Clustering the neigborhoods of California City

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1 Introduction

Every family or business often has the aspiration to own its own house or building. While certainly a nice desire, financial situations often are a key barrier to overcome. For those having the financial power, an important choice to make is the neighborhood where they want to be owners. For small cities, the choice of the neighborhood can be solved by a quick tour of the city and survey from the internet. However, for a large city like California and a non-resident planning to be an owner, the choice of the neighborhood requires expertise knowledge of features proper to neighborhoods of the city. Features of the neighborhoods are important for a match with the future owner criteria. It is therefore important to understand the similarities and dissimilarities of the neighborhoods of the city of California. This is the purpose of this project.

1.1 Objective

We want to the build a segmentation and clustering of the neighborhoods of the city of California. The objective of the segmentation/Clustering is to provide guidance to investors or privates who want to buy a house in this city. Hence our aim is to identify neighborhood clusters in the city based on geographical and economic features of a neighborhood. Some include

- 1. Proximity to the ocean
- 2. number of popular venues
- 3. Median income
- 4. Median house value
- 5. Median age of houses
- 6. Number of households

1.2 Interest

The primary group that might be interested in the clustering of houses are real estate companies. They are the one investors or private often turn to when looking to buy a building. The clustering will enable them to quickly find a choice that fits the criteria of a home seeker.

A second group for which this project is of interest is made up of businesses such as Theater/Movies, Restaurants, Malls. Cluster will provide information on population class (medium, elites) in the neighborhoods which enable business to deploy targeted products.

The clustering of neighborhood is also important for the city council. Depending on the factors defining the clusters, some neighborhoods might be rebuild or appropriate plans developed.

2 Data Wrangling

As dataset, we use a modified version of the famous Califonia Housing prices data. It is a census data from 1990 for 20640 block group in the city of California. Each block group can be considered as a neighborhood of California and the data has the following metrics

- 1. longitude
- 2. latitude
- 3. housing median age
- 4. number of households
- 5. population
- 6. median house value
- 7. median house income
- 8. ocean proximity

Ocean proximity is represented by a categorical variable ocean_proximity with four values: NEAR BAY, <1 H OCEAN, INLAND, NEAR OCEAN. The other metrics are quantitative. Our version is taken from the Kaggle website and it is available here. For our analysis, we have omitted two other metrics from the dataset: total number of rooms, total number of bedrooms.

2.1 Data Cleaning

Fortunately for the above metrics, there were no missing values. However, we only choose neighborhoods with a population of more than 4000 people. With this cap on the population size, our dataset reduced to 586 rows.

The next step for our data cleaning has to do with the geographical coordinates. The longitude and latitude in the data were collected up to two decimal points. As a result, several neighborhoods had the same geographical coordinates. We group neighborhoods with same geographical coordinates together and took the mean value of their metrics. For the categorical value ocean_proximity, we took the mode. With this grouping, our dataset reduced to 575 rows.

2.2 Adding the metrics Number of venues using Foursquare API

We consider the number of popular venues in a neighborhood to be an important criteria for the choice of the neighborhood. Popular venues in a neighborhood determines activity level and the lifestyle in the neighborhood.

To determine the number of venues present in each neighborhood, we use the foursquare API calls. We found in total 4135 venues divided into 349 categories for the city of California. It turns out only 475 neighborhoods had at least one popular venue. Our final dataset is therefore reduced to 475 rows.

In principle, the venue categories should be used as features of our analysis since they described the neighborhoods in a more detailed way. However, the number of the categories is very high to be used as features. We will exploit the venue categories to describe the cluster we obtained later. We discuss how venue categories can be grouped together and use as features for the analysis in Section 4.

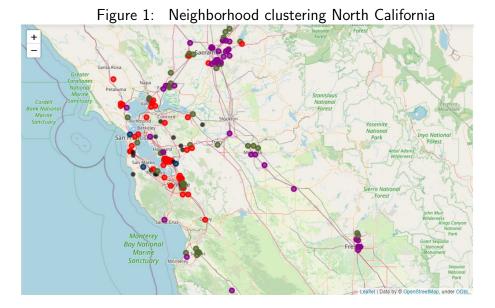
2.3 Dealing with the categorical variable ocean_proximity

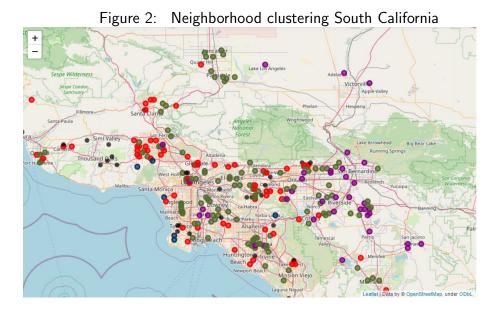
As discussed above, the variable ocean_proximity has four values. We use *onehot encoding* for this categorical variables to obtain the four quantitative features taking values in the set $\{0, 1\}$.

