## ML\_Project

```
# -*- coding: utf-8 -*-
Project: House Price Prediction Pipeline
Description: This script implements a complete data science pipeline
for predicting house prices.
            It includes data loading, exploratory data analysis
(EDA), data cleaning,
            feature engineering, model training (with LightGBM and
XGBoost), and submission file generation.
______
# 1. SETUP: MOUNT DRIVE & INSTALL REQUIRED PACKAGES (Colab-specific)
from google.colab import drive
drive.mount('/content/drive')
# Install required packages
!pip install scikit-learn==1.2.2 xgboost==1.7.6
!pip install lightgbm==3.3.2
Drive already mounted at /content/drive; to attempt to forcibly
remount, call drive.mount("/content/drive", force remount=True).
Requirement already satisfied: scikit-learn==1.2.2 in
/usr/local/lib/python3.11/dist-packages (1.2.2)
Requirement already satisfied: xgboost==1.7.6 in
/usr/local/lib/python3.11/dist-packages (1.7.6)
Requirement already satisfied: numpy>=1.17.3 in
/usr/local/lib/python3.11/dist-packages (from scikit-learn==1.2.2)
(1.26.4)
Requirement already satisfied: scipy>=1.3.2 in
/usr/local/lib/python3.11/dist-packages (from scikit-learn==1.2.2)
(1.13.1)
Requirement already satisfied: joblib>=1.1.1 in
/usr/local/lib/python3.11/dist-packages (from scikit-learn==1.2.2)
Requirement already satisfied: threadpoolctl>=2.0.0 in
/usr/local/lib/python3.11/dist-packages (from scikit-learn==1.2.2)
(3.5.0)
Requirement already satisfied: lightgbm==3.3.2 in
/usr/local/lib/python3.11/dist-packages (3.3.2)
Requirement already satisfied: wheel in
```

```
/usr/local/lib/python3.11/dist-packages (from lightgbm==3.3.2)
(0.45.1)
Requirement already satisfied: numpy in
/usr/local/lib/python3.11/dist-packages (from lightgbm==3.3.2)
(1.26.4)
Requirement already satisfied: scipy in
/usr/local/lib/python3.11/dist-packages (from lightgbm==3.3.2)
(1.13.1)
Requirement already satisfied: scikit-learn!=0.22.0 in
/usr/local/lib/python3.11/dist-packages (from lightgbm==3.3.2) (1.2.2)
Requirement already satisfied: joblib>=1.1.1 in
/usr/local/lib/python3.11/dist-packages (from scikit-learn!=0.22.0-
>lightgbm==3.3.2) (1.4.2)
Requirement already satisfied: threadpoolctl>=2.0.0 in
/usr/local/lib/python3.11/dist-packages (from scikit-learn!=0.22.0-
>lightgbm==3.3.2) (3.5.0)
_____
# 2. IMPORT LIBRARIES
import pandas as pd
import numpy as np
import warnings
warnings.filterwarnings('ignore')
# Visualization libraries
import matplotlib.pyplot as plt
import seaborn as sns
# Modeling and preprocessing libraries
from sklearn.model selection import train test split
from sklearn.impute import KNNImputer
from sklearn.preprocessing import LabelEncoder
from sklearn.metrics import mean squared log error
import lightgbm as lqb
import xgboost as xgb
======
# 3. LOAD DATA
# Update file paths accordingly from your Google Drive
```

```
file_path_train = '/content/drive/Shareddrives/gizbar/train.csv'
file_path_test = '/content/drive/Shareddrives/gizbar/test.csv'

train_raw = pd.read_csv(file_path_train)
test_raw = pd.read_csv(file_path_test)
```

### **EDA**

```
# 4. EXPLORATORY DATA ANALYSIS (EDA)
# --- 4.1 Summary Statistics for Key Features ---
key features = [
    'full_sq', 'life_sq', 'kitch_sq', 'num_room',
    'floor', 'max_floor', 'build_year', 'material', 'state',
'price doc'
print("Summary Statistics for Key Features:")
print(train raw[key features].describe())
Summary Statistics for Key Features:
            full sq
                          life sq
                                        kitch sq
                                                       num room
floor
count 30471.000000 24088.000000 20899.000000
                                                  20899.000000
30304.000000
          54.214269
                        34.403271
                                        6.399301
                                                      1.909804
mean
7.670803
                        52.285733
                                       28.265979
std
          38.031487
                                                      0.851805
5.319989
           0.000000
                         0.000000
                                        0.000000
                                                      0.000000
min
0.000000
25%
          38.000000
                        20.000000
                                        1.000000
                                                       1.000000
3.000000
50%
          49.000000
                        30.000000
                                        6.000000
                                                      2.000000
6.500000
75%
          63.000000
                        43.000000
                                        9.000000
                                                       2.000000
11.000000
                      7478.000000
                                     2014.000000
                                                      19.000000
max
        5326.000000
77.000000
          max floor
                       build year
                                        material
                                                          state
price_doc
count 20899.000000
                     1.686600e+04
                                    20899.000000
                                                 16912.000000
3.047100e+04
                                        1.827121
mean
          12.558974 3.068057e+03
                                                      2.107025
```

```
7.123035e+06
           6.756550 1.543878e+05
                                                      0.880148
std
                                        1.481154
4.780111e+06
           0.000000
                     0.000000e+00
                                        1.000000
                                                      1.000000
min
1.000000e+05
25%
           9.000000
                     1.967000e+03
                                        1.000000
                                                      1.000000
4.740002e+06
50%
          12.000000
                     1.979000e+03
                                        1.000000
                                                      2,000000
6.274411e+06
75%
          17.000000
                     2.005000e+03
                                        2.000000
                                                      3,000000
8.300000e+06
max
         117.000000
                     2.005201e+07
                                        6.000000
                                                     33.000000
1.111111e+08
```

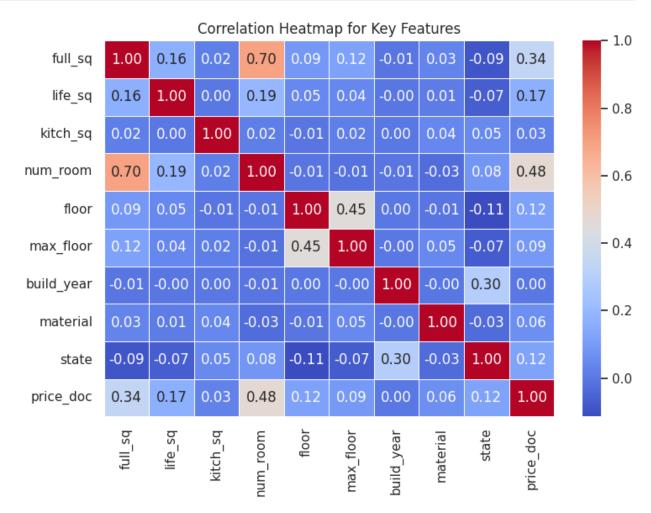
We performed descriptive statistics for the parameters we identified as important to the model. From this initial analysis, we already noticed issues with the data. For example, the maximum value of LIFE\_SQ is larger than the maximum value of FULL\_SQ, which is logically inconsistent. Additionally, the maximum value of KITCH\_SQ is unrealistically large, indicating that these values do not represent real-world scenarios. These problematic cases will need to be addressed during the data cleaning process.

```
# --- 4.2 Missing Value Analysis ---
missing percentages = train raw[key features].isnull().mean() * 100
print("\nMissing Value Percentages for Key Features:")
print(missing percentages)
Missing Value Percentages for Key Features:
full sq
               0.000000
life sq
              20.947786
kitch sq
              31.413475
num room
              31.413475
floor
               0.548062
max floor
              31.413475
              44.649011
build year
material
              31.413475
              44.498047
state
price doc
               0.000000
dtype: float64
```

