

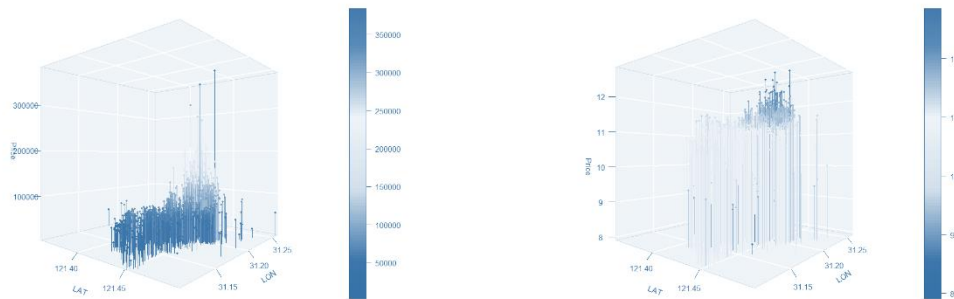
Yue Wu

Reading, Understanding and Predicting Real Estate Price

Xuhui District, Shanghai, China

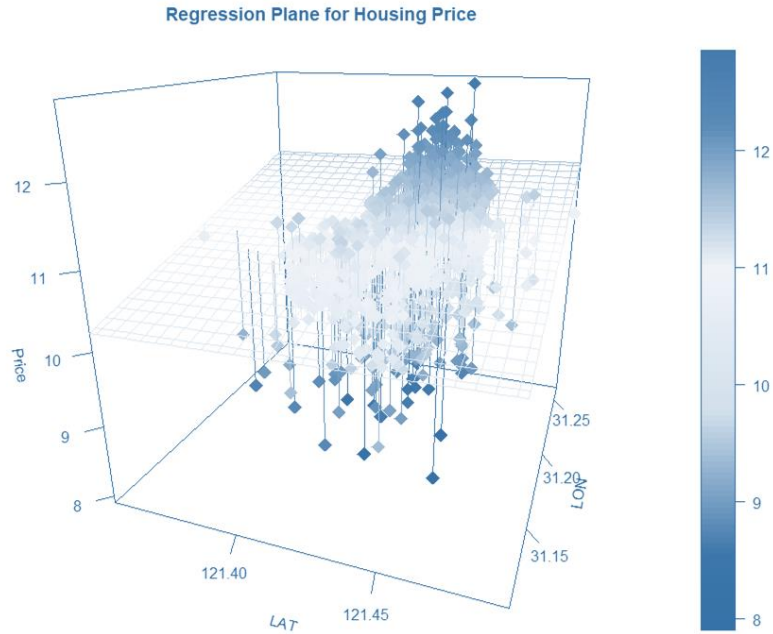
2nd plot - Geographical analysis of the housing price and inspirations

In this plot, the housing price distribution is examined with its geolocation information (the rows with location information that is outside *Xuhui* district are omitted), using price data of 04/2016 as a sample. Noticing that the plot based on the original housing price is highly influenced by the extremum (which turns to be the old colonial historical villa), the price is moderated by the logarithm function (see *Fig 02-a*).



*Fig 02-a: The original price data and the moderated price data by geolocation*

Based on the distribution of moderated housing price value, a regression plane is computed in order to fit the housing price (see *Fig 02-b*).



*Fig 02-b: The regression plane fitting the moderated price data*

Given that the housing price is actually not distributed evenly or linearly by geolocation, using a regression plane to fit the existing housing price actually has its own limitation. Nevertheless, it to a certain extent shows the tendency of the increasing of price towards the east and north direction of Xuhui district, which actually is coordinated with the direction of city commercial center.