

A
Data science
Project
on

"HOUSING PRICE PREDICTION"

Submitted by:

Santosh Arvind Dharam

ACKNOWLEDGMENT

I feel great pleasure to present the Project entitled "housing price prediction". But it would be unfair on our part if I do not acknowledge efforts of some of the people without the support of whom, this Project would not have been a success. First and for most I am very much thankful to my respected SME 'shrishti Maan' for his leading guidance in this Project. Also he has been persistent source of inspiration to me. I would like to express my sincere thanks and appreciation to 'flip robo' for their valuable support. Most importantly I would like to express our sincere gratitude towards my Friend & Family for always being there when I needed them most.

Mr. Santosh Arvind Dharam

INTRODUCTION

Houses are one of the necessary need of each and every person around the globe and therefore housing and real estate market is one of the markets which is one of the major contributors in the world's economy. It is a very large market and there are various companies working in the domain. Data science comes as a very important tool to solve problems in the domain to help the companies increase their overall revenue, profits, improving their marketing strategies and focusing on changing trends in house sales and purchases. Predictive modelling, Market mix modelling, recommendation systems are some of the machine learning techniques used for achieving the business goals for housing companies. Our problem is related to one such housing company.

PROBLEM STATEMENT

A US-based housing company named Surprise Housing has decided to enter the Australian market. The company uses data analytics to purchase houses at a price below their actual values and flip them at a higher price. For the same purpose, the company has collected a data set from the sale of houses in Australia. The data is provided in the CSV file below. The company is looking at prospective properties to buy houses to enter the market. You are required to build a model using Machine Learning in order to predict the actual value of the prospective properties and decide whether to invest in them or not. For this company wants to know:

- Which variables are important to predict the price of variable?
- How do these variables describe the price of the house?

Analytical Problem Framing

EDA steps:

1) import necessary libraries:

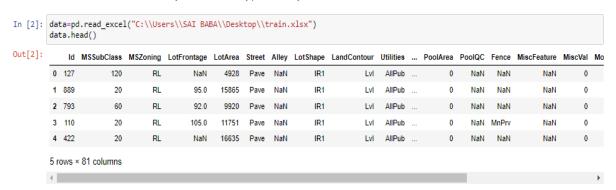
first we will import all the necessary libraries which will be usefull for analysis of data

```
In [1]: #import all libraries
        import pandas as pd
        import numpy as np
        import matplotlib.pyplot as plt
        import seaborn as sns
        import warnings
        warnings.filterwarnings('ignore')
        from sklearn.metrics import r2 score,mean absolute error,mean squared error
        from sklearn.linear_model import LogisticRegression,Lasso,LinearRegression
        from sklearn.neighbors import KNeighborsRegressor
        from sklearn.svm import SVR
        from sklearn.tree import DecisionTreeRegressor
        from sklearn.ensemble import AdaBoostRegressor, GradientBoostingRegressor
        from sklearn.preprocessing import LabelEncoder,StandardScaler
        from sklearn.model_selection import train_test_split,GridSearchCV
        from sklearn.decomposition import PCA
        from scipy.stats import zscore
        from sklearn.model_selection import cross_val_score
```

in this case we have to import all the necessary library that are usefull for data analysis in jupyter notebook

2)extract the dataset in jupyter notebook:

now lets we extract the data for analysis from excel file by pandas library



Data is extracted for further analysis in jupyter notebook

3) checking null values:

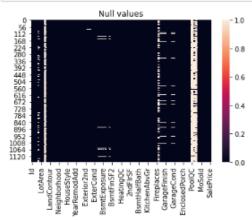
In this case we have to find out the null values present in our data set if yes it is required to remove it in our data set it has some null values it is also shown by heat

map

```
In [5]: data.isnull().sum()
Out[5]: Id
        MSSubClass
                            0
        MSZoning
        LotFrontage
                          214
        LotArea
                            Θ
        MoSold
                            0
         YrSold
                            0
        SaleType
                            0
        SaleCondition
                            0
        SalePrice
        Length: 81, dtype: int64
```

