

Housing : Price Prediction

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ACKNOWLEDGMENT

References:

- https://www.towardsdatascience.com
- www.analyticsvidhya.com
- www.kaggle.com

INTRODUCTION

Business Problem Framing

You are required to model the price of houses with the available independent variables. This model will then be used by the management to understand how exactly the prices vary with the variables. They can accordingly manipulate the strategy of the firm and concentrate on areas that will yield high returns. Further, the model will be a good way for the management to understand the pricing dynamics of a new market.

• Conceptual Background of the Domain Problem

This project is all about predicting the house Price.

Domain Knowledge: https://www.surpriseaz.gov/448/Housing-Programs

Review of Literature

Information for train dataset

- a) Range Index: 1168 entries, 0 to 1167
- b) Data columns (total 81 columns)
- c) Dtypes: float64(3), int64(35), object(43)
- d) memory usage: 739.2+ KB

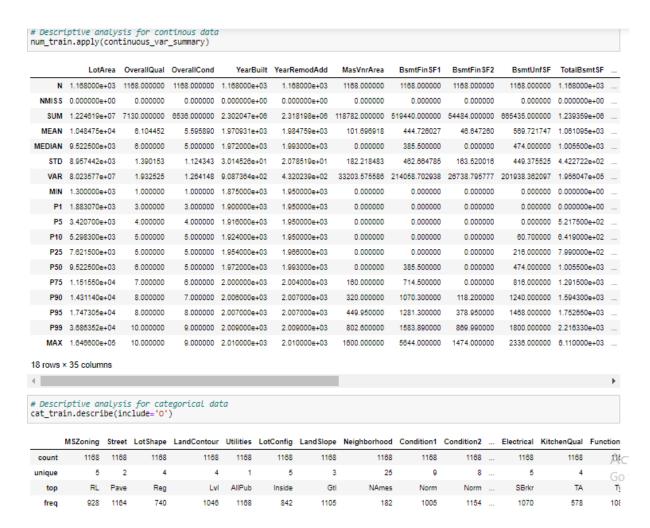
Information for test dataset

- e) Range Index: 292 entries, 0 to 291
- f) Data columns (total 80 columns)
- g) Dtypes: float64(4), int64(34), object(42)
- h) memory usage: 182.64+ KB

Motivation for the Problem Undertaken

The project is provided to me by Flip Robo Technologies as apart of the internship programme. The exposure to real world data and the

opportunity to deploy my skills in solving a real time problem has been my primary motivation.
Analytical Problem Framing
Mathematical/ Analytical Modeling of the Problem



Our objective is to predict house price which can be resolve by use of regression-based algorithm. Final model is select based on evaluation benchmark among different models with different algorithms, Further Hyperparameter tuning performed to build more accurate model out of best model.

Data Sources and their formats

There are 2 data sets that are given in CSV format.one is training and one is testing.

Train file: It contains all the independent variables and the target variable. The dimension of data is 1168 rows and 81 columns.

Test file: It contains all the independent variables only without the target variable. The dimension of data is 292 rows and 80 columns.

Data Pre-processing Done

- 1) Removing all the null values and dropping the column with 45% of the null values- filled it with the central tendency.
- 2) Encode the object columns- LabelEncoder()
- 3) Both Feature extraction & selection.
- 4) Multicollinearity- VIF technique
- 5) Correlation
- 6) Visualization
- Data Inputs- Logic- Output Relationships
 - 1) Selected top 39 Features for modelling.
 - 2) Correlation
 - 3) Removed outliers
- Hardware and Software Requirements and Tools Used
- Hardware used: Inteli7 with 2.4GHZ
- RAM-4GB
- Software used: -
 - Anaconda-navigator
 - Jupyter notebook
 - Matplotlib.pyplot / Seaborn
 - Numpy / pandas
 - Scikit-learn / sklearn

Model/s Development and Evaluation

 Identification of possible problem-solving approaches (methods)

