# **Real Estate price estimation model**

Firstly we will train a model and import it using pickle into a file. We then will write a python flask server to consume this pickle file and expose various http endpoints to various requests and make http get and post box.

For constructing the module we will be using following concepts:

- Feature Engineering
- Data Cleaning
- One Hot Encoding
- Outlier Detection
- Dimensionality Reduction
- GridSearchCV

1. Data Cleaning: Post importing all the needed libraries. Use groupby function to categorize according to area\_type.

```
8]: df.groupby('area_type')['area type'].agg('count')

8]: area_type
Built-up Area 2418
Carpet Area 87
Plot Area 2025
Super built-up Area 8790
Name: area_type, dtype: int64
```

Assuming, Few features like area\_type, society, balcony, availability aren't important(this may come in feature engineering). Data cleaning starts with handling null cells. Remove the rows with null values if they are in very less number comapred to total no. of rows.

As the total number of null values are quite less compared to total number of rows/records.

Hence, its safe to delete them. Now tokenizing the size column(as bedrooms and BHK both strings are used) which may result in model not being able to understand the column.

tokenized size table will look as follows:

```
df2
:
                         location
                                         size total_sqft bath
                                                                  price bhk
            Electronic City Phase II
                                       2 BHK
                                                    1056
                                                            2.0
                                                                  39.07
         1
                  Chikka Tirupathi 4 Bedroom
                                                    2600
                                                                 120.00
                                                                            4
                                                            5.0
         2
                                       3 BHK
                        Uttarahalli
                                                    1440
                                                            2.0
                                                                  62.00
                                                                            3
         3
                Lingadheeranahalli
                                       3 BHK
                                                    1521
                                                                  95.00
                         Kothanur
                                       2 BHK
                                                    1200
                                                            20
                                                                  51.00
                                                                            2
    13315
                        Whitefield 5 Bedroom
                                                    3453
                                                                231.00
                                                            4.0
                                                                            5
    13316
                    Richards Town
                                       4 BHK
                                                    3600
                                                            5.0 400.00
```

2 BHK

4 BHK

1 BHK

13246 rows × 6 columns

Raja Rajeshwari Nagar

Padmanabhanagar

Doddathoguru

13317

13318

13319

1141

4689

550

2.0

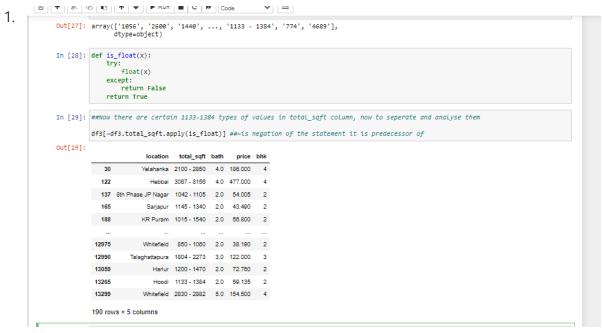
1.0

60.00

17.00

4.0 488.00

now to remove or modify that 1133 - 1384 types of data in normal numbered columns, one must use concept of exception handling in python.



Now to take average of these ranges and replace them with it:

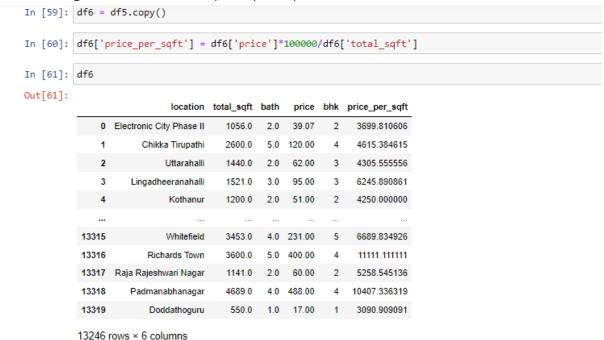
```
In [50]: def convert_sqft_to_num(x):
    tokens = x.split('-')
    if len(tokens)==2:
        return (float(tokens[0])+float(tokens[1]))/2
    try:
        return float(x)
    except:
        return None

In [51]: convert_sqft_to_num('2600')
Out[51]: 2600.0

In [52]: df5 = df3.copy()
    df5['total_sqft'] = df5['total_sqft'].apply(convert_sqft_to_num)
```

- 2. Feature Engineering and Dimensionality reduction techniques: An important part of machine learning that is process of using domain knowledge about the data to create features that work for ML algorithms. Choice of features has a significant impact on performance of model. Feature Engineering involves:
  - Identifying the features that are most relevant to the problem at hand.
  - Extracting and/or constructing new features from existing ones(one hot encoding or dummies)
  - o Selecting the most useful features to input into the model.
- Feature Engineering involves a wide range of technniques, including:
  - Encoding categorial Variables
  - Normalizing and Standardizing numerical variables.
  - Handling missing values.

