Data 605 Final Part II Housing Price Prediction Data

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Overview

- Train data: housing characteristics data. 81 variables and 1460 observations.
- Test data: using for prediction house price. Result will be submitted to Kaggle.com. 80 variables (without sales price) and 1459 observations.
- Using "glimps" function to dig deeper into the datasets. We can that part of the variables are numerical, part of the data are categorical. Categorical variables need to be convert to integer (levels) for further analysis. Also, there are some missing values in the dataset.

Definition of Variables (I)

MSSubClass: Identifies the type of dwelling involved in the sale. MSZoning: Identifies the general zoning classification of the sale. 20 1-STORY 1946 & NEWER ALL STYLES 30 1-STORY 1945 & OLDER Agriculture 40 1-STORY W/FINISHED ATTIC ALL AGES Commercial 1-1/2 STORY - UNFINISHED ALL AGES 45 50 1-1/2 STORY FINISHED ALL AGES Floating Village Residential 60 2-STORY 1946 & NEWER T Industrial 70 2-STORY 1945 & OLDER 75 2-1/2 STORY ALL AGES Residential High Density SPLIT OR MULTI-LEVEL Residential Low Density RL 85 SPLIT FOYER RP Residential Low Density Park 90 DUPLEX - ALL STYLES AND AGES 120 1-STORY PUD (Planned Unit Development) - 1946 & NEWER Residential Medium Density RM 1-1/2 STORY PUD - ALL AGES 150 160 2-STORY PUD - 1946 & NEWER PUD - MULTILEVEL - INCL SPLIT LEV/FOYER 2 FAMILY CONVERSION - ALL STYLES AND AGES LotArea: Lot size in square feet Utilities: Type of utilities available Street: Type of road access to property Grv1 Gravel AllPub All public Utilities (E,G,W,& S) Pave Paved NoSewr Electricity, Gas, and Water (Septic Tank) NoSeWa Electricity and Gas Only Alley: Type of alley access to property ELO Electricity only Grvl Gravel Pave Paved LotConfig: Lot configuration No alley access Inside Inside lot LotShape: General shape of property Corner Corner lot Reg Regular CulDSac Cul-de-sac Slightly irregular FR2 Frontage on 2 sides of property TR2 Moderately Irregular FR3 Frontage on 3 sides of property Irregular LandSlope: Slope of property LandContour: Flatness of the property Near Flat/Level Gt1 Gentle slope

Moderate Slope

Severe Slope

Sev

Banked - Ouick and significant rise from street grade to building

Hillside - Significant slope from side to side

Low

Depression

Definition of Variables (II)

Neighborhood: Physical locations within Ames city limits

Blmngtn Bloomington Heights

Blueste Bluestem BrDale Briardale BrkSide Brookside ClearCr Clear Creek CollgCr College Creek Crawfor Crawford Edwards Edwards Gilbert Gilbert

IDOTRR Iowa DOT and Rail Road

MeadowV Meadow Village Mitchel Mitchell Names North Ames NoRidge Northridge NPkVill Northpark Villa NridgHt Northridge Heights NWAmes Northwest Ames OldTown Old Town

SWISU South & West of Iowa State University

Sawver Sawver SawyerW Sawyer West StoneBr Stone Brook Timber Timberland Veenker Veenker

Condition1: Proximity to various conditions

Adjacent to arterial street Arterv

Adiacent to feeder street Feedr

Norm Normal

RRAe

Within 200' of North-South Railroad RRNn RRAn Adjacent to North-South Railroad

PosN Near positive off-site feature--park, greenbelt, etc.

Adjacent to postive off-site feature PosA Within 200' of East-West Railroad RRNe Adjacent to East-West Railroad

Adjacent to arterial street Artery Feedr Adjacent to feeder street

Normal Norm

Within 200' of North-South Railroad RRNn Adjacent to North-South Railroad RRAn

PosN Near positive off-site feature--park, greenbelt, etc.

Condition2: Proximity to various conditions (if more than one is present)

PosA Adjacent to postive off-site feature Within 200' of East-West Railroad RRNe Adjacent to East-West Railroad RRAe

BldgType: Type of dwelling

Single-family Detached

2FmCon Two-family Conversion; originally built as one-family dwelling

Duplx Duplex

TwnhsE Townhouse End Unit TwnhsI Townhouse Inside Unit

Definition of Variables (III)

HouseStyle: Style of dwelling 1.5Fin One and one-half story: 2nd level finished 1.5Unf One and one-half story: 2nd level unfinished 2.5Fin Two and one-half story: 2nd level finished 2.5Unf Two and one-half story: 2nd level unfinished SFoyer Split Foyer SLvl Split Level OverallQual: Rates the overall material and finish of the house Very Excellent 10 Excellent Very Good Above Average Average Below Average Poor Very Poor

OverallCond: Rates the overall condition of the house 10 Very Excellent

9 Excellent
8 Very Good
7 Good
6 Above Average
5 Average
4 Below Average
3 Fair
2 Poor
1 Very Poor

YearBuilt: Original construction date YearRemodAdd: Remodel date (same as construction date if no remodeling or additions) RoofStyle: Type of roof Flat Flat Gable Gable Gambrel Gabrel (Barn) Mansard Mansard Shed Shed RoofMatl: Roof material ClyTile Clay or Tile CompShg Standard (Composite) Shingle Membran Membrane Metal Metal Tar&Grv Gravel & Tar WdShake Wood Shakes WdShngl Wood Shingles

Exterior1st: Exterior covering on house

AsbShng	Asbestos Shingles
AsphShn	Asphalt Shingles
BrkComm	Brick Common
BrkFace	Brick Face
CBlock	Cinder Block
CemntBd	Cement Board
HdBoard	Hard Board
ImStucc	Imitation Stucco
MetalSd	Metal Siding
Other	Other
Plywood	Plywood
PreCast	PreCast
Stone	Stone
Stucco	Stucco
VinylSd	Vinyl Siding
Wd Sdng	Wood Siding
WdShing	Wood Shingles

Definition of Variables (IV)

```
BsmtQual: Evaluates the height of the basement
MasVnrType: Masonry veneer type
                                                                                        Ex
                                                                                                 Excellent (100+ inches)
      BrkCmn Brick Common
                                                                                        Gd
                                                                                                 Good (90-99 inches)
      BrkFace Brick Face
                                                                                                 Typical (80-89 inches)
      CBlock Cinder Block
                                                                                                 Fair (70-79 inches)
      None
               None
                                                                                                 Poor (<70 inches
      Stone Stone
                                                                                                 No Basement
MasVnrArea: Masonry veneer area in square feet
                                                                                 BsmtCond: Evaluates the general condition of the basement
ExterOual: Evaluates the quality of the material on the exterior
                                                                                        Ex
                                                                                                 Excellent
               Excellent
                                                                                        Gd
                                                                                                 Good
      Gd
               Good
                                                                                                 Typical - slight dampness allowed
               Average/Typical
                                                                                                 Fair - dampness or some cracking or settling
               Fair
                                                                                        Po
                                                                                                 Poor - Severe cracking, settling, or wetness
               Poor
                                                                                        NΑ
                                                                                                 No Basement
ExterCond: Evaluates the present condition of the material on the exterior
                                                                                 BsmtExposure: Refers to walkout or garden level walls
               Excellent
                                                                                        Gd
                                                                                                 Good Exposure
               Good
                                                                                                  Average Exposure (split levels or fovers typically score average or above)
               Average/Typical
                                                                                                 Mimimum Exposure
      Fa
               Fair
                                                                                        No
                                                                                                 No Exposure
      Po
               Poor
                                                                                                 No Basement
Foundation: Type of foundation
                                                                                 BsmtFinType1: Rating of basement finished area
      BrkTil Brick & Tile
      CBlock Cinder Block
                                                                                        GLO
                                                                                                 Good Living Quarters
      PConc
             Poured Contrete
                                                                                        ALO
                                                                                                 Average Living Quarters
      S1ab
              Slab
                                                                                        BLQ
                                                                                                 Below Average Living Quarters
      Stone
             Stone
                                                                                        Rec
                                                                                                 Average Rec Room
      Wood
                                                                                        LwO
                                                                                                 Low Quality
                                                                                                 Unfinshed
                                                                                        Unf
                                                                                                 No Basement
```

Definition of Variables (V)

```
BsmtFinSF1: Type 1 finished square feet
                                                                          CentralAir: Central air conditioning
BsmtFinType2: Rating of basement finished area (if multiple types)
                                                                                           No
                                                                                           Yes
      GLQ
               Good Living Quarters
      ALQ
               Average Living Quarters
                                                                          Electrical: Electrical system
               Below Average Living Quarters
      Rec
               Average Rec Room
               Low Quality
                                                                                  SBrkr
                                                                                           Standard Circuit Breakers & Romex
      LwQ
      Unf
               Unfinshed
                                                                                           Fuse Box over 60 AMP and all Romex wiring (Average)
                                                                                  FuseA
               No Basement
                                                                                  FuseF
                                                                                           60 AMP Fuse Box and mostly Romex wiring (Fair)
                                                                                  FuseP
                                                                                           60 AMP Fuse Box and mostly knob & tube wiring (poor)
BsmtFinSF2: Type 2 finished square feet
                                                                                 Mix
                                                                                           Mixed
BsmtUnfSF: Unfinished square feet of basement area
                                                                          1stFlrSF: First Floor square feet
TotalBsmtSF: Total square feet of basement area
                                                                          2ndFlrSF: Second floor square feet
Heating: Type of heating
                                                                          LowQualFinSF: Low quality finished square feet (all floors)
               Floor Furnace
      Floor
               Gas forced warm air furnace
      GasA
                                                                          GrLivArea: Above grade (ground) living area square feet
               Gas hot water or steam heat
      GasW
               Gravity furnace
      Grav
                                                                          BsmtFullBath: Basement full bathrooms
      OthW
               Hot water or steam heat other than gas
               Wall furnace
                                                                          BsmtHalfBath: Basement half bathrooms
HeatingQC: Heating quality and condition
                                                                          FullBath: Full bathrooms above grade
               Excellent
      Gd
               Good
                                                                          HalfBath: Half baths above grade
               Average/Typical
               Fair
                                                                          Bedroom: Bedrooms above grade (does NOT include basement bedrooms)
               Poor
                                                                          Kitchen: Kitchens above grade
```

