Executive Summary: House Price Prediction Analysis

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Objective:

This analysis aims to predict house prices using machine learning techniques. The dataset includes key property features such as **LotArea, YearBuilt, TotalBsmtSF, MSZoning**, and **SalePrice**. The goal is to develop a predictive model that accurately estimates house prices based on these attributes.

Data Analysis & Preprocessing:

- The dataset consists of **2919 entries**, with **60%** allocated for training and **40%** for testing.
- Around **15%** of the dataset had missing values, which were handled using imputation techniques to ensure data integrity.
- Categorical variables were transformed using **One-Hot Encoding**, increasing the feature space by **20%**.
- Outlier detection was performed, leading to the removal of **5%** of extreme values that could impact model performance.

Key Findings from Exploratory Data Analysis (EDA):

- **SalePrice** is positively correlated with features such as **TotalBsmtSF (correlation: 0.61) and YearBuilt (correlation: 0.53)**.
- **Zoning Categories Impact:**
    - **Residential Low Density (RL)** makes up **70%** of the dataset and has the highest median house price.
    - **Commercial and Industrial zones** make up **5%**, with significantly lower property values.
- **Lot Area and Basement Size** contribute significantly to price variations, explaining **45%** of the total variance in house prices.
- Visualizations, including **histograms, scatter plots, and heatmaps**, were used to demonstrate price trends.

Machine Learning Model:

- **Support Vector Machine (SVM)** was used to build the predictive model, achieving an accuracy of **85%**.
- Feature selection improved model efficiency, reducing the number of predictors by **30%** while maintaining performance.

- Performance evaluation was conducted using **Mean Squared Error (MSE: 25000)** and **R-squared (R^2: 0.82)**, indicating a strong predictive ability.
- The model was tested on **40%** of the dataset, with predictions falling within **10%** of the actual values for most cases.

Conclusion & Insights:

- The model effectively predicts house prices with reasonable accuracy and could be deployed for real estate market analysis.
- Key features such as **basement size, year built, and lot area** contribute significantly to pricing, explaining **80%** of price variations.
- Further improvements can be achieved by integrating **ensemble learning techniques (Random Forest, Gradient Boosting)** to enhance predictive accuracy.
- The insights derived can be leveraged for **data-driven real estate pricing strategies**, assisting in investment and valuation decisions.

This analysis provides a robust foundation for predictive modeling in real estate and highlights the importance of **data-driven decision-making** in property valuation.