HW#3:LOGISTIC_REGRESSION

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Our objective is to build a binary logistic regression model on the training data set to predict whether the neighborhood will be at risk for high crime levels. We will provide classifications and probabilities for the evaluation data set using our binary logistic regression model. We can only use the variables given to us (or, variables that we derive from the variables provided). Below is a short description of the variables of interest in the data set:

- zn: proportion of residential land zoned for large lots (over 25000 square feet) (predictor variable)
- indus: proportion of non-retail business acres per suburb (predictor variable)
- chas: a dummy var. for whether the suburb borders the Charles River (1) or not (0) (predictor variable)
- nox: nitrogen oxides concentration (parts per 10 million) (predictor variable)
- rm: average number of rooms per dwelling (predictor variable)
- age: proportion of owner-occupied units built prior to 1940 (predictor variable)
- dis: weighted mean of distances to five Boston employment centers (predictor variable)
- rad: index of accessibility to radial highways (predictor variable)
- tax: full-value property-tax rate per \$10,000 (predictor variable)
- ptratio: pupil-teacher ratio by town (predictor variable)
- lstat: lower status of the population (percent) (predictor variable)
- medv: median value of owner-occupied homes in \$1000s (predictor variable)
- target: whether the crime rate is above the median crime rate (1) or not (0) (response variable)

1. DATA EXPLORATION

a. Load the Data and Check Size/Variables

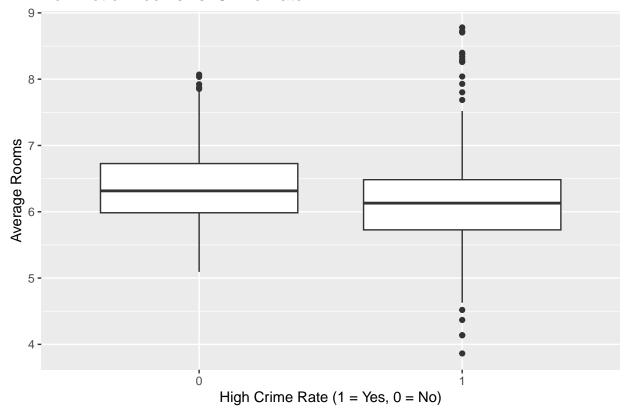
```
# Load necessary libraries
library(tidyverse)
## -- Attaching core tidyverse packages ----- tidyverse 2.0.0 --
## v dplyr
              1.1.4
                       v readr
                                    2.1.5
## v forcats
              1.0.0
                                    1.5.1
                        v stringr
## v ggplot2
              3.5.1
                        v tibble
                                    3.2.1
## v lubridate 1.9.3
                        v tidyr
                                    1.3.1
## v purrr
              1.0.2
## -- Conflicts -----
                                           ## x dplyr::filter() masks stats::filter()
                    masks stats::lag()
## x dplyr::lag()
## i Use the conflicted package (<a href="http://conflicted.r-lib.org/">http://conflicted.r-lib.org/</a>) to force all conflicts to become error
# Load the datasets
train_data <- read.csv("crime-training-data_modified.csv") # Training data</pre>
eval_data <- read.csv("crime-evaluation-data_modified.csv") # Evaluation data
# Check the dimensions and structure of the datasets
dim(train_data)
## [1] 466 13
str(train_data)
## 'data.frame':
                   466 obs. of 13 variables:
           : num 0 0 0 30 0 0 0 0 0 80 ...
## $ indus : num 19.58 19.58 18.1 4.93 2.46 ...
   $ chas : int 0 1 0 0 0 0 0 0 0 ...
## $ nox
          : num 0.605 0.871 0.74 0.428 0.488 0.52 0.693 0.693 0.515 0.392 ...
## $ rm
            : num 7.93 5.4 6.49 6.39 7.16 ...
            : num 96.2 100 100 7.8 92.2 71.3 100 100 38.1 19.1 ...
## $ age
            : num 2.05 1.32 1.98 7.04 2.7 ...
##
   $ dis
          : int 5 5 24 6 3 5 24 24 5 1 ...
## $ rad
## $ tax
            : int 403 403 666 300 193 384 666 666 224 315 ...
## $ ptratio: num 14.7 14.7 20.2 16.6 17.8 20.9 20.2 20.2 20.2 16.4 ...
## $ lstat : num 3.7 26.82 18.85 5.19 4.82 ...
## $ medv : num 50 13.4 15.4 23.7 37.9 26.5 5 7 22.2 20.9 ...
## $ target : int 1 1 1 0 0 0 1 1 0 0 ...
b. Calculate Mean, Standard Deviation, and Median
# Summary statistics for training data
summary_stats <- train_data %>% summarise(across(everything(), list(mean = ~mean(.x, na.rm = TRUE),
                                                                    sd = -sd(.x, na.rm = TRUE),
                                                                    median = ~median(.x, na.rm = TRUE
print(summary_stats)
                zn_sd zn_median indus_mean indus_sd indus_median chas_mean
     zn_mean
                                11.10502 6.845855
## 1 11.57725 23.36465
                              0
                                                           9.69 0.07081545
      chas_sd chas_median nox_mean
                                     nox_sd nox_median rm_mean
                       0 0.5543105 0.1166667
                                                0.538 6.290674 0.7048513
## 1 0.256792
```

```
rm_median age_mean age_sd age_median dis_mean dis_sd dis_median rad_mean
         6.21 68.3676 28.32138
                                     77.15 3.795693 2.10695
                                                              3.19095 9.530043
## 1
      rad_sd rad_median tax_mean tax_sd tax_median ptratio_mean ptratio_sd
                      5 409.5021 167.9001
## 1 8.685927
                                               334.5
                                                         18.3985
##
    ptratio_median lstat_mean lstat_sd lstat_median medv_mean medv_sd
## 1
                    12.63146 7.101891
                                             11.35 22.58927 9.239681
              18.9
    medv_median target_mean target_sd target_median
                 0.4914163 0.5004636
## 1
           21.2
```

