

# Predicting Home Prices in Ames, Iowa

STAT 4620 Final Project

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## Part I: Exploratory Data Analysis

For exploratory data analysis, the first step was to explore each variable in the Ames, Iowa real estate data set. In order to get a sense of the characteristics of the data set overall, we combined the test and training data sets for exploratory data analysis, matching based on each data set's column names. The variables named `1stFlrSF`, `2ndFlrSF`, and `3SsnPorch` in the training data set were named `X1stFlrSF`, `X2ndFlrSF`, `X3SsnPorch` in the test data set, so we set the names in the training data set to match the test data set to enable merging the datasets. Another issue with the data was that one of the values for `GarageYrBlt` was listed as the year 2207, which would be impossible. Since `YearBuilt` indicated that the house was built in 2006, this value was changed to 2007.

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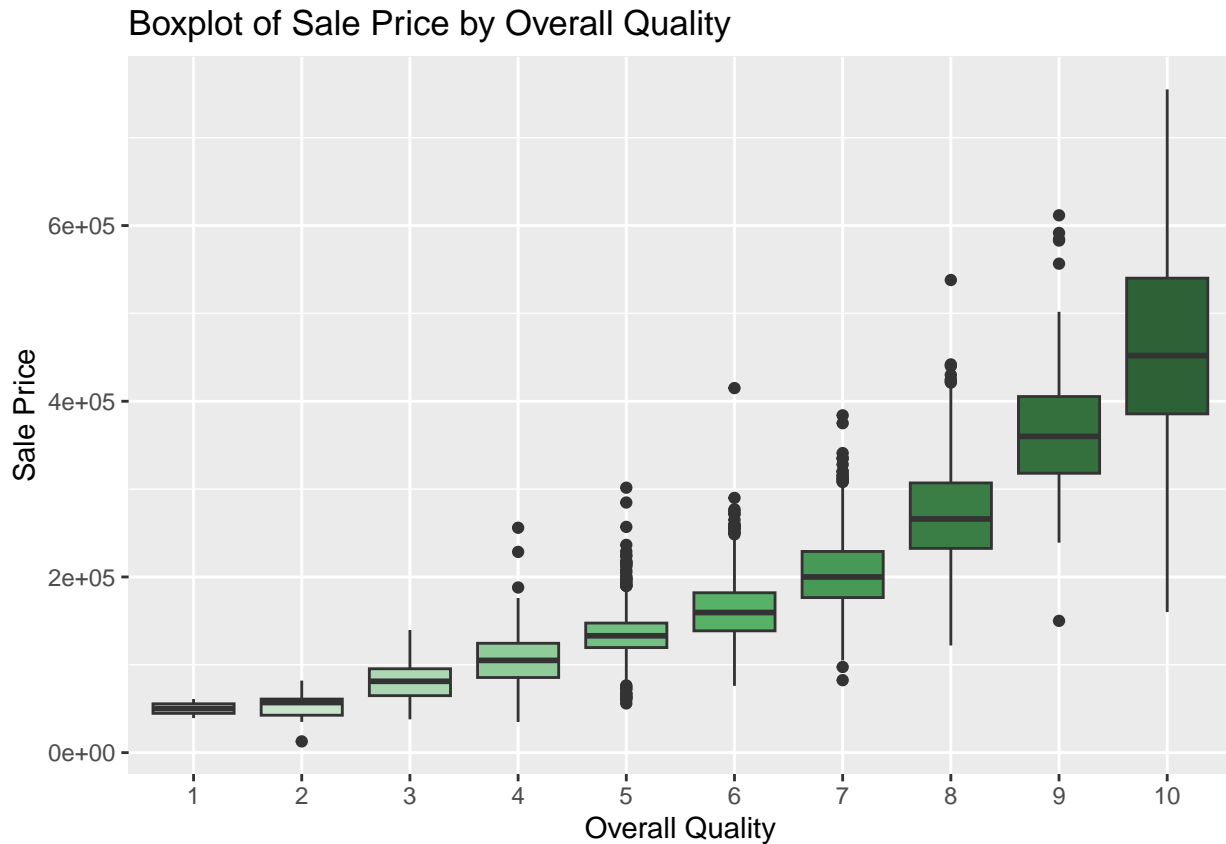
<sup>1</sup><https://www.cityofames.org/about-ames>

## Data Structure:

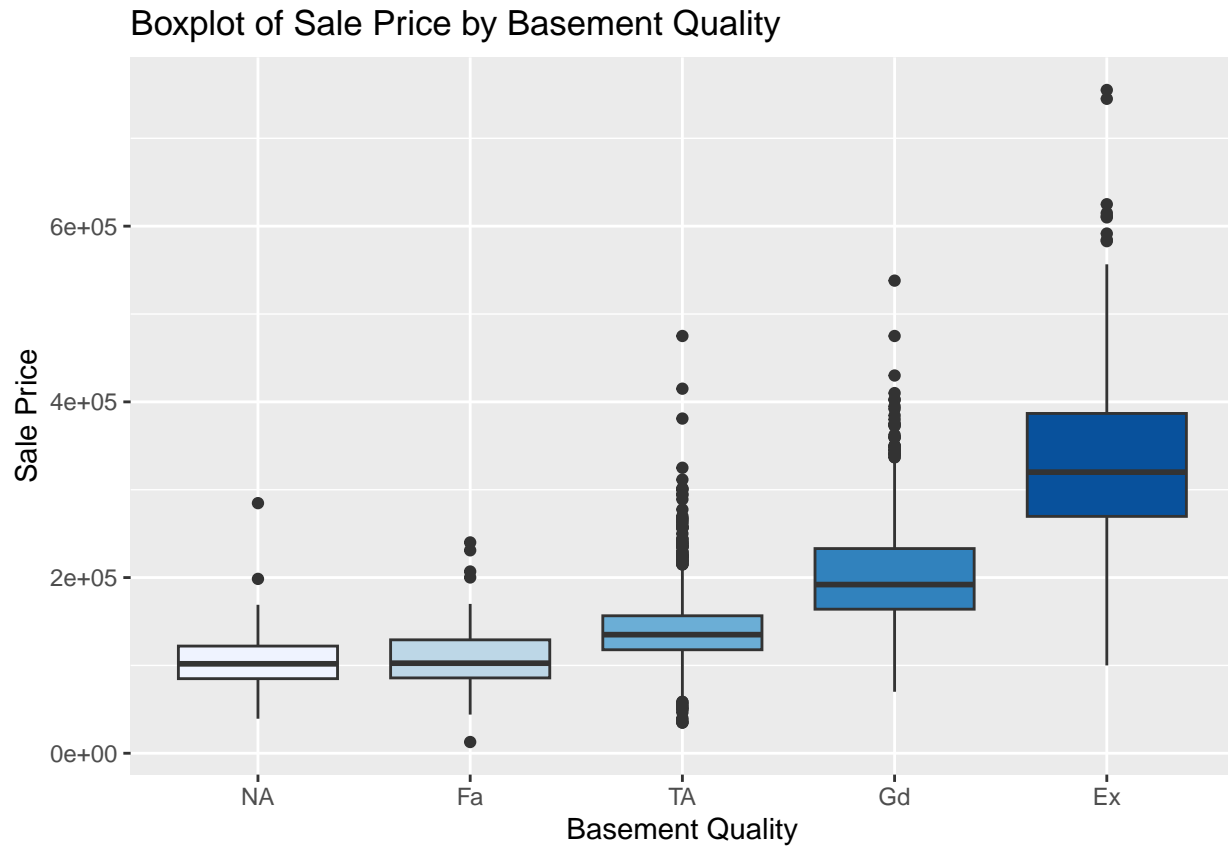
| Categorical Variables |               | Continuous Variables |
|-----------------------|---------------|----------------------|
| Ordinal               | Nominal       |                      |
| OverallQual           | MSSubClass    | LotFrontage          |
| Fence                 | MSZoning      | LotArea              |
| PoolQC                | Street        | YearBuilt            |
| OverallCond           | Alley         | YearRemodAdd         |
| ExterQual             | LotShape      | MasVnrArea           |
| ExterCond             | LandContour   | BsmtFinSF1           |
| BsmtQual              | Utilities     | BsmtFinSF2           |
| GarageCond            | LotConfig     | BsmtUnfSF            |
| BsmtCond              | LandSlope     | TotalBsmtSF          |
| BsmtExposure          | Neighborhood  | 1stFlrSF             |
| BsmtFinType1          | Condition1    | 2ndFlrSF             |
| BsmtFinType2          | Condition2    | LowQualFinSF         |
| HeatingQC             | BldgType      | GrLivArea            |
| CentralAir            | HouseStyle    | TotRmsAbvGrd         |
| GarageQual            | RoofStyle     | GarageYrBlt          |
|                       | RoofMatl      | GarageArea           |
|                       | Exterior1st   | WoodDeckSF           |
|                       | Exterior2nd   | OpenPorchSF          |
|                       | MasVnrType    | EnclosedPorch        |
|                       | Foundation    | 3SsnPorch            |
|                       | Heating       | ScreenPorch          |
|                       | Electrical    | PoolArea             |
|                       | BsmtFullBath  | MiscVal              |
|                       | BsmtHalfBath  | MoSold               |
|                       | HalfBath      | YrSold               |
|                       | FullBath      | SalePrice            |
|                       | BedroomAbvGr  |                      |
|                       | KitchenAbvGr  |                      |
|                       | KitchenQual   |                      |
|                       | Functional    |                      |
|                       | Fireplaces    |                      |
|                       | FireplaceQu   |                      |
|                       | GarageType    |                      |
|                       | GarageFinish  |                      |
|                       | GarageCars    |                      |
|                       | PavedDrive    |                      |
|                       | MiscFeature   |                      |
|                       | SaleType      |                      |
|                       | SaleCondition |                      |
|                       | Id            |                      |