Definition of Variables (VI)

```
GarageType: Garage location
                                                                                                         2Types More than one type of garage
KitchenQual: Kitchen quality
                                                                                                         Attchd
                                                                                                                  Attached to home
              Excellent
                                                                                                         Basment Basement Garage
             Good
                                                                                                         BuiltIn Built-In (Garage part of house - typically has room above garage)
      TA
             Typical/Average
                                                                                                         CarPort Car Port
             Fair
              Poor
                                                                                                                   Detached from home
                                                                                                         Detchd
                                                                                                                   No Garage
TotRmsAbvGrd: Total rooms above grade (does not include bathrooms)
                                                                                                 GarageYrBlt: Year garage was built
Functional: Home functionality (Assume typical unless deductions are warranted)
      Tvp
             Typical Functionality
                                                                                                 GarageFinish: Interior finish of the garage
      Min1
            Minor Deductions 1
            Minor Deductions 2
      Min2
             Moderate Deductions
                                                                                                         Fin
                                                                                                                   Finished
      Mod
             Major Deductions 1
                                                                                                          RFn
                                                                                                                   Rough Finished
             Major Deductions 2
      Maj2
                                                                                                         Unf
                                                                                                                   Unfinished
             Severely Damaged
                                                                                                         NΑ
                                                                                                                   No Garage
             Salvage only
Fireplaces: Number of fireplaces
                                                                                                 GarageCars: Size of garage in car capacity
FireplaceQu: Fireplace quality
                                                                                                 GarageArea: Size of garage in square feet
             Excellent - Exceptional Masonry Fireplace
             Good - Masonry Fireplace in main level
                                                                                                 GarageQual: Garage quality
             Average - Prefabricated Fireplace in main living area or Masonry Fireplace in basement
             Fair - Prefabricated Fireplace in basement
              Poor - Ben Franklin Stove
                                                                                                         Ex
                                                                                                                   Excellent
             No Fireplace
                                                                                                         Gd
                                                                                                                   Typical/Average
                                                                                                                   Fair
                                                                                                         Fa
                                                                                                         Po
                                                                                                                   Poor
                                                                                                         NΑ
                                                                                                                   No Garage
```

Definition of Variables (VII)

Fence: Fence quality GarageCond: Garage condition GdPrv Good Privacy Minimum Privacy Ex Excellent Good Wood Minimum Wood/Wire Good No Fence Typical/Average Fair MiscFeature: Miscellaneous feature not covered in other categories Poor Elev Elevator No Garage 2nd Garage (if not described in garage section) Shed (over 100 SF) PavedDrive: Paved driveway Tennis Court None Paved MiscVal: \$Value of miscellaneous feature Partial Pavement MoSold: Month Sold (MM) Dirt/Gravel YrSold: Year Sold (YYYY) WoodDeckSF: Wood deck area in square feet SaleType: Type of sale Warranty Deed - Conventional OpenPorchSF: Open porch area in square feet Warranty Deed - Cash Warranty Deed - VA Loan Home just constructed and sold EnclosedPorch: Enclosed porch area in square feet COD Court Officer Deed/Estate Con Contract 15% Down payment regular terms Contract Low Down payment and low interest 3SsnPorch: Three season porch area in square feet Contract Low Interest ConLD Contract Low Down Other ScreenPorch: Screen porch area in square feet PoolArea: Pool area in square feet SaleCondition: Condition of sale PoolQC: Pool quality Normal Normal Sale Abnorml Abnormal Sale - trade, foreclosure, short sale Excellent AdjLand Adjoining Land Purchase Good Alloca Allocation - two linked properties with separate deeds, typically condo with a garage unit Average/Typical Family Sale between family members Fair Fa Partial Home was not completed when last assessed (associated with New Homes)

No Pool

Overview of Train Data by "Glimps"

