# House Price Prediction Capstone Project

# Problem to solve

- Build a easy to use tool that homebuyers can use to search houses and predict home prices.
- Homeowners can use this to get an estimate price for their house before putting the house on sale.

## Introduction

- Home buyers need a tool that can easily narrow down their search selection for the house based on their **budget**, requirements and **location**.
- Predict/forecast home prices so home buyers can have an estimate and make an informed decision at the time of home purchase.
- Home owners can use this tool to estimate the market value of their house.

# Introduction

- I will be using advanced regression models to prediction:
  - Linear regression
  - Random forest regression.

 Web tool will be designed for easy to use and visual representation of data.

# Tools used

- Tableau for design the dashboard and hosting it for public use.
- Python for data analysis and predictive analytics.

#### Data

 The dataset is available on kaggle website and its direct link is provided below.

https://www.kaggle.com/c/house-prices-advanced-regression-techniques/data

- The dataset contain residential homes information from Ames, lowa. It contains 80 features (variables) representing every aspect of a house.
- There are two datasets train and test. Both has 1461 records of data. Train data has house price information. This data will be used to build the model.

# Data

#### df\_train.head()

	ld	MSSubClass	MSZoning	LotFrontage	LotArea	Street	Alley	LotShape	LandContour	Utilities	 PoolArea	PoolQC	Fence
0	1	60	RL	65.0	8450	Pave	NaN	Reg	LvI	AllPub	 0	NaN	NaN
1	2	20	RL	80.0	9600	Pave	NaN	Reg	LvI	AllPub	 0	NaN	NaN
2	3	60	RL	68.0	11250	Pave	NaN	IR1	Lvl	AllPub	 0	NaN	NaN
3	4	70	RL	60.0	9550	Pave	NaN	IR1	Lvl	AllPub	 0	NaN	NaN
4	5	60	RL	84.0	14260	Pave	NaN	IR1	LvI	AllPub	 0	NaN	NaN

#### 5 rows × 81 columns

#### df\_test.head()

	ld	MSSubClass	MSZoning	LotFrontage	LotArea	Street	Alley	LotShape	LandContour	Utilities	 ScreenPorch	PoolArea
0	1461	20	RH	80.0	11622	Pave	NaN	Reg	Lvl	AllPub	 120	0
1	1462	20	RL	81.0	14267	Pave	NaN	IR1	Lvl	AllPub	 0	0
2	1463	60	RL	74.0	13830	Pave	NaN	IR1	Lvl	AllPub	 0	0
3	1464	60	RL	78.0	9978	Pave	NaN	IR1	Lvl	AllPub	 0	0
4	1465	120	RL	43.0	5005	Pave	NaN	IR1	HLS	AllPub	 144	0

5 rows × 80 columns

- MSSubClass: type of dwelling (category)
  - 20 1-STORY 1946 & NEWER ALL STYLES
  - 30 1-STORY 1945 & OLDER
  - 40 1-STORY W/FINISHED ATTIC ALL AGES
  - 45 1-1/2 STORY UNFINISHED ALL AGES
  - 50 1-1/2 STORY FINISHED ALL AGES
  - 60 2-STORY 1946 & NEWER
  - 70 2-STORY 1945 & OLDER
  - 75 2-1/2 STORY ALL AGES
  - 80 SPLIT OR MULTI-LEVEL
  - 85 SPLIT FOYER
  - 90 DUPLEX ALL STYLES AND AGES
  - 1201-STORY PUD (Planned Unit Development) 1946 & NEWER
  - 1501-1/2 STORY PUD ALL AGES
  - 1602-STORY PUD 1946 & NEWER
  - 180PUD MULTILEVEL INCL SPLIT LEV/FOYER
  - 1902 FAMILY CONVERSION ALL STYLES AND AGES
- MSZoning: zoning classification (category)
  - A Agriculture
  - C Commercial
  - FV Floating Village Residential
  - I Industrial
  - RH Residential High Density
  - RL Residential Low Density
  - RP Residential Low Density Park
  - RM Residential Medium Density

- LotFrontage: Linear feet of street connected to property (numerical)
- Street: Type of road access to property (category)

Grvl Gravel Pave Paved

Alley: Type of alley access to property (category)

Grvl Gravel Pave Paved

NA No alley access

- LotShape: General shape of property
  - Reg
     Regular
  - IR1Slightlyirregular
  - IR2Moderately Irregular
  - IR3Irregular
- LandContour: Flatness of the property