The table above lists all variables in the Ames, Iowa real estate data set. The data set contains continuous variables and two distinct types of categorical variables (nominal and ordinal). In total, there were 26 continuous variables, 15 ordinal categorical variables, and 40 nominal categorical variables.

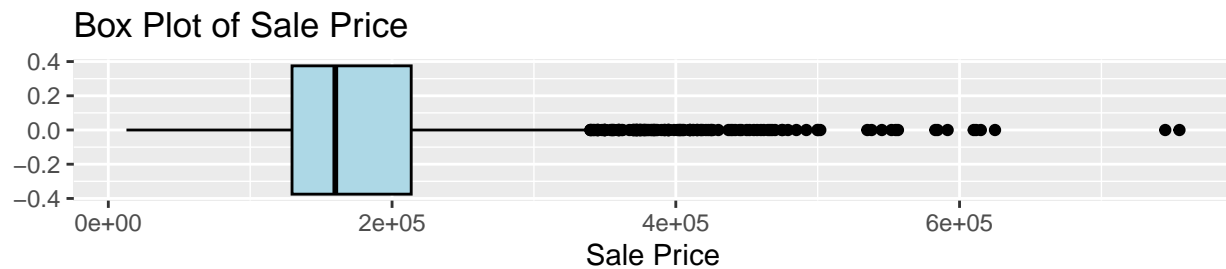
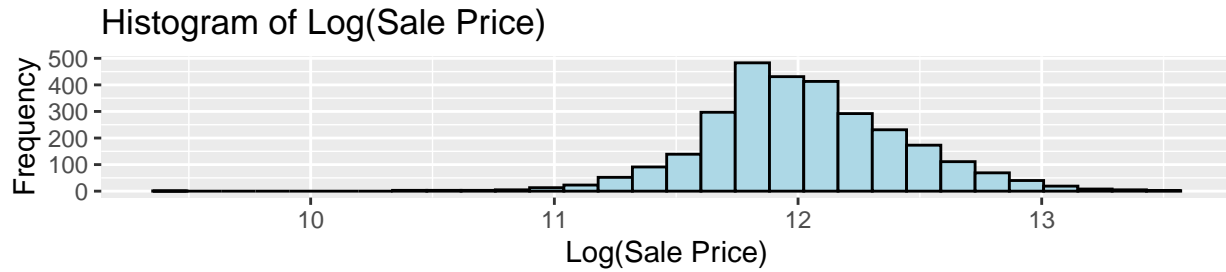
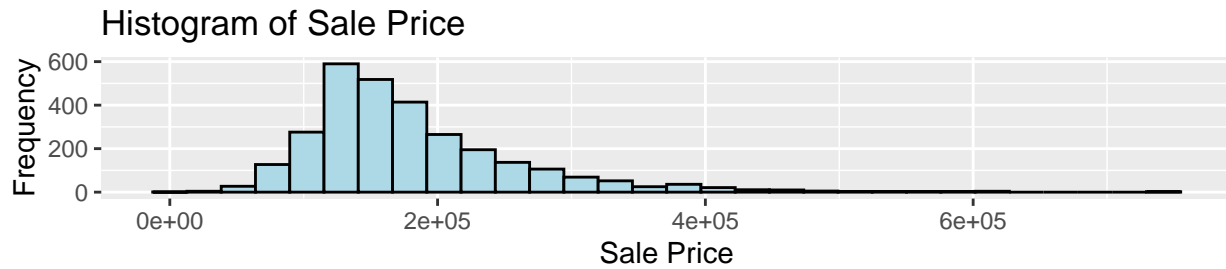
In these boxplots and all subsequent boxplots, the lowest whisker represents the first quartile minus 1.5 multiplied by the interquartile range, the bottom of the box represents the first quartile (25th percentile), the bold horizontal black line on each box represents the median, the top of the box represents the third quartile (75th percentile) and the highest whisker represents the third quartile plus 1.5 multiplied by the interquartile range. Outliers are indicated by black points.



This first set of boxplots displays how the sale price of homes varies as overall home quality increases. Color corresponds to the overall quality, with darker colors correspond to higher overall quality. In terms of `SalePrice`, there appears to be an increasing pattern between `OverallQual` and `SalePrice`.