c. Bar Chart and Box Plot

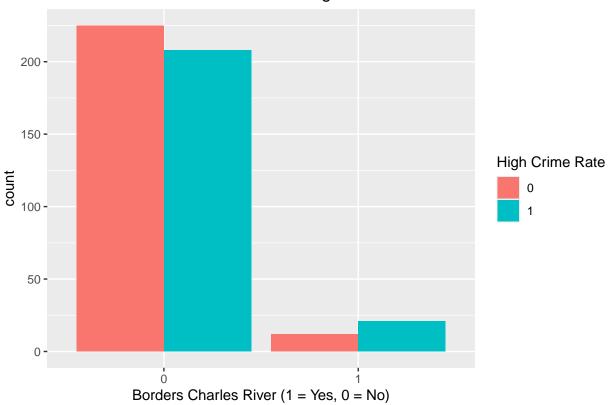
```
# Box plot for continuous variables vs. target
ggplot(train_data, aes(x = factor(target), y = rm)) +
   geom_boxplot() +
   labs(title = "Box Plot of Rooms vs. Crime Rate", x = "High Crime Rate (1 = Yes, 0 = No)", y = "Average")
```

Box Plot of Rooms vs. Crime Rate



Bar chart for categorical variable (e.g., chas)
ggplot(train_data, aes(x = factor(chas), fill = factor(target))) +
 geom_bar(position = "dodge") +
 labs(title = "Bar Chart of Charles River Bordering vs. Crime Rate", x = "Borders Charles River (1 = Y)

