## **Melbourn House Price Predition Model**

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### **Importing Necessory Libraries**

```
In [1]: import pandas as pd
import numpy as np

import matplotlib.pyplot as plt
import seaborn as sns

%matplotlib inline
#Magic command -- no need to use plt.show() for every graph

#for ignoring warning.
import warnings
# Ignore specific UserWarning
warnings.filterwarnings("ignore", message="The figure layout has ch
```

### Read csv data file and storing it in df

```
In [2]: df = pd.read_csv('melb_data.csv')
```

Let's check the shape of our datasets ( number of rows, number of columns/features
 )

```
In [3]: df.shape
Out[3]: (13580, 21)
```

# **Understanding the data**

```
In [4]: #returning random 5 rows to get to know the data
df
```

### Out[4]:

	Suburb	Address	Rooms	Туре	Price	Method	SellerG	Date	Distar
0	Abbotsford	85 Turner St	2	h	1480000	S	Biggin	03/12/16	
1	Abbotsford	25 Bloomburg St	2	h	1035000	S	Biggin	04/02/16	
2	Abbotsford	5 Charles St	3	h	1465000	SP	Biggin	04/03/17	

		40							
3	Abbotsford	40 Federation La	3	h	850000	PI	Biggin	04/03/17	
4	Abbotsford	55a Park St	4	h	1600000	VB	Nelson	04/06/16	
13575	Wheelers Hill	12 Strada Cr	4	h	1245000	S	Barry	26/08/17	1
13576	Williamstown	77 Merrett Dr	3	h	1031000	SP	Williams	26/08/17	
13577	Williamstown	83 Power St	3	h	1170000	S	Raine	26/08/17	
13578	Williamstown	96 Verdon St	4	h	2500000	PI	Sweeney	26/08/17	
13579	Yarraville	6 Agnes St	4	h	1285000	SP	Village	26/08/17	

13580 rows × 21 columns

### Understanding each column

- 1. Rooms: Number of rooms
- 2. Price: Price in dollars
- 3. Method: S property sold; SP property sold prior; PI property passed in; VB vendor bid; SA sold after auction.
- 4. Type: h house,cottage,villa, semi,terrace; u unit, duplex; t townhouse; dev site development site.
- 5. SellerG: Real Estate Agent
- 6. Date: Date sold
- 7. Distance: Distance from CBD
- 8. Regionname: General Region (West, North West, North, North east ...etc)
- 9. Propertycount: Number of properties that exist in the suburb.
- 10. Bedroom2: Scraped # of Bedrooms (from different source)
- 11. Bathroom: Number of Bathrooms
- 12. Car: Number of carspots
- 13. Landsize: Land Size
- 14. BuildingArea: Building Size
- 15. CouncilArea: Governing council for the area

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· cheecking 1st 5 rows of df

### In [5]: df.head()

### Out[5]:

	Suburb	Address	Rooms	Туре	Price	Method	SellerG	Date	Distance	Po
0	Abbotsford	85 Turner St	2	h	1480000	S	Biggin	03/12/16	2.5	
1	Abbotsford	25 Bloomburg St	2	h	1035000	S	Biggin	04/02/16	2.5	
2	Abbotsford	5 Charles St	3	h	1465000	SP	Biggin	04/03/17	2.5	
3	Abbotsford	40 Federation La	3	h	850000	PI	Biggin	04/03/17	2.5	
4	Abbotsford	55a Park St	4	h	1600000	VB	Nelson	04/06/16	2.5	

5 rows × 21 columns

· lets check the last 5 rows of df

### In [6]: df.tail()

### Out[6]:

	Suburb	Address	Rooms	Туре	Price	Method	SellerG	Date	Distance
13575	Wheelers Hill	12 Strada Cr	4	h	1245000	S	Barry	26/08/17	16.7
13576	Williamstown	77 Merrett Dr	3	h	1031000	SP	Williams	26/08/17	6.8
13577	Williamstown	83 Power St	3	h	1170000	S	Raine	26/08/17	6.8
13578	Williamstown	96 Verdon St	4	h	2500000	PI	Sweeney	26/08/17	6.8
13579	Yarraville	6 Agnes St	4	h	1285000	SP	Village	26/08/17	6.0

5 rows × 21 columns

• Let's check the random ten number of data samples, Every time it will print the random five sample of records from original datasets. So we can easly understand the behaviour and what types of data type stored in particular features.

