

# Predicting House Prices

## A Linear Regression Project



Presentation by:  
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**IOWA**  
**HOUSE**  

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**Ames, Iowa**

# Cleaning data for best predictions

## **Get familiar with the data**

Understand what the features mean and have an idea of which ones are going to be more valuable

Think about the relationship of features to the price

## **Cleaning, cleaning, cleaning**

Fill empty values

Combine features

Drop already combined features

Check statistics and drop outliers

Change categorical values to numerical ordered values.

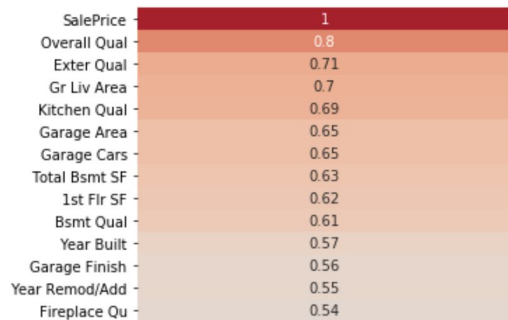
## **Feature Engineering**

Get familiar with the correlations of the features with price

Use transformations, polynomial, log, standard scale

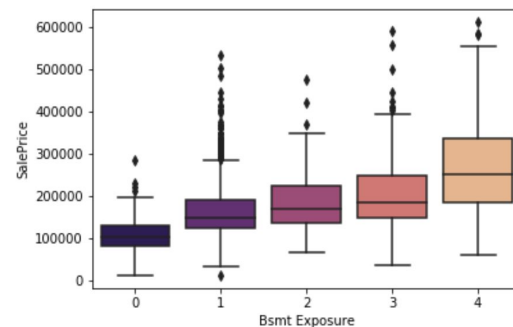
Change categorical features to dummies

# Visualizations

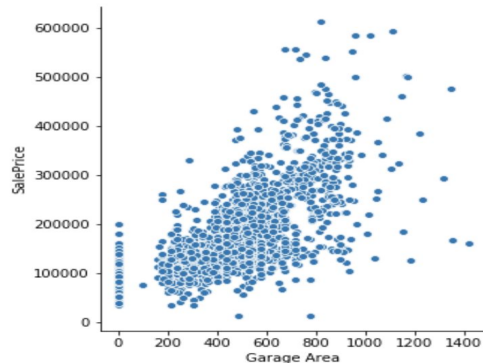


Heatmaps for correlations

Boxplots for categorical data



Scatterplots for numerical data



Bar charts and histograms for coefficients and distributions



# Modeling

**Set your features dataframe and target vector**

**Apply train test split to evaluate your predictions**

**Decide what models to use and fit your training data**

**Score your models on your test data**

**Check coefficients**

**Decide which model works better for your data and predictions**

**Try Linear Regression, Lasso, LassoCV, Ridge and RidgeCV and score your models**

**Go back and do more cleaning, modify features, change your feature engineering, undo some of what you did before, do some new stuff**