• Creating new features by combining and transforming existing ones. Including a extra column of price per sqft



As location is a categorial column, but the number of categories is 1304

```
4 Kothanur 2 BHK 1200.0 2.0 51.00 2 4250.00000

In [36]: len(df5.location.unique())

Out[36]: 1304
```

hence its not practical to create dummy columns for it as this may lead to huge increase in column numbers. So instead lets categorize areas having less than 10 houses(in the list) as 'other areas'.

For that following procedure:

#### 13246 rows × 6 columns

```
In [80]: len(df6.location.unique())
Out[80]: 242
 In [63]: len(df6.location.unique())
 Out[63]: 1304
 In [65]: df6.location = df6.location.apply(lambda x: x.strip())
 In [70]: location_stats = df6.groupby('location')['location'].agg('count').sort_values(ascending = True)
 In [71]: location_stats
 Out[71]: location
           1 Annasandrapalya
           Kudlu Village,
                                   1
           Kumbhena Agrahara
                                   1
           Kuvempu Layout
           LIC Colony
                                 1
           Thanisandra
           Kanakpura Road
                               266
           Electronic City
                                 304
           Sarjapur Road
                                392
           Whitefield
                                 535
           Name: location, Length: 1293, dtype: int64
 In [72]: len(location_stats[location_stats<=10])</pre>
 Out[72]: 1052
In [74]: location_stats_less_than_10 = location_stats[location_stats<=10]</pre>
         location_stats_less_than_10
Out[74]: location
         1 Annasandrapalya
         Kudlu Village,
         Kumbhena Agrahara
                               1
         Kuvempu Layout
         LIC Colony
                               1
         Kalkere
                              10
         Naganathapura
                              10
         Sector 1 HSR Layout
                              10
         Basapura
                              10
         BTM 1st Stage
                              10
         Name: location, Length: 1052, dtype: int64
In [77]: df6.location = df6.location.apply(lambda x: 'other' if x in location_stats_less_than_10 else x)
In [78]: df6
Out[78]:
                        location total_sqft bath price bhk price_per_sqft
             0 Electronic City Phase II 1056.0 2.0 39.07 2
             1
                   Chikka Tirupathi
                                 2600.0 5.0 120.00
                                                       4615.384615
            2
                       Uttarahalli
                                 1440.0 2.0 62.00 3
                                                       4305.555556
             3
                 Lingadheeranahalli 1521.0 3.0 95.00 3 6245.890861
                     Kothanur 1200.0 2.0 51.00 2 4250.000000
```

- 3. Outlier Removal: Outliers are data points that are significantly different from the rest of the data in a dataset. They can have a significant impact on the results of statistical analyses and modeling, and can even distort the overall pattern of the data. Hence it is necessary to remove the outliers.
  - 1. Outliers can affect the accuracy of statistical analyses.
  - 2. Outliers can distort overall pattern of the data
  - 3. They are usually result of mistakes or errors
  - 4. they can be caused by unusual or extreme events

Now analysing and asking expert the minimum sqft per bhk value (supposing its 300), theen removing every record whose total\_sqft per bhk is less than 300 as this maybe an anomaly or error.

We need to filter out extreme cases of price per sqft per location as well. Hence removing records whose price per sqft is not between (mean-std,mean+std) per location. Method is as follows:

```
In [86]: ##removing the price_per_sqft outliers

def removing_outliers_pps(df):
    df_out = pd.DataFrame()
    for key, subdf in df.groupby('location'):
        m = np.mean(subdf.price_per_sqft)
        std = np.std(subdf.price_per_sqft)
        reduced_df = subdf[(subdf.price_per_sqft>(m-std)) & (subdf.price_per_sqft<=(m+std))]
        df_out = pd.concat([df_out,reduced_df], ignore_index = True)
        return df_out

df8 = removing_outliers_pps(df7)</pre>
In [87]: df8
```

In some cases 2 bedroom flat of same sqft area has more price than 3 bedroom flat, hence we need to remove these inefficiencies. To denote such inefficiencies lets plot its scatter plot.

