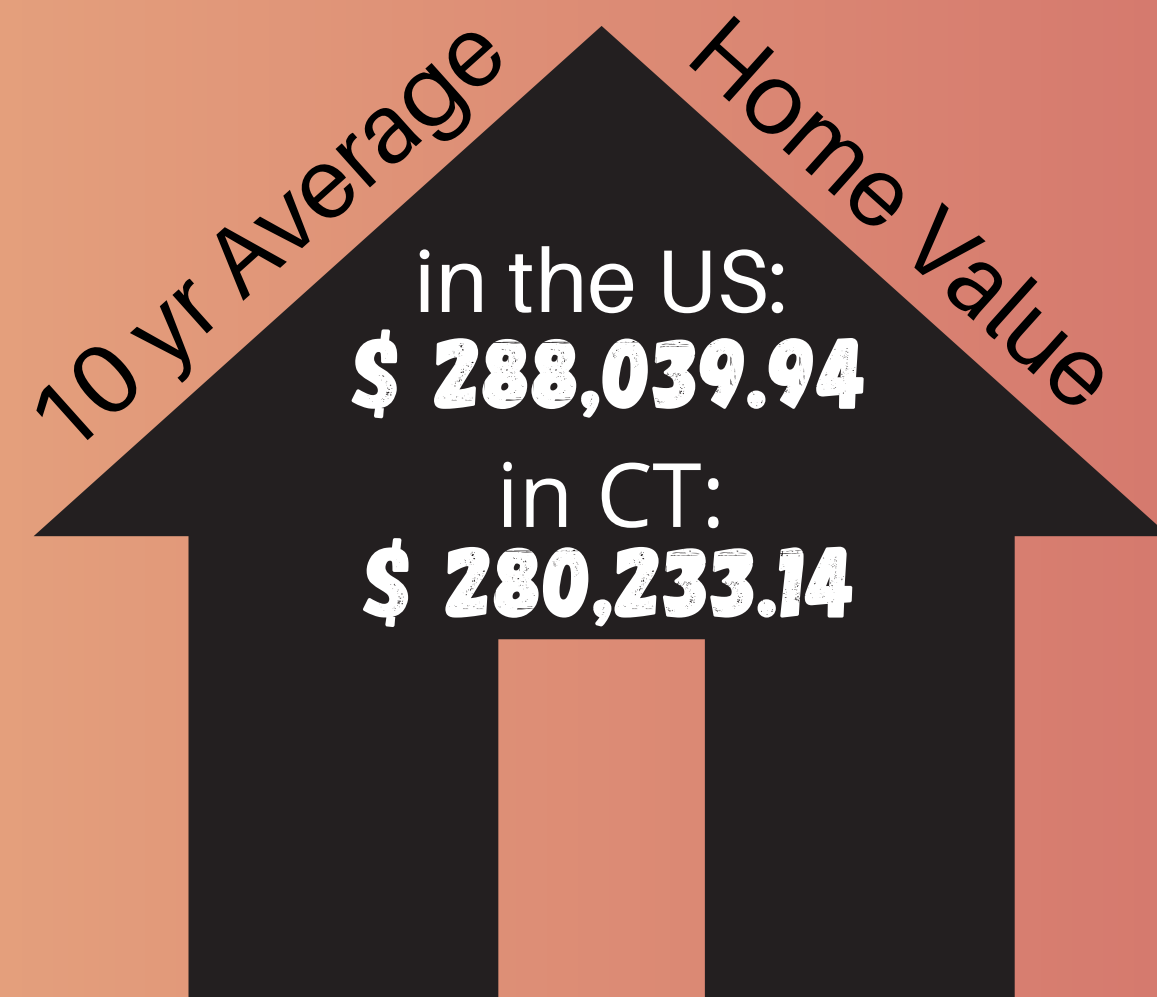
# OVERVIEW

**14,723**

Total US zipcodes

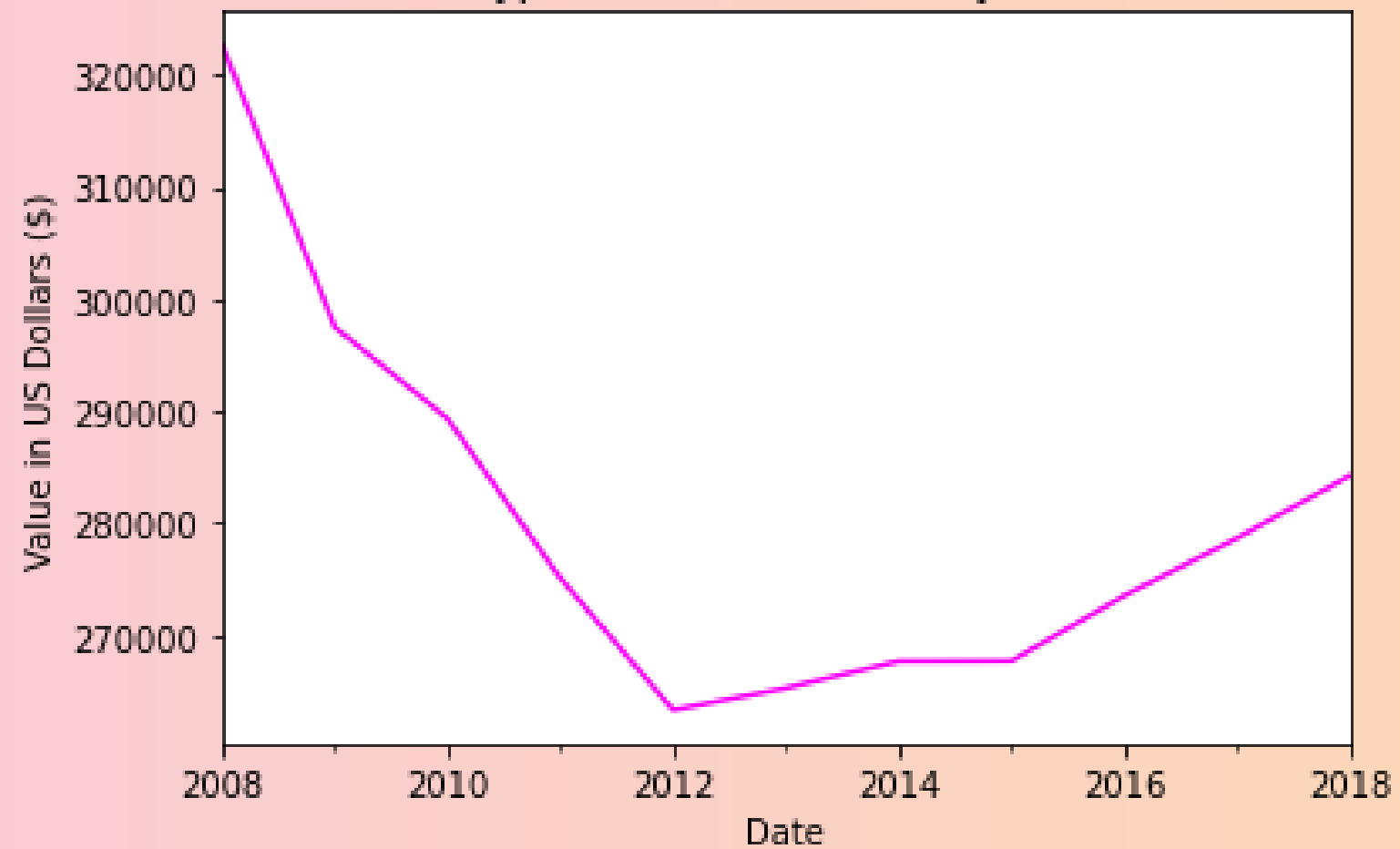
**124**

Total CT zipcodes

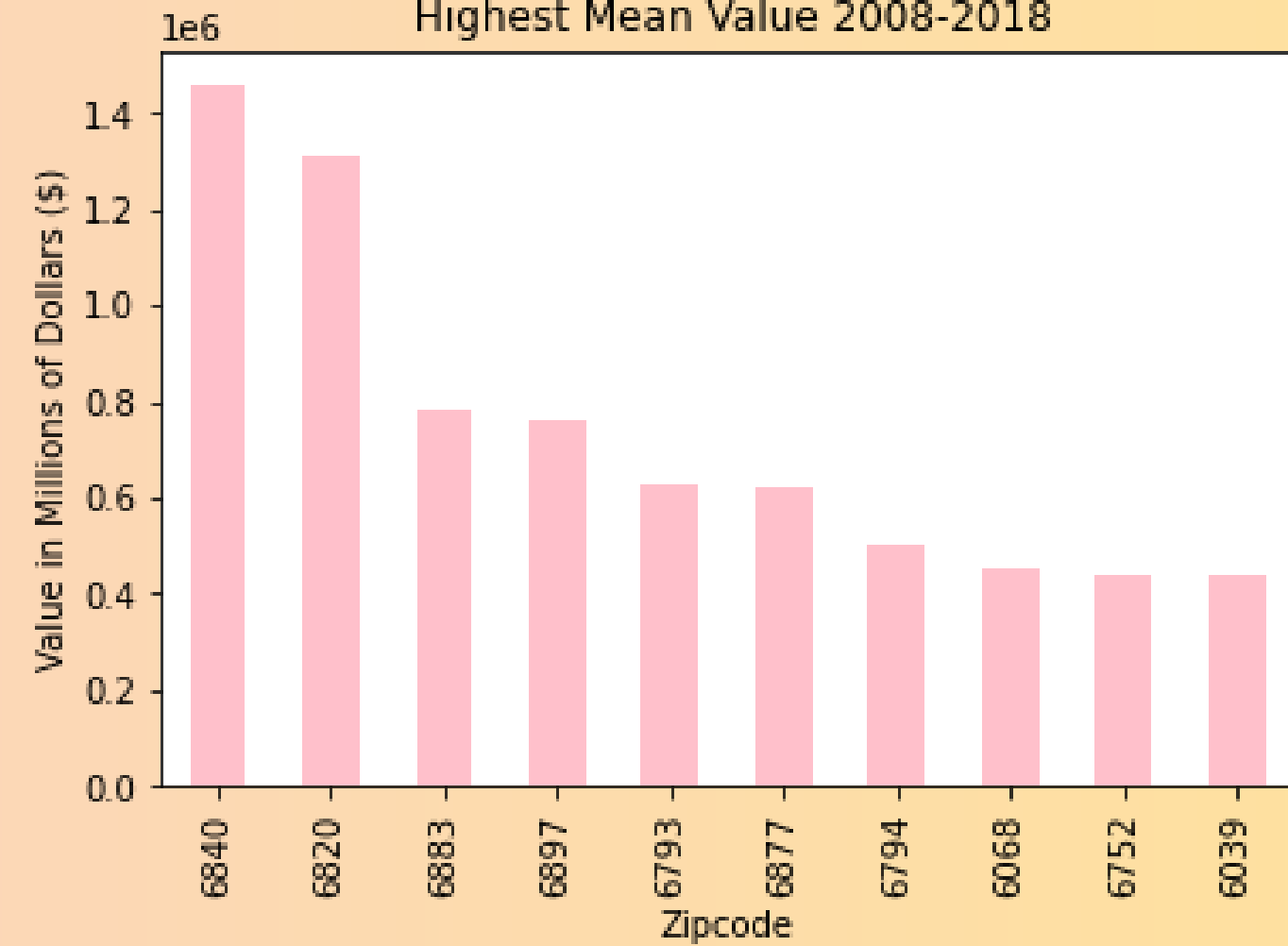


