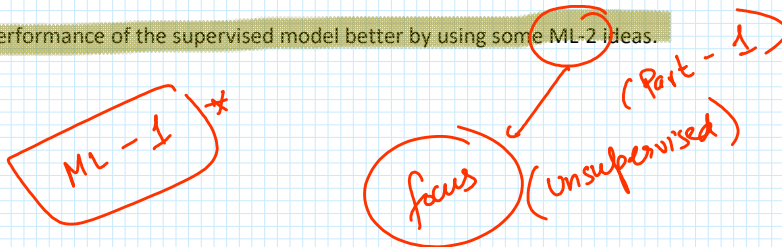


(Can we do something better?)  
→ (Unsupervised)

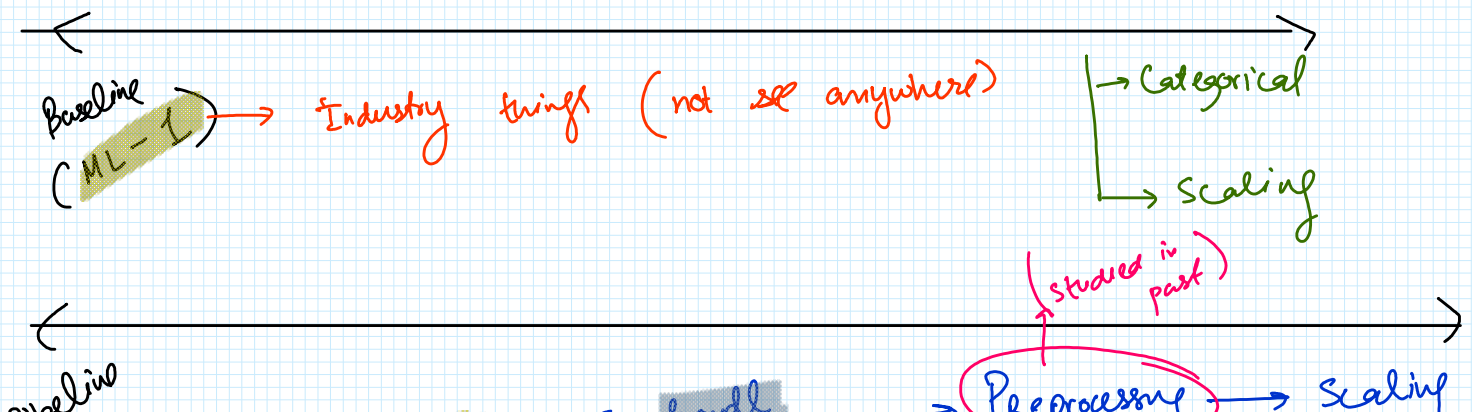
(Problem Statement)

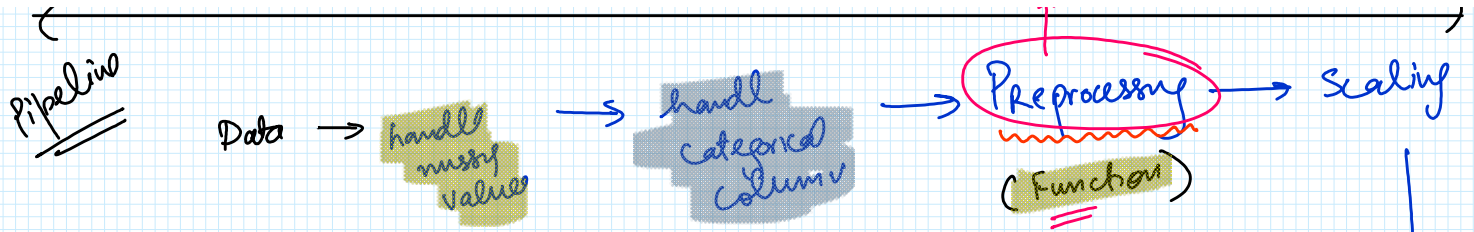
Given a set of features, predict the prices of the houses.

performance of the supervised model better by using some ML-2 ideas.



ML → Supervised  
ML-2 Unsup





Handle Categorical

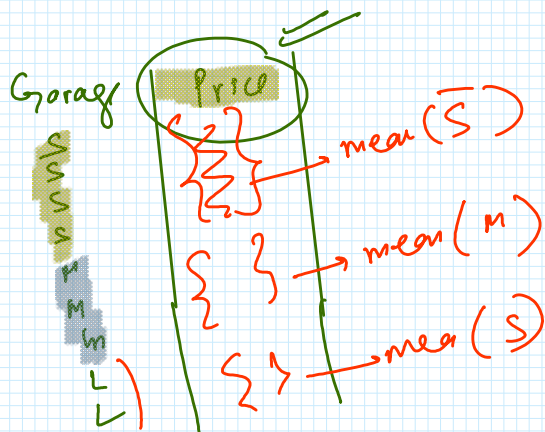
- one hot encoding
- ordinal

Frequency encoding

Target encoding (300 columns) (multiple columns) → Data Leakage

10 - 20 columns

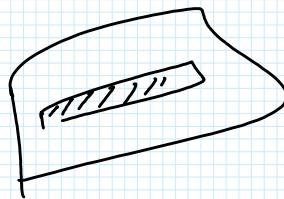
zip code	
22	10
22	10
22	15
23	15
23	15
23	15
23	15
23	15
23	15
23	15



Advanced (NLP)

Embedding method

(D.L)



## Handling Categorical Features

Categorical features can be **ordinal** (have a meaningful order) or **nominal** (no intrinsic order). The approach depends on the type:

### 1. Nominal Features

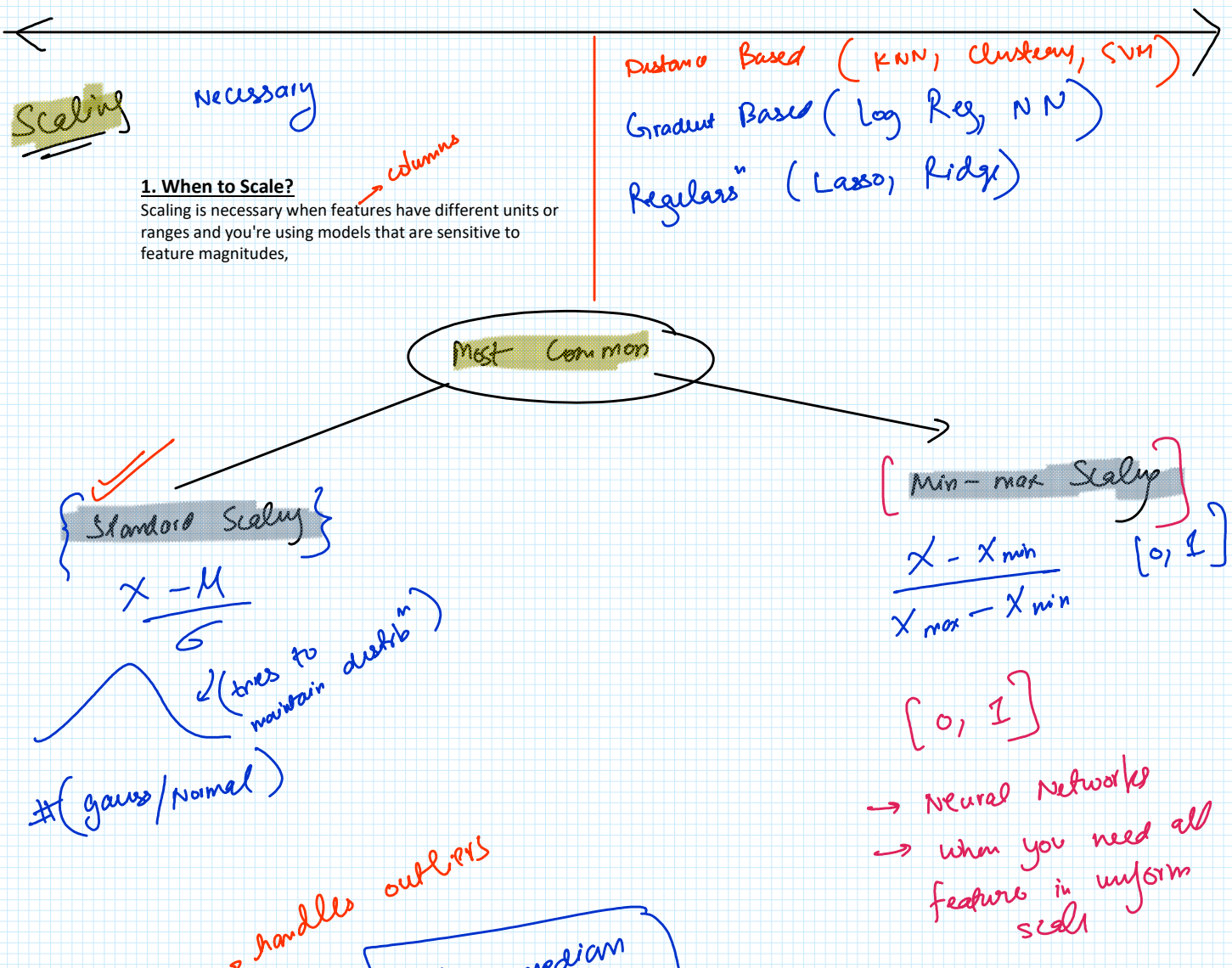
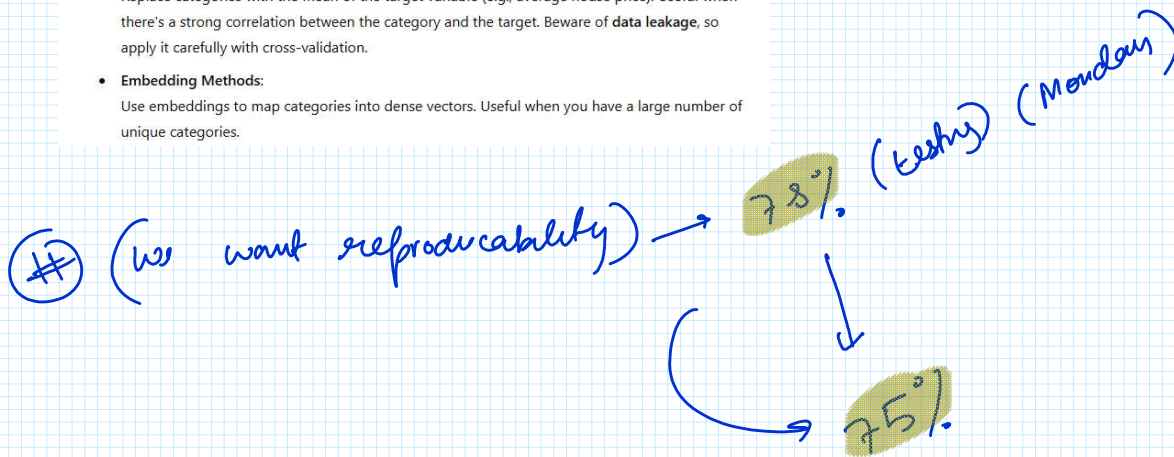
Examples: City, House Style, or Neighborhood.

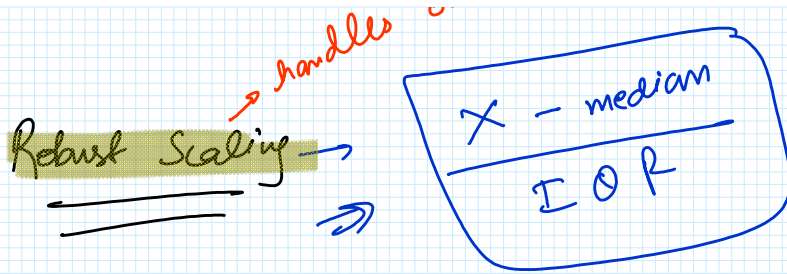
- **One-Hot Encoding:**  
Converts each category into a binary column. Suitable when the number of categories is small. Use libraries like `pandas.get_dummies()` or `OneHotEncoder` from `sklearn`.
- **Frequency Encoding:**  
Replace each category with the frequency of its occurrence. This helps reduce dimensionality compared to one-hot encoding.
- **Target Encoding:**  
Replace categories with the mean of the target variable (e.g., average house price). Useful when there's a strong correlation between the category and the target. Beware of **data leakage**, so apply it carefully with cross-validation.
- **Embedding Methods:**  
Use embeddings to map categories into dense vectors. Useful when you have a large number of unique categories.