• Lvl Near Flat/Level

• Bnk Banked - Quick and significant rise from street grade to building

HLS Hillside-Significant slope from side to side

Low Depression

- Utilities: Type of utilities available
  - All public Utilities (E,G,W,&S)

NoSewr Electricity, Gas, and Water (Septic Tank)

NoSeWa Electricity and Gas Only

ELO Electricity only

#### LotConfig: Lot configuration

Inside
 Corner
 CulDSac
 Insidelot
 Corner lot
 Cul-de-sac

FR2 Frontage on 2 sides of propertyFR3 Frontage on 3 sides of property

#### LandSlope: Slope of property

Gtl Gentle slope

ModModerate SlopeSevSevere Slope

#### Neighborhood: Physical locations within Ames city limits

Blmngtn
 Blueste
 BrDale
 BrkSide
 Clear Creek
 CollgCr
 Bloomington Heights
 Bluestem
 Bruestem
 Briardale
 Brookside
 Clear Creek
 College Creek

CollgCr College C Crawfor Crawford Edwards Edwards Gilbert Gilbert

IDOTRR Iowa DOT and Rail Road

MeadowV Meadow Village Mitchell Mitchel Names North Ames NoRidge Northridge NPkVill Northpark Villa Northridge Heights NridgHt **NWAmes** Northwest Ames OldTown Old Town

SWISU South & West of Iowa State University

Sawyer
 SawyerW
 Somerst
 StoneBr
 Timber
 Veenker
 Sawyer West
 Somerset
 Stone Brook
 Timberland

#### Condition1: Proximity to various conditions

ArteryAdjacent to arterial streetFeedrAdjacent to feeder street

NormNormal

RRNn Within 200' of North-South RailroadRRAn Adjacent to North-South Railroad

Pos N
 Near positive off-site feature--park, greenbelt, etc.

PosA Adjacent to postive off-site feature
 RRNe Within 200' of East-West Railroad
 RRAe Adjacent to East-West Railroad

#### Condition2: Proximity to various conditions (if more than one is present)

Artery Adjacent to arterial streetFeedr Adjacent to feeder street

NormNormal

RRNn Within 200' of North-South RailroadRRAn Adjacent to North-South Railroad

Pos N
 Near positive off-site feature--park, greenbelt, etc.

Pos A Adjacent to postive off-site feature
 RRNe Within 200' of East-West Railroad
 RRAe Adjacent to East-West Railroad

#### BldgType: Type of dwelling

1Fam Single-family Detached

2FmCon Two-family Conversion originally built as one-family dwelling

DuplxDuplex

TwnhsETownhouse End UnitTwnhsITownhouse Inside Unit

#### HouseStyle: Style of dwelling

_	istory	One story
_	1.5Fin	One and one-half story: 2nd level finished
_	1.5Unf	One and one-half story: 2nd level unfinished
_	2Story	Two story
_	2.5Fin	Two and one-half story: 2nd level finished
_	2.5Unf	Two and one-half story: 2nd level unfinished

SFoyerSplit FoyerSplit Level

#### OverallQual: Rates the overall material and finish of the house

- 10 Very Excellent
- 9 Excellent
- 8 VeryGood
- 7 Good
- 6 Above Average
- 5 Average
- 4 Below Average
- 3 Fair
- 2 Poor
- 1 Very Poor

#### OverallCond: Rates the overall condition of the house

- 10 Very Excellent
- 9 Excellent
- 8 Very Good
- 7 Good
- 6 Above Average
- 5 Average
- 4 Below Average
- 3 Fair
- 2 Poor
- 1 Very Poor

- YearBuilt: Original construction date
- YearRemodAdd: Remodel date (same as construction date if no remodeling or additions)
- RoofStyle: Type of roof
  - FlatFlat

GableGambrelGambrelGabrel (Barn)

Hip Hip

MansardShedMansard

#### RoofMatl: Roof material

ClyTile
 Clay or Tile

- CompShg Standard (Composite)