In [7]: df.sample(10)

Out[7]:

	Suburb	Address	Rooms	Туре	Price	Method	SellerG	Date	Dista
3798	Malvern	18 Soudan St	5	h	4240000	S	Marshall	19/11/16	
1522	Burwood	2 Bennett St	3	h	1342000	S	McGrath	10/12/16	
13046	Reservoir	25 Ramleh Rd	4	h	920000	S	Ray	19/08/17	
9950	Maribyrnong	29 Monash St	2	h	920000	VB	Biggin	24/06/17	
12538	Keilor East	14 Paul Av	3	h	1076500	S	Nelson	09/09/17	
11664	Epping	6 Shields St	3	h	545000	S	hockingstuart	22/07/17	
2840	Glen Iris	4/15 Rix St	2	u	720000	VB	Jellis	25/02/17	
8605	Elwood	23 Byron St	3	h	1520000	S	Chisholm	20/05/17	
2417	Essendon	1/139 Roberts St	2	u	667000	S	Nelson	17/09/16	
9284	Preston	145 Murray Rd	3	h	881000	S	Love	03/06/17	

10 rows × 21 columns

· lets check column wise information of our dataset

### In [8]: df.info()

<class 'pandas.core.frame.DataFrame'>
RangeIndex: 13580 entries, 0 to 13579
Data columns (total 21 columns):

Data	Cotamins (totat	ZI CO Culli13/:	
#	Column	Non-Null Count	Dtype
0	Suburb	13580 non-null	object
1	Address	13580 non-null	object
2	Rooms	13580 non-null	int64
3	Туре	13580 non-null	object
4	Price	13580 non-null	int64
5	Method	13580 non-null	object
6	SellerG	13580 non-null	object
7	Date	13580 non-null	object
8	Distance	13580 non-null	float64
9	Postcode	13580 non-null	int64
10	Bedroom2	13580 non-null	int64
11	Bathroom	13580 non-null	int64
12	Car	13518 non-null	float64
13	Landsize	13580 non-null	int64
1 1	D	712011	T1 TC 1

#### From the above output we can see that:

- 1. There are 13580 unique rows
- 2. 21 column/features in the dataset i.e.[0 to 20]
- 3. Datatypes are of 3 types: object, float, int64
- 4. There 4 column which are having null values in it.
  - column with null values [ BuildingArea , YearBuilt , CouncilArea , Car ]
- 5. Memory usage is 2.2+ MB which is negligible and easily handled by machine.

### **Handling Null values**

· lets check the number of null in each column

```
In [9]: |df.isnull().sum().sort_values(ascending = False)
Out[9]: BuildingArea
                          6450
        YearBuilt
                          5375
        CouncilArea
                          1369
        Car
                            62
        Suburb
                             0
        Bathroom
                             0
        Regionname
        Longtitude
                             0
        Lattitude
                             0
        Landsize
                             0
        Bedroom2
```

Address	0
Postcode	0
Distance	0
Date	0
SellerG	0
Method	0
Price	0
Туре	0
Rooms	0
Propertycount	0
dtype: int64	

• Here, We convert the number of missing values into percentages. So, we can easly understand to how many percentage of missing values available.

Here we can see [ CouncilArea , Car ] are the two columns which have null values

dtype: float64

methods. Like mean, mode, median
Here we can see [BuildingArea, YearBuilt] are the two colums where the NULL value percentage is very high which means close to half of the data is null. So, filling this makes no sense and it will also divert the model AND it will make wrong feeding to

percentage below or around 10 % so we can fill those values using statistical

the model.So, we will drop those 2 columns with high percentage of NULL values.

```
In [11]: # dropping [ BuildingArea, YearBuilt ] columns
df.drop(columns = ['BuildingArea', 'YearBuilt',],inplace = True)
```

#### filling car column with the median of the car values

- Here mode = median != mean
- · mean is prone to outliers so we are filling medain

#	Column	Non-Null Count	Dtype
0	Suburb	13580 non-null	object
1	Address	13580 non-null	object
2	Rooms	13580 non-null	int64