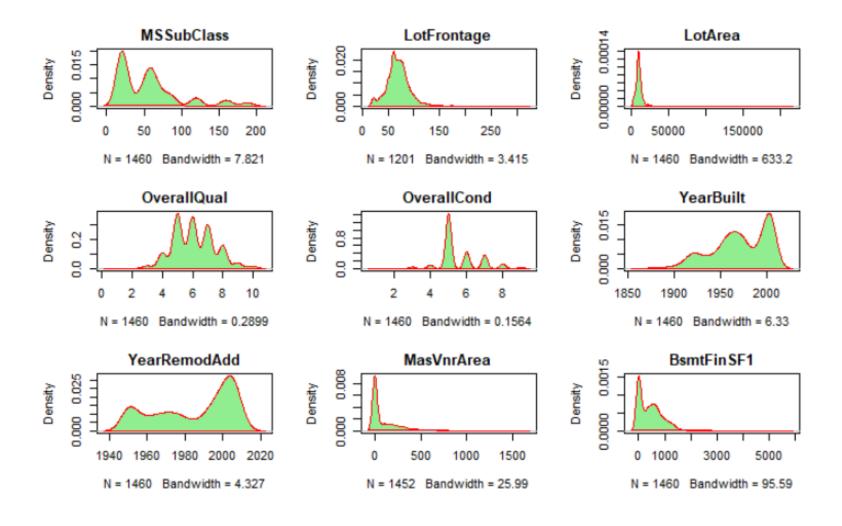
\$ Foundation

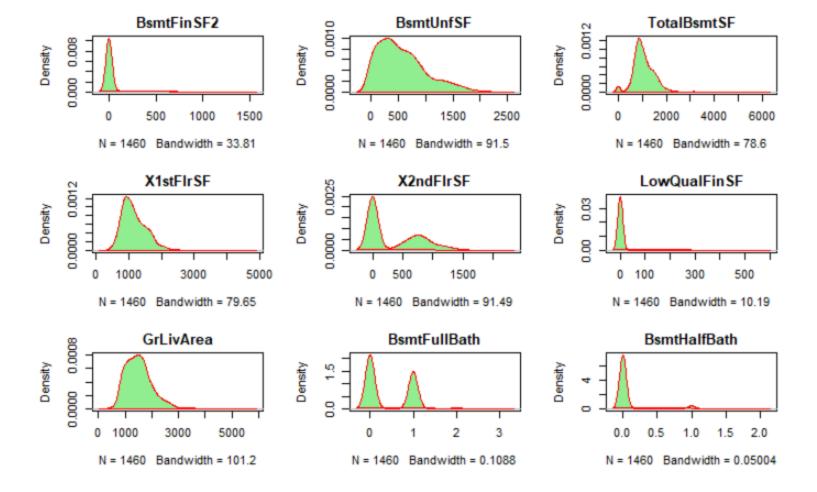
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{r}
glimpse(train)
 Observations: 1,460
 Variables: 81
                            <int> 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 1...
 $ Id
 $ MSSubClass
                             <int> 60, 20, 60, 70, 60, 50, 20, 60, 50, 190, 20, 60, 20, 20, 20, ...
  $ MSZonina
                             <fct> RL, RL, RL, RL, RL, RL, RL, RM, RL, RL, RL, RL, RL, RL, ...
  $ LotFrontage
                            <int> 65, 80, 68, 60, 84, 85, 75, NA, 51, 50, 70, 85, NA, 91, NA, ...
 $ LotArea
                            <int> 8450, 9600, 11250, 9550, 14260, 14115, 10084, 10382, 6120, 7...
  $ Street
                             <fct> Pave, ...
  $ Alley
                             <fct> Reg, Reg, IR1, IR1, IR1, IR1, Reg, IR1, Reg, Reg, Reg, IR1, ...
 $ LotShape
  $ LandContour
                             $ Utilities
                             <fct> AllPub, AllPub, AllPub, AllPub, AllPub, AllPub, AllPub, AllP...
                            <fct> Inside, FR2, Inside, Corner, FR2, Inside, Inside, Corner, In...
 $ LotConfia
  $ LandSlope
                             $ Neighborhood
                            <fct> CollgCr, Veenker, CollgCr, Crawfor, NoRidge, Mitchel, Somers...
 $ Condition1
                             <fct> Norm, Feedr, Norm, Norm, Norm, Norm, PosN, Artery, Art...
 $ Condition2
                             <fct> Norm, Norm, Norm, Norm, Norm, Norm, Norm, Norm, Norm, Arterv...
 $ BldgType
                             <fct> 1Fam, 1Fam, 1Fam, 1Fam, 1Fam, 1Fam, 1Fam, 1Fam, 2fmCon...
  $ HouseStvle
                             <fct> 2Story, 1Story, 2Story, 2Story, 1.5Fin, 1Story, 2Sto...
  $ OverallQual
                             <int> 7, 6, 7, 7, 8, 5, 8, 7, 7, 5, 5, 9, 5, 7, 6, 7, 6, 4, 5, 5, ...
  $ OverallCond
                             <int> 5, 8, 5, 5, 5, 5, 5, 6, 5, 6, 5, 6, 5, 5, 8, 7, 5, 5, 6, ...
                             <int> 2003, 1976, 2001, 1915, 2000, 1993, 2004, 1973, 1931, 1939, ...
  $ YearBuilt
                            <int> 2003, 1976, 2002, 1970, 2000, 1995, 2005, 1973, 1950, 1950, ...
  $ YearRemodAdd
  $ RoofStyle
                             <fct> Gable, Gable, Gable, Gable, Gable, Gable, Gable, Gable, Gabl...
  $ RoofMatl
                            <fct> CompShq, CompSh
                            <fct> VinylSd, MetalSd, VinylSd, Wd Sdng, VinylSd, VinylSd, VinylS...
  $ Exterior1st
                            <fct> VinylSd, MetalSd, VinylSd, Wd Shng, VinylSd, VinylSd, VinylS...
  $ Exterior2nd
                            <fct> BrkFace, None, BrkFace, None, BrkFace, None, Stone, Stone, N...
  $ MasVnrType
                            <int> 196, 0, 162, 0, 350, 0, 186, 240, 0, 0, 0, 286, 0, 306, 212....
 $ MasVnrArea
 $ ExterQual
                             <fct> Gd, TA, Gd, TA, Gd, TA, Gd, TA, TA, TA, TA, Ex, TA, Gd, TA, ...
  $ ExterCond
                            $ Foundation
                             <fct> PConc, CBlock, PConc, BrkTil, PConc, Wood, PConc, CBlock, Br...
```

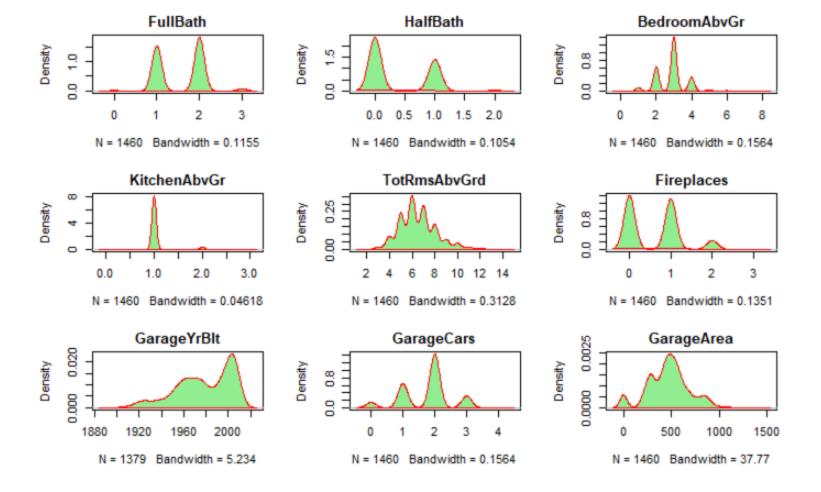
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$ BsmtQual
             <fct> Gd, Gd, Gd, TA, Gd, Gd, Ex, Gd, TA, TA, TA, Ex, TA, Gd, TA, ...
$ BsmtCond
             $ BsmtExposure
            <fct> No, Gd, Mn, No, Av, No, Av, Mn, No, No, No, No, No, Av, No, ...
$ BsmtFinType1
             <fct> GLQ, ALQ, GLQ, ALQ, GLQ, GLQ, GLQ, ALQ, Unf, GLQ, Rec, GLQ, ...
$ BsmtFinSF1
             <int> 706, 978, 486, 216, 655, 732, 1369, 859, 0, 851, 906, 998, 7...
$ BsmtFinTvpe2
            <fct> Unf, Unf, Unf, Unf, Unf, Unf, BLQ, Unf, Unf, Unf, Unf, ...
$ BsmtFinSF2
             <int> 0, 0, 0, 0, 0, 0, 0, 32, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, ...
$ BsmtUnfSF
             <int> 150, 284, 434, 540, 490, 64, 317, 216, 952, 140, 134, 177, 1...
$ TotalBsmtSF
             <int> 856, 1262, 920, 756, 1145, 796, 1686, 1107, 952, 991, 1040, ...
$ Heating
             <fct> GasA, ...
             <fct> Ex. Ex. Ex. Gd. Ex. Ex. Ex. Ex. Gd. Ex. Ex. Ex. TA. Ex. TA. ...
$ HeatingQC
$ CentralAir
             $ Electrical
             <fct> SBrkr, SBrkr, SBrkr, SBrkr, SBrkr, SBrkr, SBrkr, SBrkr, Fuse...
$ X1stFlrSF
             <int> 856, 1262, 920, 961, 1145, 796, 1694, 1107, 1022, 1077, 1040...
$ X2ndF1rSF
             <int> 854, 0, 866, 756, 1053, 566, 0, 983, 752, 0, 0, 1142, 0, 0, ...
$ LowQualFinSF
             $ GrLivArea
             <int> 1710, 1262, 1786, 1717, 2198, 1362, 1694, 2090, 1774, 1077, ...
$ BsmtFullBath
            <int> 1, 0, 1, 1, 1, 1, 1, 1, 0, 1, 1, 1, 0, 1, 0, 1, 0, 1, 0, ...
$ BsmtHalfBath
            $ FullBath
             <int> 2, 2, 2, 1, 2, 1, 2, 2, 2, 1, 1, 3, 1, 2, 1, 1, 1, 2, 1, 1, ...
$ HalfBath
             <int> 1, 0, 1, 0, 1, 1, 0, 1, 0, 0, 0, 0, 0, 0, 1, 0, 0, 0, 1, 0, ...
$ BedroomAbvGr
            <int> 3, 3, 3, 3, 4, 1, 3, 3, 2, 2, 3, 4, 2, 3, 2, 2, 2, 2, 3, 3, ...
$ KitchenAbvGr
             <int> 1, 1, 1, 1, 1, 1, 1, 1, 2, 2, 1, 1, 1, 1, 1, 1, 1, 2, 1, 1, ...
             <fct> Gd, TA, Gd, Gd, Gd, TA, Gd, TA, TA, TA, TA, Ex, TA, Gd, TA, ...
$ KitchenQual
$ TotRmsAbvGrd
            <int> 8, 6, 6, 7, 9, 5, 7, 7, 8, 5, 5, 11, 4, 7, 5, 5, 5, 6, 6, 6, ....
$ Functional
             $ Fireplaces
             <int> 0, 1, 1, 1, 1, 0, 1, 2, 2, 2, 0, 2, 0, 1, 1, 0, 1, 0, 0, 0, ...
$ FireplaceQu
             <fct> NA, TA, TA, Gd, TA, NA, Gd, TA, TA, TA, NA, Gd, NA, Gd, Fa, ...
$ GarageType
             <fct> Attchd. Attchd. Attchd. Detchd. Attchd. Attchd. Attchd. Attc...
$ GarageYrBlt
             <int> 2003, 1976, 2001, 1998, 2000, 1993, 2004, 1973, 1931, 1939, ...
$ GarageFinish
            <fct> RFn, RFn, RFn, Unf, RFn, Unf, RFn, RFn, Unf, RFn, Unf, Fin, ...
$ GarageCars
             <int> 2, 2, 2, 3, 3, 2, 2, 2, 2, 1, 1, 3, 1, 3, 1, 2, 2, 2, 2, 1, ...
 Suragecars
              <nt> ∠, ∠, ∠, ∠, 3, 3, ∠, ∠, ∠, ∠, 1, 1, 3, 1, 3, 1, ∠, ∠, ∠, ∠, 1, ...
 $ GarageArea
              <int> 548, 460, 608, 642, 836, 480, 636, 484, 468, 205, 384, 736, ...
 $ GarageQual
              <fct> TA, TA, TA, TA, TA, TA, TA, TA, Fa, Gd, TA, TA, TA, TA, TA, ...
 $ GarageCond
              $ PavedDrive
              $ WoodDeckSF
              <int> 0, 298, 0, 0, 192, 40, 255, 235, 90, 0, 0, 147, 140, 160, 0,...
 $ OpenPorchSF
              <int> 61, 0, 42, 35, 84, 30, 57, 204, 0, 4, 0, 21, 0, 33, 213, 112...
 $ EnclosedPorch <int> 0, 0, 0, 272, 0, 0, 0, 228, 205, 0, 0, 0, 0, 0, 176, 0, 0, 0...
 $ X3SsnPorch
              $ ScreenPorch
              <int> 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 176, 0, 0, 0, 0, 0, 0, 0...
 $ PoolArea
              $ PoolQC
              $ Fence
              <fct> NA. NA. NA. NA. NA. MnPrv. NA. NA. NA. NA. NA. NA. NA. NA. NA. G...
 $ MiscFeature
              <int> 0, 0, 0, 0, 0, 700, 0, 350, 0, 0, 0, 0, 0, 0, 0, 700, 500...
 $ MiscVal
 $ MoSold
              <int> 2, 5, 9, 2, 12, 10, 8, 11, 4, 1, 2, 7, 9, 8, 5, 7, 3, 10, 6,...
 $ YrSold
              <int> 2008, 2007, 2008, 2006, 2008, 2009, 2007, 2009, 2008, 2008, ...
 $ SaleType
              $ SaleCondition <fct> Normal, Normal, Normal, Abnorml, Normal, Normal, Normal, Nor...
 $ SalePrice
              <int> 208500. 181500. 223500. 140000. 250000. 143000. 307000. 2000...
```

