

# Preprocessing and Model Performance Report

## 1. Preprocessing Summary

The preprocessing pipeline included the following steps:

### 1. Handling Missing Values:

- Filled missing compound names with 'No compound'.

### 2. Encoding Categorical Variables:

- Binary encoding for Yes/No columns.
- Mapping finishing types from ordinal categories.
- Mapping view types into numerical categories.

### 3. Removing Unwanted Columns:

- Dropped listing\_date and days\_on\_market.

### 4. Outlier Removal:

- Applied IQR filtering per compound to remove price, area, and distance outliers.

### 5. Removing Duplicate Rows:

- Ensured dataset contains unique apartment listings.

## 2. Model Performance Comparison

### Linear Regression

Train R<sup>2</sup>: 0.7324

Train MAE: 395958.41

Test R<sup>2</sup>: 0.7448

Test MAE: 409566.5

### LightGBM

Train R<sup>2</sup>: 0.8226

Train MAE: 320,372

Test R<sup>2</sup>: 0.7371

Test MAE: 408,382

### **Random Forest**

Train R<sup>2</sup>: 0.8475

Train MAE: 295,927

Test R<sup>2</sup>: 0.7100

Test MAE: 431,286

### **XGBoost**

Train R<sup>2</sup>: 0.7876

Train MAE: 351,902

Test R<sup>2</sup>: 0.7436

Test MAE: 407,062

### **CatBoost**

Train R<sup>2</sup>: 0.8751

Train MAE: 260120.62

Test R<sup>2</sup>: 0.8702

Test MAE: 284065.07