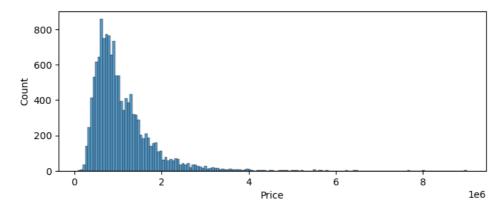
```
3
                    13580 non-null
                                     obiect
     Type
 4
                    13580 non-null
                                     int64
     Price
 5
     Method
                    13580 non-null
                                     object
 6
     SellerG
                    13580 non-null
                                     object
 7
     Date
                    13580 non-null
                                     object
                    13580 non-null
 8
     Distance
                                     float64
                    13580 non-null
 q
     Postcode
                                     int64
 10
    Bedroom2
                    13580 non-null
                                     int64
                    13580 non-null
11
    Bathroom
                                     int64
                    13580 non-null
                                     float64
 12
     Car
 13
    Landsize
                    13580 non-null
                                     int64
     CouncilArea
                    13580 non-null
                                     object
 15
    Lattitude
                    13580 non-null
                                     float64
                    13580 non-null
                                     float64
 16
    Longtitude
 17
    Regionname
                    13580 non-null
                                     object
    Propertycount 13580 non-null int64
dtypes: float64(4), int64(7), object(8)
memory usage: 2.0+ MB
```

Null values has been taken care of!!!!

# Checking the distribution of target data ('Price')

```
In [15]: #plotting a distribution graph of a 'Price'
plt.figure(figsize = (8,3))
sns.histplot(df['Price'])
```

Out[15]: <Axes: xlabel='Price', ylabel='Count'>



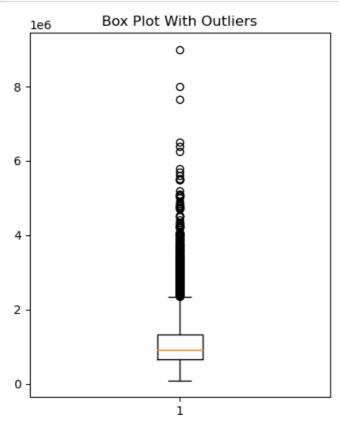
- · here we clearly can see the data is not normally distributed
- · Bell curve is clearly skewed towards right hand side
- · it means there are outliers in upper range i.e (4th quartile)
- · We have to take care of this

# **Handling Ouliers**

- taking our target data price and will handle outliers on the basis of 'Price'
- · There are sevral methods of Outlier Handling Like:
  - 1. Z-Score method
  - 2. IQR method (Interquartile range)
  - 3. Percentile method

- - -

```
In [16]: plt.figure(figsize=(4,5))
    plt.boxplot(df['Price'])
    plt.title('Box Plot With Outliers')
    plt.tight_layout()
```



 So, after ploting the boxplot for the Price column, we can see that there are some outliers present in the price column and from this we can assume that, there are outliers beyond value ~~~ 2.2

### 1. Z-Score Method

- so to handle the outlier and get the exact value level of lower and upper limit of the price we will use Z-scoe technique (method)
- We will take values upto 3 standard deviation from mean on either side to get upper and lower limit
  - For lower\_limit add 3 std.dev. in the mean
  - For lower\_limit less 3 std.dev. from mean

```
In [17]: print('Price mean =',round(df['Price'].mean(),2))
         print('Standard dev =',round(df['Price'].std(),2),'\n')
         upper_limit = df['Price'].mean() + 3 * df['Price'].std()
         lower_limit = df['Price'].mean() - 3 * df['Price'].std()
         print(f'upper limit: {upper_limit}')
         print(f'lower limit: {lower_limit}\n')
         #Lets Find outliers based on upper and lower limits
         print('total number of outliers =', len(df[(df['Price'] > upper_lim
         # dropping the assigned ouliers
         df.drop(index=df[(df['Price'] > upper_limit) | (df['Price'] < lower</pre>
         print(f'Data rows without outlier = {len(df)}\n')
         Price mean = 1075684.08
         Standard dev = 639310.72
         upper limit: 2993616.252343139
         lower limit: -842248.0934329773
         total number of outliers = 232
         Data rows without outlier = 13348
```