After examining the important parameters, we observed that some of them have a very high proportion of missing values. This will require further investigation to determine whether and how these missing values should be imputed during the data preprocessing stage.

```
# --- 4.3 Correlation Heatmap for Key Features and Target ---
selected_features = key_features # Including the target: price_doc
corr_matrix = train_raw[selected_features].corr()
plt.figure(figsize=(8, 6))
```

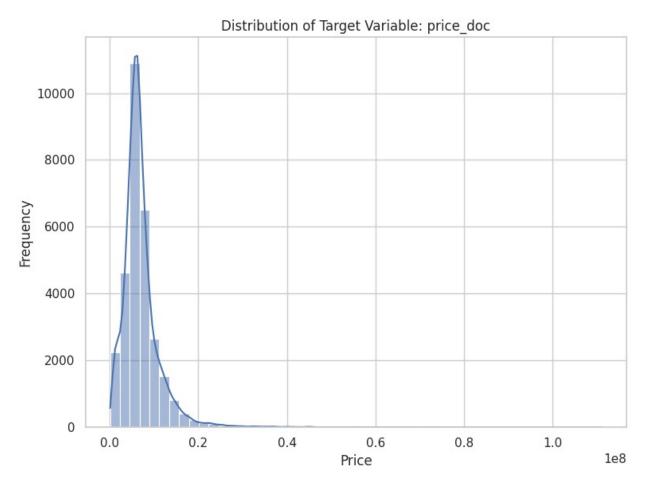
```
sns.heatmap(corr_matrix, annot=True, cmap='coolwarm', fmt=".2f",
linewidths=0.5)
plt.title("Correlation Heatmap for Key Features")
plt.tight_layout()
plt.show()
```



We created a correlation matrix to analyze the relationships between the parameters and also their correlation with the target variable. The results show that there is no particularly high correlation between most parameters, which helps prevent multicollinearity issues. However, there is a notable but borderline high correlation between NUM\_ROOM and FULL\_SQ. In terms of correlation with the target variable, FULL\_SQ and NUM\_ROOM exhibit the strongest relationships, suggesting that these features are likely to have the most significant impact on our model. Other parameters seem to have weaker correlations with the target variable and might have a smaller influence.

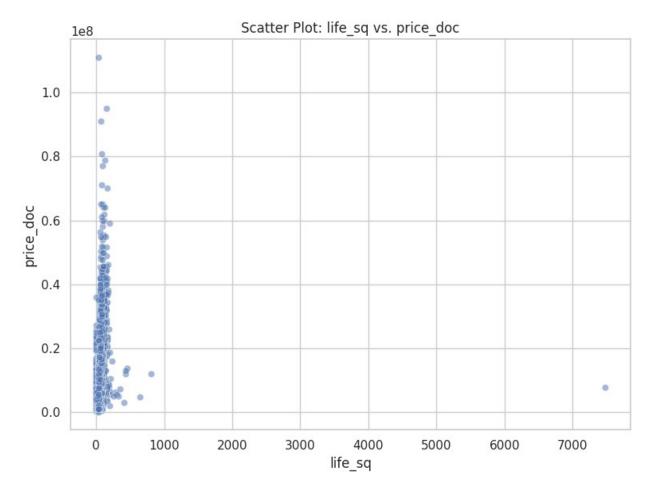
```
# --- 4.4 Distribution of the Target Variable (price_doc) ---
plt.figure(figsize=(8, 6))
sns.histplot(train_raw['price_doc'], bins=50, kde=True)
plt.title("Distribution of Target Variable: price_doc")
```

```
plt.xlabel("Price")
plt.ylabel("Frequency")
plt.tight_layout()
plt.show()
```



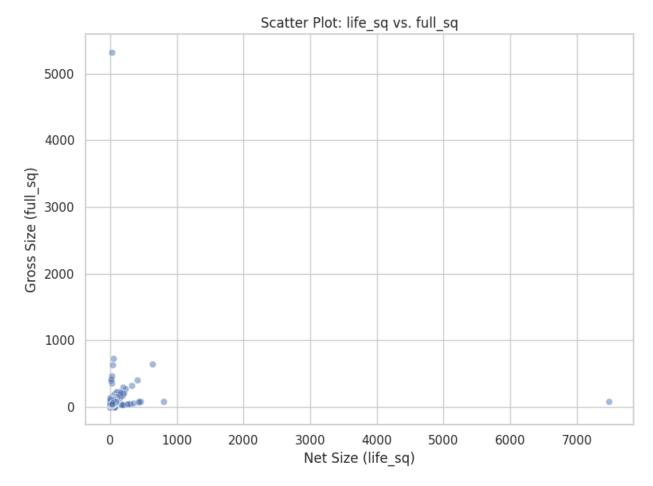
From the histogram results, we can observe that most of the prices fall between 0 and 20 million. However, there are a few values that are likely errors, as the histogram appears to "stretch" significantly to the right. This indicates the presence of extremely high prices that are likely outliers or data entry errors.

```
# --- 4.5 Scatter Plots ---
# Scatter: life_sq vs. price_doc
plt.figure(figsize=(8, 6))
sns.scatterplot(x=train_raw['life_sq'], y=train_raw['price_doc'],
alpha=0.5)
plt.title("Scatter Plot: life_sq vs. price_doc")
plt.xlabel("life_sq")
plt.ylabel("price_doc")
plt.tight_layout()
plt.show()
```



In the scatter plot, we can also observe a significantly high value that is likely an error. Therefore, we will address this outlier and remove it in subsequent steps.

```
# Scatter: life_sq vs. full_sq
plt.figure(figsize=(8, 6))
sns.scatterplot(x=train_raw['life_sq'], y=train_raw['full_sq'],
alpha=0.5)
plt.title("Scatter Plot: life_sq vs. full_sq")
plt.xlabel("Net Size (life_sq)")
plt.ylabel("Gross Size (full_sq)")
plt.tight_layout()
plt.show()
```

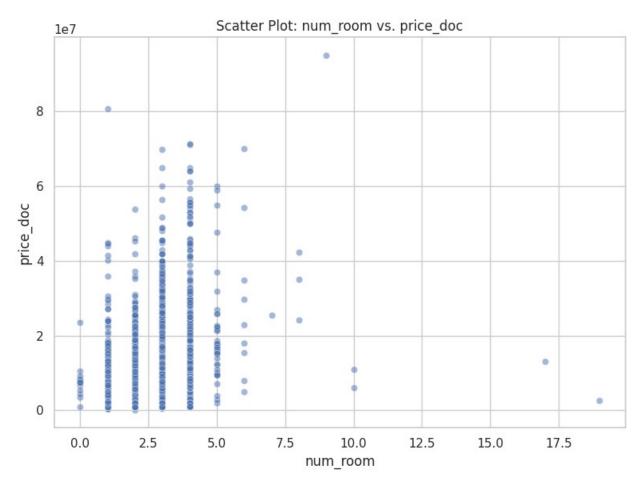


Here, we aimed to examine the relationship between net size (life\_sq) and gross size (full\_sq). The plot reveals several inconsistencies for the following reasons:

- 1. The net size cannot be larger than the gross size, yet this occurs frequently in the data.
- 2. It is highly unlikely for apartments to have a size smaller than 10 square meters, which is also observed in the data.