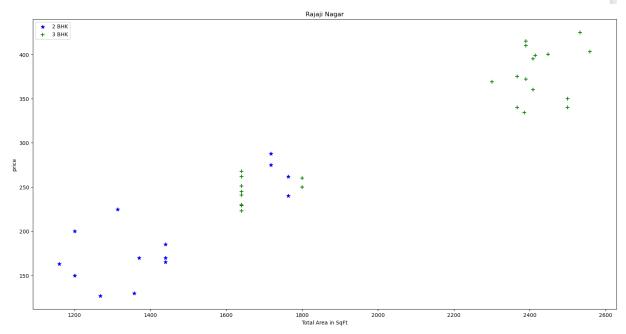
Now to remove such outliers we create dictonaries for each bhk in each location with its mean, std and count. And we condition the points to remain in the data set it's price should more than mean of (it's bhk-1).

We should also remove properties where for same location, the price of (for example) 3 bedroom apartment is less than 2 bedroom apartment (with same square ft area). What we will do is for a given location, we will build a dictionary of stats per bhk, i.e.

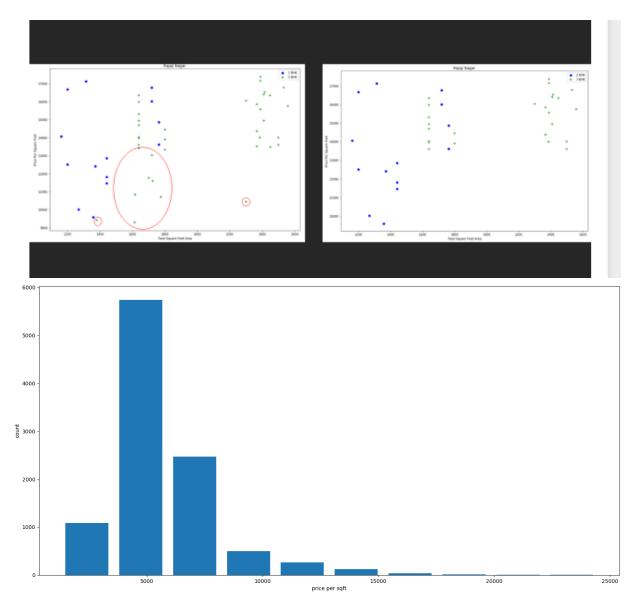
```
'1' : {
    'mean': 4000,
    'std: 2000,
    'count': 34
},
'2' : {
    'mean': 4300,
    'std: 2300,
    'count': 22
},
```

Now we can remove those 2 BHK apartments whose price\_per\_sqft is less than mean price\_per\_sqft of 1 BHK apartment

Now we can remove those 2 BHK apartments whose price\_per\_sqtt is less than mean price\_per\_sqtt of 1 BHK apartment



As we can see the data points of 3 bhk whose sqft area is same as 2 bhk but its price is less than the latter are removed.

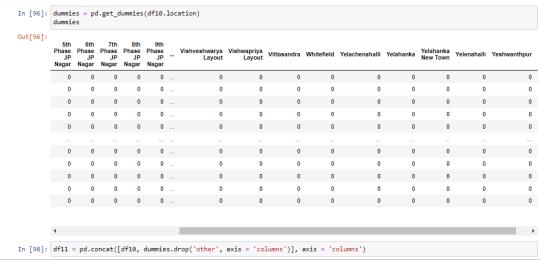


As you can see now the price per sqft is a normal distribution(bell curve). Now analysing the bathroom feature:

Considering your real estate expert stated that bathrooms > bhk + 2 is unusual and hence can be considered as an outlier

As the outlier removal is completed we can drop the usless features post this step, which is price\_per\_sqft

- 4. Model building:
  - 1. Applying One Hot Encoding to location:



We only need n-1 columns so removing the 'other' column.

2. Following general procedure of differentiating data set into features and result datasets

and spliting train test datasets.