**Try your models again**

**Repeat over and over again**

# Ridge

## Ridge scores

Ridge score on train data: **0.952**

Ridge score on test data: **0.942**

Ridge cross val score: **0.918**

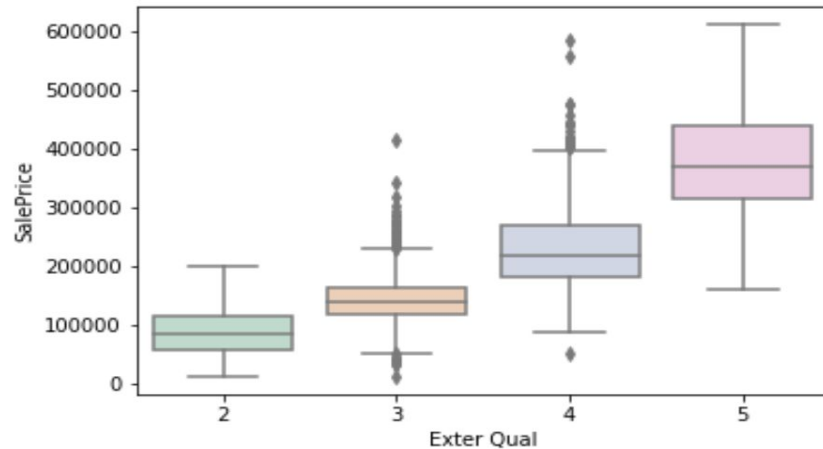
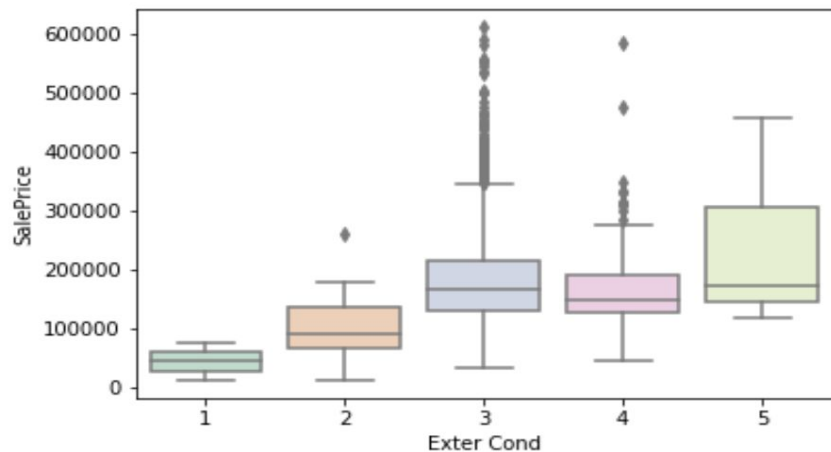
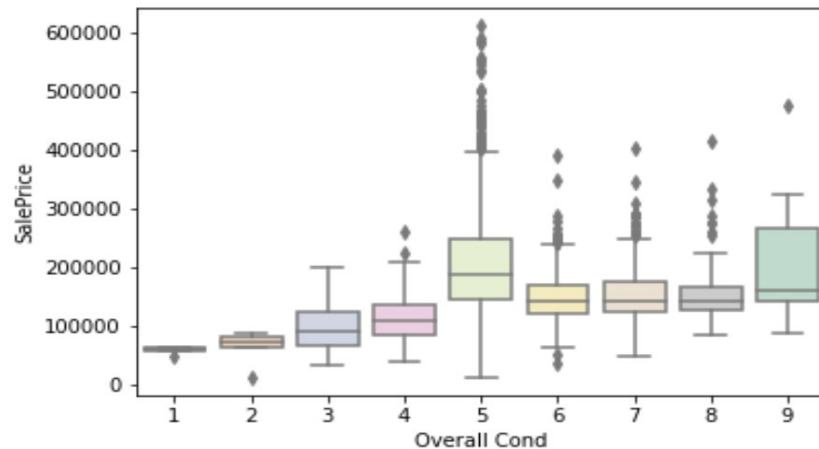
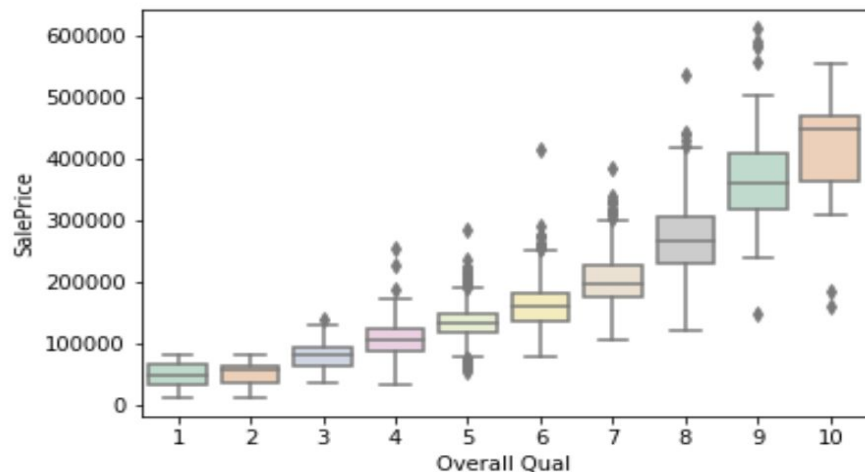
Ridge Root Mean Squared Error: **18879.9**