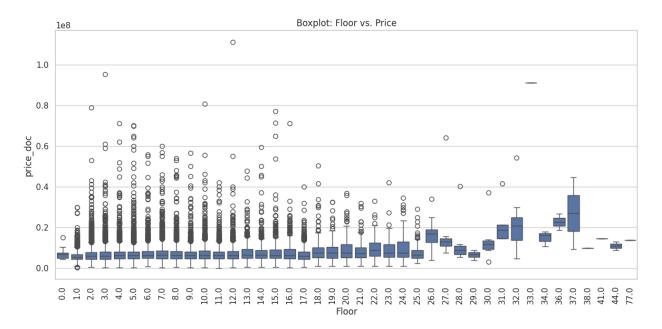
We will need to address and correct these issues in the following steps.

```
# Scatter: num_room vs. price_doc
plt.figure(figsize=(8, 6))
sns.scatterplot(x=train_raw['num_room'], y=train_raw['price_doc'],
alpha=0.5)
plt.title("Scatter Plot: num_room vs. price_doc")
plt.xlabel("num_room")
plt.ylabel("price_doc")
plt.tight_layout()
plt.show()
```



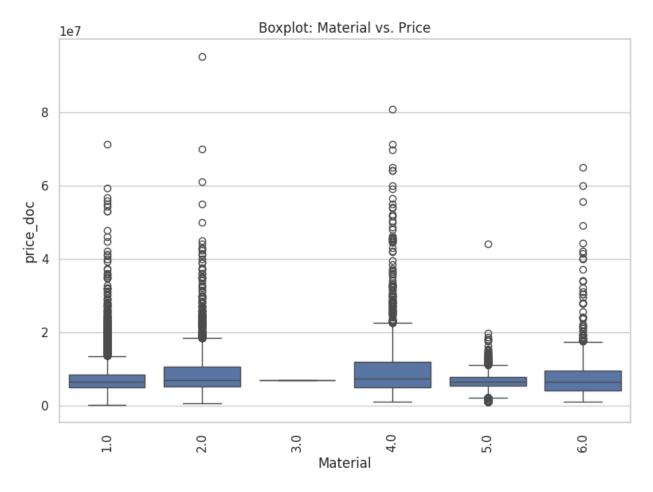
Here, we can observe some outliers as it seems unlikely that most apartments have between 0 to 9 rooms, with a few extreme values standing out. To address this, we will need to verify whether these values are reasonable based on the apartment sizes and subsequently edit or remove these observations as necessary.

```
# --- 4.6 Boxplots ---
# Boxplot: Floor vs. Price
plt.figure(figsize=(12, 6))
sns.boxplot(x='floor', y='price_doc', data=train_raw)
plt.title("Boxplot: Floor vs. Price")
plt.xlabel("Floor")
plt.ylabel("price_doc")
plt.xticks(rotation=90)
plt.tight_layout()
plt.show()
```



In this box plot of apartment floor levels, we can see that nearly all apartments are located between floors 0 and 44. However, there is a single observation at floor 77, which is likely an error. It would be reasonable to correct this value to 7, as it seems to be a misentry.

```
# Boxplot: Material vs. Price
plt.figure(figsize=(8, 6))
sns.boxplot(x='material', y='price_doc', data=train_raw)
plt.title("Boxplot: Material vs. Price")
plt.xlabel("Material")
plt.ylabel("price_doc")
plt.xticks(rotation=90)
plt.tight_layout()
plt.show()
```



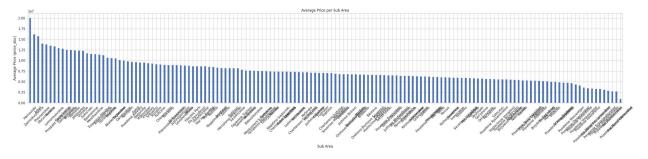
Here, in the material type of the building, it is unlikely that there is a single apartment categorized as type 3. This suggests a probable data entry error. It would be best to either correct this value or remove the observation to maintain data consistency.

```
# --- 4.7 Additional Visualizations ---
# Scatter: max_floor vs. price_doc
plt.figure(figsize=(10, 6))
sns.scatterplot(x=train_raw['max_floor'], y=train_raw['price_doc'],
alpha=0.5)
plt.title("Scatter Plot: max_floor vs. price_doc")
plt.xlabel("max_floor")
plt.ylabel("price_doc")
plt.tight_layout()
plt.show()
```



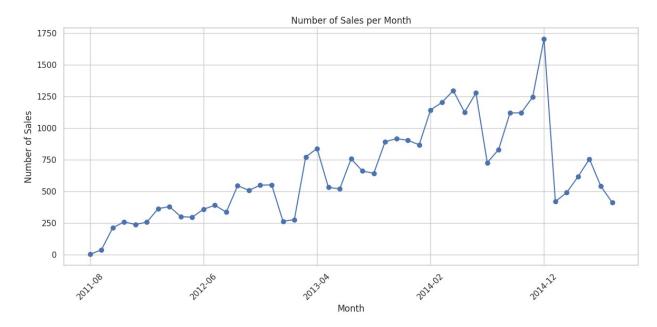
In the graph showing the maximum floor of buildings, we can see some extreme values ranging between 99 and 117. Logically, apartments in such high-rise buildings would likely be more expensive, but in this case, their prices appear to be in the normal range compared to other observations. This suggests that these values are likely errors. To correct this, we will adjust 99 to 9 and 117 to either 11 or 17, making them more reasonable within the dataset.

```
# Bar Chart: Average Price per Sub Area (if available)
if 'sub_area' in train_raw.columns:
    avg_price_per_area = train_raw.groupby('sub_area')
['price_doc'].mean().sort_values(ascending=False)
    plt.figure(figsize=(30, 7))
    avg_price_per_area.plot(kind='bar')
    plt.title("Average Price per Sub Area")
    plt.xlabel("Sub Area")
    plt.ylabel("Average Price (price_doc)")
    plt.xticks(rotation=45)
    plt.tight_layout()
    plt.show()
else:
    print("Column 'sub_area' not found in the dataset.")
```



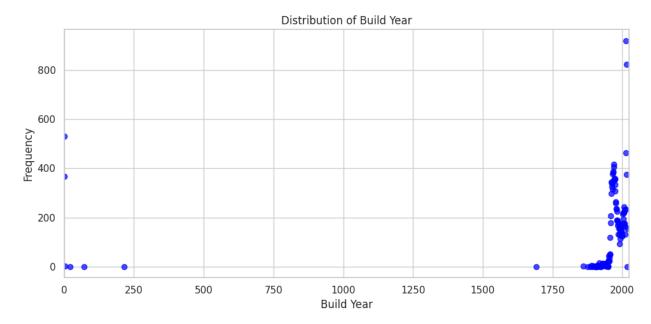
We conducted an analysis of the average price per district to identify the most expensive areas. It is reasonable to assume that location significantly impacts apartment prices, similar to trends seen in other real estate markets. For example, in Israel, properties closer to the city center tend to be more expensive, while those in the Negev region are generally more affordable. This insight will help us understand the geographical influence on pricing and improve our model's predictive accuracy.

```
# Time Series: Sales Count per Month (if timestamp is available)
if 'timestamp' in train_raw.columns:
    train_raw['timestamp'] = pd.to_datetime(train_raw['timestamp'])
    train_raw['year_month'] =
train_raw['timestamp'].dt.to_period('M').astype(str)
    sales_per_month =
train_raw['year_month'].value_counts().sort_index()
    plt.figure(figsize=(12, 6))
    sales_per_month.plot(kind='line', marker='o')
    plt.title("Number of Sales per Month")
    plt.xlabel("Month")
    plt.xlabel("Number of Sales")
    plt.xticks(rotation=45)
    plt.tight_layout()
    plt.show()
```



A graph showing the number of transactions per month can help us analyze whether periods of high transaction volume impact apartment prices. It is possible that during months with a surge in transactions, prices fluctuate due to increased demand or seasonal trends. By visualizing the transaction growth rate over time, we can gain insights into potential market patterns that may affect pricing.