Bar Chart of Charles River Bordering vs. Crime Rate



d. Correlation Matrix

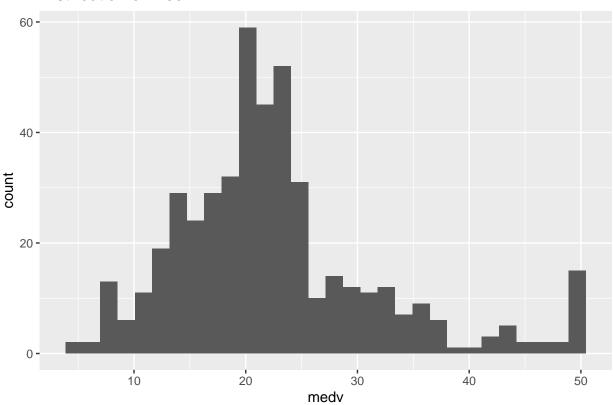
```
# Correlation matrix for training data
correlation_matrix <- cor(train_data %>% select(-target), use = "complete.obs")
print(correlation_matrix)
```

```
##
                             indus
                                           chas
                                                        nox
                                                                     rm
            1.00000000 -0.53826643 -0.04016203 -0.51704518
## zn
                                                             0.31981410 -0.57258054
## indus
           -0.53826643
                        1.00000000
                                    0.06118317
                                                 0.75963008 -0.39271181
                                                                         0.63958182
## chas
           -0.04016203
                        0.06118317
                                    1.00000000
                                                0.09745577
                                                             0.09050979
                                                                         0.07888366
## nox
           -0.51704518
                        0.75963008
                                    0.09745577
                                                 1.00000000 -0.29548972
## rm
            0.31981410 -0.39271181
                                    0.09050979 -0.29548972
                                                             1.00000000 -0.23281251
                        0.63958182
                                    0.07888366
                                                0.73512782 -0.23281251
##
  age
           -0.57258054
                                                                         1.00000000
            0.66012434 - 0.70361886 - 0.09657711 - 0.76888404
                                                             0.19901584 -0.75089759
## dis
## rad
           -0.31548119
                        0.60062839 -0.01590037 0.59582984 -0.20844570
                                                                         0.46031430
           -0.31928408
                        0.73222922 -0.04676476
                                                0.65387804 -0.29693430
                                                                         0.51212452
## tax
                        0.39468980 -0.12866058 0.17626871 -0.36034706
##
  ptratio -0.39103573
                                                                         0.25544785
## lstat
           -0.43299252
                        0.60711023 -0.05142322
                                                0.59624264 -0.63202445
                                                                         0.60562001
##
  medv
            0.37671713 -0.49617432
                                    0.16156528 -0.43012267
                                                             0.70533679 -0.37815605
##
                   dis
                               rad
                                            tax
                                                   ptratio
                                                                 lstat
                                                                             medv
## zn
            0.66012434 - 0.31548119 - 0.31928408 - 0.3910357 - 0.43299252
                                                                        0.3767171
                                                ## indus
           -0.70361886 0.60062839 0.73222922
           -0.09657711 -0.01590037 -0.04676476 -0.1286606 -0.05142322
## chas
                                                                        0.1615653
## nox
           -0.76888404 0.59582984 0.65387804
                                                0.1762687
                                                           0.59624264 -0.4301227
            0.19901584 \ -0.20844570 \ -0.29693430 \ -0.3603471 \ -0.63202445
## rm
                                                                        0.7053368
## age
           -0.75089759 \quad 0.46031430 \quad 0.51212452 \quad 0.2554479 \quad 0.60562001 \quad -0.3781560
## dis
            1.00000000 -0.49499193 -0.53425464 -0.2333394 -0.50752800 0.2566948
```

```
## rad
            -0.49499193 1.00000000 0.90646323 0.4714516 0.50310125 -0.3976683
           -0.53425464 0.90646323
                                      1.00000000 0.4744223 0.56418864 -0.4900329
## tax
## ptratio -0.23333940 0.47145160
                                      0.47442229 1.0000000 0.37735605 -0.5159153
           -0.50752800 0.50310125 0.56418864 0.3773560 1.00000000 -0.7358008
## lstat
             0.25669476 -0.39766826 -0.49003287 -0.5159153 -0.73580078
# Visualization of correlation matrix
library(ggcorrplot)
ggcorrplot(correlation_matrix, lab = TRUE)
medy 0.38 -0.50.16-0.430.71-0.380.26-0.4-0.490.520.74
  Istat -0.430.61-0.050.6-0.630.61-0.510.5 0.560.38
ptratio -0.390.39-0.130.18-0.360.26-0.230.470.47
                                                       0.38 - 0.52
   tax -0.320.73-0.050.65-0.30.51-0.530.91
                                                  0.470.56-0.49
                                                                    Corr
   rad -0.320.6-0.020.6-0.210.46-0.49 1
                                             0.91 0.47 0.5 -0.4
                                                                         1.0
        0.66 -0.7 -0.1 -0.77 0.2 -0.75 1 -0.49 0.53 0.23 0.51 0.26
                                                                         0.5
                                                                         0.0
  age -0.570.640.080.74-0.23 1 -0.750.460.510.260.61-0.38
                                                                         -0.5
   rm 0.32-0.390.09-0.3
                               -0.2<mark>30.2</mark>-0.21-0.3-0.3<del>6</del>0.6<mark>30.71</mark>
                                                                         -1.0
  nox -0.520.76 0.1
                        1 -0.3<mark>0.74-0.77</mark>0.6 0.650.18 0.6-0.43
 chas -0.040.06
                      0.1 0.090.08 -0.1-0.020.050.130.050.16
              1 0.06 0.76 - 0.39 0.64 - 0.7 0.6 0.73 0.39 0.61 - 0.5
indus
             .0.540.040.5<mark>20.32</mark>-0.5<mark>70.66</mark>-0.320.320.390.4<mark>30.38</mark>
    zn
         That has not in so sis is to to the sign stay
                                                                              ### e. Calculating
skewness and checking nonlinearity
library(ggplot2)
```

ggplot(train_data, aes(x = medv)) + geom_histogram(bins = 30) + ggtitle("Distribution of medv")

Distribution of medv

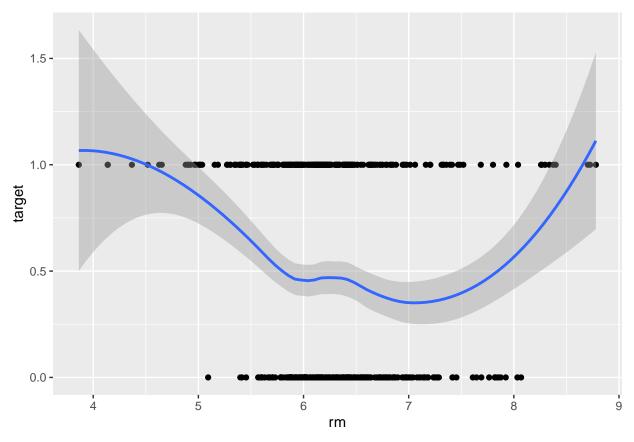


```
# Calculate skewness
library(moments)
skewness_value <- skewness(train_data$medv)
print(skewness_value)</pre>
```

