# Definition of the prices of the cars

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# **Project Description**

Car sales company would like to develop an app for the attraction of new clients, in which clients could get the market price of the car based on it's parameters. For that purpose it's required to train a model for the prediction of the car price based on the data provided from company. It's required to train several model, compare it by quality, training time, prediction time and select the best model.

Important parameters of the model for client is:

- quality of prediction;
- prediction time;
- training time.

# Data preparation

```
import lightgbm as lgb
from sklearn.metrics import mean_squared_error as mse
from sklearn.preprocessing import OrdinalEncoder
from sklearn.model_selection import train_test_split
from sklearn.linear_model import LinearRegression
from sklearn.metrics import mean_squared_error
from math import sqrt
from sklearn.metrics import accuracy_score
from sklearn.ensemble import RandomForestRegressor
```

#### Data import and overview

```
DF cars = pd.read csv('autos.csv')
          DF cars.head()
Out[3]:
                           Price VehicleType RegistrationYear Gearbox Power Model Kilometer RegistrationMonth FuelType
                                                                                                                                    Brand NotRepaired Date
             DateCrawled
               2016-03-24
                                                                                                                                                          201
          0
                            480
                                        NaN
                                                         1993
                                                                             0
                                                                                  golf
                                                                                          150000
                                                                                                                        petrol volkswagen
                                                                                                                                                   NaN
                                                                manual
                 11:52:17
               2016-03-24
                                                                                                                                                          201
          1
                          18300
                                       coupe
                                                         2011
                                                                manual
                                                                           190
                                                                                  NaN
                                                                                          125000
                                                                                                                     gasoline
                                                                                                                                      audi
                                                                                                                                                   yes
                 10:58:45
               2016-03-14
                                                                                                                                                          201
          2
                           9800
                                                         2004
                                                                                          125000
                                                                           163
                                                                                grand
                                                                                                                      gasoline
                                                                                                                                     jeep
                                                                                                                                                   NaN
                                         suv
                                                                  auto
                 12:52:21
              2016-03-17
                           1500
                                                         2001
                                                                                          150000
                                                                                                                        petrol volkswagen
                                        small
                                                                manual
                                                                            75
                                                                                  golf
                                                                                                                                                    no
                 16:54:04
               2016-03-31
                                                                                                                                                          201
                           3600
                                       small
                                                         2008
                                                                manual
                                                                                 fabia
                                                                                           90000
                                                                                                                      gasoline
                                                                                                                                    skoda
                                                                                                                                                    no
                 17:25:20
In [4]: DF_cars.info()
```

<class 'pandas.core.frame.DataFrame'>
RangeIndex: 354369 entries, 0 to 354368
Data columns (total 16 columns):

| #  | Column            | Non-Null Count  | Dtype  |
|----|-------------------|-----------------|--------|
|    |                   |                 |        |
| 0  | DateCrawled       | 354369 non-null | object |
| 1  | Price             | 354369 non-null | int64  |
| 2  | VehicleType       | 316879 non-null | object |
| 3  | RegistrationYear  | 354369 non-null | int64  |
| 4  | Gearbox           | 334536 non-null | object |
| 5  | Power             | 354369 non-null | int64  |
| 6  | Model             | 334664 non-null | object |
| 7  | Kilometer         | 354369 non-null | int64  |
| 8  | RegistrationMonth | 354369 non-null | int64  |
| 9  | FuelType          | 321474 non-null | object |
| 10 | Brand             | 354369 non-null | object |
| 11 | NotRepaired       | 283215 non-null | object |
| 12 | DateCreated       | 354369 non-null | object |
| 13 | NumberOfPictures  | 354369 non-null | int64  |
| 14 | PostalCode        | 354369 non-null | int64  |
| 15 | LastSeen          | 354369 non-null | object |
|    |                   |                 |        |