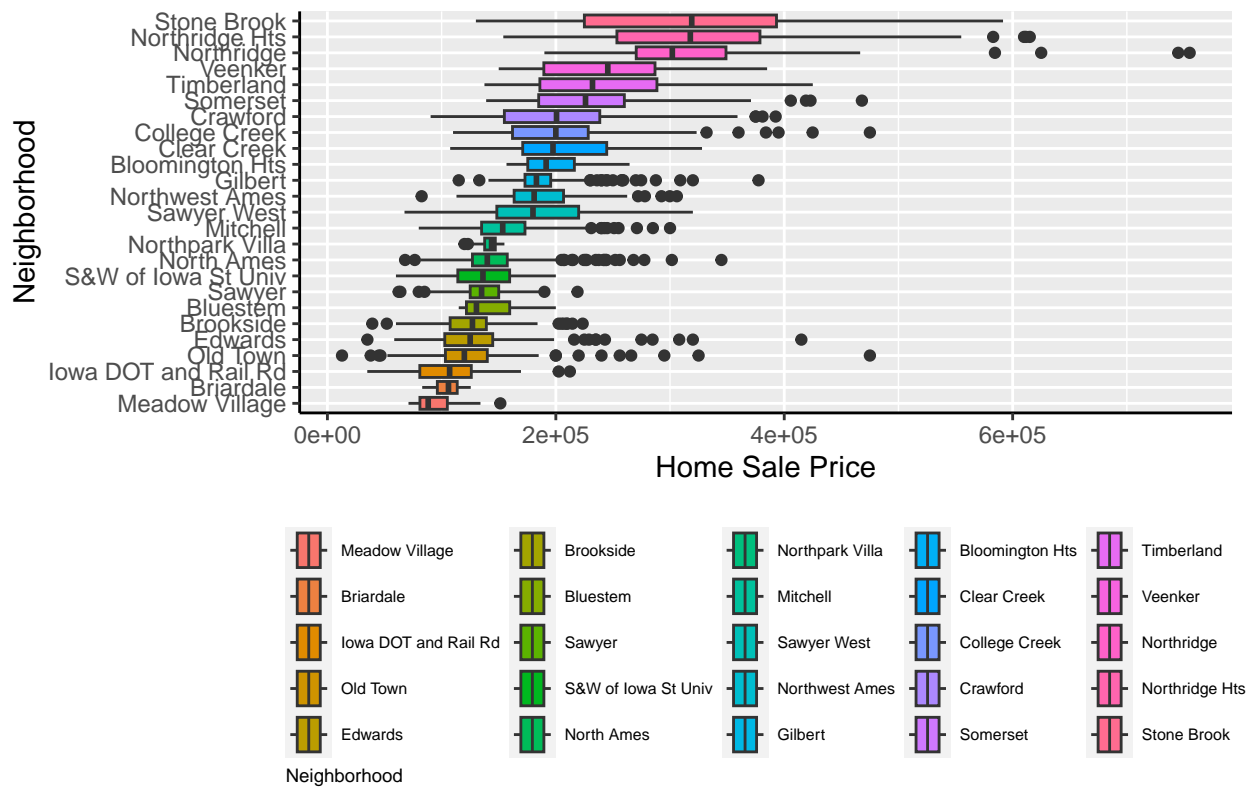


This next set of boxplots displays how the sale price of homes varies as basement quality (height of the basement) increases. Color corresponds to the basement quality, with darker colors correspond to higher basement quality. Here, “Ex” refers to Excellent (100+ inches), “Gd” refers to Good (90-99 inches), “TA” refers to Typical (80-89 inches), “Fa” refers to Fair (70-79 inches), and “NA” refers to No Basement. Based on the right plot, as basement quality (height) increases, the sale price of homes also tends to increase.



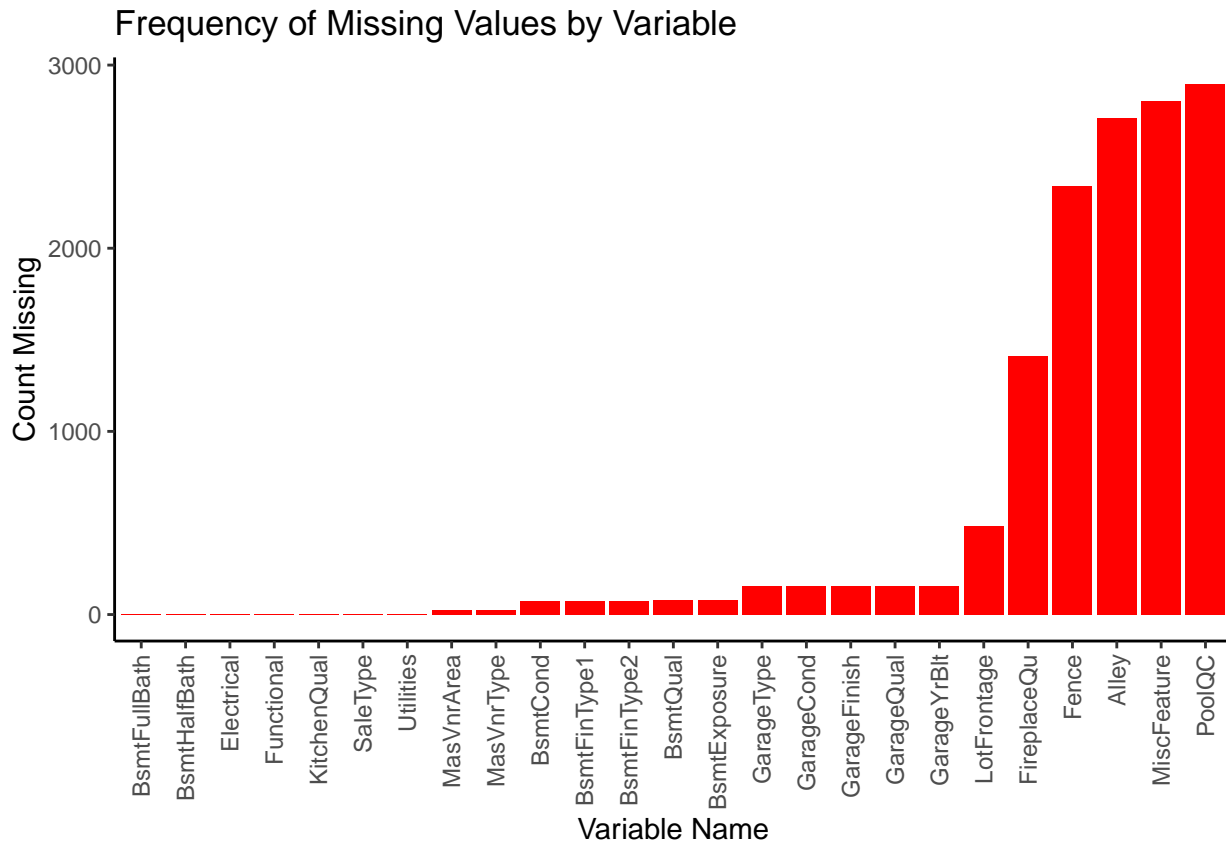
As shown in the boxplot above, sale price had a minimum value of 34900, a maximum value of 755000, a mean of 180921, and a median of 163000. There are also 61 outliers displays on the boxplot, shown as black points. Both the first histogram and boxplot visually show a right-skewed distribution for home sale price. Home sale price seems left-skewed, however, when visualized on the natural logarithmic scale, perhaps due to some outlier(s). It appears that there are two homes with a sale price of over \$700,000. If we ignore these outliers, the distribution appears approximately normally distributed.