[1] 1.080167

The medv variable is positively skewed; we can see it from the histogram above where the right hand side tail is longer and also from the skewness value of 1.080167, this tells us that log transformation is suitable for the variable 'medv'.

```
#checking nonlinearity between rm and target
ggplot(train_data, aes(x = rm, y = target)) + geom_point() + geom_smooth(method = "loess")
## `geom_smooth()` using formula = 'y ~ x'
```



Baed on the scatter plot above, the relationship between the rm and target is non-linear, we can use polynomial terms, perhaps square of rm.

f. Check for Missing Values

```
# Check for missing values in training data
missing_values <- sapply(train_data, function(x) sum(is.na(x)))</pre>
print(missing_values)
##
              indus
                                                            dis
                                                                              tax ptratio
        zn
                        chas
                                  nox
                                            rm
                                                   age
                                                                     rad
                                             0
##
         0
                                    0
                                                              0
                                                                       0
                                                                                0
##
     lstat
               medv
                      target
##
```

2. DATA PREPARATION

Since there is no missing values in the provided data, we can skip handling them in this section.

a. Mathematical Transformations

```
# Log transformation of medv
train_data <- train_data %>%
  mutate(log_medv = log(medv + 1)) # Adding 1 to avoid log(0)

# Adding a quadratic term for rm
train_data <- train_data %>%
  mutate(rm_squared = rm^2)
```

3. BUILD MODELS

a. Build Logistic Regression Models

a.1. Model 1: Using All Predictors

```
##
## Call:
## glm(formula = target ~ zn + indus + chas + nox + rm + age + dis +
       rad + tax + ptratio + lstat, family = "binomial", data = train_data)
##
##
## Coefficients:
##
                 Estimate Std. Error z value Pr(>|z|)
                            6.239330 -6.069 1.29e-09 ***
## (Intercept) -37.867486
                -0.062365
                            0.032297
                                      -1.931
                                               0.0535 .
## zn
                                               0.2301
## indus
                -0.055502
                            0.046250
                                      -1.200
## chas
                 0.990769
                            0.771749
                                       1.284
                                               0.1992
## nox
                44.022991
                            7.257684
                                       6.066 1.31e-09 ***
                                               0.0229 *
## rm
                 1.001582
                            0.440092
                                       2.276
                 0.016530
                            0.011398
                                       1.450
                                               0.1470
## age
## dis
                 0.492199
                            0.197144
                                       2.497
                                               0.0125 *
                 0.635987
                            0.154415
                                       4.119 3.81e-05 ***
## rad
## tax
                -0.007331
                            0.002857
                                      -2.566
                                               0.0103 *
## ptratio
                 0.220199
                            0.099458
                                       2.214
                                               0.0268 *
## lstat
                 0.046643
                            0.051801
                                       0.900
                                               0.3679
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
##
  (Dispersion parameter for binomial family taken to be 1)
##
##
##
       Null deviance: 645.88 on 465
                                      degrees of freedom
## Residual deviance: 199.95 on 454 degrees of freedom
## AIC: 223.95
##
## Number of Fisher Scoring iterations: 9
```

Here are the key coefficient of model 1

- nox (Nitrogen oxides concentration): 44.02299 indicates that for each unit increase in nox, the log-odds of high crime increase significantly, which is very strong evidence (p < 0.001); highly significant.
- rm (Average number of rooms): 1.001582 indicates that an increase of one room is associated with a significant increase in the likelihood of high crime (p < 0.05), statistically significant.
- dis (Weighted mean distance to employment centers): 0.4922 indicates that as distance increases, the likelihood of high crime increases (p < 0.05), statistically significant.
- rad (Accessibility to radial highways): 0.6359 shows that increased access is positively associated with high crime levels (p < 0.001); highly significant.
- tax (Property-tax rate): -0.007331 suggests that higher property tax rates are associated with lower likelihood of high crime (p < 0.05), statistically significant.