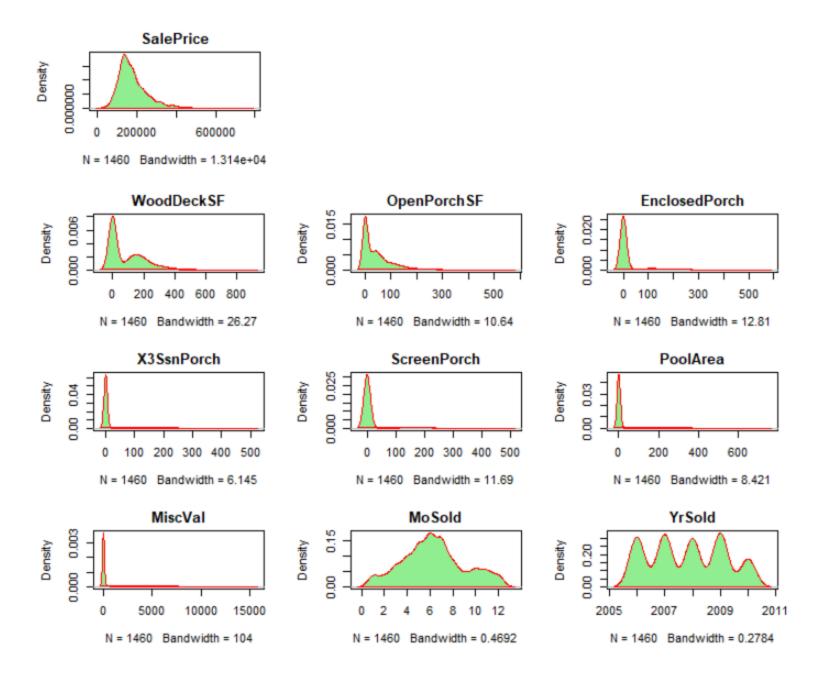
<fct> PConc, CBlock, PConc, BrkTil, PConc, Wood, PConc, CBlock, Br...

Density Plot of Numeric Variables in Train Data









Univariate Descriptive Stat

Sample of Univariate Descriptive Stat.

GrLivArea SalePrice

864	129900
2630	315000
816	110000
2353	260000
1646	248900
1524	260000
1928	219500
1372	250580
1394	167500
1487	113000
2414	160000
1694	136500

GrLivArea SalePrice	2
Min. : 334 Min. : 34	1900
1st Qu.:1130 1st Qu.:129	9975
Median :1464 Median :163	3000
Mean :1515 Mean :18(921
3rd Qu.:1777 3rd Qu.:214	1000
Max. :5642 Max. :755	5000

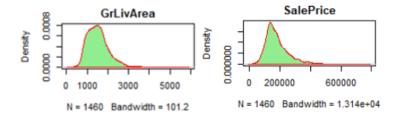
Univariate Descriptive Stat

Univariate Descriptive Statistics

	GrLivArea	SalePrice
Number of Observations	1460	1460
Non-missing values	1460	1460
Minimum	334 sq. ft.	\$34900
Maximum	5642 sq. ft.	\$755000
Median	1464 sq. ft.	\$163000
1st quartile	1129.5 sq. ft.	\$129975
3rd quartile	1776.75 sq. ft.	\$214000
Average(mean)	1515.46 sq. ft.	\$180921.2
Standard deviation	525.48	79442.5
Mode	864 sq. ft.	\$140000
Interquartile range(IQR)	647.25 sq. ft.	\$84025

GrLivArea & SalePrice

GrLiv	/Area	SaleP	rice
Min.	: 334	Min.	: 34900
1st Qu.	:1130	1st Qu.	:129975
Median	:1464	Median	:163000
Mean	:1515	Mean	:180921
3rd Qu.	:1777	3rd Qu.	:214000
Max.	:5642	Max.	:755000



Correlation Matrixes (GrLivArea & SalePrice)

Coı	relatio	n Matrix	of	Correl	lation M	latrix of	Joint
	Obser	vations			Probal	oilities	
	(Y>y)	(Y<=y)	Total		(Y >y)	(Y<=y)	Total
$(X \ge x)$	720	374	1094	(X>x)	0.4932	0.2562	0.75
$(X \le x)$	8 (358	366	$(X \le x)$	0.0055	0.2452	0.25
Total	728	732	1460	Total	0.5000	0.5000	1.00

a.
$$P(X>x \mid Y>y) = 99\%$$

b.
$$P(X>x \& Y>y) = 49.32\%$$

c.
$$P(X < x \mid Y > y) = 1.1\%$$

If GrLivArea is independent to SalePrice, it should satisfy the following condition. $P(X>x \mid Y>y)P(Y>y)=P(X>x \cap Y>y)=P(Y>y \mid X>x)P(X>x)$

However, according to the results of (a), (b) and (c), we reject the Null hypothesis and accept the Alternative Hypothesis.

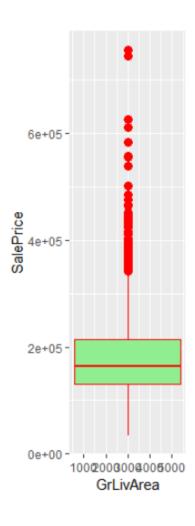
So GrLiv Area and SalePrice are not independent to each other.

GrLivArea & SalePrice, Pearson Chi Square Test

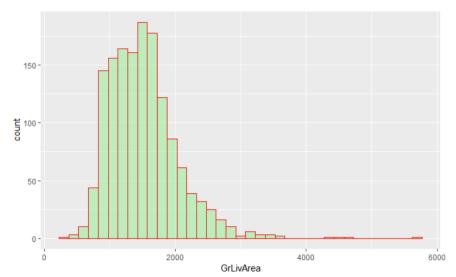
```
Pearson's Chi-squared test with Yates' continuity correction data: house.data   X\text{-squared} = 441.58, \text{ df} = 1, \text{ p-value} < 2.2e\text{-}16
```

Because we have only 2 variables `GrLivArea` and `SalePrice`, degrees of freedom(df) = 1. p-value is almost "0", which is far smaller compared to \$0.05\$ significance level. So we reject _Null Hypothesis(H0), and accept Alternative Hypothesis (HA) that `GrLivArea` has significant influence on sale price of the house.

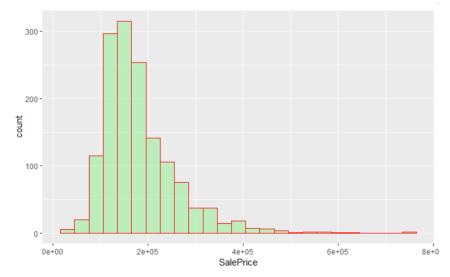
Boxplot (GrLivArea & SalePrice)



Histogram (GrLivArea & SalePrice)



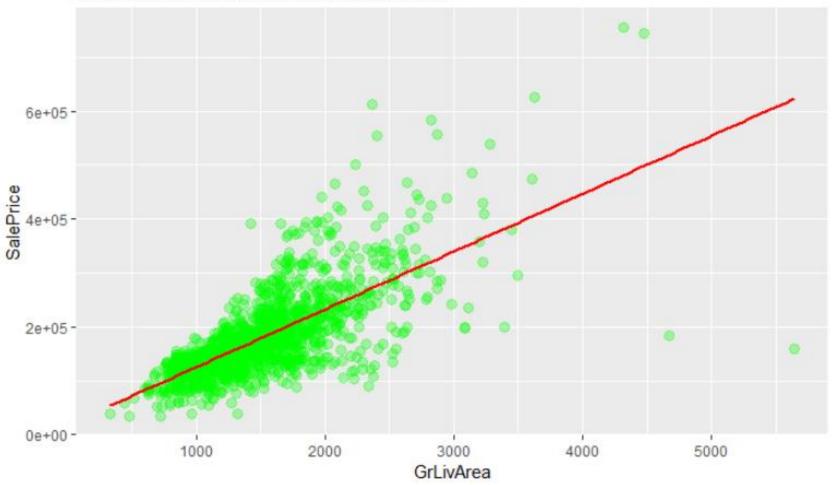
Histogram shows distribution of "GrLivArea". Average area is 1515.46 sq.ft. with standard deviation as 525.48. It also shows right tail, suggesting existence of outliers to the right of the average.



Histogram shows distribution of sale price of houses. Average sale price is \$180921.2, with sandard deviation of \$79442.5. It also shows right tail, suggesting existence of outliers to the right of the average.

Scatter Plot(GrLivArea, SalePrice)





From the above boxplot, histograms and scatterplot, we can notice there are some outliers and the variation among "GrLivArea" and "SalePrice" is not constant. This causes a longer tail on the right side.

