House Price Prediction with Linear Regression and Random Forest

The aim of this project is to predict real-estate prices using one basic machine learning algorithm, Linear Regression, and one advanced algorithm, Random Forest. Both will show different results for the accuracy.

Imports

```
from bs4 import BeautifulSoup as bs4
from requests import get
import json
import pandas as pd
import requests
import matplotlib.pyplot as plt
import seaborn as sns
import mpl_toolkits
import numpy as np
%matplotlib inline
#from fake_useragent import UserAgent
```

Data preparation (Web scraping)

Scraping data from the first website - 'FriendlyHousing'

```
url_1 = 'https://www.friendlyhousing.nl/nl/aanbod/kamer'
url_2 = 'https://www.friendlyhousing.nl/nl/aanbod/studio'
url_3 = 'https://www.friendlyhousing.nl/nl/aanbod/appartement'
urls= [url_1, url_2, url_3]
```

Scraping data from the second website - 'Pararius'

```
url_1p = 'https://www.pararius.com/apartments/eindhoven'
url_2p = 'https://www.pararius.com/apartments/eindhoven/page-2'
url_3p = 'https://www.pararius.com/apartments/eindhoven/page-3'
urls_p= [url_1p, url_2p, url_3p]
```

'FriendlyHousing'

```
#user_agent = UserAgent()
#headers={"user-agent": user agent.chrome}
soup_array=[]
for url in urls:
    ## getting the reponse from the page using get method of requests module
    page = get(url)
    ## storing the content of the page in a variable
    html = page.content
    ## creating BeautifulSoup object
    soup = bs4(html, "html.parser")
    soup_array.append(soup)
'Pararius'
soup_array_p=[]
for url in urls p:
    ## getting the reponse from the page using get method of requests module
    page = get(url)
    ## storing the content of the page in a variable
    html = page.content
    ## creating BeautifulSoup object
    soup = bs4(html, "html.parser")
    soup array p.append(soup)
'FriendlyHousing' - finding the elements from the html file
houses=[]
for s in soup array:
    allHouses = s.find("ul", {"class": "list list-unstyled row equal-row"})
    #print(len(allHouses))
    for h in allHouses.find all("li", {"class": "col-xs-12 col-sm-6 col-md-4 equal-col"}):
    # print(h)
      houses.append(h)
     # print(h.findAll("li", {"class": "search-list__item search-list__item--listing"}))
catalog=[]
for h in houses:
```

```
#data[ nouses ].append({
    type__ = h.find('div', class_= 'specs').text
    t = type__.split()
    type_=t[0]
    street_ = h.find('h3').text
    s = street_.split()
    street = s[0]
    address = h.find('p').text
    a = address.split()
    postcode = a[0]
    #city = a[2]
    price = h.find('div', class_= 'price').text
    vars = type_,street, postcode, price
    catalog.append(vars)
    #print(city)
```

'Pararius' - finding the elements from the html file

```
houses p=[]
for s in soup array p:
   allHouses = s.find("ul", {"class": "search-list"})
   #print(len(allHouses))
   for h in allHouses.find_all("li", {"class": "search-list__item search-list__item--listing
    # print(h)
     houses p.append(h)
    # print(h.findAll("li", {"class": "search-list item search-list item--listing"}))
catalog p=[]
for h in houses p:
 #data['houses'].append({
       name = h.find('a',class ='listing-search-item link listing-search-item link--title'
       _name = name.split()
       house_type = _name[0]
       street = name[1]
       _address= h.findAll('div', class_='listing-search-item__location')[0].text
       #String manipulation to remove the unwanted signs from the address
        __address = _address.replace("\nnew\n ", "")
       address = address.replace("\n ", "") #actual address after string manipulation -
       new address = address.split()
       postcode = new address[0]
       price = h.findAll('span', class ='listing-search-item price')[0].text
       #splitting the string to find the price
       p=price .split()
       price = p[0] #actual price before string manipulation
        __price = _price.replace("€", "") #actual price before full string manipulation
       price = price.replace(",", "")
                                          #actual price after string manipulation - ready to
```

```
ylr= h.findAll('section', class_= 'illustrated-features illustrated-features--vertica
#splitting the string to find the living are, rooms and year
lry= ylr.split()

#living_area after taking the indexes that define it
living_area = lry[0]

#rooms after taking the index that defines the variable
rooms = lry[4]

vars = house_type, street, postcode,price,living_area,rooms
catalog_p.append(vars)

print(catalog_p)

[('House', 'Nieuwe', '5612', '1150', '65', '3'), ('Apartment', 'Kruisstraat', '5612', '9
```