**Coefficient of determination  $R^2$**

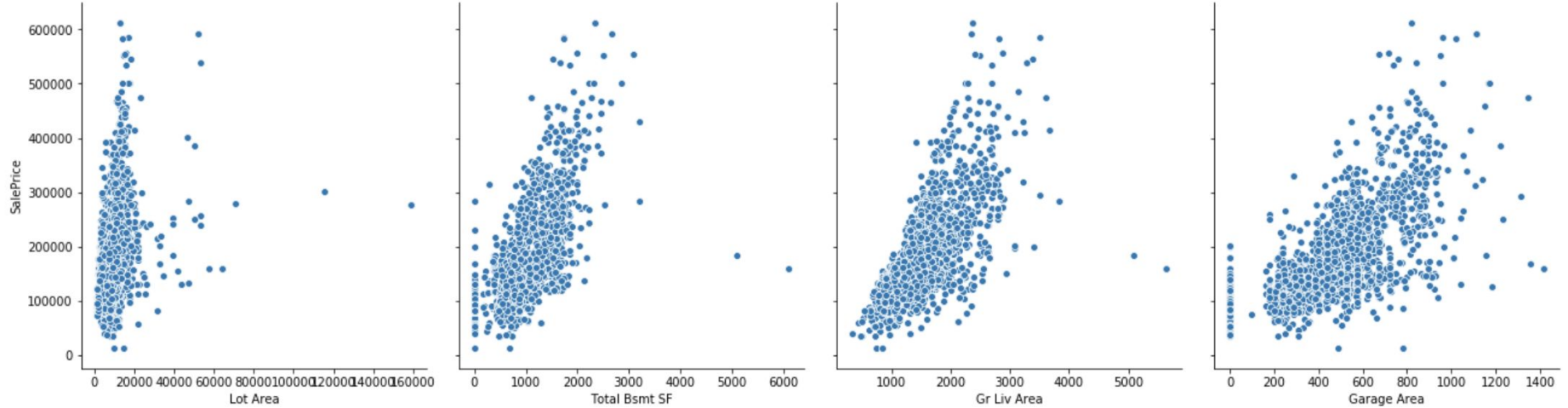
(proportion of the variance in the dependent variable that is predictable from the independent variable)

[https://en.wikipedia.org/wiki/Coefficient\\_of\\_determination](https://en.wikipedia.org/wiki/Coefficient_of_determination)