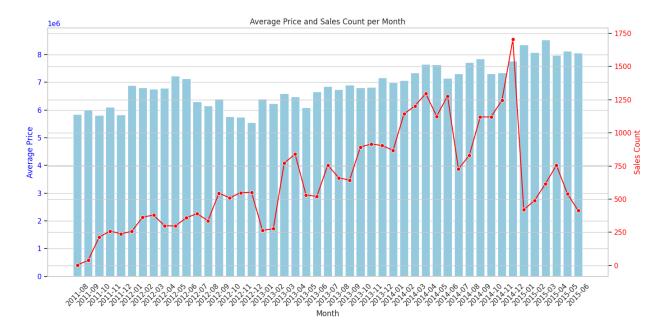
```
# Distribution of Build Year (focus on realistic years)
if 'build_year' in train_raw.columns:
    build_year_counts =
train_raw['build_year'].dropna().value_counts().sort_index()
    plt.figure(figsize=(10, 5))
    plt.scatter(build_year_counts.index, build_year_counts.values,
alpha=0.7, color='blue')
    plt.title("Distribution of Build Year")
    plt.xlabel("Build Year")
    plt.ylabel("Frequency")
    plt.xlim(0, 2025)
    plt.tight_layout()
    plt.show()
```



A scatter plot displaying the construction years recorded in our dataset reveals clear errors. Firstly, some values are 0, which is definitely incorrect. Secondly, there are entries with years below 250, which is entirely unrealistic. To correct these inaccuracies, we will remove all observations with construction years below 1500 and replace them with NaN to ensure data integrity.

```
# 1) Group by month (derived from 'timestamp') to get average price
and count
monthly_data = (
    train_raw
```

```
.groupby(train raw['timestamp'].dt.to period('M'))['price doc']
    .agg(['mean', 'count']) # 'mean' for average price, 'count' for
number of sales
    .reset index()
)
# Convert the period (YYYY-MM) to string for plotting on the x-axis
monthly data['month str'] = monthly data['timestamp'].astype(str)
# 2) Use a Seaborn style
sns.set(style='whitegrid')
# 3) Create the figure and primary axis (for the Average Price bar
chart)
fig, ax1 = plt.subplots(figsize=(14, 7))
# Plot a bar chart of the average price
sns.barplot(
    data=monthly data,
    x='month_str',
    y='mean',
    color='skyblue',
    ax=ax1
)
ax1.set xlabel("Month")
ax1.set ylabel("Average Price", color='blue')
ax1.tick params(axis='y', labelcolor='blue')
ax1.tick params(axis='x', rotation=45) # Rotate x labels for
readability
# 4) Create a secondary y-axis (twin) for the Sales Count line chart
ax2 = ax1.twinx()
sns.lineplot(
    data=monthly data,
    x='month str',
    y='count',
    color='red',
    marker='o',
    ax=ax2
)
ax2.set ylabel("Sales Count", color='red')
ax2.tick_params(axis='y', labelcolor='red')
# 5) Add a title and tighten lavout
plt.title("Average Price and Sales Count per Month")
plt.tight layout()
plt.show()
```



A combined histogram and line chart allows us to visualize both the growth rate of prices and the growth rate of transactions over time. By analyzing this relationship, we can determine whether an increase in transaction volume influences price changes. If a strong correlation exists, this insight could be valuable for forecasting future prices, as market demand fluctuations might serve as an indicator of price trends.

```
df.loc[df['life_sq'] > df['full_sq'], 'life_sq'] = np.nan
    df.loc[(df['life sq'] < 0.2 * df['full sq']), 'full sq'] = np.nan
    df.loc[df['life_sq'] < 9, 'life sq'] = np.nan</pre>
    df.loc[(df['kitch_sq'] > 0.6 * df['life sq']), 'kitch sq'] =
np.nan
    # Set specific unrealistic num room values to NaN
    values to replace = [19, 17, 10, 9]
    df.loc[df['num room'].isin(values to replace), 'num room'] =
np.nan
    # Handle unrealistic build year values
    df.loc[(df['build year'] < 1500) | (df['build year'] > 2025),
'build year'] = np.nan
    # Replace unusual values in state and material
    df['state'].replace({33: 3}, inplace=True)
    df['material'].replace({3: 1}, inplace=True)
    df["floor"].replace({77: 7}, inplace=True)
    df["max floor"].replace({117: 11, 99: 9}, inplace=True)
    df["life sq"].replace({7478: 74, 802: 80}, inplace=True)
    # For training data, replace extreme price doc values with the
median
    if is train and 'price doc' in df.columns:
        avg_price = df['price_doc'].median()
        df['price_doc'] = np.where(
            df['price doc'].isin([df['price doc'].min(),
df['price doc'].max()]),
            avg price,
            df['price doc']
    # Replace zero values with NaN in key columns
    df['full sg'].replace(0, np.nan, inplace=True)
    df['max floor'].replace(0, np.nan, inplace=True)
    df['num_room'].replace(0, np.nan, inplace=True)
    # --- Feature Engineering ---
    # Create year-month feature from timestamp
    df['year mo'] =
pd.to_datetime(df['timestamp']).dt.to_period('M').astype(str)
    df['year month'] = df['year mo']
    # Ratio of living area to total area
    df['resident to total ratio'] = df['life sq'] / df['full sq']
    # Count of sales per month
    sales per month = df['year mo'].value counts()
    df['n_sales_month'] = df['year_mo'].map(sales_per_month)
```

```
# Relative floor: floor divided by max floor
    df['floor rel total'] = df['floor'] / df['max floor']
    # Labor force percentage
    df['pct labor force'] = df['work all'] / df['raion popul']
    # Average room area
    df['avg room area'] = df['life sq'] / df['num room']
    # Extra area (difference between full and living area)
    df['extra area'] = df['full sq'] - df['life sq']
    # Extract year from timestamp
    df['year'] = pd.to datetime(df['timestamp']).dt.year
    # Create apartment name feature: sub_area + rounded metro distance
df['apt_name'] = df['sub_area'] + '_' +
df['metro km avto'].round(1).astype(str)
    df['apt name yrmo'] = df['apt name'] + ' ' + df['year mo']
    # Extra area ratio: extra area / full sq
    df['extra_area_ratio'] = df['extra_area'] / df['full_sq']
    # Count of missing values per row
    df['count nan per row'] = df.isna().sum(axis=1)
    # Distance from sub area to Kremlin: average kremlin km by
sub area
    dist per subarea = df.groupby('sub area')
['kremlin km'].mean().rename('subarea dist to kremlin')
    df = df.merge(dist per subarea, on='sub area', how='left')
    # Mean building height per sub area
    height per subarea = df.groupby('sub area')
['max floor'].mean().rename('mean bldg height')
    df = df.merge(height_per subarea, on='sub area', how='left')
    # Flag for small buildings (max floor <= 20)
    df['small_flag'] = (df['max_floor'] <= 20).astype(int)</pre>
    # Drop timestamp as it is no longer needed
    df.drop('timestamp', axis=1, inplace=True)
    # Remove any ID columns except for 'id'
    id cols = [col for col in df.columns if 'ID' in col and col !=
'id'1
    df.drop(columns=id cols, inplace=True, errors='ignore')
    return df
```

```
# Preprocess training and test data
train = preprocess_data(train_raw, is_train=True)
test_processed = preprocess_data(test_raw, is_train=False)
# Preserve test IDs for submission
test_ids = test_raw['id'].copy()
```

In this section, we perform data cleaning and feature engineering to improve the quality of the dataset before training our model. Below is a breakdown of the key modifications and why they are necessary:

#### 1. Data Cleaning

Handling unrealistic values:

- If [life\_sq] (net area) is larger than [full\_sq] (gross area), we set it to NaN as this is logically incorrect.
- Values of [life\_sq] that are unrealistically small (below 9 sqm) are also set to NaN to avoid errors in predictions.
- [kitch\_sq] values exceeding 60% of life\_sq are marked as NaN since kitchens typically do not occupy such a large portion of an apartment.
- Fixing [num\_room] anomalies Values like 9, 10, 17, and 19 for the number of rooms are likely erroneous and are replaced with NaN.
- Correcting [build\_year]: We remove unrealistic values before the year 1500 and after 2025 to ensure a reasonable distribution.
- Fixing incorrect categorical values: Replacing extreme or incorrect values in [state], [material], [floor], and [max\_floor] to maintain data consistency. -Handling extreme [price\_doc] values (only in training data): The lowest and highest prices are replaced with the median price to mitigate the impact of outliers on model training.
- 1. Feature Engineering

New features are created to capture key relationships in the dataset and enhance model predictive power:

- [year\_month] Helps track seasonal trends in the real estate market.
- [resident\_to\_total\_ratio] Provides insight into the efficiency of apartment space usage.
- [n sales month] Identifies market trends and fluctuations in demand.
- [floor\_rel\_total] Represents how high the apartment is compared to the building's total floors, which can impact price.
- [pct\_labor\_force] Measures the percentage of the labor force in the area, indicating economic activity.
- [avg\_room\_area] Provides information on the average size of rooms in an apartment.
- [extra\_area] Represents the difference between full and living area, indicating shared spaces or balconies.

- [apt\_name] Combines [sub\_area] and [metro\_km\_avto] (distance to metro) to account for location impact.
- [extra\_area\_ratio] Captures the percentage of non-living space relative to total apartment size.
- [count\_nan\_per\_row] Counts the number of missing values in each row to detect problematic records.
- [subarea\_dist\_to\_kremlin] Represents the average distance of a district from the Kremlin, which affects pricing.
- [mean\_bldg\_height] Stores the average building height per district, providing context on neighborhood density.
- [small\_flag] A binary feature indicating whether a building has 20 floors or fewer.
- 1. Data Cleaning Adjustments
- Dropped [timestamp] after extracting the necessary time-related features.
- Removed unnecessary [ID] columns, keeping only relevant ones for modeling.

These enhancements improve the dataset by removing inconsistencies and adding meaningful variables to improve model performance.

```
#
# 6. TRAIN-VALIDATION SPLIT & TARGET TRANSFORMATION
# Apply log1p transformation to the target variable
train["price doc"] = np.log1p(train["price doc"])
# Separate features and target
X train full = train.drop("price doc", axis=1)
y_train_full = train["price_doc"].copy()
X test full = test processed.copy()
# 80/20 Train-Validation Split
X train, X val, y train, y val = train test split(
    X_train_full, y_train_full, test_size=0.2, random_state=42
print("Training set shape:", X_train.shape, y_train.shape)
print("Validation set shape:", X_val.shape, y_val.shape)
print("Test set shape:", X_test_full.shape)
Training set shape: (24376, 299) (24376,)
Validation set shape: (6095, 299) (6095,)
Test set shape: (7662, 299)
```

Data Preparation for Model Training

In this section, we prepare the dataset for model training, ensuring that all transformations are applied consistently across training, validation, and test sets. The key steps include:

- 1. Log Transformation of Target Variable
- 2. Splitting Data into Training and Validation Sets
- 3. Ensuring Feature Engineering Consistency

```
# 7. FULL PIPELINE: IMPUTATION, ENCODING & LIGHTGBM TRAINING
def full pipeline(
    X_tr, X_val, y_tr, y_val, X_test_full,
    median mode cols=None,
    knn columns=None,
    label encode=True,
    remove zero importance=True,
    lqb params=None,
    num boost round=1000,
    early stopping rounds=50
):
    Full pipeline including:
   A) Median/Mode imputation.
    B) KNN imputation.
    C) Label encoding for categorical features.
    D) Removal of the ID column.
    E) LightGBM training with early stopping.
    F) Feature importance extraction and removal of zero-importance
features.
    Returns:
    Processed training, validation, and test sets, the trained model,
feature importance DataFrame,
    and list of removed features.
    # --- A) Median/Mode Imputation ---
    if median mode cols is None:
        median mode cols = [
            'prom part 5000', 'floor', 'railroad station walk km',
'metro min walk',
            'metro_km_walk', 'railroad_station_walk_min',
'product_type',
            'green part 2000', 'full sg', 'floor rel total',
'max_floor', 'num_room',
            'material', 'preschool_quota',
```

```
'cafe sum 1000 min price avg',
            'cafe sum 1000 max price avg', 'cafe avg price 1000',
'extra area'
            'resident_to_total_ratio', 'extra_area_ratio', 'life_sq',
'build_count_before_1920', 'build_count_brick',
'build count 1946-1970',
            raion build count with builddate info',
'build_count_monolith',
            raion build count with material info',
'cafe avg price 1500',
            'cafe_sum_1500_min_price_avg',
'cafe sum 2000 max price avg'
    impute values dict = {}
    for col in median mode cols:
        if col not in X tr.columns:
            continue
        # For the categorical column 'product type', use mode;
otherwise, use median.
        if col == 'product type':
            mode val = X tr[col].mode()[0] if X tr[col].dropna().size
> 0 else 'Investment'
            impute_values_dict[col] = mode val
        else:
            impute values dict[col] = X tr[col].median()
    for col, val in impute values dict.items():
        if col in X tr.columns:
            X_tr[col].fillna(val, inplace=True)
        if col in X val.columns:
            X val[col].fillna(val, inplace=True)
        if col in X test full.columns:
            X test full[col].fillna(val, inplace=True)
    # --- B) KNN Imputation on Selected Columns ---
    if knn columns is None:
        knn columns = ['hospital beds raion', 'avg room area',
'state']
    knn imputers = {}
    for col in knn columns:
        if col not in X tr.columns:
            continue
        imputer = KNNImputer(n neighbors=5)
        X tr[[col]] = imputer.fit transform(X tr[[col]])
        knn imputers[col] = imputer
```

```
for col, imputer in knn imputers.items():
        if col in X val.columns:
            X val[[col]] = imputer.transform(X val[[col]])
        if col in X test full.columns:
            X test full[[col]] = imputer.transform(X test full[[col]])
    # --- C) Label Encoding for Categorical Columns ---
    label encoders = {}
    if label encode:
        cat cols = X tr.select dtypes(include=['object']).columns
        for c in cat cols:
            le = LabelEncoder()
            X tr[c] = X tr[c].astype(str)
            le.fit(X tr[c])
            X tr[c] = le.transform(X tr[c])
            label encoders[c] = le
        for c, le in label encoders.items():
            if c in X val.columns:
                X val[c] = X val[c].astype(str).apply(lambda val: val
if val in le.classes_ else '<unknown>')
                if '<unknown>' not in le.classes_:
                    le.classes = np.append(le.classes , '<unknown>')
                X val[c] = le.transform(X val[c].astype(str))
            if c in X test full.columns:
                X test full[c] =
X_test_full[c].astype(str).apply(lambda val: val if val in le.classes
else '<unknown>')
                if '<unknown>' not in le.classes :
                    le.classes = np.append(le.classes , '<unknown>')
                X test full[c] =
le.transform(X_test_full[c].astype(str))
    # --- D) Remove the 'id' Column if Present ---
    for dataset in [X tr, X val, X test full]:
        if "id" in dataset.columns:
            dataset.drop(columns=["id"], inplace=True)
    # --- E) LightGBM Model Training with Early Stopping ---
    if lgb params is None:
        lqb params = {
            'objective': 'regression',
            'metric': 'rmse',
            'learning rate': 0.05,
            'num leaves': 31,
            'feature fraction': 0.8,
            'bagging fraction': 0.8,
            'bagging_freq': 1,
            'seed': 42
        }
```

```
train data = lgb.Dataset(X tr, label=y tr)
   val data = lgb.Dataset(X val, label=y val, reference=train data)
   def rmsle(preds, dataset):
        labels = dataset.get label()
        preds = np.maximum(preds, 0)
        labels = np.maximum(labels, 0)
        rmsle val = np.sqrt(mean squared log error(labels, preds))
        return 'rmsle', rmsle val, False
   model = lgb.train(
        params=lqb params,
        train set=train data,
        num boost round=num boost round,
        valid sets=[train data, val data],
       valid_names=['train', 'valid'],
        early stopping rounds=early stopping rounds,
        feval=rmsle,
        verbose eval=100
    )
   # --- F) Feature Importance & Removal of Zero-Importance Features
   importances = model.feature importance(importance type='gain')
   feature names = X tr.columns
    feature importance df = pd.DataFrame({
        'feature': feature names,
        'importance': importances
   }).sort values(by='importance', ascending=False)
   print("Top 20 Feature Importances:")
   print(feature_importance df.head(20))
   if remove zero importance:
        zero importance =
feature importance df[feature importance df['importance'] == 0]
        features to remove = zero importance['feature'].tolist()
        X tr.drop(columns=features to remove, errors='ignore',
inplace=True)
        X val.drop(columns=features to remove, errors='ignore',
inplace=True)
        X test full.drop(columns=features to remove, errors='ignore',
inplace=True)
        print(f"Removed {len(features to remove)} zero-importance
features.")
   else:
        features to remove = []
   print("Pipeline finished successfully.")
```

```
return X_tr, X_val, y_tr, y_val, X_test_full, model,
feature importance df, features to remove
# Run the full pipeline
X_tr_processed, X_val_processed, y_tr, y_val, X_test_processed,
model_lgb, feat_imp_df, removed_feats = full pipeline(
    X_train, X_val, y_train, y_val, X_test_full
[LightGBM] [Warning] Auto-choosing col-wise multi-threading, the
overhead of testing was 0.027774 seconds.
You can set `force col wise=true` to remove the overhead.
[LightGBM] [Info] Total Bins 42430
[LightGBM] [Info] Number of data points in the train set: 24376,
number of used features: 298
[LightGBM] [Info] Start training from score 15.612116
Training until validation scores don't improve for 50 rounds
[100] train's rmse: 0.420264
                                 train's rmsle: 0.0262901
                                                           valid's
rmse: 0.4555
                valid's rmsle: 0.0284073
[200] train's rmse: 0.383933
                                 train's rmsle: 0.0240798
                                                             valid's
rmse: 0.453595
               valid's rmsle: 0.0282825
Early stopping, best iteration is:
                                 train's rmsle: 0.0239753
[206] train's rmse: 0.382215
                                                             valid's
                valid's rmsle: 0.0282797
rmse: 0.453545
Top 20 Feature Importances:
                        feature
                                    importance
0
                        full sq
                                 13748.099501
6
                       num room
                                   1823.883753
1
                        life sq
                                   1612.821457
273
     cafe count 5000 price 2500
                                   1385.230702
282
                     year month
                                   1358.081135
275
     cafe count 5000 price high
                                   1055.341827
257
               sport count 3000
                                   959.826447
242
                cafe count 3000
                                   899,209601
5
                     build year
                                   753.317992
219
                cafe_count_2000
                                    720.369964
289
                     extra area
                                    691.886226
82
                 metro min avto
                                    641,403176
265
                cafe count 5000
                                   481.133670
141
                  exhibition km
                                   425.805792
284
        resident to total ratio
                                   369.199817
2
                          floor
                                   369.089730
83
                                   349.032483
                  metro km avto
103
                         ttk km
                                   334.365121
129
           public healthcare km
                                   328.195061
86
                kindergarten km
                                   327.720679
Removed 20 zero-importance features.
Pipeline finished successfully.
```

