Assignment 5 Predictions

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Predicting House Prices

1a.

We start by reading in the data and doing some cleaning. With the large presence of Nas in the data, we convert Na into a factor for factor data and...

```
housingData = read.csv("housingData-1.csv")
housingFactor <- housingData %>%
  dplyr::select(where(is.character))%>%
  mutate_all(factor) %>%
  mutate_all(fct_na_value_to_level)
#Needed to convert NA's to a level to make the regression have enough data to go.
housingNumeric <- housingData %>%
  dplyr::select(where(is.numeric)) %>%
  mutate_if(is.numeric, ~replace(., is.na(.), 0))
housingData <- cbind(housingFactor, housingNumeric)</pre>
fit <- lm(log(SalePrice) ~ ., data= housingData )</pre>
summary(fit)
##
## Call:
## lm(formula = log(SalePrice) ~ ., data = housingData)
## Residuals:
##
       Min
                  1Q
                      Median
                                    3Q
                                            Max
## -0.57984 -0.04825 0.00301 0.05011
##
## Coefficients: (8 not defined because of singularities)
##
                         Estimate Std. Error t value Pr(>|t|)
## (Intercept)
                        7.444e+00 4.811e+00
                                              1.547 0.122176
## MSZoningRH
                       -2.793e-02 5.086e-02 -0.549 0.583056
## MSZoningRL
                       -6.417e-03 3.904e-02 -0.164 0.869492
## MSZoningRM
                       -8.855e-02 4.067e-02 -2.177 0.029727 *
## AlleyPave
                        2.248e-02 2.937e-02
                                              0.766 0.444120
                       1.567e-02 1.889e-02
## AlleyNA
                                              0.830 0.406886
## LotShapeIR2
                        3.708e-03 1.900e-02 0.195 0.845340
```

```
## LotShapeIR3
                        -5.563e-02
                                    4.022e-02
                                                -1.383 0.167068
                         3.421e-03
                                                 0.448 0.654058
## LotShapeReg
                                    7.631e-03
                                    2.504e-02
## LandContourHLS
                         3.236e-02
                                                 1.292 0.196722
  LandContourLow
                         7.768e-03
                                    2.958e-02
                                                 0.263 0.792925
  LandContourLvl
                         9.226e-03
                                    1.736e-02
                                                 0.532 0.595194
  LotConfigCulDSac
                         2.761e-02
                                    1.409e-02
                                                 1.959 0.050400
  LotConfigInside
                        -9.880e-03
                                    8.159e-03
                                                -1.211 0.226293
  LotConfigother
                        -2.467e-02
                                    1.728e-02
                                                -1.428 0.153785
  LandSlopeMod
                        -1.137e-03
                                    1.852e-02
                                                -0.061 0.951058
##
   LandSlopeSev
                        -9.360e-02
                                    5.466e-02
                                                -1.712 0.087210
   NeighborhoodClearCr -2.950e-02
                                    3.071e-02
                                                -0.961 0.337012
   NeighborhoodCollgCr -5.866e-02
                                    2.450e-02
                                                -2.395 0.016863
   NeighborhoodCrawfor
                                                 3.503 0.000485
                         9.061e-02
                                    2.587e-02
   NeighborhoodEdwards -1.019e-01
                                    2.197e-02
                                                -4.638 4.08e-06
   NeighborhoodGilbert -8.003e-02
                                    2.724e-02
                                                -2.938 0.003393 **
   NeighborhoodIDOTRR
                         1.263e-02
                                    2.756e-02
                                                 0.458 0.646888
   NeighborhoodMitchel -9.302e-02
                                                -3.565 0.000385 ***
                                    2.609e-02
   NeighborhoodNAmes
                        -6.859e-02
                                    2.160e-02
                                                -3.175 0.001554
   NeighborhoodNoRidge -7.284e-02
                                                -2.414 0.015976
                                    3.017e-02
                                                 0.322 0.747288
   NeighborhoodNridgHt
                        9.689e-03
                                    3.006e-02
   NeighborhoodNWAmes
                        -7.587e-02
                                    2.559e-02
                                                -2.965 0.003113
   NeighborhoodOldTown -5.707e-02
                                    2.253e-02
                                                -2.533 0.011499
  Neighborhoodother
                                                -1.932 0.053725
                        -4.613e-02
                                    2.388e-02
   NeighborhoodSawyer
                        -7.749e-02
                                    2.385e-02
                                                -3.249 0.001207 **
   NeighborhoodSawyerW -6.989e-02
                                    2.647e-02
                                                -2.640 0.008438
   NeighborhoodSomerst -4.647e-03
                                    4.076e-02
                                                -0.114 0.909274
   NeighborhoodTimber
                        -5.113e-02
                                    3.192e-02
                                                -1.602 0.109584
   Condition1Feedr
                         1.595e-02
                                    2.258e-02
                                                 0.707 0.480059
   Condition1Norm
                         5.742e-02
                                    1.902e-02
                                                 3.019 0.002611 **
                                    4.177e-02
   Condition1PosA
                        -2.805e-02
                                                -0.672 0.501990
   Condition1PosN
                         7.434e-04
                                    3.190e-02
                                                 0.023 0.981415
   Condition1RR
                         8.207e-03
                                    2.728e-02
                                                 0.301 0.763636
   BldgType2fmCon
                         6.847e-02
                                    5.728e-02
                                                 1.195 0.232267
   BldgTypeDuplex
                        -8.900e-03
                                    3.388e-02
                                                -0.263 0.792878
   BldgTypeTwnhs
                        -5.347e-02
                                    4.345e-02
                                                -1.231 0.218818
  BldgTypeTwnhsE
                        -8.022e-03
                                    4.066e-02
                                                -0.197 0.843635
   HouseStyle1.5Unf
                        -8.002e-03
                                    3.560e-02
                                                -0.225 0.822232
  HouseStyle1Story
                         9.506e-03
                                    2.011e-02
                                                 0.473 0.636489
   HouseStyle2.5Fin
                        -9.036e-02
                                    5.621e-02
                                                -1.608 0.108287
   HouseStyle2.5Unf
                        -1.180e-02
                                    4.570e-02
                                                -0.258 0.796307
   HouseStyle2Story
                        -4.113e-04
                                    1.537e-02
                                                -0.027 0.978652
   HouseStyleSFoyer
                         9.966e-03
                                    2.832e-02
                                                 0.352 0.724981
##
   HouseStyleSLvl
                         3.552e-02
                                    2.532e-02
                                                 1.403 0.161079
   RoofStyleHip
                         6.978e-03
                                    8.681e-03
                                                 0.804 0.421713
                                    2.418e-02
## RoofStyleother
                         7.558e-02
                                                 3.125 0.001838 **
## Exterior1stCemntBd
                        -1.257e-01
                                    6.248e-02
                                                -2.012 0.044577
                                    2.927e-02
  Exterior1stHdBoard
                        -6.933e-02
                                                -2.368 0.018093 *
   Exterior1stMetalSd
                        -3.478e-02
                                    4.085e-02
                                                -0.851 0.394889
   Exterior1stother
                        -3.534e-02
                                    2.885e-02
                                                -1.225 0.221003
   Exterior1stPlywood
                        -6.228e-02
                                    2.792e-02
                                                -2.231 0.025956
  Exterior1stVinylSd
                        -1.083e-01
                                    4.045e-02
                                                -2.677 0.007568
## Exterior1stWd Sdng
                        -1.109e-01
                                    2.475e-02
                                                -4.481 8.48e-06 ***
## Exterior2ndCmentBd
                         8.568e-02
                                    6.589e-02
                                                 1.300 0.193894
## Exterior2ndHdBoard
                         2.256e-02
                                    3.405e-02
                                                 0.662 0.507866
```

```
## Exterior2ndMetalSd
                         2.696e-03
                                    4.489e-02
                                                 0.060 0.952124
                         2.327e-02
## Exterior2ndother
                                    3.330e-02
                                                 0.699 0.484960
## Exterior2ndPlywood
                         1.401e-02
                                    3.238e-02
                                                 0.433 0.665322
## Exterior2ndVinylSd
                                                 1.840 0.066075
                         8.119e-02
                                    4.412e-02
## Exterior2ndWd Sdng
                         7.263e-02
                                    2.985e-02
                                                 2.433 0.015186
## Exterior2ndWd Shng
                         5.550e-03
                                                 0.148 0.881986
                                    3.737e-02
## MasVnrTypeBrkFace
                         4.927e-02
                                    3.705e-02
                                                 1.330 0.183941
## MasVnrTypeNone
                         5.170e-02
                                    3.733e-02
                                                 1.385 0.166488
  MasVnrTypeStone
                         6.659e-02
                                     3.929e-02
                                                 1.695 0.090446
  MasVnrTypeNA
                         2.759e-02
                                    5.840e-02
                                                 0.472 0.636783
  ExterQualAvg
                         3.688e-03
                                    1.093e-02
                                                 0.337 0.735921
## ExterQualBelowAvg
                        -1.351e-01
                                    4.639e-02
                                                -2.912 0.003691 **
  ExterCondAvg
                         2.642e-02
                                    1.084e-02
                                                 2.438 0.014974 *
   ExterCondBelowAvg
                         2.695e-02
                                    3.022e-02
                                                 0.892 0.372767
## FoundationCBlock
                         1.428e-02
                                    1.432e-02
                                                 0.997 0.319041
## Foundationother
                        -2.789e-02
                                     2.857e-02
                                                -0.976 0.329229
  FoundationPConc
                         3.867e-02
                                    1.593e-02
                                                 2.427 0.015438 *
   BsmtQualAvg
                         1.872e-02
                                    1.129e-02
                                                 1.658 0.097788
## BsmtQualBelowAvg
                         2.885e-02
                                    2.539e-02
                                                 1.137 0.256022
## BsmtQualNA
                         2.559e-01
                                    1.431e-01
                                                 1.788 0.074128
## BsmtCondAvg
                        -2.887e-02
                                     1.649e-02
                                                -1.751 0.080351
## BsmtCondBelowAvg
                                     2.627e-02
                                                -1.883 0.059984
                        -4.948e-02
## BsmtCondNA
                                                    NA
                                NA
                                            NA
                                                              NA
## BsmtExposureGd
                         2.820e-02
                                    1.430e-02
                                                 1.972 0.048925 *
                                                -1.099 0.272177
  BsmtExposureMn
                        -1.597e-02
                                    1.454e-02
  BsmtExposureNo
                        -1.101e-02
                                    1.063e-02
                                                -1.036 0.300646
## BsmtExposureNA
                        -7.775e-02
                                    8.912e-02
                                                -0.872 0.383233
## BsmtFinType1BLQ
                        -1.481e-02
                                    1.209e-02
                                                -1.225 0.220993
   BsmtFinType1GLQ
                         1.245e-02
                                    1.127e-02
                                                 1.105 0.269547
## BsmtFinType1LwQ
                        -3.091e-02
                                    1.707e-02
                                                -1.811 0.070507
   BsmtFinType1Rec
                        -1.985e-02
                                     1.361e-02
                                                -1.459 0.144874
   BsmtFinType1Unf
                        -1.112e-02
                                     1.345e-02
                                                -0.827 0.408628
   BsmtFinType1NA
                                NA
                                            NA
                                                    NA
  BsmtFinType2BLQ
                        -6.358e-02
                                    3.712e-02
                                                -1.713 0.087101
                                                 0.083 0.934242
  BsmtFinType2GLQ
                         3.402e-03
                                    4.122e-02
## BsmtFinType2LwQ
                        -3.302e-02
                                    3.706e-02
                                                -0.891 0.373182
## BsmtFinType2Rec
                        -3.983e-02
                                    3.662e-02
                                                -1.088 0.277017
## BsmtFinType2Unf
                        -1.131e-02
                                    4.023e-02
                                                -0.281 0.778617
## BsmtFinType2NA
                        -1.872e-01
                                    9.955e-02
                                                -1.880 0.060444
## Heatingother
                         4.336e-02
                                    2.431e-02
                                                 1.784 0.074868
## HeatingQCAvg
                        -1.684e-02
                                    8.323e-03
                                                -2.024 0.043293 *
## HeatingQCBelowAvg
                                    1.932e-02
                                                -1.685 0.092284
                        -3.257e-02
## CentralAirY
                         4.158e-02
                                    1.823e-02
                                                 2.280 0.022835
## ElectricalFuseF
                        -7.491e-02
                                    2.748e-02
                                                -2.726 0.006550 **
## ElectricalFuseP
                        -1.006e-02
                                    7.768e-02
                                                -0.130 0.896967
## ElectricalSBrkr
                         2.362e-05
                                    1.324e-02
                                                 0.002 0.998577
## ElectricalNA
                         7.785e-02
                                    9.511e-02
                                                 0.819 0.413298
## KitchenQualAvg
                        -8.813e-03
                                    9.772e-03
                                                -0.902 0.367378
  KitchenQualBelowAvg -1.848e-02
                                    2.402e-02
                                                -0.769 0.441947
## FunctionalMaj2
                        -2.539e-01
                                    5.685e-02
                                                -4.466 9.09e-06
## FunctionalMin1
                         2.588e-02
                                    3.658e-02
                                                 0.707 0.479532
## FunctionalMin2
                         5.450e-02
                                    3.665e-02
                                                 1.487 0.137337
## FunctionalMod
                         2.933e-03
                                    4.222e-02
                                                 0.069 0.944642
## FunctionalTyp
                         7.262e-02
                                    3.092e-02
                                                 2.349 0.019071 *
```

```
## FireplaceQuAvg
                        -1.038e-02
                                     9.933e-03
                                                -1.045 0.296203
## FireplaceQuBelowAvg -2.274e-02
                                     1.652e-02
                                                -1.377 0.169019
## FireplaceQuNA
                        -3.265e-02
                                     1.585e-02
                                                -2.060 0.039692 *
## GarageTypeAttchd
                         1.371e-01
                                     6.025e-02
                                                 2.275 0.023147
## GarageTypeBasment
                         1.169e-01
                                     6.872e-02
                                                 1.701 0.089360
## GarageTypeBuiltIn
                         1.329e-01
                                     6.249e-02
                                                 2.128 0.033671 *
## GarageTypeCarPort
                         1.370e-01
                                     7.828e-02
                                                 1.750 0.080555
## GarageTypeDetchd
                         1.301e-01
                                     5.959e-02
                                                 2.184 0.029268 *
## GarageTypeNA
                        -3.334e-01
                                     5.721e-01
                                                -0.583 0.560265
## GarageFinishRFn
                        -4.936e-03
                                     9.088e-03
                                                -0.543 0.587178
## GarageFinishUnf
                        -1.135e-02
                                     1.088e-02
                                                -1.043 0.297220
## GarageFinishNA
                                NA
                                            ΝA
                                                    NA
                                                              NA
## GarageQualAvg
                        -2.987e-02
                                     3.870e-02
                                                -0.7720.440401
                                                -1.391 0.164546
   GarageQualBelowAvg
                        -6.201e-02
                                     4.457e-02
## GarageQualNA
                                NA
                                            NA
                                                    NA
## GarageCondAvg
                         2.715e-02
                                     4.143e-02
                                                 0.655 0.512429
                                                -0.409 0.682764
## GarageCondBelowAvg
                        -1.916e-02
                                     4.687e-02
## GarageCondNA
                                NA
                                            NA
                                                    NA
## PavedDriveP
                                                -1.024 0.306321
                        -2.408e-02
                                     2.353e-02
## PavedDriveY
                         1.767e-03
                                     1.523e-02
                                                 0.116 0.907666
## PoolQCGd
                         6.987e-02
                                     1.322e-01
                                                 0.528 0.597336
## PoolQCNA
                                     9.649e-02
                        -1.015e-01
                                                -1.052 0.293070
## FenceGdWo
                                                -0.286 0.774912
                        -6.290e-03
                                     2.199e-02
## FenceMnPrv
                         1.646e-02
                                     1.810e-02
                                                 0.910 0.363328
                                                -0.280 0.779523
## FenceMnWw
                        -1.039e-02
                                     3.709e-02
## FenceNA
                         3.212e-02
                                     1.630e-02
                                                 1.971 0.049081 *
## MiscFeatureShed
                         7.517e-02
                                                 0.974 0.330177
                                    7.715e-02
## MiscFeatureNA
                         7.489e-02
                                    8.211e-02
                                                 0.912 0.361993
                                                -0.641 0.521516
## SaleTypeWD
                        -1.147e-02
                                    1.789e-02
## Id
                        -1.054e-05
                                     1.035e-05
                                                -1.018 0.308785
## MSSubClass
                        -4.262e-04
                                     3.780e-04
                                                -1.127 0.259882
## LotFrontage
                         3.823e-05
                                     1.017e-04
                                                 0.376 0.707061
## LotArea
                         2.865e-06
                                     4.912e-07
                                                 5.831 7.88e-09 ***
                                                10.553
## OverallQual
                         4.809e-02
                                     4.557e-03
                                                        < 2e-16 ***
## OverallCond
                         4.089e-02
                                     4.005e-03
                                                10.210
                                                         < 2e-16
## YearBuilt
                                                 6.389 2.78e-10 ***
                         2.175e-03
                                     3.405e-04
## YearRemodAdd
                         5.850e-04
                                     2.584e-04
                                                 2.263 0.023865 *
## MasVnrArea
                         1.916e-05
                                     2.586e-05
                                                 0.741 0.459107
## BsmtFinSF1
                         1.701e-04
                                     2.374e-05
                                                 7.163 1.74e-12 ***
## BsmtFinSF2
                         1.813e-04
                                     4.846e-05
                                                 3.741 0.000196 ***
## BsmtUnfSF
                         1.109e-04
                                     2.136e-05
                                                 5.189 2.66e-07 ***
## TotalBsmtSF
                                                    NA
                                NΑ
                                            NΑ
                                                              NΑ
                                                10.244
## X1stFlrSF
                         2.598e-04
                                     2.536e-05
                                                         < 2e-16 ***
## X2ndFlrSF
                         3.040e-04
                                     2.630e-05
                                                11.560
                                                         < 2e-16 ***
                                                 3.469 0.000549 ***
## LowQualFinSF
                         3.031e-04
                                     8.739e-05
## GrLivArea
                                NA
                                            NA
                                                    NA
                                                              NA
## BsmtFullBath
                         2.961e-02
                                     8.964e-03
                                                 3.304 0.000995 ***
## BsmtHalfBath
                         8.870e-03
                                     1.386e-02
                                                 0.640 0.522337
## FullBath
                         1.141e-02
                                     1.064e-02
                                                 1.072 0.284064
## HalfBath
                         4.779e-03
                                     9.970e-03
                                                 0.479 0.631825
## BedroomAbvGr
                        -9.036e-03
                                     6.399e-03
                                                -1.412 0.158300
## KitchenAbvGr
                        -4.097e-02
                                     2.887e-02
                                                -1.419 0.156190
## TotRmsAbvGrd
                         2.742e-04
                                    4.500e-03
                                                 0.061 0.951439
## Fireplaces
                         9.180e-03
                                    1.164e-02
                                                 0.789 0.430615
```

```
## GarageYrBlt
                      -2.077e-04 2.910e-04 -0.714 0.475622
## GarageCars
                       3.385e-02 1.045e-02
                                            3.239 0.001249 **
                       5.882e-05 3.795e-05
## GarageArea
                                            1.550 0.121571
                       8.734e-05 2.699e-05
## WoodDeckSF
                                             3.236 0.001259 **
## OpenPorchSF
                       1.482e-04 5.363e-05
                                             2.764 0.005837 **
## EncPorchSF
                       2.045e-04 4.026e-05
                                            5.080 4.67e-07 ***
## PoolArea
                              NA
                                        NA
                                                NA
                                                         NA
                       2.271e-05 2.792e-05
## MiscVal
                                             0.813 0.416349
## MoSold
                      -9.610e-04 1.164e-03 -0.826 0.409278
## YrSold
                      -9.116e-04 2.377e-03 -0.383 0.701452
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 0.08702 on 829 degrees of freedom
## Multiple R-squared: 0.9523, Adjusted R-squared: 0.9426
## F-statistic: 97.46 on 170 and 829 DF, p-value: < 2.2e-16
```

