ISE 5103 Intelligent Data Analytics

Homework 5 - Modeling

Daniel Carpenter & Sonaxy Mohanty

October 2022

Contents

	Packages	2
	General Data Prep	2
	Read Data	2
	Impute Missing Values with PMM	2
	Factor Level Collapse - Create Other Bin for Columns over 4 Unique Values	5
	Remove Outliers from Numeric Data	6
1	(a) - OLS Model	7
1	(b) - PLS Model	8
1	(c) - LASSO Model	9
1	(d) - Model Variants	10
	1 (d, i) - PCR Model	10
	Model Setup	10
	Fit the Model	11
	View and Interpret Results	13
	1 (d, ii) - SVR Model	17
	Model Setup	17
	Fit the Model	17
	View and Interpret Results	17
	1 (d, iii) - MARS Model	19
	Fit the Model	19
	View and Interpret Results	19
\mathbf{S}	ummary Table of Model Performance	21

Packages

```
# Data Wrangling
library(tidyverse)

# Modeling
library(MASS)
library(caret) # Modeling variants like SVM
library(earth) # Modeling with Mars

# Aesthetics
library(knitr)
library(cowplot) # multiple ggplots on one plot with plot_grid()
library(scales)
library(kableExtra)
```

General Data Prep

Read Data

Impute Missing Values with PMM

Make data set of numeric variables

```
hd.numericRaw <- hd %>%

#selecting all the numeric data
dplyr::select_if(is.numeric) %>%

#converting the data frame to tibble
as_tibble()
```

Make data set of factor variables

```
hd.factorRaw <- hd %>%

#selecting all the numeric data
dplyr::select_if(is.factor) %>%

#converting the data frame to tibble
as_tibble()
```

For each column with missing data, impute missing values with PMM

- Done with function imputeWithPMM() function
- Applies function via dplyr logic
- Note seeImputation() function to visualize the imputation from prior homework 4, not shown for simplicity in viewing

Create function to impute via PMM

Apply PMM function to numeric data containing null values

```
# Data to store imputed values with PMM method
hd.Imputed <- hd

# Which columns has Na's?
colNamesWithNulls <- colnames(hd.numericRaw[ , colSums(is.na(hd.numericRaw)) != 0])
colNamesWithNulls</pre>
```

```
## [1] "LotFrontage" "MasVnrArea" "GarageYrBlt"
```

```
numberOfColsWithNulls = length(colNamesWithNulls)
# For each of the numeric columns with null values
for (colWithNullsNum in 1:numberOfColsWithNulls) {
  # The name of the column with null values
  nameOfThisColumn <- colNamesWithNulls[colWithNullsNum]</pre>
  # Get the actual data of the column with nulls
  colWithNulls <- hd[, nameOfThisColumn]</pre>
  # Impute the missing values with PMM
  imputedValues <- imputeWithPMM(colWithNulls)</pre>
  # Now store the data in the original new frame
  hd.Imputed[, nameOfThisColumn] <- imputedValues
  # Save a visualization of the imputation
  pmmVisual <- seeImputation(data.frame(y = colWithNulls),</pre>
                              data.frame(y = imputedValues),
                             nameOfThisColumn )
 fileToSave = paste0('OutputPMM/Imputation_With_PMM_', nameOfThisColumn, '.pdf')
  print(paste0('For imputation results of ', nameOfThisColumn, ', see ', fileToSave))
  ggsave(pmmVisual, filename = fileToSave,
         height = 11, width = 8.5)
```

- ## [1] "For imputation results of LotFrontage, see OutputPMM/Imputation_With_PMM_LotFrontage.pdf"
- ## [1] "For imputation results of MasVnrArea, see OutputPMM/Imputation_With_PMM_MasVnrArea.pdf"
- ## [1] "For imputation results of GarageYrBlt, see OutputPMM/Imputation_With_PMM_GarageYrBlt.pdf"

