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Defining financial risks and market trends through predictive data analysis

Marcelle Louise
CCT College Dublin

Luciana Teixeira
CCT College Dublin

Muhammad Shahbaz
CCT College Dublin

Giovanni Andrade
CCT College Dublin

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DEFINING FINANCIAL RISKS AND MARKET TRENDS THROUGH PREDICTIVE DATA ANALYSIS



MODULE Problem Solving For Industry
SUPERVISOR Muhammad Iqbal

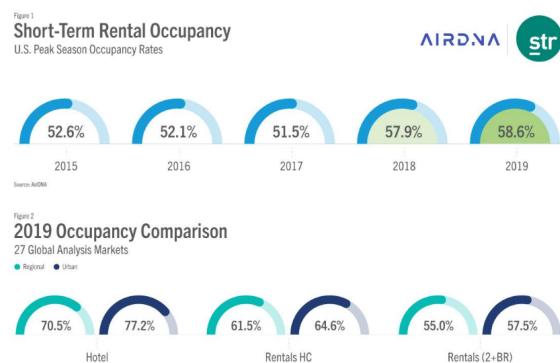
RESEARCHERS Marcelle Louise, Luciana Teixeira,
Muhammad Shahbaz, Giovanni Andrade

INTRODUCTION

Despite the challenges posed by the COVID-19 pandemic, a study conducted by STR and AirDNA found that house rentals outperformed hotels; among the most renowned platforms is Airbnb, which has become a symbol of the sharing economy and has changed the way people travel.

This project focuses on Dublin short term rental market opportunities, by developing pricing and rate occupancy prediction models based on machine learning approaches to identify patterns that may impact or aid users in making smarter and cost-effective decisions.

The concept of this research is to show the financial feasibility of data services, as well as how data science can improve business and operational efficiency.



OBJECTIVE

The aim of this project is to use Machine Learning technologies and online property website datasets to determine financial risks and market trends for real estate investors in Ireland.

BACKGROUND

REQUIREMENTS

- Provide an easy and efficient solution for users who are searching for properties.
- Design and deploy a prototype that shows the predictions found through Machine Learning techniques.
- Display information regarding a certain property.
- Provide customized search by adding filters to fit users budget, needs, and general lifestyle.

MACHINE LEARNING

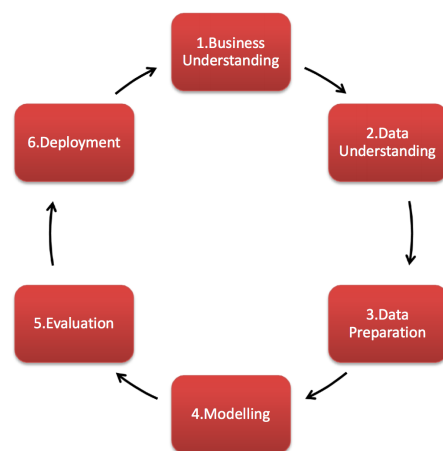
Since this project consists of analysing and combining six datasets, multiple modelling techniques were used to test the accuracy of these predictions:

- Linear Regression
- Multiple Regression
- K-Nearest Neighbour
- Lasso and Ridge Regression
- Sentiment Analysis

METHODOLOGY

• CRISP-DM

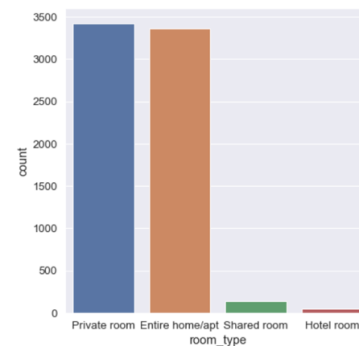
This framework is divided into six phases that correspond to the data science life cycle. Each phase was completed in order to ensure the project's integrity and long term planning.



FINDINGS

Through Python visualizations we discovered patterns and trends that had a higher likelihood of impacting the final prediction models by analysing each dataset.

- **Most Popular Types Of Property**
Private Rooms and Entire Houses
- **Average Price Per Neighbourhood**
From €88.72 up to €359.31
- **Price VS Location**
Dublin South East Area:
Over €130.00 per night



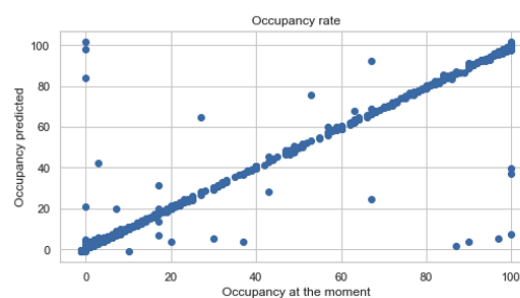
DEPLOYMENT TOOLS



RESULTS

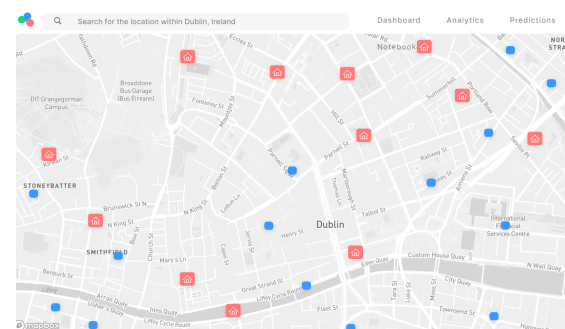
Between the number of modelling methods used, the following options have achieved a greater accuracy:

- **Price Prediction**
K-Nearest Neighbour: 85%
- **Comments Review**
Sentiment Analysis: 98%
- **Occupancy Rate**
Lasso Regression: 93%



DASHBOARD

• View Prototype



CONCLUSION

As previously discussed, the real estate business has witnessed a major development in the use of data in recent years, and purchases must be thoroughly analyzed, with comprehensive analysis and evaluation of the best investment according to the investor's needs or preferences. By the end of this project, we felt positive that the outcomes outlined have been achieved. The application deployed shows a solution for real estate investments that employs modern technologies to support investors in general in making data-driven decisions.

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