'FriendlyHousing' - creating the dataframe

dataframe = pd.DataFrame(catalog)
dataframe.columns=['TYPE', 'STREET NAME', 'POSTCODE', 'PRICE']
dataframe

	TYPE	STREET NAME	POSTCODE	PRICE
0	Kamer	Willem	5611	320
1	Kamer	Willem	5611	310
2	Kamer	Willem	5611	325
3	Kamer	Jacob	5622	335
4	Kamer	Edelweisstraat	5643	265
118	Appartement	Frankrijkstraat	5622	925
119	Appartement	Kerkakkerstraat	5616	950
120	Appartement	Leenderweg	5614	800
121	Appartement	Leostraat	5615	775
122	Appartement	Stratumsedijk	5614	1075

123 rows × 4 columns

'Pararius'- creating the dataframe

```
df_ = pd.DataFrame(catalog_p)
df_.columns=['TYPE', 'STREET NAME', 'POSTCODE', 'PRICE', 'LIVING_AREA', 'ROOMS']
df_
```

	TYPE	STREET NAME	POSTCODE	PRICE	LIVING_AREA	ROOMS
0	House	Nieuwe	5612	1150	65	3
1	Apartment	Kruisstraat	5612	950	40	2
2	Apartment	Bleekstraat	5611	1175	52	2
3	Apartment	Hertog	5611	650	28	2
4	Apartment	Leenderweg	5643	775	25	1
91	House	Scheidingstraat	5654	2500	100	3
92	Apartment	Kromakkerweg	5616	1195	55	2
93	Apartment	Brugmanstraat	5621	1070	65	2
94	Apartment	Hooghuisstraat	5611	925	38	2
95	Apartment	Hooghuisstraat	5611	725	22	1

96 rows × 6 columns

Data integration

Using concat to create a Union between the two datasets and then, integrate them into one dataset.

```
frames = [dataframe, df_]

df = pd.concat(frames)
df
```

	TYPE	STREET NAME	POSTCODE	PRICE	LIVING_AREA	ROOMS
0	Kamer	Willem	5611	320	NaN	NaN
1	Kamer	Willem	5611	310	NaN	NaN
2	Kamer	Willem	5611	325	NaN	NaN
3	Kamer	Jacob	5622	335	NaN	NaN
4	Kamer	Edelweisstraat	5643	265	NaN	NaN
~ 4				0500	100	^

Data analysis

Checking the dimension of the dataset and the features.

```
# Check the dimension of the dataset df.shape (219, 6)
```

The dataset has 219 observations and 6 features, but the observations(rows) will change with time because the data is scraped and this means it is up to date. Whenever there is a change on the websites, there is a change in the dataset.

TYPE 219 non-null object 1 STREET NAME 219 non-null object 2 POSTCODE 219 non-null object PRICE object 3 219 non-null 4 LIVING AREA 96 non-null object 5 ROOMS 96 non-null object

dtypes: object(6)
memory usage: 12.0+ KB

It can be seen that none features are numeric, but objects. Later, they will have to be converted into either float or int in order to be plotted and then used for the training of the models. There are also missing values in the dataset.

There are missing values in the dataset, which appeared after the data integration of the two datasets. This will be fixed later before the training of the models.

df.isnull().sum()

```
TYPE 0
STREET NAME 0
POSTCODE 0
PRICE 0
LIVING_AREA 123
ROOMS 123
dtype: int64
```

```
# Find columns with missing values and their percent missing
df.isnull().sum()
miss_val = df.isnull().sum().sort_values(ascending=False)
miss_val = pd.DataFrame(data=df.isnull().sum().sort_values(ascending=False), columns=['Missva'

# Add a new column to the dataframe and fill it with the percentage of missing values
miss_val['Percent'] = miss_val.MissvalCount.apply(lambda x : '{:.2f}'.format(float(x)/df.shap
miss_val = miss_val[miss_val.MissvalCount > 0].style.background_gradient(cmap='Reds')
miss_val
```

MissvalCount Percent 123 56.16

ROOMS 123 56.16 **LIVING_AREA** 123 56.16

The light red color shows the small amount of NaN values. If the features were with a high percent of missing values, they would have to be removed. Yet, in this case, they have relatively low percentage so they can be used in future. Then, the NaN values will be replaced.