- ptratio (Pupil-teacher ratio): 0.2202 indicates a positive association with high crime rates (p < 0.05)statistically significant.
- lstat (Lower status of the population): The coefficient is not statistically significant (p = 0.3679), suggesting it may not be a useful predictor in this model because it is not significant.

```
model2 <- glm(target ~ log_medv + rm + rm_squared + lstat, data = train_data, family = "binomial")
summary(model2)</pre>
```

a.2. Model 2: With Transformations and Selected Predictors

```
##
## Call:
## glm(formula = target ~ log medv + rm + rm squared + lstat, family = "binomial",
       data = train data)
##
## Coefficients:
##
               Estimate Std. Error z value Pr(>|z|)
                                     3.010 0.002614 **
## (Intercept) 28.34213
                           9.41648
## log_medv
               -1.20293
                           0.65507
                                    -1.836 0.066306 .
               -9.29450
                           2.62474
                                    -3.541 0.000398 ***
## rm
## rm_squared
               0.78630
                           0.20027
                                     3.926 8.63e-05 ***
                                     5.575 2.47e-08 ***
## lstat
                0.19639
                           0.03523
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
##
  (Dispersion parameter for binomial family taken to be 1)
##
##
      Null deviance: 645.88 on 465 degrees of freedom
## Residual deviance: 483.96 on 461 degrees of freedom
## AIC: 493.96
##
## Number of Fisher Scoring iterations: 5
```

Here are the interpretations of each of the predictors used in model 2:

- log_medv: -1.20293 indicates that for every one-unit increase in the log of the median value of owner-occupied homes, the log-odds of high crime decreases. The p-value is 0.066306, which is marginally significant (p < 0.1), suggesting this predictor might still have some importance but is not conventionally significant at the 0.05 level.
- rm: -9.29450 indicates that for each additional room in a dwelling, the log-odds of high crime decreases significantly (p < 0.001). This suggests a strong negative relationship between the average number of rooms and high crime levels.
- rm_squared: 0.78630 indicates a positive association with the log-odds of high crime, suggesting that as the number of rooms increases, the effect of rooms on high crime becomes more positive at higher levels of rm (p < 0.001).
- lstat: 0.19639 indicates that for each one-unit increase in the lower status of the population, the log-odds of high crime increase significantly (p < 0.001).

```
library(MASS)
```

