Home Features Analysis

Linear Regression Modeling to Understand Factors that Influence Home Sale Price

Elimelech Berlin

Summary

Analysis, utilizing linear regression modeling, of home features dataset to identify features associated with higher home values, resulting in the following key points :

- Use excellent grade construction & design for renovations
- Maximize living space area
- Install gas/solar fueled heating system when feasible

Outline

- Business Problem
- Data
- Modeling Results
- Recommendations
- Limitations/Further Investigation
- Thank You

Business Problem

What modifications will maximize resale value of homes?

Data

Data on 30k+ properties located in King County, WA

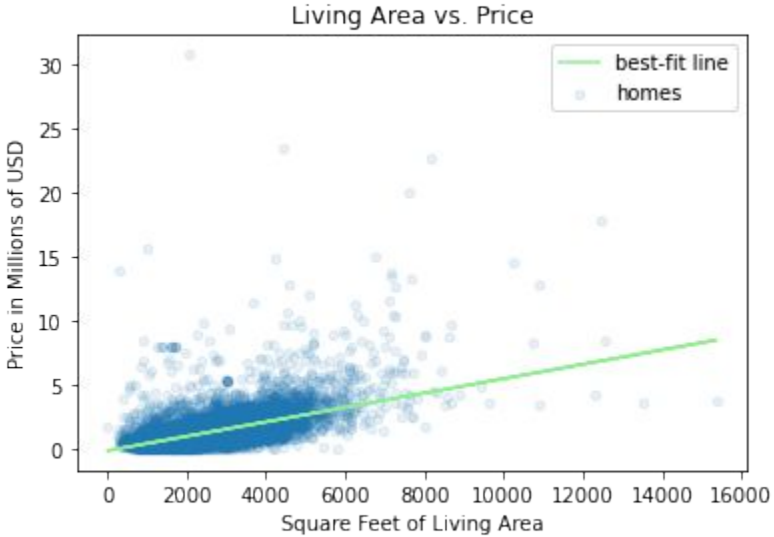
Includes records of the following:

- Utility types
- Construction & design quality
- Size of areas of specific use (e.g. garage, patio)

Modeling Results

Linear Regression Modeling reveals the following:

Price increases by .4% for every **square-foot of living space**



Modeling Results cont'd

- Price of a home with a **gas/solar heating source** is typically 15% greater than a home with an electric heating source (reference category)

- A home with an **Excellent grade** construction & design is typically worth 30% more than a home with Substandard grade

Recommendations

- Properties should be renovated to have a **construction & design grade of Excellent**
- Renovations should maximize available **living-space area**
- When feasible, a **gas/solar heating system** should be installed

Limitations & Further Investigation

- The data used has been shown to fail to meet some of the assumptions for linear regression modeling; a different model may better explain the data.

- Although certain modifications/features have been shown to have a stronger effect on home price than others, this report doesn't consider the costs involved in making those changes. Any proposed changes must be subject to a cost-benefit analysis to determine what type of modifications are truly most lucrative.

Thank You!

Email: melech.berlin@gmail.com
GitHub: @terminalcoder
LinkedIn: https://www.linkedin.com/in/elimelech-berlin-102a58250/