3 k-means clustering of the neighborhoods

To understand the similarities and dissimilarities of the neighborhoods, we use the k-means clustering algorithm. The key step of the algorithm is to choose the number of clusters. We achieve this by using the elbow approach which consists in exploring the error produced by the algorithm for a range of values of clusters and choose the value of k for which the increase of the number of clusters does not lead to a steep decrease of the error. In our case, we found 5 to be the best number of clusters to use. For the design of our algorithm, we use 150 initialization of the centroids and a maximum of 300 iterations per initialization. A visualization of the clusters is given by Figures 1 and 2. The labelling is as follows:

- 1. Cluster 1: red bullets
- 2. cluster 2: dark magenta bullets
- 3. cluster 3: dark midnight blue bullets
- 4. cluster 4: dark olive green bullets
- 5. cluster 5: dark orange bullets





3.1 Cluster 1

Cluster 1 is made up of 122 neighborhoods. Figure 3 below gives a statistic description of the metrics while Figure 4 provides a description of the top 10 most common venue categories in each of the neighborhoods in Cluster 1. A key distinctive feature of this cluster is that the house prices are around 200,000 \$ and the population living here can be considered as middle class: most have an income above 3,600 \$. Another characteristic of the cluster is that most neighborhoods have 5 popular venues. This cluster is displayed in Figures 1 and 2 by the red bullets.

Figure 3: Description of metrics: Cluster 1

	count	mean	std	min	25%	50%	75%	max
Cluster Labels	122.0	0.000000	0.000000	0.000	0.00000	0.00000	0.000000	0.000
using_median_age	122.0	15.143443	8.820403	2.000	7.00000	15.00000	21.000000	52.000
population	122.0	5826.450820	1801.706316	4014.000	4483.75000	4980.50000	7175.500000	13251.000
households	122.0	2066.885246	728.158134	962.000	1559.00000	1854.50000	2416.500000	4855.000
median_income	122.0	4.757689	1.237185	1.724	3.82415	4.95465	5.672625	6.992
edian_house_value	122.0	244891.393443	23864.878489	209800.000	225000.00000	239750.00000	263900.000000	290500.000
<1H OCEAN	122.0	0.606557	0.490528	0.000	0.00000	1.00000	1.000000	1.000
INLAND	122.0	0.155738	0.364102	0.000	0.00000	0.00000	0.000000	1.000
NEAR BAY	122.0	0.163934	0.371743	0.000	0.00000	0.00000	0.000000	1.000
NEAR OCEAN	122.0	0.073770	0.262475	0.000	0.00000	0.00000	0.000000	1.000
Num Venues	122.0	8.827869	12.396142	1.000	2.00000	5.00000	9.750000	82.000

Neighborhood Description: Cluster 1 434 521 Cluster 1st Most Common Venue Athletics & Sports Grocery Hotel 2nd Most Common Venue Convenience Zoo Exhibit 3rd Most Common Venue Construction & Garden Center Park Beach Farm 4th Most Common Venue Fried Chicken Fast Food Fast Food wer Shop Art Gallery Tunnel Bakery Café Yogurt Short Fishing Spot Fishing Spot Church Fish & Chips Shop Fishing Store Kitchen Supply Store Flea Market Fishing Spot Kids Store 12 rows × 122 columns

3.2 cluster 2

Here we have 144 neighborhoods. Figures 5 and 6 give a description of the metrics and venue categories of the neighborhoods. This cluster has 3 distinctive features:

- They are situated inland
- The population in this cluster can be classified as low class: 75% earned below 4,000 \$.
- Houses also have a very low value compare to the other clusters.