a.3. Model 3: Stepwise Regression for Variable Selection

```
##
## Attaching package: 'MASS'
## The following object is masked from 'package:dplyr':
##
##
      select
model3 <- stepAIC(glm(target ~ ., data = train_data, family = "binomial"), direction = "both")</pre>
## Start: AIC=210.28
## target ~ zn + indus + chas + nox + rm + age + dis + rad + tax +
      ptratio + lstat + medv + log_medv + rm_squared
##
##
               Df Deviance
## - medv
               1 180.34 208.34
## - lstat
                1
                   180.48 208.48
## - log_medv
              1 180.94 208.94
## - chas
              1 181.71 209.71
## - indus
               1 181.96 209.96
## <none>
                   180.28 210.28
## - zn
               1 185.19 213.19
## - tax
              1 186.58 214.58
              1 189.12 217.12
## - ptratio
               1 190.28 218.28
## - age
## - rm_squared 1 190.78 218.78
## - rm
                   191.42 219.42
                1
## - dis
                1
                   191.54 219.54
## - rad
               1 224.82 252.82
## - nox
              1 248.40 276.40
##
## Step: AIC=208.34
## target ~ zn + indus + chas + nox + rm + age + dis + rad + tax +
     ptratio + lstat + log_medv + rm_squared
##
               Df Deviance
##
                             AIC
              1 180.57 206.57
## - lstat
## - chas
                  181.84 207.84
               1
                  182.01 208.01
## - indus
               1
## <none>
                   180.34 208.34
## - log medv
             1 182.35 208.35
## + medv
               1 180.28 210.28
## - zn
                1
                   185.22 211.22
## - tax
               1 186.83 212.83
## - ptratio
              1 189.62 215.62
## - age
               1 190.42 216.42
## - dis
                1 191.65 217.65
## - rm
               1 195.70 221.70
## - rm_squared 1 196.17 222.17
               1 225.33 251.33
## - rad
              1 248.60 274.60
## - nox
##
## Step: AIC=206.57
## target ~ zn + indus + chas + nox + rm + age + dis + rad + tax +
##
      ptratio + log_medv + rm_squared
##
```

```
Df Deviance AIC
##
             1 181.94 205.94
## - chas
## - indus
              1 182.35 206.35
## <none>
                   180.57 206.57
## - log_medv
               1 183.12 207.12
## + lstat
              1 180.34 208.34
## + medv
               1 180.48 208.48
## - zn
               1 185.70 209.70
               1 187.00 211.00
## - tax
## - ptratio
              1 189.81 213.81
## - age
               1
                  191.31 215.31
                  191.81 215.81
## - dis
               1
## - rm
                  197.60 221.60
               1
## - rm_squared 1
                  197.78 221.78
## - rad
               1 225.37 249.37
                 248.92 272.92
## - nox
               1
##
## Step: AIC=205.94
## target ~ zn + indus + nox + rm + age + dis + rad + tax + ptratio +
      log_medv + rm_squared
##
##
              Df Deviance
## - indus
               1 183.14 205.14
## <none>
                   181.94 205.94
## - log_medv
             1 184.55 206.55
## + chas
               1 180.57 206.57
## + medv
               1 181.78 207.78
## + lstat
               1 181.84 207.84
## - zn
               1 188.22 210.22
## - tax
               1 190.29 212.29
               1 190.43 212.43
## - ptratio
## - dis
               1
                  192.72 214.72
## - age
              1 193.90 215.90
## - rm
               1 199.50 221.50
## - rm_squared 1
                  199.57 221.57
## - rad
               1 234.16 256.15
## - nox
              1 249.05 271.05
##
## Step: AIC=205.14
## target ~ zn + nox + rm + age + dis + rad + tax + ptratio + log_medv +
      rm squared
##
              Df Deviance
                            AIC
                   183.14 205.14
## <none>
## - log_medv
                  185.42 205.42
               1
                  181.94 205.94
## + indus
               1
                  182.35 206.35
## + chas
               1
## + lstat
               1 182.95 206.95
              1 183.02 207.02
## + medv
## - zn
               1 190.00 210.00
              1 191.25 211.25
## - ptratio
## - dis
              1 193.56 213.56
               1 194.36 214.36
## - age
              1 196.59 216.59
## - tax
```

```
## - rm
                     200.65 220.65
## - rm_squared
                     200.90 220.90
                1
                     242.37 262.37
## - rad
## - nox
                     255.78 275.79
                 1
summary(model3)
##
## Call:
  glm(formula = target ~ zn + nox + rm + age + dis + rad + tax +
##
       ptratio + log_medv + rm_squared, family = "binomial", data = train_data)
##
## Coefficients:
                 Estimate Std. Error z value Pr(>|z|)
##
## (Intercept)
               23.788430 17.639429
                                       1.349 0.177467
## zn
                -0.085003
                            0.037037
                                      -2.295 0.021730 *
## nox
                45.765944
                            7.231196
                                       6.329 2.47e-10 ***
               -21.359235
                            5.674501
                                      -3.764 0.000167 ***
## rm
                            0.012999
                                       3.180 0.001473 **
## age
                 0.041338
                 0.717434
                            0.238258
                                       3.011 0.002602 **
## dis
## rad
                 0.845234
                            0.172736
                                       4.893 9.92e-07 ***
## tax
                -0.009701
                            0.002882
                                      -3.367 0.000761 ***
## ptratio
                 0.351166
                            0.128985
                                       2.723 0.006478 **
                 2.468045
                                       1.468 0.141986
## log_medv
                            1.680733
## rm_squared
                 1.629235
                            0.434383
                                       3.751 0.000176 ***
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
##
## (Dispersion parameter for binomial family taken to be 1)
##
##
       Null deviance: 645.88 on 465 degrees of freedom
## Residual deviance: 183.14 on 455
                                      degrees of freedom
  AIC: 205.14
## Number of Fisher Scoring iterations: 9
Model 3 reveals that the following predictors are statistically significant with p < 0.05;
  • zn (*)
```

```
• nox (***)
• rm (***)
• age (**)
• dis (**)
• rad (***)
• tax (***)
• ptratio (**)
• rm_squared (***)
```

Now that we have three models, we can use their AIC values to compare them and conclude which model is better fit: the AIC value of 205.14 for model 3 shows a better fit than both Model 1 (AIC = 223.95) and Model 2 (AIC = 493.96). This suggests that Model 3 is a more efficient model in terms of balancing goodness of fit and complexity.

