

DISTRICT SEGMENTATION AND CLUSTERING

Cities and municipalities segmentation using
k-means clustering of a district in southern
Germany

BUSINESS PROBLEM

Prices vary greatly between the **cities** and **municipalities** within the district.

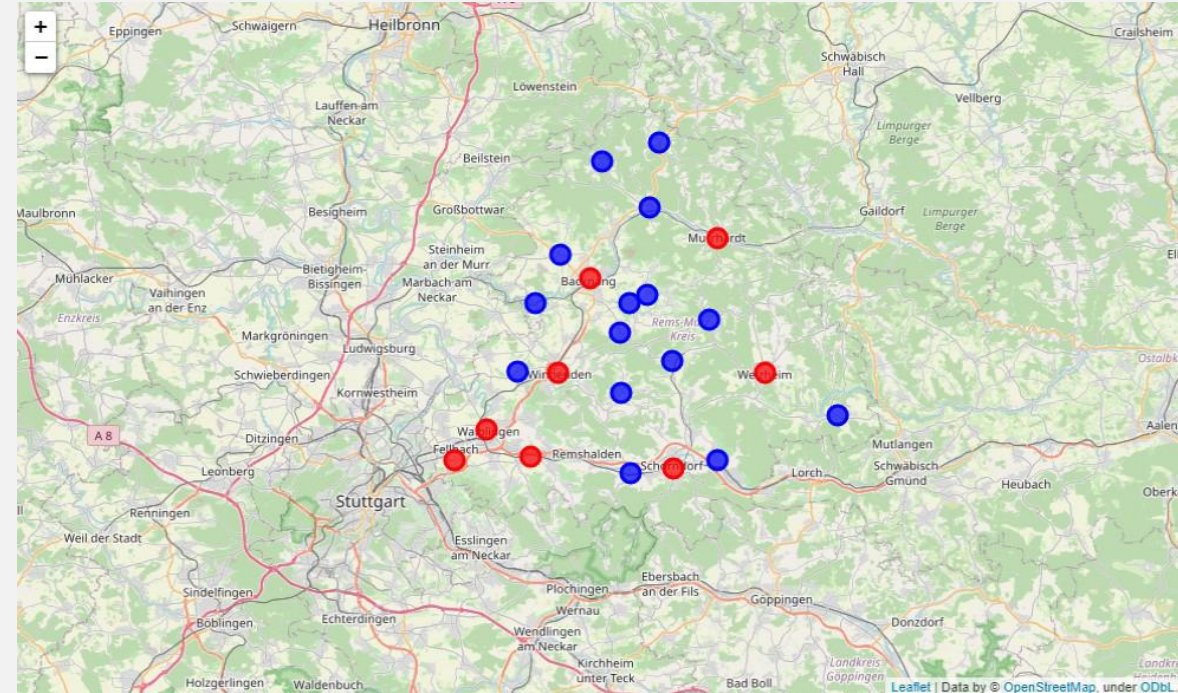
How to determine which location is **over/underpriced?**

THE REMS MURR KREIS

Classification by local authorities

* = Cities

* = Municipalities



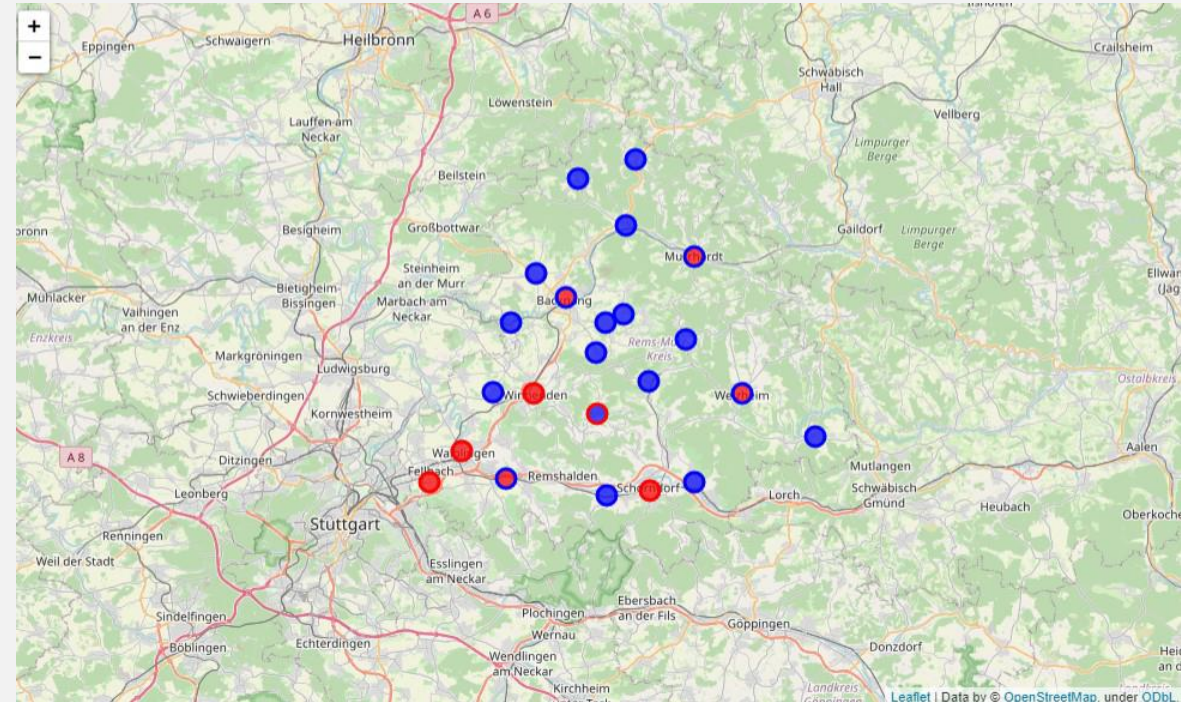
THE REMS MURR KREIS

Center: classification by local authorities

Outer ring: *k-means* clustering



Potential for initial missclassification



- * = Cities
- * = Municipalities

RESULTS

Potentially **overpriced** = Cities which are classified as municipalities

Potentially **underpriced** = Municipalities which are classified as cities