# Home Sale Price by Neighborhood in Ames, Iowa



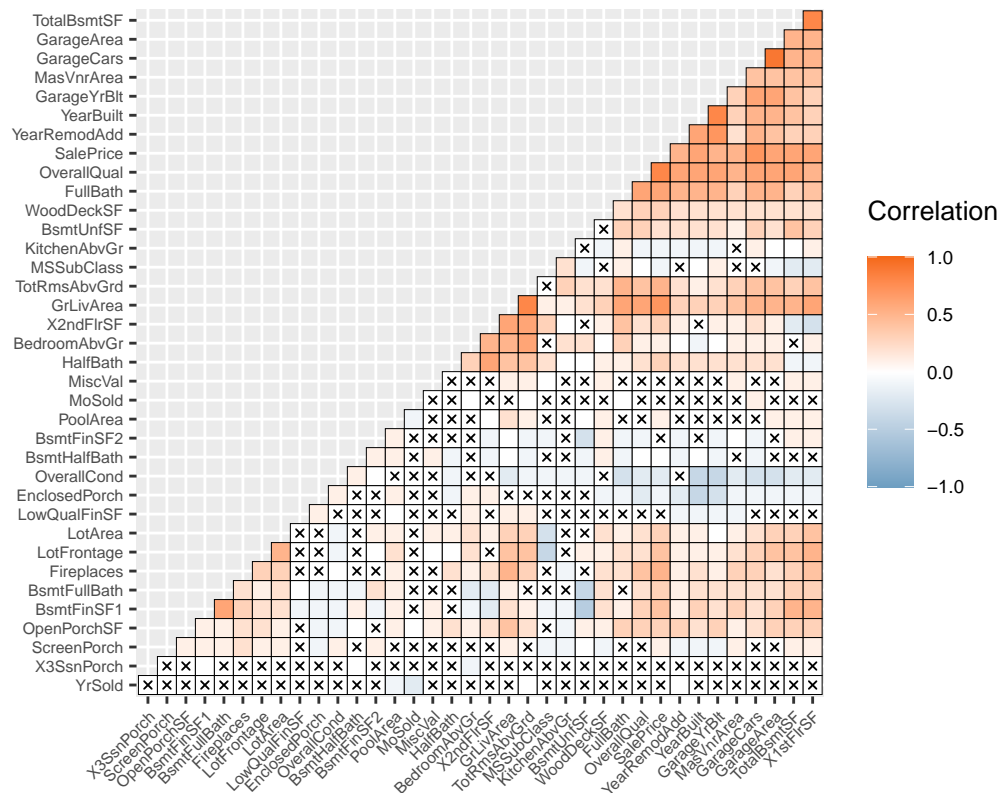
We also visualized the home sale price by neighborhood using boxplots. Here, the x-axis corresponds to the sale price of the home and the y-axis corresponds to the Ames, Iowa neighborhood. The color of each box also corresponds to the home's neighborhood.

We can see that the price of a home varies widely by neighborhood, with **StoneBr** having the highest median sale price overall and **MeadowV** having the lowest median sale price. There are also a few outliers for some of the neighborhoods.



A few variables in the real estate data set contained missing values. In order to visualize the degree of missingness in each variable, the barplot above was created. Each bar corresponds to an individual variable that contains missing values, and the height of the bar corresponds to the number of missing values in that variable. Based on the barplot, there are 5 variables (**FireplaceQu**, **Fence**, **Alley**, **MiscFeature**, and **PoolQC**) with over 1000 (70%) missing values. In total, there are 25 variables with missing values. When possible, missing values were re-coded with values based on the description of the data provided. A detailed description of procedures used to address missing data is provided in the attached “imputation.xlsx” file, and code used to deal with missingness is included in the appendix at the end of this report.

Lower Correlation Matrix for Ames Iowa Dataset



In order to visualize the correlations between variables, the above Pearson correlation matrix was created. Statistically insignificant correlations at the  $\alpha = 0.05$  level are marked with a bold “X”. It appears that there are many strong positive correlations between variables, which would likely violate assumptions of many statistical models, such as linear regression models. As a result, statistical learning techniques that can handle multicollinearity might be more appropriate for this project.

| Variable 1 | Variable 2  | Pearson Correlation |
|------------|-------------|---------------------|
| SalePrice  | OverallQual | 0.8017662           |
| SalePrice  | GrLivArea   | 0.7085881           |
| SalePrice  | GarageCars  | 0.6515848           |
| SalePrice  | GarageArea  | 0.6433487           |
| SalePrice  | TotalBsmtSF | 0.6316651           |
| SalePrice  | X1stFlrSF   | 0.6216871           |

Because the correlation matrix plot is a bit unwieldy and hard to interpret visually, we calculated the variables that had correlation values of at least 0.6 with the response variable, **SalePrice**. As shown in the table above, a total of 6 variables satisfied this criteria. We might (tentatively) expect that these variables would be important for prediction.



## Part II: Model Analysis

### Analysis: LASSO Model

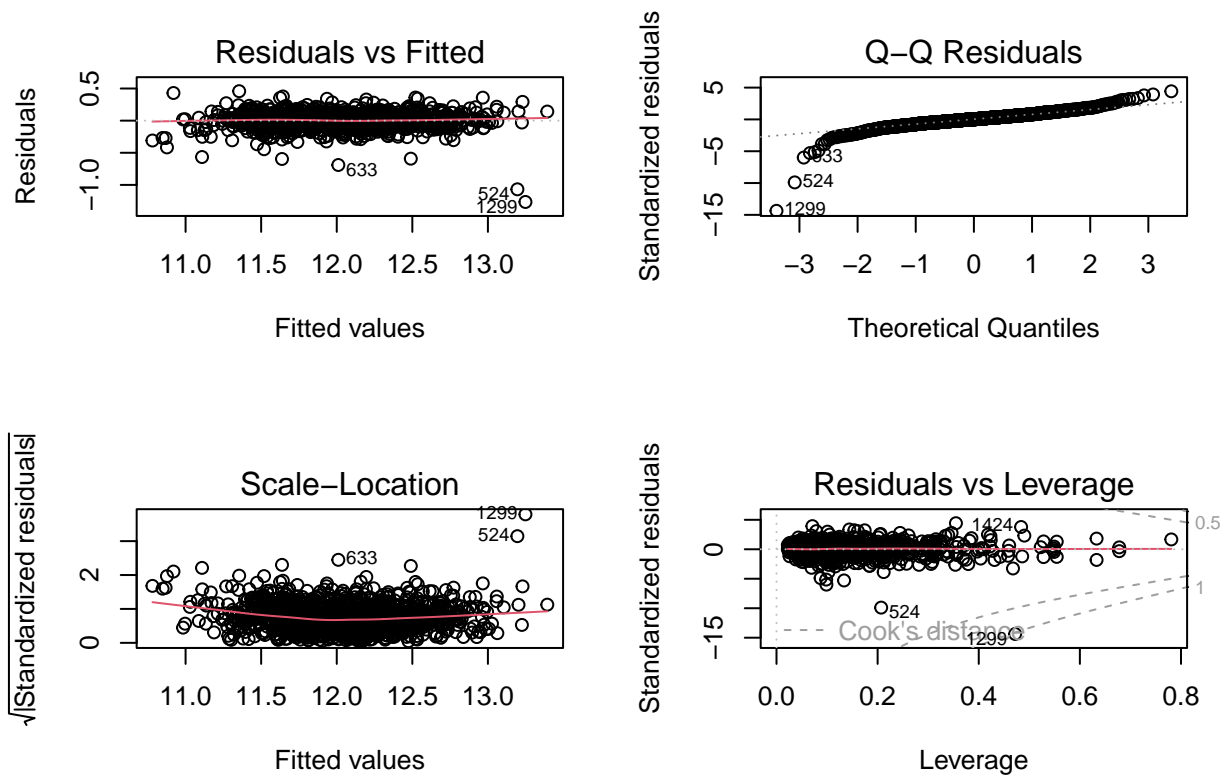
#### Mathematical Description

The Least Absolute Selection and Shrinkage Operator (LASSO) is a penalized regression model that was developed by Robert Tibshirani in the early 1990's. The LASSO solves the following optimization problem:

$$\min_{\beta} \sum_{i=1}^n \left( y_i - \beta_0 - \sum_{j=1}^p \beta_j x_{ij} \right)^2 + \lambda \sum_{j=1}^p |\beta_j|$$

#### Assumptions

The LASSO solution depends on the scale of the predictors. To avoid this problem, it is best to perform LASSO regression after standardizing the predictors. The `glmnet()` function does this for us when we fit our model.