We run the cross validation on this model to see what it looks like.

```
##
## 1000 samples
##
     73 predictor
##
## No pre-processing
## Resampling: Cross-Validated (5 fold)
## Summary of sample sizes: 800, 801, 800, 800, 799
## Resampling results:
##
##
     RMSE
                Rsquared
                           MAE
     0.1052332 0.9174586 0.07828594
##
## Tuning parameter 'intercept' was held constant at a value of TRUE
```

There are lots of variables here. Let's see if we can reduce the number of variables. The following code starts with the complete model from above and adds or removes features based on AIC, attempting to minimize this value. We have hidden the results because they were very long.

```
OLMSim <- stepAIC(fit, direction = "both")</pre>
```

Below is the formula for the best found in the above process.

```
OLMSim$call$formula
```

Linear Regression

```
## log(SalePrice) ~ MSZoning + LotConfig + LandSlope + Neighborhood +
## Condition1 + BldgType + RoofStyle + Exterior1st + Exterior2nd +
## ExterQual + ExterCond + Foundation + BsmtExposure + BsmtFinType1 +
```

```
## BsmtFinType2 + Heating + HeatingQC + CentralAir + Electrical +
## Functional + FireplaceQu + GarageCond + PoolQC + Fence +
## MSSubClass + LotArea + OverallQual + OverallCond + YearBuilt +
## YearRemodAdd + BsmtFinSF1 + BsmtFinSF2 + BsmtUnfSF + X1stFlrSF +
## X2ndFlrSF + LowQualFinSF + BsmtFullBath + BedroomAbvGr +
## GarageCars + GarageArea + WoodDeckSF + OpenPorchSF + EncPorchSF
```

OLMSim\$coefficients

##	(Intercept)	MSZoningRH	MSZoningRL	MSZoningRM
##	4.919190e+00	-3.173022e-02	7.229467e-03	-7.992734e-02
##	LotConfigCulDSac	LotConfigInside	LotConfigother	LandSlopeMod
##	2.238491e-02	-1.150532e-02	-2.996273e-02	9.419786e-04
##			NeighborhoodCollgCr	
##	-1.055136e-01	-2.262315e-02	-7.013679e-02	8.897206e-02
##	NeighborhoodEdwards	NeighborhoodGilbert	NeighborhoodIDOTRR	NeighborhoodMitchel
##	-9.770325e-02	-8.607437e-02	1.526584e-02	-9.733684e-02
##	NeighborhoodNAmes	NeighborhoodNoRidge	NeighborhoodNridgHt	NeighborhoodNWAmes
##	-6.426964e-02	-7.410666e-02	4.001278e-03	-7.243534e-02
##	NeighborhoodOldTown	Neighborhoodother	NeighborhoodSawyer	NeighborhoodSawyerW
##	-6.162466e-02	-5.471020e-02	-7.818490e-02	-8.194072e-02
##	${\tt NeighborhoodSomerst}$	NeighborhoodTimber	Condition1Feedr	Condition1Norm
##	-2.097012e-03	-5.679667e-02	1.758743e-02	5.609129e-02
##	Condition1PosA	Condition1PosN	Condition1RR	BldgType2fmCon
##	-3.041026e-02	-4.481193e-03	4.716947e-05	4.870701e-02
##	${\tt BldgTypeDuplex}$	${\tt BldgTypeTwnhs}$	${\tt BldgTypeTwnhsE}$	${ t RoofStyleHip}$
##	-4.278601e-02	-6.277270e-02	-1.413489e-02	9.080553e-03
##	RoofStyleother	Exterior1stCemntBd	Exterior1stHdBoard	Exterior1stMetalSd
##	8.052711e-02	-1.196717e-01	-6.914775e-02	-3.336394e-02
##	Exterior1stother	Exterior1stPlywood	Exterior1stVinylSd	Exterior1stWd Sdng
##	-4.126081e-02	-6.305208e-02	-1.007791e-01	-1.114008e-01
##	Exterior2ndCmentBd	Exterior2ndHdBoard	Exterior2ndMetalSd	Exterior2ndother
##	7.673617e-02	2.465389e-02	-8.731670e-04	2.516094e-02
##	Exterior2ndPlywood	Exterior2ndVinylSd	Exterior2ndWd Sdng	Exterior2ndWd Shng
##	9.266997e-03	7.240285e-02	6.946790e-02	6.472277e-03
##	ExterQualAvg	ExterQualBelowAvg	ExterCondAvg	ExterCondBelowAvg
##	3.253342e-03	-1.173598e-01	2.230425e-02	2.297629e-02
##	FoundationCBlock	Foundationother	FoundationPConc	BsmtExposureGd
##	2.034944e-02	-2.291767e-02	4.284088e-02	3.519998e-02
##	BsmtExposureMn	BsmtExposureNo	BsmtExposureNA	BsmtFinType1BLQ
##	-1.576690e-02	-1.232520e-02	-7.344438e-02	-1.912129e-02
##	BsmtFinType1GLQ	BsmtFinType1LwQ	BsmtFinType1Rec	BsmtFinType1Unf
##	6.823609e-03	-3.425314e-02	-2.365417e-02	-1.680508e-02
##	BsmtFinType1NA	BsmtFinType2BLQ	BsmtFinType2GLQ	BsmtFinType2LwQ -4.124217e-02
##	2.537641e-01	-7.109323e-02	-1.980149e-03	
	BsmtFinType2Rec -4.496115e-02	BsmtFinType2Unf -2.404294e-02	BsmtFinType2NA -1.965666e-01	Heatingother 4.083865e-02
## ##	HeatingQCAvg	HeatingQCBelowAvg	CentralAirY	ElectricalFuseF
##	-1.890933e-02	-4.248829e-02	4.590202e-02	-6.609621e-02
##	ElectricalFuseP	ElectricalSBrkr	ElectricalNA	FunctionalMaj2
##	-4.207347e-02	1.585508e-03	1.123706e-01	-2.322549e-01
##	FunctionalMin1	FunctionalMin2	FunctionalMod	FunctionalTyp
##	2.129487e-02	4.710104e-02	-1.836323e-03	7.256940e-02
##		FireplaceQuBelowAvg	FireplaceQuNA	GarageCondAvg
##	-1.396150e-02	-2.421613e-02	-4.522487e-02	2.959014e-02
ππ	1.550150e 02	2.4210136 02	4.0224076 02	2.3030146 02

```
##
    GarageCondBelowAvg
                               GarageCondNA
                                                        PoolQCGd
                                                                              PoolQCNA
##
         -3.707521e-02
                              -1.947258e-02
                                                    8.772475e-02
                                                                        -1.100343e-01
                                                       FenceMnWw
##
             FenceGdWo
                                 FenceMnPrv
                                                                               FenceNA
         -2.615817e-03
                               1.472555e-02
                                                    9.554331e-04
                                                                         3.052037e-02
##
##
            MSSubClass
                                    LotArea
                                                     OverallQual
                                                                          OverallCond
         -3.553012e-04
                               2.684505e-06
                                                    5.189533e-02
                                                                         4.321700e-02
##
##
                               YearRemodAdd
                                                      BsmtFinSF1
                                                                            BsmtFinSF2
             YearBuilt
          2.411541e-03
                               5.855832e-04
                                                                          1.682237e-04
##
                                                    1.639874e-04
##
             BsmtUnfSF
                                  X1stFlrSF
                                                        X2ndFlrSF
                                                                         LowQualFinSF
##
          1.002439e-04
                               2.756585e-04
                                                    2.966282e-04
                                                                          2.256821e-04
##
          BsmtFullBath
                               BedroomAbvGr
                                                      GarageCars
                                                                            GarageArea
##
          2.558566e-02
                              -8.730571e-03
                                                    3.346638e-02
                                                                          5.214420e-05
##
            WoodDeckSF
                                OpenPorchSF
                                                      EncPorchSF
          8.119717e-05
                               1.489328e-04
                                                    2.104590e-04
##
Now that we have found this linear fit, we run a 5 fold cross validation to examine the
fitOLMSim <- train(OLMSim$call$formula,</pre>
             data=housingData,
             method="lm",
             trControl=fitControl)
fitOLMSim
## Linear Regression
##
## 1000 samples
     43 predictor
##
##
## No pre-processing
## Resampling: Cross-Validated (5 fold)
## Summary of sample sizes: 802, 798, 800, 800, 800
## Resampling results:
##
##
     RMSE
                Rsquared
                            MAE
     0.0970649 0.9296133 0.07297047
##
##
## Tuning parameter 'intercept' was held constant at a value of TRUE
fitOLMSim$results
##
     intercept
                                            MAE
                                                     RMSESD RsquaredSD
                                                                               MAESD
                     RMSE Rsquared
## 1
          TRUE 0.0970649 0.9296133 0.07297047 0.008839826 0.01173315 0.003948156
summary(fitOLMSim)
##
## Call:
## lm(formula = .outcome ~ ., data = dat)
## Residuals:
                  10
                        Median
                                      30
                                              Max
  -0.60607 -0.04622 0.00212 0.05329 0.27018
##
##
## Coefficients: (16 not defined because of singularities)
##
                           Estimate Std. Error t value Pr(>|t|)
```

4.919e+00 6.330e-01 7.772 2.15e-14 ***

(Intercept)

```
## MSZoningRH
                         -3.173e-02
                                      4.729e-02
                                                 -0.671 0.502444
## MSZoningRL
                          7.229e-03
                                      3.666e-02
                                                  0.197 0.843734
## MSZoningRM
                                      3.798e-02
                         -7.993e-02
                                                 -2.105 0.035600 *
## MSZoningNA
                                 NA
                                                               NA
                                             NA
                                                     NA
## LotConfigCulDSac
                          2.238e-02
                                      1.316e-02
                                                  1.702 0.089189
## LotConfigInside
                         -1.151e-02
                                     7.812e-03
                                                 -1.473 0.141157
## LotConfigother
                         -2.996e-02
                                      1.643e-02
                                                 -1.824 0.068566
## LotConfigNA
                                 NA
                                             NA
                                                     NA
                                                               NA
## LandSlopeMod
                          9.420e-04
                                      1.508e-02
                                                  0.062 0.950220
## LandSlopeSev
                         -1.055e-01
                                      5.152e-02
                                                 -2.048 0.040840 *
## LandSlopeNA
                                 NA
                                             NA
                                                     NA
                                                               NA
                         -2.262e-02
                                      2.860e-02
                                                 -0.791 0.429163
## NeighborhoodClearCr
## NeighborhoodCollgCr
                         -7.014e-02
                                      2.275e-02
                                                 -3.083 0.002113 **
                                                  3.683 0.000244 ***
## NeighborhoodCrawfor
                          8.897e-02
                                      2.416e-02
                         -9.770e-02
## NeighborhoodEdwards
                                      2.039e-02
                                                 -4.792 1.94e-06 ***
## NeighborhoodGilbert
                         -8.607e-02
                                      2.515e-02
                                                 -3.422 0.000650 ***
## NeighborhoodIDOTRR
                          1.527e-02
                                      2.622e-02
                                                  0.582 0.560596
## NeighborhoodMitchel
                         -9.734e-02
                                      2.462e-02
                                                 -3.953 8.34e-05 ***
## NeighborhoodNAmes
                         -6.427e-02
                                      1.981e-02
                                                 -3.245 0.001220 **
## NeighborhoodNoRidge
                         -7.411e-02
                                      2.805e-02
                                                 -2.642 0.008398 **
## NeighborhoodNridgHt
                          4.001e-03
                                      2.831e-02
                                                  0.141 0.887637
## NeighborhoodNWAmes
                                                 -3.050 0.002353 **
                         -7.244e-02
                                      2.375e-02
## NeighborhoodOldTown
                         -6.162e-02
                                      1.989e-02
                                                 -3.098 0.002010 **
## Neighborhoodother
                                      2.249e-02
                         -5.471e-02
                                                 -2.433 0.015179 *
## NeighborhoodSawyer
                                                 -3.455 0.000577 ***
                         -7.818e-02
                                      2.263e-02
## NeighborhoodSawyerW
                         -8.194e-02
                                      2.472e-02
                                                 -3.315 0.000955 ***
## NeighborhoodSomerst
                         -2.097e-03
                                      3.886e-02
                                                 -0.054 0.956972
## NeighborhoodTimber
                         -5.680e-02
                                      3.017e-02
                                                 -1.883 0.060071
## NeighborhoodNA
                                 NA
                                             NΑ
                                                     NΑ
                                                               NA
## Condition1Feedr
                          1.759e-02
                                      2.180e-02
                                                  0.807 0.419939
## Condition1Norm
                          5.609e-02
                                      1.802e-02
                                                  3.113 0.001909 **
## Condition1PosA
                         -3.041e-02
                                      4.040e-02
                                                 -0.753 0.451836
## Condition1PosN
                         -4.481e-03
                                      3.059e-02
                                                 -0.146 0.883582
                          4.717e-05
                                      2.604e-02
## Condition1RR
                                                  0.002 0.998555
## Condition1NA
                                 NA
                                             NA
                                                     NA
                                                               NA
                          4.871e-02
                                     3.696e-02
                                                  1.318 0.187894
## BldgType2fmCon
## BldgTypeDuplex
                         -4.279e-02
                                      2.279e-02
                                                 -1.877 0.060818
## BldgTypeTwnhs
                         -6.277e-02
                                      2.981e-02
                                                 -2.106 0.035520 *
## BldgTypeTwnhsE
                         -1.413e-02
                                      2.465e-02
                                                 -0.573 0.566547
## BldgTypeNA
                                 NA
                                             NΑ
                                                     NA
## RoofStyleHip
                          9.081e-03
                                      8.245e-03
                                                  1.101 0.271058
## RoofStyleother
                          8.053e-02
                                      2.246e-02
                                                  3.586 0.000354
## RoofStyleNA
                                 NA
                                             NA
                                                     NA
                                                               NA
## Exterior1stCemntBd
                         -1.197e-01
                                      5.955e-02
                                                 -2.010 0.044771
## Exterior1stHdBoard
                         -6.915e-02
                                      2.777e-02
                                                 -2.490 0.012953 *
## Exterior1stMetalSd
                         -3.336e-02
                                      3.893e-02
                                                 -0.857 0.391702
## Exterior1stother
                         -4.126e-02
                                      2.771e-02
                                                 -1.489 0.136858
## Exterior1stPlywood
                         -6.305e-02
                                      2.678e-02
                                                 -2.354 0.018779 *
                         -1.008e-01
                                                 -2.638 0.008479
## Exterior1stVinylSd
                                      3.820e-02
  `Exterior1stWd Sdng`
                         -1.114e-01
                                      2.380e-02
                                                 -4.681 3.30e-06
## Exterior1stNA
                                 NA
                                             NA
                                                     NA
                                                               NA
## Exterior2ndCmentBd
                          7.674e-02
                                      6.261e-02
                                                  1.226 0.220690
## Exterior2ndHdBoard
                          2.465e-02
                                     3.263e-02
                                                  0.756 0.450103
## Exterior2ndMetalSd
                         -8.732e-04
                                     4.281e-02
                                                 -0.020 0.983732
```