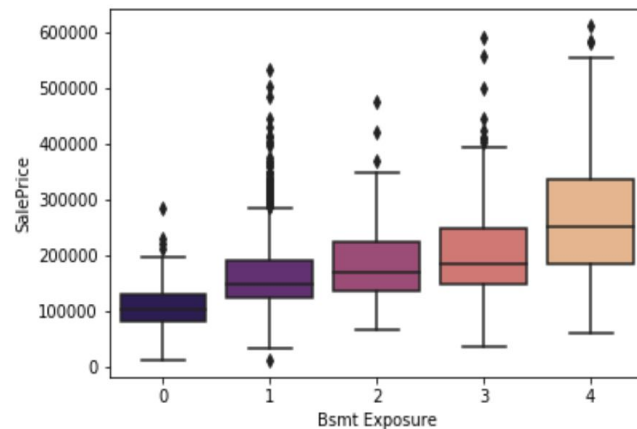
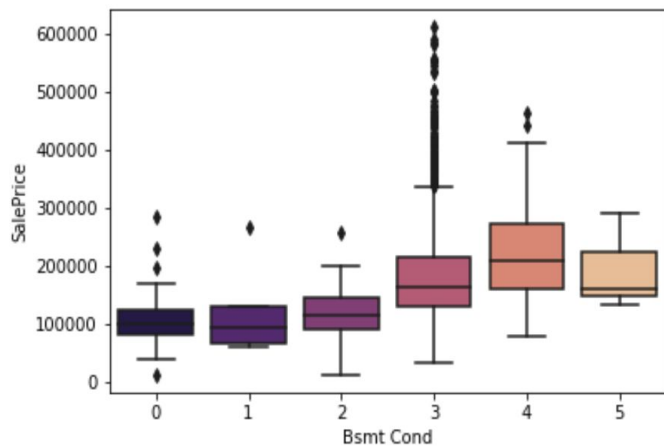
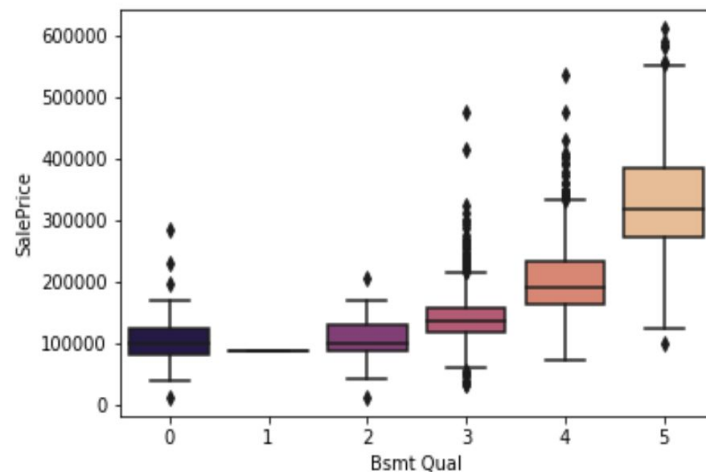
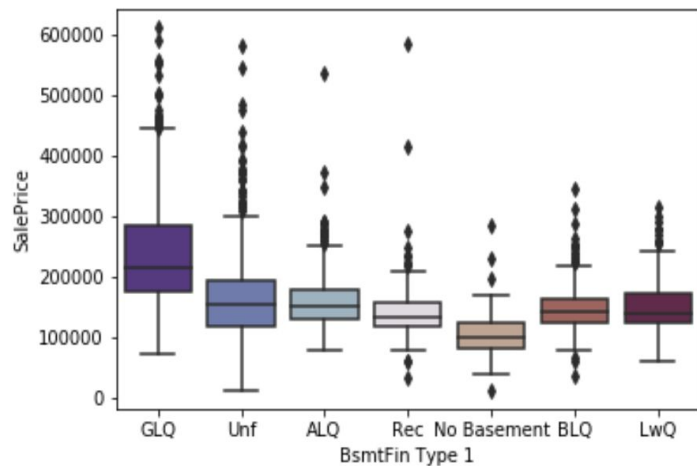
# Overall and Exterior Quality and Condition