# ANALYSIS 2008-2018

Typical CT Home Value by Year



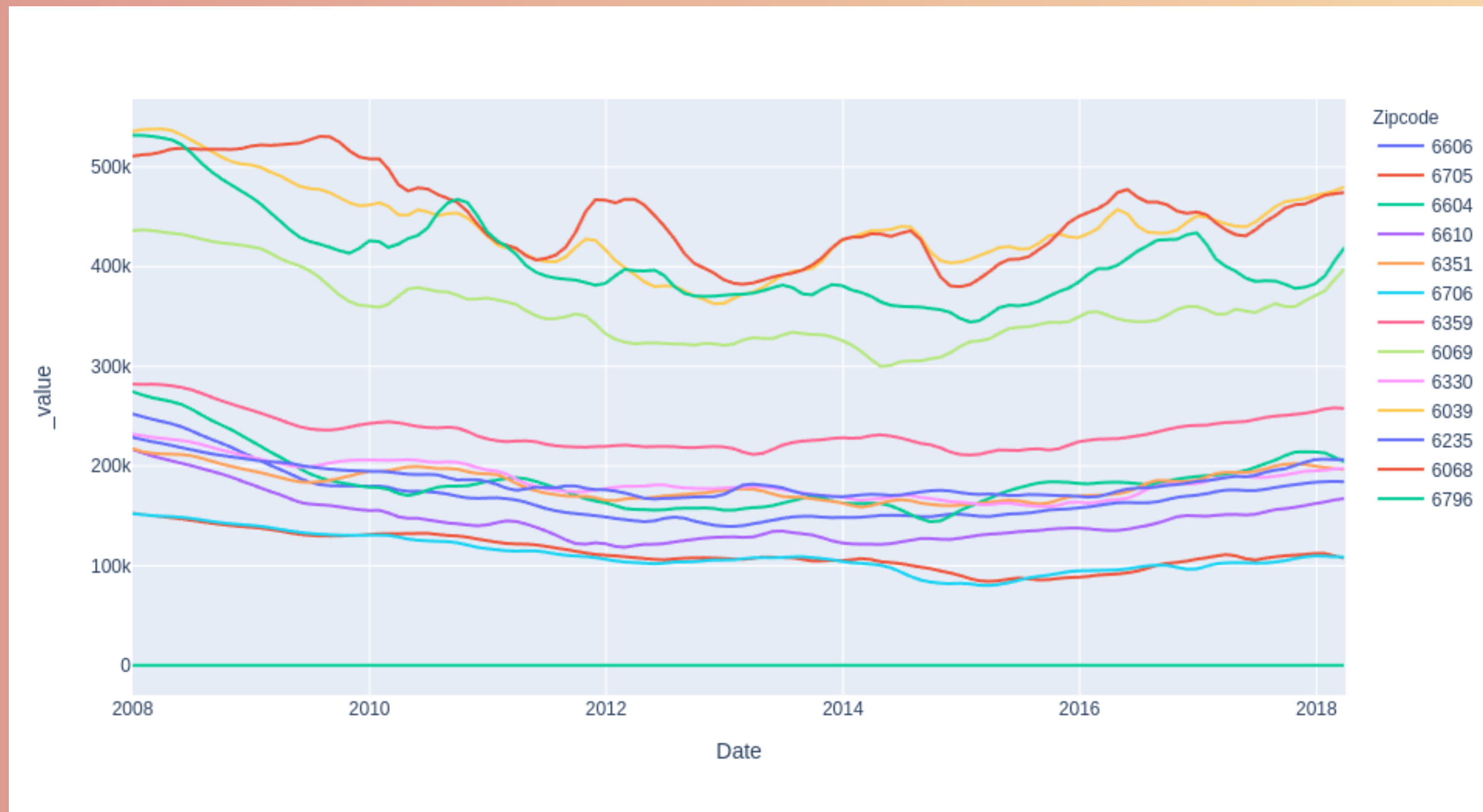
Top 10 Zipcodes  
Highest Mean Value 2008-2018



# TOP 13 ZIPCODES

(Top 10% of 124)