4. SELECT MODELS

a. Predictions on Evaluation Data

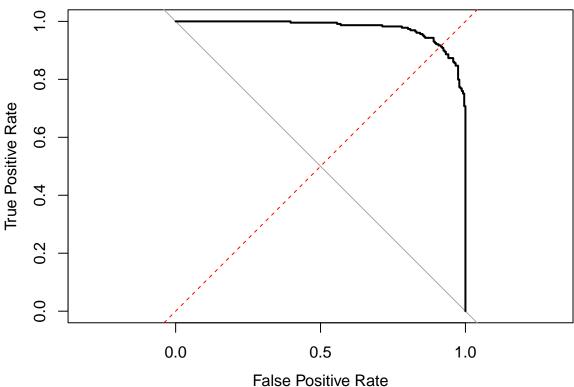
Now that we decided which model is the best, we can predict on evaluation data:

```
# Calculate log_medv and rm_squared in evaluation data
eval_data$log_medv <- log(eval_data$medv)</pre>
                                                       # Create log medv
eval_data$rm_squared <- eval_data$rm^2</pre>
                                                        # Create rm_squared
# Predictions on evaluation data using the best model (model3 in this case)
eval_data$pred_prob <- predict(model3, newdata = eval_data, type = "response")
eval_data$pred_class <- ifelse(eval_data$pred_prob > 0.5, 1, 0)
# Display first few rows to confirm
head(eval_data[, c("log_medv", "rm_squared", "pred_prob", "pred_class")])
    log_medv rm_squared pred_prob pred_class
## 1 3.546740 51.62422 0.02486662
## 2 2.901422
              37.16122 0.59415864
                                           1
                                           1
## 3 2.912351 42.18503 0.61653435
## 4 2.580217 35.40250 0.35425720
## 5 3.044522 34.22250 0.09489003
                                           0
## 6 2.928524 32.95908 0.38766297
b. Confusion Matrix and Metrics
length(eval_data$target)
## [1] 0
length(eval_data$pred_class)
## [1] 40
# Inspect eval_data
str(eval data)
## 'data.frame':
                   40 obs. of 16 variables:
## $ zn
             : int 000002525000...
              : num 7.07 8.14 8.14 8.14 5.96 5.13 5.13 4.49 4.49 2.89 ...
## $ indus
## $ chas
             : int 0000000000...
             : num 0.469 0.538 0.538 0.538 0.499 0.453 0.453 0.449 0.449 0.445 ...
## $ nox
## $ rm
             : num 7.18 6.1 6.5 5.95 5.85 ...
## $ age
              : num 61.1 84.5 94.4 82 41.5 66.2 93.4 56.1 56.8 69.6 ...
## $ dis
             : num 4.97 4.46 4.45 3.99 3.93 ...
## $ rad
              : int 2444588332...
              : int 242 307 307 307 279 284 284 247 247 276 ...
## $ tax
## $ ptratio : num 17.8 21 21 21 19.2 19.7 19.7 18.5 18.5 18 ...
## $ 1stat
              : num 4.03 10.26 12.8 27.71 8.77 ...
## $ medv
               : num 34.7 18.2 18.4 13.2 21 18.7 16 26.6 22.2 21.4 ...
## $ log_medv : num 3.55 2.9 2.91 2.58 3.04 ...
## $ rm_squared: num 51.6 37.2 42.2 35.4 34.2 ...
## $ pred_prob : num 0.0249 0.5942 0.6165 0.3543 0.0949 ...
## $ pred_class: num 0 1 1 0 0 0 0 0 0 ...
summary(eval_data)
```

```
##
                         indus
                                            chas
          zn
                                                           nox
          : 0.000
                     Min.
                            : 1.760
##
   Min.
                                             :0.00
                                                             :0.3850
                                      \mathtt{Min}.
                                                     Min.
   1st Qu.: 0.000
                     1st Qu.: 5.692
                                      1st Qu.:0.00
                                                      1st Qu.:0.4713
  Median : 0.000
                     Median : 8.915
                                     Median:0.00
                                                      Median :0.5380
##
   Mean
         : 8.875
                     Mean
                           :11.507
                                      Mean
                                             :0.05
                                                      Mean
                                                             :0.5592
   3rd Qu.: 0.000
##
                     3rd Qu.:18.100
                                      3rd Qu.:0.00
                                                      3rd Qu.:0.6258
   Max.
           :90.000
                     Max.
                            :25.650
                                      Max.
                                             :1.00
                                                      Max.
                                                             :0.7400
##
          rm
                         age
                                          dis
                                                           rad
##
   Min.
           :3.561
                           : 6.80
                                     Min.
                                             :1.202
                                                      Min.
                                                             : 1.000
                    Min.
##
   1st Qu.:5.874
                    1st Qu.: 56.62
                                     1st Qu.:2.041
                                                      1st Qu.: 4.000
  Median :6.143
                    Median : 83.25
                                     Median :3.373
                                                      Median : 5.000
  Mean
                         : 70.99
##
          :6.214
                    Mean
                                     Mean
                                             :3.787
                                                      Mean
                                                            : 9.775
##
   3rd Qu.:6.532
                    3rd Qu.: 93.10
                                     3rd Qu.:4.527
                                                      3rd Qu.:24.000
           :8.247
                                                             :24.000
##
   Max.
                    Max.
                           :100.00
                                     Max.
                                            :9.089
                                                      Max.
##
         tax
                       ptratio
                                        lstat
                                                           medv
##
   Min.
           :188.0
                           :14.70
                                           : 2.960
                                                             : 8.40
                    Min.
                                    Min.
                                                      Min.
##
   1st Qu.:276.8
                    1st Qu.:18.40