Shingle

Membran MembraneMetal Metal

RollRoll

Tar&Grv Gravel & TarWdShake Wood ShakesWdShngl Wood Shingles

#### Exterior1st: Exterior covering on house

As bestos Shingles AsbShng AsphShn Asphalt Shingles BrkComm **Brick Common** BrkFace Brick Face CBlock Cinder Block CemntBd Cement Board HdBoard Hard Board **ImStucc Imitation Stucco** MetalSd Metal Siding Other Other Plywood Plywood PreCast PreCast Stone Stone Stucco Stucco VinylSd Vinyl Siding Wd Sdng **Wood Siding** WdShing Wood Shingles

• Exterior2nd: Exterior covering on house (if more than one material)

-	AsbShng	As bestos Shingles
_	AsphShn	Asphalt Shingles
-	BrkComm	<b>Brick Common</b>
-	BrkFace	Brick Face
-	CBlock	Cinder Block
-	CemntBd	Cement Board
-	HdBoard	Hard Board
_	ImStucc	Imitation Stucco
-	MetalSd	Metal Siding
-	Other	Other
_	Plywood	Plywood
-	PreCast	PreCast
-	Stone	Stone
_	Stucco	Stucco
-	VinylSd	Vinyl Siding
_	Wd Sdng	<b>Wood Siding</b>
-	WdShing	Wood Shingles
_		_

#### MasVnrType: Masonry veneer type

BrkCmn
 Brick Common
 BrkFace
 CBlock
 None
 Stone

- MasVnrArea: Masonry veneer area in square feet
- ExterQual: Evaluates the quality of the material on the exterior
  - Ex Excellent
  - Gd Good
  - TA Average/Typical
  - Fa Fair
  - Po Poor

- ExterCond: Evaluates the present condition of the material on the exterior
  - Ex Excellent
  - Gd Good
  - TA Average/Typical
  - Fa Fair
  - Po Poor
- Foundation: Type of foundation
  - BrkTil Brick & Tile
     CBlock Cinder Block
     PConc Poured Contrete
  - SlabStoneWoodWood
- BsmtQual: Evaluates the height of the basement
  - Ex Excellent (100+inches)
  - Gd Good (90-99 inches)
  - TA Typical (80-89 inches)
  - Fa Fair (70-79 inches)
  - Po Poor (<70 inches</li>
  - NA No Basement
- BsmtCond: Evaluates the general condition of the basement
  - Ex Excellent
  - Gd Good
  - TA Typical slight dampness allowed
  - Fa Fair dampness or some cracking or settling
  - Po Poor Severe cracking, settling, or wetness
  - NA No Basement
- BsmtExposure: Refers to walkout or garden level walls
  - Gd Good Exposure
  - Av Average Exposure (split levels or foyers typically score average or above)
  - Mn Mimimum Exposure
  - No No Exposure
  - NA No Basement

Bs mtFinType1: Rating of basement finished area

GLQ Good Living Quarters

ALQ Average Living Quarters

BLQ Below Average Living Quarters

Rec Average Rec Room

LwQ
 Low Quality

UnfUnfinshedNANo Basement

Bs mtFinSF1: Type 1 finished s quare feet

Bs mtFinType2: Rating of basement finished area (if multiple types)

GLQ Good Living Quarters
 ALQ Average Living Quarters
 BLQ Below Average Living Quarters
 Rec Average Rec Room

LwQ Low Quality
 Unf Unfinshed
 NA No Basement

Bs mtFinSF2: Type 2 finished s quare feet

Bs mtUnfSF: Unfinished s quare feet of basement a rea

TotalBsmtSF: Total square feet of basement area

Heating: Type of heating

Floor Furnace

Gas A Gas forced warm air furnaceGas W Gas hot water or steam heat

Grav
 Gravity furnace

OthW Hot wateror steam heat other than gas

- Wall Wall furnace

HeatingQC: Heating quality and condition

Ex Excellent

Gd Good

TA Average/Typical

— Fa Fair

Po Poor

- CentralAir: Central air conditioning
  - N NoY Yes
- Electrical: Electrical system

SBrkr Standard Circuit Breakers & Romex

Fuse A
 Fuse Box over 60 AMP and all Romex wiring (Average)
 Fuse F
 Fuse Box and mostly Romex wiring (Fair)
 Fuse P
 60 AMP Fuse Box and mostly knob & tube wiring (poor)