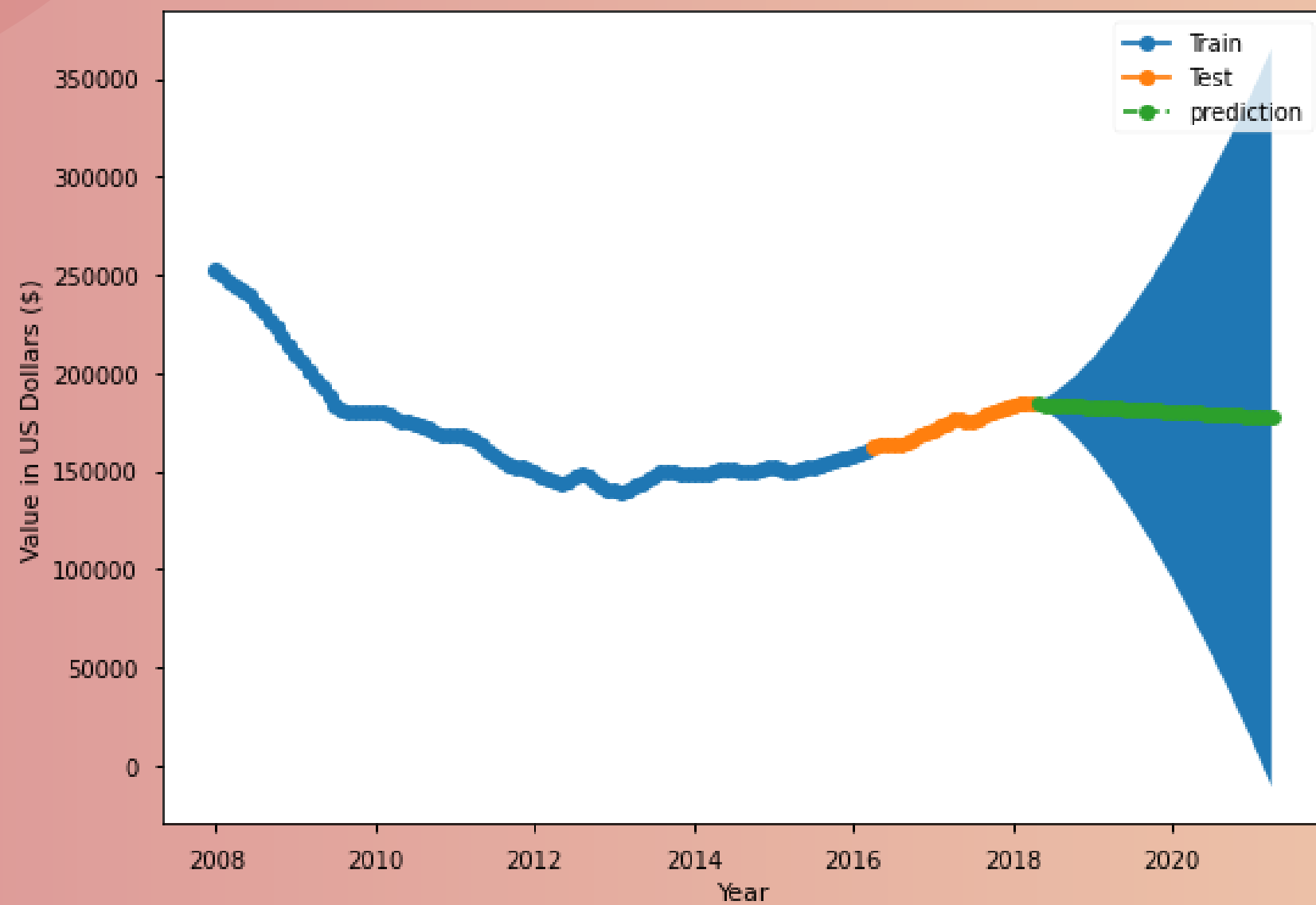
$$3 \text{ year ROI} = \frac{(2018 \text{ Price} - 2015 \text{ Price})}{2015 \text{ Price}}$$



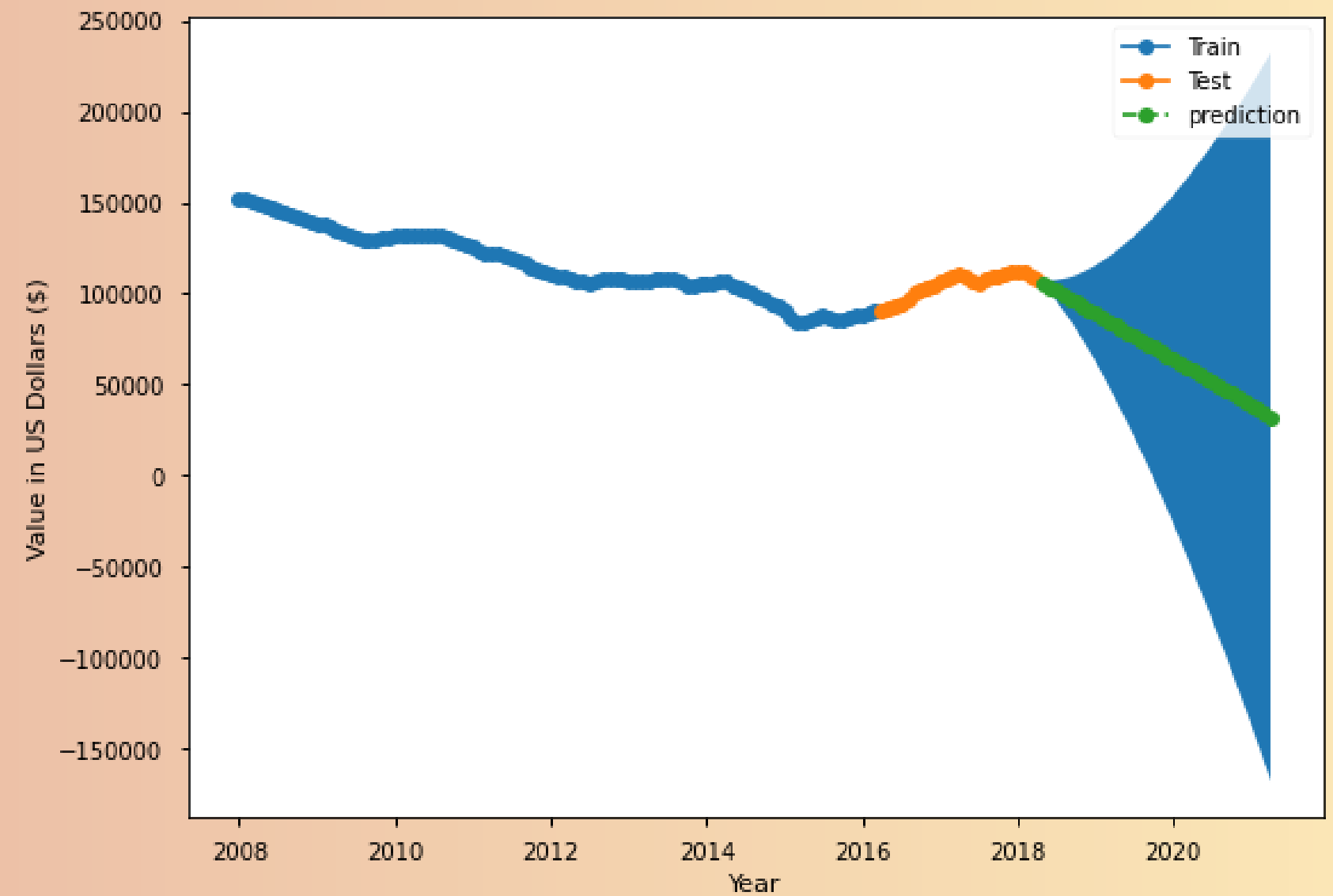
# **TIME SERIES MODEL FORECASTING**

- For our top 13 zipcodes,
- From these, we will choose the top 5 zipcodes for our final recommendation.
- We are looking to select those zipcodes with an upwards prediction curve.