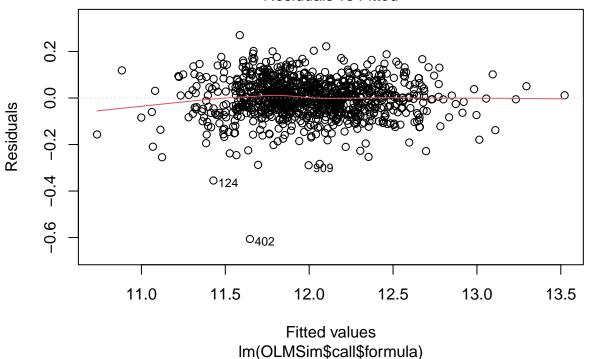
```
## Exterior2ndother
                          2.516e-02
                                     3.206e-02
                                                  0.785 0.432770
## Exterior2ndPlywood
                                                  0.298 0.765904
                          9.267e-03
                                     3.112e-02
                                                  1.729 0.084213
## Exterior2ndVinylSd
                          7.240e-02
                                     4.188e-02
   `Exterior2ndWd Sdng`
                                     2.904e-02
                                                  2.392 0.016968
                          6.947e-02
## `Exterior2ndWd Shng`
                          6.472e-03
                                      3.573e-02
                                                  0.181 0.856295
## Exterior2ndNA
                                 NA
                                             NA
                                                     NA
                                                               NΑ
## ExterQualAvg
                          3.253e-03
                                     9.939e-03
                                                  0.327 0.743506
## ExterQualBelowAvg
                         -1.174e-01
                                     4.170e-02
                                                 -2.814 0.004994 **
## ExterQualNA
                                 NA
                                             NA
                                                     NA
                                                               NA
## ExterCondAvg
                          2.230e-02
                                      1.015e-02
                                                  2.197 0.028255 *
## ExterCondBelowAvg
                          2.298e-02
                                      2.812e-02
                                                  0.817 0.414054
## ExterCondNA
                                 NA
                                             NA
                                                     NA
                                                               NA
## FoundationCBlock
                          2.035e-02
                                     1.347e-02
                                                  1.511 0.131222
## Foundationother
                         -2.292e-02
                                      2.708e-02
                                                 -0.846 0.397630
## FoundationPConc
                                     1.509e-02
                                                  2.840 0.004616 **
                          4.284e-02
## FoundationNA
                                 NA
                                             NA
                                                     NA
                                                               NA
## BsmtExposureGd
                          3.520e-02
                                     1.368e-02
                                                  2.573 0.010239 *
## BsmtExposureMn
                         -1.577e-02
                                      1.372e-02
                                                 -1.149 0.250742
                                                 -1.232 0.218385
## BsmtExposureNo
                         -1.233e-02
                                     1.001e-02
## BsmtExposureNA
                         -7.344e-02
                                     8.778e-02
                                                 -0.837 0.403014
## BsmtFinType1BLQ
                         -1.912e-02
                                     1.162e-02
                                                 -1.646 0.100222
## BsmtFinType1GLQ
                                     1.082e-02
                                                  0.631 0.528361
                          6.824e-03
                                     1.626e-02
                                                 -2.107 0.035391 *
## BsmtFinType1LwQ
                         -3.425e-02
                                     1.287e-02
## BsmtFinType1Rec
                         -2.365e-02
                                                 -1.838 0.066466
## BsmtFinType1Unf
                         -1.681e-02
                                     1.292e-02
                                                 -1.301 0.193552
## BsmtFinType1NA
                          2.538e-01
                                     1.380e-01
                                                  1.838 0.066336
## BsmtFinType2BLQ
                         -7.109e-02
                                     3.613e-02
                                                 -1.967 0.049441
## BsmtFinType2GLQ
                         -1.980e-03
                                     3.996e-02
                                                 -0.050 0.960487
## BsmtFinType2LwQ
                         -4.124e-02
                                     3.588e-02
                                                 -1.150 0.250628
## BsmtFinType2Rec
                         -4.496e-02
                                     3.539e-02
                                                 -1.270 0.204245
## BsmtFinType2Unf
                         -2.404e-02
                                     3.906e-02
                                                 -0.616 0.538364
  BsmtFinType2NA
                         -1.966e-01
                                     9.733e-02
                                                 -2.019 0.043738 *
## Heatingother
                          4.084e-02
                                      2.238e-02
                                                  1.825 0.068328
## HeatingNA
                                 NA
                                             NA
                                                     NA
                                                               NA
  HeatingQCAvg
                         -1.891e-02
                                     7.826e-03
                                                 -2.416 0.015886
                                     1.813e-02
## HeatingQCBelowAvg
                                                 -2.343 0.019342 *
                         -4.249e-02
## HeatingQCNA
                                 NΑ
                                             NA
## CentralAirY
                          4.590e-02
                                     1.708e-02
                                                  2.688 0.007323 **
## CentralAirNA
                                 NA
                                             NΑ
                                                     NA
                                                               NA
## ElectricalFuseF
                                     2.619e-02
                         -6.610e-02
                                                 -2.524 0.011782 *
## ElectricalFuseP
                         -4.207e-02
                                     6.782e-02
                                                 -0.620 0.535181
## ElectricalSBrkr
                                     1.262e-02
                                                  0.126 0.900058
                          1.586e-03
## ElectricalNA
                          1.124e-01
                                     9.179e-02
                                                  1.224 0.221178
## FunctionalMaj2
                                     5.438e-02
                         -2.323e-01
                                                 -4.271 2.16e-05 ***
## FunctionalMin1
                          2.129e-02
                                     3.444e-02
                                                  0.618 0.536507
## FunctionalMin2
                          4.710e-02
                                     3.378e-02
                                                  1.394 0.163560
## FunctionalMod
                         -1.836e-03
                                     3.925e-02
                                                 -0.047 0.962697
                                      2.860e-02
## FunctionalTyp
                          7.257e-02
                                                  2.537 0.011342 *
## FunctionalNA
                                 NΑ
                                             NΑ
                                                     NA
                                                               NΑ
## FireplaceQuAvg
                         -1.396e-02
                                     9.489e-03
                                                 -1.471 0.141542
## FireplaceQuBelowAvg
                         -2.422e-02
                                     1.601e-02
                                                 -1.513 0.130699
## FireplaceQuNA
                         -4.522e-02
                                     8.934e-03
                                                 -5.062 5.05e-07 ***
## GarageCondAvg
                          2.959e-02
                                     3.784e-02
                                                  0.782 0.434385
## GarageCondBelowAvg
                         -3.708e-02
                                     4.205e-02
                                                 -0.882 0.378153
```

```
## GarageCondNA
                       -1.947e-02 4.157e-02 -0.468 0.639566
## PoolQCGd
                        8.772e-02 1.287e-01
                                               0.682 0.495703
                                   9.383e-02 -1.173 0.241251
## PoolQCNA
                       -1.100e-01
## FenceGdWo
                                   2.115e-02 -0.124 0.901577
                       -2.616e-03
## FenceMnPrv
                        1.473e-02
                                   1.736e-02
                                               0.848 0.396554
## FenceMnWw
                        9.554e-04
                                   3.593e-02
                                               0.027 0.978789
## FenceNA
                        3.052e-02 1.552e-02
                                               1.967 0.049533 *
## MSSubClass
                       -3.553e-04
                                   2.100e-04
                                             -1.692 0.091048 .
## LotArea
                        2.684e-06 4.218e-07
                                               6.365 3.14e-10 ***
## OverallQual
                        5.190e-02 4.254e-03 12.200 < 2e-16 ***
## OverallCond
                        4.322e-02
                                   3.768e-03 11.470 < 2e-16 ***
## YearBuilt
                        2.412e-03
                                   2.826e-04
                                               8.532 < 2e-16 ***
## YearRemodAdd
                        5.856e-04
                                   2.294e-04
                                               2.553 0.010856 *
                        1.640e-04
                                               7.545 1.13e-13 ***
## BsmtFinSF1
                                   2.173e-05
## BsmtFinSF2
                        1.682e-04
                                   4.690e-05
                                               3.587 0.000353 ***
## BsmtUnfSF
                        1.002e-04
                                   1.971e-05
                                               5.085 4.49e-07 ***
                                   2.004e-05
## X1stFlrSF
                        2.757e-04
                                              13.754 < 2e-16 ***
## X2ndFlrSF
                        2.966e-04
                                   1.378e-05
                                              21.519 < 2e-16 ***
                                               3.312 0.000963 ***
## LowQualFinSF
                                   6.813e-05
                        2.257e-04
## BsmtFullBath
                        2.559e-02
                                   8.023e-03
                                               3.189 0.001479 **
## BedroomAbvGr
                       -8.731e-03 5.422e-03 -1.610 0.107727
## GarageCars
                        3.347e-02 9.792e-03
                                               3.418 0.000661 ***
## GarageArea
                                   3.429e-05
                        5.214e-05
                                               1.521 0.128708
## WoodDeckSF
                        8.120e-05
                                   2.599e-05
                                               3.125 0.001838 **
## OpenPorchSF
                        1.489e-04 5.107e-05
                                               2.916 0.003634 **
## EncPorchSF
                        2.105e-04 3.845e-05
                                               5.473 5.76e-08 ***
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 0.08646 on 881 degrees of freedom
## Multiple R-squared:
                        0.95, Adjusted R-squared: 0.9433
## F-statistic: 141.9 on 118 and 881 DF, p-value: < 2.2e-16
available to us.
```

Now we start to examine the appropriateness of this as a linear model. We look at many of the diagnostics

```
fit <- lm(OLMSim$call$formula,</pre>
              data=housingData)
AIC(fit)
## [1] -1945.017
BIC(fit)
## [1] -1356.086
plot(fit, which = 1)
```

Residuals vs Fitted



ing at the diagnostics here, we see a decent spread and while there are a few identified outliers, it is not too bad. Diagnostically, we are looking for 1.Points above and Below the line 2. no patterns 3. no change in variation (no cones) 4. normal distribution

Look-

While we think we have this, the hypothesis test shows otherwise.

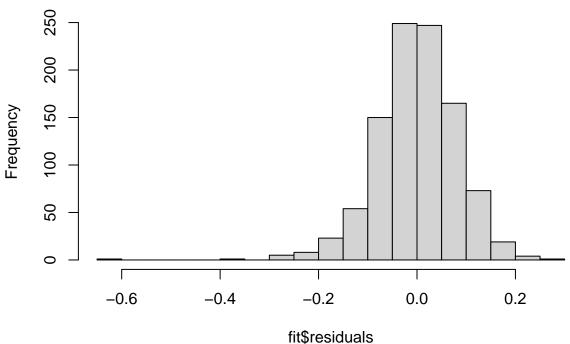
ncvTest(fit)

```
## Non-constant Variance Score Test
## Variance formula: ~ fitted.values
## Chisquare = 25.03359, Df = 1, p = 5.634e-07
```

Oh, this is a problem! We are able to reject the null hypothesis here, we have evidence to suggest that the error variance changes with the fitted values. Let's keep looking at some of the other results we can get.

```
hist(fit$residuals, breaks = 20)
```

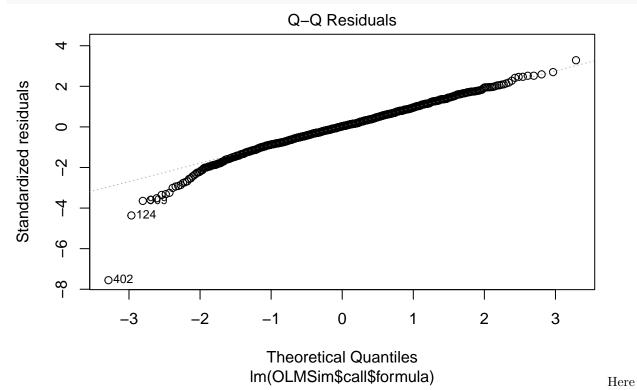
Histogram of fit\$residuals



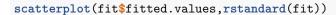
fit\$residuals

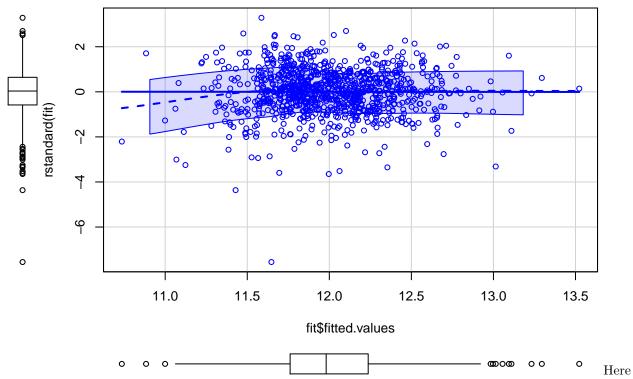
This looks fairly normal but with a longer tail on the negative side than the positive. Maybe qq-plot will show me something?





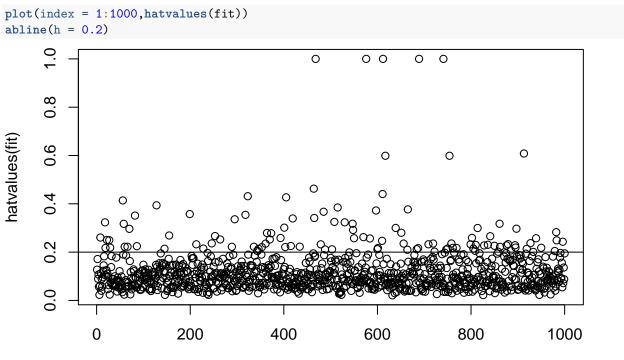
we see our deviance from normal on that low end once again. Next we look at the standardized residuals versus the predicted.





we see plenty of outer space values (over 4) and some really strange (over 3)

Next we look for values with high leverage.



lots with of points with high leverage (above the 0.2 line)

Index

We see

sum(hatvalues(fit)>0.2)

[1] 112

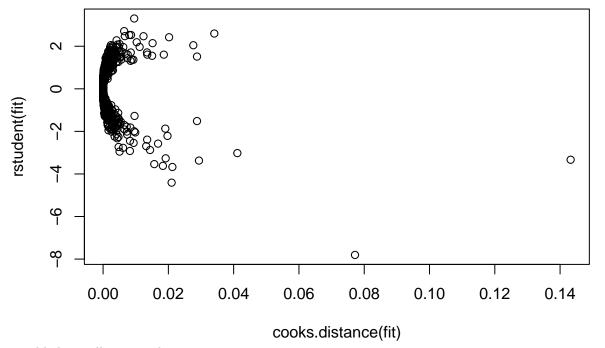
10% of our data has extreme leverage.

Let's test for outliers.

outlierTest(fit)

We find two outliers that are influential. Lastly we look at Cook's Distance.

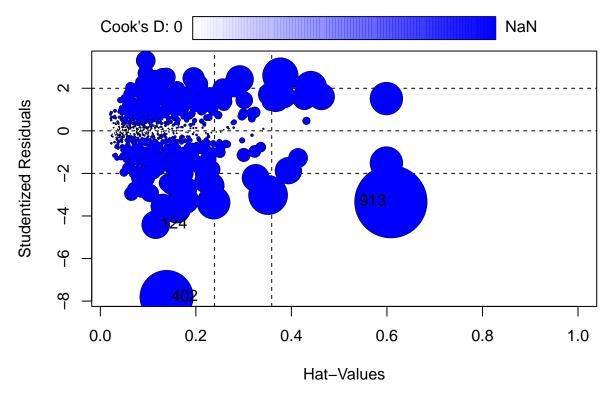
plot(cooks.distance(fit),rstudent(fit))



Not

terrible but still some rather extreme points.

influencePlot(fit)



```
## StudRes Hat CookD
## 124 -4.408565 0.1160217 0.02099670
## 402 -7.805872 0.1386546 0.07717395
## 468 NaN 1.0000000 NaN
## 576 NaN 1.0000000 NaN
## 913 -3.332034 0.6082800 0.14323465
```

This one is nice for seeing these issues.

vif(fit)

```
##
                         GVIF Df GVIF<sup>(1/(2*Df))</sup>
## MSZoning
                 2.632483e+01
                                3
                                         1.724756
## LotConfig
                 1.570828e+00
                                3
                                         1.078172
## LandSlope
                 2.890548e+00
                                2
                                         1.303902
## Neighborhood 4.694711e+03 17
                                         1.282297
## Condition1
                 2.715919e+00
                                         1.105075
## BldgType
                 3.492038e+01
                                         1.559139
## RoofStyle
                 1.882749e+00
                                2
                                         1.171381
## Exterior1st
                                7
                 6.476102e+05
                                         2.600721
## Exterior2nd
                 6.803058e+05
                                8
                                         2.314963
## ExterQual
                 4.459336e+00
                                2
                                         1.453174
## ExterCond
                 1.934721e+00
                                2
                                         1.179382
## Foundation
                 1.393135e+01
                                         1.551192
## BsmtExposure 8.926146e+01
                                         1.753206
## BsmtFinType1 9.093616e+02
                                6
                                         1.764255
## BsmtFinType2 4.117792e+02
                                6
                                         1.651538
## Heating
                 1.696310e+00
                                1
                                         1.302425
## HeatingQC
                 2.388675e+00
                                2
                                         1.243195
## CentralAir
                 2.336910e+00
                                         1.528695
## Electrical
                 2.659844e+00
                                4
                                         1.130074
## Functional
                 3.153533e+00
                                         1.121708
```

```
## FireplaceQu 3.254549e+00
                                       1.217349
## GarageCond
               3.172752e+00
                             3
                                       1.212196
## PoolQC
                                       1.073112
                1.326112e+00 2
## Fence
                2.017535e+00 4
                                       1.091698
## MSSubClass
                1.033681e+01
                             1
                                       3.215090
## LotArea
               2.349073e+00 1
                                       1.532669
## OverallQual 4.150597e+00 1
                                       2.037302
## OverallCond 2.353094e+00 1
                                       1.533980
## YearBuilt
                9.052035e+00
                                       3.008660
                             1
## YearRemodAdd 2.845816e+00
                                       1.686955
## BsmtFinSF1
               1.039847e+01
                                       3.224666
## BsmtFinSF2
                6.657995e+00
                              1
                                       2.580309
## BsmtUnfSF
                9.071987e+00
                                       3.011974
                             1
                                       2.570706
## X1stFlrSF
                6.608531e+00
## X2ndFlrSF
                4.617227e+00
                             1
                                       2.148773
## LowQualFinSF 1.272909e+00
                                       1.128232
## BsmtFullBath 2.227698e+00
                              1
                                       1.492547
## BedroomAbvGr 2.457409e+00
                                       1.567613
## GarageCars
               6.537265e+00
                                       2.556807
## GarageArea
               6.147194e+00
                                       2.479353
## WoodDeckSF
                1.458845e+00
                             1
                                       1.207827
## OpenPorchSF 1.336293e+00 1
                                       1.155981
## EncPorchSF
                                       1.154633
                1.333178e+00 1
```

There is definitely some co-linearity since the average is way over one.

We consider dropping Exterior2nd (as it's similar to Exterior1st), BsmtFinType2 (since BsmtFinType1 already accounts for basement type), and GarageCars (as GarageArea is a more interpretable metric).

```
##
## 1000 samples
     40 predictor
##
##
## No pre-processing
## Resampling: Cross-Validated (5 fold)
## Summary of sample sizes: 801, 800, 800, 799, 800
## Resampling results:
##
##
     RMSF.
                 Rsquared
                             MAE
##
     0.09729613
                 0.9282711
                            0.07303413
##
## Tuning parameter 'intercept' was held constant at a value of TRUE
```

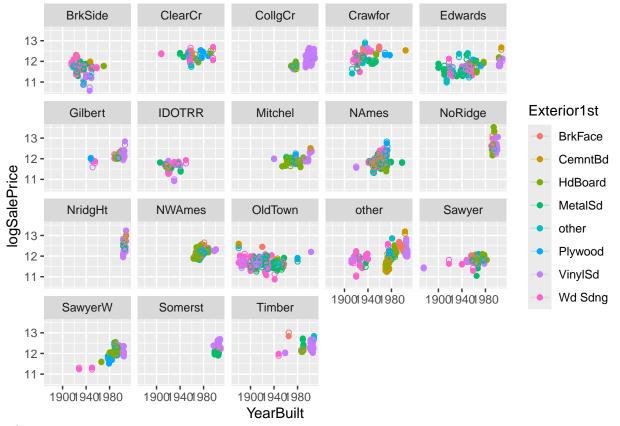
fitOLMSim\$results

```
## intercept RMSE Rsquared MAE RMSESD RsquaredSD MAESD
## 1 TRUE 0.09729613 0.9282711 0.07303413 0.008775605 0.01390115 0.005548732
```

The reduction in RMSE and improvement in R-squared indicate that the removal of the multi-co-linear variables improved the predictive accuracy and overall model fit.

One more fancy visualization with ggplot and some residuals. Not super useful but it was the first I put together and it looks pretty.

```
housingData$Predicted <- predict(fit)
housingData$logSalePrice <- log(housingData$SalePrice)
ggplot(housingData, aes(x = YearBuilt, y = logSalePrice, color = Exterior1st)) +
   geom_segment(aes(xend = YearBuilt, yend = Predicted), alpha = .2) +
   geom_point()+
   geom_point(aes(y = Predicted), shape = 1)+
   facet_wrap(Neighborhood~.)</pre>
```



1.b.

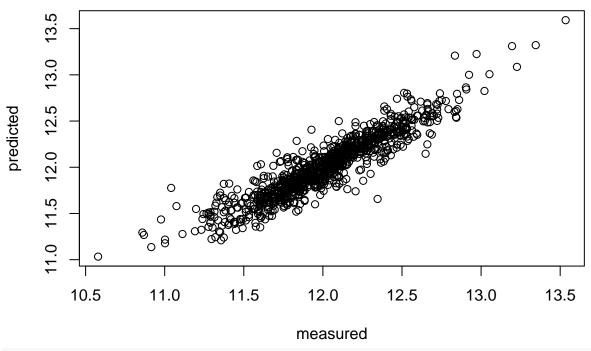
Next we do the plsr model. We'll use the entire dataset but we do need to remove the columns that were added for visualization purposes.