This pipeline automates the entire preprocessing and model training workflow. It includes handling missing values, encoding categorical variables, training a LightGBM model, and feature selection. Below is a detailed breakdown of each step:

1. Handling Missing Values

To ensure data completeness and model stability, we apply two imputation methods:

#### A. Median/Mode Imputation

Replaces missing numerical values with their median (for continuous variables). Replaces missing categorical values with their mode (most frequent value). Important columns like [life\_sq], [full\_sq], [num\_room], and [floor] are included in this process.

#### B. KNN Imputation

Uses K-Nearest Neighbors (KNN) to predict missing values based on similar observations. Applied to selected features such as [hospital\_beds\_raion], [avg\_room\_area], and [state].

- 1. Encoding Categorical Variables
- Converts text-based categorical features into numerical values using Label Encoding.
- Ensures consistency between [training], [validation], and [test datasets].
- New, unseen categories in validation/test data are assigned a special class [] to prevent errors.
- 1. Feature Engineering & Cleanup
- Removes non-predictive columns like [id].
- Ensures all columns are formatted consistently before model training.
- 1. LightGBM Model Training with Early Stopping

The LightGBM model is trained using the processed dataset:

- Early stopping prevents overfitting by stopping training if performance doesn't improve after [50] iterations.
- Evaluation Metric: RMSLE, which measures relative error, making it suitable for price prediction.
- Hyperparameters default values used :

learning\_rate=0.05 - Balances speed and accuracy.

num\_leaves=31 - Controls tree complexity.

feature\_fraction=0.8 - Uses 80% of features in each iteration.

bagging\_fraction=0.8 - Uses 80% of data to prevent overfitting.

1. Feature Importance & Zero-Importance Feature Removal

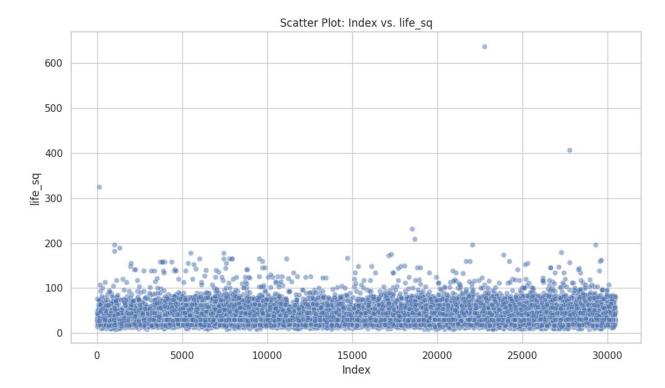
• After training, the importance of each feature is evaluated. Features with zero importance are removed to improve efficiency. This reduces model complexity and prevents overfitting.

By automating preprocessing and feature selection, this pipeline ensures an efficient and optimized model training process.

```
#
=======
# 8. VISUALIZATION OF PROCESSED DATA
#
=======
# Combine training and validation data for visualization
train_vis = pd.concat([X_tr_processed, X_val_processed], axis=0)
target_vis = pd.concat([y_tr, y_val], axis=0)
train_vis["price_doc"] = target_vis
train_vis["price_doc"] = np.expml(train_vis["price_doc"])
```

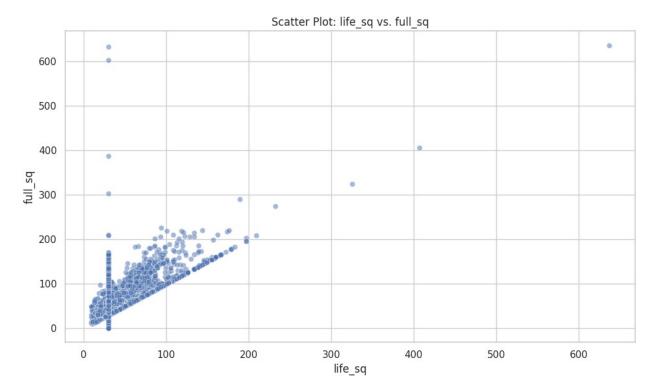
To visualize the data in terms of actual prices instead of their log-transformed values, we combine the training and validation sets and then convert the prices back to their original scale using the exponential transformation.

```
# Scatter Plot: Index vs. life_sq
plt.figure(figsize=(10, 6))
sns.scatterplot(x=train_vis.index, y=train_vis["life_sq"], alpha=0.5)
plt.title("Scatter Plot: Index vs. life_sq")
plt.xlabel("Index")
plt.ylabel("life_sq")
plt.tight_layout()
plt.show()
```