it gives the null values present in the dataset ,dataset contains null values in it so we will remove it in the further steps

```
In [6]: sns.heatmap(data.isnull())
  plt.title("Null values")
  plt.show()
```



now lets we will replace the null values present in the dataset with the mode

```
In [11]: data['LotFrontage']=data['LotFrontage'].fillna(data['LotFrontage'].mode()[0])
    data['MasVnrType']=data['MasVnrType'].fillna(data['MasVnrType'].mode()[0])
    data['BsmtQual']=data['BsmtQual'].fillna(data['BsmtQual'].mode()[0])
    data['BsmtCond']=data['BsmtCond'].fillna(data['BsmtCond'].mode()[0])
    data['BsmtExposure']=data['BsmtExposure'].fillna(data['BsmtExposure'].mode()[0])
    data['BsmtFinType1']=data['BsmtFinType1'].fillna(data['BsmtFinType1'].mode()[0])
    data['BsmtFinType2']=data['BsmtFinType2'].fillna(data['BsmtFinType2'].mode()[0])
    data['FireplaceQu']=data['GarageType'].fillna(data['FireplaceQu'].mode()[0])
    data['GarageType']=data['GarageType'].fillna(data['GarageType'].mode()[0])
    data['GarageFinish']=data['GarageFinish'].fillna(data['GarageFinish'].mode()[0])
    data['GarageQual']=data['GarageQual'].fillna(data['GarageQual'].mode()[0])
    data['GarageCond']=data['GarageCond'].fillna(data['GarageCond'].mode()[0])
In [12]: data.isnull().sum().sum()
```

Dut[12]: 0

4)Encoding the dataset:

In this case as our data contains some categorical column having object type of data it is necessary to convert it into numerical form by OrdinalEncoder

Encoding of dataframe [14]: from sklearn.preprocessing import OrdinalEncoder [15]: enc=OrdinalEncoder() [16]: for i in data.columns: if data[i].dtype=="object": data[i]=enc.fit_transform(data[i].values.reshape(-1,1)) ld MSSubClass MSZoning LotFrontage LotArea Street LotShape LandContour Utilities LotConfig ... EnclosedPorch 3SsnPorch ScreenPorch Po 0 127 120 3.0 60.0 4928 1.0 0.0 3.0 0.0 4.0 ... 0 0 20 0.0 4.0 ... 3.0 95.0 15865 1.0 3.0 0.0 224 **2** 793 60 3.0 92.0 9920 1.0 0.0 3.0 0.0 1.0 ... 0 3 110 20 3.0 105.0 11751 1.0 0.0 3.0 0.0 4.0 ... 4 422 20 3.0 60.0 16635 1.0 0.0 3.0 0.0 2.0 ...

3.0 3.0

3.0

0.0

3.0 0.0

3.0

4.0 ...

4.0 ...

4.0 ...

0

Data contains 77 columns and 1168 rows

67.0

50.0

1163 289 20 3.0 60.0 9819 1.0 0.0 3.0 0.0 4.0 ...

1165 198 180 3.0 24.0 2280 1.0 3.0 3.0 0.0 2.0 ...

8500 1.0

5) Data Description:

1164 554

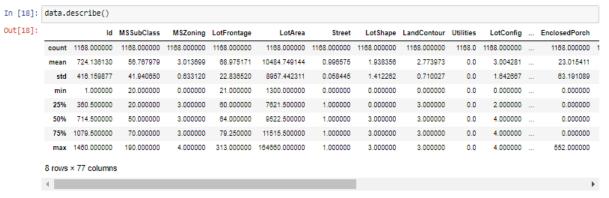
20

3.0

0.0

1167 817 80 3.0 80.0 7881 1.0 0.0

In this case data is described in detail which helping us for detail analysis



it gives the description about the dataset with its total count ,mean,std,and mini to max values distribution of the respective column