### 2. Ordinal Features

Examples: Quality Ratings (Low, Medium, High).

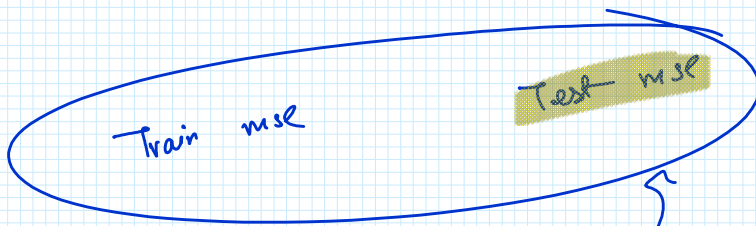
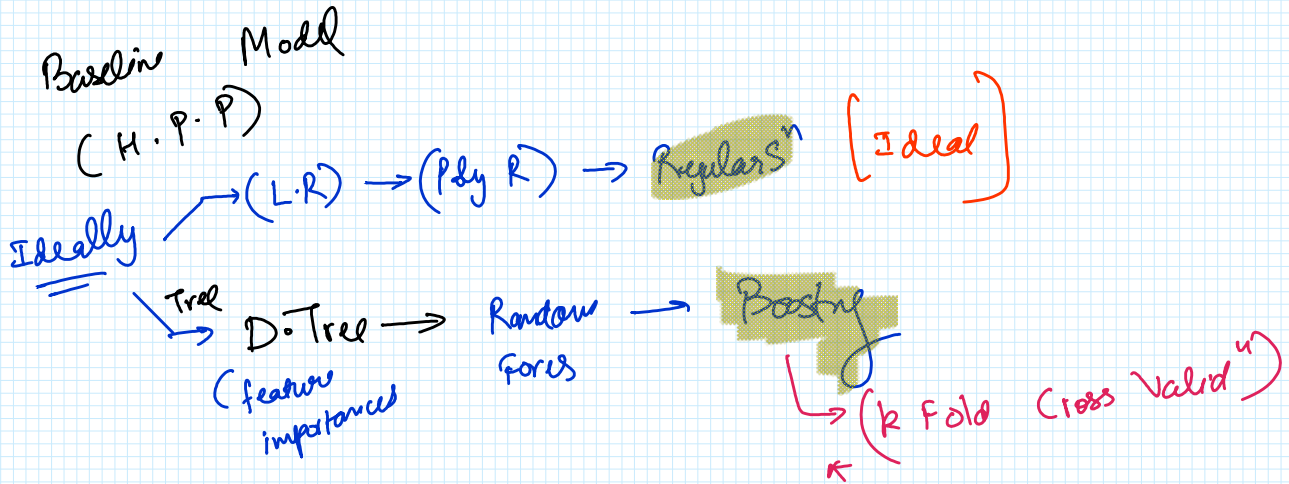
- **Label Encoding:**  
Assign integer values to categories based on their rank or logical order (e.g., Low=1, Medium=2, High=3). Use `LabelEncoder` from `sklearn`. Ensure the order is meaningful; otherwise, consider other encodings.
- **Map to Numeric Scales:**  
If the categories represent intervals (e.g., Bad=1, Good=3, Excellent=5), map them directly to these numeric values.