Linear Regression Model (GrLivArea vs. SalePrice)

```
```{r, echo=T, warning=F, message=F}
lm_model_price_area <- lm(train$SalePrice ~ train$GrLivArea)</pre>
summary(lm_model_price_area)
Call:
 lm(formula = train$SalePrice ~ train$GrLivArea)
Residuals:
 Min
 10 Median
 3Q
 Max
 -462999 -29800 -1124 21957 339832
Coefficients:
 Estimate Std. Error t value Pr(>|t|)
 (Intercept) 18569.026 4480.755 4.144 3.61e-05 ***
 train$GrLivArea 107.130
 2.794 38.348 < 2e-16 ***
Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
Residual standard error: 56070 on 1458 degrees of freedom
Multiple R-squared: 0.5021, Adjusted R-squared: 0.5018
F-statistic: 1471 on 1 and 1458 DF, p-value: < 2.2e-16
```

Multiple R-squared: 0.5021 means that regression model can explain 50.21% of the variation in data.

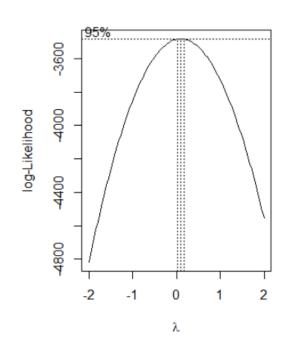
Residual standard error: 56070` suggests that the average distance of the data points from the fitted line is about 56070. And 95% of times sale price should fall between 2\*56070.

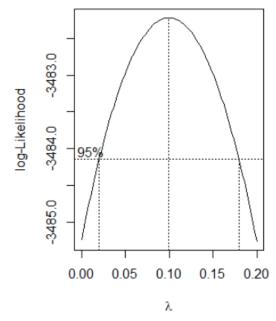
#### **Box-Cox Transformation**

Transform non-normal dependent variables into a normal shape

$$y>0 \ y(\lambda) = \left\{ egin{array}{ll} rac{y^{\lambda}-1}{\lambda}, & ext{if } \lambda 
eq 0 \ log \ y, & ext{if } \lambda = 0 \end{array} 
ight.$$

$$\mathbf{y} < 0$$
 
$$y(\lambda) = \begin{cases} \frac{(y+\lambda_2)^{\lambda_1}-1}{\lambda_1}, & \text{if } \lambda_1 \neq 0\\ \log{(y+\lambda_2)}, & \text{if } \lambda_1 = 0 \end{cases}$$



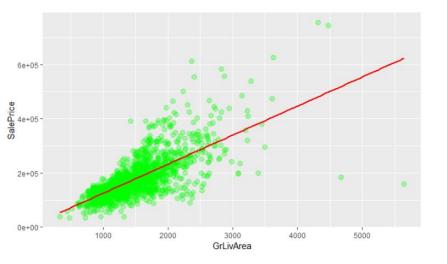


From above boxcox plot, optimal  $\lambda$  is 0.1010101 with confidence interval ( 0.020.02 ~ 0.180.18)

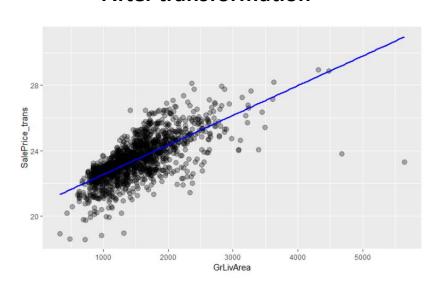
Because  $\lambda$  is < 0.50, there is no need to transform data.

#### Scatter plot using transformed "SalePrice"

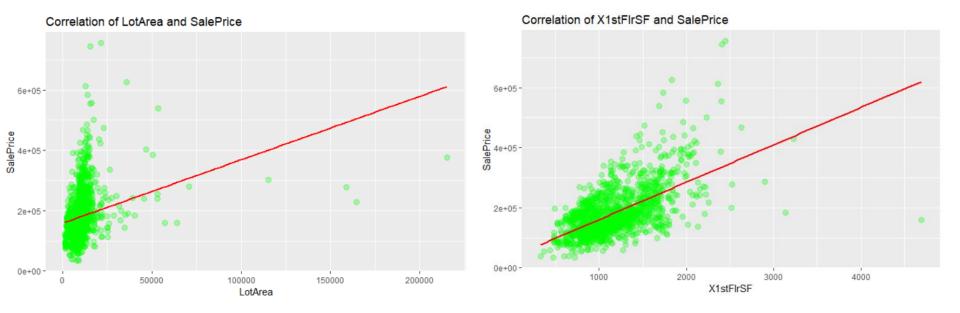




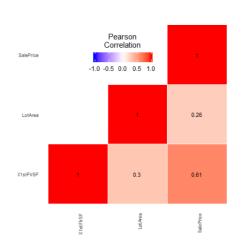
#### **After transformation**



There are not too much difference using Box-Cox transformation



#### **Pearson Correlation**



For every two variables, we have generated an 80 percent of confidence interval. All the p values are < 0.001. Hence, for the three iterations of testing, we can reject the the null hypothesis and conclude that the true correlation is not 0 for the selected variables.

Pearson's product-moment correlation

```
data: corr_data$X1stFlrSF and corr_data$SalePrice
t = 29.078, df = 1458, p-value < 2.2e-16
alternative hypothesis: true correlation is not equal to 0
80 percent confidence interval:
 0.5841687 0.6266715
sample estimates:
 cor
0.6058522</pre>
```

Pearson's product-moment correlation

```
data: corr_data$LotArea and corr_data$SalePrice
t = 10.445, df = 1458, p-value < 2.2e-16
alternative hypothesis: true correlation is not equal to 0
80 percent confidence interval:
 0.2323391 0.2947946
sample estimates:
 cor
 0.2638434</pre>
```

Pearson's product-moment correlation

```
data: corr_data$X1stF1rSF and corr_data$LotArea
t = 11.985, df = 1458, p-value < 2.2e-16
alternative hypothesis: true correlation is not equal to 0
80 percent confidence interval:
 0.2686127 0.3297222
sample estimates:
 cor
 0.2994746</pre>
```

### Family-wise Error

#### **Linear Regression Model After Transformation**

```
Call:
lm(formula = train$SalePrice_trans ~ train$GrLivArea)
Residuals:
 Min
 10 Median
 30
 Max
-7.6488 -0.4945 0.0843 0.5314 3.1560
Coefficients:
 Estimate Std. Error t value Pr(>|t|)
(Intercept) 2.073e+01 7.656e-02 270.75 <2e-16 ***
train$GrLivArea 1.813e-03 4.774e-05 37.99 <2e-16 ***
Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
Residual standard error: 0.9581 on 1458 degrees of freedom
Multiple R-squared: 0.4975, Adjusted R-squared: 0.4971
F-statistic: 1443 on 1 and 1458 DF, p-value: < 2.2e-16
```

As we see, Multiple R-squared value is smaller than the non-transformation model. The transformation is worthless in this case.

#### Pearson Correlation Matrix 'LotArea', 'TotalBsmtSF', 'GrLivArea', 'SalePrice'

```
LotArea TotalBsmtSF GrLivArea SalePrice
LotArea 1.0000000 0.2608331 0.2631162 0.2638434
TotalBsmtSF 0.2608331 1.0000000 0.4548682 0.6135806
GrLivArea 0.2631162 0.4548682 1.0000000 0.7086245
SalePrice 0.2638434 0.6135806 0.7086245 1.0000000
```

Correlation between TotalBsmtSF and SalePrice is 0.610.61. So bigger basement area will predict the better sale price. Square value of the coefficient is 0.3721. It means 37.21% of the variance in the sale price of a house can be explained by the total area of the basement. Correlation between GrLivArea and SalePrice is 0.710.71. Bigger living area will predict the better sale price. Square value of the coefficient is 0.5041. It means 50.41% percent of the variance in the sale price of a house can be explained by the total living area.

### Precision Matrix (Inverse Matrix)

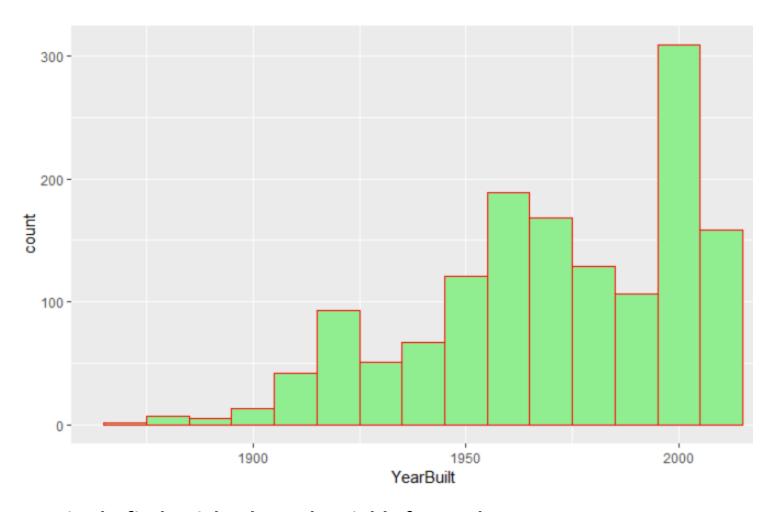
```
LotArea TotalBsmtSF GrLivArea SalePrice
LotArea 1.10622180 -0.1703170 -0.1623394 -0.07232846
TotalBsmtSF -0.17031695 1.6321069 -0.0397442 -0.92832834
GrLivArea -0.16233936 -0.0397442 2.0350650 -1.37487844
SalePrice -0.07232846 -0.9283283 -1.3748784 2.56296011
```

#### Pearson Correlation Matrix x Precision Matrix

	LotArea	TotalBsmtSF	GrLivArea	SalePrice
LotArea	1	0	0	0
TotalBsmtSF	0	1	0	0
GrLivArea	0	0	1	0
SalePrice	0	0	0	1

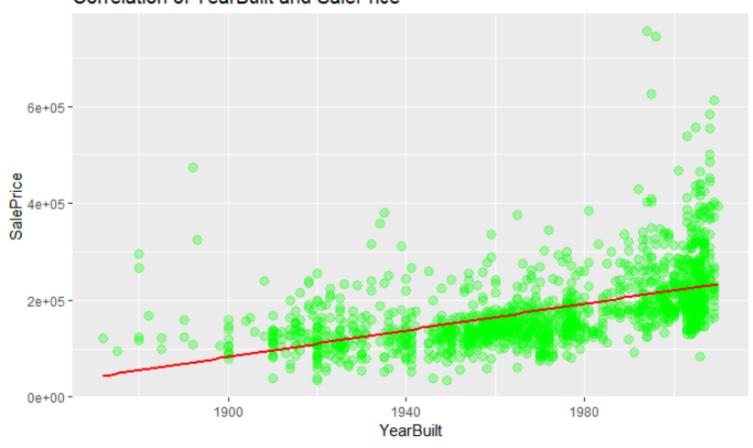
Correlation Matrix multiplied by Precision Matrix and Precision Matrix multiplied by Correlation Matrix results in identity matrix.

### Calculus-Based Probability & Statistics



Firstly, find a right skewed variable for study.

#### Correlation of YearBuilt and SalePrice



## Results are same using 'fitdistr' and 'optim' functions

#### 'fitdistr' function