- Mix Mixed
- 1stFlrSF: First Floor square feet
- 2ndFlrSF: Second floor square feet
- LowQualFinSF: Low quality finished square feet (all floors)
- GrLivArea: Above grade (ground) living area square feet
- BsmtFullBath: Basement full bathrooms
- BsmtHalfBath: Basement half bathrooms
- FullBath: Full bathrooms above grade
- HalfBath: Half baths above grade
- Bedroom: Bedrooms above grade (does NOT include basement bedrooms)
- Kitchen: Kitchens above gradeKitchenQual: Kitchen quality
  - Ex Excellent
  - Gd Good
  - TA Typical/Average
  - Fa Fair
  - Po Poor
- TotRmsAbvGrd: Total rooms above grade (does not include bathrooms)
- Functional: Home functionality (Assume typical unless deductions are warranted)
  - Typ Typical Functionality

Min1 Minor Deductions 1
 Min2 Minor Deductions 2
 Mod Moderate Deductions
 Maj1 Major Deductions 1
 Maj2 Major Deductions 2

- Sev Severely Damaged
- Sal Salvage only

- Fireplaces: Number of fireplaces
- FireplaceQu: Fireplace quality
  - Ex Excellent Exceptional Masonry Fireplace
  - Gd Good Masonry Fireplace in main level
  - TA Average Prefabricated Fireplace in main living area or Masonry Fireplace in basement
  - Fa Fair Prefabricated Fireplace in basement
  - Po Poor Ben Franklin Stove
  - NA No Fireplace
- GarageType: Garage location

2Types More than one type of garage

Attchd Attached to homeBasment Basement Garage

BuiltIn
 Built-In (Garage part of house - typically has room above garage)

CarPort Car Port

Detchd Detached from home

NA No Garage

- GarageYrBlt: Year garage was built
- Garage Finish: Interior finish of the garage
  - Fin Finished
  - RFn Rough Finished
  - Unf Unfinished
  - NA No Garage
- Garage Cars: Size of garage in car capacity
- GarageArea: Size of garage in square feet
- Garage Qual: Garage quality
  - Ex Excellent
  - Gd Good
  - TA Typical/Average
  - Fa Fair
  - Po Poor
  - NA No Garage
- GarageCond: Garage condition
  - Ex Excellent
  - Gd Good
  - TA Typical/Average
  - Fa Fair
  - Po Poor
  - NA No Garage

- PavedDrive: Paved driveway
  - y Paved
  - P Partial Pavement
  - N Dirt/Gravel
- WoodDeckSF: Wood deck area in square feet
- OpenPorchSF: Open porch area in square feet
- Enclosed Porch: Enclosed porch area in square feet
- 3SsnPorch: Three season porch area in square feet
- ScreenPorch: Screen porch area in square feet
- PoolArea: Pool area in square feet
- PoolQC: Pool quality
  - Ex Excellent
  - Gd Good
  - TA Average/Typical
  - Fa Fair
  - NA No Pool
- Fence: Fence quality

GdPrv Good Privacy
 MnPrv Minimum Privacy
 GdWo Good Wood

MnWw Minimum Wood/Wire

- NA No Fence
- MiscFeature: Miscellaneous feature not covered in other categories
  - ElevElevator

Gar2
 2nd Garage (if not described in garage section)

Othr Other

Shed Shed (over 100 SF)TenC Tennis Court

- NA None
- MiscVal: \$Value of miscellaneous feature
- MoSold: Month Sold (MM)
- YrSold: Year Sold (YYYY)

#### SaleType: Type of sale

WD Warranty Deed - Conventional
 CWD Warranty Deed - Cash
 VWD Warranty Deed - VA Loan
 New Home just constructed and sold
 COD Court Officer Deed/Estate
 ConContract 15% Down payment regular terms

ConLw
 ContractLow Down payment and low interest

ConLI
 ContractLowInterest
 ConLD
 ContractLowDown

Oth Other

#### • SaleCondition: Condition of sale

Normal Sale

- Abnorml Abnormal Sale - trade, foredos ure, short sale

AdjLand Adjoining Land Purchase

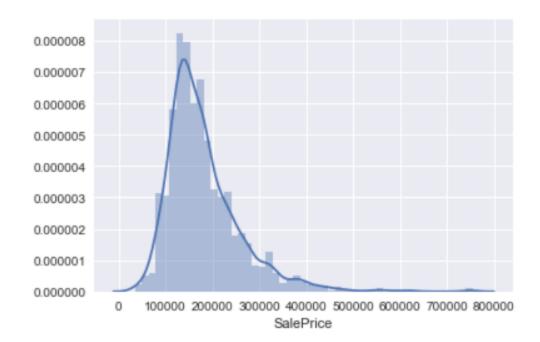
Alloca
 Allocation - two linked properties with separate deeds, typically condo with a garage unit