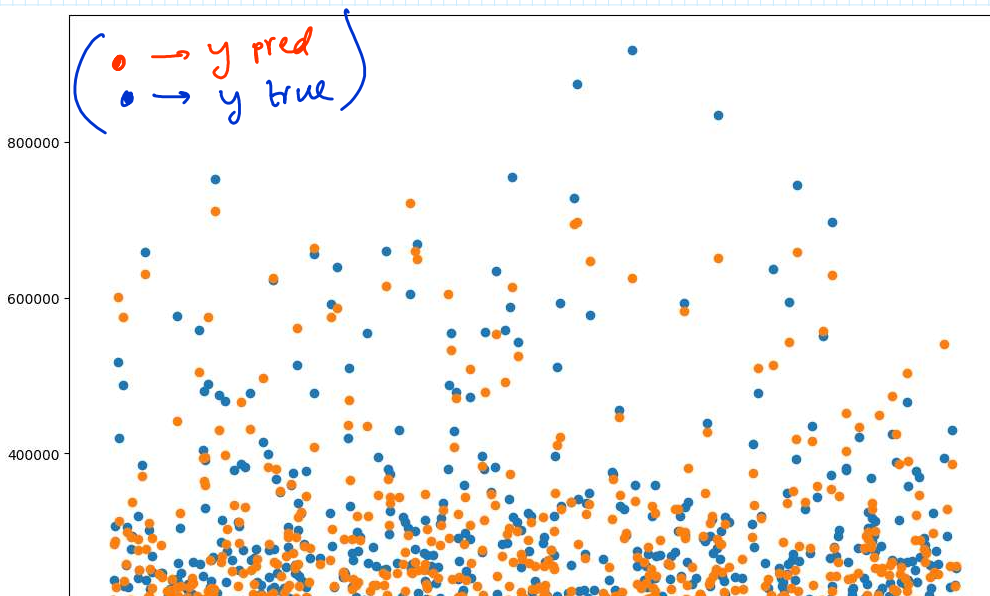


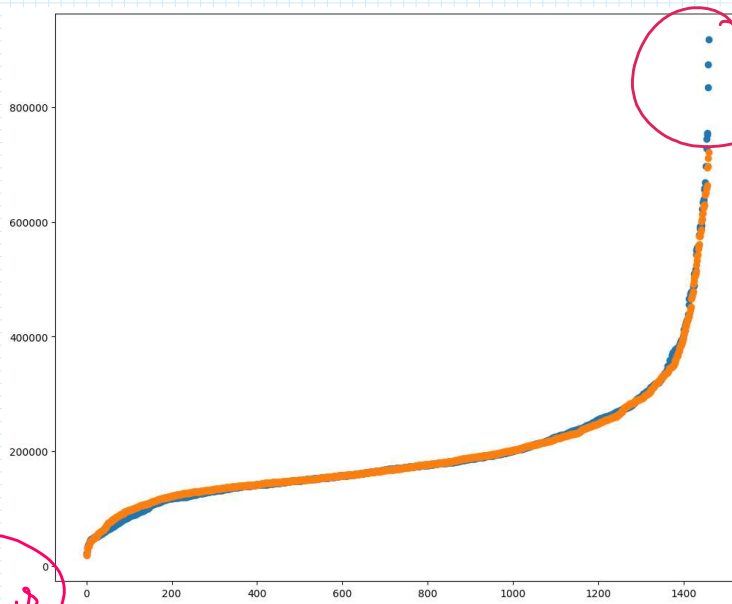
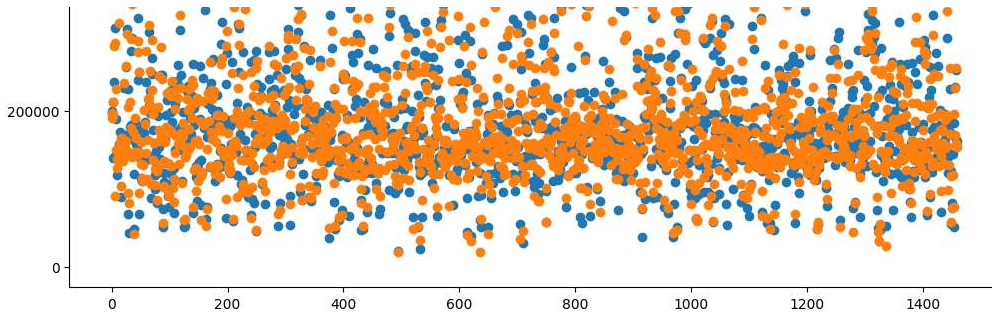
features in scale

log transform



[ Apply ML - 2 techniques ]





→  $y_{true}$  is high  
But  $y_{pred}$  is low

(Current Status)

Baseline Model → good preds for cheap houses  
but error for expensive houses is high

solution?

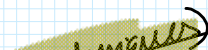
→ Add more  
Tr data for  
expensive houses

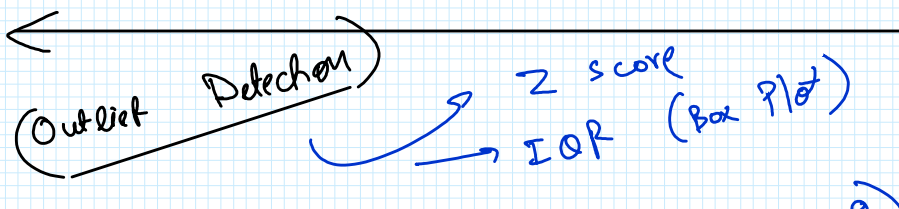
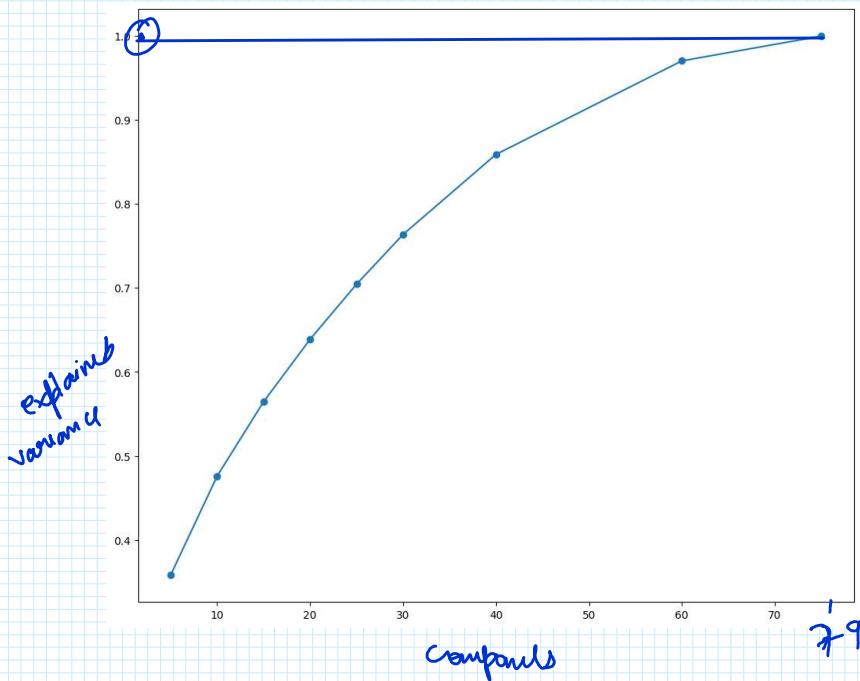
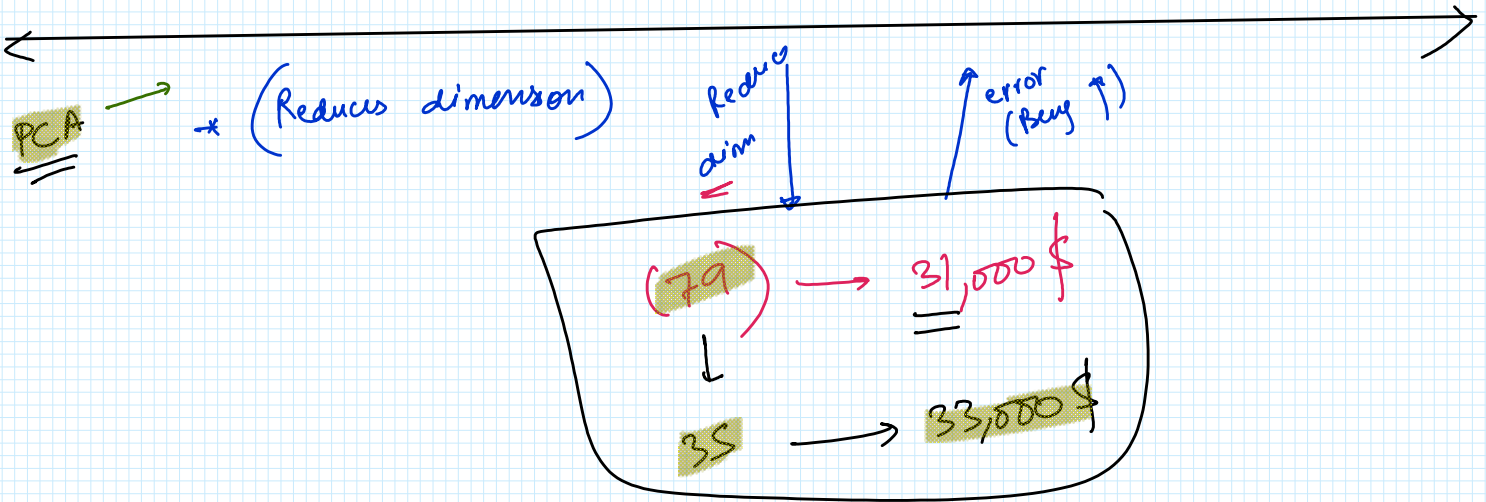
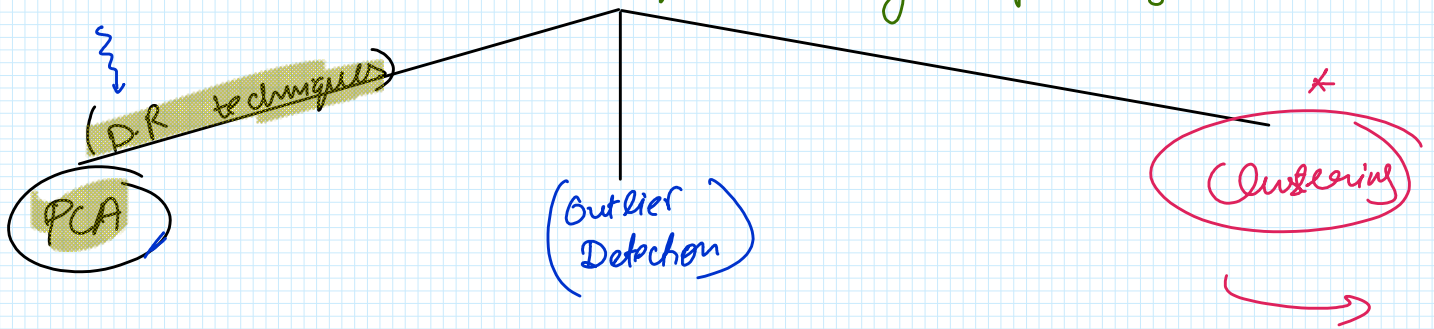
→ Outlier  
(Removal)