- Null Values
- **≻** EDA
- > Feature extraction & selection -RFE/Fregression
- > VIF
- Correlation
- Visualization
- ➤ Model Building
- > Hyperparameter Tuning
- > Testing dataset

• Testing of Identified Approaches (Algorithms)

- Linear Regression
- > KNN
- > SVM (Regressor)
- ➤ Decision Tree Regressor
- > RandomForest Regressor
- ➤ ADABoost Regressor
- > Gradient Boost Regressor
- > XGBoost Regressor
- Run and Evaluate selected models

LinearRegression

```
1r=LinearRegression()
lr.fit(x train sc,y train)
pred_train=lr.predict(x_train_sc)
pred_test=lr.predict(x_test_sc)
score_train=r2_score(y_train,pred_train)
score_test=r2_score(y_test,pred_test)
mse = mean_squared_error(y_test, pred_test)
print('R2_Score_train: ',score_train)
print('R2_Score_test: ',score_test)
print('Mean absolute error :', mean_absolute_error(y_test,pred_test))
print('RMSE = ', np.sqrt(mse).round(4))
R2_Score_train: 0.8845627870917223
R2_Score_test: 0.8744775291604862
Mean absolute error : 0.09757936996349996
RMSE = 0.1369
```

Cross validation of the Model

Mean CV Score : 0.8804369766016034

Difference in R2 & CV Score: 1.2033211219053612

```
for i in(2,10):
   cv_score=cross_val_score(lr,x,y,cv=i)
   cv_mean= cv_score.mean()
   cv_std= cv_score.std()
   print(f'At Cross fold (i) the cv score mean is (cv_mean) and the cv score std is (cv_std), testing accuracy score= (score_te
   print('\n')
```

At Cross fold 2 the cv score mean is 0.8521720406815334 and the cv score std is 0.011142464250633533, testing accuracy score= 0.8744775291604862

At Cross fold 10 the cv score mean is 0.8571136838625977 and the cv score std is 0.07597908469170463, testing accuracy score= 0.8744775291604862

```
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CV=10
Bot _mode=10c3c_par am3_
{'learning_rate': 0.009,
  'max depth': 4,
 'min_samples_leaf': 25,
 'min_samples_split': 25,
 'n_estimators': 1200,
'random_state': 58,
 'subsample': 0.4}
gbr_model=gbr_model.best_estimator_
train_pred=gbr_model.predict(x_train_sc)
test_pred=gbr_model.predict(x_test_sc)
r_squared = r2_score(y_train, train_pred)
print('The train R-square value is: ', r_squared.round(4))
The train R-square value is: 0.9241
r_squared = r2_score(y_test, test_pred)
print('The train R-square value is: ', r_squared.round(4))
The train R-square value is: 0.8925
mse = mean_squared_error(y_test, test_pred)
print('Mean absolute error :', mean_absolute_error(y_test,test_pred))
print('RMSE = ', np.sqrt(mse).round(4))
Mean absolute error: 0.08485719037181733
RMSE = 0.1267
# Cross_val_score
score = cross_val_score(gbr_model,X_scale, y, cv=10)
print('\033[1m'+'cross Validation Score :',gbr_model,":"+'\033[0m\n')
print("Mean CV Score :",score.mean())
print('Difference in R2 & CV Score:',(r2_score(y_test,test_pred)*100)-(score.mean()*100))
Cross Validation Score: GradientBoostingRegressor(learning_rate=0.009, max_depth=4, min_samples_leaf=25,
                                                                                                                                                               Act
                                min_samples_split=25, n_estimators=1200,
random_state=58, subsample=0.4) :
```