```
mean sd
1971.2678082 30.1925588
(0.7901754) (0.5587384)
```

#### 'Optim' function

```
mean
1971.2765 30.1827
```

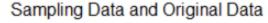
```
$value
[1] 7046.74
```

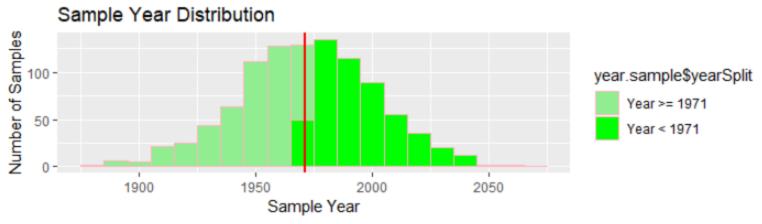
\$counts function gradient 57 NA

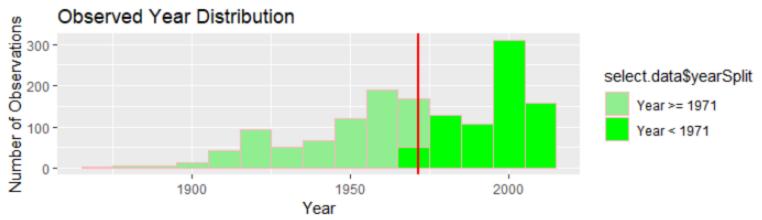
\$convergence [1] 0

\$message
NULL

#### **Histogram Comparing of Original and Sampling Data**







To generate 1000 samples, 'rnorm' function with the optimal parameters generated by 'optim' function will be used.

Mean and SD of samples and observed data is same, 1971, 30 respectively. Red line represents average of the data.

### **Good of Fit Tests**

- Chi-Square test was used to see if the sample generated represents a normal distribution. We guess that there should be 50% cases where year is greater than or equal to `average` and 50% cases less than `average`.
- Hypothesis,
- \$H 0\$: Sample data follow a specified distribution.
- \$H\_A\$: Sample data do not follow the specified distribution.

Chi-squared test for given probabilities

```
data: sample.rows
X-squared = 1.024, df = 1, p-value = 0.3116
```

• Because p-value is 0.31 which is greater than 0.05, we accept null hypothesis(H0). In conclusion, that sample data represents normal distribution.

## **Second Chi Square Test**

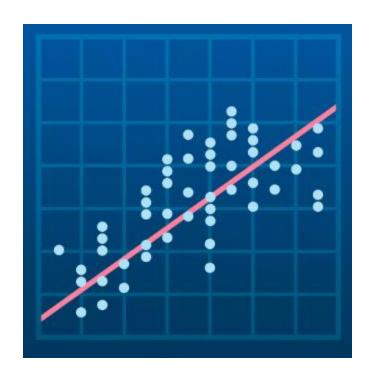
- Following is a test to see whether sample represents actual observed data.
- Hypothesis:
- H\_0: Sample data represents actual observed data.
- H\_A: Sample data do not represent actual observed data.

```
Chi-squared test for given probabilities
```

```
data: sample.rows
X-squared = 0.064103, df = 1, p-value = 0.8001
```

Because p-value is 0.8 which is greater than 0.05, we accept null hypothesis(H0).
 In conclusion, that sample data represents actual observed data.

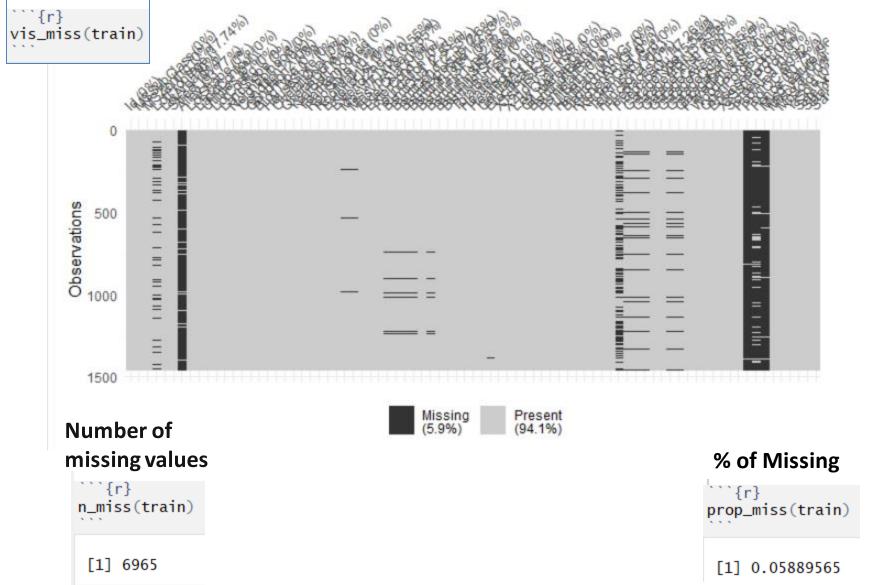
# **Build Model**



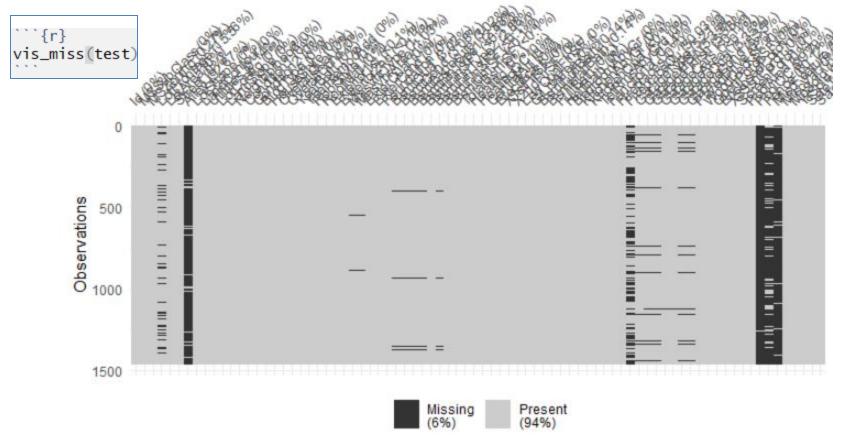
### Plan to Deal with Data

- 1. For some variables with more than 50% of missing information such as "Alley", "PoolQC", "Fence", "Miss Feature", I will drop it.
- 2. For numerical variables, I will try to keep as many as possible. If there is missing information, I can impute it with mean.
- 3. For categorical variables, it is hard to analysis using "as is" condition. Too drop all categorical data is not wise, because it has lots of information. For this kind of situation, I like to keep some categorical variables for analysis by transforming from a factor in character into an ordinal variables coded with a serials of numbers. For some categorical variables which can not each to give a ordinal code, I am going to drop it.

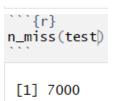
# Check Missing Data (train data)



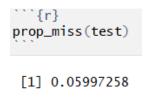
# Check Missing Data (test data)



# Number of missing values



### % of Missing



## **Detail Missing Information in Train**

LotFrontage	259
Alley	1369
MasVnrType	8
MasVnrArea	8
BsmtQual	37
BsmtCond	37
BsmtExposure	38
BsmtFinType1	37
BsmtFinType2	38
Electrical	1
FireplaceQu	690
GarageType	81
GarageYrBlt	81
GarageFinish	81
PoolQC	1453
Fence	1179
MiscFeature	1406

# Detail Missing Information in Test (I)

MSZoning	4
LotFrontage	227
Alley	1352
Utilities	2
Exterior1st	1
Exterior2nd	1
MasVnrType	16
MasVnrArea	15
BsmtQual	44
BsmtCond	45
BsmtExposure	44
BsmtFinType1	42
BsmtFinSF1	1
BsmtFinType2	42
BsmtFinSF2	1
BsmtUnfSF	1
TotalBsmtSF	1

# Detail Missing Information in Test (II)

BsmtFullBath	2
BsmtHalfBath	2
KitchenQual	1
Functional	2
FireplaceQu	730
GarageType	76
GarageYrBlt	78
GarageFinish	78
GarageCars	1
GarageArea	1
GarageQual	78
GarageCond	78
PoolQC	1456
Fence	1169
MiscFeature	1408
SaleType	1

### "dplyr::select" to build subset data

train1 <- dplyr::select(train, MSSubClass, Neighborhood, LotFrontage, LotArea, BldgType, OverallQual, OverallCond, YearBuilt, YearRemodAdd, MasVnrArea, BsmtFinSF1, BsmtFinSF2, BsmtUnfSF, TotalBsmtSF, CentralAir, X1stFlrSF, X2ndFlrSF, LowQualFinSF, GrLivArea, TotRmsAbvGrd, GarageCars, GarageArea, WoodDeckSF, OpenPorchSF, EnclosedPorch, ScreenPorch, X3SsnPorch, PoolArea, MiscVal, MoSold, YrSold, SaleType, SaleCondition, SalePrice)

### Transform charater vector to numeric