10:09 pm

ML-2 (Use ML-2 techniques & try to improve the RMSE)  
\* (There is no guarantee)

What techniques do you know?





(Outlier

IQP (Box

#

Visualisation

PCA (n-comp = 2)

t-SNE

(checked visually)

UMAP

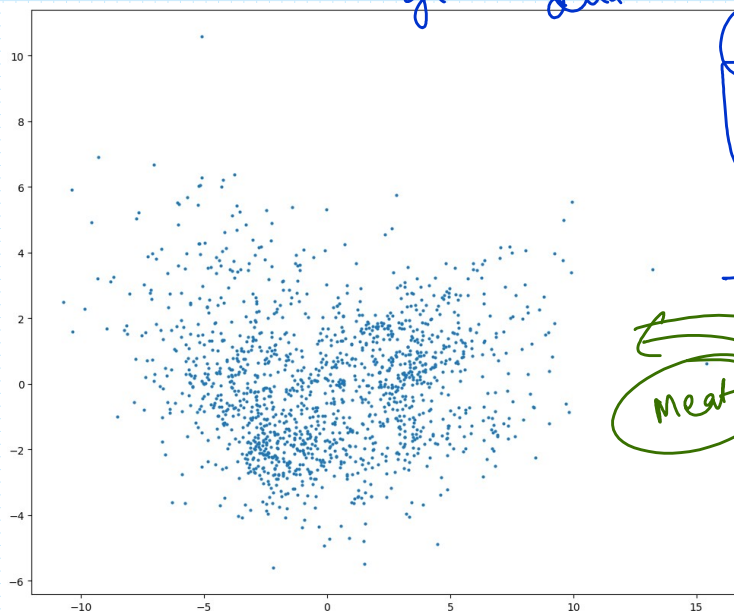
#

(Read 2 research papers)