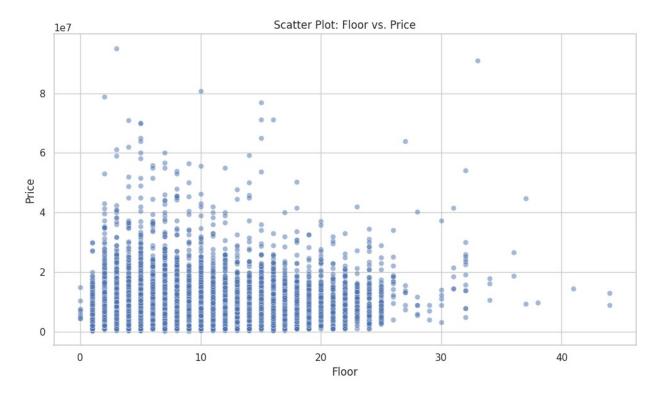
Here, we can see the net size of the apartments, and most values fall within a reasonable range. However, there is one outlier above 600 sqm. If this observation remained after data cleaning and was not imputed with the median, it is likely a valid data point rather than an error.

```
# Scatter Plot: life_sq vs. full_sq
plt.figure(figsize=(10, 6))
sns.scatterplot(x=train_vis["life_sq"], y=train_vis["full_sq"],
alpha=0.5)
plt.title("Scatter Plot: life_sq vs. full_sq")
plt.xlabel("life_sq")
plt.ylabel("full_sq")
plt.tight_layout()
plt.show()
```



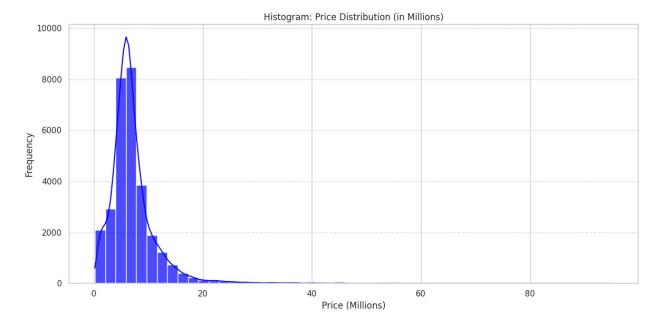
At this stage, there are no cases where the net size exceeds the gross size, and as the gross size increases, the relationship appears reasonable. Since we imputed missing values using the median, we can observe that many values align correctly, though some instances still show an unusually large gross size compared to net size. Overall, the data looks acceptable, and we chose to fill the missing values because this parameter was considered highly important for our model.

```
# Scatter Plot: Floor vs. Price (Original Scale)
plt.figure(figsize=(10, 6))
sns.scatterplot(x=train_vis["floor"], y=train_vis["price_doc_orig"],
alpha=0.5)
plt.title("Scatter Plot: Floor vs. Price")
plt.xlabel("Floor")
plt.ylabel("Price")
plt.tight_layout()
plt.show()
```



The unrealistic floor values have been removed, and most of the data points are now correctly distributed within the expected range. This ensures a cleaner and more reliable dataset for model training.

```
# Histogram: Price Distribution (Original Scale)
plt.figure(figsize=(12, 6))
sns.histplot(train_vis["price_doc_orig"] / 1e6, bins=50, kde=True,
color='blue', alpha=0.7)
plt.title("Histogram: Price Distribution (in Millions)")
plt.xlabel("Price (Millions)")
plt.ylabel("Frequency")
plt.grid(axis='y', linestyle='--', alpha=0.7)
plt.tight_layout()
plt.show()
```



Yes, even after filtering out some extreme values, there are still a few high-priced properties that might not necessarily be errors. These could represent luxury properties, large commercial real estate, or unique locations that justify higher prices.

### **XGBoost Model without PCA**

```
9. MODELING WITH XGBOOST (Two Configurations)
#
# Prepare real target for evaluation (inverse transformation)
real y val = np.expm1(y val)
# --- 9.1 XGBoost Model without PCA ---
xgb model no pca = xgb.XGBRegressor(
    n estimators=1000,
    learning_rate=0.05,
    \max depth=6,
    subsample=0.8.
    colsample bytree=0.8,
    random state=42
)
xgb model no pca.fit(X tr processed, y tr)
val pred log no pca = xgb model no pca.predict(X val processed)
val pred no pca = np.expm1(val pred log no pca)
val_rmsle_no_pca = mean_squared_log_error(real_y_val, val_pred_no_pca)
print("XGBoost (no PCA) Validation RMSLE:", round(val rmsle no pca,
6))
```

#### XGBoost (no PCA) Validation RMSLE: 0.343176

#### XGBoost Model Without PCA:

In this section, we train an XGBoost model without applying PCA to the features. The steps involved are:

#### Prepare the Target Variable:

Since the price values were transformed using log1p() earlier in the preprocessing step, we now apply expm1() to y\_val to revert it to its original scale before evaluating the model.

#### Initialize the XGBoost Model:

We define an XGBRegressor with the following hyperparameters:

- n\_estimators=1000 The number of boosting rounds.
- learning\_rate=0.05 The step size for weight updates, controlling how much each tree contributes.

-max\_depth=6 - The maximum depth of each decision tree, balancing model complexity and overfitting risk.

- subsample=0.8 The fraction of training data randomly sampled for each tree, preventing overfitting.
- Colsample\_bytree=0.8 The fraction of features randomly sampled for each tree, improving generalization.
- random\_state=42 A fixed seed to ensure reproducibility.

#### Make Predictions:

• The model predicts values on the validation set, resulting in val\_pred\_log\_no\_pca. = We then apply expm1 to convert the log-transformed predictions back to their original scale.

#### **Evaluate Performance:**

• We compute the RMSLE using the mean\_squared\_log\_error() function.

The lower the RMSLE, the better the model's performance, especially when predicting prices in different scales.

#### Why Train Without PCA?

- 1. PCA reduces dimensionality, which can be beneficial in some cases, but it also removes interpretability and might discard useful information.
- 2. Training the model without PCA ensures that all original features are preserved, which might improve accuracy when the dataset does not suffer from high collinearity or excessive noise.

### XGBoost Model with PCA

```
# --- 9.2 XGBoost Model with PCA ---
from sklearn.decomposition import PCA
from copy import deepcopy
# Create deep copies of processed data for PCA
X tr pca = deepcopy(X tr processed)
X val pca = deepcopy(X val processed)
# Impute missing values for numeric and categorical features
for col in X tr pca.columns:
    if pd.api.types.is_numeric_dtype(X tr pca[col]):
        median val = X tr pca[col].median()
        X tr pca[col].fillna(median val, inplace=True)
        X_val_pca[col].fillna(median val, inplace=True)
    else:
        if not X_tr_pca[col].dropna().empty:
            mode val = X tr pca[col].mode()[0]
            X tr pca[col].fillna(mode val, inplace=True)
            X val pca[col].fillna(mode val, inplace=True)
# Additional KNN imputation for selected columns
knn columns for pca = ['hospital beds raion', 'avg room area',
'state'l
knn imputer = KNNImputer(n neighbors=5)
for col in knn columns for pca:
    if col in X_tr_pca.columns:
        X tr pca[[col]] = knn imputer.fit transform(X tr pca[[col]])
        if col in X val pca.columns:
            X val pca[[col]] = knn imputer.transform(X val pca[[col]])
# Apply PCA to reduce dimensionality (retain 95% variance)
pca = PCA(n_components=0.95, random state=42)
X tr pca reduced = pca.fit transform(X tr pca)
X val pca reduced = pca.transform(X_val_pca)
# Train XGBoost on PCA-transformed data
pca xgb model = xgb.XGBRegressor(
    n estimators=1000,
    learning rate=0.05,
    \max depth=6,
    subsample=0.8,
    colsample bytree=0.8,
    random state=42
pca xgb model.fit(X tr pca reduced, y tr)
pca_val_pred_log = pca_xgb_model.predict(X_val_pca_reduced)
pca val pred = np.expm1(pca val pred log)
```

```
pca_val_rmsle = mean_squared_log_error(real_y_val, pca_val_pred)
print("PCA XGBoost Model Validation RMSLE:", round(pca_val_rmsle, 6))
PCA XGBoost Model Validation RMSLE: 0.30326
```

Since PCA does not work with missing values, we first needed to impute them. To ensure that these modifications did not affect other models, we created a separate copy of the dataset.