Factor Level Collapse - Create Other Bin for Columns over 4 Unique Values

```
hd.Cleaned <- hd.Imputed # For final cleaned data

# Get list of factors and the number of unique values
factorCols <- as.data.frame(t(hd.factorRaw %>% summarise_all(n_distinct)))

# We are going to factor collapse factor columns with more than 4 columns
# So there will be 4 of the original, and 1 containing 'other'

# This is the threshold
factorThreshold = 4

# Get a list of the factors we are going to collapse
colsWithManyFactors <- rownames(factorCols %>% filter(V1 > factorThreshold))

# Show a summary of how many factors will be collapsed
numberOfColsWithManyFactors = length(colsWithManyFactors)
paste('Before cleaning, there are', numberOfColsWithManyFactors, 'factor columns with more
factorThreshold, 'unique values')
```

[1] "Before cleaning, there are 14 factor columns with more than 4 unique values"

```
# Collapse the affected factors in the original data (the one that already has imputation)
## for each factor column that we are about to collapse
for (collapsedColNum in 1:numberOfColsWithManyFactors) {
  # The name of the column with null values
  nameOfThisColumn <- colsWithManyFactors[collapsedColNum]</pre>
  # Get the actual data of the column with nulls
  colWithManyFactors <- hd[, nameOfThisColumn]</pre>
  # lumps all levels except for the n most frequent
  hd.Cleaned[, nameOfThisColumn] <- fct_lump_n(colWithManyFactors,</pre>
                                                         n=factorThreshold)
}
# Check to see if the factor lumping worked
factorColsCleaned <- t(hd.Cleaned %>%
                        select if(is.factor) %>%
                       summarise all(n distinct))
paste('After cleaning, there are', sum(factorColsCleaned > factorThreshold, na.rm = TRUE),
      "columns with more than", factorThreshold, "unique values (omitting NA's)")
```

[1] "After cleaning, there are 14 columns with more than 4 unique values (omitting NA's)"

Remove Outliers from Numeric Data

- Since there are so many outliers, we are only going to remove some outliers
- If you count the number of outliers by column, the 75% of columns contain less than 50 outliers.
- However, some contain up to 200. Since remove ALL outliers would reduce the size of the data to less than 300 observations, we are removing up to 50 per column.

```
hd.CleanedNoOutliers <- hd.Cleaned
# Remove up to 75% of the outliers in the data set
# this is the 3rd quartile of number of outliers.
k outliers = 50
numOutliers = c() # to store the number of outliers per column
theColNames <- colnames(hd.Cleaned)
for (colNum in 1:ncol(hd.Cleaned)) {
  theCol <- hd.Cleaned[, colNum]</pre>
 nrowBefore = length(theCol)
  colName <- theColNames[colNum]</pre>
  # Only consider numeric
  if (is.numeric(theCol)) {
   # Identify the outliers in the column
    # Source: https://www.geeksforgeeks.org/remove-outliers-from-data-set-in-r/
    columnOutliers <- boxplot.stats(hd.CleanedNoOutliers[, colNum])$out</pre>
   numOutliers <- c(numOutliers, length(columnOutliers))</pre>
    # Now remove k outliers from the column
   if (length(columnOutliers) < k_outliers) {</pre>
      hd.CleanedNoOutliers <- hd.CleanedNoOutliers %>%
        # If this syntax looks weird, it is just referencing a column in the
        # data set using dplyr piping. See below for more info:
        # https://stackoverflow.com/questions/48062213/dplyr-using-column-names-as-function-arguments
        # https://stackoverflow.com/questions/72673381/column-names-as-variables-in-dplyr-select-v-filt
        filter( !( get({{colName}}) %in% columnOutliers ) )
   }
 }
pasteO('Of the columns with outliers, removed up to 75th percentile of num. outliers.')
## [1] "Of the columns with outliers, removed up to 75th percentile of num. outliers."
pasteO('See that the 75th percentile of columns with outliers contain ',
       paste0(summary(numOutliers)[5]), ' outliers')
```

[1] "See that the 75th percentile of columns with outliers contain 32.25 outliers"

1 (a) - OLS Model

1 (b) - PLS Model

1 (c) - LASSO Model

1 (d) - Model Variants

1 (d, i) - PCR Model

Model Setup

- Uses numeric data for Principal Component Analysis
- Then appends the factor data to the data without NULL values
- Finally, uses stepAIC() to best model data
- See interpretation at end