Family Sale between family members

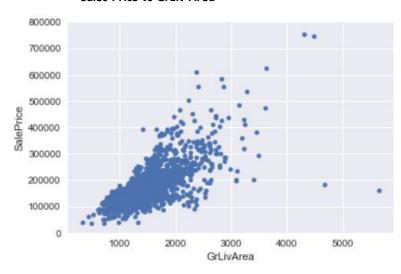
Partial
 Home was not completed when last assessed (associated with New Homes)

## Sales Price

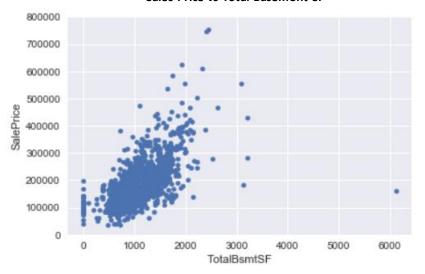
count	1460.000000
mean	180921.195890
std	79442.502883
min	34900.000000
25%	129975.000000
50%	163000.000000
75%	214000.000000
max	755000.000000
Name:	SalePrice, dtype: float64



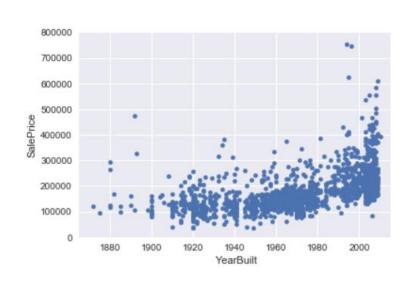
Sales Price vs GrLiv Area



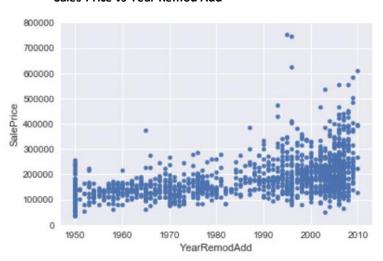
Sales Price vs Total Basement SF



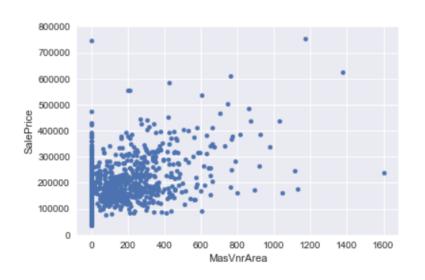
Sales Price vs Year Built



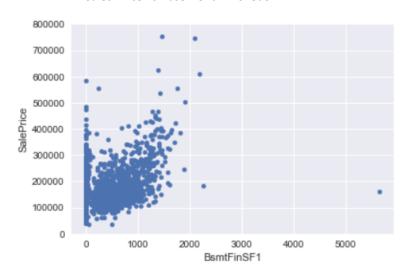
#### Sales Price vs Year Remod Add



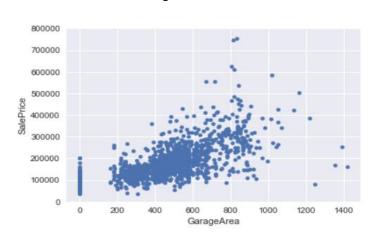
#### Sales Price vs MasVnrArea



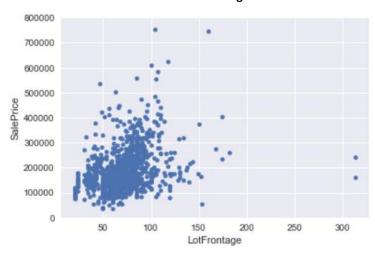
#### Sales Price vs Basement FinishedSF



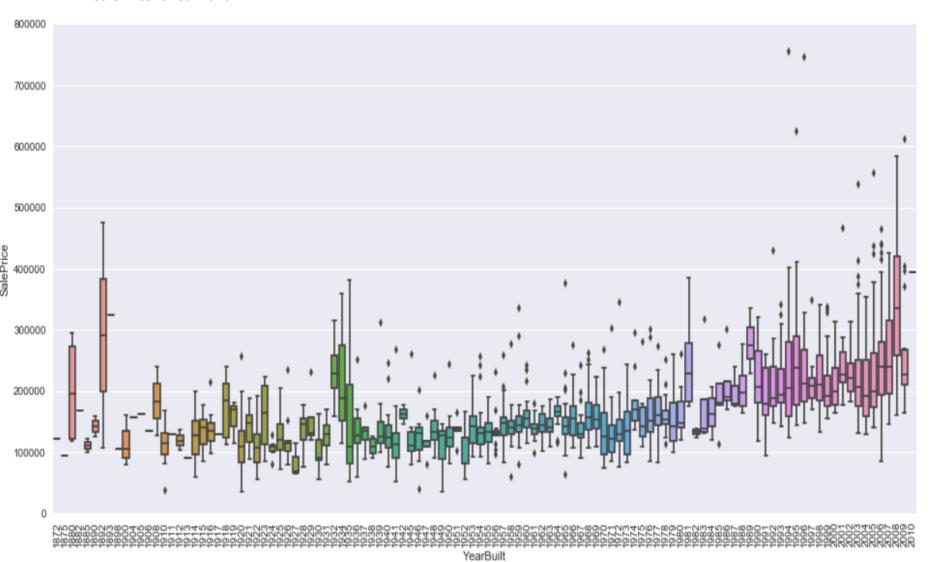
Sales Price vs Garage Area



#### Sales Price vs Lot Frontage

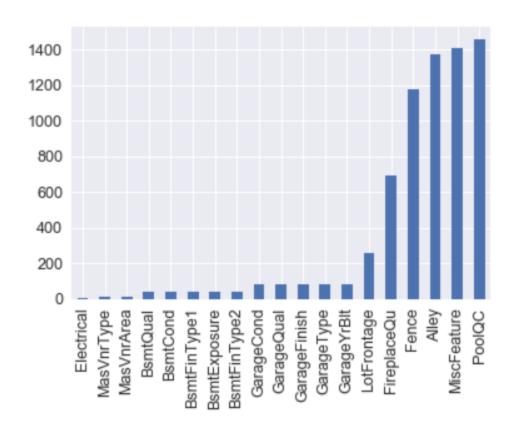