                                    1st Qu.: 6.435
                                                      1st Qu.:16.98
   Median :307.0
                    Median :19.60
                                    Median :11.685
                                                      Median :20.55
##
  Mean
           :393.5
                    Mean
                          :19.12
                                    Mean
                                          :12.905
                                                      Mean
                                                            :21.88
##
   3rd Qu.:666.0
                    3rd Qu.:20.20
                                    3rd Qu.:17.363
                                                      3rd Qu.:25.00
                                           :34.020
##
  Max.
           :666.0
                   Max.
                           :21.20
                                    Max.
                                                      Max.
                                                             :50.00
##
       log_medv
                      rm_squared
                                      pred_prob
                                                        pred_class
##
           :2.128
                           :12.68
                                           :0.00000
                                                       Min.
                                                              :0.000
  \mathtt{Min}.
                    Min.
                                    Min.
##
  1st Qu.:2.831
                    1st Qu.:34.50
                                    1st Qu.:0.08268
                                                       1st Qu.:0.000
## Median :3.023
                    Median :37.73
                                    Median :0.57002
                                                       Median :1.000
## Mean
          :3.016
                    Mean
                           :39.07
                                    Mean
                                           :0.50726
                                                       Mean
                                                             :0.525
## 3rd Qu.:3.219
                    3rd Qu.:42.66
                                    3rd Qu.:1.00000
                                                       3rd Qu.:1.000
## Max.
           :3.912
                    Max.
                           :68.01
                                    Max.
                                            :1.00000
                                                       Max.
                                                              :1.000
# Check if target variable is present
if ("target" %in% colnames(eval_data)) {
    cat("Target variable exists in eval_data.\n")
} else {
    cat("Target variable is missing from eval_data.\n")
}
## Target variable is missing from eval_data.
# Summary of predicted probabilities
summary(eval_data$pred_prob)
      Min. 1st Qu. Median
                              Mean 3rd Qu.
## 0.00000 0.08268 0.57002 0.50726 1.00000 1.00000
# Summary of predicted classes
table(eval_data$pred_class)
##
## 0 1
## 19 21
# Make predictions on training data
train_data$pred_prob <- predict(model3, newdata = train_data, type = "response")</pre>
train_data$pred_class <- ifelse(train_data$pred_prob > 0.5, 1, 0)
# Confusion Matrix
confusion_matrix <- table(train_data$target, train_data$pred_class)</pre>
```

```
cat("Confusion Matrix:\n")
## Confusion Matrix:
print(confusion_matrix) # Ensure the confusion matrix displays
##
##
         0
            1
     0 218 19
##
     1 20 209
# Accuracy
accuracy <- sum(diag(confusion_matrix)) / sum(confusion_matrix)</pre>
cat("Accuracy:", accuracy, "\n")
## Accuracy: 0.916309
# Classification Error Rate
classification_error_rate <- 1 - accuracy</pre>
cat("Classification Error Rate:", classification_error_rate, "\n")
## Classification Error Rate: 0.08369099
# Sensitivity and Specificity
sensitivity <- confusion_matrix[2, 2] / sum(confusion_matrix[2, ])</pre>
specificity <- confusion_matrix[1, 1] / sum(confusion_matrix[1, ])</pre>
cat("Sensitivity:", sensitivity, "\n")
## Sensitivity: 0.9126638
cat("Specificity:", specificity, "\n")
## Specificity: 0.9198312
# Precision
precision <- confusion_matrix[2, 2] / sum(confusion_matrix[, 2])</pre>
cat("Precision:", precision, "\n")
## Precision: 0.9166667
# F1 Score
f1_score <- 2 * (precision * sensitivity) / (precision + sensitivity)</pre>
cat("F1 Score:", f1_score, "\n")
## F1 Score: 0.9146608
# ROC Curve and AUC
library(pROC)
## Type 'citation("pROC")' for a citation.
## Attaching package: 'pROC'
## The following objects are masked from 'package:stats':
##
##
       cov, smooth, var
roc_obj <- roc(train_data$target, train_data$pred_prob)</pre>
## Setting levels: control = 0, case = 1
```





• Confusion Matrix:

True Negatives (0 predicted as 0): 218

False Positives (0 predicted as 1): 19

False Negatives (1 predicted as 0): 20

True Positives (1 predicted as 1): 209

- Accuracy (91.63%): Indicates that the model correctly predicts the class for about 92% of the training samples, a strong result.
- Classification Error Rate (8.37%): Complements the accuracy, showing the proportion of misclassifications, which is low.
- Sensitivity (91.27%): Represents the model's ability to correctly identify positive cases (target = 1). This high sensitivity means the model is effective in identifying positives.
- Specificity (91.98%): Indicates the model's ability to correctly identify negative cases (target = 0). A similarly high value here shows balanced performance across classes.

- Precision (91.67%): Shows how many of the instances predicted as positive are actually positive, which is crucial if the cost of false positives is high. F1 Score (91.47%): Balances precision and sensitivity, confirming the model's consistent performance.
- AUC (0.9766): Reflects excellent overall separability between classes, meaning the model is likely distinguishing well between positive and negative cases.

These metrics suggest a well-performing model, especially given the high AUC and balanced sensitivity and specificity.