Get cleaned numeric and factor data frames

```
# After cleaning, two data sets that contain..
## Numeric data -----
hd.numericClean <- hd.Cleaned %>% select_if(is.numeric)
## Factors -----
hd.factorClean <- hd.Cleaned %>% dplyr::select(where(is.factor))
# Removing any columns with NA
removeColsWithNA <- function(df) {</pre>
 return( df[ , colSums(is.na(df)) == 0] )
hd.factorClean <- removeColsWithNA(hd.factorClean)</pre>
paste('Num. factor cols. removed due to null values:',
     ncol(hd.Cleaned %>% dplyr::select(where(is.factor)) ) - ncol(hd.factorClean) )
## [1] "Num. factor cols. removed due to null values: 16"
paste(ncol(hd.factorClean), 'factor cols. remain')
## [1] "22 factor cols. remain"
Perform PCA
```

```
# Principal component analysis on numeric data
pc.house <- prcomp(hd.numericClean %>% dplyr::select(-SalePrice), # do not include response var
                   center = TRUE, # Mean centered
                   scale = TRUE # Z-Score standardized
# See first 10 cumulative proportions
pc.house.summary <- summary(pc.house)</pre>
pc.house.summary$importance[, 1:10]
```

```
##
                               PC1
                                        PC2
                                                 PC3
                                                           PC4
                                                                    PC5
                                                                             PC6
## Standard deviation
                          2.656172 1.849617 1.598806 1.395032 1.170712 1.104997
## Proportion of Variance 0.227590 0.110360 0.082460 0.062780 0.044210 0.039390
## Cumulative Proportion 0.227590 0.337950 0.420400 0.483180 0.527390 0.566780
                               PC7
                                        PC8
                                                 PC9
                                                         PC10
## Standard deviation
                          1.062051 1.033024 1.006171 1.001662
## Proportion of Variance 0.036390 0.034420 0.032660 0.032370
## Cumulative Proportion 0.603170 0.637590 0.670250 0.702610
```

Now we choose number of PC's that explain 75% of the variation

• Note this threshold is just a judgement call. No significance behind 75%

[1] "There are 11 principal components that explain up to 75% of the variation in the data"

```
chosenPCs <- as.data.frame(pc.house$x[, 1:numPCs])</pre>
```

Join on the factor data

```
df.pcr <- cbind(SalePrice = hd.numericClean$SalePrice, chosenPCs, hd.factorClean)</pre>
```

Fit the Model

- Linear model containing:
 - Principal components explaining 75% of variation in numeric data
 - Non-null factor data
 - Predicted variable: log(SalePrice)
- Then use stepAIC() to identify which variables are actually important for model

```
# Fit data using PC's, non-null factors
fit.pcr <- lm(log(SalePrice) ~ ., data = df.pcr)

# Reduce to only important variables
fit.pcrReduced <- stepAIC(fit.pcr, direction="both")</pre>
```