dtypes: int64(7), object(9)
memory usage: 43.3+ MB

#### In [5]: DF\_cars.describe()

#### Out[5]:

|       | Price         | RegistrationYear | Power         | Kilometer     | RegistrationMonth | NumberOfPictures | PostalCode    |
|-------|---------------|------------------|---------------|---------------|-------------------|------------------|---------------|
| count | 354369.000000 | 354369.000000    | 354369.000000 | 354369.000000 | 354369.000000     | 354369.0         | 354369.000000 |
| mean  | 4416.656776   | 2004.234448      | 110.094337    | 128211.172535 | 5.714645          | 0.0              | 50508.689087  |
| std   | 4514.158514   | 90.227958        | 189.850405    | 37905.341530  | 3.726421          | 0.0              | 25783.096248  |
| min   | 0.000000      | 1000.000000      | 0.000000      | 5000.000000   | 0.000000          | 0.0              | 1067.000000   |
| 25%   | 1050.000000   | 1999.000000      | 69.000000     | 125000.000000 | 3.000000          | 0.0              | 30165.000000  |
| 50%   | 2700.000000   | 2003.000000      | 105.000000    | 150000.000000 | 6.000000          | 0.0              | 49413.000000  |
| 75%   | 6400.000000   | 2008.000000      | 143.000000    | 150000.000000 | 9.000000          | 0.0              | 71083.000000  |
| max   | 20000.000000  | 9999.000000      | 20000.000000  | 150000.000000 | 12.000000         | 0.0              | 99998.000000  |

#### Conclusion

- Dataset has 354369 rows and 15 columns;
- Target column 'price'
- Numeric features are 'registration year', 'power', 'kilometer', 'registration month', 'postal code'
- Categorical features are 'VehicleType', 'Gearbox', 'Model', 'FuelType', 'Brand', 'NotRepaired', 'DateCreated'
- Data set has useles columns and null values, its required to perform data preparation prior to model training