LoF

Isol<sup>n</sup> forest

global str of data



Industry

79

2

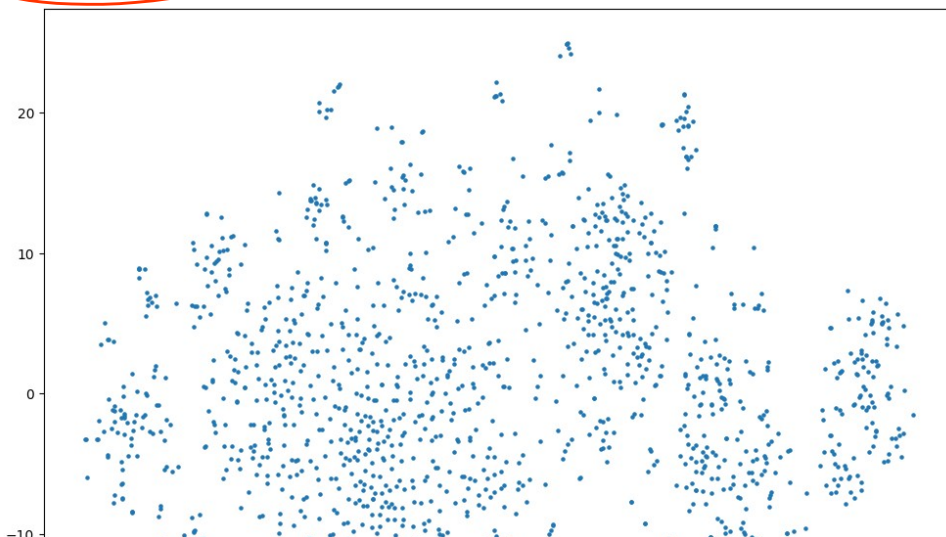
2 dim

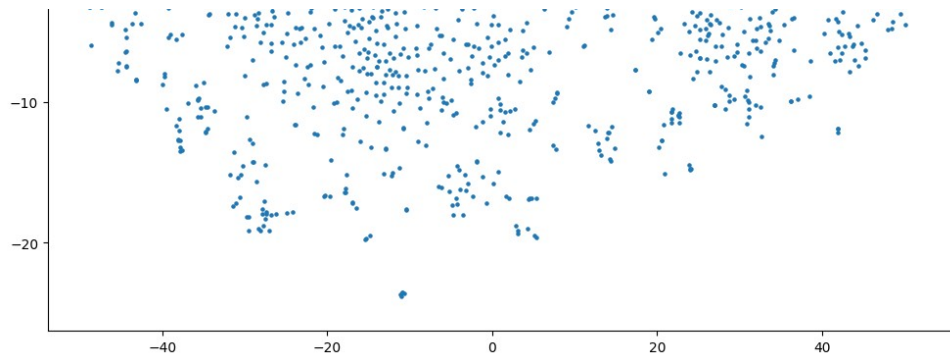
How much variance

meat

[30%]