Go t

```
Polynominal
 polv=PolvnomialFeatures(degree=3)
 xtrain_poly=poly.fit_transform(x_train_sc)
 xtest_poly=poly.transform(x_test_sc)
 lr2=LinearRegression()
 lr2.fit(xtrain_poly,y_train)

→ LinearRegression

 LinearRegression()
 pred_train=lr2.predict(xtrain_poly)
 pred_test=lr2.predict(xtest_poly)
 r2_train = r2_score(y_train, pred_train)
 print('The train R-square value is: ', r2_train.round(4))
 The train R-square value is: 1.0
 r2_test = r2_score(y_test, pred_test)
print('The test R-square value is: ', r2_test.round(4))
 The test R-square value is: 0.7937
 mse = mean_squared_error(y_test, pred_test)
 print('Mean absolute error :', mean_absolute_error(y_test,pred_test))
print('RMSE = ', np.sqrt(mse).round(4))
 Mean absolute error : 0.12140576453530225
 RMSE = 0.1754
: # Using Lasso regularization
tuned_parameters = [{'alpha': [0.001,0.01,0.003],'random_state':[58]}]
  LassoCV = GridSearchCV(Lasso(),
                       tuned_parameters,
                       CV=10,
                       n_jobs=-1,
                       scoring='neg_mean_squared_error',
                       verbose=2)
  LassoCV.fit(xtrain_poly,y_train)
  print('Best combination:', LassoCV.best_params_);
  Fitting 10 folds for each of 4 candidates, totalling 40 fits
  Best combination: {'alpha': 0.01, 'random_state': 58}
: # Lasso model
 Lasso=Lasso(alpha=0.01)
 lasso_model=Lasso.fit(xtrain_poly,y_train)
  train_pred=lasso_model.predict(xtrain_poly)
 test_pred=lasso_model.predict(xtest_poly)
: r_squared = r2_score(y_train, train_pred)
print('The train R-square value is: ', r_squared.round(4))
  The train R-square value is: 0.9462
r_squared = r2_score(y_test, test_pred)
 print('The test R-square value is: ', r_squared.round(4))
  The test R-square value is: 0.8553
```

: mse = mean_squared_error(y_test, test_pred)

Mean absolute error : 0.09661152055263018

RMSE = 0.1469

print('Mean absolute error :', mean absolute_error(y_test,test_pred))
print('RMSE = ', np.sqrt(mse).round(4))

```
knn=KNeighborsRegressor()
 knn_params={'n_neighbors':[5,7,9,11],'weights':['distance','uniform'],'metric':['manhatten','euclidean']}
knn_model= GridSearchCV(knn,knn_params,cv=10,n_jobs=-1,verbose=True).fit(x_train_sc,y_train)
 Fitting 10 folds for each of 16 candidates, totalling 160 fits
 knn_model.best_params_
{'metric': 'euclidean', 'n_neighbors': 9, 'weights': 'distance'}
knn\_model = KNeighborsRegressor(n\_neighbors=9, weights='distance', metric='euclidean').fit(x\_train\_sc, y\_train)
 train_pred=knn_model.predict(x_train_sc)
test_pred=knn_model.predict(x_test_sc)
 r_squared = r2_score(y_train, train_pred)
print('The train R-square value is: ', r_squared.round(4))
The train R-square value is: 1.0
 r_squared = r2_score(y_test, test_pred)
print('The test R-square value is: ', r_squared.round(4))
The test R-square value is: 0.7877
 mse = mean_squared_error(y_test, test_pred)
print('Mean absolute error :', mean_absolute_error(y_test,test_pred))
print('RMSE = ', np.sqrt(mse).round(4))
Mean absolute error : 0.12249927602769145
RMSE = 0.178
# Cross_val_score
score = cross_val_score(knn,X_scale, y, cv=10)
print('\033[1m'+'Cross Validation Score :',knn,":"+'\033[0m\n')
print("Mean CV Score :",score.mean())
print('Difference in R2 & CV Score:',(r2_score(y_test,test_pred)*100)-(score.mean()*100))
                                                                                                                                               Acti
Cross Validation Score : KNeighborsRegressor() :
Mean CV Score : 0.7876301462591948
Difference in R2 & CV Score: 0.01032916048518473
svr=SVR(kernel='linear')
svr.fit(x_train_sc,y_train)
           SVR
SVR(kernel='linear')
r_squared = r2_score(y_train, train_pred)
print('The train R-square value is: ', r_squared.round(4))
The train R-square value is: 1.0
r_squared = r2_score(y_test, test_pred)
print('The train R-square value is: ', r_squared.round(4))
The train R-square value is: 0.7877
mse = mean_squared_error(y_test, test_pred)
print('Mean absolute error :', mean_abs
print('RMSE = ', np.sqrt(mse).round(4))
                                  , mean_absolute_error(y_test,test_pred))
Mean absolute error : 0.12249927602769145
RMSE = 0.178
# Cross_val_score
score = cross_val_score(svr,X_scale, y, cv=10)
print('\@33[1m'+'Cross Validation Score :',svr,":"+'\@33[@m\n')
print("Mean CV Score :",score.mean())
print('Difference in R2 & CV Score:',(r2_score(y_test,test_pred)*100)-(score.mean()*100))
Cross Validation Score : SVR(kernel='linear') :
```