#### **Data preparation**

```
# deletion of useles columns
In [6]:
         DF cars = DF cars.drop(columns = ['DateCrawled', 'LastSeen'])
         DF cars.head()
In [7]:
Out[7]:
             Price VehicleType RegistrationYear Gearbox Power Model Kilometer RegistrationMonth FuelType
                                                                                                                 Brand NotRepaired DateCreated Num
                                                                                                                                       2016-03-24
              480
                                                                                                       petrol volkswagen
         0
                          NaN
                                         1993
                                                             0
                                                                  golf
                                                                          150000
                                                                                                 0
                                                                                                                                NaN
                                                manual
                                                                                                                                          00:00:00
                                                                                                                                       2016-03-24
         1 18300
                                         2011
                                                           190
                                                                  NaN
                                                                          125000
                                                                                                    gasoline
                        coupe
                                                manual
                                                                                                                   audi
                                                                                                                                 yes
                                                                                                                                          00:00:00
                                                                                                                                       2016-03-14
         2
             9800
                                         2004
                                                           163
                                                                          125000
                                                                                                    gasoline
                                                                                                                                NaN
                           suv
                                                   auto
                                                                grand
                                                                                                                   jeep
                                                                                                                                          00:00:00
                                                                                                                                       2016-03-17
                                                                                                      petrol volkswagen
         3
             1500
                         small
                                         2001
                                                 manual
                                                            75
                                                                  golf
                                                                          150000
                                                                                                                                  no
                                                                                                                                          00:00:00
                                                                                                                                       2016-03-31
                                                                                                    gasoline
             3600
                                         2008
                                                                 fabia
                                                                           90000
                         small
                                                 manual
                                                            69
                                                                                                                  skoda
                                                                                                                                  no
                                                                                                                                          00:00:00
         # datatime value refromating
         DF cars['DateCreated'] = pd.to datetime(DF cars['DateCreated'], format='%Y-%m-%d')
         DF_cars[DF_cars['RegistrationYear']> 2022]['RegistrationYear'].count()
         105
Out[9]:
```

```
In [10]: # deletion of incorrect data (year > 2022)
          DF_cars =DF_cars.drop(index = DF_cars[DF_cars['RegistrationYear']> 2022].index).reset_index().drop(columns = 'index')
In [11]:
          DF cars
                    Price VehicleType RegistrationYear Gearbox Power
Out[11]:
                                                                           Model Kilometer RegistrationMonth FuelType
                                                                                                                                 Brand NotRepaired
                                                                                                                                                     DateCr
                                                                     0
                0
                     480
                                 NaN
                                                 1993
                                                                                     150000
                                                                                                             0
                                                                                                                                                NaN
                                                                                                                                                       2016-
                                                        manual
                                                                              golf
                                                                                                                   petrol
                                                                                                                            volkswagen
                1 18300
                                                 2011
                                                        manual
                                                                   190
                                                                             NaN
                                                                                     125000
                                                                                                                 gasoline
                                                                                                                                                       2016-
                               coupe
                                                                                                                                   audi
                                                                                                                                                 yes
                    9800
                                                 2004
                                                                   163
                                                                                     125000
                                                                                                                                                       2016-
                                 suv
                                                           auto
                                                                            grand
                                                                                                                 gasoline
                                                                                                                                   jeep
                                                                                                                                                NaN
                                                                                                                            volkswagen
                    1500
                                                 2001
                                                                    75
                                                                                     150000
                                                                                                                                                       2016-
                                small
                                                        manual
                                                                              golf
                                                                                                                   petrol
                                                                                                                                                 no
                    3600
                                small
                                                 2008
                                                        manual
                                                                    69
                                                                             fabia
                                                                                       90000
                                                                                                                 gasoline
                                                                                                                                 skoda
                                                                                                                                                 no
                                                                                                                                                       2016-
           354259
                       0
                                                 2005
                                                                     0
                                                                                                                              mitsubishi
                                 NaN
                                                        manual
                                                                              colt
                                                                                      150000
                                                                                                                   petrol
                                                                                                                                                       2016-
                                                                                                                                                 yes
           354260
                    2200
                                                 2005
                                                                     0
                                                                             NaN
                                                                                       20000
                                                                                                                    NaN sonstige_autos
                                                                                                                                                       2016-
                                 NaN
                                                           NaN
                                                                                                                                                NaN
           354261
                    1199
                           convertible
                                                 2000
                                                                  101
                                                                                     125000
                                                                                                             3
                                                                                                                                                       2016-
                                                                            fortwo
                                                                                                                   petrol
                                                                                                                                  smart
                                                           auto
                                                                                                                                                 no
           354262
                    9200
                                 bus
                                                 1996
                                                        manual
                                                                   102 transporter
                                                                                     150000
                                                                                                                 gasoline
                                                                                                                             volkswagen
                                                                                                                                                 no
                                                                                                                                                       2016-
           354263
                    3400
                                                 2002
                                                        manual
                                                                   100
                                                                              golf
                                                                                     150000
                                                                                                                 gasoline
                                                                                                                             volkswagen
                                                                                                                                                NaN
                                                                                                                                                       2016-
                               wagon
          354264 \text{ rows} \times 14 \text{ columns}
          DF cars[DF cars['RegistrationYear']< 1900]['RegistrationYear'].count()</pre>
Out[12]:
          # deletion of incorrect records - too old vehicles
          DF cars =DF cars.drop(index = DF cars[DF cars['RegistrationYear'] < 1900].index).reset index().drop(columns = 'index')</pre>
In [14]: DF_cars.describe()
```

```
Out[14]:
                         Price RegistrationYear
                                                      Power
                                                                 Kilometer RegistrationMonth NumberOfPictures
                                                                                                                 PostalCode
          count 354198.000000
                                 354198.000000 354198.000000 354198.000000
                                                                               354198.000000
                                                                                                     354198.0 354198.000000
                                                                                                               50511.793813
                   4417.651314
                                   2003.084789
                                                  110.078242 128267.607383
                                                                                    5.716819
          mean
            std
                   4514.081022
                                     7.536418
                                                  189.536766
                                                              37823.538557
                                                                                    3.725539
                                                                                                          0.0
                                                                                                               25783.464340
                      0.000000
                                   1910.000000
                                                    0.000000
                                                               5000.000000
                                                                                    0.000000
                                                                                                          0.0
                                                                                                                1067.000000
            min
           25%
                   1050.000000
                                   1999.000000
                                                   69.000000
                                                            125000.000000
                                                                                    3.000000
                                                                                                          0.0
                                                                                                                30165.000000
                                                            150000.000000
                                                                                    6.000000
                                                                                                          0.0
                                                                                                               49413.000000
           50%
                   2700.000000
                                   2003.000000
                                                  105.000000
           75%
                   6400.000000
                                   2008.000000
                                                  143.000000 150000.000000
                                                                                    9.000000
                                                                                                               71083.000000
                                                                                                          0.0
                 20000.000000
                                   2019.000000
                                                20000.000000 150000.000000
                                                                                   12.000000
                                                                                                          0.0 99998.000000
           max
In [15]: list_of nan = []
          for i in DF cars.columns:
               print(i,DF cars[i].isna().sum(),int(round(DF cars[i].isna().sum()/DF cars[i].count()*100,0)),'%')
               if DF cars[i].isna().sum() > 0:
                   list of nan.append(i)
          print('\n',list of nan)
          Price 0 0 %
          VehicleType 37319 12 %
          RegistrationYear 0 0 %
          Gearbox 19695 6 %
          Power 0 0 %
          Model 19630 6 %
          Kilometer 0 0 %
          RegistrationMonth 0 0 %
          FuelType 32767 10 %
          Brand 0 0 %
          NotRepaired 71007 25 %
          DateCreated 0 0 %
          NumberOfPictures 0 0 %
          PostalCode 0 0 %
           ['VehicleType', 'Gearbox', 'Model', 'FuelType', 'NotRepaired']
In [16]: DF_cars.isna().mean() * 100
```

```
Price
                                0.000000
Out[16]:
          VehicleType
                               10.536197
          RegistrationYear
                                0.000000
          Gearbox
                                5.560449
          Power
                                0.000000
         Model
                                5,542098
         Kilometer
                                0.000000
          RegistrationMonth
                                0.000000
         FuelType
                                9.251040
         Brand
                                0.000000
         NotRepaired
                               20.047262
         DateCreated
                                0.000000
         NumberOfPictures
                                0.000000
         PostalCode
                                0.000000
         dtype: float64
In [17]: # nulls elemination in numeric columns
         DF cars['VehicleType'] = DF cars.groupby(['Brand', 'Model'])['VehicleType'].apply(lambda x: x.fillna(x.mode()[0] if not x.mode()
         # nulls elemination in categrical columns
In [18]:
         categorial columns = ['VehicleType','Gearbox','Model','FuelType','Brand','NotRepaired','DateCreated']
          categorial features = DF cars[categorial columns]
         categorial features = categorial features.fillna('unknown')
```