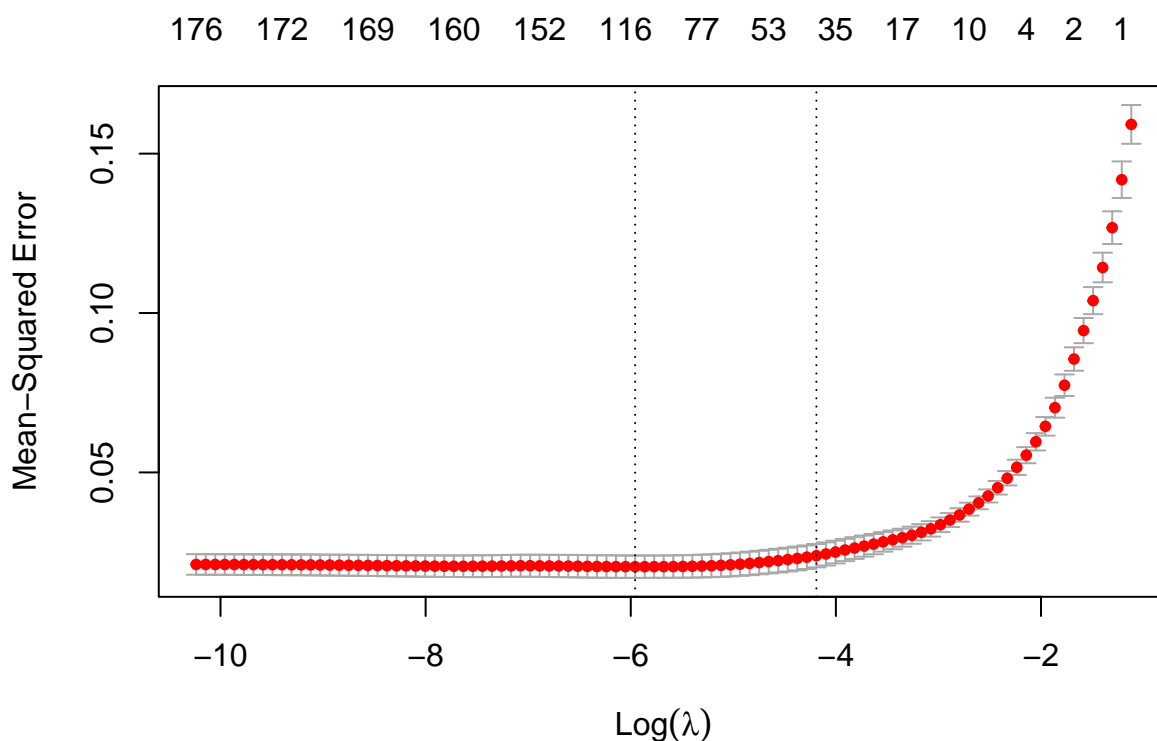


The residuals vs. fitted plot shows a random scatter of points that are centered around the horizontal line at zero without forming a pattern; thus, there is no indication that the assumptions of homoscedasticity and linearity are violated. Furthermore, while the Q-Q Plot of Residuals has deviation at the tails, overall the data appear to be normally distributed. While there are some large values towards the right of the scale-location plot, overall the red line appears to be horizontal across the plot with no clear pattern among the residuals; thus, there is no indication that the homoscedasticity assumption is violated. Finally, the residuals vs. leverage plot shows all points lying within Cook's distance. Thus, there do not appear to be any influential points.

## Motivation and Model Building

Unlike Ridge Regression, due to the unique geometry of the LASSO solution for the  $\beta$  coefficients, many of these coefficients can be shrunk to exactly 0 (as opposed to simply very small). Thus, LASSO could be more useful for dimensionality reduction as this data set has 81 variables. For this reason, we chose to fit a LASSO regression model to this data set.

Our final LASSO model included 67 predictor variables. We transformed our response variable, **SalePrice**, using `log()` because doing so made the distribution look closer to a normal, which is better from a model assumption perspective. A total of 13 variables were excluded from the model. The variables **PoolQC**, **MiscFeature**, **Alley**, and **Fence** were not included in the model because  $>70\%$  of their values were missing. The variables **Condition2**, **RoofMatl**, **Exterior1st**, **Exterior2nd**, **Heating**, **HouseStyle**, **Utilities**, **Electrical**, and **GarageQual** were removed because all unique values of each categorical variables were not present in both the test and training data sets, which prevented validation of the model on the test data set and calculation of mean squared error.



The appropriate value for  $\lambda$  was chosen using cross validation, as shown in the plot above. The cross-validated  $\lambda$  value used in the model was 0.

## Results

The test data set was used to calculate the mean squared error for the LASSO model, which was 0.01589. The top 15 largest LASSO coefficients are included in the following table:

| Variable            | Coefficient Estimate | High Correlation ( $\geq 0.6$ ) with Sale Price |
|---------------------|----------------------|---|
| (Intercept)         | 9.3440200            | No  |
| FunctionalSev       | -0.2177859           | No  |
| FunctionalMaj2      | -0.1716217           | No  |
| NeighborhoodStoneBr | 0.1423768            | No  |
| NeighborhoodNridgHt | 0.1279725            | No  |
| NeighborhoodCrawfor | 0.1171519            | No  |
| LotShapeIR3         | -0.0939067           | No  |
| NeighborhoodMeadowV | -0.0876026           | No  |
| StreetPave          | 0.0857463            | No  |
| SaleTypeNew         | 0.0846813            | No  |
| BldgTypeTwnhs       | -0.0774352           | No  |
| NeighborhoodSomerst | 0.0751401            | No  |
| NeighborhoodNoRidge | 0.0724518            | No  |
| CentralAirY         | 0.0697412            | No  |
| NeighborhoodIDOTRR  | -0.0692966           | No  |

These top 15 variables do not correspond with the variables that are had Pearson correlation values of at least 0.6 with **SalePrice**. In other words, the results from this model do not line up very well with our expectations. This may reflect the fact that LASSO uses a penalized least squares optimization problem, as opposed to correlations with the response variables, to calculate coefficients.

A total of 70 coefficients out of 185 included in the model were shrunk to 0. These terms might not be very important for predicting log sale price of homes. However, due to the large number of remaining coefficient terms in the model, it is difficult to interpret all of these terms. LASSO is more useful for prediction as opposed to inference, so this is not unexpected.

From analyzing the coefficients with the highest values in our model, we noticed that the type of neighborhood had a higher impact on  $\log(\text{SalePrice})$ , with 5 separate categories for the variable Neighborhood within the top 15. These neighborhoods all had positive coefficients, which would indicate having homes in these neighborhoods led to the model predicting a higher log sale price. This intuitively makes sense, as the relevant neighborhoods (Northridge, Stone Brook, Northridge Heights, Crawford, and Somerset) are all within the top seven neighborhoods in terms of median log sales price. We also noted that **StreetPave** was the sixth highest coefficient and also positive, meaning that the model predicted paved streets as having higher log sale prices. With **SaleTypeCon** and **SaleTypeNew** having positive coefficients in the top 15, we also can attribute these sale types as an important part of determining higher log sale price predictions.

**FunctionalSev** had the highest negative coefficients, which indicated that having a severely damaged home led to a much lower prediction of home sale price. This intuitively makes sense since damage will likely reduce the value of a home. Furthermore, having an irregular lot shape (**LotShapeIR3**) and having “typical/average” kitchen quality (**KitchenQualTA**) also led to lower predicted home sale prices; these results are similarly intuitive. However, having good basement quality (**BsmtQualGd**) and kitchen quality (**KitchenQualGd**) led to lower predicted home sale prices. This finding might be less expected as “good” quality would intuitively lead to higher sale prices.