Data: X dimension: 1000 200

Y dimension: 1000 1
Fit method: kernelpls

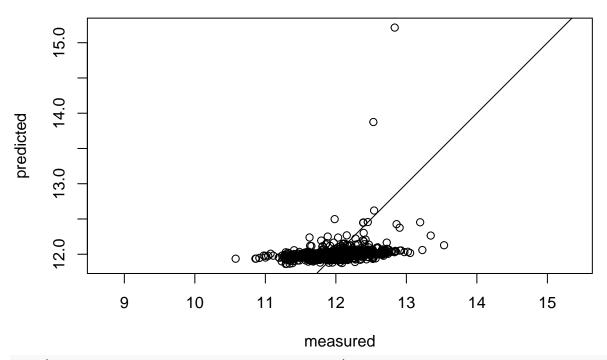
```
## Number of components considered: 16
##
## VALIDATION: RMSEP
## Cross-validated using 10 random segments.
          (Intercept) 1 comps 2 comps 3 comps 4 comps 5 comps
## CV
              0.3633
                      0.3526
                               0.1856 0.1808
                                                 0.1759
                                                          0.1736
                                                                    0.1706
## adjCV
              0.3633
                       0.3522
                                0.1855
                                         0.1807
                                                  0.1756
                                                           0.1734
                                                                    0.1706
##
         7 comps 8 comps 9 comps 10 comps 11 comps 12 comps 13 comps
## CV
          0.1696
                   0.1609
                            0.1542
                                      0.1513
                                                0.1472
                                                          0.1402
                                                                    0.1390
          0.1695
                   0.1592
                            0.1505
                                      0.1506
                                                0.1473
                                                          0.1399
                                                                    0.1386
## adjCV
         14 comps 15 comps 16 comps
## CV
           0.1389
                     0.1389
                               0.1384
           0.1386
                     0.1387
                               0.1382
## adjCV
## TRAINING: % variance explained
##
                   1 comps 2 comps 3 comps 4 comps 5 comps 6 comps 7 comps
## X
                   98.539
                             98.98
                                      99.23
                                               99.34
                                                        99.57
                                                                 99.67
                                                                            99.8
                    9.013
                             74.23
                                               77.40
                                                        78.00
## log(SalePrice)
                                      75.70
                                                                 78.65
                                                                            79.0
##
                   8 comps 9 comps
                                   10 comps 11 comps 12 comps
                                                                 13 comps
                                                                     99.96
## X
                    99.81
                             99.83
                                       99.90
                                                 99.93
                                                           99.95
## log(SalePrice)
                    81.79
                             83.65
                                       83.96
                                                 84.60
                                                           85.93
                                                                     86.14
##
                   14 comps 15 comps 16 comps
## X
                               99.99
                                         100.00
                     99.96
## log(SalePrice)
                     86.18
                               86.19
                                         86.21
model.pls$validation$PRESS
                   1 comps 2 comps 3 comps 4 comps 5 comps 6 comps 7 comps
## log(SalePrice) 124.3355 34.43642 32.69954 30.9366 30.12723 29.12028 28.75687
                  8 comps 9 comps 10 comps 11 comps 12 comps 13 comps 14 comps
## log(SalePrice) 25.90237 23.77716 22.89701 21.66823 19.66376 19.30935 19.30702
                  15 comps 16 comps
## log(SalePrice) 19.29898 19.16101
plot(model.pls)
```

log(SalePrice), 16 comps, validation



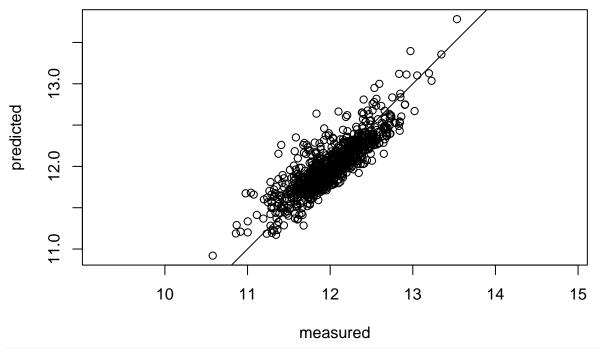
plot(model.pls, ncomp = 1, asp = 1, line = TRUE)

log(SalePrice), 1 comps, validation



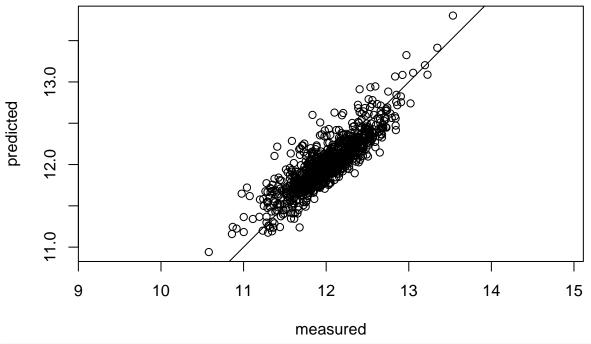
plot(model.pls, ncomp = 2, asp = 1, line = TRUE)

log(SalePrice), 2 comps, validation



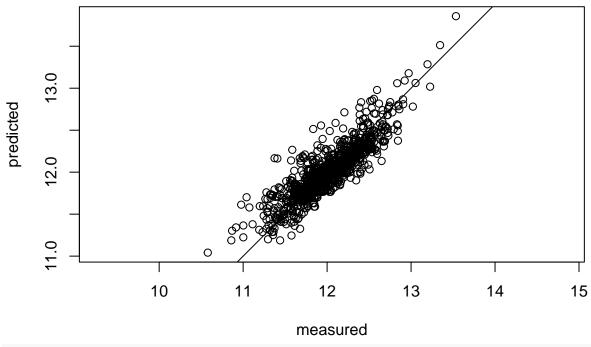
plot(model.pls, ncomp = 3, asp = 1, line = TRUE)

log(SalePrice), 3 comps, validation



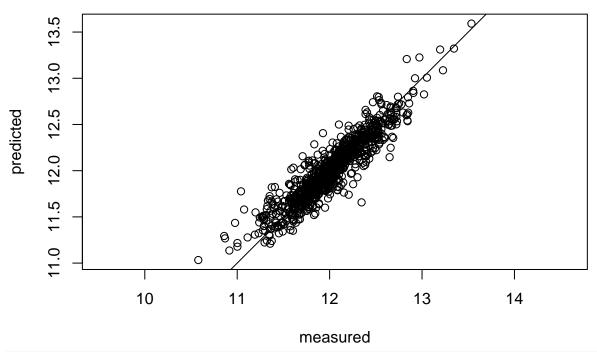
plot(model.pls, ncomp = 4, asp = 1, line = TRUE)

log(SalePrice), 4 comps, validation

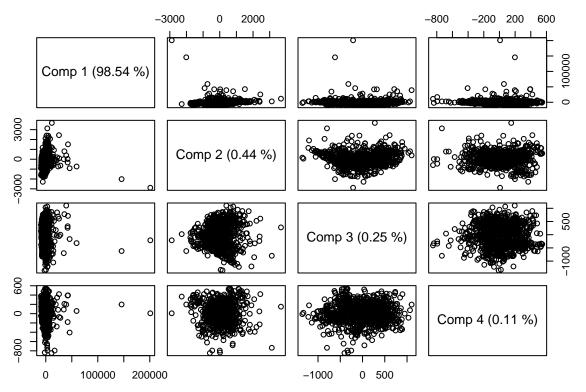


plot(model.pls, ncomp = 16, asp = 1, line = TRUE)

log(SalePrice), 16 comps, validation



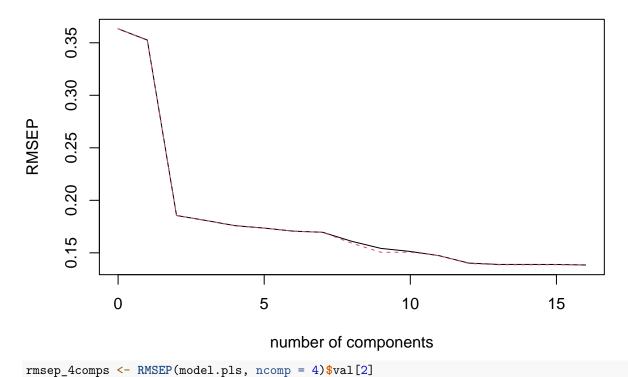
plot(model.pls, plottype = "scores", comps = 1:4)



Based on the improvement in fit from 1 to 16 components and to avoid over fitting, 4 components seem to offer a good balance between predictive accuracy and model simplicity.

validationplot(model.pls, val.type = "RMSEP")

log(SalePrice)



cat("Cross-validated RMSE for 4 components:", rmsep_4comps, "\n")

Cross-validated RMSE for 4 components: 0.3633341

Based on the RMSEP plot and the cross-validated RMSE value, 4 components seem optimal for our PLS model. Adding more components yields diminishing returns in terms of RMSE improvement. The RMSE for the model with 4 components is 0.3633341, which provides a reasonable estimate of the model's prediction error on unseen data.

1.c.

We kept having issues getting caret to work so decided to look at the basic package that caret was using. Quickly we recognized that the lars package requires only numerical data. Once we saw that, we built a lasso model!

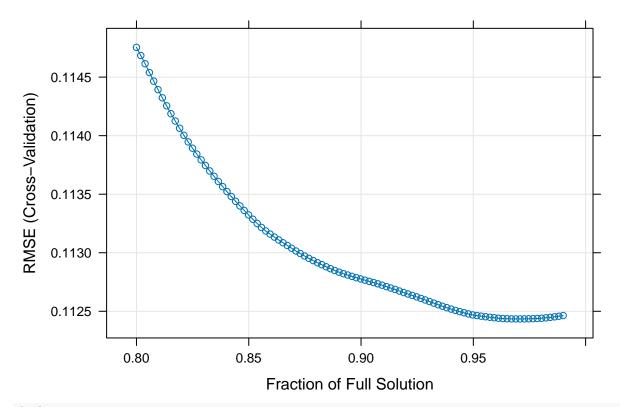
```
x<- as.matrix(housingNumeric)</pre>
lars(x,housingData$logSalePrice,"lasso")
##
## Call:
## lars(x = x, y = housingData$logSalePrice, type = "lasso")
## R-squared: 0.955
## Sequence of LASSO moves:
##
        SalePrice OverallQual GarageCars YearBuilt GrLivArea GarageYrBlt
## Var
                36
                              5
                                         27
                                                     7
                                                               17
                 1
                              2
                                          3
                                                     4
                                                                5
                                                                             6
## Step
##
        YearRemodAdd GarageArea Fireplaces TotalBsmtSF OverallCond BedroomAbvGr
                               28
                                           25
## Var
                                                        13
## Step
                    7
                                8
                                            9
                                                        10
                                                                     11
                                                                                   12
##
        TotRmsAbvGrd HalfBath BsmtFinSF1 BsmtFullBath LotArea MasVnrArea FullBath
## Var
                   24
                                                                             9
                                                                                      20
                             21
                                         10
                                                       18
                                                                 4
                   13
                             14
                                         15
                                                       16
                                                                17
                                                                            18
                                                                                      19
## Step
##
        EncPorchSF OpenPorchSF MiscVal X1stFlrSF MSSubClass KitchenAbvGr YrSold
## Var
                 31
                              30
                                       33
                                                  14
                                                               2
                                                                            23
                                                                                   35
                 20
                                       22
                                                  23
                                                             24
                                                                            25
                                                                                   26
## Step
                              21
##
        LowQualFinSF PoolArea Id MoSold BsmtHalfBath BsmtFinSF2 WoodDeckSF
## Var
                   16
                             32 1
                                        34
                                                      19
                                                                              29
                                                                  11
## Step
                   27
                             28 29
                                                                  32
                                        30
                                                      31
                                                                              33
##
        LotFrontage
## Var
                   3
## Step
                  34
```

Next we want to tune the parameter to the best possible.

```
## The lasso
##
## 1000 samples
## 35 predictor
```

```
##
## No pre-processing
## Resampling: Bootstrapped (25 reps)
## Summary of sample sizes: 1000, 1000, 1000, 1000, 1000, 1000, ...
## Resampling results across tuning parameters:
##
##
   fraction RMSE
                     Rsquared
##
   0.1000000 0.2686008 0.7256139 0.20761915
##
   ##
   0.4555556 0.1465460 0.8642718 0.10769283
##
   0.5444444 0.1306182 0.8820023 0.09554631
##
##
   ##
   0.7222222 \quad 0.1144738 \quad 0.9010944 \quad 0.08389675
##
   0.8111111 0.1119763 0.9039713 0.08205074
##
   0.9000000 0.1115254 0.9044733 0.08173599
##
## RMSE was used to select the optimal model using the smallest value.
## The final value used for the model was fraction = 0.9.
```

We see that 0.9 produced the best value, but let's keep tuning and see if we can do better. I'll apply a grid



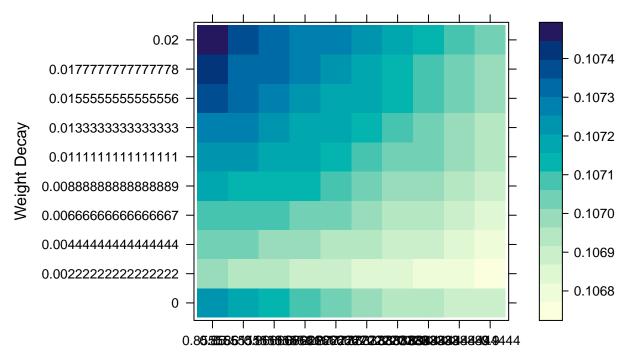
fitLasso

```
## The lasso
##
##
  1000 samples
##
     35 predictor
##
## No pre-processing
## Resampling: Cross-Validated (5 fold)
  Summary of sample sizes: 801, 799, 799, 801, 800
##
  Resampling results across tuning parameters:
##
##
     fraction
                RMSE
                           Rsquared
                                       MAE
##
     0.8000000
               0.1147543
                           0.9018477
                                       0.08284779
##
     0.8019192 0.1146846
                           0.9019338
                                      0.08280581
##
                           0.9020219
                                       0.08276412
     0.8038384
               0.1146143
##
     0.8057576
               0.1145394
                           0.9021198
                                       0.08271527
##
     0.8076768
               0.1144657
                           0.9022161
                                       0.08266676
##
     0.8095960
                0.1143931
                           0.9023108
                                       0.08262031
##
               0.1143234
                           0.9024002
     0.8115152
                                       0.08257287
##
     0.8134343
                0.1142549
                           0.9024878
                                       0.08252549
##
     0.8153535
               0.1141876
                           0.9025738
                                       0.08247874
##
     0.8172727
                0.1141247
                           0.9026526
                                       0.08243408
##
     0.8191919
                0.1140634
                           0.9027291
                                       0.08238996
##
                           0.9028041
     0.8211111
                0.1140033
                                       0.08234637
##
     0.8230303
               0.1139467
                           0.9028735
                                       0.08230309
##
     0.8249495
                0.1138928
                           0.9029391
                                       0.08226063
##
     0.8268687
                0.1138425
                           0.9030004
                                       0.08222159
##
     0.8287879
                0.1137933
                           0.9030602
                                       0.08218338
     0.8307071 0.1137454
                           0.9031189
                                      0.08214616
##
```

```
##
     0.8326263
                0.1136986
                            0.9031764
                                        0.08211052
##
                            0.9032326
     0.8345455
                 0.1136529
                                        0.08207488
                            0.9032874
                                        0.08203924
##
     0.8364646
                 0.1136083
##
     0.8383838
                 0.1135647
                            0.9033407
                                        0.08200360
##
     0.8403030
                 0.1135223
                            0.9033928
                                        0.08196850
     0.8422222
                            0.9034450
##
                 0.1134804
                                        0.08193636
                            0.9034959
##
     0.8441414
                 0.1134396
                                        0.08190515
##
     0.8460606
                 0.1133998
                            0.9035455
                                        0.08187482
##
     0.8479798
                 0.1133612
                            0.9035938
                                        0.08184448
##
     0.8498990
                 0.1133232
                            0.9036422
                                        0.08181522
##
     0.8518182
                 0.1132862
                            0.9036901
                                        0.08178678
     0.8537374
                 0.1132503
                            0.9037366
##
                                        0.08175851
##
     0.8556566
                 0.1132162
                            0.9037814
                                        0.08173137
                                        0.08170646
##
     0.8575758
                 0.1131860
                            0.9038200
##
     0.8594949
                            0.9038524
                 0.1131595
                                        0.08168396
##
     0.8614141
                 0.1131338
                            0.9038837
                                        0.08166373
##
     0.8633333
                 0.1131091
                            0.9039138
                                        0.08164471
##
     0.8652525
                 0.1130853
                            0.9039427
                                        0.08162718
                            0.9039711
##
     0.8671717
                 0.1130621
                                        0.08161121
##
     0.8690909
                 0.1130384
                            0.9040006
                                        0.08159775
##
     0.8710101
                 0.1130148
                            0.9040301
                                        0.08158534
##
     0.8729293
                 0.1129931
                            0.9040572
                                        0.08157502
##
     0.8748485
                            0.9040832
                 0.1129723
                                        0.08156537
     0.8767677
                 0.1129522
                            0.9041083
##
                                        0.08155623
                                        0.08154729
##
     0.8786869
                 0.1129329
                            0.9041324
##
     0.8806061
                 0.1129149
                            0.9041547
                                        0.08153905
##
     0.8825253
                 0.1128979
                            0.9041756
                                        0.08153193
                            0.9041982
##
     0.8844444
                 0.1128803
                                        0.08152232
                 0.1128637
##
     0.8863636
                            0.9042193
                                        0.08151263
                            0.9042390
##
     0.8882828
                 0.1128482
                                        0.08150314
##
     0.8902020
                 0.1128340
                            0.9042568
                                        0.08149290
##
     0.8921212
                 0.1128208
                            0.9042731
                                        0.08148255
##
     0.8940404
                 0.1128096
                            0.9042865
                                        0.08147336
     0.8959596
                            0.9043004
##
                 0.1127983
                                        0.08146729
##
     0.8978788
                 0.1127870
                            0.9043145
                                        0.08146401
##
     0.8997980
                            0.9043279
                 0.1127763
                                        0.08146187
##
     0.9017172
                 0.1127657
                            0.9043415
                                        0.08145940
##
     0.9036364
                 0.1127554
                            0.9043548
                                        0.08145677
##
     0.9055556
                 0.1127456
                            0.9043675
                                        0.08145414
##
                            0.9043825
     0.9074747
                 0.1127346
                                        0.08145236
                            0.9043991
##
     0.9093939
                 0.1127228
                                        0.08145032
##
     0.9113131
                 0.1127106
                            0.9044164
                                        0.08144728
                            0.9044339
##
     0.9132323
                 0.1126984
                                        0.08144328
                            0.9044508
##
     0.9151515
                 0.1126866
                                        0.08143922
                            0.9044706
##
     0.9170707
                 0.1126731
                                        0.08143340
                 0.1126600
##
     0.9189899
                            0.9044898
                                        0.08142827
##
     0.9209091
                 0.1126475
                            0.9045083
                                        0.08142376
##
     0.9228283
                 0.1126354
                            0.9045261
                                        0.08142012
##
     0.9247475
                 0.1126230
                            0.9045445
                                        0.08141711
##
     0.9266667
                 0.1126100
                            0.9045640
                                        0.08141380
##
                            0.9045843
     0.9285859
                 0.1125967
                                        0.08140907
##
     0.9305051
                 0.1125832
                            0.9046052
                                        0.08140426
##
     0.9324242
                 0.1125694
                            0.9046267
                                        0.08139921
##
     0.9343434 0.1125561
                            0.9046476
                                        0.08139416
```

```
##
    ##
    0.9401010 0.1125188 0.9047066 0.08138082
##
##
    0.9420202 0.1125077
                         0.9047244 0.08137897
##
    0.9439394 0.1124972
                         0.9047412 0.08137856
##
    0.9458586 0.1124872 0.9047574 0.08137815
##
    0.9477778 0.1124775
                         0.9047731 0.08137824
##
    0.9496970 0.1124689
                         0.9047874 0.08137916
##
    0.9516162 0.1124634
                         0.9047968
                                    0.08138308
##
    0.9535354 0.1124583
                         0.9048057 0.08138709
##
    0.9554545 0.1124535
                         0.9048143 0.08139131
##
    0.9573737 0.1124489
                         0.9048226 0.08139598
##
    0.9592929 0.1124447
                         0.9048305 0.08140136
##
    0.9612121 0.1124408
                         0.9048378 0.08140708
##
    0.9631313 0.1124382
                         0.9048435 0.08141396
##
    0.9650505 0.1124364
                         0.9048483
                                    0.08142141
##
    0.9669697 0.1124352
                         0.9048521 0.08142967
##
    0.9688889 0.1124347
                         0.9048548 0.08143859
##
    0.9708081 0.1124347
                         0.9048569 0.08144763
##
    0.9727273 0.1124351
                         0.9048586 0.08145664
##
    0.9746465 0.1124357 0.9048598 0.08146535
    0.9765657 0.1124368 0.9048605 0.08147405
##
    0.9784848 0.1124382
##
                         0.9048607 0.08148284
    0.9804040 0.1124406 0.9048593 0.08149235
##
##
    0.9823232 0.1124441
                         0.9048564 0.08150246
##
    0.9842424 0.1124481
                         0.9048526 0.08151295
##
    0.9861616 0.1124527
                         0.9048481 0.08152342
##
    0.9880808 0.1124577
                         0.9048431 0.08153483
##
    0.9900000 0.1124634
                         0.9048369 0.08154689
##
## RMSE was used to select the optimal model using the smallest value.
## The final value used for the model was fraction = 0.9708081.
fitLasso$bestTune$fraction
## [1] 0.9708081
# Best results
best_lasso <- fitLasso$results[which.min(fitLasso$results$RMSE), ]</pre>
best_lasso_RMSE <- best_lasso$RMSE</pre>
best_lasso_R2 <- best_lasso$Rsquared</pre>
# Extract the coefficients at the optimal fraction using predict
coefficients <- predict(fitLasso$finalModel,</pre>
                       s = fitLasso$bestTune$fraction,
                       type = "coefficients",
                       mode = "fraction")$coefficients
# Display the coefficients
print(coefficients)
             Ιd
                   MSSubClass
                               LotFrontage
                                                 LotArea
                                                          OverallQual
## -1.407081e-06 -4.507394e-04 1.482327e-04
                                            2.880781e-06 6.767333e-02
    OverallCond
                    YearBuilt YearRemodAdd
                                              MasVnrArea
                                                           BsmtFinSF1
##
  5.321804e-02 3.144216e-03 6.829716e-04 1.267580e-06 7.817872e-05
##
     BsmtFinSF2
                TotalBsmtSF
                                 X1stFlrSF
                                               X2ndFlrSF LowQualFinSF
```

```
##
   1.909535e-05 1.106663e-04 1.916463e-04 2.030294e-04 9.338703e-05
##
       GrLivArea BsmtFullBath BsmtHalfBath
                                                   FullBath
                                                                 HalfBath
##
  6.857706e-05 2.888177e-02 6.393924e-03 1.424368e-02 1.049233e-02
  BedroomAbvGr KitchenAbvGr TotRmsAbvGrd
                                                Fireplaces
                                                             GarageYrBlt
## -1.720893e-02 -4.463756e-02 7.343519e-03 3.934151e-02 1.702725e-05
##
      GarageCars
                    GarageArea
                                  WoodDeckSF
                                               OpenPorchSF
                                                               EncPorchSF
   2.839110e-02 9.742194e-05 5.638588e-05
                                               9.784154e-05 1.992938e-04
##
##
        PoolArea
                       MiscVal
                                      MoSold
                                                     YrSold
  1.130887e-04 -2.955749e-05 -5.351916e-04 -3.335539e-03
varImp(fitLasso, scale = FALSE)
## loess r-squared variable importance
##
##
     only 20 most important variables shown (out of 35)
##
##
                Overall
## OverallQual 0.61111
## GrLivArea
                0.56598
## TotalBsmtSF 0.42103
## GarageArea
                0.39039
## GarageCars
                0.38716
## X1stFlrSF
                0.37257
## FullBath
                0.30775
## X2ndFlrSF
                0.29541
## TotRmsAbvGrd 0.27074
## BsmtFinSF1
              0.26439
## YearBuilt
                0.25382
## Fireplaces
                0.22453
## YearRemodAdd 0.21322
## MasVnrArea
               0.20824
## LotArea
                0.17093
## WoodDeckSF
                0.13848
## HalfBath
                0.09576
## OpenPorchSF 0.09054
## BsmtUnfSF
                0.07511
## GarageYrBlt 0.07111
1.d.
Here is the elasticNet. I played with the parameter grid for a bit too long.
enetGrid <- expand.grid(lambda=seq(0,0.02,length=10),</pre>
                        fraction=seq(.85,.90,length=10))
fitEnet <- train(log(SalePrice) ~ .,</pre>
            data = housingNumeric,
             method="enet",
             trControl=fitControl,
             tuneGrid=enetGrid)
plot(fitEnet, plotType="level")
```