Neighborhoods in this cluster are displayed with magenta bullets on the map in Figures 1 and 2.

count mean std mir 25% 50% 75% max Cluster Labels 114.0 1.000000 0.000000 1.0000 1.000000 1.000000 1.000000 1.0000 housing_median_age 114.0 15 381579 7 940961 4 0000 10 000000 15 000000 19 000000 43 0000 5715.657895 2574.103492 5033.000000 28566.0000 114.0 4002.0000 4559.250000 6116.750000 population 114.0 1859.057018 756.686956 348.0000 1431.250000 1691.500000 2114.250000 6082.0000 median income 114.0 2.917262 0.826155 1.2065 2.317675 2.805525 3.597525 5.0012 108519.736842 24108.948526 114400.000000 114.0 35000.0000 90525.000000 129525.000000 139800.0000 <1H OCEAN 114 0 0 157895 0.366252 0.0000 0.000000 0.000000 0.000000 1 0000 114.0 0.780702 0.415598 0.0000 1.000000 1.000000 1.000000 1.0000 NEAR BAY 114.0 0.035088 0.184814 0.0000 0.000000 0.000000 0.000000 1.0000 NEAR OCEAN 114.0 0.026316 0.160779 0.0000 0.000000 0.000000 0.000000 1.0000 2.000000 Num Venues 114.0 6.035088 7.167935 1.0000 4.000000 6.750000 46.0000

Figure 5: Description of metrics: Cluster 2

Figure 6: Neighborhood Description: Cluster 2

	4	17	19	21	38	39	40	46	50	59		464	
eighborhood	6	20	23	25	43	44	45	52	56	67		557	
Cluster Labels	1	1	1	1	1	1	1	1	1	1		1	
1st Most Common Venue	History Museum	Lighting Store	Theme Park Ride / Attraction	Food	Park	Pizza Place	Bus Station	Chinese Restaurant	Intersection	Convenience Store		Pharmacy	Me: Resta
2nd Most Common Venue	Trail	Zoo Exhibit	Z00	Bus Stop	Recreation Center	Pool	Food Truck	Japanese Restaurant	Food Truck	Video Store		Bar	
3rd Most Common Venue	American Restaurant	Farm	Exhibit	Chinese Restaurant	Electronics Store	Plaza	Trail	Sushi Restaurant	Playground	Automotive Shop	***	Fast Food Restaurant	Resta
4th Most Common Venue	Tea Room	Fast Food Restaurant	Dance Studio	Gun Range	Auto Workshop	Flower Shop	Coffee Shop	Sandwich Place	Theme Park	Gym / Fitness Center		Spa	Ch
5th Most Common Venue	Zoo Exhibit	Filipino Restaurant	Farm	Coffee Shop	Home Service	Farmers Market	Restaurant	Donut Shop	Photography Studio	Bowling Alley		Mexican Restaurant	Dis
6th Most Common Venue	Fishing Store	Fish & Chips Shop	Fast Food Restaurant	Stadium	Baseball Field	Fast Food Restaurant	Fast Food Restaurant	Pizza Place	Zoo Exhibit	Liquor Store		Zoo Exhibit	F
7th Most Common Venue	Farmers Market	Fish Market	Filipino Restaurant	Food Truck	Food Truck	Filipino Restaurant	Electronics Store	Fried Chicken Joint	Fishing Store	Fried Chicken Joint		Filipino Restaurant	
8th Most Common Venue	Fast Food Restaurant	Fishing Spot	Fish & Chips Shop	Flea Market	Fish Market	Fish & Chips Shop	Café	Convenience Store	Farm	Fountain		Fish & Chips Shop	Gr
9th Most Common Venue	Filipino Restaurant	Fishing Store	Fish Market	Filipino Restaurant	Farm	Fish Market	Theater	Intersection	Farmers Market	Fishing Store		Fish Market	San
10th Most Common Venue	Fish & Chips Shop	Flea Market	Fishing Spot	Frozen Yogurt Shop	Farmers Market	Fishing Spot	Convenience Store	Fountain	Fast Food Restaurant	Fast Food Restaurant		Fishing Spot	Fast

3.3 Cluster 3

Here we have 10 neighborhoods. The description of the metrics and venue categories are given by Figures 7 and 8. The distinctive features of this neighborhood are as follows:

- 1. Population have high income. More than 75% earned above 7,000 \$. They are the elite class
- 2. Houses have a minimum price of 400,000 \$. It is the cluster with the highest set of prices.
- 3. Houses turn to be very old and neighborhoods have a lot of venues.

