

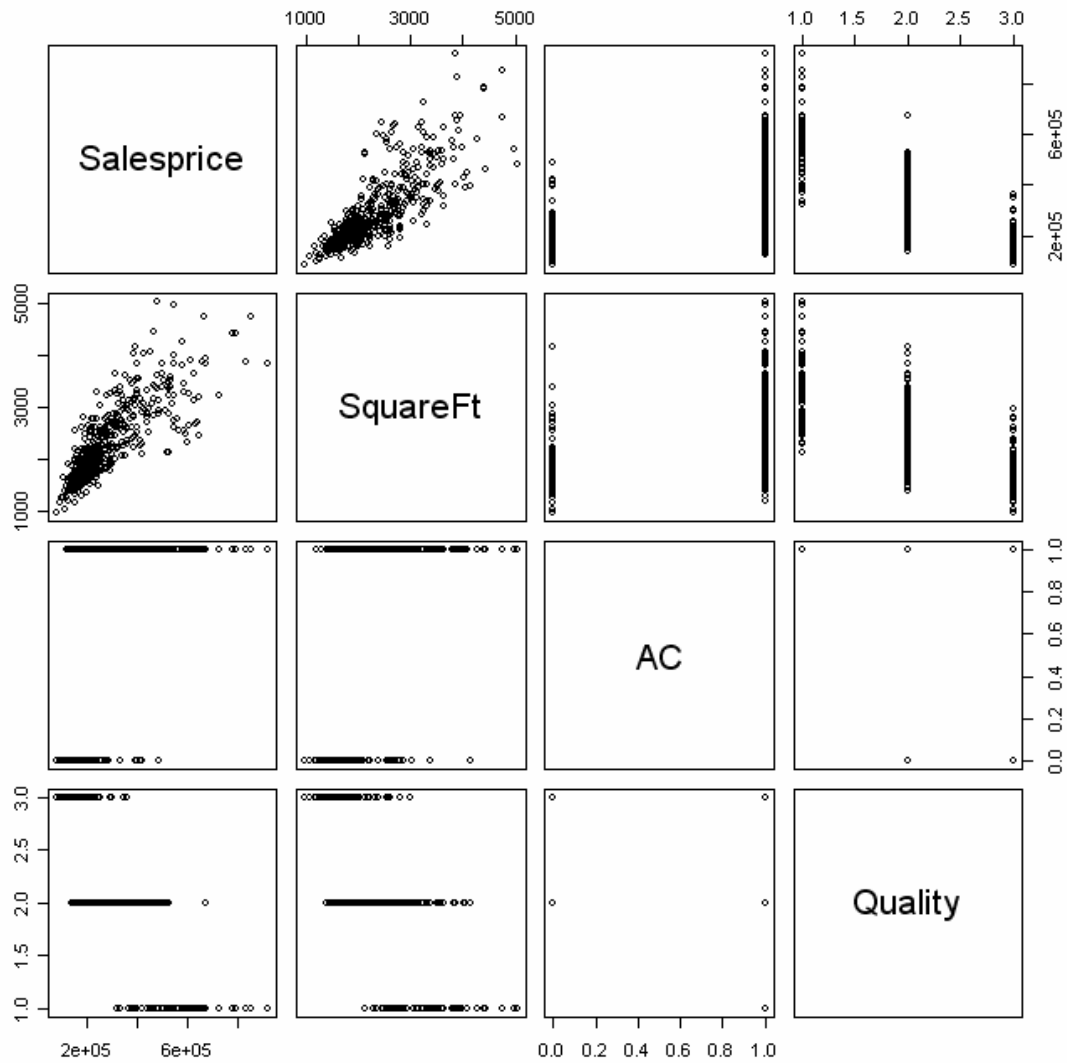
Variables:

Y = Sales price

X_1 = Finished square feet

X_2 = 1 if air conditioning, 0 if no air conditioning

X_3 = 1 for high quality, 2 for medium quality, 3 for low quality construction



```
> HouseFit=lm(Salesprice ~ SquareFt+ AC+ Quality,data=HouseData)
> summary(HouseFit)
```

Call:

```
lm(formula = Salesprice ~ SquareFt + AC + Quality, data = HouseData)
```

Residuals:

Min	1Q	Median	3Q	Max
-196418	-44240	-3341	34233	373439

Coefficients:

	Estimate	Std. Error	t value	Pr(> t)
(Intercept)	209665.424	29301.136	7.156	2.86e-12 ***
SquareFt	109.666	6.048	18.134	< 2e-16 ***
AC	-6150.777	9056.362	-0.679	0.497
Quality	-79935.181	7095.093	-11.266	< 2e-16 ***

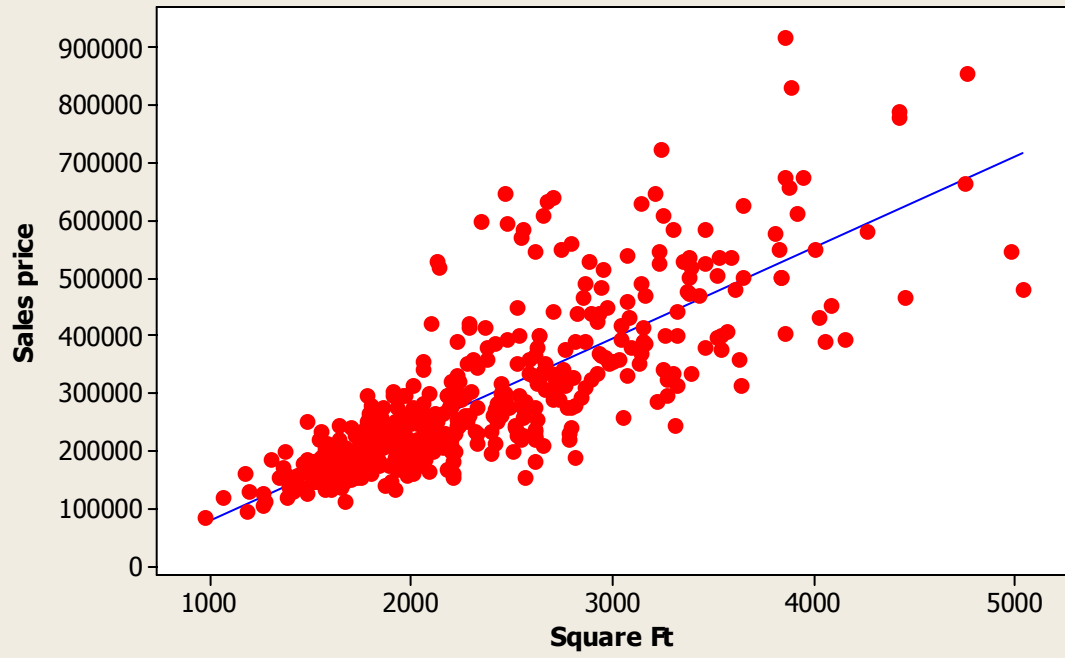
Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

Residual standard error: 70490 on 518 degrees of freedom

Multiple R-Squared: 0.7403, Adjusted R-squared: 0.7388

F-statistic: 492.2 on 3 and 518 DF, p-value: < 2.2e-16

Scatterplot of Sales price vs Square Ft



Residuals Versus the Fitted Values

(response is Sales price)