3. Using Linear Regression

### 4. Using cross\_val\_score

Using gridsearchev to include the regression models and there parameters on which we are going to run our train, test data to find the best model.

```
6.
                                                                                  return pd.DataFrame(scores,columns=['model','best_score','best_params'])
                                                                   find_best_model_using_gridsearchcv(X,y)
                                  np.zeros(len(X.columns))
                                                                                 x[0] = sqft

x[1] = bath

x[2] = bhk
                                                                                 if loc_index >= 0:
    x[loc_index] = 1
                                                                                  return lr_clf.predict([x])[0]
                                  In [61]: predict_price('1st Phase JP Nagar',1000, 2, 2)
                                                                   C:\ProgramData\Anaconda3\lib\site-packages\sklearn\base.py:450: UserWarning: X does not have valid feature names, but LinearReg ression was fitted with feature names
                                                                        warnings.warn(
                                  Out[61]: 83.8657025831206
                                   In [62]: predict_price('1st Phase JP Nagar',1000, 3, 3)
                                                                   C:\programData\anconda3\lib\site-packages\sklearn\base.py: 450: UserWarning: X does not have valid feature names, but LinearReg or the contract of the contr
                                                                    ression was fitted with feature names
                                                                         warnings.warn(
                                 Out[62]: 86.0806228498683
```

7. It is found that that linear regression is the best model with parameters as shown in figure below:

```
ut[59]:
                                    model best_score
                                                                                               best_params
                       linear_regression
                                                 0.847796
                                                                                         {'normalize': False}
                    1
                                                 0.726833
                                                                           {'alpha': 2, 'selection': 'random'}
                                      lasso
                            decision_tree
                                                 0.709552 {'criterion': 'friedman_mse', 'splitter': 'best'}
     n [60]: def predict price(location,sqft,bath,bhk):
                         loc_index = np.where(X.columns==location)[0][0]
8.
                     return pd.DataFrame(scores,columns=['model','best_score','best_params'])
                 find\_best\_model\_using\_gridsearchcv(X,y)
         In [60]: def predict_price(location,sqft,bath,bhk):
                     loc_index = np.where(X.columns==location)[0][0]
                     x = np.zeros(len(X.columns))
                     x[0] = sqft

x[1] = bath

x[2] = bhk
                     if loc index >= 0:
                         x[loc_index] = 1
                     return lr_clf.predict([x])[0]
         In [61]: predict_price('1st Phase JP Nagar',1000, 2, 2)
                 C:\ProgramData\Anaconda3\lib\site-packages\sklearn\base.py:450: UserWarning: X does not have valid feature names, but LinearReg
                  ression was fitted with feature na
                   warnings.warn(
        Out[61]: 83.8657025831206
         In [62]: predict_price('1st Phase JP Nagar',1000, 3, 3)
                 C:\ProgramData\Anaconda3\lib\site-packages\sklearn\base.py:450: UserWarning: X does not have valid feature names, but LinearReg
                 ression was fitted with feature name warnings.warn(
```

defining a function to predict the the price given the loaction, sqft, bath, bhk

```
In [65]: import pickle
   with open('banglore_home_prices_model.pickle','wb') as f:
        pickle.dump(lr_clf,f)

In [66]: import json
   columns = {
        'data_columns' : [col.lower() for col in X.columns]
    }
   with open("columns.json","w") as f:
        f.write(json.dumps(columns))
In []:
```

Exporting the trained model into a pickle file. And the Data is cleansed and sent through model to train it.

5. Python Flask Server: Writing a python program that can serve http request and respond to it. Basically it is a web framework that provides libraries to build light weight web applications in python and helps in creating servers. It is a micro framework. Firstly, import the flask module and create an app as shown below:

```
server > 🌵 flask_server.py > ...
       from flask import flask, request, jsonify
       app = Flask(__name__)
        if <u>name == " main ":</u>
             print("Starting Python Flask Server for home price
             prediction")
             app.run()
S C:\Users\91940\Desktop\Data Science\Kaggle proojects\Real_estate_price_predictor\server> python flask_server.py
tarting Python Flask Server for home price prediction
 Serving Flask app 'flask_server'
  Debug mode: off
  Running on http://127.0.0.1:5000
127.0.0.1 - - [03/Jan/2023 22:27:32] "GET / HTTP/1.1" 404 - 
127.0.0.1 - - [03/Jan/2023 22:27:33] "GET /favicon.ico HTTP/1.1" 404 - 
127.0.0.1 - - [03/Jan/2023 22:28:08] "GET /hello HTTP/1.1" 200 -
                          | 🕒 V | 🔼 N | 🗐 b | 🕽 K | 🔼 E
                     127.0.0.1:5000/hello
               Ψ PsiTek - FREE Life-C...
  m mfqp
```

Now starting with a function that will return all the location names and importing it in the flask app(using the jsonify method). Creating new file 'util' that will contain all the core routines, one of which will be get\_location\_name. Which will read columns.json and return the names of location from 4th columns as first 3 are just the features. Firstly, preparing the utility python file i.e. util.py. Importing all the necesary libraries of pickle, json and numpy. Then initialising the variables of locations, data columns and model as none.