Fraction of Full Solution

RMSE (Cross-Validation)

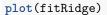
fitEnet

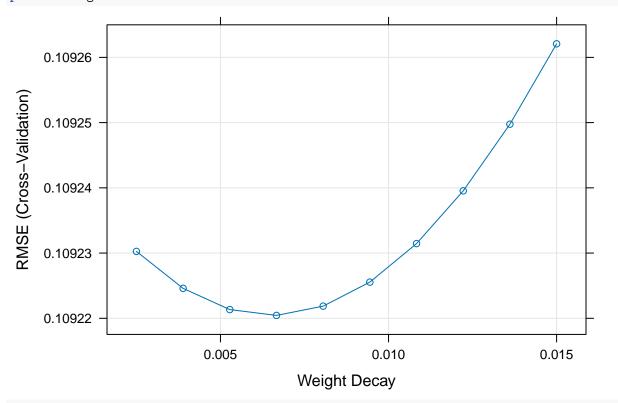
Elasticnet

```
##
  1000 samples
##
##
     35 predictor
##
## No pre-processing
  Resampling: Cross-Validated (5 fold)
  Summary of sample sizes: 799, 800, 800, 801, 800
  Resampling results across tuning parameters:
##
##
     lambda
                             RMSE
                                        Rsquared
                                                   MAE
                  fraction
##
     0.000000000
                 0.8500000 0.1072294
                                        0.9138060
                                                  0.07983730
##
     0.000000000
                                        0.9138421
                 0.8555556 0.1071702
                                                  0.07976315
##
     0.000000000
                  0.8611111
                             0.1071158
                                        0.9138721
                                                   0.07968906
##
     0.000000000
                 0.8666667
                             0.1070664
                                        0.9138947
                                                   0.07961529
##
     0.000000000
                 0.8722222 0.1070236
                                        0.9139089
                                                   0.07954713
##
     0.000000000
                 0.8777778 0.1069865
                                       0.9139174
                                                   0.07948248
     0.000000000
                 0.8833333
                             0.1069532
                                        0.9139223
##
                                                   0.07941711
##
     0.000000000
                 0.888889
                            0.1069254
                                        0.9139194
                                                   0.07935425
##
     0.000000000
                 0.8944444
                             0.1069095
                                        0.9138987
                                                   0.07930353
##
     0.00000000
                  0.9000000
                             0.1069034
                                        0.9138633
                                                   0.07926388
                  0.8500000
##
     0.00222222
                             0.1069908
                                        0.9137445
                                                   0.07924653
##
                 0.855556
                            0.1069630
     0.00222222
                                        0.9137517
                                                   0.07920093
##
     0.00222222
                 0.8611111
                             0.1069375
                                        0.9137596
                                                   0.07915571
##
     0.00222222
                 0.8666667
                             0.1069063
                                        0.9137809
                                                   0.07910378
##
                 0.8722222
                             0.1068820
                                                   0.07905481
     0.00222222
                                        0.9137923
##
     0.00222222
                 0.8777778 0.1068610
                                       0.9137995 0.07901124
```

```
##
     0.00222222
                  0.8833333
                              0.1068429
                                         0.9138033
                                                     0.07896992
##
     0.00222222
                  0.8888889
                              0.1068189
                                         0.9138112
                                                     0.07892788
                  0.8944444
##
     0.00222222
                              0.1067980
                                         0.9138147
                                                     0.07889366
##
     0.00222222
                  0.9000000
                                         0.9138314
                              0.1067711
                                                     0.07887046
##
     0.00444444
                  0.8500000
                              0.1070452
                                         0.9136208
                                                     0.07927759
                  0.855556
                                         0.9136186
##
     0.00444444
                              0.1070212
                                                     0.07922986
##
     0.00444444
                  0.8611111
                              0.1069995
                                         0.9136216
                                                     0.07918455
##
     0.00444444
                  0.8666667
                              0.1069741
                                         0.9136351
                                                     0.07913460
##
     0.00444444
                   0.8722222
                              0.1069505
                                          0.9136476
                                                     0.07908483
##
     0.00444444
                  0.8777778
                              0.1069302
                                         0.9136562
                                                     0.07904042
##
     0.00444444
                  0.8833333
                              0.1068997
                                          0.9136758
                                                     0.07899362
                  0.8888889
##
     0.00444444
                              0.1068737
                                         0.9136890
                                                     0.07895580
##
     0.00444444
                  0.8944444
                              0.1068458
                                         0.9137072
                                                     0.07892450
     0.00444444
                  0.9000000
                                                     0.07889822
##
                              0.1068107
                                          0.9137426
##
                  0.8500000
                              0.1071022
                                         0.9134978
     0.006666667
                                                     0.07931100
##
     0.006666667
                   0.855556
                              0.1070822
                                          0.9134845
                                                     0.07926132
##
                  0.8611111
                              0.1070653
                                         0.9134804
                                                     0.07921714
     0.006666667
##
     0.006666667
                   0.866667
                              0.1070437
                                          0.9134897
                                                     0.07916387
##
                  0.8722222
                                         0.9135001
                              0.1070227
                                                     0.07911522
     0.006666667
##
     0.006666667
                  0.8777778
                              0.1069912
                                         0.9135233
                                                     0.07906589
##
     0.006666667
                  0.8833333
                              0.1069601
                                         0.9135462
                                                     0.07902330
##
                   0.888889
                              0.1069268
                                          0.9135738
                                                     0.07898711
     0.006666667
##
                   0.8944444
     0.006666667
                              0.1068844
                                         0.9136209
                                                     0.07895328
                   0.9000000
                                          0.9136623
##
     0.006666667
                              0.1068488
                                                     0.07893790
                                                     0.07934427
##
     0.008888889
                   0.8500000
                              0.1071647
                                         0.9133701
##
     0.008888889
                  0.8555556
                              0.1071442
                                         0.9133587
                                                     0.07929457
##
                  0.8611111
                              0.1071348
                                         0.9133388
     0.008888889
                                                     0.07924987
##
     0.008888889
                  0.8666667
                              0.1071163
                                         0.9133455
                                                     0.07919972
##
                  0.8722222
                              0.1070905
                                         0.9133608
     0.008888889
                                                     0.07914802
##
     0.008888889
                  0.8777778
                              0.1070549
                                         0.9133898
                                                     0.07909941
##
     0.008888889
                  0.8833333
                              0.1070120
                                          0.9134398
                                                     0.07906943
                  0.888889
##
     0.008888889
                              0.1069740
                                         0.9134834
                                                     0.07904383
##
     0.008888889
                  0.8944444
                              0.1069346
                                          0.9135334
                                                     0.07901151
##
     0.008888889
                  0.9000000
                              0.1068980
                                         0.9135793
                                                     0.07898029
##
     0.011111111
                  0.8500000
                              0.1072316
                                         0.9132387
                                                     0.07937693
##
                  0.855556
                                         0.9132296
     0.011111111
                              0.1072108
                                                     0.07932810
##
     0.011111111
                   0.8611111
                              0.1072005
                                          0.9132045
                                                     0.07928008
##
     0.011111111
                   0.8666667
                                         0.9132312
                                                     0.07923619
                              0.1071703
##
     0.011111111
                   0.8722222
                              0.1071303
                                         0.9132763
                                                     0.07919150
##
     0.011111111
                  0.8777778
                              0.1070971
                                         0.9133118
                                                     0.07915199
##
     0.011111111
                  0.8833333
                              0.1070596
                                         0.9133550
                                                     0.07911579
##
     0.011111111
                  0.8888889
                              0.1070174
                                         0.9134073
                                                     0.07907956
##
     0.011111111
                  0.8944444
                              0.1069723
                                         0.9134666
                                                     0.07904226
                  0.900000
##
                              0.1069275
                                         0.9135264
                                                     0.07900335
     0.011111111
                  0.8500000
##
     0.013333333
                              0.1072966
                                         0.9131069
                                                     0.07940931
##
                  0.855556
     0.013333333
                              0.1072657
                                          0.9131108
                                                     0.07935684
##
     0.013333333
                  0.8611111
                              0.1072310
                                         0.9131439
                                                     0.07930851
##
     0.013333333
                  0.8666667
                              0.1072018
                                         0.9131693
                                                     0.07926760
##
     0.013333333
                  0.8722222
                              0.1071642
                                         0.9132125
                                                     0.07922537
##
     0.013333333
                  0.8777778
                              0.1071273
                                         0.9132543
                                                     0.07918400
##
     0.013333333
                  0.8833333
                              0.1070944
                                         0.9132901
                                                     0.07914975
##
     0.013333333
                  0.888889
                              0.1070508
                                         0.9133456
                                                     0.07911186
##
     0.013333333
                   0.8944444
                              0.1069997
                                          0.9134156
                                                     0.07906854
##
     0.013333333
                  0.9000000
                              0.1069509
                                         0.9134830
                                                     0.07902810
```

```
##
     0.015555556   0.8500000   0.1073512   0.9129955   0.07945036
##
     0.015555556  0.8555556  0.1073050  0.9130445  0.07939301
##
     0.015555556  0.8611111  0.1072664  0.9130829  0.07934277
     0.015555556  0.8666667  0.1072327  0.9131160  0.07929913
##
##
     0.015555556  0.8722222  0.1071973  0.9131495  0.07925898
     0.015555556 0.8777778 0.1071588 0.9131935 0.07921711
##
     0.015555556  0.8833333  0.1071207  0.9132392  0.07917813
##
##
     ##
     0.015555556  0.8944444  0.1070265  0.9133663  0.07909919
##
     0.01555556  0.9000000  0.1069761  0.9134372  0.07905682
##
     0.017777778 0.8500000 0.1073991 0.9129135 0.07949410
##
     0.017777778 0.8555556 0.1073443 0.9129772 0.07943082
##
     0.017777778 \quad 0.8611111 \quad 0.1073027 \quad 0.9130206 \quad 0.07937874
     0.017777778 0.8666667 0.1072676 0.9130555 0.07933240
##
##
     0.017777778  0.8722222  0.1072293  0.9130936  0.07929135
##
     0.017777778
                  0.8777778 0.1071894 0.9131356 0.07924765
##
     0.017777778 \quad 0.8833333 \quad 0.1071428 \quad 0.9131972 \quad 0.07920642
##
     ##
     0.017777778  0.8944444  0.1070523  0.9133201  0.07912925
##
     0.017777778  0.9000000  0.1070032  0.9133895  0.07908690
##
     0.020000000 0.8500000 0.1074461 0.9128286 0.07953870
##
     0.020000000 0.8555556 0.1073891 0.9128981 0.07947801
##
     0.020000000 \quad 0.8611111 \quad 0.1073405 \quad 0.9129541 \quad 0.07941966
     0.020000000 0.8666667 0.1073009 0.9129965 0.07937009
##
##
     0.020000000 \quad 0.8722222 \quad 0.1072545 \quad 0.9130477 \quad 0.07931732
##
     0.020000000 0.8777778 0.1072087 0.9131003 0.07927465
##
     0.020000000 \quad 0.8833333 \quad 0.1071647 \quad 0.9131549 \quad 0.07923735
##
     0.020000000
                  0.8888889 0.1071194 0.9132173 0.07919692
##
     0.020000000 \quad 0.8944444 \quad 0.1070781 \quad 0.9132739 \quad 0.07916101
##
     0.020000000 0.9000000 0.1070302 0.9133427 0.07911917
##
## RMSE was used to select the optimal model using the smallest value.
## The final values used for the model were fraction = 0.9 and lambda
   = 0.002222222.
# Best tuning parameters
best_enet_tune <- fitEnet$bestTune</pre>
print(best_enet_tune)
##
      fraction
                    lambda
## 20
           0.9 0.00222222
# Best results
best_enet <- fitEnet$results[which.min(fitEnet$results$RMSE), ]</pre>
best_enet_RMSE <- best_enet$RMSE</pre>
best_enet_R2 <- best_enet$Rsquared</pre>
Again, lots of tuning but a nice value for the ridge regression and it's \ell^2 penalty.
ridgeGrid <- expand.grid(lambda=seq(0.0025,0.015,length=10))</pre>
fitRidge <- train(log(SalePrice) ~ .,</pre>
            data = housingNumeric,
             method="ridge",
             trControl=fitControl,
             tuneGrid=ridgeGrid)
```





fitRidge

```
## Ridge Regression
##
## 1000 samples
     35 predictor
##
##
## No pre-processing
## Resampling: Cross-Validated (5 fold)
## Summary of sample sizes: 801, 800, 800, 800, 799
## Resampling results across tuning parameters:
##
##
     lambda
                  RMSE
                             Rsquared
                                         MAE
                                         0.08055413
##
     0.002500000
                  0.1092303
                             0.9097312
                  0.1092246
                             0.9097575
                                         0.08055074
##
     0.003888889
##
     0.005277778
                  0.1092213
                             0.9097815
                                         0.08055003
##
                  0.1092204
                             0.9098033
     0.006666667
                                         0.08055099
##
     0.008055556
                  0.1092219
                             0.9098230
                                         0.08055331
                  0.1092255
##
     0.009444444
                             0.9098408
                                         0.08055729
##
     0.010833333
                  0.1092315
                             0.9098566
                                         0.08056304
                  0.1092395
                             0.9098706
##
     0.012222222
                                         0.08056972
##
                  0.1092498
                             0.9098828
                                         0.08057821
     0.013611111
     0.015000000
                  0.1092621
                             0.9098934
##
                                         0.08058720
## RMSE was used to select the optimal model using the smallest value.
## The final value used for the model was lambda = 0.006666667.
```

```
# Best tuning parameters
best_ridge_tune <- fitRidge$bestTune</pre>
print(best_ridge_tune)
##
          lambda
## 4 0.006666667
# Best results
best_ridge <- fitRidge$results[which.min(fitRidge$results$RMSE), ]</pre>
best_ridge_RMSE <- best_ridge$RMSE</pre>
best_ridge_R2 <- best_ridge$Rsquared</pre>
We want to try the reduction technique with a full linear regression that includes limited two way interactions.
# Suppose we have identified key variables for interactions
key_vars <- c("OverallQual", "GrLivArea", "GarageCars", "TotalBsmtSF")</pre>
# Create a formula with limited interactions
interaction_formula <- as.formula(paste("log(SalePrice) ~ . + (", paste(key_vars, collapse = "+"), ")^2
# Fit the model
fitOLMwLimited <- lm(interaction_formula, data = housingNumeric)</pre>
# Perform stepwise selection
OLMSim2Way <- stepAIC(fitOLMwLimited, direction = "both")</pre>
## Start: AIC=-4511.23
## log(SalePrice) ~ Id + MSSubClass + LotFrontage + LotArea + OverallQual +
       OverallCond + YearBuilt + YearRemodAdd + MasVnrArea + BsmtFinSF1 +
##
       BsmtFinSF2 + BsmtUnfSF + TotalBsmtSF + X1stFlrSF + X2ndFlrSF +
##
       LowQualFinSF + GrLivArea + BsmtFullBath + BsmtHalfBath +
       FullBath + HalfBath + BedroomAbvGr + KitchenAbvGr + TotRmsAbvGrd +
##
##
       Fireplaces + GarageYrBlt + GarageCars + GarageArea + WoodDeckSF +
       OpenPorchSF + EncPorchSF + PoolArea + MiscVal + MoSold +
##
##
       YrSold + (OverallQual + GrLivArea + GarageCars + TotalBsmtSF)^2
##
##
## Step: AIC=-4511.23
## log(SalePrice) ~ Id + MSSubClass + LotFrontage + LotArea + OverallQual +
##
       OverallCond + YearBuilt + YearRemodAdd + MasVnrArea + BsmtFinSF1 +
##
       BsmtFinSF2 + BsmtUnfSF + TotalBsmtSF + X1stFlrSF + X2ndFlrSF +
       GrLivArea + BsmtFullBath + BsmtHalfBath + FullBath + HalfBath +
##
       BedroomAbvGr + KitchenAbvGr + TotRmsAbvGrd + Fireplaces +
##
##
       GarageYrBlt + GarageCars + GarageArea + WoodDeckSF + OpenPorchSF +
       EncPorchSF + PoolArea + MiscVal + MoSold + YrSold + OverallQual:GrLivArea +
##
##
       OverallQual:GarageCars + OverallQual:TotalBsmtSF + GrLivArea:GarageCars +
       TotalBsmtSF:GrLivArea + TotalBsmtSF:GarageCars
##
##
##
## Step: AIC=-4511.23
## log(SalePrice) ~ Id + MSSubClass + LotFrontage + LotArea + OverallQual +
##
       OverallCond + YearBuilt + YearRemodAdd + MasVnrArea + BsmtFinSF1 +
       BsmtFinSF2 + TotalBsmtSF + X1stFlrSF + X2ndFlrSF + GrLivArea +
##
       BsmtFullBath + BsmtHalfBath + FullBath + HalfBath + BedroomAbvGr +
##
```

