# California Housing Price Prediction Project

## 1. Introduction

The California Housing Price Prediction project aims to estimate house prices based on multiple factors, including geographical location, population, and median income. The model is trained using scikit-learn and deployed using Flask on Render, making it accessible through a web interface and API.

This report outlines the steps taken for data preprocessing, feature engineering, model selection, optimization, and deployment.

## 2. Data Preprocessing and Feature Engineering

#### 2.1 Dataset Overview

The dataset used for this project is derived from the **California housing dataset**, which includes features such as:

- Longitude & Latitude (Geographical coordinates)
- Housing Median Age
- Total Rooms & Total Bedrooms
- Population & Households
- Median Income (Primary factor influencing house prices)
- Ocean Proximity (Categorical variable)

## 2.2 Data Cleaning

To prepare the dataset, the following preprocessing steps were applied:

- Handling Missing Values: Missing values in total\_bedrooms were filled using the median value.
- Outlier Detection & Removal: Outliers in total\_rooms, total\_bedrooms, population, households, median\_income, and median\_house\_value were identified and removed using the datasist library.
- Data Type Handling: The categorical feature ocean\_proximity was encoded using Label Encoding to convert it into numerical format.

#### 2.3 Feature Engineering

- Feature Correlation Analysis: A heatmap was used to visualize relationships between variables.
- **Histogram & Pair Plot**: Plotted for understanding feature distributions.
- New Feature Creation: Added rooms\_per\_household and bedrooms\_per\_room to improve predictions.
- **Standardization**: Used **StandardScaler** to scale numerical features.

# 3. Model Selection and Optimization

#### 3.1 Model Selection

Several regression models were tested:

- Linear Regression
- Ridge & Lasso Regression
- Decision Tree Regressor
- Random Forest Regressor
- Gradient Boosting Regressor (Best-performing model)
- Support Vector Regressor (SVR)
- K-Nearest Neighbors (KNN) Regressor

## 3.2 Hyperparameter Tuning

Each model was tuned using **GridSearchCV** with a 5-fold cross-validation.

- Ridge Regression: Tuned alpha values.
- Lasso Regression: Tuned alpha values.
- **Decision Tree**: Tuned max depth and min samples split.
- Random Forest: Tuned n estimators and max depth.
- **Gradient Boosting**: Tuned n estimators, learning rate.
- **SVR**: Tuned C and kernel type.
- KNN: Tuned n neighbors.

#### 3.3 Model Performance Metrics

Each model was evaluated using:

- R<sup>2</sup> Score (Coefficient of Determination)
- Mean Absolute Error (MAE)
- Root Mean Squared Error (RMSE)

The **Gradient Boosting Regressor** had the amongst **highest R<sup>2</sup> score** with stable results for all the cross validations and was selected as the final model.

## 3.4 Model Saving

The trained **best model** was saved as a **Pickle file (best model.pkl)** using joblib for easy deployment.

# 4. Deployment Strategy

#### 4.1 Web Framework: Flask

The Flask framework was used to develop a REST API to serve predictions. The API receives input from the frontend, processes it using the trained model, and returns predicted house prices.

## 4.2 Deployment on Render

The application is hosted on **Render**, a cloud-based deployment platform. The deployment steps include:

- 1. Pushing the project to GitHub.
- 2. Connecting the repository to Render.
- 3. Setting up a Flask web service with Gunicorn for production.
- 4. Running startup.sh to start the Flask app.

The deployment link for this project is: <a href="https://california-housing-fqgt.onrender.com">https://california-housing-fqgt.onrender.com</a>

## 4.3 Folder Structure for Deployment

/california-house-price-prediction

## 5. API Usage Guide

## 5.1 API Endpoints

### 1 Home Route (/)

Method: GET

• **Description:** Serves the frontend (index.html).

#### 2 Prediction Route (/predict)

• Method: POST

```
    Input (JSON):
    "features": [longitude, latitude, housing_median_age, total_rooms, total_bedrooms, population, households, median_income, "ocean_proximity"]
    Output (JSON):
    "predicted_price": 350000.0
```

## 5.2 Testing the API

```
To test the API locally, use:

curl -X POST "http://127.0.0.1:5000/predict" \
-H "Content-Type: application/json" \
-d '{"features": [ -122.23, 37.88, 41, 880, 129, 322, 126, 8.3252, "NEAR BAY"] }'
```

## 6. Conclusion

This project demonstrates the **end-to-end workflow of a machine learning application**, from **data preprocessing** to **deployment on Render**. The Flask API makes it easy to integrate with different front ends and applications.

Future improvements include:

- Adding more advanced feature selection techniques.
- Deploying the model as a microservice using Docker.

• Improving UI/UX for better user experience.



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