#Description of the dataset
df.describe()

	TYPE	STREET NAME	POSTCODE	PRICE	LIVING_AREA	ROOMS
count	219	219	219	219	96	96
unique	6	109	27	122	55	6
top	Apartment	Philitelaan	5611	415	35	3
freq	73	12	38	15	5	32

#First 5 rows of our dataset
df.head()

	TYPE	STREET NAME	POSTCODE	PRICE	LIVING_AREA	ROOMS
	0 Kamer	Willem	5611	320	NaN	NaN
	1 Kamer	Willem	5611	310	NaN	NaN
:	2 Kamer	Willem	5611	325	NaN	NaN
;	3 Kamer	Jacob	5622	335	NaN	NaN
	4 Kamer	Edelweisstraat	5643	265	NaN	NaN

#Last 5 rows of our dataset
df.tail()

	TYPE	STREET NAME	POSTCODE	PRICE	LIVING_AREA	ROOMS
91	House	Scheidingstraat	5654	2500	100	3
92	Apartment	Kromakkerweg	5616	1195	55	2
93	Apartment	Brugmanstraat	5621	1070	65	2
94	Apartment	Hooghuisstraat	5611	925	38	2
95	Apartment	Hooghuisstraat	5611	725	22	1

df['TYPE'].value_counts()

Apartment 73
Kamer 49
Appartement 38
Studio 36
House 19
Room 4

Name: TYPE, dtype: int64

df.iloc[0]

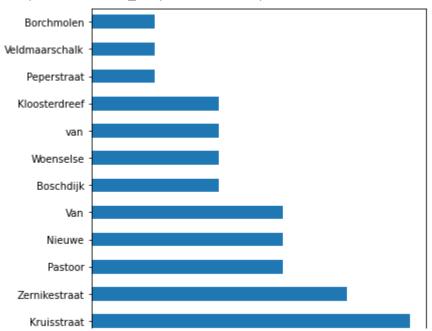
TYPE Kamer
STREET NAME Willem
POSTCODE 5611
PRICE 320
LIVING_AREA NAN
ROOMS NAN
Name: 0, dtype: object

df.groupby('POSTCODE').count()

	TYPE	STREET NAME	PRICE	LIVING_AREA	ROOMS
POSTCODE					
5503	1	1	1	0	0
5611	38	38	38	21	21
5612	29	29	29	13	13
5613	9	9	9	4	4
5614	13	13	13	2	2
5615	11	11	11	4	4
5616	11	11	11	7	7
5617	12	12	12	12	12
5621	9	9	9	2	2
5622	7	7	7	2	2
5623	11	11	11	1	1
5624	1	1	1	0	0
5625	4	4	4	3	3
5627	1	1	1	1	1
5628	1	1	1	1	1
5629	1	1	1	1	1
5631	4	4	4	1	1
5632	1	1	1	1	1
5642	6	6	6	1	1
5643	14	14	14	3	3
5644	5	5	5	2	2
5646	2	2	2	2	2
5651	5	5	5	1	1
5652	1	1	1	1	1
5653	6	6	6	1	1
5654	15	15	15	8	8
	4	4	4	4	4

df[(df['POSTCODE'] == '5612')]['STREET NAME'].value_counts().plot(kind='barh', figsize=(6, 6)

<matplotlib.axes._subplots.AxesSubplot at 0x7fcbbef92d50>



Sorting the data by Type.

df.sort_values('TYPE', ascending = True)

	TYPE	STREET NAME	POSTCODE	PRICE	LIVING_AREA	ROOMS
95	Apartment	Hooghuisstraat	5611	725	22	1
21	Apartment	Cornelis	5654	720	25	1
22	Apartment	Philitelaan	5617	1900	135	5
26	Apartment	Lichtstraat	5611	1308	103	3
27	Apartment	Lichtstraat	5611	1278	105	3
64	Studio	Dr.	5623	470	NaN	NaN
65	Studio	Heistraat	5614	550	NaN	NaN
66	Studio	Kloosterdreef	5612	660	NaN	NaN
51	Studio	Van	5612	592	NaN	NaN
62	Studio	Woenselsestraat	5623	520	NaN	NaN