KitchenAbvGr + TotRmsAbvGrd + Fireplaces + GarageYrBlt +

##

```
##
       GarageCars + GarageArea + WoodDeckSF + OpenPorchSF + EncPorchSF +
##
       PoolArea + MiscVal + MoSold + YrSold + OverallQual:GrLivArea +
##
       OverallQual:GarageCars + OverallQual:TotalBsmtSF + GrLivArea:GarageCars +
       TotalBsmtSF:GrLivArea + TotalBsmtSF:GarageCars
##
##
##
                             Df Sum of Sq
                                                      AIC
                                              RSS
## - GarageYrBlt
                                  0.00016 10.140 -4513.2
                              1
                                  0.00028 10.141 -4513.2
## - OverallQual:GrLivArea
                              1
                                  0.00358 10.144 -4512.9
## - TotRmsAbvGrd
                              1
## - BsmtFinSF2
                              1
                                  0.00494 10.145 -4512.7
## - FullBath
                              1
                                  0.00515 10.146 -4512.7
## - HalfBath
                                  0.00562 10.146 -4512.7
                              1
## - MoSold
                              1
                                  0.00647 10.147 -4512.6
                                  0.00682 10.147 -4512.6
## - MasVnrArea
## - Id
                                  0.00691 10.147 -4512.6
                              1
## - BsmtHalfBath
                              1
                                  0.00849 10.149 -4512.4
## - PoolArea
                                  0.01019 10.150 -4512.2
                              1
## - OverallQual:GarageCars
                                  0.01125 10.152 -4512.1
                                  0.01987 10.160 -4511.3
## - LotFrontage
                              1
## <none>
                                           10.140 -4511.2
## - MiscVal
                              1
                                  0.02338 10.164 -4510.9
## - YrSold
                                  0.02358 10.164 -4510.9
## - OpenPorchSF
                                  0.02458 10.165 -4510.8
                              1
## - GrLivArea:GarageCars
                                  0.03839 10.179 -4509.5
                              1
## - X1stFlrSF
                              1
                                  0.03946 10.180 -4509.3
## - WoodDeckSF
                              1
                                  0.04468 10.185 -4508.8
## - BedroomAbvGr
                                  0.05794 10.198 -4507.5
                              1
## - YearRemodAdd
                              1
                                  0.06075 10.201 -4507.3
## - X2ndFlrSF
                                  0.06742 10.208 -4506.6
                              1
## - GarageArea
                                  0.06766 10.208 -4506.6
                              1
## - BsmtFullBath
                              1
                                  0.08545 10.226 -4504.8
## - KitchenAbvGr
                              1
                                  0.09397 10.234 -4504.0
## - TotalBsmtSF:GarageCars
                                  0.12332 10.264 -4501.1
## - EncPorchSF
                                  0.19466 10.335 -4494.2
                              1
## - MSSubClass
                              1
                                  0.20723 10.348 -4493.0
## - TotalBsmtSF:GrLivArea
                                  0.21115 10.351 -4492.6
                              1
## - OverallQual:TotalBsmtSF 1
                                  0.26415 10.405 -4487.5
## - Fireplaces
                                  0.31955 10.460 -4482.2
                              1
## - BsmtFinSF1
                                  0.40620 10.547 -4474.0
                              1
## - LotArea
                                  0.72540 10.866 -4444.1
                              1
## - YearBuilt
                                  2.16376 12.304 -4319.8
## - OverallCond
                                  2.33524 12.476 -4306.0
                              1
## Step: AIC=-4513.22
## log(SalePrice) ~ Id + MSSubClass + LotFrontage + LotArea + OverallQual +
       OverallCond + YearBuilt + YearRemodAdd + MasVnrArea + BsmtFinSF1 +
##
       BsmtFinSF2 + TotalBsmtSF + X1stFlrSF + X2ndFlrSF + GrLivArea +
##
       BsmtFullBath + BsmtHalfBath + FullBath + HalfBath + BedroomAbvGr +
##
##
       KitchenAbvGr + TotRmsAbvGrd + Fireplaces + GarageCars + GarageArea +
       WoodDeckSF + OpenPorchSF + EncPorchSF + PoolArea + MiscVal +
##
##
       MoSold + YrSold + OverallQual:GrLivArea + OverallQual:GarageCars +
       OverallQual:TotalBsmtSF + GrLivArea:GarageCars + TotalBsmtSF:GrLivArea +
##
##
       TotalBsmtSF:GarageCars
##
```

```
##
                             Df Sum of Sq
                                              RSS
                                   0.00029 10.141 -4515.2
## - OverallQual:GrLivArea
## - TotRmsAbvGrd
                                   0.00361 10.144 -4514.9
## - FullBath
                                   0.00501 10.146 -4514.7
                              1
## - BsmtFinSF2
                                   0.00505 10.146 -4514.7
## - HalfBath
                                  0.00549 10.146 -4514.7
                              1
## - MoSold
                                  0.00637 10.147 -4514.6
                              1
## - MasVnrArea
                                  0.00685 10.147 -4514.5
                              1
## - Id
                              1
                                   0.00690 10.147 -4514.5
## - BsmtHalfBath
                              1
                                   0.00854 10.149 -4514.4
## - PoolArea
                                   0.01023 10.151 -4514.2
                              1
## - OverallQual:GarageCars
                                   0.01136 10.152 -4514.1
                              1
## - LotFrontage
                                   0.01978 10.160 -4513.3
                              1
## <none>
                                           10.140 -4513.2
## - MiscVal
                                   0.02336 10.164 -4512.9
                              1
## - YrSold
                                   0.02349 10.164 -4512.9
## - OpenPorchSF
                                   0.02457 10.165 -4512.8
                              1
## - GrLivArea:GarageCars
                                   0.03910 10.180 -4511.4
## - X1stFlrSF
                                  0.04006 10.181 -4511.3
                              1
## + GarageYrBlt
                                   0.00016 10.140 -4511.2
## - WoodDeckSF
                              1
                                  0.04466 10.185 -4510.8
## - BedroomAbvGr
                                  0.05803 10.198 -4509.5
## - YearRemodAdd
                                  0.06064 10.201 -4509.3
                              1
## - X2ndFlrSF
                                  0.06885 10.209 -4508.4
                              1
## - GarageArea
                              1
                                  0.07080 10.211 -4508.3
## - BsmtFullBath
                              1
                                  0.08538 10.226 -4506.8
## - KitchenAbvGr
                                  0.09855 10.239 -4505.5
                              1
## - TotalBsmtSF:GarageCars
                                  0.13011 10.271 -4502.5
                              1
## - EncPorchSF
                                  0.19451 10.335 -4496.2
                              1
## - MSSubClass
                                  0.20789 10.348 -4494.9
                              1
## - TotalBsmtSF:GrLivArea
                              1
                                  0.21162 10.352 -4494.6
## - OverallQual:TotalBsmtSF
                              1
                                  0.27199 10.412 -4488.7
## - Fireplaces
                                   0.31970 10.460 -4484.2
## - BsmtFinSF1
                                   0.40725 10.548 -4475.8
                              1
## - LotArea
                                   0.72560 10.866 -4446.1
## - YearBuilt
                                   2.16658 12.307 -4321.6
                              1
## - OverallCond
                                   2.33902 12.479 -4307.7
##
## Step: AIC=-4515.19
  log(SalePrice) ~ Id + MSSubClass + LotFrontage + LotArea + OverallQual +
       OverallCond + YearBuilt + YearRemodAdd + MasVnrArea + BsmtFinSF1 +
       BsmtFinSF2 + TotalBsmtSF + X1stFlrSF + X2ndFlrSF + GrLivArea +
##
       BsmtFullBath + BsmtHalfBath + FullBath + HalfBath + BedroomAbvGr +
##
       KitchenAbvGr + TotRmsAbvGrd + Fireplaces + GarageCars + GarageArea +
##
       WoodDeckSF + OpenPorchSF + EncPorchSF + PoolArea + MiscVal +
##
       MoSold + YrSold + OverallQual:GarageCars + OverallQual:TotalBsmtSF +
##
##
       GrLivArea:GarageCars + TotalBsmtSF:GrLivArea + TotalBsmtSF:GarageCars
##
                             Df Sum of Sq
                                              RSS
                                                      AIC
## - TotRmsAbvGrd
                                  0.00349 10.144 -4516.8
## - FullBath
                                  0.00484 10.146 -4516.7
                              1
## - BsmtFinSF2
                                  0.00502 10.146 -4516.7
## - HalfBath
                              1
                                  0.00539 10.146 -4516.7
## - MoSold
                                  0.00648 10.147 -4516.5
```

```
## - Id
                                  0.00701 10.148 -4516.5
## - MasVnrArea
                                  0.00716 10.148 -4516.5
                              1
## - BsmtHalfBath
                                  0.00841 10.149 -4516.4
## - PoolArea
                                  0.01017 10.151 -4516.2
                              1
## - OverallQual:GarageCars
                              1
                                  0.01355 10.154 -4515.9
## - LotFrontage
                                  0.02020 10.161 -4515.2
                              1
## <none>
                                           10.141 -4515.2
## - YrSold
                                  0.02357 10.164 -4514.9
                              1
## - MiscVal
                              1
                                  0.02358 10.164 -4514.9
## - OpenPorchSF
                              1
                                  0.02435 10.165 -4514.8
## + OverallQual:GrLivArea
                                  0.00029 10.140 -4513.2
                              1
                                  0.04047 10.181 -4513.2
## - X1stFlrSF
                              1
## + GarageYrBlt
                                  0.00017 10.141 -4513.2
                              1
                                  0.04288 10.184 -4513.0
## - GrLivArea:GarageCars
## - WoodDeckSF
                                  0.04477 10.186 -4512.8
                              1
## - BedroomAbvGr
                              1
                                  0.05817 10.199 -4511.5
## - YearRemodAdd
                                  0.06042 10.201 -4511.2
                              1
## - X2ndFlrSF
                                  0.07013 10.211 -4510.3
                                  0.07165 10.213 -4510.1
## - GarageArea
                              1
## - BsmtFullBath
                              1
                                  0.08521 10.226 -4508.8
## - KitchenAbvGr
                              1
                                  0.10148 10.242 -4507.2
## - TotalBsmtSF:GarageCars
                                  0.14312 10.284 -4503.2
## - EncPorchSF
                                  0.19444 10.335 -4498.2
                              1
## - MSSubClass
                                  0.21205 10.353 -4496.5
                              1
## - TotalBsmtSF:GrLivArea
                              1
                                  0.25159 10.392 -4492.7
## - OverallQual:TotalBsmtSF 1
                                  0.29279 10.434 -4488.7
## - Fireplaces
                                  0.31985 10.461 -4486.1
                              1
## - BsmtFinSF1
                              1
                                  0.40807 10.549 -4477.7
## - LotArea
                                  0.72540 10.866 -4448.1
                              1
## - YearBuilt
                                  2.17470 12.316 -4322.9
                              1
## - OverallCond
                              1
                                  2.34645 12.487 -4309.0
##
## Step: AIC=-4516.84
## log(SalePrice) ~ Id + MSSubClass + LotFrontage + LotArea + OverallQual +
##
       OverallCond + YearBuilt + YearRemodAdd + MasVnrArea + BsmtFinSF1 +
##
       BsmtFinSF2 + TotalBsmtSF + X1stFlrSF + X2ndFlrSF + GrLivArea +
##
       BsmtFullBath + BsmtHalfBath + FullBath + HalfBath + BedroomAbvGr +
##
       KitchenAbvGr + Fireplaces + GarageCars + GarageArea + WoodDeckSF +
##
       OpenPorchSF + EncPorchSF + PoolArea + MiscVal + MoSold +
##
       YrSold + OverallQual:GarageCars + OverallQual:TotalBsmtSF +
       GrLivArea:GarageCars + TotalBsmtSF:GrLivArea + TotalBsmtSF:GarageCars
##
##
                             Df Sum of Sq
                                              RSS
                                                      AIC
## - FullBath
                                  0.00497 10.149 -4518.4
## - BsmtFinSF2
                              1
                                  0.00507 10.149 -4518.3
                                  0.00527 10.150 -4518.3
## - HalfBath
                              1
## - MasVnrArea
                              1
                                  0.00678 10.151 -4518.2
## - MoSold
                              1
                                  0.00705 10.151 -4518.1
## - Id
                              1
                                  0.00720 10.152 -4518.1
## - BsmtHalfBath
                              1
                                  0.00834 10.153 -4518.0
                                  0.00980 10.154 -4517.9
## - PoolArea
                              1
## - OverallQual:GarageCars
                                  0.01490 10.159 -4517.4
## <none>
                                           10.144 -4516.8
## - LotFrontage
                                  0.02082 10.165 -4516.8
```

```
## - YrSold
                                  0.02360 10.168 -4516.5
## - MiscVal
                                  0.02383 10.168 -4516.5
                              1
## - OpenPorchSF
                                  0.02508 10.169 -4516.4
## + TotRmsAbvGrd
                                  0.00349 10.141 -4515.2
                              1
## - X1stFlrSF
                                  0.03939 10.184 -4515.0
## + GarageYrBlt
                                 0.00020 10.144 -4514.9
                              1
## + OverallQual:GrLivArea
                              1
                                 0.00017 10.144 -4514.9
                                  0.04406 10.188 -4514.5
## - GrLivArea:GarageCars
                              1
## - WoodDeckSF
                              1
                                  0.04564 10.190 -4514.4
## - BedroomAbvGr
                              1
                                  0.05770 10.202 -4513.2
## - YearRemodAdd
                              1
                                  0.06145 10.206 -4512.8
                                  0.06874 10.213 -4512.1
## - X2ndFlrSF
                              1
## - GarageArea
                                  0.07035 10.215 -4511.9
                              1
                                  0.08561 10.230 -4510.4
## - BsmtFullBath
## - KitchenAbvGr
                                  0.09818 10.242 -4509.2
                              1
## - TotalBsmtSF:GarageCars
                                  0.14431 10.289 -4504.7
                              1
## - EncPorchSF
                                  0.19166 10.336 -4500.1
                              1
## - MSSubClass
                                  0.21671 10.361 -4497.7
## - TotalBsmtSF:GrLivArea
                                  0.26253 10.407 -4493.3
                              1
## - OverallQual:TotalBsmtSF
                             1
                                  0.29737 10.442 -4490.0
## - Fireplaces
                              1
                                  0.32171 10.466 -4487.6
## - BsmtFinSF1
                                  0.40488 10.549 -4479.7
## - LotArea
                                  0.72469 10.869 -4449.8
                              1
## - YearBuilt
                                  2.17293 12.317 -4324.8
                              1
## - OverallCond
                              1
                                  2.34943 12.494 -4310.5
## Step: AIC=-4518.35
  log(SalePrice) ~ Id + MSSubClass + LotFrontage + LotArea + OverallQual +
       OverallCond + YearBuilt + YearRemodAdd + MasVnrArea + BsmtFinSF1 +
##
       BsmtFinSF2 + TotalBsmtSF + X1stFlrSF + X2ndFlrSF + GrLivArea +
##
##
       BsmtFullBath + BsmtHalfBath + HalfBath + BedroomAbvGr + KitchenAbvGr +
##
       Fireplaces + GarageCars + GarageArea + WoodDeckSF + OpenPorchSF +
       EncPorchSF + PoolArea + MiscVal + MoSold + YrSold + OverallQual:GarageCars +
##
##
       OverallQual:TotalBsmtSF + GrLivArea:GarageCars + TotalBsmtSF:GrLivArea +
##
       TotalBsmtSF:GarageCars
##
##
                             Df Sum of Sq
                                              RSS
                                                      AIC
## - HalfBath
                                  0.00260 10.152 -4520.1
## - BsmtFinSF2
                                  0.00520 10.155 -4519.8
## - MasVnrArea
                                  0.00628 10.155 -4519.7
                              1
## - BsmtHalfBath
                              1
                                  0.00726 10.156 -4519.6
## - Id
                                  0.00729 10.157 -4519.6
                              1
## - MoSold
                              1
                                  0.00734 10.157 -4519.6
## - PoolArea
                                  0.00940 10.159 -4519.4
                              1
## - OverallQual:GarageCars
                                  0.01499 10.164 -4518.9
                              1
                                           10.149 -4518.4
## <none>
## - LotFrontage
                              1
                                  0.02070 10.170 -4518.3
## - YrSold
                              1
                                  0.02343 10.173 -4518.0
## - MiscVal
                              1
                                  0.02360 10.173 -4518.0
## - OpenPorchSF
                              1
                                  0.02654 10.176 -4517.7
## + FullBath
                                  0.00497 10.144 -4516.8
                              1
## + TotRmsAbvGrd
                              1
                                  0.00361 10.146 -4516.7
## - X1stFlrSF
                                  0.03934 10.189 -4516.5
                              1
## + OverallQual:GrLivArea
                              1 0.00005 10.149 -4516.4
```

```
## + GarageYrBlt
                                  0.00002 10.149 -4516.4
## - WoodDeckSF
                                  0.04549 10.195 -4515.9
                              1
## - GrLivArea:GarageCars
                                  0.04559 10.195 -4515.9
## - BedroomAbvGr
                                  0.05472 10.204 -4515.0
                              1
## - GarageArea
                                  0.06745 10.217 -4513.7
## - YearRemodAdd
                                  0.06808 10.217 -4513.7
                              1
## - X2ndFlrSF
                              1
                                  0.06975 10.219 -4513.5
## - BsmtFullBath
                                  0.08072 10.230 -4512.4
                              1
## - KitchenAbvGr
                              1
                                  0.09361 10.243 -4511.2
## - TotalBsmtSF:GarageCars
                              1
                                  0.14655 10.296 -4506.0
## - EncPorchSF
                                  0.19238 10.342 -4501.6
                              1
## - MSSubClass
                                  0.21302 10.362 -4499.6
                              1
## - TotalBsmtSF:GrLivArea
                                  0.26360 10.413 -4494.7
                              1
## - OverallQual:TotalBsmtSF
                                  0.30100 10.450 -4491.1
## - Fireplaces
                                  0.32097 10.470 -4489.2
                              1
## - BsmtFinSF1
                              1
                                  0.40999 10.559 -4480.8
## - LotArea
                              1
                                  0.72820 10.877 -4451.1
## - OverallCond
                                  2.34523 12.495 -4312.5
## - YearBuilt
                                  2.51880 12.668 -4298.7
##
## Step: AIC=-4520.1
## log(SalePrice) ~ Id + MSSubClass + LotFrontage + LotArea + OverallQual +
##
       OverallCond + YearBuilt + YearRemodAdd + MasVnrArea + BsmtFinSF1 +
       BsmtFinSF2 + TotalBsmtSF + X1stFlrSF + X2ndFlrSF + GrLivArea +
##
       BsmtFullBath + BsmtHalfBath + BedroomAbvGr + KitchenAbvGr +
##
##
       Fireplaces + GarageCars + GarageArea + WoodDeckSF + OpenPorchSF +
##
       EncPorchSF + PoolArea + MiscVal + MoSold + YrSold + OverallQual:GarageCars +
       OverallQual:TotalBsmtSF + GrLivArea:GarageCars + TotalBsmtSF:GrLivArea +
##
       TotalBsmtSF:GarageCars
##
##
##
                             Df Sum of Sq
                                              RSS
                                                      AIC
## - BsmtFinSF2
                                  0.00568 10.158 -4521.5
## - MasVnrArea
                                  0.00664 10.159 -4521.4
## - BsmtHalfBath
                                  0.00708 10.159 -4521.4
                              1
## - Id
                                  0.00724 10.159 -4521.4
## - MoSold
                                  0.00751 10.159 -4521.4
                              1
## - PoolArea
                                  0.00984 10.162 -4521.1
## - OverallQual:GarageCars
                                  0.01482 10.167 -4520.6
## <none>
                                           10.152 -4520.1
## - LotFrontage
                                  0.02039 10.172 -4520.1
                              1
## - YrSold
                                  0.02286 10.175 -4519.8
## - MiscVal
                                  0.02465 10.177 -4519.7
                              1
## - OpenPorchSF
                              1
                                  0.02788 10.180 -4519.4
## + TotRmsAbvGrd
                                  0.00349 10.148 -4518.4
                              1
## + HalfBath
                                  0.00260 10.149 -4518.4
                              1
## + FullBath
                                  0.00229 10.150 -4518.3
                              1
## - X1stFlrSF
                              1
                                  0.03913 10.191 -4518.3
## + OverallQual:GrLivArea
                                  0.00004 10.152 -4518.1
## + GarageYrBlt
                                  0.00000 10.152 -4518.1
                              1
## - GrLivArea:GarageCars
                              1
                                  0.04590 10.198 -4517.6
## - WoodDeckSF
                              1
                                  0.04650 10.198 -4517.5
## - BedroomAbvGr
                                  0.05525 10.207 -4516.7
## - GarageArea
                                  0.06606 10.218 -4515.6
                              1
## - YearRemodAdd
                                  0.06723 10.219 -4515.5
```

```
## - X2ndFlrSF
                                  0.07280 10.225 -4515.0
## - BsmtFullBath
                                  0.08012 10.232 -4514.2
                              1
## - KitchenAbvGr
                                  0.09557 10.247 -4512.7
## - TotalBsmtSF:GarageCars
                                  0.14831 10.300 -4507.6
                              1
## - EncPorchSF
                                  0.19309 10.345 -4503.3
## - MSSubClass
                                  0.21782 10.370 -4500.9
                              1
## - TotalBsmtSF:GrLivArea
                              1
                                  0.26261 10.415 -4496.6
## - OverallQual:TotalBsmtSF
                                  0.29930 10.451 -4493.0
                             1
## - Fireplaces
                              1
                                  0.32707 10.479 -4490.4
## - BsmtFinSF1
                              1
                                  0.41626 10.568 -4481.9
## - LotArea
                                  0.72565 10.877 -4453.1
## - OverallCond
                                  2.34420 12.496 -4314.3
                              1
## - YearBuilt
                                  2.63697 12.789 -4291.2
##
## Step: AIC=-4521.54
## log(SalePrice) ~ Id + MSSubClass + LotFrontage + LotArea + OverallQual +
##
       OverallCond + YearBuilt + YearRemodAdd + MasVnrArea + BsmtFinSF1 +
##
       TotalBsmtSF + X1stFlrSF + X2ndFlrSF + GrLivArea + BsmtFullBath +
##
       BsmtHalfBath + BedroomAbvGr + KitchenAbvGr + Fireplaces +
##
       GarageCars + GarageArea + WoodDeckSF + OpenPorchSF + EncPorchSF +
##
       PoolArea + MiscVal + MoSold + YrSold + OverallQual:GarageCars +
##
       OverallQual:TotalBsmtSF + GrLivArea:GarageCars + TotalBsmtSF:GrLivArea +
##
       TotalBsmtSF:GarageCars
##
##
                             Df Sum of Sq
                                              RSS
                                                      ATC
## - MasVnrArea
                                  0.00622 10.164 -4522.9
## - Id
                                  0.00717 10.165 -4522.8
                              1
## - MoSold
                              1
                                  0.00749 10.165 -4522.8
## - BsmtHalfBath
                                  0.00939 10.167 -4522.6
                              1
## - PoolArea
                                  0.01032 10.168 -4522.5
                              1
## - OverallQual:GarageCars
                              1
                                  0.01444 10.172 -4522.1
## - LotFrontage
                              1
                                  0.02022 10.178 -4521.6
## <none>
                                           10.158 -4521.5
## - YrSold
                                  0.02253 10.180 -4521.3
                              1
## - MiscVal
                                  0.02498 10.182 -4521.1
## - OpenPorchSF
                              1
                                  0.02669 10.184 -4520.9
## + BsmtFinSF2
                                  0.00568 10.152 -4520.1
## + BsmtUnfSF
                                  0.00568 10.152 -4520.1
                              1
## + TotRmsAbvGrd
                                  0.00354 10.154 -4519.9
                              1
## + HalfBath
                                  0.00307 10.155 -4519.8
                              1
## - X1stFlrSF
                                  0.03803 10.196 -4519.8
## + FullBath
                                  0.00222 10.155 -4519.8
                              1
## + GarageYrBlt
                              1
                                  0.00003 10.158 -4519.5
## + OverallQual:GrLivArea
                                  0.00003 10.158 -4519.5
                              1
## - GrLivArea:GarageCars
                                  0.04533 10.203 -4519.1
                              1
## - WoodDeckSF
                                  0.04741 10.205 -4518.9
                              1
## - BedroomAbvGr
                              1
                                  0.05576 10.213 -4518.1
## - YearRemodAdd
                              1
                                  0.06553 10.223 -4517.1
## - GarageArea
                              1
                                  0.06755 10.225 -4516.9
## - X2ndFlrSF
                              1
                                  0.07138 10.229 -4516.5
## - KitchenAbvGr
                              1
                                  0.09637 10.254 -4514.1
## - BsmtFullBath
                                  0.09900 10.257 -4513.8
## - TotalBsmtSF:GarageCars
                                  0.14991 10.307 -4508.9
                              1
## - EncPorchSF
                                  0.19368 10.351 -4504.7
```

```
## - MSSubClass
                                  0.21669 10.374 -4502.4
## - TotalBsmtSF:GrLivArea
                                  0.26490 10.422 -4497.8
                              1
## - OverallQual:TotalBsmtSF 1
                                  0.30333 10.461 -4494.1
## - Fireplaces
                                  0.33458 10.492 -4491.1
                              1
## - BsmtFinSF1
                              1
                                  0.42343 10.581 -4482.7
## - LotArea
                                  0.74582 10.903 -4452.7
                              1
## - OverallCond
                                   2.36575 12.523 -4314.2
                              1
## - YearBuilt
                                   2.65011 12.808 -4291.7
                              1
##
## Step: AIC=-4522.93
  log(SalePrice) ~ Id + MSSubClass + LotFrontage + LotArea + OverallQual +
       OverallCond + YearBuilt + YearRemodAdd + BsmtFinSF1 + TotalBsmtSF +
##
       X1stFlrSF + X2ndFlrSF + GrLivArea + BsmtFullBath + BsmtHalfBath +
##
       BedroomAbvGr + KitchenAbvGr + Fireplaces + GarageCars + GarageArea +
##
##
       WoodDeckSF + OpenPorchSF + EncPorchSF + PoolArea + MiscVal +
##
       MoSold + YrSold + OverallQual:GarageCars + OverallQual:TotalBsmtSF +
##
       GrLivArea:GarageCars + TotalBsmtSF:GrLivArea + TotalBsmtSF:GarageCars
##
##
                             Df Sum of Sq
                                              RSS
                                                      AIC
## - Id
                                   0.00735 10.171 -4524.2
## - MoSold
                                  0.00805 10.172 -4524.1
## - BsmtHalfBath
                                   0.00975 10.174 -4524.0
## - PoolArea
                                  0.01026 10.174 -4523.9
                              1
## - OverallQual:GarageCars
                              1