Model	Notes	Hyperparameters	RMSE	Rsquared
PCR	lm	N/A	0.1022416	0.9162997

```
# View results
summary(fit.pcrReduced)
```

```
##
## Call:
   lm(formula = log(SalePrice) ~ PC1 + PC2 + PC3 + PC4 + PC5 + PC7 +
##
       PC8 + PC10 + MSZoning + LandContour + LotConfig + Condition1 +
##
       BldgType + HouseStyle + RoofStyle + Exterior1st + ExterQual +
       ExterCond + Foundation + CentralAir + KitchenQual + Functional +
##
       PavedDrive, data = df.pcr)
##
##
## Residuals:
##
        Min
                   1Q
                        Median
                                     30
                                              Max
   -0.67514 -0.05941
                      0.00239
                                0.06691
                                         0.31373
##
##
   Coefficients:
##
                         Estimate Std. Error t value Pr(>|t|)
## (Intercept)
                                    0.054621 216.045 < 2e-16 ***
                        11.800573
## PC1
                         0.097658
                                    0.002399
                                              40.713
                                                      < 2e-16 ***
## PC2
                                    0.003427
                         0.005295
                                                1.545 0.122630
## PC3
                        -0.053780
                                    0.003392 -15.857
                                                       < 2e-16 ***
## PC4
                        -0.020321
                                    0.003653
                                              -5.562 3.46e-08 ***
## PC5
                         0.054058
                                    0.003972
                                              13.609
                                                      < 2e-16 ***
## PC7
                         0.008111
                                    0.003409
                                                2.379 0.017541 *
## PC8
                        -0.014628
                                    0.003630
                                              -4.030 6.02e-05 ***
## PC10
                         0.007275
                                    0.003701
                                                1.966 0.049601 *
## MSZoningRH
                        -0.058488
                                    0.040206
                                              -1.455 0.146075
## MSZoningRL
                        -0.036574
                                    0.020509
                                               -1.783 0.074852
## MSZoningRM
                        -0.113959
                                    0.022135
                                               -5.148 3.19e-07 ***
## LandContourHLS
                         0.086694
                                    0.027033
                                                3.207 0.001386 **
## LandContourLow
                         0.002350
                                    0.028827
                                                0.082 0.935046
## LandContourLvl
                        -0.003108
                                    0.018289
                                              -0.170 0.865088
                                    0.015253
## LotConfigCulDSac
                         0.044479
                                                2.916 0.003627 **
## LotConfigInside
                         0.003833
                                    0.009176
                                                0.418 0.676293
## LotConfigother
                        -0.006192
                                    0.019404
                                              -0.319 0.749733
## Condition1Feedr
                         0.053849
                                    0.024956
                                                2.158 0.031195 *
## Condition1Norm
                         0.094366
                                    0.020646
                                                4.571 5.50e-06 ***
## Condition1RR
                                    0.029564
                                                1.842 0.065793
                         0.054456
                                                0.863 0.388506
## Condition10ther
                         0.027255
                                    0.031592
## BldgType2fmCon
                         0.034918
                                    0.027746
                                                1.258 0.208526
                                                1.727 0.084524
## BldgTypeDuplex
                         0.045787
                                    0.026515
                                              -2.262 0.023934 *
## BldgTypeTwnhs
                        -0.050106
                                    0.022153
## BldgTypeTwnhsE
                                    0.015336
                                              -0.504 0.614085
                        -0.007736
## HouseStyle1Story
                        -0.064499
                                    0.015649
                                               -4.122 4.09e-05
## HouseStyle2Story
                                              -0.753 0.451810
                        -0.011508
                                    0.015288
## HouseStyleSLvl
                        -0.031953
                                    0.020615
                                              -1.550 0.121485
## HouseStyleOther
                                              -2.720 0.006648 **
                        -0.055152
                                    0.020277
## RoofStyleHip
                         0.016048
                                    0.009437
                                                1.701 0.089365
## RoofStyleother
                         0.104359
                                    0.024928
                                                4.186 3.10e-05 ***
                                    0.012814
## Exterior1stMetalSd
                         0.023801
                                                1.857 0.063552
## Exterior1stVinylSd
                         0.023160
                                    0.011515
                                                2.011 0.044581 *
## Exterior1stWd Sdng
                        -0.007375
                                    0.013436
                                               -0.549 0.583182
## Exterior1stOther
                         0.034323
                                    0.011733
                                                2.925 0.003522 **
                                    0.011785
## ExterQualAvg
                                              -3.419 0.000656 ***
                        -0.040288
## ExterQualBelowAvg
                        -0.124284
                                    0.046998
                                              -2.644 0.008317 **
                                                1.597 0.110552
## ExterCondAvg
                         0.018761
                                    0.011746
## ExterCondBelowAvg
                        -0.016695
                                    0.032878
                                              -0.508 0.611714
```

```
## FoundationCBlock
                        0.002493
                                   0.014416
                                              0.173 0.862759
                        0.027201
                                   0.025820
                                              1.054 0.292378
## Foundationother
## FoundationPConc
                        0.053152
                                   0.016915
                                              3.142 0.001729 **
## CentralAirY
                                   0.017321
                                              3.210 0.001371 **
                        0.055603
## KitchenQualAvg
                       -0.025460
                                   0.010449
                                             -2.437 0.015007 *
## KitchenQualBelowAvg -0.044179
                                   0.025607
                                             -1.725 0.084811 .
## FunctionalMaj2
                       -0.227058
                                   0.062363
                                             -3.641 0.000286 ***
## FunctionalMin1
                        0.022884
                                   0.039389
                                              0.581 0.561386
## FunctionalMin2
                        0.017675
                                   0.038479
                                              0.459 0.646087
## FunctionalMod
                       -0.004907
                                   0.044754
                                             -0.110 0.912723
## FunctionalTyp
                        0.087159
                                   0.032315
                                              2.697 0.007118 **
## PavedDriveP
                       -0.010503
                                   0.025509
                                             -0.412 0.680615
## PavedDriveY
                        0.047491
                                   0.016346
                                              2.905 0.003754 **
## ---
## Signif. codes: 0 '*** 0.001 '** 0.01 '* 0.05 '.' 0.1 ' 1
##
## Residual standard error: 0.1051 on 947 degrees of freedom
## Multiple R-squared: 0.9207, Adjusted R-squared: 0.9163
## F-statistic: 211.3 on 52 and 947 DF, p-value: < 2.2e-16
```