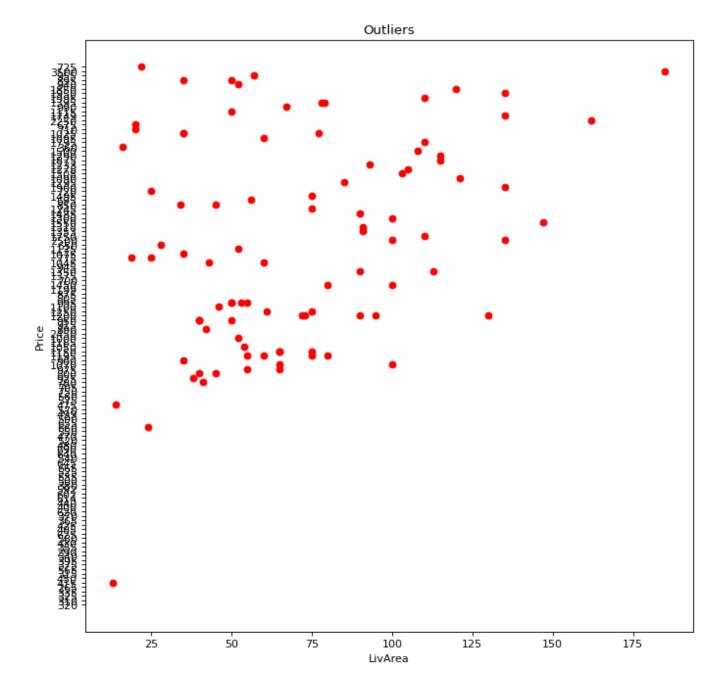
219 rows × 6 columns

Pre Processing

Handling Outlier

An **outlier** is a data point in a data set that is distant from all other observations (a data point that lies outside the overall distribution of the dataset.)

```
plt.figure(figsize=(10, 10), dpi=80)
plt.scatter(df.LIVING_AREA, df.PRICE, c= 'red')
plt.title("Outliers")
plt.xlabel("LivArea")
plt.ylabel("Price")
plt.show()
```



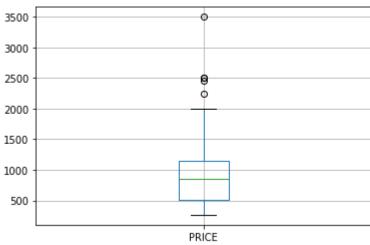
```
df['PRICE'] =df['PRICE'].astype(float)
df['POSTCODE'] =df['POSTCODE'].astype(int)
```

```
df['LIVING_AREA'] =df['LIVING_AREA'].astype(float)
df['ROOMS'] =df['ROOMS'].astype(float)
code_numeric = {'Kamer': 5,'Apartment': 1, 'Appartement': 1, 'Room': 2, 'Studio': 4, 'House':
df ['TYPE'] = df['TYPE'].map(code_numeric)
df['TYPE'] =df['TYPE'].astype(float)

df['PRICE'] =df['PRICE'].astype(float)

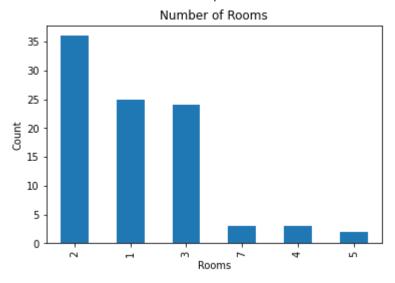
df.boxplot(column=['PRICE'])
plt.show
```

<function matplotlib.pyplot.show>



```
217.000000
     count
     mean
               872.391705
               453.371514
     std
     min
               265.000000
     25%
               500.000000
     50%
               850.000000
     75%
              1100.000000
     max
              3500.000000
     Name: PRICE, dtype: float64
print(df['PRICE'].quantile(0.10))
print(df['PRICE'].quantile(0.90))
     415.0
     1350.0
df['ROOMS'].value_counts().plot(kind='bar')
plt.title('Number of Rooms')
plt.xlabel('Rooms')
plt.ylabel('Count')
sns.despine
```