                                   0.01446 10.178 -4523.5
## - LotFrontage
                              1
                                   0.02034 10.184 -4522.9
## <none>
                                           10.164 -4522.9
## - YrSold
                                   0.02283 10.187 -4522.7
                              1
## - MiscVal
                                  0.02474 10.188 -4522.5
                              1
## - OpenPorchSF
                                  0.02586 10.190 -4522.4
                              1
## + MasVnrArea
                                  0.00622 10.158 -4521.5
                              1
## + BsmtFinSF2
                              1
                                  0.00525 10.159 -4521.4
## + BsmtUnfSF
                              1
                                   0.00525 10.159 -4521.4
## + HalfBath
                                  0.00343 10.160 -4521.3
                              1
## + TotRmsAbvGrd
                                  0.00315 10.161 -4521.2
                              1
## - X1stFlrSF
                                  0.03858 10.202 -4521.1
                              1
## + FullBath
                                  0.00182 10.162 -4521.1
                              1
## + OverallQual:GrLivArea
                                  0.00016 10.164 -4520.9
## + GarageYrBlt
                                  0.00005 10.164 -4520.9
                              1
## - GrLivArea:GarageCars
                                  0.04187 10.206 -4520.8
                              1
## - WoodDeckSF
                                  0.04675 10.210 -4520.3
                              1
## - BedroomAbvGr
                                  0.05489 10.219 -4519.5
                              1
## - YearRemodAdd
                                  0.06270 10.226 -4518.8
                              1
## - GarageArea
                              1
                                  0.06915 10.233 -4518.1
## - X2ndFlrSF
                                  0.07239 10.236 -4517.8
                              1
## - BsmtFullBath
                                   0.09613 10.260 -4515.5
                              1
## - KitchenAbvGr
                                   0.09622 10.260 -4515.5
                              1
## - TotalBsmtSF:GarageCars
                              1
                                   0.14922 10.313 -4510.4
## - EncPorchSF
                              1
                                   0.19514 10.359 -4505.9
## - MSSubClass
                              1
                                   0.21247 10.376 -4504.2
## - TotalBsmtSF:GrLivArea
                                   0.26172 10.425 -4499.5
                              1
## - OverallQual:TotalBsmtSF
                                  0.30395 10.468 -4495.5
                              1
## - Fireplaces
                              1
                                  0.33730 10.501 -4492.3
## - BsmtFinSF1
                                  0.44253 10.606 -4482.3
                              1
## - LotArea
                                  0.74341 10.907 -4454.3
```

```
## - OverallCond
                                  2.37042 12.534 -4315.3
## - YearBuilt
                                  2.72004 12.884 -4287.8
##
## Step: AIC=-4524.2
## log(SalePrice) ~ MSSubClass + LotFrontage + LotArea + OverallQual +
       OverallCond + YearBuilt + YearRemodAdd + BsmtFinSF1 + TotalBsmtSF +
##
       X1stFlrSF + X2ndFlrSF + GrLivArea + BsmtFullBath + BsmtHalfBath +
##
       BedroomAbvGr + KitchenAbvGr + Fireplaces + GarageCars + GarageArea +
##
##
       WoodDeckSF + OpenPorchSF + EncPorchSF + PoolArea + MiscVal +
       MoSold + YrSold + OverallQual:GarageCars + OverallQual:TotalBsmtSF +
##
##
       GrLivArea:GarageCars + TotalBsmtSF:GrLivArea + TotalBsmtSF:GarageCars
##
##
                             Df Sum of Sq
                                             RSS
                                                     AIC
## - MoSold
                                  0.00748 10.179 -4525.5
## - BsmtHalfBath
                                  0.00981 10.181 -4525.2
                              1
## - PoolArea
                                  0.00989 10.181 -4525.2
                              1
## - OverallQual:GarageCars
                                  0.01461 10.186 -4524.8
                              1
## - LotFrontage
                                  0.01994 10.191 -4524.2
                                          10.171 -4524.2
## <none>
## - YrSold
                                  0.02224 10.193 -4524.0
## - MiscVal
                              1
                                  0.02336 10.194 -4523.9
## - OpenPorchSF
                                  0.02696 10.198 -4523.6
## + Id
                                 0.00735 10.164 -4522.9
                              1
## + MasVnrArea
                                 0.00640 10.165 -4522.8
                              1
## + BsmtFinSF2
                              1
                                 0.00518 10.166 -4522.7
## + BsmtUnfSF
                              1
                                 0.00518 10.166 -4522.7
## + HalfBath
                                  0.00337 10.168 -4522.5
                              1
## + TotRmsAbvGrd
                              1
                                 0.00333 10.168 -4522.5
## - X1stFlrSF
                                 0.03803 10.209 -4522.5
                              1
## + FullBath
                                 0.00187 10.169 -4522.4
                              1
## + OverallQual:GrLivArea
                              1
                                 0.00025 10.171 -4522.2
## + GarageYrBlt
                              1
                                 0.00004 10.171 -4522.2
## - GrLivArea:GarageCars
                                 0.04122 10.212 -4522.2
## - WoodDeckSF
                                 0.04738 10.219 -4521.6
                              1
## - BedroomAbvGr
                                 0.05395 10.225 -4520.9
                              1
## - YearRemodAdd
                                 0.06505 10.236 -4519.8
                              1
## - GarageArea
                                 0.06844 10.239 -4519.5
## - X2ndFlrSF
                                 0.07091 10.242 -4519.3
                              1
## - KitchenAbvGr
                                 0.09572 10.267 -4516.8
                              1
## - BsmtFullBath
                                 0.09640 10.268 -4516.8
                              1
                                 0.14712 10.318 -4511.8
## - TotalBsmtSF:GarageCars
                              1
## - EncPorchSF
                                 0.20121 10.372 -4506.6
                              1
## - MSSubClass
                              1
                                  0.21228 10.383 -4505.5
## - TotalBsmtSF:GrLivArea
                                  0.25740 10.428 -4501.2
                              1
## - OverallQual:TotalBsmtSF
                              1
                                  0.29722 10.468 -4497.4
## - Fireplaces
                                  0.33721 10.508 -4493.6
                              1
## - BsmtFinSF1
                              1
                                  0.44257 10.614 -4483.6
## - LotArea
                              1
                                  0.74322 10.914 -4455.7
## - OverallCond
                              1
                                  2.36309 12.534 -4317.3
## - YearBuilt
                              1
                                  2.72101 12.892 -4289.1
##
## Step: AIC=-4525.47
## log(SalePrice) ~ MSSubClass + LotFrontage + LotArea + OverallQual +
       OverallCond + YearBuilt + YearRemodAdd + BsmtFinSF1 + TotalBsmtSF +
##
```

```
##
       X1stFlrSF + X2ndFlrSF + GrLivArea + BsmtFullBath + BsmtHalfBath +
##
       BedroomAbvGr + KitchenAbvGr + Fireplaces + GarageCars + GarageArea +
##
       WoodDeckSF + OpenPorchSF + EncPorchSF + PoolArea + MiscVal +
       YrSold + OverallQual:GarageCars + OverallQual:TotalBsmtSF +
##
##
       GrLivArea:GarageCars + TotalBsmtSF:GrLivArea + TotalBsmtSF:GarageCars
##
                             Df Sum of Sq
##
                                              RSS
                                                      AIC
## - BsmtHalfBath
                                  0.00882 10.187 -4526.6
## - PoolArea
                              1
                                  0.01079 10.189 -4526.4
## - OverallQual:GarageCars
                              1
                                  0.01390 10.193 -4526.1
## - YrSold
                              1
                                  0.01927 10.198 -4525.6
## - LotFrontage
                                  0.01973 10.198 -4525.5
                              1
## <none>
                                           10.179 -4525.5
## - MiscVal
                              1
                                  0.02374 10.202 -4525.1
## - OpenPorchSF
                                  0.02612 10.205 -4524.9
                              1
## + MoSold
                              1
                                  0.00748 10.171 -4524.2
                                  0.00693 10.172 -4524.2
## + MasVnrArea
                              1
## + Id
                                  0.00678 10.172 -4524.1
## + BsmtFinSF2
                                  0.00514 10.173 -4524.0
                              1
## + BsmtUnfSF
                              1
                                  0.00514 10.173 -4524.0
## - X1stFlrSF
                              1
                                  0.03667 10.215 -4523.9
## + TotRmsAbvGrd
                                  0.00388 10.175 -4523.9
                              1
## + HalfBath
                                  0.00359 10.175 -4523.8
                              1
## + FullBath
                                  0.00197 10.177 -4523.7
                              1
## + OverallQual:GrLivArea
                              1
                                  0.00034 10.178 -4523.5
## + GarageYrBlt
                              1
                                  0.00000 10.179 -4523.5
## - GrLivArea:GarageCars
                                  0.04110 10.220 -4523.4
                              1
## - WoodDeckSF
                              1
                                  0.04606 10.225 -4523.0
## - BedroomAbvGr
                                  0.05377 10.232 -4522.2
                              1
## - YearRemodAdd
                                  0.06518 10.244 -4521.1
                              1
## - GarageArea
                              1
                                  0.06890 10.248 -4520.7
## - X2ndFlrSF
                              1
                                  0.06907 10.248 -4520.7
## - BsmtFullBath
                                  0.09578 10.274 -4518.1
## - KitchenAbvGr
                                  0.10083 10.279 -4517.6
                              1
## - TotalBsmtSF:GarageCars
                                  0.14521 10.324 -4513.3
                              1
## - EncPorchSF
                                  0.20115 10.380 -4507.9
                              1
## - MSSubClass
                                  0.20922 10.388 -4507.1
## - TotalBsmtSF:GrLivArea
                                  0.25366 10.432 -4502.9
                              1
## - OverallQual:TotalBsmtSF
                                  0.29715 10.476 -4498.7
                              1
## - Fireplaces
                                  0.33162 10.510 -4495.4
                              1
## - BsmtFinSF1
                                  0.44321 10.622 -4484.8
                              1
                                  0.74526 10.924 -4456.8
## - LotArea
                              1
## - OverallCond
                              1
                                  2.36346 12.542 -4318.7
## - YearBuilt
                                  2.73820 12.917 -4289.2
                              1
## Step: AIC=-4526.6
## log(SalePrice) ~ MSSubClass + LotFrontage + LotArea + OverallQual +
##
       OverallCond + YearBuilt + YearRemodAdd + BsmtFinSF1 + TotalBsmtSF +
##
       X1stFlrSF + X2ndFlrSF + GrLivArea + BsmtFullBath + BedroomAbvGr +
##
       KitchenAbvGr + Fireplaces + GarageCars + GarageArea + WoodDeckSF +
##
       OpenPorchSF + EncPorchSF + PoolArea + MiscVal + YrSold +
       OverallQual:GarageCars + OverallQual:TotalBsmtSF + GrLivArea:GarageCars +
##
##
       TotalBsmtSF:GrLivArea + TotalBsmtSF:GarageCars
##
```

```
##
                             Df Sum of Sq
                                              RSS
## - PoolArea
                                   0.01057 10.198 -4527.6
                                   0.01288 10.200 -4527.3
## - OverallQual:GarageCars
## - LotFrontage
                                   0.01986 10.207 -4526.7
## <none>
                                           10.187 -4526.6
## - YrSold
                                  0.02043 10.208 -4526.6
## - MiscVal
                                   0.02374 10.211 -4526.3
                                  0.02723 10.215 -4525.9
## - OpenPorchSF
                              1
## + BsmtHalfBath
                              1
                                  0.00882 10.179 -4525.5
## + BsmtFinSF2
                              1
                                  0.00728 10.180 -4525.3
## + BsmtUnfSF
                              1
                                  0.00728 10.180 -4525.3
## + MasVnrArea
                                  0.00726 10.180 -4525.3
                              1
## + Id
                                  0.00687 10.181 -4525.3
                              1
## + MoSold
                                  0.00649 10.181 -4525.2
## - X1stFlrSF
                                  0.03682 10.224 -4525.0
                              1
## + TotRmsAbvGrd
                              1
                                  0.00375 10.184 -4525.0
## + HalfBath
                                  0.00345 10.184 -4524.9
                              1
## - GrLivArea:GarageCars
                                  0.03861 10.226 -4524.8
## + FullBath
                                  0.00133 10.186 -4524.7
                              1
## + OverallQual:GrLivArea
                              1
                                  0.00022 10.187 -4524.6
## + GarageYrBlt
                              1
                                  0.00003 10.187 -4524.6
## - WoodDeckSF
                                  0.04901 10.236 -4523.8
## - BedroomAbvGr
                                  0.05180 10.239 -4523.5
                              1
## - YearRemodAdd
                                  0.06667 10.254 -4522.1
                              1
## - GarageArea
                              1
                                  0.06795 10.255 -4522.0
## - X2ndFlrSF
                              1
                                  0.06889 10.256 -4521.9
## - BsmtFullBath
                                  0.08702 10.274 -4520.1
                              1
## - KitchenAbvGr
                              1
                                  0.09968 10.287 -4518.9
## - TotalBsmtSF:GarageCars
                                  0.14548 10.333 -4514.4
## - EncPorchSF
                                  0.20026 10.388 -4509.1
                              1
## - MSSubClass
                              1
                                  0.20801 10.395 -4508.4
## - TotalBsmtSF:GrLivArea
                              1
                                  0.25182 10.439 -4504.2
## - OverallQual:TotalBsmtSF
                                  0.29432 10.482 -4500.1
## - Fireplaces
                                  0.33490 10.522 -4496.3
                              1
## - BsmtFinSF1
                                   0.48952 10.677 -4481.7
## - LotArea
                              1
                                  0.75983 10.947 -4456.7
## - OverallCond
                                   2.41180 12.599 -4316.1
## - YearBuilt
                              1
                                   2.74966 12.937 -4289.7
##
## Step: AIC=-4527.57
## log(SalePrice) ~ MSSubClass + LotFrontage + LotArea + OverallQual +
##
       OverallCond + YearBuilt + YearRemodAdd + BsmtFinSF1 + TotalBsmtSF +
       X1stFlrSF + X2ndFlrSF + GrLivArea + BsmtFullBath + BedroomAbvGr +
##
       KitchenAbvGr + Fireplaces + GarageCars + GarageArea + WoodDeckSF +
##
       OpenPorchSF + EncPorchSF + MiscVal + YrSold + OverallQual:GarageCars +
##
       OverallQual:TotalBsmtSF + GrLivArea:GarageCars + TotalBsmtSF:GrLivArea +
##
##
       TotalBsmtSF:GarageCars
##
                             Df Sum of Sq
                                              RSS
                                                      ATC
## - OverallQual:GarageCars
                                   0.01224 10.210 -4528.4
## <none>
                                           10.198 -4527.6
## - LotFrontage
                                   0.02103 10.219 -4527.5
                                   0.02171 10.220 -4527.4
## - YrSold
                              1
## - MiscVal
                                  0.02388 10.222 -4527.2
```

```
## - OpenPorchSF
                                   0.02626 10.224 -4527.0
## + PoolArea
                                   0.01057 10.187 -4526.6
                               1
## + BsmtHalfBath
                                   0.00860 10.189 -4526.4
## + BsmtFinSF2
                                   0.00779 10.190 -4526.3
                               1
## + BsmtUnfSF
                                   0.00779 10.190 -4526.3
## + MoSold
                                   0.00734 10.191 -4526.3
                               1
## + MasVnrArea
                               1
                                   0.00722 10.191 -4526.3
## + Td
                                   0.00646 10.191 -4526.2
                               1
## - X1stFlrSF
                               1
                                   0.03677 10.235 -4526.0
## + HalfBath
                               1
                                   0.00401 10.194 -4526.0
## + TotRmsAbvGrd
                               1
                                   0.00336 10.195 -4525.9
                                   0.03777 10.236 -4525.9
## - GrLivArea:GarageCars
                               1
## + FullBath
                                   0.00104 10.197 -4525.7
                               1
## + OverallQual:GrLivArea
                                   0.00019 10.198 -4525.6
                                   0.00005 10.198 -4525.6
## + GarageYrBlt
                               1
## - BedroomAbvGr
                               1
                                   0.05001 10.248 -4524.7
## - WoodDeckSF
                                   0.05147 10.249 -4524.5
                               1
## - YearRemodAdd
                                   0.06749 10.265 -4523.0
                                   0.06801 10.266 -4522.9
## - GarageArea
                               1
## - X2ndFlrSF
                                   0.06861 10.267 -4522.9
## - BsmtFullBath
                               1
                                   0.09032 10.288 -4520.7
## - KitchenAbvGr
                                   0.09920 10.297 -4519.9
## - TotalBsmtSF:GarageCars
                                   0.14629 10.344 -4515.3
                               1
## - EncPorchSF
                               1
                                   0.19901 10.397 -4510.2
## - MSSubClass
                               1
                                   0.20769 10.406 -4509.4
## - TotalBsmtSF:GrLivArea
                               1
                                   0.25190 10.450 -4505.2
## - OverallQual:TotalBsmtSF
                                   0.29493 10.493 -4501.1
                              1
## - Fireplaces
                               1
                                   0.34046 10.538 -4496.7
## - BsmtFinSF1
                                   0.48636 10.684 -4483.0
                               1
## - LotArea
                                   0.75777 10.956 -4457.9
                               1
## - OverallCond
                               1
                                   2.41439 12.612 -4317.1
## - YearBuilt
                               1
                                   2.75116 12.949 -4290.7
##
## Step: AIC=-4528.37
  log(SalePrice) ~ MSSubClass + LotFrontage + LotArea + OverallQual +
##
       OverallCond + YearBuilt + YearRemodAdd + BsmtFinSF1 + TotalBsmtSF +
##
       X1stFlrSF + X2ndFlrSF + GrLivArea + BsmtFullBath + BedroomAbvGr +
##
       KitchenAbvGr + Fireplaces + GarageCars + GarageArea + WoodDeckSF +
##
       OpenPorchSF + EncPorchSF + MiscVal + YrSold + OverallQual:TotalBsmtSF +
##
       GrLivArea:GarageCars + TotalBsmtSF:GrLivArea + TotalBsmtSF:GarageCars
##
##
                              Df Sum of Sq
                                              RSS
                                                      ATC
## <none>
                                           10.210 -4528.4
                                   0.02214 10.232 -4528.2
## - YrSold
## - LotFrontage
                                   0.02342 10.234 -4528.1
                               1
                                   0.02349 10.234 -4528.1
## - MiscVal
                               1
## - GrLivArea:GarageCars
                               1
                                   0.02625 10.236 -4527.8
## - OpenPorchSF
                               1
                                   0.02670 10.237 -4527.8
## + OverallQual:GarageCars
                                   0.01224 10.198 -4527.6
                               1
## + PoolArea
                               1
                                   0.00993 10.200 -4527.3
## - X1stFlrSF
                               1
                                   0.03236 10.243 -4527.2
## + BsmtHalfBath
                                   0.00762 10.203 -4527.1
## + BsmtFinSF2
                               1
                                   0.00721 10.203 -4527.1
## + BsmtUnfSF
                                   0.00721 10.203 -4527.1
```

```
## + MasVnrArea
                                 0.00720 10.203 -4527.1
## + MoSold
                                 0.00671 10.204 -4527.0
                             1
## + Id
                                0.00663 10.204 -4527.0
## + TotRmsAbvGrd
                                0.00455 10.206 -4526.8
## + HalfBath
                                0.00378 10.206 -4526.7
## + OverallQual:GrLivArea 1 0.00197 10.208 -4526.6
## + FullBath
                            1 0.00115 10.209 -4526.5
## + GarageYrBlt
                            1 0.00054 10.210 -4526.4
## - BedroomAbvGr
                             1
                                0.04960 10.260 -4525.5
## - WoodDeckSF
                             1
                                0.05211 10.262 -4525.3
## - X2ndFlrSF
                             1
                                0.06398 10.274 -4524.1
                                0.06860 10.279 -4523.7
## - GarageArea
                             1
## - YearRemodAdd
                             1
                                0.07699 10.287 -4522.9
                             1 0.09368 10.304 -4521.2
## - BsmtFullBath
## - KitchenAbvGr
                             1 0.09897 10.309 -4520.7
## - TotalBsmtSF:GarageCars
                             1
                                0.13501 10.345 -4517.2
## - EncPorchSF
                                0.19516 10.405 -4511.4
                             1
## - MSSubClass
                                0.21681 10.427 -4509.4
## - TotalBsmtSF:GrLivArea
                             1 0.28286 10.493 -4503.0
## - Fireplaces
                                0.34304 10.553 -4497.3
## - OverallQual:TotalBsmtSF 1 0.37167 10.582 -4494.6
## - BsmtFinSF1
                             1 0.48075 10.691 -4484.4
                             1 0.75159 10.962 -4459.3
## - LotArea
## - OverallCond
                                 2.40586 12.616 -4318.8
                                 2.77006 12.980 -4290.3
## - YearBuilt
                             1
Now that we have found this linear fit, we run a 5 fold cross validation to examine the
fitOLMSim2Way <- train(OLMSim2Way$call$formula,</pre>
            data=housingData,
            method="lm",
            trControl=fitControl)
fitOLMSim2Way$results
##
     intercept
                   RMSE Rsquared
                                         MAE
                                                 RMSESD RsquaredSD
                                                                         MAESD
## 1
         TRUE 0.1050121 0.9161997 0.07879346 0.01226514 0.01773947 0.008115876
# Results
best_ols2way_RMSE <- fitOLMSim2Way$results$RMSE</pre>
best_ols2way_R2 <- fitOLMSim2Way$results$Rsquared
summary(fitOLMSim2Way)
##
## Call:
## lm(formula = .outcome ~ ., data = dat)
## Residuals:
                     Median
                 1Q
                                   3Q
## -0.63172 -0.05645 0.00385 0.05717 0.34535
##
## Coefficients:
                              Estimate Std. Error t value Pr(>|t|)
                             1.048e+01 5.042e+00 2.078 0.037956 *
## (Intercept)
```

```
## MSSubClass
                             -4.351e-04 9.578e-05 -4.543 6.24e-06 ***
## LotFrontage
                              1.489e-04 9.972e-05
                                                     1.493 0.135688
                                                     8.459 < 2e-16 ***
## LotArea
                              3.008e-06 3.556e-07
## OverallQual
                              1.980e-02 9.141e-03
                                                     2.166 0.030543 *
## OverallCond
                              5.625e-02 3.717e-03 15.134
                                                           < 2e-16 ***
## YearBuilt
                              3.189e-03 1.964e-04 16.239
                                                            < 2e-16 ***
## YearRemodAdd
                              6.220e-04 2.297e-04
                                                    2.707 0.006902 **
## BsmtFinSF1
                             7.973e-05 1.178e-05
                                                     6.765 2.30e-11 ***
## TotalBsmtSF
                              1.076e-04 3.488e-05
                                                     3.086 0.002088 **
## X1stFlrSF
                              1.358e-04 7.736e-05
                                                    1.755 0.079535 .
## X2ndFlrSF
                              1.878e-04 7.609e-05
                                                     2.468 0.013758 *
## GrLivArea
                              2.568e-04 7.532e-05
                                                     3.409 0.000680 ***
## BsmtFullBath
                             2.557e-02 8.562e-03
                                                     2.986 0.002895 **
## BedroomAbvGr
                             -1.247e-02 5.738e-03 -2.173 0.030030 *
## KitchenAbvGr
                             -5.941e-02 1.936e-02
                                                   -3.070 0.002203 **
## Fireplaces
                              3.623e-02 6.339e-03
                                                     5.715 1.46e-08 ***
## GarageCars
                              1.094e-01 1.888e-02
                                                    5.797 9.10e-09 ***
## GarageArea
                              9.183e-05 3.593e-05
                                                     2.555 0.010756 *
## WoodDeckSF
                              6.309e-05 2.833e-05
                                                     2.227 0.026152 *
## OpenPorchSF
                             8.966e-05 5.623e-05
                                                     1.594 0.111165
## EncPorchSF
                              1.881e-04 4.365e-05
                                                    4.310 1.80e-05 ***
## MiscVal
                                                   -1.495 0.135117
                             -2.610e-05 1.746e-05
## YrSold
                             -3.668e-03 2.526e-03
                                                   -1.452 0.146839
## `OverallQual:TotalBsmtSF`
                             4.591e-05
                                        7.718e-06
                                                     5.948 3.78e-09 ***
## `GrLivArea:GarageCars`
                             -1.593e-05 1.008e-05
                                                   -1.581 0.114258
## `TotalBsmtSF:GrLivArea`
                             -9.378e-08 1.807e-08
                                                   -5.189 2.57e-07 ***
## `TotalBsmtSF:GarageCars`
                            -5.564e-05 1.552e-05 -3.585 0.000354 ***
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 0.1025 on 972 degrees of freedom
## Multiple R-squared: 0.9225, Adjusted R-squared: 0.9203
## F-statistic: 428.5 on 27 and 972 DF, p-value: < 2.2e-16
Lastly we attempt the MARS method to fit linear splines on the data.
marsFit <- earth(log(SalePrice) ~ ., data = housingNumeric)</pre>
summary(marsFit, style="pmax")
## Call: earth(formula=log(SalePrice)~., data=housingNumeric)
##
## log(SalePrice) =
     12.03546
##
##
     -1.305917e-05 * pmax(0,
                                    15431 -
                                                LotArea)
##
     + 2.088154e-06 * pmax(0,
                                  LotArea -
                                                  15431)
##
        0.04294704 * pmax(0,
                                        6 - OverallQual)
##
        0.08994435 * pmax(0, OverallQual -
                                                      6)
        0.09304702 * pmax(0,
                                        5 - OverallCond)
##
##
        0.05757498 * pmax(0, OverallCond -
                                                      5)
##
       0.003050568 * pmax(0,
                                     2004 -
                                              YearBuilt)
##
        0.01314382 * pmax(0,
                                YearBuilt -
                                                   2004)
##
     -0.0001237953 * pmax(0,
                                      650 -
                                             BsmtFinSF1)
##
     + 9.729898e-05 * pmax(0, BsmtFinSF1 -
                                                    650)
```

