KC Housing Analysis

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Summary

Housing prices are subject to different market forces. Sometimes the prices rise, other times the prices falls. The market forces that affect the housing prices include interest rates, economic factors - GDP, employment, government subsidies and various other factors. These forces are out of our control and not easily predictable. This data set does not explore the effect of different external factors on the price of houses. In this data set we explore the different internal factors - number of bedrooms, bathrooms, square foot, etc. - that affect the housing prices.

Outline

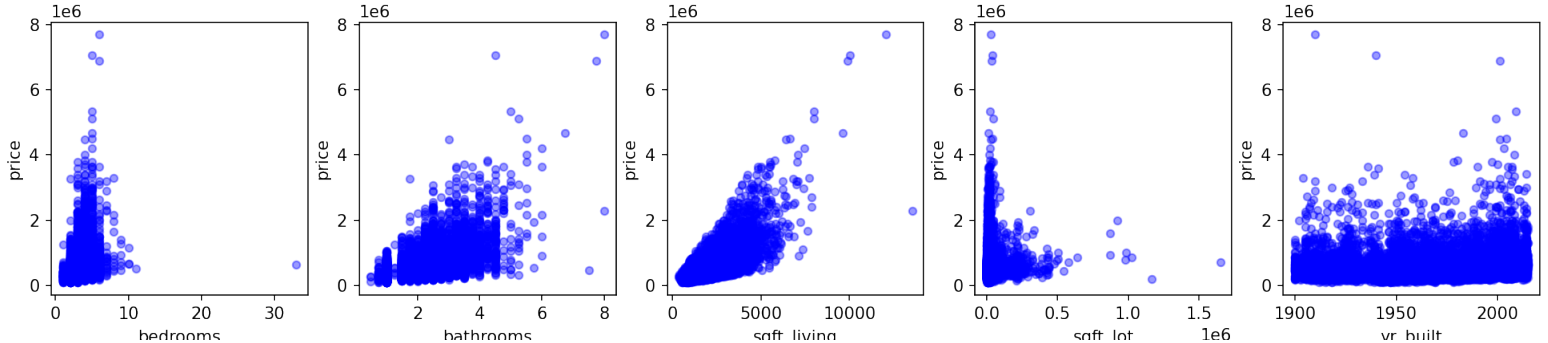
- Business Problem
- Data
- Regression Analysis
- Creating heat chart for checking multicollinearity
- Results
- Conclusions

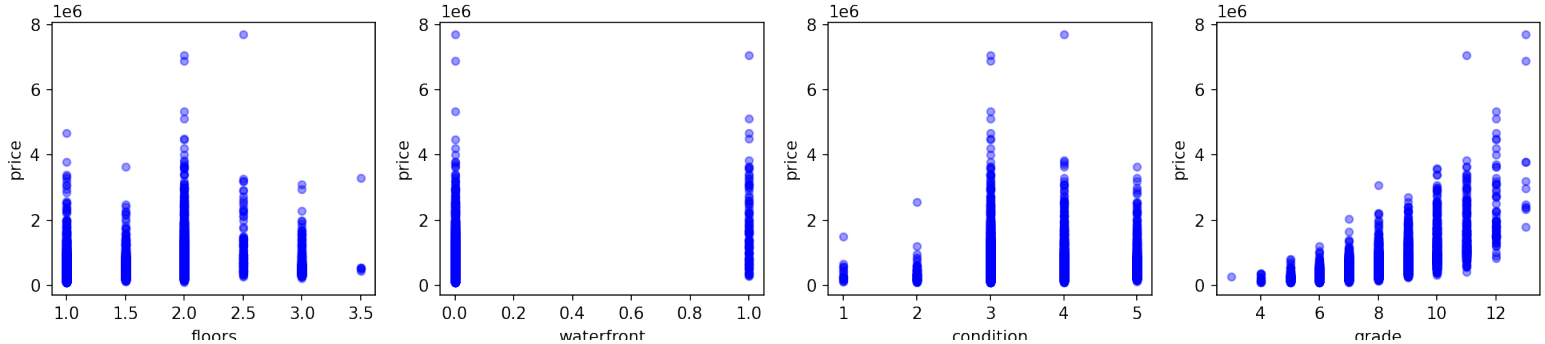
Business Problem

Using the factors in the data such as number of bedrooms, bedrooms, square foot, waterfront. We gotta explore the data and using the factors effecting the prices of the house, we have to do data validation using testing samples and training sets and expose the results.