# Area and Square Footage

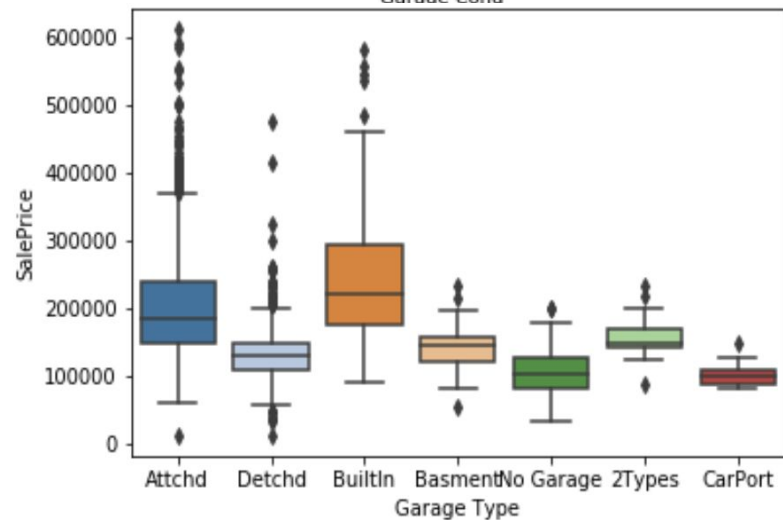
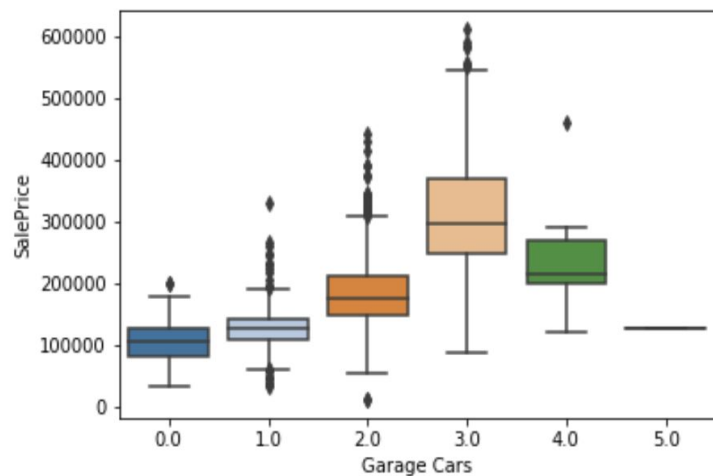
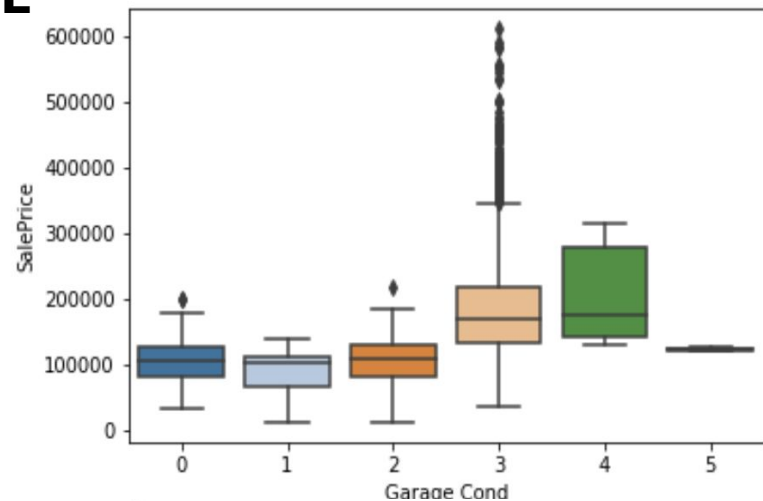
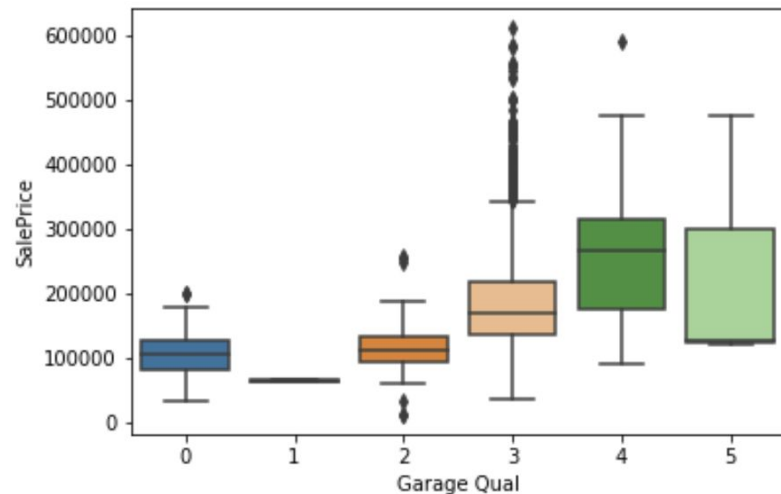