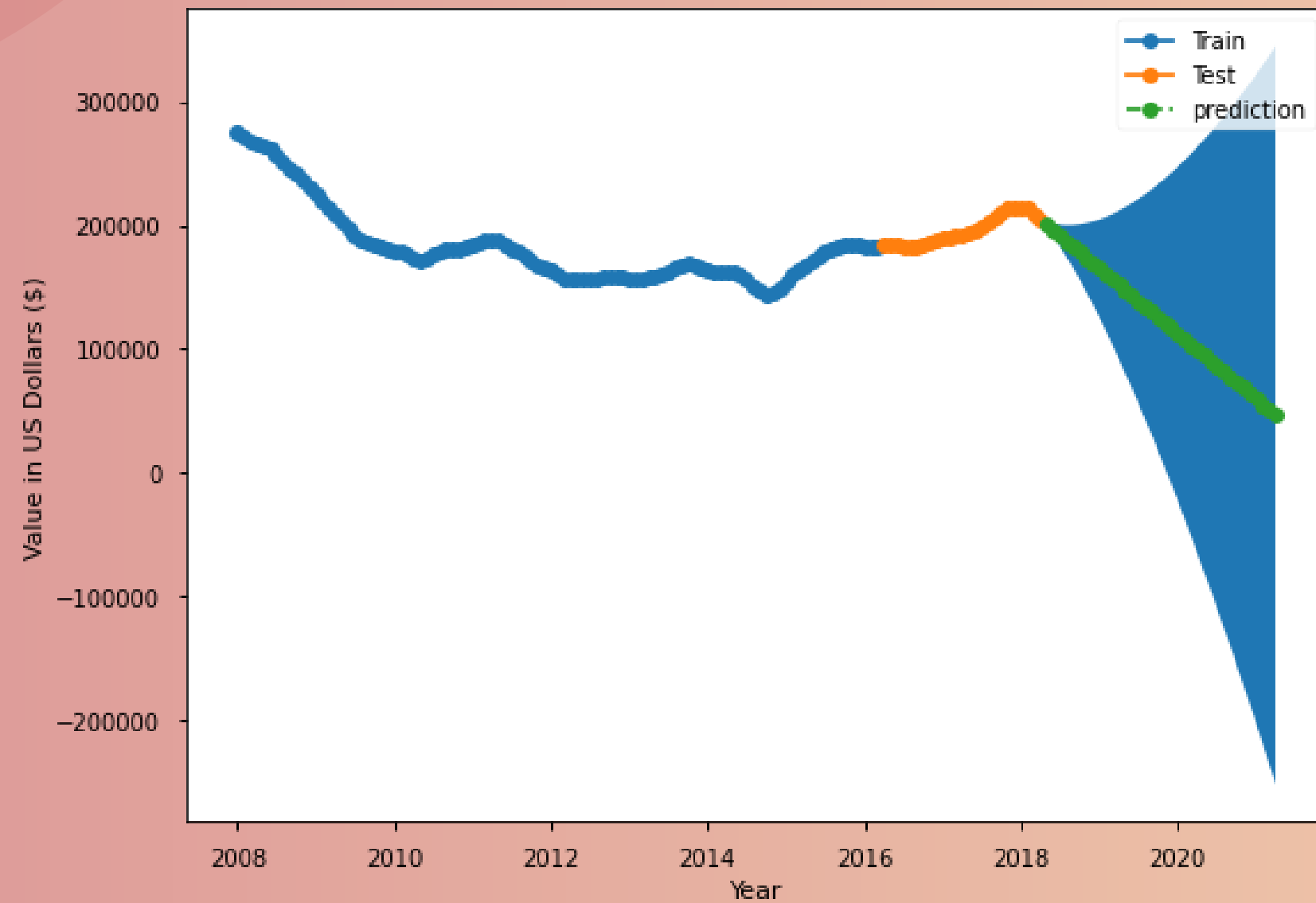
**06606** 



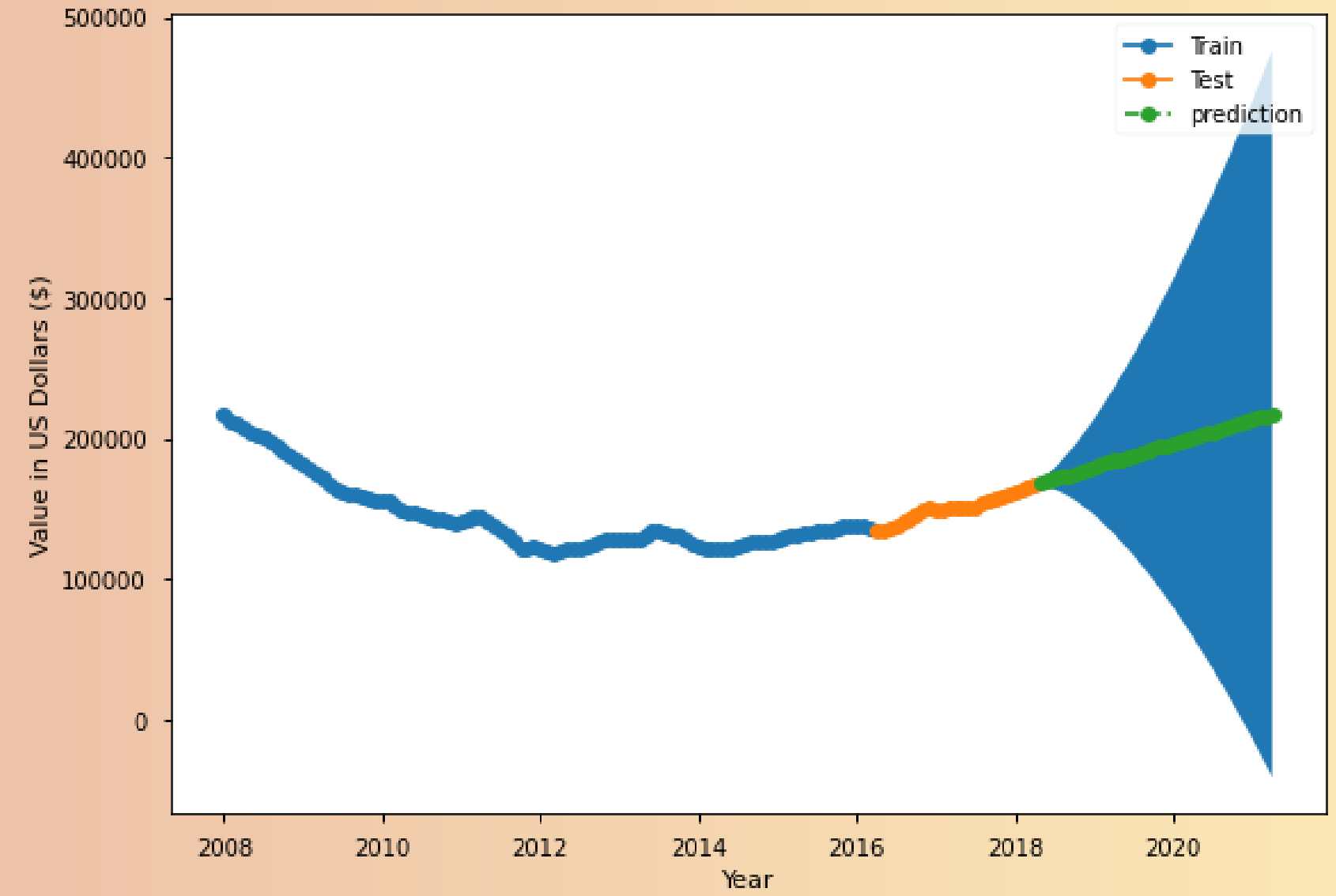
**06705** 



**06604** ❌

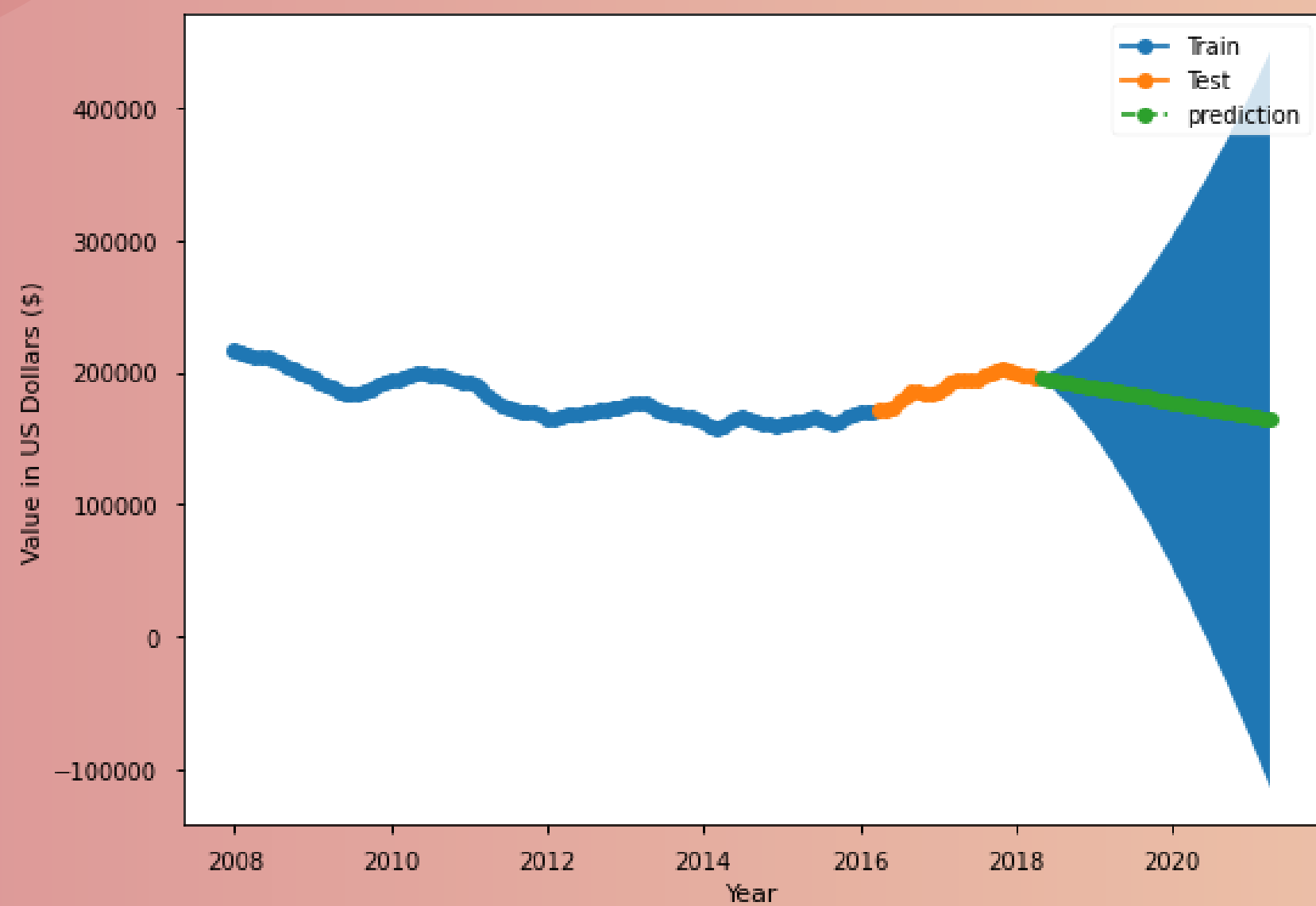