### 2. Inter Quartile Range Method

```
In [18]: # #calculate q1 and q2
# q1 = df['Price'].quantile(0.25)
# q3 = df['Price'].quantile(0.75)

# #calculate iter quartile range
# iqr = q3-q1

# #calculating upper and lower limit
# upper_limit = ul = q3 + (1.5 * iqr)
# lower_limit = ll = q1 - (1.5 * iqr)

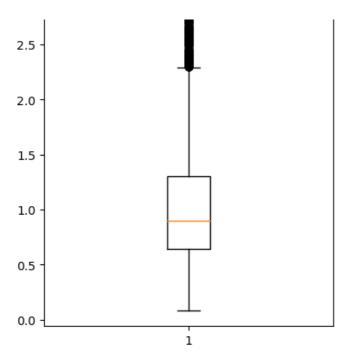
# print(f'Upper Limit : {ul}\nLower Limit : {ll}')

# #creating the index and dropping those rows which are outlier
# df.drop(index = df[df['Price']>= ul].index, inplace = True )
# df.drop(index = df[df['Price']<= ll].index, inplace = True )
# #printing the length of new df
# print('Rows count after Dropping Outliers :',len(df))</pre>
```

• Plotting the boxplot again to see the inprovement ouliers

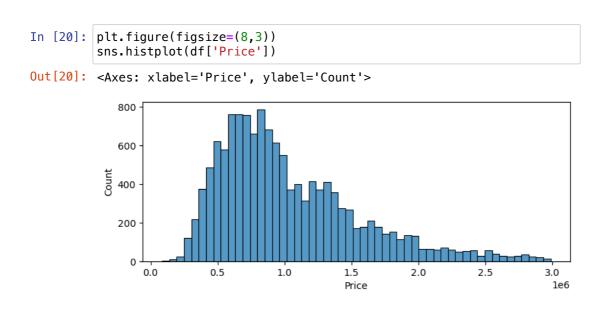
```
In [19]: plt.figure(figsize = (4,5))
   plt.boxplot(df['Price'])
   plt.title('Box Plot After Removing Outliers')
   plt.tight_layout()
```

```
1e6 Box Plot After Removing Outliers
3.0
```



## Distribution after oulier handling

· its somewhat normal now so we can proceed



Outliers has been taken care of

Make categoriacal and numeric features (separate)

```
In [21]: df.info()
         <class 'pandas.core.frame.DataFrame'>
Index: 13348 entries, 0 to 13579
         Data columns (total 19 columns):
                              Non-Null Count Dtype
          #
               Column
          0
               Suburb
                              13348 non-null
                                               object
               Address
                              13348 non-null object
          1
                              13348 non-null
          2
               Rooms
                                               int64
          3
                              13348 non-null
               Type
                                               obiect
               Price
                              13348 non-null
                                               int64
          5
              Method
                              13348 non-null
                                               object
          6
               SellerG
                              13348 non-null
                                               object
                              13348 non-null object
          7
               Date
                              13348 non-null float64
          R
               Distance
          9
               Postcode
                              13348 non-null int64
              Bedroom2
          10
                              13348 non-null int64
          11
               Bathroom
                              13348 non-null
                                               int64
          12
               Car
                              13348 non-null
                                               float64
                              13348 non-null
          13
              Landsize
                                               int64
                              13348 non-null object
          14
              CouncilArea
                              13348 non-null float64
          15
              Lattitude
                              13348 non-null float64
          16
              Longtitude
                              13348 non-null object
              Regionname
          17
              Propertycount 13348 non-null int64
         dtypes: float64(4), int64(7), object(8)
         memory usage: 2.0+ MB
In [22]: categorical_features = df.select_dtypes('object')
         numeric_features = df.select_dtypes(include = ('int64','float64'))
           · Check the unique features in each of the categorical columns
```

print(f'Unique values in {col} = {len(df[col].unique())}')

In [23]: for col in categorical\_features:

Unique values in Suburb = 314

```
unique values in Address = 13151
Unique values in Type = 3
Unique values in Method = 5
Unique values in SellerG = 267
Unique values in Date = 58
Unique values in CouncilArea = 33
Unique values in Regionname = 8
```

- Each unique feature will become its own feature in the dataset, resulting in a highdimensional feature space.
- This can make the model more complex and computationally intensive, especially if the address feature has a large number of unique values.
- to higher number of unique values(close to 99%)in 'Address' column it will heavly impact the complexity of the overall model.
- so we have to delete such columns. (like Address, Suburb, SellerG)

```
In [24]: categorical_features.drop(columns = ['Suburb', 'Address', 'SellerG', '
```