# Basement

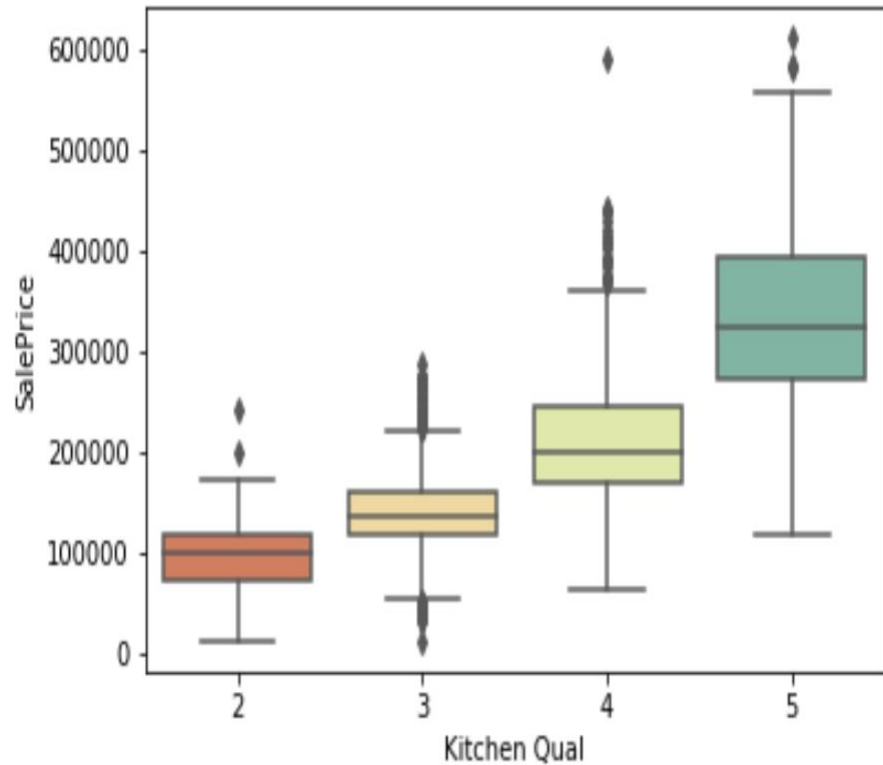
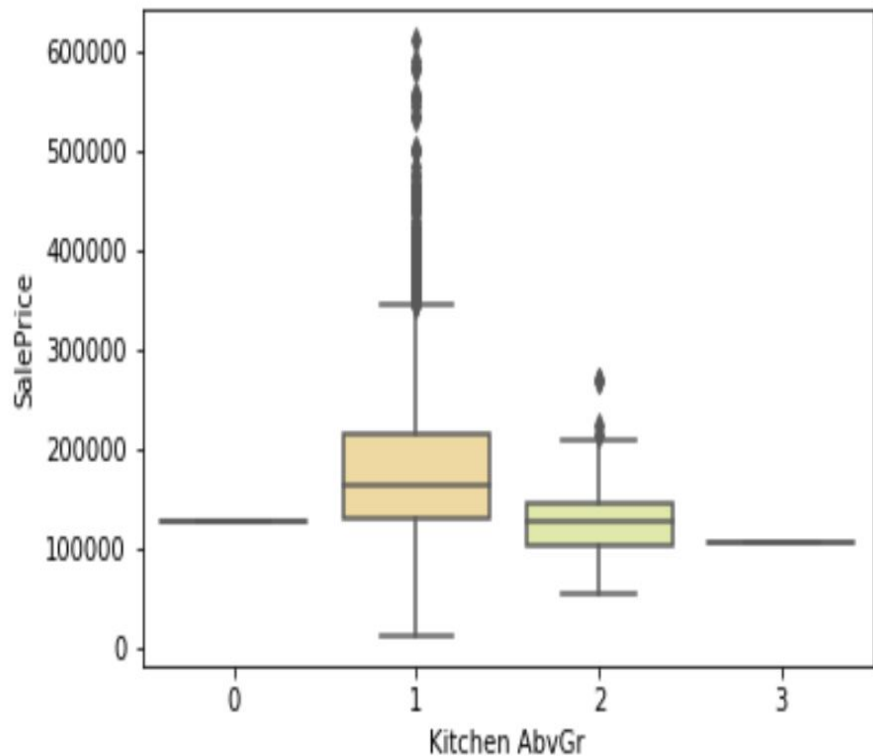