**06610** ✅

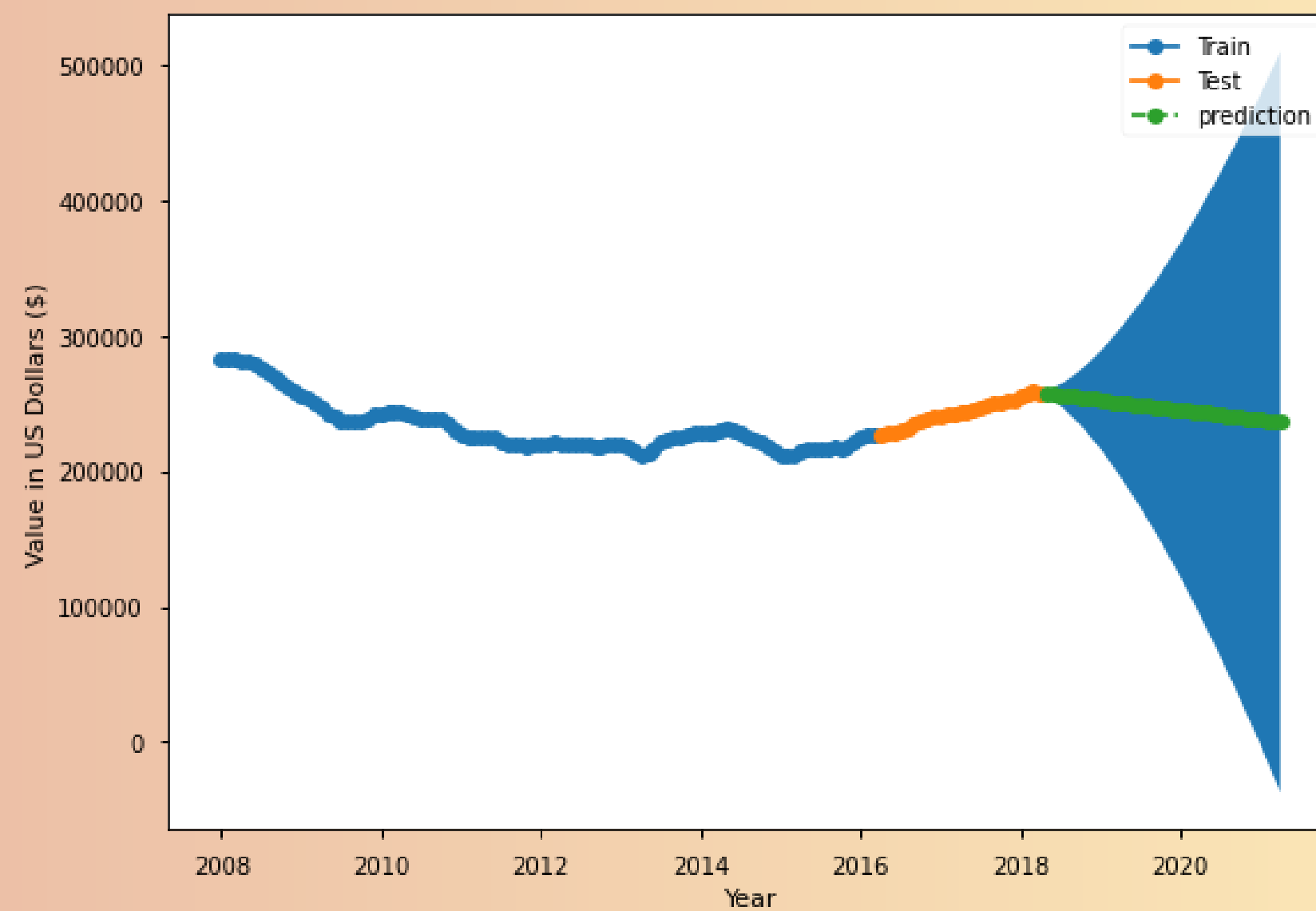




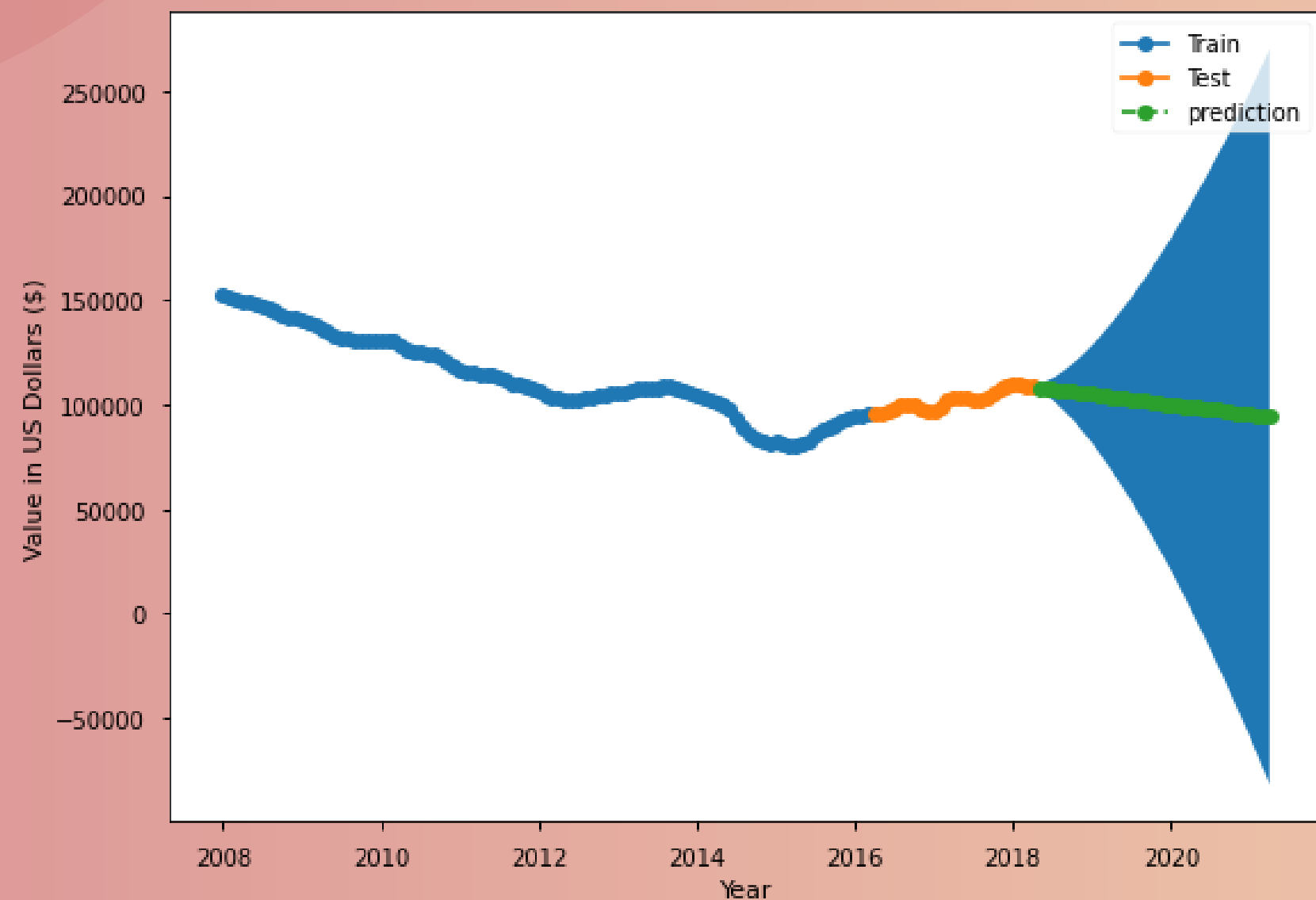
**06351**



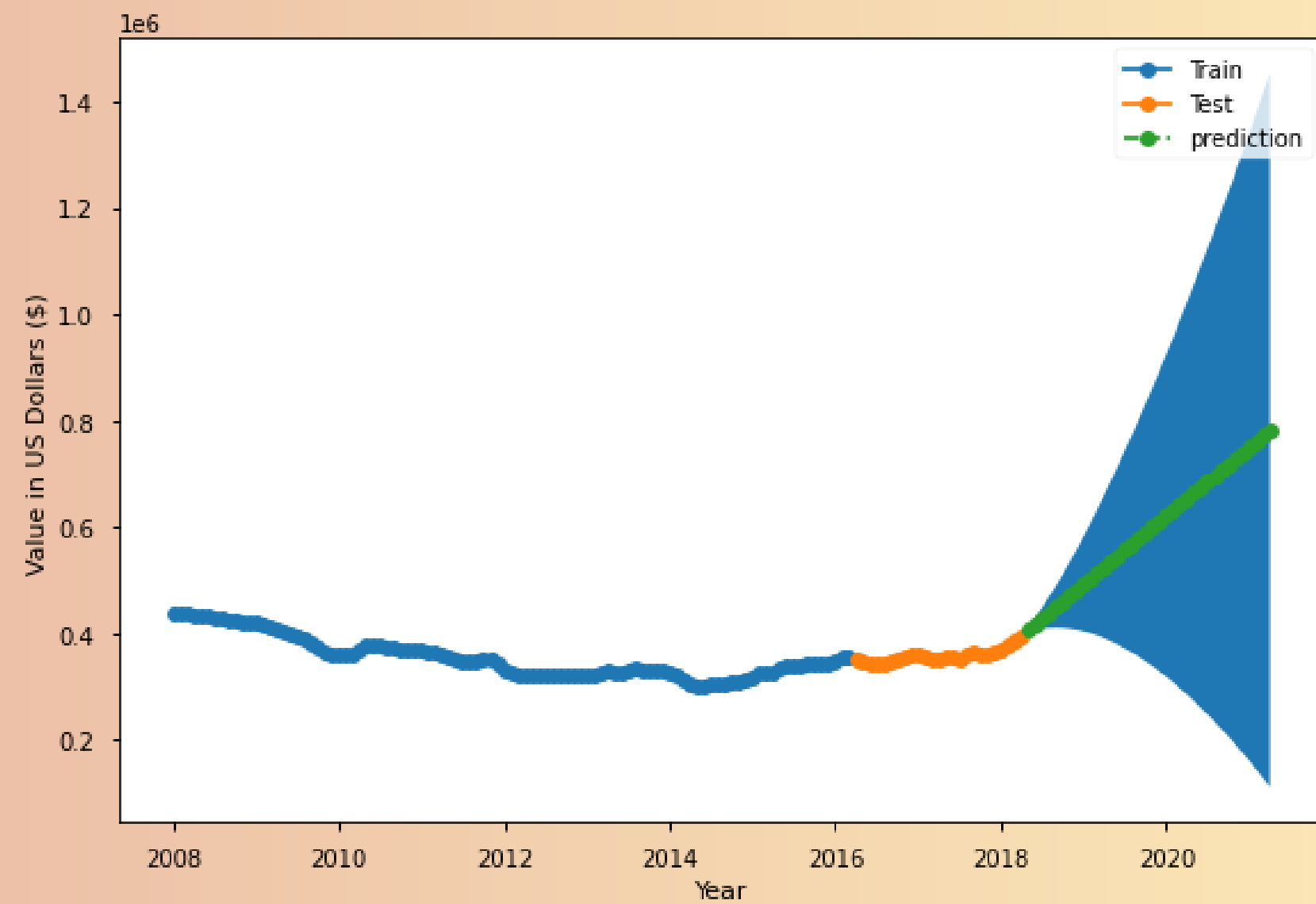