View and Interpret Results

Please note all interpretations below are approximate, given the stepAIC() uses stochastic modeling.

Model performance evaluation:

- See that around 28 of the variables cannot be explained by random chance, with a probability of 90% or more (see significance codes above)
- Standard errors range from \pm 1-5%, with average around 2%. Larger values may indicate higher uncertainty of the estimated coefficients.
- This model explains around 92% of the variation in the log(SalePrice). See Adjusted R-Squared for reference.
- Note this model may exhibit selection bias, since the data excludes factor data with null values in the variable.
- This model would likely doe well for prediction of log(SalePrice), given the small range of standard errors, high adjusted R squared, and number of significant variables. This model would obviously not do well for inference, given we are using principal components that mask the numeric data.

Practical significance evaluation:

- The principal components contribute positively about 20% of the sale price of the home
- Residential Medium Density (MSZoningRM) reduces the home price by around 12%, with a standard error of around 2%.
- If the exterior quality is below average (ExterQualBelowAvg), it reduces the home price by around 12%, with a standard error of around 5%.
- If the functionality of the home has 2 major deductions (FunctionalMaj2), it reduces the home price by around 20%, with a standard error of around 6%. While having typical functionality (FunctionalTyp) increases the home sale price by nearly 10%, with a standard error of 3%.
- See other coefficients of the data for other variables.

View Predicted vs. Actuals

Function to compare predicted vs. observed values

```
# Function to compare predicted vs. actual (observed) regression outputs
predictedVsObserved <- function(predicted, observed, modelName, outcomeName = 'Log(SalePrice)') {</pre>
  ## Create data set for predicted vs. actuals
  comparison <- data.frame(observed = observed,</pre>
                           predicted = predicted) %>%
   # Row index
   mutate(ID = row_number()) %>%
   # Put in single column
   pivot_longer(cols = c('observed', 'predicted'),
                 names_to = 'metric',
                 values_to = 'value')
  # Plot --- Observed vs. Actuals across all variables in data
   ggplot(aes(x = ID,
v = value,
  variationScatter <- comparison %>%
              color = metric
           ) +
   geom_point(alpha = 0.5, size = 1) +
   labs(title = 'Variation in Predicted vs. Observed Data',
         subtitle = paste('Model:', modelName),
         x = 'X', y = outcomeName) +
   theme_minimal() + theme(legend.title = element_blank(),
                            legend.position = 'top') +
    scale_color_manual(values = c('grey60', 'palegreen3'))
  print(variationScatter)
  # Limit for x and y axis for scatter of predicted vs. observed
  axisLim = c( min(c(predicted, observed)), max(c(predicted, observed)) )
  # Simple comparison of data
  plot(x = observed,
       y = predicted,
       main = paste(modelName, 'Model - Actual (Observed) vs. Predicted\n'),
       xlab = paste('Observed Values -', outcomeName),
       ylab = paste('Predicted Values -', outcomeName),
       pch = 16,
       cex = 0.75,
       col = alpha('steelblue3', 1/4),
      xlim = axisLim,
      ylim = axisLim
```

```
# Add the Predicted vs. actual line
abline(lm(predicted ~ observed), col = 'steelblue3', lwd = 2)
mtext('Predicted ~ Actual', side = 3, adj = 1, col = 'steelblue3')

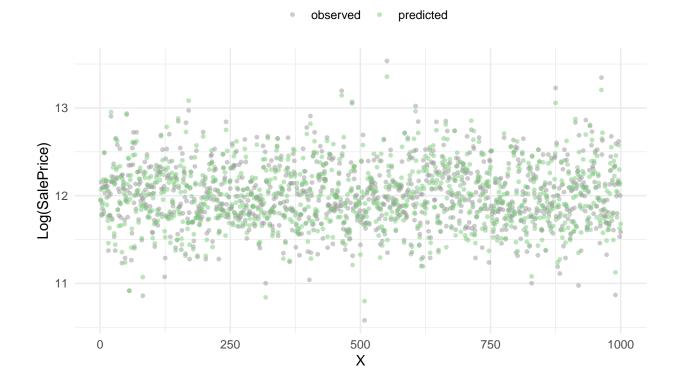
# Add line for perfectly fit model
abline(0,1, col = alpha('tomato3', 0.8), lwd = 2)
mtext('Perfectly Fit Model', side = 1, adj = 0, col = 'tomato3')
}
```