Mean CV Score : 0.8629616490197367

Difference in R2 & CV Score: -7.522821115569002

Decision Tree Regressor

```
dtr=DecisionTreeRegressor()
dtr.fit(x_train_sc,y_train)
→ DecisionTreeRegressor
DecisionTreeRegressor()
train pred=dtr.predict(x train sc)
test_pred=dtr.predict(x_test_sc)
r_squared = r2_score(y_train, train_pred)
print('The train R-square value is: ', r_squared.round(4))
The train R-square value is: 1.0
r_squared = r2_score(y_test, test_pred)
print('The train R-square value is: ', r_squared.round(4))
The train R-square value is: 0.643
mse = mean_squared_error(y_test, test_pred)
print('Mean absolute error :', mean_absolute_error(y_test,test_pred))
print('RMSE = ', np.sqrt(mse).round(4))
Mean absolute error : 0.16488604996456133
RMSE = 0.2308
# Cross_val_score
score = cross_val_score(dtr,X_scale, y, cv=10)
print('\033[1m'+'Cross Validation Score :',dtr,":"+'\033[0m\n')
print("Mean CV Score :",score.mean())
print('Difference in R2 & CV Score:',(r2_score(y_test,test_pred)*100)-(score.mean()*100))
Cross Validation Score : DecisionTreeRegressor() :
Mean CV Score : 0.713004572815519
Difference in R2 & CV Score: -7.001580158314312
 rfr=RandomForestRegressor()
rfr.fit(x_train_sc,y_train)

→ RandomForestRegressor

 RandomForestRegressor()
 train pred=rfr.predict(x train sc)
 test_pred=rfr.predict(x_test_sc)
 r_squared = r2_score(y_train, train_pred)
 print('The train R-square value is: ', r_squared.round(4))
 The train R-square value is: 0.9803
r_squared = r2_score(y_test, test_pred)
print('The train R-square value is: ', r_squared.round(4))
 The train R-square value is: 0.8501
 mse = mean_squared_error(y_test, test_pred)
print('Mean absolute error :', mean_absolute_error(y_test,test_pred))
 print('RMSE = ', np.sqrt(mse).round(4))
 Mean absolute error : 0.10180068567191776
 RMSE = 0.1496
 # Cross_val_score
# Cross_val_score
score = cross_val_score(rfr,X_scale, y, cv=10)
print('\033[1m'+'Cross Validation Score :',rfr,":"+'\033[0m\n')
print("Mean CV Score :",score.mean())
print('Difference in R2 & CV Score:',(r2_score(y_test,test_pred)*100)-(score.mean()*100))
 Cross Validation Score : RandomForestRegressor() :
 Mean CV Score : 0.8613797105702938
 Difference in R2 & CV Score: -1.125548671744582
```

```
AdaBoostRegressor
: adar=AdaBoostRegressor()
: adar.fit(x_train_sc,y_train)
  → AdaBoostRegressor
   AdaBoostRegressor()
: train_pred= adar.predict(x_train_sc)
test_pred= adar.predict(x_test_sc)
: r_squared = r2_score(y_train, train_pred)
  print('The train R-square value is: ', r_squared.round(4))
   The train R-square value is: 0.8681
: r_squared = r2_score(y_test, test_pred)
print('The train R-square value is: ', r_squared.round(4))
   The train R-square value is: 0.8005
: mse = mean_squared_error(y_test, test_pred)
print('Mean absolute error :', mean_absolute_error(y_test,test_pred))
  print('RMSE = ', np.sqrt(mse).round(4))
   Mean absolute error: 0.12155701278070667
: # Cross_val_score
  # Cross_vot_score(adar,X_scale, y, cv=10)
print('\033[1m'+'Cross Validation Score :',adar,":"+'\033[0m\n')
print("Mean CV Score :",score.mean())
print('Difference in R2 & CV Score:',(r2_score(y_test,test_pred)*100)-(score.mean()*100))
   Cross Validation Score : AdaBoostRegressor() :
   Mean CV Score : 0.7954522662398535
                                                                                                                                                                    Activ
   Difference in R2 & CV Score: 0.505242505904647
  GradientBoost
 gbr=GradientBoostingRegressor()
 gbr.fit(x_train_sc,y_train)
  → GradientBoostingRegressor
 GradientBoostingRegressor()
  train_pred= gbr.predict(x_train_sc)
 test_pred= gbr.predict(x_test_sc)
  r_squared = r2_score(y_train, train_pred)
 print('The train R-square value is: ', r_squared.round(4))
 The train R-square value is: 0.9635
 r_squared = r2_score(y_test, test_pred)
 print('The train R-square value is: ', r_squared.round(4))
 The train R-square value is: 0.8843
  mse = mean_squared_error(y_test, test_pred)
 print('Mean absolute error :', mean_absolute_error(y_test,test_pred))
print('RMSE = ', np.sqrt(mse).round(4))
  Mean absolute error : 0.08939414470938882
  RMSE = 0.1314
  # Cross_val_score
 # Cross_vot_score
score = cross_vot_score(gbr,X_scale, y, cv=10)
print('\033[im'+'Cross Validation Score :',gbr,":"+'\033[0m\n')
print("Mean CV Score :",score.mean())
print('Difference in R2 & CV Score:',(r2_score(y_test,test_pred)*100)-(score.mean()*100))
 Cross Validation Score : GradientBoostingRegressor() :
                                                                                                                                                                       Act
```