### Categorical features encoding

```
In [19]: encoder = OrdinalEncoder()
    encoder.fit(categorial_features)
    features_ordinal = encoder.transform(categorial_features)
    features_ordinal = pd.DataFrame(features_ordinal, columns = categorial_features.columns)
In [20]: features_ordinal
```

| Out[20]: |        | VehicleType | Gearbox | Model | FuelType | Brand | NotRepaired | DateCreated |
|----------|--------|-------------|---------|-------|----------|-------|-------------|-------------|
|          | 0      | 4.0         | 1.0     | 116.0 | 6.0      | 38.0  | 1.0         | 94.0        |
|          | 1      | 7.0         | 1.0     | 228.0 | 2.0      | 1.0   | 2.0         | 94.0        |
|          | 2      | 6.0         | 0.0     | 117.0 | 2.0      | 14.0  | 1.0         | 84.0        |
|          | 3      | 5.0         | 1.0     | 116.0 | 6.0      | 38.0  | 0.0         | 87.0        |
|          | 4      | 5.0         | 1.0     | 101.0 | 2.0      | 31.0  | 0.0         | 101.0       |
|          | •••    |             |         |       |          |       |             |             |
|          | 354193 | 4.0         | 1.0     | 78.0  | 6.0      | 22.0  | 2.0         | 91.0        |
|          | 354194 | 7.0         | 2.0     | 228.0 | 7.0      | 33.0  | 1.0         | 84.0        |
|          | 354195 | 1.0         | 0.0     | 106.0 | 6.0      | 32.0  | 0.0         | 75.0        |
|          | 354196 | 0.0         | 1.0     | 224.0 | 2.0      | 38.0  | 0.0         | 89.0        |
|          | 354197 | 8.0         | 1.0     | 116.0 | 2.0      | 38.0  | 1.0         | 90.0        |