<function seaborn.utils.despine>



```
print(df['PRICE'])
     0
             320.0
             310.0
     1
     2
             325.0
     3
             580.0
             335.0
     88
            1000.0
     89
             675.0
     90
            1245.0
     91
            1175.0
```

```
92 1050.0
Name: DRTCF Length: 219 dtyne: float64
```

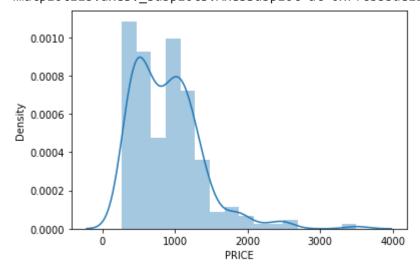
We will analyze the features in their descending of correlation with sales price

Examining the data distributions of the features. We will start with the target variable, PRICE, to make sure it's normally distributed.

This is important because most machine learning algorithms make the assumption that the data is normal distributed. When data fits a normal distribution, statements about the price using analytical techniques will be made.

```
sns.distplot(df['PRICE'])
```

/usr/local/lib/python3.7/dist-packages/seaborn/distributions.py:2557: FutureWarning: `di
 warnings.warn(msg, FutureWarning)
<matplotlib.axes._subplots.AxesSubplot at 0x7fcbbbde1190>



Transform the target variable
sns.distplot(np.log(df.PRICE))

```
/usr/local/lib/python3.7/dist-packages/seaborn/distributions.py:2557: FutureWarning: `di
  warnings.warn(msg, FutureWarning)
<matplotlib.axes._subplots.AxesSubplot at 0x7fcbbbd42690>
```

We can see that the PRICE distribution is not skewed after the transformation, but normally distributed. The transformed data will be used in in the dataframe and remove the skewed distribution:

Normally distributed means that the data is symmetric about the mean, showing that data near the mean are more frequent in occurrence than data far from the mean.

```
df['LogOfPrice'] = np.log(df.PRICE)
df.drop(["PRICE"], axis=1, inplace=True)
```

Reviewing the skewness of each feature

```
df.skew().sort_values(ascending=False)
```

ROOMS 0.968659 LIVING_AREA 0.689641 LogOfPrice 0.027232 POSTCODE -0.853754

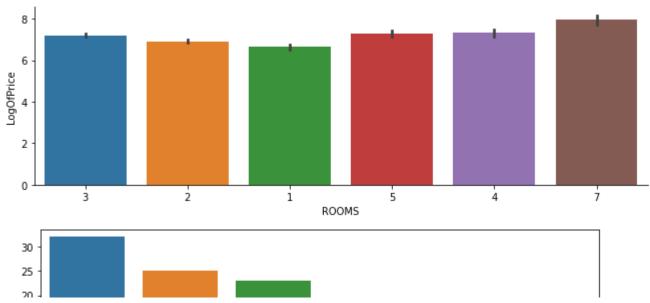
dtype: float64

Values closer to zero are less skewed. The results show some features having a positive (right-tailed) or negative (left-tailed) skew.

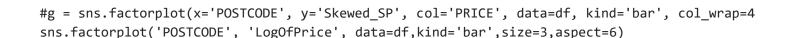
Factor plot is informative when we have multiple groups to compare.

```
sns.factorplot('ROOMS', 'LogOfPrice', data=df,kind='bar',size=3,aspect=3)
fig, (axis1) = plt.subplots(1,1,figsize=(10,3))
sns.countplot('ROOMS', data=df)
df['LogOfPrice'].value_counts()
```

```
/usr/local/lib/python3.7/dist-packages/seaborn/categorical.py:3714: UserWarning: The `fa
  warnings.warn(msg)
/usr/local/lib/python3.7/dist-packages/seaborn/categorical.py:3720: UserWarning: The `si
  warnings.warn(msg, UserWarning)
/usr/local/lib/python3.7/dist-packages/seaborn/ decorators.py:43: FutureWarning: Pass th
  FutureWarning
/usr/local/lib/python3.7/dist-packages/seaborn/_decorators.py:43: FutureWarning: Pass th
  FutureWarning
6.028279
            15
7.090077
             6
6.856462
             6
7.047517
             6
6.109248
             5
6.214608
             1
7.153052
             1
5.899897
             1
6.484635
             1
7.210080
             1
Name: LogOfPrice, Length: 122, dtype: int64
```