## Appendix

### Non-Zero LASSO Model Coefficients:

| Variable                | Coefficient Estimate | High Correlation ( $\geq 0.6$ ) with Sale Price |
|-------------------------|----------------------|---|
| (Intercept)             | 9.3440200            | No  |
| FunctionalSev           | -0.2177859           | No  |
| FunctionalMaj2          | -0.1716217           | No  |
| NeighborhoodStoneBr     | 0.1423768            | No  |
| NeighborhoodNridgHt     | 0.1279725            | No  |
| NeighborhoodCrawfor     | 0.1171519            | No  |
| LotShapeIR3             | -0.0939067           | No  |
| NeighborhoodMeadowV     | -0.0876026           | No  |
| StreetPave              | 0.0857463            | No  |
| SaleTypeNew             | 0.0846813            | No  |
| BldgTypeTwnhs           | -0.0774352           | No  |
| NeighborhoodSomerst     | 0.0751401            | No  |
| NeighborhoodNoRidge     | 0.0724518            | No  |
| CentralAirY             | 0.0697412            | No  |
| NeighborhoodIDOTRR      | -0.0692966           | No  |
| OverallQual             | 0.0633041            | Yes   |
| NeighborhoodEdwards     | -0.0614314           | No  |
| NeighborhoodClearCr     | 0.0588283            | No  |
| GarageCars              | 0.0579939            | Yes   |
| NeighborhoodVeenker     | 0.0573205            | No  |
| BsmtExposureGd          | 0.0509437            | No  |
| SaleTypeConLD           | 0.0495616            | No  |
| SaleConditionNormal     | 0.0493525            | No  |
| Condition1Norm          | 0.0464704            | No  |
| BsmtFullBath            | 0.0454265            | No  |
| SaleTypeCon             | 0.0429970            | No  |
| FunctionalTyp           | 0.0410672            | No  |
| FoundationWood          | -0.0380826           | No  |
| BsmtFinType1Unf         | -0.0377959           | No  |
| BsmtQualNo Basement     | -0.0370798           | No  |
| MSZoningRL              | 0.0360344            | No  |
| Condition1RR Ae         | -0.0354219           | No  |
| OverallCond             | 0.0344084            | No  |
| NeighborhoodOldTown     | -0.0343724           | No  |
| SaleTypeCWD             | 0.0338255            | No  |
| GarageCondFa            | -0.0334072           | No  |
| LotConfigCulDSac        | 0.0327937            | No  |
| ExterCondFa             | -0.0322217           | No  |
| FullBath                | 0.0303084            | No  |
| SaleConditionAdjLand    | 0.0294309            | No  |
| FoundationPConc         | 0.0261238            | No  |
| BldgType2fmCon          | 0.0259360            | No  |
| FireplaceQuNo Fireplace | -0.0258414           | No  |
| NeighborhoodBrDale      | -0.0258134           | No  |
| KitchenAbvGr            | -0.0254866           | No  |
| HeatingQCTA             | -0.0237632           | No  |

|                         |            |    |
|-------------------------|------------|----|
| BldgTypeTwnhsE          | -0.0229719 | No |
| BsmtFinType2No Basement | -0.0229096 | No |
| MSZoningFV              | 0.0219266  | No |
| BsmtFinType2BLQ         | -0.0213147 | No |
| LandContourLvl          | 0.0202712  | No |
| HalfBath                | 0.0198097  | No |
| BsmtExposureNo Basement | -0.0187469 | No |
| HeatingQCFa             | -0.0187084 | No |
| LotShapeIR2             | 0.0183109  | No |
| NeighborhoodTimber      | 0.0173154  | No |
| ExterQualFa             | -0.0157880 | No |
| FunctionalMod           | -0.0143276 | No |
| Condition1RRNn          | 0.0136781  | No |
| LandContourHLS          | 0.0136440  | No |
| PavedDriveY             | 0.0128526  | No |
| LotConfigFR3            | -0.0125982 | No |
| FoundationStone         | 0.0125153  | No |
| Condition1Feedr         | -0.0121756 | No |
| LotConfigFR2            | -0.0115782 | No |
| HeatingQCGd             | -0.0115507 | No |
| LandSlopeMod            | 0.0107995  | No |
| TotRmsAbvGrd            | 0.0104412  | No |
| MSZoningRH              | 0.0098773  | No |
| BsmtExposureNo          | -0.0097887 | No |
| Fireplaces              | 0.0096616  | No |
| Condition1RRAn          | 0.0093338  | No |
| ExterQualTA             | -0.0093190 | No |
| GarageTypeAttchd        | 0.0086619  | No |
| SaleTypeOth             | 0.0083480  | No |
| GarageTypeCarPort       | -0.0083366 | No |
| BsmtFinType1GLQ         | 0.0073822  | No |
| KitchenQualTA           | -0.0072430 | No |
| ExterCondPo             | -0.0070826 | No |
| ExterCondTA             | 0.0066798  | No |
| RoofStyleGable          | -0.0065817 | No |
| BsmtFinType2GLQ         | 0.0065495  | No |
| BsmtQualTA              | -0.0059213 | No |
| GarageFinishNo Garage   | -0.0056452 | No |
| FireplaceQuGd           | 0.0050647  | No |
| GarageFinishUnf         | -0.0046339 | No |
| BsmtCondTA              | 0.0043345  | No |
| GarageCondNo Garage     | -0.0043324 | No |
| NeighborhoodMitchel     | -0.0040257 | No |
| KitchenQualGd           | -0.0018404 | No |
| LotConfigInside         | -0.0018330 | No |
| BedroomAbvGr            | 0.0014660  | No |
| YrSold                  | -0.0013026 | No |
| NeighborhoodBrkSide     | 0.0012505  | No |
| YearBuilt               | 0.0012169  | No |
| KitchenQualFa           | -0.0011137 | No |
| BsmtCondNo Basement     | -0.0009566 | No |

|                         |            |     |
|-------------------------|------------|-----|
| FoundationSlab          | -0.0007534 | No  |
| YearRemodAdd            | 0.0007141  | No  |
| MSSubClass              | -0.0003650 | No  |
| ScreenPorch             | 0.0002615  | No  |
| BsmtFinType1No Basement | -0.0001891 | No  |
| GrLivArea               | 0.0001809  | Yes |
| X3SsnPorch              | 0.0000948  | No  |
| WoodDeckSF              | 0.0000894  | No  |
| PoolArea                | -0.0000726 | No  |
| EnclosedPorch           | 0.0000546  | No  |
| X1stFlrSF               | 0.0000451  | Yes |
| LotFrontage             | -0.0000378 | No  |
| TotalBsmtSF             | 0.0000189  | Yes |
| GarageArea              | 0.0000153  | Yes |
| GarageTypeNo Garage     | -0.0000075 | No  |
| OpenPorchSF             | 0.0000050  | No  |
| Id                      | -0.0000040 | No  |
| LotArea                 | 0.0000015  | No  |