The neighborhoods are displayed in Figures 1 and 2 with dark blue bullets

Figure 7: Description of metrics: Cluster 3

	count	mean	std	min	25%	50%	75%	max
Cluster Labels	10.0	2.00000	0.000000	2.0000	2.00000	2.00000	2.0000	2.0000
housing_median_age	10.0	20.00000	12.373807	4.0000	10.00000	20.50000	22.7500	45.0000
population	10.0	5907.10000	2444.188866	4076.0000	4525.75000	5083.50000	6102.7500	12203.0000
households	10.0	2269.15000	1217.958630	1165.0000	1606.00000	1791.25000	2682.7500	4930.0000
median_income	10.0	6.80733	2.008536	3.4051	5.36715	7.48865	8.3193	9.1232
median_house_value	10.0	473915.45000	29347.618051	415300.0000	453112.62500	481600.00000	500001.0000	500001.0000
<1H OCEAN	10.0	0.50000	0.527046	0.0000	0.00000	0.50000	1.0000	1.0000
INLAND	10.0	0.00000	0.000000	0.0000	0.00000	0.00000	0.0000	0.0000
NEAR BAY	10.0	0.10000	0.316228	0.0000	0.00000	0.00000	0.0000	1.0000
NEAR OCEAN	10.0	0.40000	0.516398	0.0000	0.00000	0.00000	1.0000	1.0000
Num Venues	10.0	17.40000	22.207106	1.0000	3.00000	9.50000	16.0000	64.0000

Figure 8: Neighborhood Description: Cluster 3

43*	340	215	214	208	197	179	60	16	7	
516	399	264	263	256	243	223	68	19	9	Neighborhood
2	2	2	2	2	2	2	2	2	2	Cluster Labels
Poo	Bank	Spa	Theater	Harbor / Marina	Mobile Phone Shop	Park	Coffee Shop	Park	Fishing Spot	1st Most Common Venue
Arcade	Japanese Restaurant	Gym	Park	Boat or Ferry	Yoga Studio	Flower Shop	Gym	Trail	Scenic Lookout	2nd Most Common Venue
Zoo Exhibi	Sandwich Place	Nightlife Spot	Fast Food Restaurant	Pizza Place	Sushi Restaurant	Farmers Market	Park	Athletics & Sports	Trail	3rd Most Common Venue
Flower Shop	Coffee Shop	Zoo Exhibit	Trail	Spa	Bank	Fast Food Restaurant	Church	Flea Market	Gift Shop	4th Most Common Venue
Farmers Marke	Restaurant	Flea Market	Performing Arts Venue	Coffee Shop	Chinese Restaurant	Filipino Restaurant	Optical Shop	Farmers Market	Tourist Information Center	5th Most Common Venue
Fast Food Restauran	Mobile Phone Shop	Farmers Market	Shopping Mall	Beach	Japanese Restaurant	Fish & Chips Shop	Flower Shop	Fast Food Restaurant	Park	6th Most Common Venue
Filipino Restauran	Juice Bar	Fast Food Restaurant	Video Store	ATM	Sandwich Place	Fish Market	Sandwich Place	Filipino Restaurant	Beach	7th Most Common Venue
Fish & Chips Shop	Pizza Place	Filipino Restaurant	Carpet Store	Burger Joint	Frozen Yogurt Shop	Fishing Spot	Art Gallery	Fish & Chips Shop	Historic Site	8th Most Common Venue
Fish Marke	Seafood Restaurant	Fish & Chips Shop	Fish & Chips Shop	Bakery	American Restaurant	Fishing Store	Taiwanese Restaurant	Fish Market	Harbor / Marina	9th Most Common Venue
Fishing Spo	Ice Cream Shop	Fish Market	Event Space	Bank	Coffee Shop	Flea Market	Convenience Store	Fishing Spot	Bus Station	10th Most Common Venue

3.4 Cluster 4

Here we have 187 neighborhoods. Figures 9 and 10 give a description of the metrics and venue categories of the neighborhoods. The distinctive features are as follows:

- 1. The population has median income distribution slightly higher to those in cluster 2. They are thus from the medium class.
- 2. Here house prices lies between those of cluster 2 and 1.
- 3. The neighborhoods are all situated less than 1 hour from the ocean
- 4. Every neighboorhood has either a Filipino restaurant or a mexican restaurant. This suggest inhabitants in this region may surely be foreigners.

