

# House Price Estimate Report - UUID: 3a4f4e45-ec38-44e2-907d-2e123de0533c

Detailed Justification for the Predicted Price of \$77,780.18

- House Features** The house in question boasts three bedrooms and three bathrooms, which is relatively spacious for a home with a total size of 920 square feet. This configuration suggests that the house is designed for a small family or could serve as a rental property, catering to the needs of individuals or families looking for comfortable living arrangements. The lot size of 0.12 acres is modest, which is typical for urban settings, particularly in areas where land is at a premium. The combination of three bedrooms and three bathrooms is advantageous, as it provides ample accommodation options, potentially increasing the property's appeal to buyers or renters who prioritize space and convenience.
- Model Predictions Consistency** The model prediction of \$77,780.18 aligns with both the average and median prices for homes in the area, indicating a strong consistency in the data. This figure reflects the current market conditions and suggests that the pricing model has accurately captured the dynamics of the local real estate market. Given that the aggregated results show both the average and median price at the same figure, it indicates a stable market without significant outliers that could skew the data. This consistency reinforces the reliability of the predicted price, suggesting that it is a fair representation of the home's value based on the features and local market conditions.
- Location, Neighborhood, Crime Rate, and Economic Status** The property is located in Mayagüez, Puerto Rico, specifically in ZIP code 601. This area has a median home value of \$90,900, which is higher than the predicted price of \$77,780.18, suggesting that the house is competitively priced within the local market. However, the economic indicators show a challenging environment, with a median income of \$15,292 and an unemployment rate of 25.1%. These economic factors contribute to a high poverty rate, with 63.3% of families and 66.2% of individuals living below the poverty line. Such economic conditions can suppress housing prices, as potential buyers may have limited financial resources. Additionally, the crime statistics are favorable, with an overall crime grade of "A" and property crime grade of "A+." This suggests that the neighborhood is relatively safe, which is a significant selling point for families and individuals looking for a secure living environment. The combination of a low crime rate and the availability of amenities (though unspecified) can enhance the desirability of the property, potentially justifying the predicted price.
- Notable Factors Affecting the Price** Several notable factors influence the pricing of this property. The economic landscape, characterized by low median income and high unemployment, suggests that the market may be more favorable for buyers seeking affordable housing options. The housing distribution data indicates that 43% of homes in the area are valued between \$50,000 and \$99,999, which aligns closely with the predicted price, further supporting its market viability. Moreover, the high homeownership rate of 69.5% indicates a community that values property ownership, which can contribute to a stable housing market. However, with 30% of residents renting, there is also a significant demand for rental properties, which could make this home an attractive investment opportunity for potential buyers looking to enter the rental market.

In conclusion, the predicted price of \$77,780.18 is justified based on a comprehensive analysis of the house features, model predictions, location dynamics, neighborhood safety, and economic conditions. The pricing reflects a balance between the property's features and the local market realities, making it a competitive offering in the Mayagüez area.