#### • Sale Price vs Year Built



# Train Data: Missing Values

Train Data will NA values

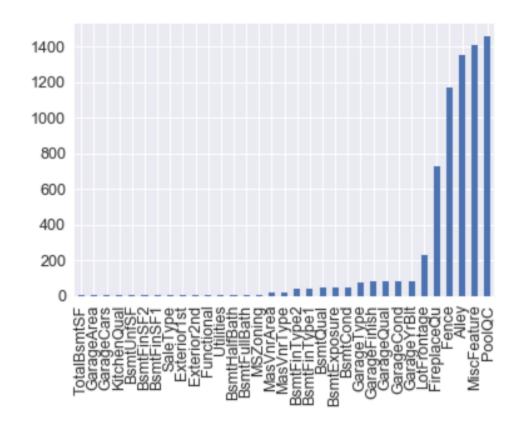


- In PoolQA (pool quality), NA is No pool.
- Alley: NA is No alley access.
- Fence: NA is No fence.
- FireplaceQu: NA is no fireplace

# Test Data: Missing Values

#### Test Data will NA values

	Total	Percent
PoolQC	1453	0.997940
MiscFeature	1405	0.964973
Alley	1349	0.926511
Fence	1168	0.802198
FireplaceQu	728	0.500000
GarageFinish	77	0.052885
GarageQual	77	0.052885
GarageCond	77	0.052885
GarageType	76	0.052198
BsmtCond	43	0.029533
BsmtExposure	42	0.028846
BsmtQual	42	0.028846
BsmtFinType1	40	0.027473
BsmtFinType2	40	0.027473
MSZoning	4	0.002747
Utilities	2	0.001374
Functional	2	0.001374
KitchenQual	1	0.000687



# Data: Missing Values

Following features are removed due to missing values:

LotFrontage: 17% of missing values.

MasVnrType

MasVnrArea

GarageYrBlt

Id

• Remove any row of NULL values that may be in dataset.