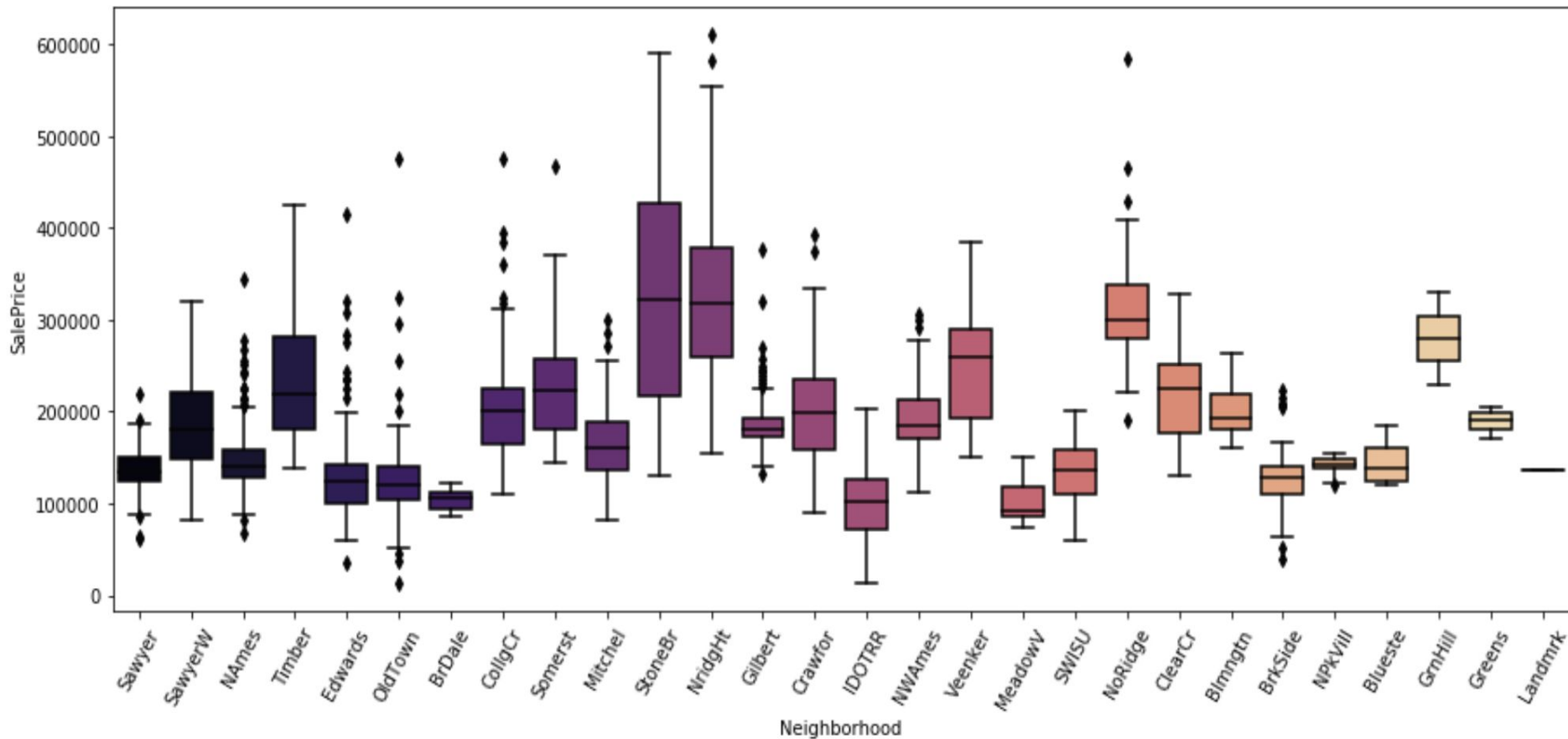
# GARAGE



# Kitchen



# Neighborhoods



**Thanks**