It is found from data description in some column min row consist of zero values in it so practically it is not

possible so it is necessary to remove it ,so we have removed it

now we can see from the dataset that some column contains zero values in it from mini to maximum so practically it is not possible such condition so lets we will replace that zeros with the mean of column

```
In [20]: #replacing zero values with mean of column
data['EnclosedPorch']=data['EnclosedPorch'].replace(0,data['EnclosedPorch'].mean())
data['3SsnPorch']=data['3SsnPorch'].replace(0,data['3SsnPorch'].mean())
data['ScreenPorch']=data['ScreenPorch'].replace(0,data['ScreenPorch'].mean())
data['PoolArea']=data['PoolArea'].replace(0,data['PoolArea'].mean())
data['MiscVal']=data['MiscVal'].replace(0,data['MiscVal'].mean())
```

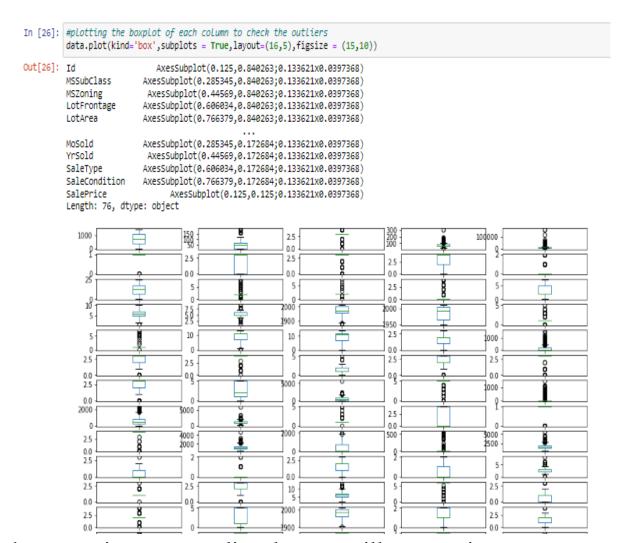
6) Data Correlation:

Heat Map-



Data is correlated with other column data and also with its own it also gives the positive negative correlation of data with respective one another. it shows that some column has maximum correlation with the sale price, also the column 'Utilities' has no data present in it so lets we will drop that column. now lets we will find the outliers present in the dataset with the box plot

7) Checking of Outliers:



data contains some outliers lets we will remove it.

8) Removing outliers:

data contains some amount of outliers present in it so lets we will remove it by taking the threshold as 3

```
In [27]: #calculate the zscore
          z = np.abs(zscore(data))
          print(z)
          [[1.43548658 1.50830058 0.02164599 ... 0.33003329 0.20793187 0.67631017]
[0.39632483 0.87704243 0.02164599 ... 0.33003329 0.20793187 1.09423443]
           [0.16554544 0.07709478 0.02164599 ... 0.33003329 0.20793187 1.11687211]
           [1.26961389 2.46243779 0.02164599 ... 0.33003329 0.20793187 0.41705186]
            [1.66626597 0.31562908 4.76211672 ... 0.33003329 0.20793187 1.78922393]
           [0.25755011 0.07709478 0.02164599 ... 0.33003329 0.20793187 0.02179027]]
In [28]: threshold=3
          print(np.where(z<3))
          print(data.shape)
          (array([ 0,
(1168, 76)
                                0, ..., 1167, 1167, 1167], dtype=int64), array([ 0, 1, 2, ..., 73, 74, 75], dtype=int64))
In [29]: #Assign the value to df_new which are less the threshold value and removing the outliers
          data_new=data[(z<3).all(axis = 1)]
In [30]: print(data.shape)
          print(data_new.shape)
          data = data_new
          print('Shape after removing outlines',data.shape)
          (1168, 76)
          (483, 76)
          Shape after removing outlires (483, 76)
```

So after removing the outliers we have 483 rows and 76 column remaining

9) Finding the skewness:

now lets check whether our data set contains skewness in it .if yes then lets we will remove it