# **Categorical Data**

- Convert text data to numerical by using One hot encoder from Sklearn.
- It converts categorical values into binary.
- Train Dataset

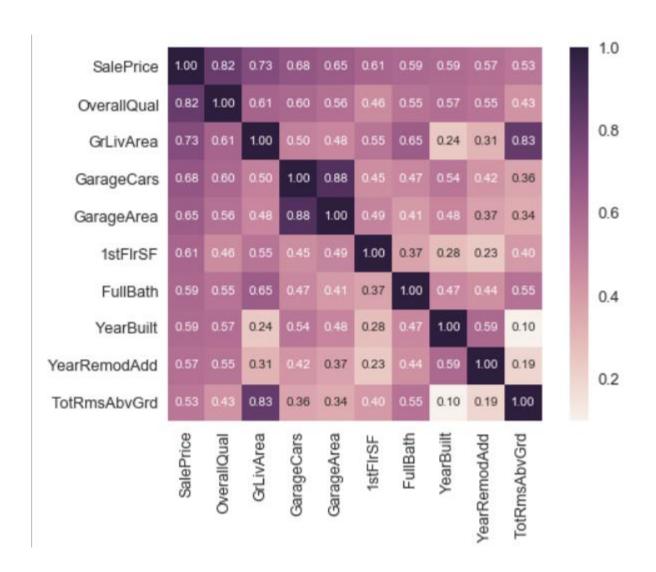
# OLD Column Alley Grvl NA Pave New Columns Alley\_Grvl Alley\_Pave 0 1 0 0 1

# Categorical Data

- Convert text data to numerical by using One hot encoder from Sklearn.
- Test Dataset may not have all the data values as train dataset so after One hot encoder transformation, test dataset will not have same number of columns as train dataset.
- To avoid this issue, we will have column names of train data set in test and if data is not available in test will be given zero value.

```
one_hot_encoded_training_predictors = pd.get_dummies(df_train)
one_hot_encoded_test_predictors = pd.get_dummies(df_test)
final_train, final_test = one_hot_encoded_training_predictors.align(one_hot_encoded_test_predictors, join='left', axis=1)
```

#### **Correlation Matrix**



#### **Feature Selection**

- Run data through sklearn cross validation cross\_val\_score function.
- Data is split into k folds and (k-1) folds are used to train the data and one fold is to test. Repeat this process number of times and take the average of the target values.
- This process works in avoiding overfitting.

# **Linear Regression**

- Linear regression model is build on the processed train data.
- Cross validation cross\_val\_score function is used five times. cross\_validation.cross\_val\_score(model\_name,X,y,cv=5, scoring='mean\_squared\_error')
- Root mean square of Linear regression is 0.164

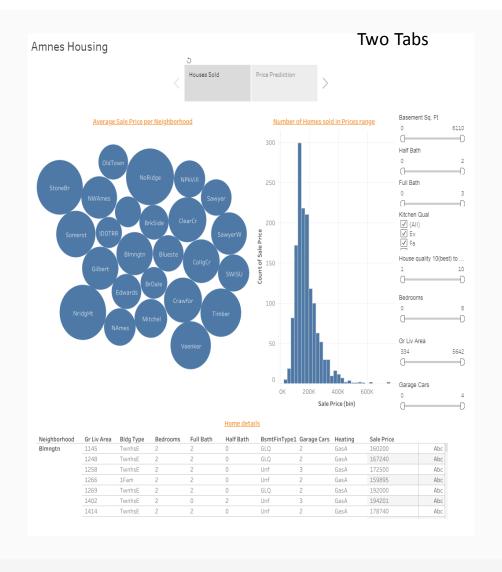
# Random Forest Regression

- Random forest is an estimator that fits classifying decision tree on various samples
  of data and uses average to improve the predictive accuracy and control
  overfitting.
- Random forest regression model rf = RandomForestRegressor(n estimators = 1000, random state = 42)rf.fit(X train, y train)
- Root mean square error of Random Forest Repressor is 0.142
- Prediction on test data is going to be done using this model as this has lower root mean square error value.

# Website

- Research tool for home buyers and seller is the following website:
- <a href="https://public.tableau.com/views/Capstone\_73/AmnesHousing?:embed=y&:display\_count=yes&publish=yes&:toolbar=no">https://public.tableau.com/views/Capstone\_73/AmnesHousing?:embed=y&:display\_count=yes&publish=yes&:toolbar=no</a>

# Website



## Website



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# References

• <a href="https://www.kaggle.com/c/house-prices-advanced-regression-techniques">https://www.kaggle.com/c/house-prices-advanced-regression-techniques</a>