Mean CV Score : 0.8811804593722684

Difference in R2 & CV Score: 0.3162646156351059

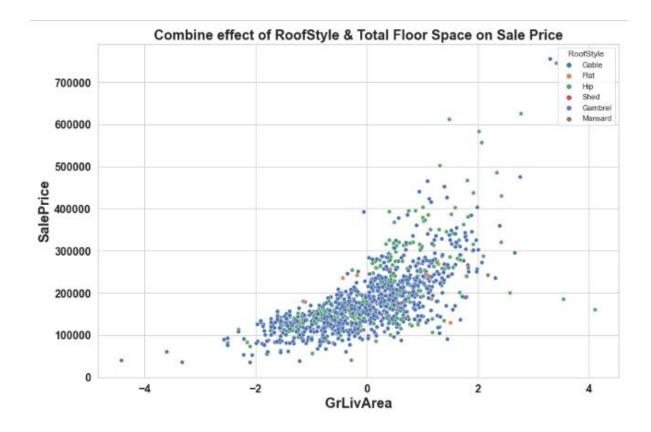
```
xgb=xgboost.XGBRegressor()
xgb.fit(x_train_sc,y_train)
train_pred= xgb.predict(x_train_sc)
test_pred= xgb.predict(x_test_sc)
r_squared = r2_score(y_train, train_pred)
print('The train R-square value is: ', r_squared.round(4))
The train R-square value is: 0.9998
r_squared = r2_score(y_test, test_pred)
print('The train R-square value is: ', r_squared.round(4))
The train R-square value is: 0.8426
mse = mean_squared_error(y_test, test_pred)
print('Mean absolute error :', mean_absolute_error(y_test,test_pred))
print('RMSE = ', np.sqrt(mse).round(4))
Mean absolute error: 0.1027122775973885
RMSE = 0.1532
# Cross_val_score
score = cross_val_score(xgb,X_scale, y, cv=10)
print('\033[1m'+'Cross Validation Score :',xgb,":"+'\033[0m\n')
print("Mean CV Score :",score.mean())
print('Difference in R2 & CV Score:',(r2_score(y_test,test_pred)*100)-(score.mean()*100))
Cross Validation Score : XGBRegressor(base_score=0.5, booster='gbtree', callbacks=None,
                  colsample_bylevel=1, colsample_bynode=1, colsample_bytree=1,
                  early_stopping_rounds=None, enable_categorical=False,
eval_metric=None, gamma=0, gpu_id=-1, grow_policy='depthwise',
importance_type=None, interaction_constraints='',
                  learning_rate=0.300000012, max_bin=256, max_cat_to_onehot=4,
                  max_delta_step=0, max_depth=6, max_leaves=0, min_child_weight=1, missing=nan, monotone_constraints='()', n_estimators=100, n_jobs=0, num_parallel_tree=1, predictor='auto', random_state=0, reg_alpha=0,
                  reg_lambda=1, ...) :
Mean CV Score : 0.855554252537833
```