View results of the PCR Model

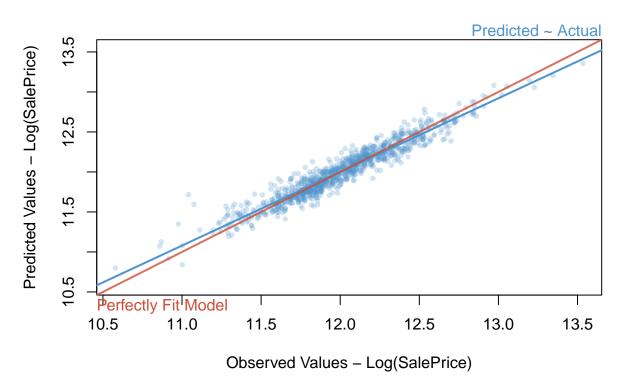
- See that the variation in the data is very closely resembled actual by changes in independent variables
- Implication? This model fits its own data well, but what is not know if it can predict out of sample data.
- Note that it the data (blue) deviates slightly from perfect line model (red), indicating that the model is slightly skewed from predicted and actual data.

Variation in Predicted vs. Observed Data

Model: PCR



PCR Model - Actual (Observed) vs. Predicted



1 (d, ii) - SVR Model

Model Setup

Fit the Model

View and Interpret Results

- Note all numbers mentioned below are approximate
- See that the R Squared of the model is around 0.86, and RMSE is 0.14
- See that the model predicts the data well.
- Also, note that the model predicts the data with less error than the linear model. See this from the RMSE or scatter plot of predicted values.

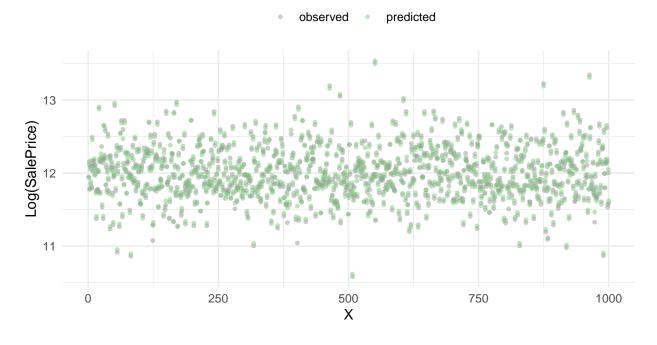
Model	Notes	Hyperparameters	RMSE	Rsquared
SVM	caret and svmRadial	C = 4, Epsilon = 0.1	0.1369795	0.859835

```
# Final model?
fit.svm$finalModel
```