For this step, we applied three different imputation techniques:

- 1. Median Imputation for numerical features to avoid the influence of extreme values.
- 2. Mode Imputation for categorical variables to maintain consistency.
- 3. K-Nearest Neighbors Imputation for selected columns where a more sophisticated estimation was beneficial.

Once all missing values were handled and we had a fully completed dataset, we applied PCA, reducing the number of features while retaining 95% of the original variance. This allowed us to significantly decrease the number of predictors, which helped to reduce the risk of overfitting while making the model more computationally efficient and interpretable.

After dimensionality reduction, we trained the XGBoost model again, now using the transformed dataset with fewer features. Finally, we computed the RMSLE and found that the model showed slight improvement, indicating that reducing dimensionality helped generalization and performance.

### LightGBM Model

```
# Train final LightGBM model using processed training data
model final = lgb.LGBMRegressor(
    n jobs=-1,
    random state=42,
    learning_rate=0.03,
    n_estimators=2000,
    \max depth=6,
    num leaves=31,
    reg alpha=0.1,
    reg lambda=0.1,
    feature fraction=0.8,
    bagging fraction=0.8,
    bagging_freq=5,
    min child samples=50
)
# Train the model with early stopping
model final.fit(
    X tr processed, y tr,
    eval set=[(X val processed, y val)],
    eval metric= rmse',
    early_stopping_rounds=50,
    verbose=100
```

```
)
# Predict on validation set
val_pred_log = model final.predict(X val processed)
val pred = np.expm1(val pred log)
# Compute RMSLE
val rmsle final = mean squared log error(real y val, val pred)
print("Final LightGBM Validation RMSLE:", round(val rmsle final, 6))
[LightGBM] [Warning] bagging_fraction is set=0.8, subsample=1.0 will
be ignored. Current value: bagging_fraction=0.8
[LightGBM] [Warning] feature_fraction is set=0.8, colsample_bytree=1.0
will be ignored. Current value: feature fraction=0.8
[LightGBM] [Warning] bagging_freq is set=5, subsample_freq=0 will be
ignored. Current value: bagging freg=5
[100] valid 0's rmse: 0.462222 valid 0's l2: 0.213649
[200] valid 0's rmse: 0.454854
                                valid 0's l2: 0.206892
Final LightGBM Validation RMSLE: 0.205911
```

To further improve our predictions, we decided to use a more advanced model: LightGBM.

Why is LightGBM a better choice?

LightGBM is a gradient boosting framework designed to be faster and more efficient than XGBoost in many cases, especially for large datasets with high-dimensional features. Some key advantages include:

- Speed And Efficiency Uses a histogram-based learning approach, making it significantly faster than traditional boosting methods.
- Better Handling of Large Datasets Optimized for large-scale datasets while consuming less memory.
- Built-in Handling of Missing Values Automatically deals with missing data without requiring manual imputation.
- Leaf-wise Splitting Unlike traditional depth-wise tree growth (used in XGBoost), LightGBM grows trees leaf-wise, which can improve accuracy by focusing on important regions of the data.
- Running LightGBM with Default Parameters

We trained the LightGBM model using optimized hyperparameters to achieve better generalization and reduce overfitting. Below are the key parameters used:

Optimized LightGBM Hyperparameters:

objective='regression' - Optimized for predicting continuous target values.

metric='rmse' - Root Mean Squared Error used for evaluation.

learning\_rate=0.03 - Slower learning rate to improve stability and generalization.

n\_estimators=2000 - Increased boosting rounds to ensure better learning.

max\_depth=6 - Limits tree depth to prevent overfitting.

num\_leaves=31 - Controls tree complexity higher values allow more complex trees.

reg\_alpha=0.1, reg\_lambda=0.1 - L1 and L2 regularization to reduce overfitting.

feature\_fraction=0.8 - Uses 80% of features in each iteration to avoid dependency on specific features.

bagging\_fraction=0.8, bagging\_freq=5 - Uses 80% of data per iteration with bagging every 5 rounds for better generalization.

min\_child\_samples=50 - Ensures each leaf has at least 50 samples, reducing variance.

random\_state=42 - Ensures reproducibility.

#### Results & PCA Comparison:

The model achieved a significant improvement in RMSLE, making it the best-performing model in our pipeline. When testing LightGBM with PCA-transformed data, the performance declined. This suggests that PCA removed important information, making the model less effective. Due to this, we decided to use the original dataset without PCA, as it retained more predictive power and resulted in a better overall model.

```
# Ensure 'id' is removed from the test set
if 'id' in X test processed.columns:
   X test processed.drop(columns=['id'], inplace=True)
   print("'id' column has been removed from the test set.")
# Predict on the test set
test_pred_log = model_final.predict(X_test_processed)
test pred = np.expm1(test pred log)
_____
# 11. CREATE AND SAVE THE SUBMISSION FILE
_____
submission = pd.DataFrame({
   'id': test ids,
   'price doc': test pred
})
submission.to_csv("final_submission.csv", index=False)
print("\nSubmission file 'final submission.csv' created
successfully.")
# For Colab: Download the submission file
from google.colab import files
files.download('final submission.csv')
```

```
Submission file 'final_submission.csv' created successfully.
<IPython.core.display.Javascript object>
<IPython.core.display.Javascript object>
```

## Final Model Selection & Conclusion

After testing multiple models, we chose LightGBM as our best-performing model for predicting real estate prices.

## Why did we select LightGBM?

- 1. Lowest RMSLE Score LightGBM achieved the best validation score compared to all other models.
- 2. Scalability & Performance LightGBM is optimized for large datasets, making it more efficient and less prone to overfitting compared to XGBoost.
- 3. Better Handling of Large Data Unlike XGBoost, LightGBM can handle large datasets more efficiently, reducing training time while maintaining accuracy.

# Possible Issues – Overfitting or Data Leakage

Despite the excellent RMSLE score on our validation set, there is a concern that the score is too low compared to real-world benchmarks. The lowest RMSLE in the competition was around 0.3, whereas our model produced a much lower score. This raises two potential concerns:

- Overfitting The model may have learned patterns specific to the training data that do not generalize well to unseen data.
- Data Leakage There is a possibility that some test-related information was indirectly leaked into the validation set, artificially improving the score.

# Final Steps: Preparing for Submission

After training the model on the full dataset, we made final predictions on the actual test dataset.

- 1. Reintroduced the 'ID' column This ensures that our predictions align with the competition's required format.
- 2. Generated the final submission file The results were saved and prepared for submission.

While our validation performance was strong, we expect the real test performance to be slightly worse due to overfitting or data leakage. Future improvements could include better regularization techniques and more robust validation strategies to ensure generalization.