Real estate with 5 rooms has the highest Price while the sales of others with rooms of 2 is the most sold ones.



```
/usr/local/lib/python3.7/dist-packages/seaborn/categorical.py:3714: UserWarning: The `fawarnings.warn(msg)
/usr/local/lib/python3.7/dist-packages/seaborn/categorical.py:3720: UserWarning: The `siwarnings.warn(msg, UserWarning)
/usr/local/lib/python3.7/dist-packages/seaborn/_decorators.py:43: FutureWarning: Pass the FutureWarning
<seaborn.axisgrid.FacetGrid at 0x7fcbb126fa90>
```

The diagram represents the price of a rpoperty, depending on its postcode.

Train-Test Split dataset

Necessary imports

LIVING_AREA

dtype: int64

ROOMS

123

123

```
from sklearn.linear_model import LinearRegression, Ridge, Lasso
from sklearn.ensemble import RandomForestRegressor
from sklearn.model_selection import cross_val_score, train_test_split, GridSearchCV
df.info()
     <class 'pandas.core.frame.DataFrame'>
     Int64Index: 219 entries, 0 to 95
    Data columns (total 6 columns):
         Column
                      Non-Null Count Dtype
         ----
         TYPE
                      219 non-null
                                      float64
      1
         STREET NAME 219 non-null
                                      object
      2
         POSTCODE
                                      int64
                      219 non-null
      3
         PRICE
                      219 non-null
                                      float64
         LIVING AREA 96 non-null
                                      float64
      4
                      96 non-null
                                      float64
     dtypes: float64(4), int64(1), object(1)
    memory usage: 12.0+ KB
df.isnull().sum()
    TYPE
    STREET NAME
                     0
    POSTCODE
                     0
    PRICE
                     0
```

Analyzing the numeric features.

Filling up the null values in order to train the model.

df.fillna(0)

	TYPE	STREET NAME	POSTCODE	PRICE	LIVING_AREA	ROOMS
0	5.0	Willem	5611	320.0	0.0	0.0
1	5.0	Willem	5611	310.0	0.0	0.0
2	5.0	Willem	5611	325.0	0.0	0.0
3	5.0	Jacob	5622	335.0	0.0	0.0
4	5.0	Edelweisstraat	5643	265.0	0.0	0.0
91	3.0	Scheidingstraat	5654	2500.0	100.0	3.0
92	1.0	Kromakkerweg	5616	1195.0	55.0	2.0
93	1.0	Brugmanstraat	5621	1070.0	65.0	2.0
94	1.0	Hooghuisstraat	5611	925.0	38.0	2.0
95	1.0	Hooghuisstraat	5611	725.0	22.0	1.0

219 rows × 6 columns

```
# set the target and predictors
y = df.PRICE # target

# use only those input features with numeric data type
df_temp = df.select_dtypes(include=["int64","float64"])

X = df_temp.drop(["PRICE"],axis=1) # predictors
```

To split the dataset, I will use random sampling with 80/20 train-test split; that is, 80% of the dataset will be used for training and set aside 20% for testing:

```
# split the dataset into train and test sets
X_train, X_test, y_train, y_test = train_test_split(X, y, test_size=0.20, random_state=0)
df.isnull()
```

	TYPE	STREET NAME	POSTCODE	PRICE	LIVING_AREA	ROOMS
0	False	False	False	False	False	False
1	False	False	False	False	False	False
2	False	False	False	False	False	False
3	False	False	False	False	False	False
4	False	False	False	False	False	False
91	False	False	False	False	False	False
92	False	False	False	False	False	False
93	False	False	False	False	False	False
94	False	False	False	False	False	False
95	False	False	False	False	False	False

96 rows × 6 columns

Modelling

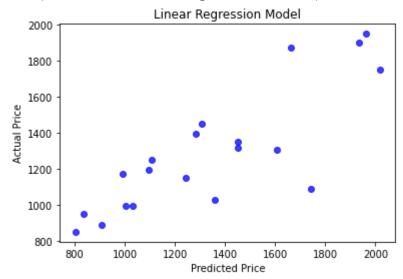
Two models will be built and evaluated by their performances with R-squared metric. Additionally, insights on the features that are strong predictors of house prices, will be analised.