Regression Analysis

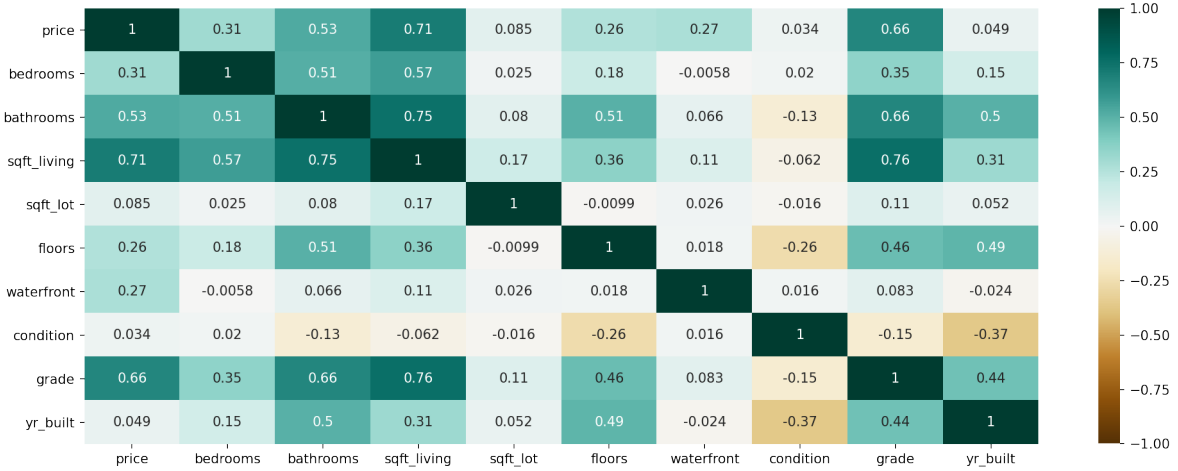
Well, the independent variable is price and rest all the variables which are sqft_living, bedrooms, bathrooms, floors, grade, sqft, grade, zipcode, waterfront, condition are all dependent variables and among them floors, waterfront, condition, grade are category values where as bedrooms, bathrooms, sqft_living, sqft_lot, yr_built are continuous variables.




1e6
price
floors
waterfront
condition
grade

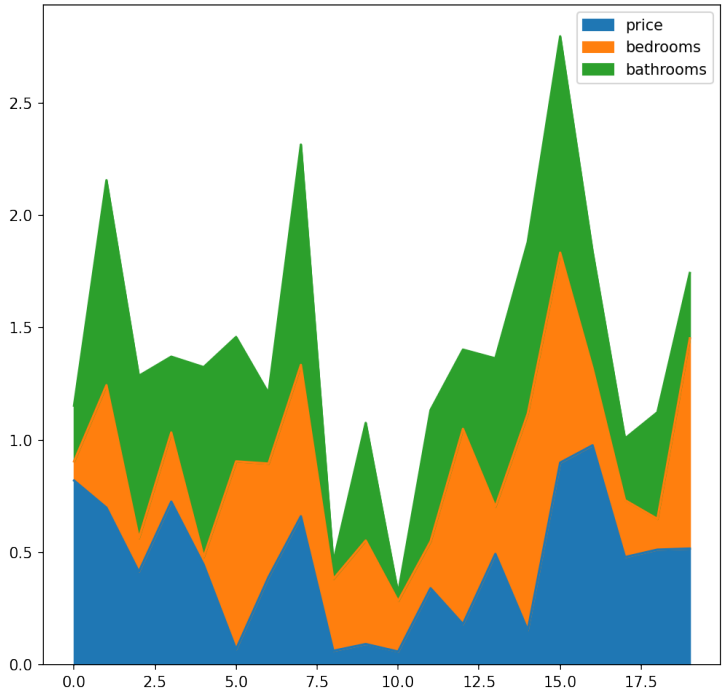
Creating heat chart for checking multicollinearity

Multicollinearity occurs when two or more independent variables are highly correlated with one another in a regression model. We use this method to check the multicollinearity between variables.



We have created a 60/30 sample data set and trained the actual data where it is tested with the sample data to check the data correctness and it is matched by a slight variance.

Results



As we see from this area plot, we can clearly understand that the more the number of bedrooms and bathrooms are there, the higher the price of the house goes

Conclusions

This analysis says the prices of the houses depends on number of bedrooms and number of bathrooms where the higher the number the higher the price is.

Thank You!

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