Figure 9: Description of metrics: Cluster 4

	count	mean	std	min	25%	50%	75%	max
Cluster Labels	187.0	3.000000	0.000000	3.0000	3.00000	3.0000	3.0000	3.0000
housing_median_age	187.0	16.015152	9.626535	2.0000	7.00000	16.0000	23.0000	47.0000
population	187.0	5574.563280	1680.634965	4010.0000	4452.50000	5008.0000	6123.0000	16305.0000
households	187.0	1757.674688	718.053191	275.0000	1297.50000	1581.0000	1964.5000	5358.0000
median_income	187.0	3.675156	1.056732	1.4133	2.82755	3.6348	4.5426	6.4865
median_house_value	187.0	171790.196078	18569.840292	140800.0000	156650.00000	170700.0000	187500.0000	208000.0000
<1H OCEAN	187.0	0.556150	0.498171	0.0000	0.00000	1.0000	1.0000	1.0000
INLAND	187.0	0.336898	0.473919	0.0000	0.00000	0.0000	1.0000	1.0000
NEAR BAY	187.0	0.037433	0.190330	0.0000	0.00000	0.0000	0.0000	1.0000
NEAR OCEAN	187.0	0.069519	0.255017	0.0000	0.00000	0.0000	0.0000	1.0000
Num Venues	187.0	9.395722	12.986908	1.0000	3.00000	4.0000	10.0000	99.0000

Figure 10: Neighborhood Description: Cluster 4

	5	14	20	24	32	33	35	51	54	55		447	453
eighborhood	7	17	24	28	36	37	40	57	60	62		537	544
Cluster Labels	3	3	3	3	3	3	3	3	3	3	1442	3	3
1st Most Common Venue	Park	Coffee Shop	Farm	Park	Food Truck	Fast Food Restaurant	Chinese Restaurant	Snack Place	Park	Park		Ice Cream Shop	Pool
2nd Most Common Venue	Harbor / Marina	Park	Music Venue	Theater	Coffee Shop	Chinese Restaurant	Zoo Exhibit	Park	Electronics Store	Flower		Zoo Exhibit	Child Care Service
3rd Most Common Venue	Farm	Motorcycle Shop	Baseball Field	Home Service	Fast Food Restaurant	Intersection	Exhibit	Nightlife Spot	Exhibit	Farmers Market		Flower Shop	Football Stadium
4th Most Common Venue	Farmers Market	Bookstore	Flower Shop	Fishing Store	Soup Place	ATM	Farmers Market	Farm	Farmers Market	Fast Food Restaurant		Farmers Market	Trail
5th Most Common Venue	Fast Food Restaurant	Zoo Exhibit	Fast Food Restaurant	Farm	Gym	Pharmacy	Fast Food Restaurant	Fast Food Restaurant	Fast Food Restaurant	Filipino Restaurant		Fast Food Restaurant	Zoo Exhibit
6th Most Common Venue	Filipino Restaurant	Filipino Restaurant	Filipino Restaurant	Farmers Market	Grocery Store	Grocery Store	Filipino Restaurant	Filipino Restaurant	Filipino Restaurant	Fish & Chips Shop		Filipino Restaurant	Fishing
7th Most Common Venue	Fish & Chips Shop	Fish & Chips Shop	Fish & Chips Shop	Fast Food Restaurant	Big Box Store	Tennis Court	Fish & Chips Shop	Fish & Chips Shop	Fish & Chips Shop	Fish Market		Fish & Chips Shop	Farmers Market
8th Most Common Venue	Fish Market	Fish Market	Fish Market	Filipino Restaurant	Taco Place	Liquor Store	Fish Market	Fish Market	Fish Market	Fishing Spot		Fish Market	Fast Food Restaurant
9th Most Common Venue	Fishing Spot	Fishing Spot	Fishing Spot	Fish & Chips Shop	Supermarket	Farmers Market	Fishing Spot	Fishing Spot	Fishing Spot	Fishing Store		Fishing Spot	Filipino Restaurant
10th Most Common Venue	Fishing Store	Fishing Store	Fishing Store	Fish Market	Sporting Goods Shop	Sandwich Place	Fishing Store	Fishing Store	Fishing Store	Flea Market	1000	Fishing Store	Fish & Chips Shop

3.5 Cluster 5

Here we have 46 neighborhoods. Figures 11 and 12 provide a description of the metrics and venue categories. The neighborhoods are displayed in Figures 1 and 2 with dark orange bullets. The distinctive features are :

- 1. House prices lies between those of cluster 1 and cluster 3. They are expensive
- 2. 75% of the population has median income above 4,000 \$. This population can be qualified as high class.