**06359**



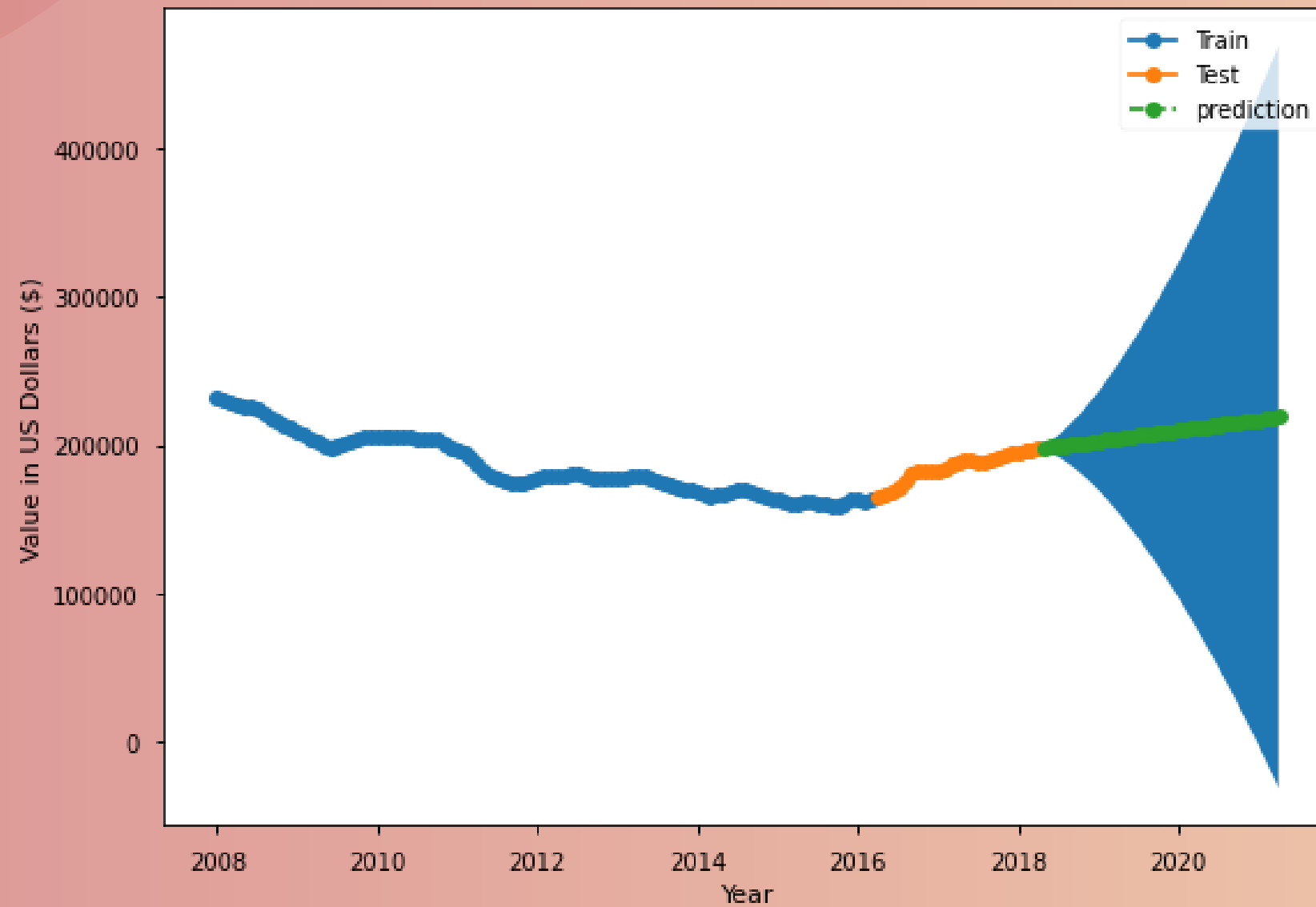
06706 



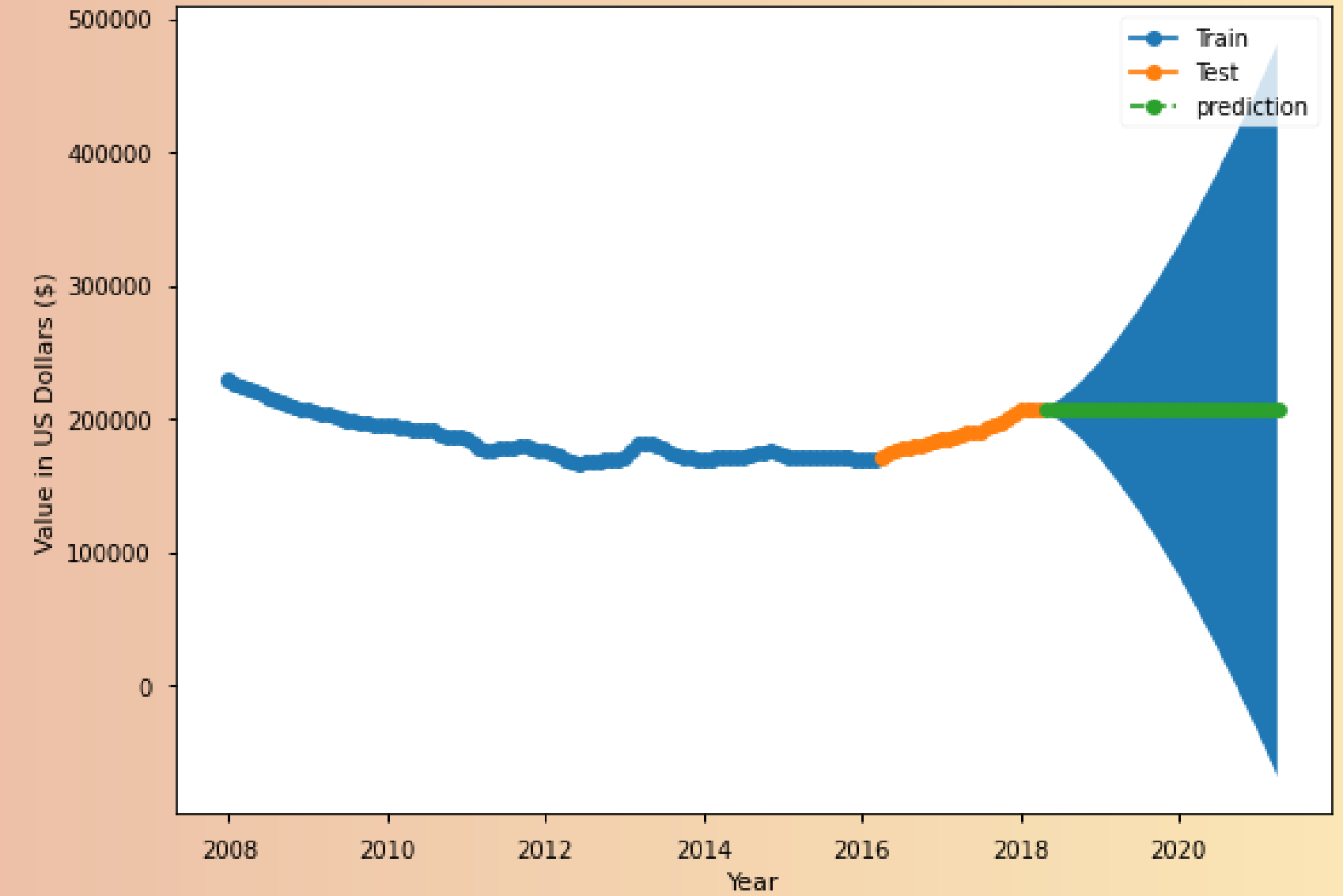
06069 



**06330** ☒

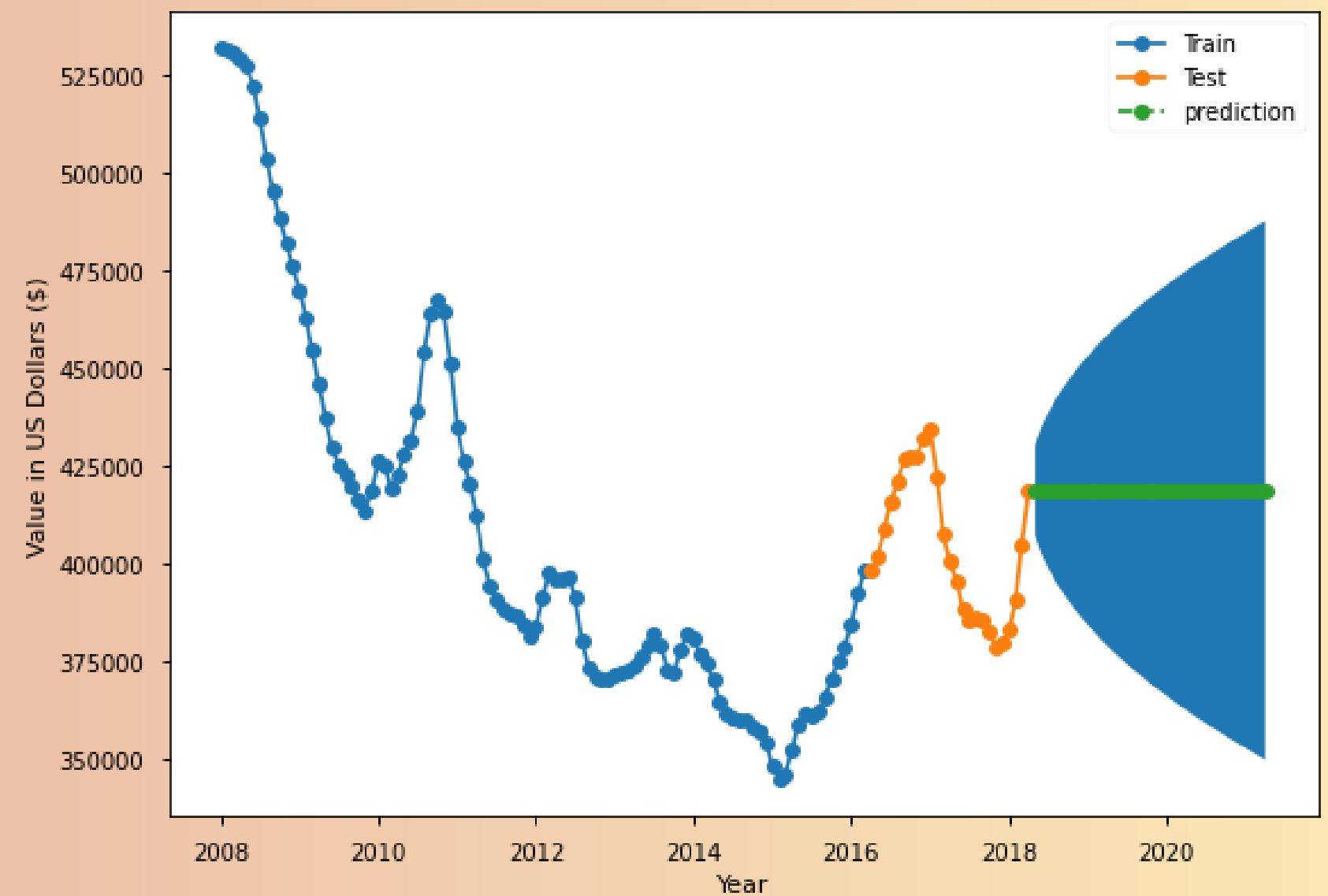
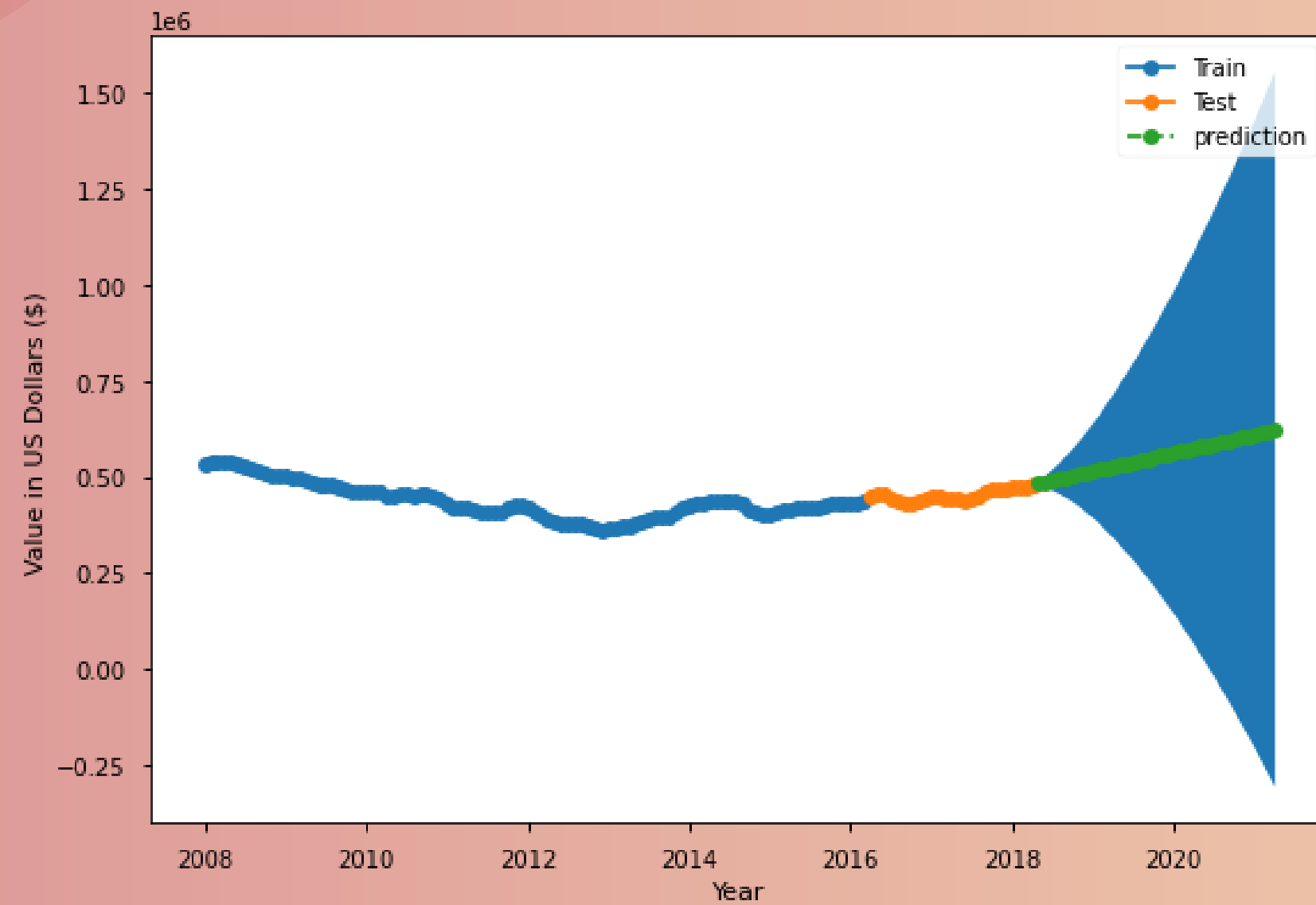