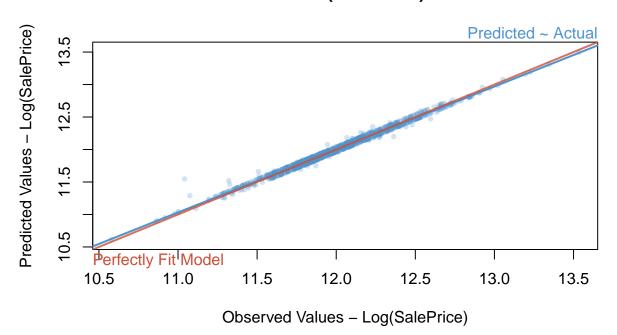
```
## Support Vector Machine object of class "ksvm"
##
## SV type: eps-svr (regression)
## parameter : epsilon = 0.1 cost C = 4
##
## Gaussian Radial Basis kernel function.
## Hyperparameter : sigma = 0.00758001371246159
##
## Number of Support Vectors : 664
##
## Objective Function Value : -161.1988
## Training error : 0.012167
```

Variation in Predicted vs. Observed Data

Model: SVM



SVM Model - Actual (Observed) vs. Predicted



1 (d, iii) - MARS Model

Fit the Model

```
## Warning in preProcess.default(thresh = 0.95, k = 5, freqCut = 19, uniqueCut =
## 10, : These variables have zero variances: FunctionalMaj2
```

Model	Notes	Hyperparameters	RMSE	Rsquared
MARS	caret and earth	Degree = 1, $nprune = 17$	0.1071991	0.9124208

predictedVsObserved(observed = log(df.svm\$SalePrice),

modelName = 'MARS')

predicted = predicted.mars,

View and Interpret Results

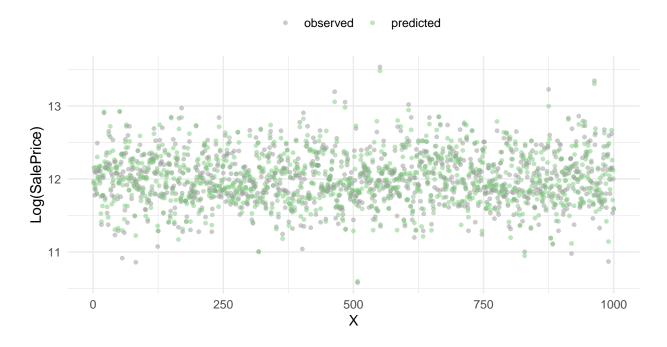
- See that the model overall performs very well, and in fact performs similarly to the PCR model (in terms of RMSE and Adjusted R Squared).
- Again, unsure if the model would do well for prediction of out of sample data, but fits this data extremely well.

```
# Final model?
fit.mars$finalModel

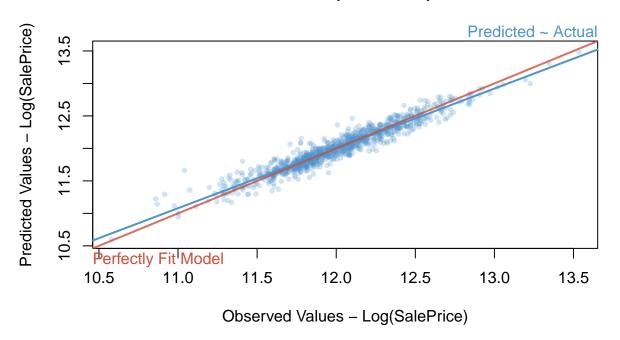
## Selected 17 of 21 terms, and 10 of 92 predictors (nprune=17)
## Termination condition: RSq changed by less than 0.001 at 21 terms
## Importance: GrLivArea, age, OverallQual, TotalBsmtSF, OverallCond, LotArea, ...
## Number of terms at each degree of interaction: 1 16 (additive model)
## GCV 0.011145 RSS 10.42157 GRSq 0.9155756 RSq 0.9208976

# How do the predicted vs. Actuals Compare?
predicted.mars = fit.mars[["finalModel"]][["fitted.values"]]
colnames(predicted.mars) <- 'predicted'</pre>
```

Variation in Predicted vs. Observed Data Model: MARS



MARS Model - Actual (Observed) vs. Predicted



Summary Table of Model Performance

Model	Notes	Hyperparameters	RMSE	Rsquared
PCR	lm	N/A	0.1022	0.9163
SVM	caret and svmRadial	C = 4, Epsilon = 0.1	0.1370	0.8598
MARS	caret and earth	Degree = 1, $nprune = 17$	0.1072	0.9124