Figure 11: Description of metrics: Cluster 5

max	75%	50%	25%	min	std	mean	count	
4.0000	4.00000	4.00000	4.00000	4.0000	0.000000	4.000000	46.0	Cluster Labels
40.0000	21.00000	13.00000	6.00000	3.0000	8.898488	14.195652	46.0	housing_median_age
12873.0000	6851.50000	5002.00000	4304.25000	4005.0000	2063.488475	5866.739130	46.0	population
4012.0000	2521.00000	1947.00000	1504.25000	950.0000	755.696016	2092.554348	46.0	households
8.3931	6.60945	6.12045	4.91825	1.6903	1.570974	5.700546	46.0	median_income
402500.0000	357375.00000	331900.00000	315325.00000	293900.0000	28986.050389	338433.695652	46.0	median_house_value
1.0000	1.00000	1.00000	0.00000	0.0000	0.505047	0.521739	46.0	<1H OCEAN
1.0000	0.00000	0.00000	0.00000	0.0000	0.340503	0.130435	46.0	INLAND
1.0000	0.00000	0.00000	0.00000	0.0000	0.284885	0.086957	46.0	NEAR BAY
1.0000	0.75000	0.00000	0.00000	0.0000	0.443961	0.260870	46.0	NEAR OCEAN
51.0000	12.50000	4.00000	2.00000	1.0000	12.648595	9.543478	46.0	Num Venues

Figure 12: Neighborhood Description: Cluster 5

	10	11	12	22	28	30	31	34	37	57		339	34
eighborhood	13	14	15	26	32	34	35	38	42	64		397	41
Cluster Labels	4	4	4	4	4	4	4	4	4	4	5254	4	
1st Most Common Venue	Hotel	Intersection	Spa	Hotel	Fountain	Trail	Doctor's Office	Trail	Park	Baseball Field		Shop & Service	Theate
2nd Most Common Venue	RV Park	Scenic Lookout	Comedy Club	Fried Chicken Joint	Sculpture Garden	Resort	Japanese Restaurant	Medical School	Intersection	Park		Pool	Poo
3rd Most Common Venue	Diner	Gym / Fitness Center	Thai Restaurant	Convenience Store	Coffee Shop	Zoo Exhibit	Park	Zoo Exhibit	Construction & Landscaping	Notary		Zoo Exhibit	Gyn
4th Most Common Venue	Food	Water Park	Filipino Restaurant	Mexican Restaurant	College Cafeteria	Flea Market	Mattress Store	Flea Market	Trail	Farm		Flea Market	Snac Plac
5th Most Common Venue	Fast Food Restaurant	Zoo Exhibit	Bakery	Fast Food Restaurant	Monument / Landmark	Farm	Tailor Shop	Farmers Market	Flea Market	Farmers Market		Farmers Market	Zo Exhib
6th Most Common Venue	Filipino Restaurant	Flea Market	Martial Arts Dojo	Furniture / Home Store	Café	Farmers Market	Sushi Restaurant	Fast Food Restaurant	Farm	Fast Food Restaurant	99.	Fast Food Restaurant	Fishin
7th Most Common Venue	Fish & Chips Shop	Farmers Market	Thrift / Vintage Store	Residential Building (Apartment / Condo)	Art Museum	Fast Food Restaurant	Optical Shop	Filipino Restaurant	Farmers Market	Filipino Restaurant		Filipino Restaurant	Farmer Marke
8th Most Common Venue	Fish Market	Fast Food Restaurant	Hawaiian Restaurant	Flower Shop	Outdoor Sculpture	Filipino Restaurant	Steakhouse	Fish & Chips Shop	Fast Food Restaurant	Fish & Chips Shop	1111	Fish & Chips Shop	Fast Foo Restauran
9th Most Common Venue	Fishing Spot	Filipino Restaurant	Grocery Store	Nail Salon	Concert Hall	Fish & Chips Shop	Food Court	Fish Market	Filipino Restaurant	Fish Market		Fish Market	Filipin Restauran
10th Most Common Venue	Fishing Store	Fish & Chips Shop	Shoe Repair	Mobile Phone Shop	College Theater	Fish Market	Fishing Spot	Fishing Spot	Fish & Chips Shop	Fishing Spot		Fishing Spot	Fish 8 Chip Sho

4 Conclusion and Future directions

In this work, we have obtained a clustering of the neighborhoods of the city of California. We find five clusters which correspond to the five classes of the society: low class (cluster 2), medium class (cluster 4), middle class (cluster 1), high class (cluster 5) and elite class (cluster 3). The housing prices in the clusters reflect the class category of the clusters.

The clustering can be improved by considering the venue categories as features. Since there are over 349 categories, the best possible step is to group the categories into further small groups. This can be achieve using PCA or classification. For example, we can consider all restaurant types as a single category, all distraction venues as entertainment, all markets as simply market.