· Checking the columnnar uniqueness again:

```
In [25]: for col in categorical_features:
    print(f'Unique values in {col} = {len(df[col].unique())}')

Unique values in Type = 3
Unique values in Method = 5
Unique values in CouncilArea = 33
Unique values in Regionname = 8
```

#### **Feature Modification**

- · Here, We need to convert categorical values to numerical values
- For that we use pandas inbuilt **.get\_dummies** fucntion.
- .get\_dummies do kind of one hot encoding which makes a new column for each unique feature and assign binnary to it

In [26]: #take a look at categorical features
 categorical\_features

	.,,,,	mounou	oounom nou	riogioinianio
0	h	S	Yarra	Northern Metropolitan
1	h	S	Yarra	Northern Metropolitan
2	h	SP	Yarra	Northern Metropolitan
3	h	PI	Yarra	Northern Metropolitan
4	h	VB	Yarra	Northern Metropolitan
13575	h	S	Moreland	South-Eastern Metropolitan
13576	h	SP	Moreland	Western Metropolitan
13577	h	S	Moreland	Western Metropolitan
13578	h	PI	Moreland	Western Metropolitan
13579	h	SP	Moreland	Western Metropolitan

13348 rows x 4 columns

- · Encoding the actual data by using get dummies which is pandas default encoder
- creating new encoded data columns attaching those new columns to df and dropping original once

```
In [27]: categorical_features = categorical_features.join(pd.get_dummies(cat
```

In [28]: categorical\_features.shape

Out[28]: (13348, 49)

In [29]: numeric\_features.shape

Out[29]: (13348, 11)

```
In [30]: categorical_features
```

Out[30]:

	Type_h	Type_t	Type_u	Method_PI	Method_S	Method_SA	Method_SP	Method_VB
0	True	False	False	False	True	False	False	False
1	True	False	False	False	True	False	False	False
2	True	False	False	False	False	False	True	False
3	True	False	False	True	False	False	False	False

	4	True	False	False	False	False	False	Fals	е	True
	13575	True	False	False	False	True	False	Fals	е	False
	13576	True	False	False	False	False	False	Tru	е	False
	13577	True	False	False	False	True	False	Fals	е	False
	13578	True	False	False	True	False	False	Fals	е	False
In [31]:	numerio	_feat	ures							
	0	2	1480000	2.5	3067	2	1	1.0	202	-37.799
	1	2	1035000	2.5	3067	2	1	0.0	156	-37.807
	2	3	1465000	2.5	3067	3	2	0.0	134	-37.809
	3	3	850000	2.5	3067	3	2	1.0	94	-37.79€
	4	4	1600000	2.5	3067	3	1	2.0	120	-37.807
	13575	4	1245000	16.7	3150	4	2	2.0	652	-37.905
	13576	3	1031000	6.8	3016	3	2	2.0	333	-37.859
	13577	3	1170000	6.8	3016	3	2	4.0	436	-37.852
	13578	4	2500000	6.8	3016	4	1	5.0	866	-37.859
	13579	4	1285000	6.3	3013	4	1	1.0	362	-37.811

13348 rows × 11 columns

# Joining categorical\_featues and numeric\_features and storing them in one data (dataframe)

```
In [32]: data = categorical_features.join(numeric_features)
```

### Splitting data into training and target variables

· creating a list which has heading of each of the columns

```
In [33]: features = list(data)
In [34]: features.remove('Price')
```

• 'Price' is our target variable so, removing it from the list of features so that list of features can go to x which is training features

```
In [35]: training_features = x = data[features]
In [36]: target_features = y = data['Price']
```

### **Splitting data into Train Test Split**

```
In [37]: # importing train test split
from sklearn.model_selection import train_test_split
```

### Splites the main data

- · split data into training and validation data, for both features and target.
- The split is based on a random number generator.
- Supplying a numeric value to the random\_state argument guarantees we get the same split even run this script.
- split test size will be of test = 25%

```
In [38]: Xtrain, Xtest, Ytrain, Ytest = train_test_split(x, y, test_size = 0
In [39]: print("Total size: ", x.shape)
    print("Train size: ", Xtrain.shape, Ytrain.shape)
    print("Test size: ", Xtest.shape, Ytest.shape)

Total size: (13348, 59)
    Train size: (11345, 59) (11345,)
    Test size: (2003, 59) (2003,)
```