1324 - TotalBsmtSF)

-0.0001440609 * pmax(0,

```
##
     -0.0005580601 * pmax(0,
                                       958 -
                                                GrLivArea)
##
     + 0.000249486 * pmax(0, GrLivArea -
                                                      958)
##
     - 0.05412901 * pmax(0,
                                         1 - Fireplaces)
       0.03180269 * pmax(0, Fireplaces -
##
##
    + 0.001319597 * pmax(0,
                                      1973 - GarageYrBlt)
    + 0.002683497 * pmax(0, GarageYrBlt -
##
           2.649257 * pmax(0,
##
                                          1 - GarageCars)
         0.03701742 * pmax(0, GarageCars -
##
                                                        1)
##
## Selected 20 of 21 terms, and 10 of 35 predictors
## Termination condition: RSq changed by less than 0.001 at 21 terms
## Importance: YearBuilt, GrLivArea, OverallQual, TotalBsmtSF, OverallCond, ...
## Number of terms at each degree of interaction: 1 19 (additive model)
## GCV 0.01067386
                     RSS 9.85753
                                     GRSq 0.9191446
                                                        RSq 0.9251788
earthGrid <- expand.grid(nprune=10:20,degree = 1:5)</pre>
fitMARS <- train(log(SalePrice) ~ .,</pre>
                 data = housingNumeric,
                 method = "earth",
                 trControl = fitControl,
                 tuneGrid = earthGrid)
# Best tuning parameters
best_mars_tune <- fitMARS$bestTune</pre>
print(best_mars_tune)
      nprune degree
## 11
          20
# Best results
best_mars <- fitMARS$results[which.min(fitMARS$results$RMSE), ]</pre>
best mars RMSE <- best mars$RMSE</pre>
best_mars_R2 <- best_mars$Rsquared</pre>
Our final results are presented here.
# OLS (from fitOLM)
best_ols_RMSE <- fitOLM$results$RMSE</pre>
best_ols_R2 <- fitOLM$results$Rsquared</pre>
# OLS Simplified (from fitOLMSim)
best olssim RMSE <- fitOLMSim$results$RMSE</pre>
best_olssim_R2 <- fitOLMSim$results$Rsquared</pre>
# Create the data frame
results table <- data.frame(
 Model = c("OLS", "OLS Simplified", "OLS Two-Way Interactions", "Lasso",
            "Ridge Regression", "Elastic Net", "MARS"),
  Notes = c("lm", "lm with stepwise selection", "lm with interactions", "lars",
            "ridge", "elastic net", "earth"),
  Hyperparameters = c(
    "N/A",
    "N/A",
    "N/A",
```

paste("fraction =", round(fitLasso\$bestTune\$fraction, 5)),

Model	Notes	Hyperparameters	CVRMSECV_R2	
OLS	lm	N/A	0.1052	0.9175
OLS Simplified	lm with stepwise selection	N/A	0.0973	0.9283
OLS Two-Way	lm with interactions	N/A	0.1050	0.9162
Interactions				
Lasso	lars	fraction = 0.97081	0.1124	0.9049
Ridge Regression	ridge	lambda = 0.00667	0.1092	0.9098
Elastic Net	elastic net	lambda = 0.00222, fraction =	0.1068	0.9138
		0.9		
MARS	earth	nprune = 20, $degree = 1$	0.1093	0.9107