Example of cost of a real estate research paper

Economics, Money

The research paper is based on the average price of a house putting into consideration of some factors. The research mainly focuses on the average price of a small house (two bedroomed or three bedroomed) as compared to the price of a large house (five bedroomed or six bedroomed). The other two cases are used for evaluation of price in terms of location and not size. The introduction and problem statement sectors mainly focuses on definitions while the data analysis and implication sectors focus on the information contained in the raw data and what it might be used to depict. The conclusion gives the best opinion which might be subject to critism and recommendation.

Introduction

A real estate is mainly refers to land and buildings on that piece of land. It may also extend to include other physical features and natural resources on the piece of land (well, 2009). In a much general definition, it may be considered as land and all inclusive features on that piece of land. The study of real estates and factors affecting the real estates is of vital importance since real estate are limited in supply thus ignoring some favors about them might make the world a living hell. One of the main factors affecting real estates is cost. The more developed an estate is, the most money one has to pay for the estate (Plunkett, 2011). This may appear obvious but by analysis, some factors affecting costs may even make the real estate cost to have a negative relationship with the size of the estate.

Problem statement

The data given by the table is mainly trying to relate the cost of a real estate with certain features with the cost of the real estate. The data given can be analyzed and divided into two categories depending on the size of the real estate, features and the level of prestige. Using the information obtained, it is possible to access the average cost of a real estate compared to the size and features of the estate (Ken, 2001). Therefore, the main thesis objective is ' is there a relationship between the cost of a real estate and the features of the estate considering its physical size as well?' This question therefore forms the basis of this research paper. The paper will analyze the possible hypotheses of the problem under consideration (relationship between the cost of a real estate and the size of the estate). For better precision and understanding, the paper narrows down the definition of a real estate only to consider a house making the real estate under study a house. The obvious thing that lingers in our mind the moment a house is thought of is its features and background. In this paper, almost all other factors on the estate will be considered constant thus will not affect the cost of real estate. The features to consider will be the house size, features and other buildings. Thus the most precise question of research is ' what is the average cost of a large house compared to a small house?'

Hypothesis

Some of the hypotheses for this problem include:

1. The average cost of a small house is the same as that of a large house considering the features in both houses.

2. The average cost of a large house is larger than the average cost of a

small house irrespective of inclusive features or not.

3. The average cost of a small house is more than that of a large house irrespective of the inclusive features or not.

Data analysis

Using the data provided for this research, the following assumptions were made.

1. A small house has two or three bedrooms, medium house has four bedrooms while large houses have five or six bedrooms.

2. The cost of pool maintenance or acquisition is constant and is viewed as an extra cost if other members of the group under consideration do not have the pool.

3. Distance and township are not of importance in the study.

These assumptions model the situation making the price of the house to be a function of number of bedrooms, pool, garage, size and baths.

On grouping the houses into the three categories, the following data was obtained.

The number of small houses was much more than medium and large houses.

The average size of small houses was 2200 while that of medium and large houses was about 2400.

The average cost of a two bedroom house was 200. 35 without considering its township and distance.

The average cost of a three bedroom house was 214. 45 under same conditions as the two bedroomed houses.

The average price of a four bedroomed house was 213. 57 under the above

stated situations.

On the five bedroomed houses, the average estimated to about 226. 02. Six bedroomed houses averaged to 248. 22.

Seven bedroomed houses which can be considered as mega house in our study together with the eight bedroomed ones averaged to 303. 2 and 328. 05 respectively. Due to the high costs of the mega houses, many of the people cannot afford to purchase them thus they will only be depicted in the graph but will not be considered as large houses. The graphs for the above data in form of bar graph are drawn below.

Assuming that all other factors remain constant and the price varies as the size and number of bedrooms, the data obtained is shown below.

For two bedroomed houses, the average price is 200. 35 with an average size of 2100.

The three bedroomed houses averages at a price of 214. 45 with the actual size averaging to 2200.

The four bedroomed houses averages in price at 213. 57 and in size to about 2400.

The five and six bedroomed houses (large houses) have an actual size averaging to about 2500. This corresponds to an average price of about 237. 12.

The average cost of any house away from the main town center appears to be lower than that of any house near the township.

A pool in any house makes the house mosh costly as compared to other

houses with the same features but lacking the pool.

All two bedroomed houses and three bedroomed houses lack a pool thus their average cost due to the pool maintenance is less.

The number of bathrooms also makes the house to be more costly. A house with two bathrooms costs more than a counter with one bathroom. This makes a difference as well.

The garage is another feature that causes a difference in the cost of a real estate. Any house with a garage is more costly than a house without a garage but all other features the same.

On the analysis of the hypotheses, the first thing to consider is the facilities associated with the types of houses listed (Plunkett, 2011). Generally all the large houses have a pool, more bathrooms and greater acreage compared to small houses. Therefore, all the large houses are expected to be more costly compared to small houses. The second thing considered is the township and distance.

Subjecting the first null hypothesis to scrutiny, the alternative solutions to the problems would be would be either the second or the third hypotheses. The other two alternatives appear to view price only from one perspective while the original hypothesis follows an open perspective and in not confined to size and price only.

Generally, all the houses appear to have the same cost under same conditions. This is depicted by the cost of medium houses that lack a pool. Also, medium houses cost averages to about the same a three bedroomed small houses.

Implications

Thus, it would be viable to conclude on the first hypothesis since the price of the real estate appears to be influenced directly by its facilities and location. The aspect of location and facilities completely eliminates the other two possible hypotheses making the first hypothesis most viable in this particular case.

Conclusion

In conclusion, it is clear from the analyzed data that cost is directly influenced by location and facilities not significantly by the size of the house or real estate (Berenson, 2007). This is affirmed by the data pertaining to two mega houses as categorized in this paper. The houses located away from the township cost less compared to those in the township. Also, those with more facilities were more costly than those with fewer facilities. As a recommendation, I would request the real estate analysts to use facilities as the main factor while considering price of the real estates. This would enable a person with less money acquire a large house with less facilities that will suite his/her needs other than a small house with many facilities some of which are of no use to the owner due to lack of ability to purchase the large one.

References

Ken, B. 2001. Business Statistics : For Contemporary Decision Making. New York: Wesley publishers.

Plunkett's Real Estate & Construction Industry Almanac, 2011 edition.

Berenson, M. 2007. Basic Business Statistics: Concepts and Applications.

Prentice Publishers.

Wells, R. 2009. Macroeconomics. 2nd edition. Princeton: Worth Publishers.