**06235** ☒

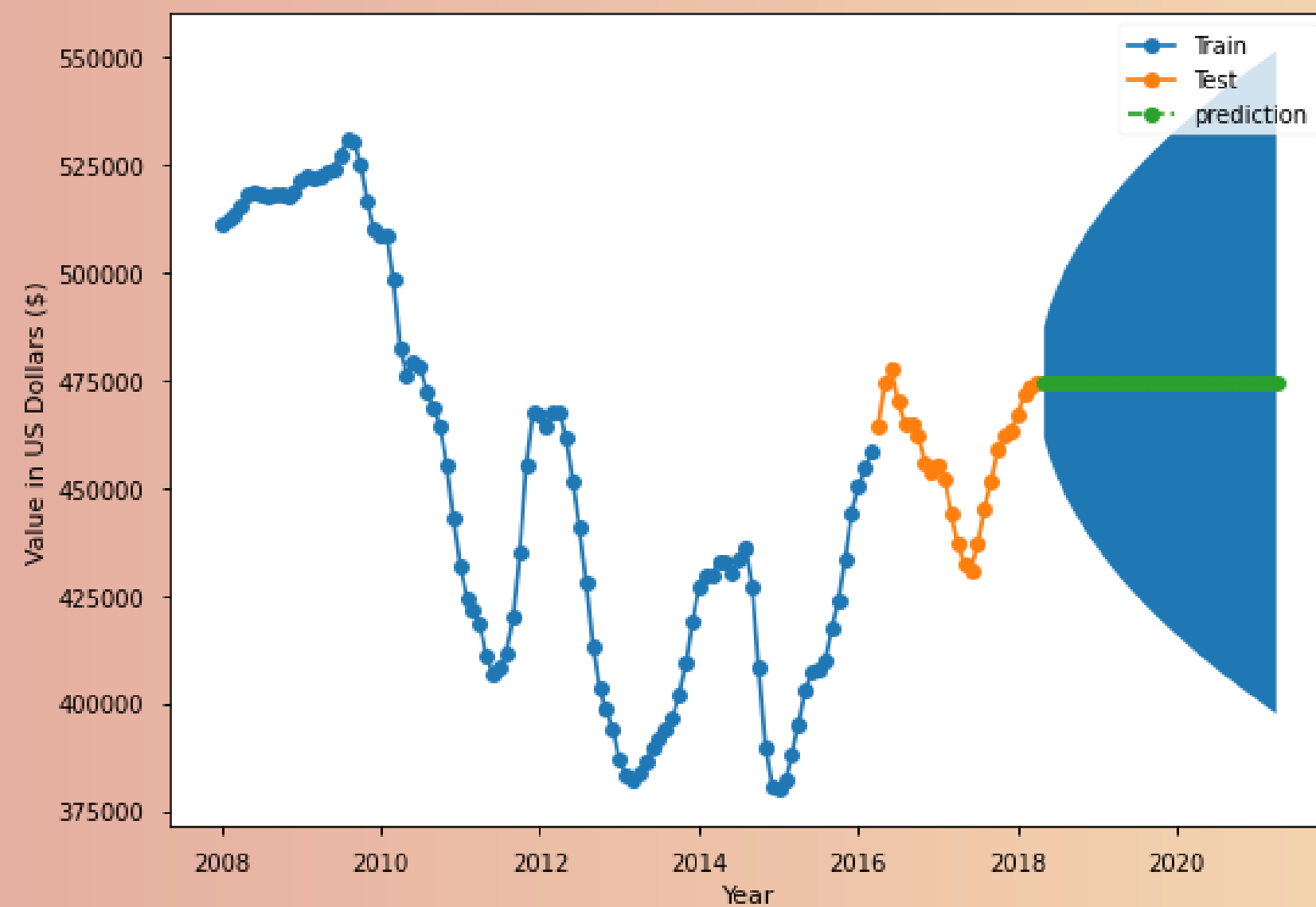


06039 ☒

06796 ☐



06068 ❌



# RECOMMENDATION & FUTURE WORK

Invest in:

**06069**

**06039**

**06610**

**06635**

**06330**

- Explore home values for other zipcodes in the North East Coast.
- Obtain current data, apply the model and compare results.

**Thank You!**