354198 rows × 7 columns

```
In [21]: df_prepared = DF_cars.copy()
    df_prepared[categorial_columns] = features_ordinal
```

In [22]: df\_prepared

| Out[22]: |          | Price | VehicleType | RegistrationYear | Gearbox | Power | Model | Kilometer | RegistrationMonth | FuelType | Brand | NotRepaired | DateCreated | Nun |
|----------|----------|-------|-------------|------------------|---------|-------|-------|-----------|-------------------|----------|-------|-------------|-------------|-----|
|          | 0        | 480   | 4.0         | 1993             | 1.0     | 0     | 116.0 | 150000    | 0                 | 6.0      | 38.0  | 1.0         | 94.0        |     |
|          | 1        | 18300 | 7.0         | 2011             | 1.0     | 190   | 228.0 | 125000    | 5                 | 2.0      | 1.0   | 2.0         | 94.0        |     |
|          | 2        | 9800  | 6.0         | 2004             | 0.0     | 163   | 117.0 | 125000    | 8                 | 2.0      | 14.0  | 1.0         | 84.0        |     |
|          | 3        | 1500  | 5.0         | 2001             | 1.0     | 75    | 116.0 | 150000    | 6                 | 6.0      | 38.0  | 0.0         | 87.0        |     |
|          | 4        | 3600  | 5.0         | 2008             | 1.0     | 69    | 101.0 | 90000     | 7                 | 2.0      | 31.0  | 0.0         | 101.0       |     |
|          | •••      |       |             |                  |         |       |       |           |                   |          |       |             |             |     |
|          | 354193   | 0     | 4.0         | 2005             | 1.0     | 0     | 78.0  | 150000    | 7                 | 6.0      | 22.0  | 2.0         | 91.0        |     |
|          | 354194   | 2200  | 7.0         | 2005             | 2.0     | 0     | 228.0 | 20000     | 1                 | 7.0      | 33.0  | 1.0         | 84.0        |     |
|          | 354195   | 1199  | 1.0         | 2000             | 0.0     | 101   | 106.0 | 125000    | 3                 | 6.0      | 32.0  | 0.0         | 75.0        |     |
|          | 354196   | 9200  | 0.0         | 1996             | 1.0     | 102   | 224.0 | 150000    | 3                 | 2.0      | 38.0  | 0.0         | 89.0        |     |
|          | 354197   | 3400  | 8.0         | 2002             | 1.0     | 100   | 116.0 | 150000    | 6                 | 2.0      | 38.0  | 1.0         | 90.0        |     |
|          | 354198 r | ows × | 14 columns  |                  |         |       |       |           |                   |          |       |             |             |     |

### Data split on train, valid and test samples

```
In [23]: target = df_prepared['Price']
    features = df_prepared.drop(columns='Price')

In [24]: features_train, features_valid,target_train,target_valid = train_test_split(features,target, test_size=0.4,random_state=12345)

In [25]: features_valid, features_test,target_valid,target_test = train_test_split(features_valid,target_valid, test_size=0.5,random_state)
```