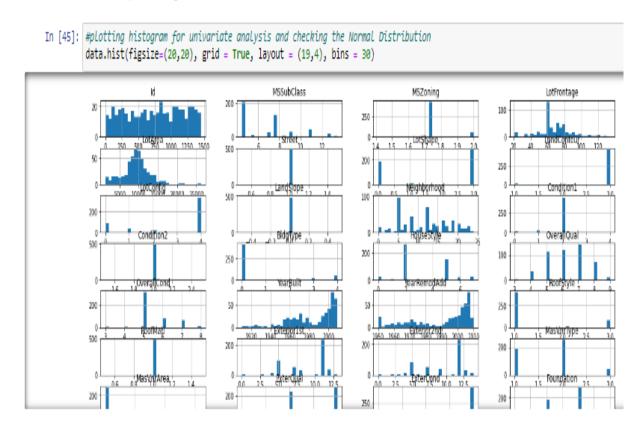
```
lets we will check the skewness present in the dataset
In [32]: data.skew()
Out[32]:
                   MSSubClass
MSZoning
LotFrontage
                                                     0.353654
                   LotArea
                                                     0.197913
                                                     0.270695
                   MoSold
                   YrSold 0.00505
SaleType -3.196449
SaleCondition 1.591452
SalePrice 0.801238
Length: 76, dtype: float64
In [33]:
                   #remove skewness
data['MSSubClass']=np.sqrt(data['MSSubClass'])
data['MSZoning']=np.sqrt(data['MSZoning'])
data['SaleCondition']=np.sqrt(data['SaleCondition'])
                   skewness is removed with the help of sart
In [34]: data.skew()
                                                   -0.081971
0.695875
2.160294
0.353654
0.197913
                  Id
MSSubClass
MSZoning
LotFrontage
LotArea
Out[34]:
                   MoSold
                   YrSold
                   SaleType -3.196449
SaleCondition 1.321703
SalePrice 0.801238
Length: 76, dtype: float64
```

So column MSSubClass, MSZoning, SaleCondition has some skewness so we have removed it

10) Graphical Representation of Data:

Now let will check whether data is uniformely distributed or not

we can also plot the histogram to check the distribution of data

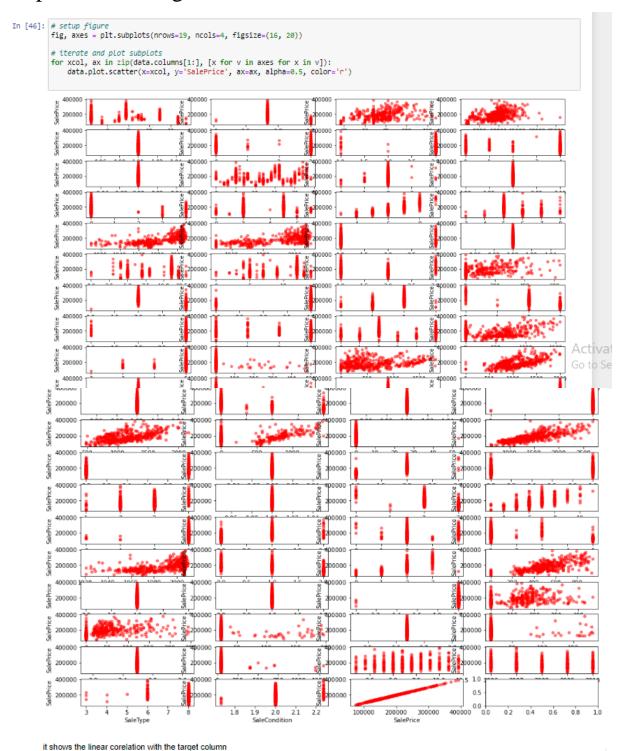


we can also plot scatter plot to show the relation of target column with the respective column

It shows that data is uniformely distributed

11) Scatter Plot:

scatter plot shows that how the data is distributed with respective the target variable



It shows the linear relationship between target variable and respective columns

12) Divide dataset:

```
In [48]: #import the necessary Libraries
          from sklearn.metrics import r2_score,mean_absolute_error,mean_squared_error
          from sklearn.linear_model import LogisticRegression,Lasso,LinearRegression
          from sklearn.neighbors import KNeighborsRegressor
          from sklearn.svm import SVR
          from sklearn.tree import DecisionTreeRegressor
         from sklearn.ensemble import AdaBoostRegressor,GradientBoostingRegressor
from sklearn.preprocessing import LabelEncoder,StandardScaler
          from sklearn.model_selection import train_test_split,GridSearchCV
          from sklearn.decomposition import PCA
          from scipy, stats import zscore
          from sklearn.model selection import cross val score
In [49]: #devide data set into feature and LabeL
         y=data['SalePrice']
         x=data.drop(['SalePrice'],axis=1)
In [50]: from sklearn.preprocessing import LabelEncoder, StandardScaler
In [51]: \#Standardize the value of x so that mean will 0 and SD will become 1, and make the data as normal distributed
          sc = StandardScaler()
         sc.fit\_transform(x)
         x = pd.DataFrame(x,columns=x.columns)
```