Ηi

```
5. __locations = None
__data_columns = None
__model = None
```

initialising the necessary functions of a. get\_estimated\_price(with parameters location, sqft, bhk, bath) also considering the exceptions as follows(for the location).

```
def get_estimated_price(location,
    saft,bhk,bath):
    try:
        loc_index = __data_columns.
        index(location.lower())
    except:
        loc_index = -1

    x = np.zeros(len(__data_columns))
    x[0] = saft
    x[1] = bath
    x[2] = bhk
    if loc_index>=0:
        x[loc_index] = 1

    return round(__model.predict([x])
    [0],2)
```

Now initialising the 2nd function, to load both locations and trained pickle model into global variables initialised above

```
def load_saved_artifacts():
    print("loading saved artifacts...
    start")
    global __data_columns
    global __locations
    with open("./artifacts/columns.
    json", "r") as f:
        __data_columns = json.load(f)
        ['data_columns']
        __locations = __data_columns
        [3:] # first 3 columns are
        saft, bath, bhk
    global __model
    if __model is None:
        with open('./artifacts/
        banglore_home_prices_model.
        pickle', 'rb') as f:
            __model = pickle.load(f)
    print("loading saved artifacts...
    done")
```

5. Functions to return locations and data columns with some examples of prediction

```
def get_location_names():
   return __locations
def get_data_columns():
   return __data_columns
if __name__ == '__main__':
   load_saved_artifacts()
   print(get_location_names())
   print(get_estimated_price('1st
   Phase JP Nagar', 1000, 3, 3))
   print(get_estimated_price('1st
   Phase JP Nagar', 1000, 2, 2))
   print(get_estimated_price
   ('Kalhalli', 1000, 2, 2)) #
   other location
   print(get_estimated_price
   ('Ejipura', 1000, 2, 2)) #
   other location
```

Now importing this <u>Util.py</u> file into flask<u>server.py</u> along with necessary flask libraries as follows

```
from flask import Flask, request,
   jsonify
import util

app = Flask(__name__)
```

@app.route for the app routing which means mapping the URLs to a specific fucntion that will handle the logic for that URL, along with GET method for get\_location\_names function and GET and POST methods for predict\_home\_price function.

5. @app.route('/get\_location\_names', methods=['GET']) def get\_location\_names(): response = jsonify({ 'locations': util. get\_location\_names() response.headers.add ('Access-Control-Allow-Origin', return response @app.route('/predict\_home\_price', methods=['GET', 'POST']) def predict home price(): total\_sqft = float(request.form ['total\_sqft']) location = request.form ['location'] bhk = int(request.form['bhk']) bath = int(request.form['bath']) response = jsonify({ 'estimated price': util. get\_estimated\_price (location, total\_sqft, bhk, bath) response.headers.add ('Access-Control-Allow-Origin', '\*') return response

request.form is an object that contains all the data sent from the client to server.

```
if __name__ == "__main__":
    print("Starting Python Flask
    Server For Home Price
    Prediction...")
    util.load_saved_artifacts()
    app.run()
```

loading saved artifacts function in <u>util.py</u> file will import both the required pickle and json file. And runs desired app when we run the file flask\_<u>server.py</u> in terminal and copy paste the url in postman application that will run it as we require.

## **Challenges Faced:**

Initially I was unable to find the correct dataset as I couldn't understand what the problem statement meant by content dataset, but taking advice of Mr. Solomon Eko Sir I was able to choose this real estate dataset. After choosing a dataset, performing EDA on the obtained dataset was challenging but with the help of few resources I was able to carry it out as well. Post which the decision as to which model would be ideal to be used on the cleaned dataset was an issue, which I tackled using gridsearchCV. Created a flask to deploy the server on postman API.

## **Key Findings:**

The factors affecting the prices of real estates. Various steps the dataset needed to be used to be able to predict prices of future real estate(if the necessary variables are present). Correct model and its parameters to be found with the help of GridSearchCV. Creating and deploying a server using python flask.