# **Models training**

## **Gradient boost model traning**

```
In [26]: param = {
    'task': 'train',
    'boosting': 'gbdt',
    'objective': 'regression',
    'num_leaves': 10,
    'verbose': -1,
    'metric': 'rmse'}

In [27]: train_dataset = lgb.Dataset(features_train, target_train, feature_name=features_train.columns.tolist())
    test_dataset = lgb.Dataset(features_valid, target_valid, feature_name=features_valid.columns.tolist())

In [28]: %%time
    num_round = 25
    bst = lgb.train(param, train_dataset, num_round,valid_sets= (test_dataset))
```

```
[1]
                 valid 0's rmse: 4244.71
         [2]
                 valid 0's rmse: 4006.9
                 valid 0's rmse: 3808.11
         [3]
         [4]
                 valid 0's rmse: 3621.71
                valid 0's rmse: 3462.04
         [5]
         [6]
                 valid 0's rmse: 3327.68
                 valid 0's rmse: 3208.24
         [7]
         [8]
                 valid 0's rmse: 3092.5
         [9]
                 valid 0's rmse: 2992.35
                 valid 0's rmse: 2910.96
         [10]
         [11]
                 valid 0's rmse: 2833.7
                 valid 0's rmse: 2766.88
         [12]
                 valid 0's rmse: 2710.2
         [13]
         [14]
                 valid 0's rmse: 2660.87
                 valid 0's rmse: 2610.16
         [15]
                 valid 0's rmse: 2568.03
         [16]
                 valid 0's rmse: 2527.5
         [17]
         [18]
                valid 0's rmse: 2493.92
         [19]
                 valid 0's rmse: 2462.27
                 valid 0's rmse: 2431.8
         [20]
         [21]
                valid 0's rmse: 2405.78
         [22]
                valid_0's rmse: 2383.43
         [23]
                valid 0's rmse: 2362.7
                valid 0's rmse: 2343.73
         [24]
                 valid 0's rmse: 2326.53
         [25]
         CPU times: total: 2.81 s
         Wall time: 469 ms
In [29]: %%time
         bst pred = bst.predict(features valid)
         CPU times: total: 250 ms
         Wall time: 45.9 ms
In [30]: boost rms = sqrt(mean squared error(target valid, bst pred))
         round(boost rms,0)
         2327.0
Out[30]:
```

# Linear regression model training

```
In [31]:
         %%time
         LR model = LinearRegression()
         LR model.fit(features train, target train)
         CPU times: total: 625 ms
         Wall time: 181 ms
Out[31]: ▼ LinearRegression
         LinearRegression()
In [32]: %%time
         LR prediction = LR model.predict(features valid)
         CPU times: total: 15.6 ms
         Wall time: 11 ms
In [33]: LR_rms = mean_squared_error(target_valid, LR prediction, squared = False)
         round(LR rms,0)
         3466.0
Out[33]:
         Random forest model training
         %%time
In [34]:
         model RF = RandomForestRegressor(n estimators=100, max depth=10, max features=10, random state=12345)
         model RF.fit(features train, target train)
         CPU times: total: 41 s
         Wall time: 41 s
Out[34]: ▼
                                    RandomForestRegressor
         RandomForestRegressor(max_depth=10, max_features=10, random_state=12345)
```

RF predictions = model RF.predict(features valid)

In [36]:

round(RF\_rms,0)

RF\_rms = mean\_squared\_error(target\_valid, RF\_predictions, squared = False)

```
Out[36]: 1995.6
```

# Models comparison

### Lnear regression model scores:

• RMSE: 3465

• Training time: 181 miliseconds

• Prediction time: 7,98 miliseconds

\*scores could be different after restart of code

### Gradient boosting model scores:

• RMSE: 2321

• Training time: 45,9 seconds

• Prediction time: 38,9 miliseconds

\*scores could be different after restart of code

#### Random forest model scores:

• RMSE: 1994

• Training timeя: 41 seconds

• Prediction time: 737 miliseconds

\*scores could be different after restart of code

### **General Conclusion**

Based on the analysis the preferable model is random forest model, hovewer the training time is not the best.

If it necessary to reduce the training time, it's possible to do using hyperparameters search, hovewer RMSE score could be worse.

Scores of gradient boosting model also could be increased, but it will also increase the trining time.