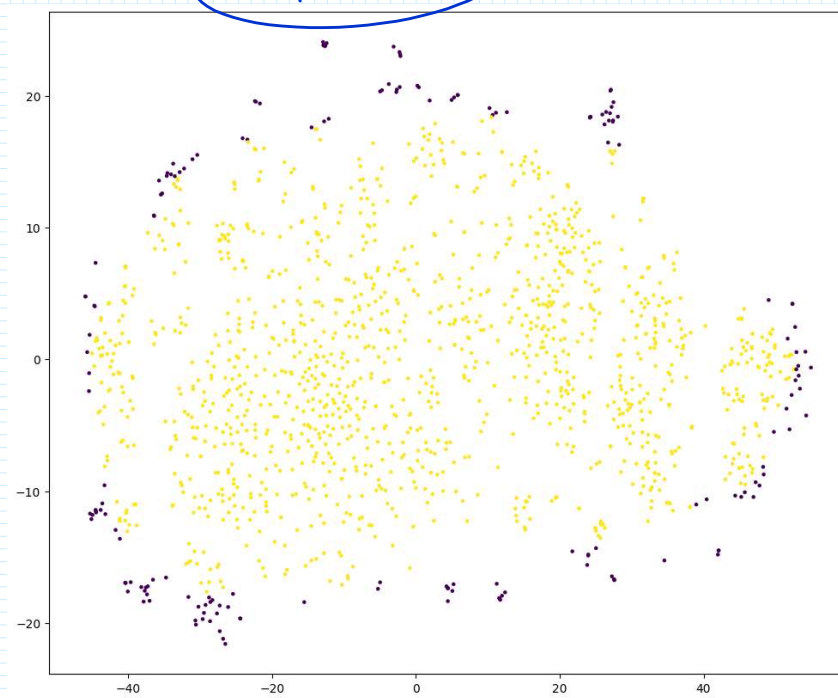
t-SNE



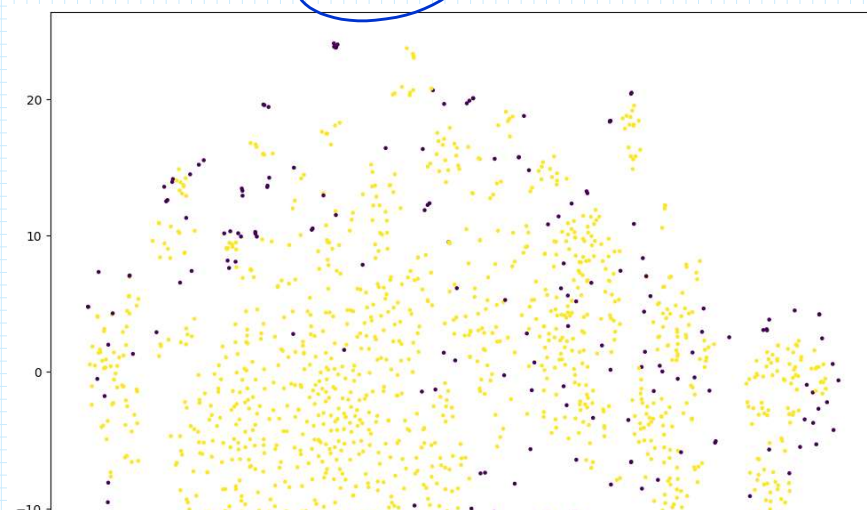


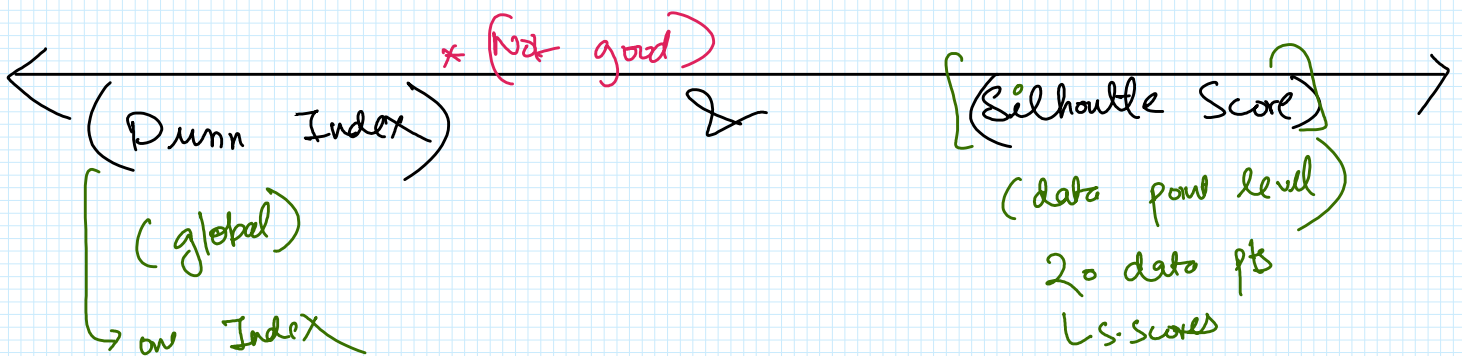
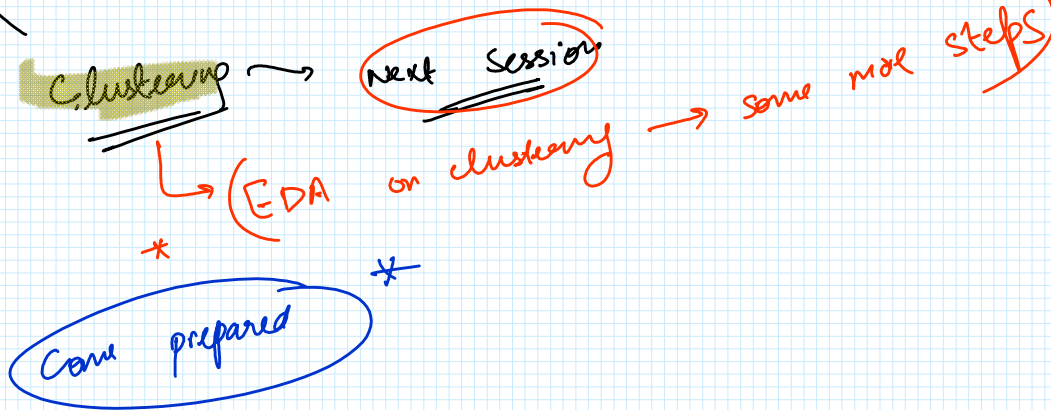
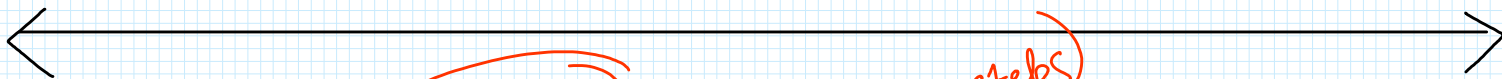
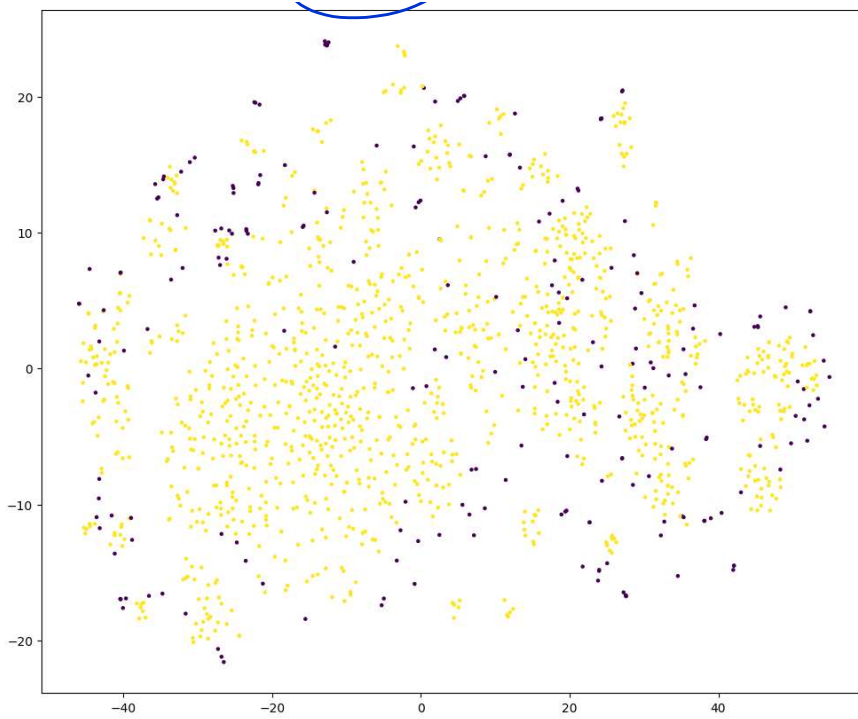
LOF / I Forest \*

i forest



LoF





### Dunn Index

The Dunn Index evaluates the compactness and separation of clusters

$$D = \frac{\min(\text{Inter-cluster distance})}{\max(\text{Intra-cluster distance})}$$

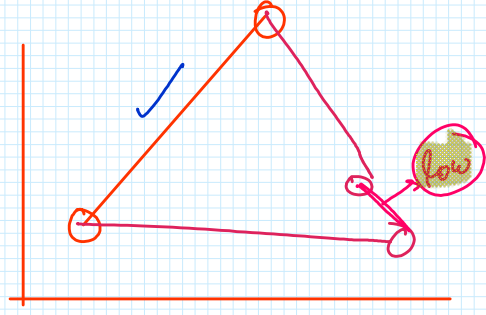
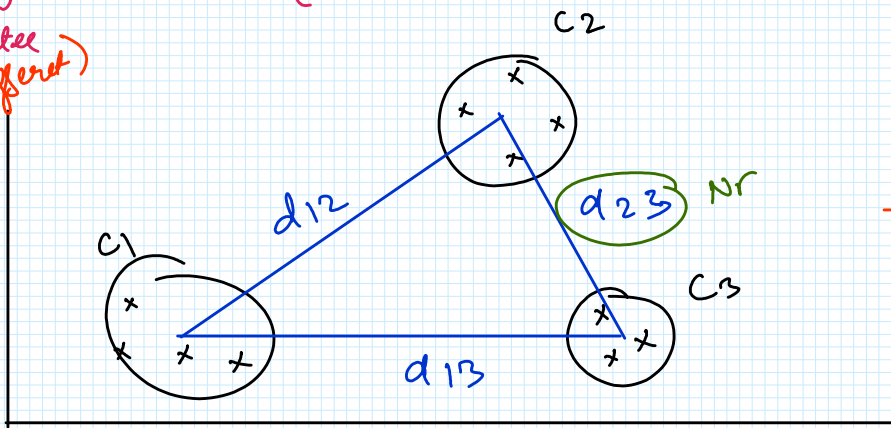
( > 1 )  
 ↳ compact cluster  
 ↳ well separated clusters