 Key Metrics for success in solving problem under consideration

Using R2score for accuracy as it is a regression problem with cost function loss metrics as RMSE,MAE

Visualizations

```
# heatmap correlation
plt.figure(figsize = (49,25))
ssn.heatmap(train_final.corr(), annot=True,cmap='summer')
plt.show()
plt.show()
and a summer of the summ
```

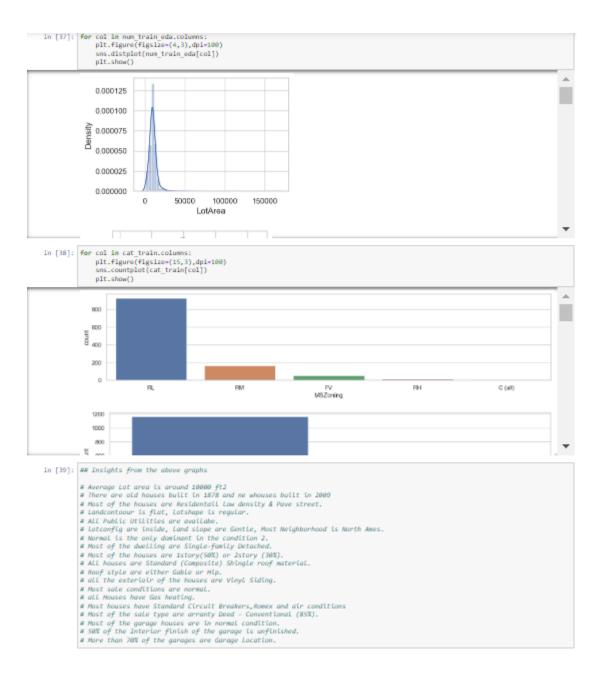


Observation:-

For High floor area construction mainly Hip style Roof is used and invariably high cost properties mostly comes up with Hip Style Roof.*

```
plt.rcParams['figure.autolayout'] = True
plt.figure(figsize = (10,6))
sns.barplot(y = num_train_eda['SalePrice'], x= cat_train['MSZoning'])
plt.title('Avg. Sale Price as Per Zone', fontsize=22, fontweight='bold')
plt.xlabel('House Property Zone', fontsize= 18, fontweight='bold')
plt.ylabel('Avg. Sale Price of House', fontsize=18, fontweight= 'bold')
plt.xticks(fontsize=16,fontweight ='bold')
plt.yticks(fontsize=16,fontweight ='bold')
plt.tight_layout()
plt.show()
```







Observation:

There is No Significant relationship found between Sale price & Lot area.

CONCLUSION

From our most important features

understand how exactly the prices vary with the variables. They can accordingly manipulate the strategy of the firm and concentrate on areas that will yield high returns. Further, the model will be a good way for the management to understand the pricing dynamics of a new market.