```
train1$CentralAir <- ifelse(train1$CentralAir=="Yes", 1, 0)
train1$SaleType <- ifelse(train1$SaleType==c("WD","New","VMD"), 1, 0)
train1$SaleCondition <- ifelse(train1$SaleCondition=="Normal", 1, 0)</pre>
```

```
train1$BldgType <- as.character(train1$BldgType)
train1$BldgType[which(train1$BldgType == "1Fam")] <- "5"
train1$BldgType[which(train1$BldgType == "2fmCon")] <- "4"
train1$BldgType[which(train1$BldgType == "Duplex")] <- "3"
train1$BldgType[which(train1$BldgType == "Twnhs")] <- "2"
train1$BldgType[which(train1$BldgType == "TwnhsE")] <- "1"
train1$BldgType <- as.numeric(train1$BldgType)</pre>
```

### Impute missing data with mean

```
train1$LotFrontage[is.na(train1$LotFrontage)] <- mean(train1$LotFrontage, na.rm=TRUE)
train1$MasVnrArea[is.na(train1$MasVnrArea)] <- mean(train1$MasVnrArea, na.rm=TRUE)
```

## Neighborhood Variable Transformation

• Neighborhood is an important factor for per square foot price. Because I am not familiar with the neighborhood in dataset, I will get the median sale price of each neighborhood first.

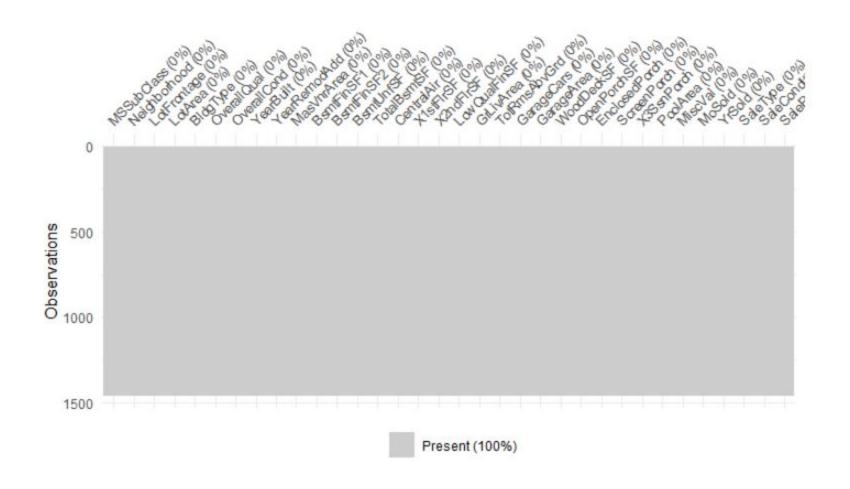
```
fr}
df <- train %>%

group_by(Neighborhood) %>%
 summarize(medianSalePrice = median(SalePrice)) %>% arrange(desc(medianSalePrice))
df
```

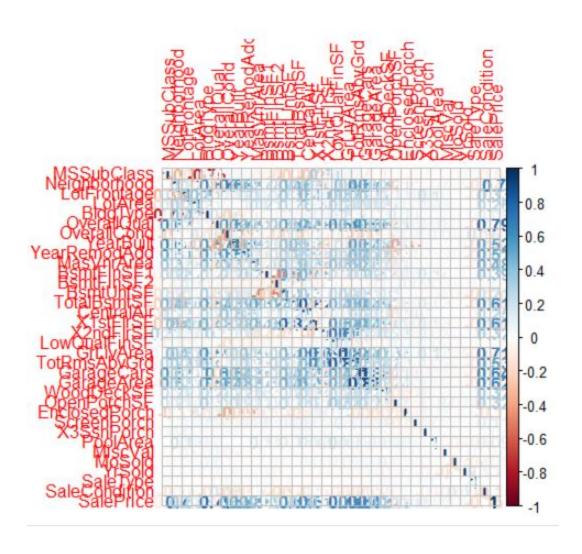
Neighborhood <fctr></fctr>	medianSalePrice <dbl></dbl>	Neighborhood <fctr></fctr>	medianSalePrice <dbl></dbl>	
NridgHt	315000	NWAmes	182900	
NoRidge	301500	Gilbert	181000	
StoneBr	278000	SawyerW	179900	
imber	228475	Mitchel	153500	
Somerst	225500	NPkVill	146000	
/eenker	218000	NAmes	140000	
crawfor	200624	SWISU	139500	
learCr	20024	Blueste	137500	
		Sawyer	135000	
CollgCr	197200	BrkSide	124300	
3lmngtn	191000			

For each neighborhood, I will impute as a score from 25 to 1 according the medianSalePrice from Highest (NridgHt) to Lowest (MeadowV)

# No Missing Data after Imputation



## **Correlation Plot**



# Summary (I)

```
MSSubClass
 Neighborhood
 LotFrontage
 LotArea
 BldgType
 : 20.0
 Min. : 1.00
 : 21.00
 : 1300
 :1.000
Min.
 Min.
 Min.
 Min.
1st Qu.: 20.0
 1st Qu.: 7.00
 1st Qu.: 60.00
 1st Ou.:
 7554
 1st Qu.:5.000
Median: 50.0
 Median :13.00
 Median : 70.05
 Median :
 9478
 Median :5.000
 : 56.9
 :12.84
 : 70.05
 : 10517
 :4.507
Mean
 Mean
 Mean
 Mean
 Mean
3rd Qu.: 70.0
 3rd Qu.:17.00
 3rd Qu.: 79.00
 3rd Qu.: 11602
 3rd Qu.:5.000
 :190.0
 :25.00
 :313.00
 :215245
 Max.
 :5.000
Max.
 Max.
 Max.
 Max.
 OverallQual
 OverallCond
 YearBuilt
 YearRemodAdd
 MasVnrArea
 Min.
Min.
 : 1.000
 Min.
 :1.000
 Min.
 :1872
 Min.
 :1950
 0.0
1st Qu.: 5.000
 1st Qu.:5.000
 1st Qu.:1954
 1st Qu.:1967
 1st Qu.:
 0.0
Median : 6.000
 Median:5.000
 Median:1973
 Median:1994
 Median :
 0.0
 : 6.099
 :5.575
 :1971
 Mean
 :1985
 Mean
 : 103.7
Mean
 Mean
 Mean
 3rd Ou.:2000
 3rd Qu.: 2004
 3rd Qu.: 164.2
3rd Ou.: 7.000
 3rd Qu.:6.000
 :10.000
 :9.000
 :2010
 :2010
 :1600.0
Max.
 Max.
 Max.
 Max.
 Max.
 BsmtFinSF1
 BsmtFinSF2
 BsmtUnfSF
 TotalBsmtSF
 CentralAir
 Min.
 Min.
 Min.
Min.
 0.0
 Min.
 0.00
 0.0
 0.0
 :0.0000
1st Qu.:
 0.0
 1st Qu.:
 0.00
 1st Qu.: 223.0
 1st Qu.: 795.8
 1st Qu.:1.0000
 Median: 991.5
Median: 383.5
 Median : 477.5
 Median:
 0.00
 Median :1.0000
 : 443.6
 46.55
 : 567.2
 :1057.4
 :0.9349
Mean
 Mean
 Mean
 Mean
 Mean
3rd Qu.: 712.2
 3rd Qu.:
 0.00
 3rd Qu.: 808.0
 3rd Qu.:1298.2
 3rd Qu.:1.0000
 :2336.0
 :5644.0
 :1474.00
 :6110.0
 :1.0000
Max.
 Max.
 Max.
 Max.
 Max.
 X1stFlrSF
 LowQualFinSF
 X2ndF1rSF
 GrLivArea
 TotRmsAbvGrd
Min.
 : 334
 Min.
 Min.
 : 0.000
 Min. : 334
 Min.
 : 2.000
 1st Qu.:1130
1st Ou.: 882
 1st Qu.:
 1st Qu.:
 0.000
 1st Ou.: 5.000
Median:1087
 Median:
 Median :
 0.000
 Median:1464
 Median : 6.000
Mean
 :1163
 Mean
 : 347
 Mean
 5.845
 Mean
 :1515
 Mean
 : 6.518
3rd Qu.:1391
 3rd Qu.: 728
 3rd Qu.:
 0.000
 3rd Qu.:1777
 3rd Qu.: 7.000
 :4692
 :2065
 :572.000
 :5642
 :14.000
Max.
 Max.
 Max.
 Max.
 Max.
```

# Summary (II)