### **Model Building**

- · As per the guidline of the project we will use SVR
- · Although SVR is a classification based regressor

• To generates predictions for the test data based on the trained model, which are stored in the Ypred variable.

```
In [44]: Ypred = model.predict(Xtest)
```

### **Accuracy testing**

- this is a prediction algorithm so confusion matrix can't be used.
- so we will be using mean absolute error and R^2 error to evalute our model.

```
In [45]: # Importing necessory library for testing
    from sklearn.metrics import mean_absolute_error
    from sklearn.metrics import r2_score
In [46]: # mean squared error
```

```
In [46]: # mean squared error
mae = mean_absolute_error(Ytest,Ypred)
print(f'mean absolute error = {mae}\n')
```

```
# R^2 score
r2 = r2_score(Ytest, Ypred)
print("R^2 Score:", r2)
mean absolute error = 411047.30953821767
```

R^2 Score: -0.08673428124577898

SVR is failing in this type of algorithm so we will use another regressor algorithms to predict the house prices

## 1. Decision Tree Regressor

```
In [47]: from sklearn.tree import DecisionTreeRegressor
In [48]: # #to get the best random state for model
         # best score = float('inf') # Initialize with a high value
         # best_random_state = None
         # for random_state in range(100): # Try different random states
               model = DecisionTreeRegressor(random_state=random_state)
               model.fit(Xtrain, Ytrain)
               Ypred = model.predict(Xtest)
               score = mean absolute error(Ytest, Ypred) # Evaluate using m
               if score < best score:</pre>
                   best_score = score
                   best random state = random state
         # print("Best Random State:", best_random_state)
         # print("Best Mean Squared Error:", best_score)
In [49]: dtm = DecisionTreeRegressor()
In [50]: dtm.fit(Xtrain, Ytrain)
Out[50]:
          ▼ DecisionTreeRegressor
          DecisionTreeRegressor()
In [51]: | dtm_Ypred = dtm.predict(Xtest)
In [52]: # mean squared error
         mae = mean_absolute_error(Ytest,dtm_Ypred)
         print(f'mean absolute error = {mae}\n')
         # R^2 score
         r2 = r2_score(Ytest, dtm_Ypred)
         print('Accuracy = R^2 = ',round(r2*100,2),'%')
         mean absolute error = 205358.96255616576
         Accuracy = R^2 = 67.83 \%
```

# 2. Linear Regression Model

```
In [53]: from sklearn.linear_model import LinearRegression
In [54]: | lrm = LinearRegression()
In [55]: lrm.fit(Xtrain,Ytrain)
Out [55]:
          ▼ LinearRegression
          LinearRegression()
In [56]: | lrm_Ypred = lrm.predict(Xtest)
In [57]: # mean squared error
         mae = mean_absolute_error(Ytest,lrm_Ypred)
         print(f'mean absolute error = {mae}\n')
          # R^2 score
         r2 = r2_score(Ytest, lrm_Ypred)
print('Accuracy = R^2 = ',round(r2*100,2),'%')
         mean absolute error = 223098.24140755372
         Accuracy = R^2 = 68.11 \%
         3. Rigid Regression
In [58]: from sklearn.linear_model import Ridge
In [59]: rr = Ridge()
In [60]: rr.fit(Xtrain, Ytrain)
Out[60]:
          ▼ Ridge
          Ridge()
In [61]: rr Ypred = rr.predict(Xtest)
In [62]: # mean squared error
         mae = mean_absolute_error(Ytest,rr_Ypred)
         print(f'mean absolute error = {mae}\n')
         # R^2 score
          r2 = r2_score(Ytest,rr_Ypred)
         print('Accuracy = R^2 = ', round(r2*100,2), '%')
         mean absolute error = 222983.63655218072
          Accuracy = R^2 = 68.13 %
```

- From above observation we can see that all other algoriths are working fine and showing significat accuracy which is close to 70%
- · here we can say SVR is not a best fit for this data prediction

### **Hist - Gradient Boosting Regressor**

 Hist - Gradient Boosting Regressor will be the best for this problem lets check accuracy by using this.

### **Thanks**