Linear Regression

```
lr = LinearRegression()
# fit optimal linear regression line on training data
lr.fit((X_train),y_train)
LinearRegression(copy X=True, fit intercept=True, n jobs=None, normalize=False)
```

```
#predict y values using X test set
yr_hat = lr.predict(X_test)
lr_score =lr.score((X_test),y_test)
print("Accuracy: ", lr_score)
     Accuracy: 0.594355402441709
from sklearn.metrics import mean squared error
print ('RMSE is: \n', mean_squared_error(y_test, yr_hat))
     RMSE is:
      44601.32425257638
actual_values = y_test
plt.scatter(yr hat, actual values, alpha=.75,
            color='b') #alpha helps to show overlapping data
plt.xlabel('Predicted Price')
plt.ylabel('Actual Price')
plt.title('Linear Regression Model')
#pltrandom state=None.show()
```

Text(0.5, 1.0, 'Linear Regression Model')



Using cross-validation to see whether the model is over-fitting the data.

```
# cross validation to find 'validate' score across multiple samples, automatically does Kfold
lr_cv = cross_val_score(lr, X, y, cv = 5, scoring= 'r2')
print("Cross-validation results: ", lr_cv)
print("R2: ", lr_cv.mean())

Cross-validation results: [0.68906483 0.02848488 0.87908458 0.88546289 0.57999201]
```

R2: 0.6124178376920201

It doesn't appear that for this train-test dataset the model is over-fitting the data (the cross-validation performance is very close in value).

Random Forest

The performance of Random forest is slightly better than the Linear regression. The model parameters can be optimised for better performance using gridsearch.

```
#Random forest determined feature importances
rfr.feature_importances_
array([0.02849527, 0.0711885 , 0.79509618, 0.10522005])
```

Plotting the Feature Importance

Finding the features that are the most promissing predictors:

```
importance = rfr.feature_importances_

# map feature importance values to the features
feature_importances = zip(importance, X.columns)

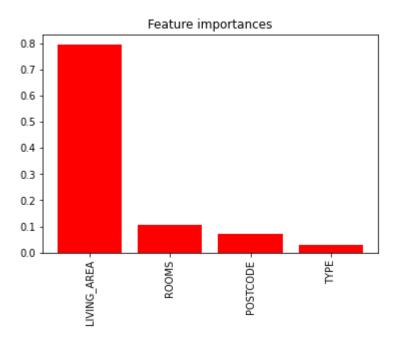
#list(feature_importances)
sorted_feature_importances = sorted(feature_importances, reverse = True)

#print(sorted_feature_importances)
top_15_predictors = sorted_feature_importances[0:15]
values = [value for value, predictors in top_15_predictors]
predictors = [predictors for value, predictors in top_15_predictors]
print(predictors)

['LIVING AREA', 'ROOMS', 'POSTCODE', 'TYPE']
```

Plotting the feauture importance of the Random forest.

```
plt.figure()
plt.title( "Feature importances")
plt.bar(range(len(predictors)), values,color="r", align="center");
plt.xticks(range(len(predictors)), predictors, rotation=90);
```



The idea behind the plotting of feauture importance is that after evaluating the performance of the model, the values of a feature of interest must be permuted and reevaluate model performance. The feature importance (variable importance) describes which features are relevant.

Conclusion

Data collection:

For the data collection part, I decided to use web scraping as e technique because it gives the opportunity to work with a data set that is up to date and therefore, makes more accurate summaries.

Data preprocessing:

I tried different types of data transforms to expose the data structure better, so we may be able to improve model accuracy later.

- Standardizing was made to the data set so as to reduce the effects of differing distributions.
- The skewness of the features was checked in order to see how distorted a data sample is from the normal distribution.
- Rescaling (normalizing) the dataset was also included to reduce the effects of differing scales

Modelling:

I used two models to determine the accuracy - Linear Regression and Random Forest.

Linear Regression turns out to be the more accurate model for predicting the house price. It scored an estimated accuracy of 68%, out performing the Random Forest - 66%. Random Forest determined that overall the living area of a home is by far the most important predictor. Following are the sizes of above rooms and postcode.

Os completed at 1:01 PM

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