# Zero LASSO Model Coefficients:

| Variable            | Coefficient Estimate | High ( $\geq 0.6$ ) Correlation with Sale Price |
|---------------------|----------------------|---|
| MSZoningRM          | 0                    | No  |
| LotShapeReg         | 0                    | No  |
| LandContourLow      | 0                    | No  |
| LandSlopeSev        | 0                    | No  |
| NeighborhoodBlueste | 0                    | No  |
| NeighborhoodCollgCr | 0                    | No  |
| NeighborhoodGilbert | 0                    | No  |
| NeighborhoodNAMES   | 0                    | No  |
| NeighborhoodNPkVill | 0                    | No  |
| NeighborhoodNWAmes  | 0                    | No  |
| NeighborhoodSawyer  | 0                    | No  |
| NeighborhoodSawyerW | 0                    | No  |
| NeighborhoodSWISU   | 0                    | No  |
| Condition1PosA      | 0                    | No  |
| Condition1PosN      | 0                    | No  |
| Condition1RRNe      | 0                    | No  |
| BldgTypeDuplex      | 0                    | No  |
| RoofStyleGambrel    | 0                    | No  |
| RoofStyleHip        | 0                    | No  |
| RoofStyleMansard    | 0                    | No  |
| RoofStyleShed       | 0                    | No  |
| MasVnrTypeBrkFace   | 0                    | No  |
| MasVnrTypeNone      | 0                    | No  |
| MasVnrTypeStone     | 0                    | No  |
| MasVnrTypeUnknown   | 0                    | No  |
| MasVnrArea          | 0                    | No  |
| ExterQualGd         | 0                    | No  |
| ExterCondGd         | 0                    | No  |
| FoundationCBlock    | 0                    | No  |
| BsmtQualFa          | 0                    | No  |
| BsmtQualGd          | 0                    | No  |
| BsmtCondGd          | 0                    | No  |
| BsmtCondPo          | 0                    | No  |
| BsmtExposureMn      | 0                    | No  |
| BsmtExposureUnknown | 0                    | No  |
| BsmtFinType1BLQ     | 0                    | No  |
| BsmtFinType1LwQ     | 0                    | No  |
| BsmtFinType1Rec     | 0                    | No  |
| BsmtFinSF1          | 0                    | No  |
| BsmtFinType2LwQ     | 0                    | No  |
| BsmtFinType2Rec     | 0                    | No  |
| BsmtFinType2Unf     | 0                    | No  |
| BsmtFinSF2          | 0                    | No  |
| BsmtUnfSF           | 0                    | No  |
| HeatingQCPo         | 0                    | No  |
| X2ndFlrSF           | 0                    | No  |
| LowQualFinSF        | 0                    | No  |
| BsmtHalfBath        | 0                    | No  |
| FunctionalMin1      | 0                    | No  |

|                      |   |    |
|----------------------|---|----|
| FunctionalMin2       | 0 | No |
| FireplaceQuFa        | 0 | No |
| FireplaceQuPo        | 0 | No |
| FireplaceQuTA        | 0 | No |
| GarageTypeBasment    | 0 | No |
| GarageTypeBuiltIn    | 0 | No |
| GarageTypeDetchd     | 0 | No |
| GarageYrBlt          | 0 | No |
| GarageFinishRFn      | 0 | No |
| GarageCondGd         | 0 | No |
| GarageCondPo         | 0 | No |
| GarageCondTA         | 0 | No |
| PavedDriveP          | 0 | No |
| MiscVal              | 0 | No |
| MoSold               | 0 | No |
| SaleTypeConLI        | 0 | No |
| SaleTypeConLw        | 0 | No |
| SaleTypeWD           | 0 | No |
| SaleConditionAlloca  | 0 | No |
| SaleConditionFamily  | 0 | No |
| SaleConditionPartial | 0 | No |



## Code to Produce Test and Train Data Sets Used in Model

```
library(tidyverse)
library(corr)
library(igraph)
library(ggraph)
library(GGally)
library(ggcorrplot)
library(ggstatsplot)

train <- read_csv("data/train.csv")
test <- read_csv("data/test_new.csv")

# explore which names in "train" differ from "test"
names(train) == names(test)

# view "train" names that differ from "test" and vice versa
names(train)[(names(train) == names(test)) == FALSE]
names(test)[(names(train) == names(test)) == FALSE]
# naming variables with names that start with integers might cause problems,
# so let's set the names in "train" to the "test" names (that don't start with
# an integer)

# set names in "train" that differ to the names corresponding to "test"
names(train)[(names(train) == names(test)) == FALSE] <-
  names(test)[(names(train) == names(test)) == FALSE]

# combine the "test" and "train" datasets for exploratory data analysis
ames <- rbind(train, test)

#####
# `Condition2`, `RoofMatl`, `Exterior1st`, `Exterior2nd`, `Heating`, `HouseStyle`
#####
ames %>%
  group_by(Condition2) %>%
  dplyr::summarize(count = n())

ames %>%
  group_by(RoofMatl) %>%
  dplyr::summarize(count = n())

ames %>%
  group_by(Exterior1st) %>%
  dplyr::summarize(count = n())

ames %>%
  group_by(Exterior2nd) %>%
  dplyr::summarize(count = n())

ames %>%
  group_by(Heating) %>%
  dplyr::summarize(count = n())
```

```

ames %>%
  group_by(HouseStyle) %>%
  dplyr::summarize(count = n())

ames <- ames %>%
  dplyr::select(-c(Condition2, RoofMatl, Exterior1st, Exterior2nd, Heating, HouseStyle))
#####
# `PoolQC`, `MiscFeature`, `Alley`, `Fence`
#####
# remove variables because >70% missing
ames <- ames %>%
  dplyr::select(-c(PoolQC, MiscFeature, Alley, Fence))

#####
# `FireplaceQu`
#####
# check to see if there are any missing values for `FireplaceQu` when a house
# has fireplace(s)
ames[is.na(ames$FireplaceQu) == TRUE & ames$Fireplaces > 0,] # there are none

# now coerce missing values in `FireplaceQu` to "No Fireplace"
ames <- ames %>%
  mutate(FireplaceQu = case_when(
    is.na(FireplaceQu) == TRUE ~ "No Fireplace",
    TRUE ~ FireplaceQu
  ))

#####
# `LotFrontage`
#####
# change missing `LotFrontage` values to 0
ames <- ames %>%
  mutate(LotFrontage = case_when(
    is.na(LotFrontage) == TRUE ~ 0,
    TRUE ~ LotFrontage
  ))

#####
# `GarageYrBlt`
#####
# change value in `GarageYrBlt` from 2207 (impossible) to 2007
# (the house was built in 2006 and sold in 2007 so this is a logical imputation)
ames$GarageYrBlt[ames$GarageYrBlt == 2207 & is.na(ames$GarageYrBlt) == FALSE] <- 2007

# change missing values to -1
ames <- ames %>%
  mutate(GarageYrBlt = case_when(is.na(GarageYrBlt) == TRUE ~ -1,
    TRUE ~ GarageYrBlt))

#####
# `GarageFinish`
#####
ames %>%
  group_by(GarageFinish) %>%

```

```

dplyr::summarize(count = n())

# For missing values, set garage area to "No Garage"

###IGNORE For missing values where garage area is 0, set `GarageFinish` to "No Garage"
###IGNORE For missing values where garage area is >0 (i.e. there is a garage but we
###IGNORE don't know the finish), set to "TA" (Typical/Average)

ames <- ames %>%
  mutate(GarageFinish = case_when(
    (is.na(GarageFinish) == TRUE) & ((GarageArea > 0) == TRUE) ~ "No Garage", # TA
    (is.na(GarageFinish) == TRUE) & ((GarageArea > 0) == FALSE) ~ "No Garage",
    TRUE ~ GarageFinish))

#####
# `GarageQual`
#####
ames %>%
  group_by(GarageQual) %>%
  dplyr::summarize(count = n())

# For missing values where garage area is 0, set `GarageQual` to "No Garage"
# For missing values where garage area is >0 (i.e. there is a garage but we
# don't know the quality), set to "TA" (Typical/Average)
#ames <- ames %>%
#  mutate(GarageQual = case_when(
#    (is.na(GarageQual) == TRUE) & ((GarageArea > 0) == TRUE) ~ "TA",
#    (is.na(GarageQual) == TRUE) & ((GarageArea > 0) == FALSE) ~ "No Garage",
#    TRUE ~ GarageQual))

# remove variable
ames <- ames %>%
  dplyr::select(-c(GarageQual))

#####
# `GarageCond`
#####
ames %>%
  group_by(GarageCond) %>%
  dplyr::summarize(count = n())

# For missing values where garage area is 0, set `GarageCond` to "No Garage"
# For missing values where garage area is >0 (i.e. there is a garage but we
# don't know the condition), set to "TA" (Typical/Average)
ames <- ames %>%
  mutate(GarageCond = case_when(
    (is.na(GarageCond) == TRUE) & ((GarageArea > 0) == TRUE) ~ "TA",
    (is.na(GarageCond) == TRUE) & ((GarageArea > 0) == FALSE) ~ "No Garage",
    TRUE ~ GarageCond))

#####
# `GarageType`
#####
# For missing values where garage area is 0, set `GarageType` to "No Garage"

