**MBAS903: Business Analytics for Economic and Market Environments**

Final Assessment - Hedonic House Price Model

Individual assessment

Due 28 April 2021

Your have been contracted to develop a hedonic house price model for a leading real estate group. Use the dataset “HOUSEPRICE” to estimate your preferred model(s) with salesprice as your response variable. Nearly all variables are potentially available as explanatory variables so it will need a careful process of model specification and testing. The goal is to try and get the most parsimonious (simple) model. You may choose 1 to 3 models as your preferred in order to achieve robust and consistent results.

Format: Business report for client

Executive summary – overview of project including summary of results - 5 marks

Introduction – set the scene and background for modelling house prices (broad to specific issues) – 10 marks

Literature review – summary of research literature estimating house price models (start with a short summary of each paper, then structure your paragraphs around themes you identify (eg. variables used, methods) and discuss similarities or differences you identify in your research – aim for at least 4 journal articles) - 20 marks

Methodology – discuss the process you will follow (eg. Descriptive analytics, checking for multicollinearity between x variables, process of explanatory variable selection and treatment of outliers etc – no results to appear in this section) – 15 marks

Body and analysis – present, discuss and interpret chosen model(s) – 40 marks

Conclusions – wrap up the exercise with recommendations for client – 10 marks