$( > 1 )$   
 $( > 2 )$   
 (good)  
 Inter (different)

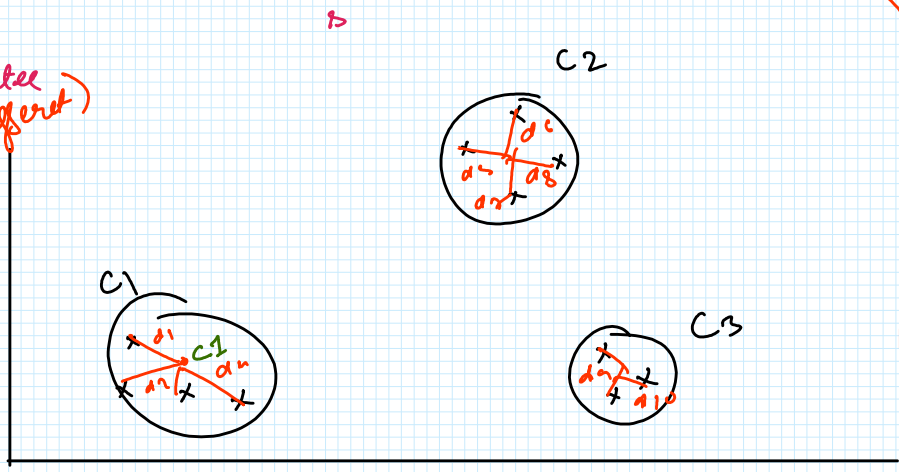
max (Inter cluster distance)

Inter (same)

well clusters



Inter (different)



$d_1$   
 $d_2$   
 $d_3$   
 $d_4$   
 $d_5$   
 $d_6$   
 $d_7$   
 $d_8$   
 $d_9$   
 $d_{10}$

Selhoult Score

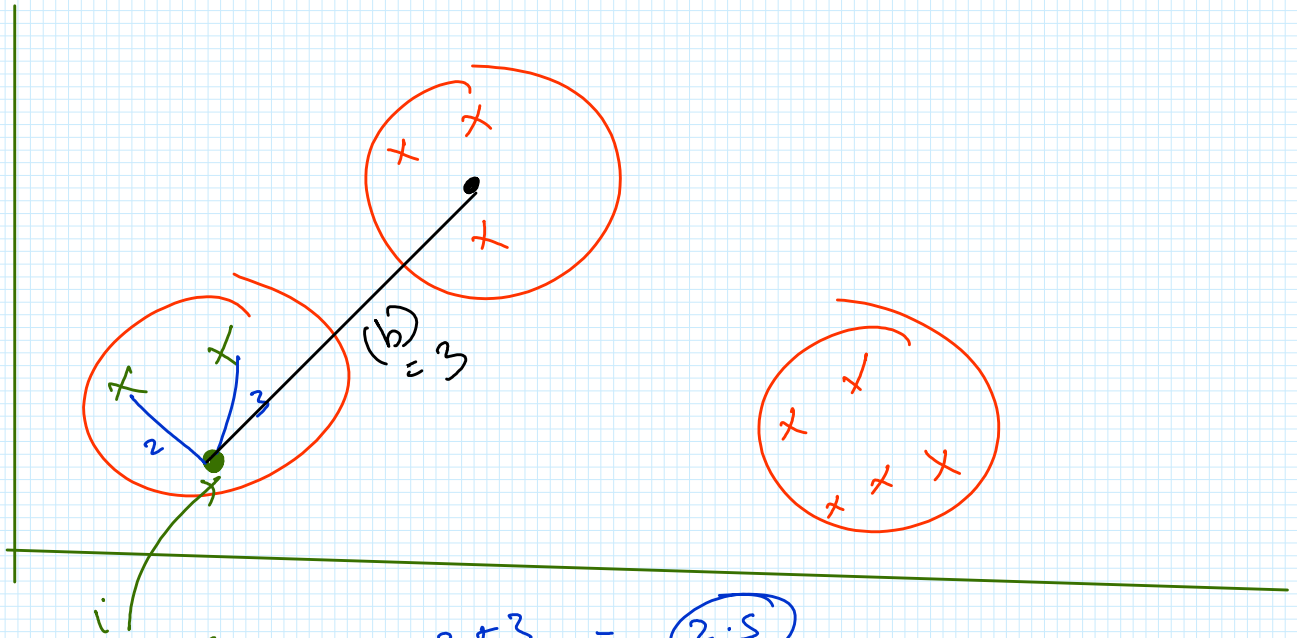
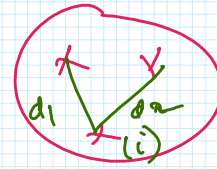
$(-1, 1)$

$$S(i) = \frac{b(i) - a(i)}{\max(b, a)}$$

$b$  = inter cluster distance of that pt  $i$  to nearest clusters

$a =$  Inter cluster distance

$$a = \frac{d_1 + d_2}{2}$$



$$(a) \rightarrow \frac{2+3}{2} = 2.5$$

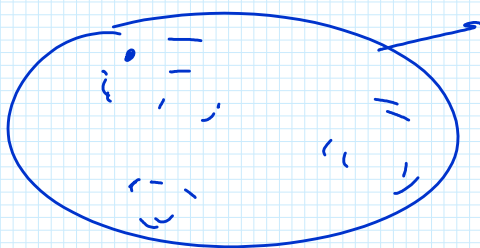
$$(b) \rightarrow 3$$

$$S.S(i) = \frac{b-a}{\max(a,b)} = \frac{3-2.5}{3} = \frac{0.5}{3}$$

$S(i)$ : Silhouette score for point  $i$ .

$[-1, 1]$

- $S(i) \approx 1$ : Point is well-matched to its own cluster and far from other clusters.
- $S(i) \approx 0$ : Point is on the boundary between two clusters.
- $S(i) < 0$ : Point is closer to another cluster than its own.



find S.S = avg(all S.S for i data pts)