Dataset is divided into x and y variable for further analysis

13) multiple Algorithms:

```
In [52]: #Now by using multiple Algorithms we are calculating the best Algo which suit best for our data set
          model = [DecisionTreeRegressor(), KNeighborsRegressor(), AdaBoostRegressor(), LinearRegression(), GradientBoostingRegressor()]
          max_r2_score = 0
          for r_state in range(40,90):
              train_x,test_x,train_y,test_y = train_test_split(x,y,random_state = r_state,test_size = 0.33)
for i in model:
                  i.fit(train_x,train_y)
                  pre = i.predict(test_x)
                  r2 sc = r2 score(test v,pre)
                  print("R2 score correspond to random state " ,r_state ,"is", r2_sc)
                  if r2_sc> max_r2_score:
                      max_r2_score=r2_sc
                      final_state = r_state
final_model = i
         print()
         print()
          print()
         print()
         print("max R2 score correspond to random state " ,final_state , "is" , max_r2_score ,"and model is",final_model)
         R2 score correspond to random state 40 is 0.7496481826113385
         R2 score correspond to random state 40 is 0.6414011320892585
          R2 score correspond to random state 40 is 0.8524242382218268
          R2 score correspond to random state 40 is 0.9063119527142071
          R2 score correspond to random state 40 is 0.8795479821501994
         R2 score correspond to random state 41 is 0.7234707600632584
         R2 score correspond to random state 41 is 0.5527187788147323
          R2 score correspond to random state 41 is 0.7827957140957278
         R2 score correspond to random state 41 is 0.8493767009615828
R2 score correspond to random state 41 is 0.8162555184351312
          R2 score correspond to random state 42 is 0.5857637189209309
         R2 score correspond to random state 42 is 0.6271222728615629
         R2 score correspond to random state 42 is 0.8406354233787425
          R2 score correspond to random state 42 is 0.8753967350555067
          R2 score correspond to random state 42 is 0.8696373738219063
         R2 score correspond to random state 43 is 0.6625534754567927
         R2 score correspond to random state 43 is 0.5794201622062524
          R2 score correspond to random state 43 is 0.8077898807173371
          R2 score correspond to random state 43 is 0.8913825584580901
```

max R2 score correspond to random state 54 is 0.9316357221166225 and model is LinearRegression()

So by using the various alogorithm we found that we have maximum accuracy for LinearRegression()with accuracy of 93.16% for the random state of 54

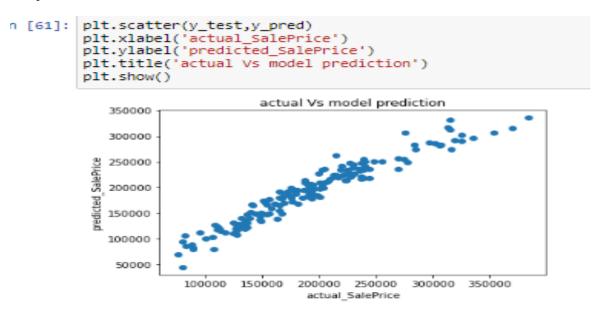
14) Cross Validation:

Now lets we will do the cross validation of our model to confirm the accuracy of model

cross validation

We have done cross validation of model in that case also we got it 88.88%

15) Visualization:



it show that actual and predicted values are close to each other

It shows the actual VS model prediction result of model devoloped

16) Regularization:

Regularization

```
In [62]: #import the necessary Libraries
         from sklearn.model_selection import GridSearchCV
         from sklearn.model_selection import cross_val_score
         import warnings
         from sklearn.linear_model import Lasso
         warnings.filterwarnings('ignore')
In [63]: parameters={'alpha':[.0001,0.001,.01,.1,1,10],'random_state':list(range(0,30))}
         ls=Lasso()
         clf=GridSearchCV(ls,parameters)
         clf.fit(x_train,y_train)
         print(clf.best_params_)
         {'alpha': 10, 'random_state': 0}
In [64]: from sklearn.metrics import r2_score
In [65]: ls=Lasso(alpha=10,random_state=0)
         ls.fit(x_train,y_train)
         ls.score(x_train,y_train)
         pred_ls=ls.predict(x_test)
         lss=r2_score(y_test,pred_ls)
         lss
out[65]: 0.9315050179836585
In [66]: cv_score=cross_val_score(ls,x,y,cv=5)
         cv_mean=cv_score.mean()
         cv_mean
)ut[66]: 0.8831873103999553
```

We have done a regularization from that we got cv score as 88.31% and R2 score as 93.15%

17) Ensemble technique:

Ensemble technique

```
In [67]: from sklearn.model_selection import GridSearchCV
In [68]: from sklearn.ensemble import RandomForestRegressor
In [69]: parameters={'criterion':['mse','mae'],'max_features':['auto','sqrt','log2']}
         rf=RandomForestRegressor()
         clf=GridSearchCV(rf,parameters)
         clf.fit(x_train,y_train)
         print(clf.best_params_)
         {'criterion': 'mse', 'max_features': 'auto'}
In [70]: rf=RandomForestRegressor(criterion='mse',max_features='auto')
         rf.fit(x_train,y_train)
         rf.score(x_train,y_train)
         pred_decision=rf.predict(x_test)
         rfs=r2_score(y_test,pred_decision)
         print('R2score:',rfs*100)
         rfscore=cross_val_score(rf,x,y,cv=5)
         rfc=rfscore.mean()
         print('cross val score:',rfc*100)
         R2score: 87.35709533580102
         cross val score: 87.00056349488807
         lets we will save best fit model
```

from this we got a R2score as 87.35% and cross validation score as 87%

18) Saving Model:

As we have tested out our selected model through various process lets we will save the given model

Saving Model

```
In [71]: #saving model
import joblib
joblib.dump(LR,'Housing_Project')
Out[71]: ['Housing_Project']
```

CONCLUSION

So we found the following conclusion from the saved model

conclusion

```
In [72]: loaded_model=joblib.load('Housing_Project')
result=loaded_model.score(x_test,y_test)
print(result)

0.931635696708535

so in this way we have devoloped the model,saved it and also drawn a result from the devoloped model now lets we will draw the result from the given test data which is provided to us
```

We observed that data was filled with some outliers it is removed, also there some encoding is done now data is uniformly distributed in column. it is also observed from subplot, we have saved model and also predicted the result

with help of saved model .model is ready for the future data prediction. now lets we will draw the result from the given test data which is provided to us.

19) extract the test dataset in jupyter notebook:

	<pre>testdata=pd.read_excel("C:\\Users\\SAI BABA\\Desktop\\test.xlsx") testdata.head()</pre>																
:[ld	MSSubClass	MSZoning	LotFrontage	LotArea	Street	Alley	LotShape	LandContour	Utilities		ScreenPorch	PoolArea	PoolQC	Fence	MiscFeat
	0	337	20	RL	86.0	14157	Pave	NaN	IR1	HLS	AllPub		0	0	NaN	NaN	N
	1	1018	120	RL	NaN	5814	Pave	NaN	IR1	Lvl	AllPub		0	0	NaN	NaN	N
	2	929	20	RL	NaN	11838	Pave	NaN	Reg	Lvl	AllPub		0	0	NaN	NaN	N
	3	1148	70	RL	75.0	12000	Pave	NaN	Reg	Bnk	AllPub		0	0	NaN	NaN	N
	4	1227	60	RL	86.0	14598	Pave	NaN	IR1	Lvl	AllPub		0	0	NaN	NaN	N

So we have extracted testdata set in jupyter notebook it contains 80 columns and 292 rows

20)Load saves model and predict the result for test data:

So in this way we have developed LinearRegression() model, we saved it and also predicted the results.