```

```

# For missing values where garage area is >0 (i.e. there is a garage but we
# don't know the type), set to "Unknown"
ames <- ames %>%
  mutate(GarageType = case_when(
    (is.na(GarageType) == TRUE) & ((GarageArea > 0) == TRUE) ~ "Unknown",
    (is.na(GarageType) == TRUE) & ((GarageArea > 0) == FALSE) ~ "No Garage",
    TRUE ~ GarageType))

#####
# `BsmtExposure`
#####
# For missing values where total basement square feet is 0,
# set `BsmtExposure` to "No Basement"
# For missing values where total basement square feet is >0 (i.e. there is a
# basement but we don't know the exposure), set to "Unknown"
ames <- ames %>%
  mutate(BsmtExposure = case_when(
    (is.na(BsmtExposure) == TRUE) & ((TotalBsmtSF > 0) == TRUE) ~ "Unknown",
    (is.na(BsmtExposure) == TRUE) & ((TotalBsmtSF > 0) == FALSE) ~ "No Basement",
    TRUE ~ BsmtExposure))

#####
# `BsmtQual`
#####
# For missing values, set `BsmtQual` to "No Basement"

#IGNORE For missing values where total basement square feet is 0,
#IGNORE set `BsmtQual` to "No Basement"
#IGNORE For missing values where total basement square feet is >0 (i.e. there is a
#IGNORE basement but we don't know the quality), set to "No Basement"
ames <- ames %>%
  mutate(BsmtQual = case_when(
    (is.na(BsmtQual) == TRUE) & ((TotalBsmtSF > 0) == TRUE) ~ "No Basement",
    (is.na(BsmtQual) == TRUE) & ((TotalBsmtSF > 0) == FALSE) ~ "No Basement",
    TRUE ~ BsmtQual))

#####
# `BsmtFinType2`
#####
# For missing values where total basement square feet is 0,
# set `BsmtFinType2` to "No Basement"
# For missing values where type 2 finished basement square feet is >0 (i.e. there is a
# basement but we don't know the rating of type 2), set to "Unknown"
ames <- ames %>%
  mutate(BsmtFinType2 = case_when(
    (is.na(BsmtFinType2) == TRUE) & ((BsmtFinSF2 > 0) == TRUE) ~ "No Basement",
    (is.na(BsmtFinType2) == TRUE) & ((BsmtFinSF2 > 0) == FALSE) ~ "No Basement",
    TRUE ~ BsmtFinType2))

#####
# `BsmtCond`
#####
# For missing values where total basement square feet is 0,
# set `BsmtCond` to "No Basement"

```

```

# For missing values where total basement square feet is >0 (i.e. there is a
# basement but we don't know the condition), set to "Unknown"
ames <- ames %>%
  mutate(BsmtCond = case_when(
    (is.na(BsmtCond) == TRUE) & ((TotalBsmtSF > 0) == TRUE) ~ "Unknown",
    (is.na(BsmtCond) == TRUE) & ((TotalBsmtSF > 0) == FALSE) ~ "No Basement",
    TRUE ~ BsmtCond))

#####
# `BsmtFinType1`
#####
# For missing values where total basement square feet is 0,
# set `BsmtFinType1` to "No Basement"
# For missing values where type 1 finished basement square feet is >0 (i.e. there is a
# basement but we don't know the rating of type 1), set to "Unknown"
ames <- ames %>%
  mutate(BsmtFinType1 = case_when(
    (is.na(BsmtFinType1) == TRUE) & ((BsmtFinSF1 > 0) == TRUE) ~ "Unknown",
    (is.na(BsmtFinType1) == TRUE) & ((BsmtFinSF1 > 0) == FALSE) ~ "No Basement",
    TRUE ~ BsmtFinType1))

#####
# `MasVnrType`
#####
# set missing values to "Unknown"
ames <- ames %>%
  mutate(MasVnrType = case_when(
    (is.na(MasVnrType) == TRUE) ~ "Unknown",
    TRUE ~ MasVnrType
  ))

#####
# `MasVnrArea`
#####
# set missing values to 0
ames <- ames %>%
  mutate(MasVnrArea = case_when(
    (is.na(MasVnrArea) == TRUE) ~ 0,
    TRUE ~ MasVnrArea
  ))

#####
# `Utilities`
#####
# set missing values to "Unknown"
ames %>%
  group_by(Utilities) %>%
  dplyr::summarize(count = n())

ames <- ames %>%
  dplyr::select(-c(Utilities))

#####
# `Electrical`

```

```
#####
# set missing values to "Unknown"
ames %>%
  group_by(Electrical) %>%
  dplyr::summarize(count = n())

# remove because not enough instances of unique values
ames <- ames %>%
  dplyr::select(-c(Electrical))
#####
# `BsmtFullBath`
#####
# set missing values to 0
ames <- ames %>%
  mutate(BsmtFullBath = case_when(
    (is.na(BsmtFullBath) == TRUE) ~ 0,
    TRUE ~ BsmtFullBath
  ))

#####
# `BsmtHalfBath`
#####
# set missing values to 0
ames <- ames %>%
  mutate(BsmtHalfBath = case_when(
    (is.na(BsmtHalfBath) == TRUE) ~ 0,
    TRUE ~ BsmtHalfBath
  ))

#####
# `KitchenQual`
#####
# set missing values to "TA"
ames <- ames %>%
  mutate(KitchenQual = case_when(
    (is.na(KitchenQual) == TRUE) ~ "TA",
    TRUE ~ KitchenQual
  ))

#####
# `Functional`
#####
ames %>%
  group_by(Functional) %>%
  dplyr::summarize(count = n())

# set missing values to "Typ"
ames <- ames %>%
  mutate(Functional = case_when(
    (is.na(Functional) == TRUE) ~ "Typ",
    TRUE ~ Functional
  ))
```

```
#####
# `SaleType`
#####
# set missing values to "Oth"
ames <- ames %>%
  mutate(SaleType = case_when(
    (is.na(SaleType) == TRUE) ~ "Oth",
    TRUE ~ SaleType
  ))

#####
#####
#####

# output final file with no missing values
write_csv(ames,
  file = paste0(getwd(), "/missing data/output/ames2.csv"))

# subset final file with no missing values into test and training datasets
ames_test <- ames %>%
  filter((ames$Id %in% test$Id) == TRUE)

ames_train <- ames %>%
  filter((ames$Id %in% train$Id) == TRUE)

# output final test and training datasets
write_csv(ames_test,
  file = paste0(getwd(), "/missing data/output/ames_test2.csv"))

write_csv(ames_train,
  file = paste0(getwd(), "/missing data/output/ames_train2.csv"))
```