```
WoodDeckSF
 EnclosedPorch
 GarageCars
 GarageArea
 OpenPorchSF
Min.
 :0.000
 Min.
 Min.
 Min.
 0.0
 Min.
 0.00
 0.00
 0.00
1st Ou.:1.000
 1st Ou.: 334.5
 0.00
 1st Ou.:
 0.00
 0.00
 1st Qu.:
 1st Qu.:
Median:2.000
 Median: 480.0
 0.00
 Median : 25.00
 Median:
 Median :
 0.00
 :1.767
 : 473.0
 : 94.24
 : 46.66
 : 21.95
Mean
 Mean
 Mean
 Mean
 Mean
 3rd Qu.: 576.0
 3rd Qu.:168.00
 3rd Qu.: 68.00
3rd Qu.:2.000
 3rd Qu.: 0.00
 :4.000
 :1418.0
 :857.00
 :547.00
 :552.00
Max.
 Max.
 Max.
 Max.
 Max.
 ScreenPorch
 X3SsnPorch
 PoolArea
 MiscVal
 MoSold
 0.000
Min.
 Min.
 Min.
 Min.
 Min.
 : 1.000
 0.00
 0.00
 0.00
 0.00
 0.00
 0.000
 0.00
 1st Qu.: 5.000
1st Ou.:
 1st Qu.:
 1st Qu.:
 1st Qu.:
Median :
 Median : 6.000
 0.00
 Median:
 0.00
 Median :
 0.000
 Median:
 0.00
 : 15.06
 2.759
 43.49
 3.41
 : 6.322
 Mean
 Mean
 Mean
 Mean
Mean
3rd Qu.: 0.00
 3rd Qu.:
 0.00
 3rd Qu.:
 0.000
 3rd Qu.:
 0.00
 3rd Qu.: 8.000
 :480.00
 :508.00
 :15500.00
 :738.000
 :12.000
Max.
 Max.
 Max.
 Max.
 Max.
 YrSold
 SaleCondition
 SalePrice
 SaleType
Min.
 :2006
 Min.
 :0.0000
 Min.
 :0.0000
 Min.
 : 34900
1st Ou.:2007
 1st Qu.:0.0000
 1st Qu.:1.0000
 1st Qu.:129975
Median:2008
 Median :0.0000
 Median :1.0000
 Median :163000
 :2008
 :0.3151
 :0.8205
 :180921
Mean
 Mean
 Mean
 Mean
3rd Qu.:2009
 3rd Ou.:1.0000
 3rd Ou.:1.0000
 3rd Ou.:214000
 :2010
 :755000
Max.
 Max.
 :1.0000
 Max.
 :1.0000
 Max.
```

### **Fix Colinearity and Replace Outliers**

#### #Colinearity

From the correlation matrix and plot, we find that 'TotalBsmtSF' is highly associated with 'GrLivArea (0.825)' and 'BsmtFinSF1'. So we will DROP 'TotalBsmtSF'.

'GrLivArea (0.825)' is also highly with 'TotRmsAbvGrd'(0.825), 'X1stFlrSF'(0.566) and X2ndFlrSF(0.688). So we will also DROP the above three variables.

```
train1$TotalBsmtSF <- NULL
train1$TotRmsAbvGrd<- NULL
train1$X1stF1rSF<- NULL
train1$X2ndF1rSF<- NULL
```

#### #Outlinear

From the density plots and summary. We feel that the following varibles ("LotFrontage","LotArea","MasVnrArea","BsmtFinSF1","BsmtFinSF2","BsmtUnfSF","GrLivArea","Sale Price","WoodDeckSF","OpenPorchSF","EnclosedPorch","ScreenPorch","X3SsnPorch","PoolArea","Misc Val") may have outliers. We will replace the outliers.

### **Full Model: All Variables**

full.model <- lm(SalePrice~MSSubClass+Neighborhood+LotFrontage+LotArea+BldgType+OverallQual+O verallCond+YearBuilt+YearRemodAdd+MasVnrArea+BsmtFinSF1+BsmtFinSF2+BsmtUnfSF+CentralAir+LowQu alFinSF+GrLivArea+GarageCars+GarageArea+WoodDeckSF+OpenPorchSF+EnclosedPorch+ScreenPorch+X3Ss nPorch+PoolArea+MiscVal+MoSold+YrSold+SaleCondition, data=train1) summary(full.model)

```
Call:
lm(formula = SalePrice ~ MSSubClass + Neighborhood + LotFrontage +
 LotArea + BldgType + OverallQual + OverallCond + YearBuilt +
 YearRemodAdd + MasVnrArea + BsmtFinSF1 + BsmtFinSF2 + BsmtUnfSF +
 CentralAir + LowQualFinSF + GrLivArea + GarageCars + GarageArea +
 WoodDeckSF + OpenPorchSF + EnclosedPorch + ScreenPorch +
 X3SsnPorch + PoolArea + MiscVal + MoSold + YrSold + SaleCondition,
 data = train1)
Residuals:
 Min
 1Q Median
 Max
-166234 -14552
 -1481
 13165
 90418
Coefficients: (3 not defined because of singularities)
 Estimate Std. Error t value Pr(>|t|)
(Intercept)
 -1.039e+06 9.529e+05 -1.091 0.275636
MSSubClass
 -1.263e+02 2.528e+01 -4.998 6.52e-07 ***
Neighborhood
 1.257e+03 1.482e+02
 8.485 < 2e-16 ***
 OpenPorchSF
 3.094e+01 1.486e+01
 2.083 0.037423 *
LotFrontage
 1.273e+02 7.180e+01
 1.773 0.076414
 EnclosedPorch
 9.079e+00 1.374e+01
 0.661 0.508722
LotArea
 8.313e-01 3.262e-01
 2.549 0.010909 *
 ScreenPorch
 1.300e+01 1.581e+01
 0.822 0.411132
BldgType
 -1.281e+03 9.046e+02
 -1.416 0.157132
 X3SsnPorch
 NA
 NA
OverallOual
 1.036e+04 7.542e+02 13.739 < 2e-16 ***
 PoolArea
 NA
 NA
 NA
 NA
OverallCond
 5.887e+02 7.076e+02
 0.832 0.405551
 MiscVal
 NA
 NA
 NA
 NA
YearBuilt
 -2.058e+00 4.159e+01 -0.049 0.960545
 MoSold
 1.384e+02 2.315e+02
 0.598 0.549904
YearRemodAdd
 1.617e+02 4.327e+01
 3.737 0.000193 ***
 YrSold
 0.749 0.453875
 3.556e+02 4.747e+02
MasVnrArea
 1.332e+01 5.158e+00
 2.583 0.009907
 SaleCondition -5.027e+03 1.673e+03
 -3.005 0.002699 **
BsmtFinSF1
 3.308e+01 3.103e+00 10.659 < 2e-16 ***
BsmtFinSF2
 2.136e+00 6.601e+00
 0.324 0.746343
 Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
BsmtUnfSF
 8.206e+00 2.812e+00
 2.919 0.003571 **
CentralAir
 -1.282e+04 2.890e+03 -4.436 9.86e-06 ***
LowQualFinSF -2.113e+01 1.317e+01 -1.604 0.108987
 Residual standard error: 23420 on 1434 degrees of freedom
GrLivArea
 5.761e+01 2.873e+00 20.048 < 2e-16 ***
 Multiple R-squared: 0.7773,
 Adjusted R-squared: 0.7734
GarageCars
 -5.591e+02 1.878e+03 -0.298 0.765994
 F-statistic: 200.2 on 25 and 1434 DF, p-value: < 2.2e-16
GarageArea
 1.199e+01 6.365e+00
 1.883 0.059900 .
```

### Reduced Model: With All Significant Variables in Full.model

```
```{r}
reduced.model <- lm(SalePrice~MSSubClass+Neighborhood+LotArea+OverallQual+YearBuilt+YearRemod
Add+MasVnrArea+BsmtFinSF1+BsmtUnfSF+CentralAir+GrLivArea+WoodDeckSF+OpenPorchSF+SaleCondition
. data=train1)
summary(reduced.model)
                         Call:
                         lm(formula = SalePrice ~ MSSubClass + Neighborhood + LotArea +
                             OverallOual + YearBuilt + YearRemodAdd + MasVnrArea + BsmtFinSF1 +
                             BsmtUnfSF + CentralAir + GrLivArea + WoodDeckSF + OpenPorchSF +
                             SaleCondition, data = train1)
                         Residuals:
                             Min
                                      10 Median
                                                     30
                                                           Max
                         -158644 -14844
                                          -1347
                                                 13089
                                                         89419
                         Coefficients:
                                        Estimate Std. Error t value Pr(>|t|)
                         (Intercept)
                                      -3.476e+05 8.461e+04 -4.108 4.21e-05 ***
                         MSSubClass
                                      -1.103e+02 1.533e+01 -7.193 1.02e-12 ***
                         Neighborhood 1.295e+03 1.477e+02 8.771 < 2e-16 ***
                         LotArea
                                       1.017e+00 3.114e-01 3.266 0.001116 **
                         OverallOual
                                       1.083e+04 7.302e+02 14.830 < 2e-16 ***
                         YearBuilt
                                       1.730e+00 3.313e+01 0.052 0.958350
                         YearRemodAdd 1.713e+02 3.992e+01 4.291 1.90e-05 ***
                                       1.681e+01 5.082e+00 3.307 0.000965 ***
                         MasVnrArea
                         BsmtFinSF1
                                       3.474e+01 2.897e+00 11.994 < 2e-16 ***
                         BsmtUnfSF
                                       9.076e+00 2.595e+00 3.498 0.000484 ***
                         CentralAir
                                      -1.183e+04 2.778e+03 -4.257 2.21e-05 ***
                         GrLivArea
                                       5.751e+01 2.699e+00 21.310 < 2e-16 ***
                         WoodDeckSF
                                       1.950e+01 6.077e+00 3.210 0.001358 **
                         OpenPorchSF
                                       3.155e+01 1.480e+01 2.132 0.033161 *
                         SaleCondition -4.968e+03 1.649e+03 -3.012 0.002639 **
                         Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
                         Residual standard error: 23490 on 1445 degrees of freedom
                         Multiple R-squared: 0.7744. Adjusted R-squared: 0.7722
                         F-statistic: 354.3 on 14 and 1445 DF. p-value: < 2.2e-16
```

Backward Elimination from Full.Model

```
```{r}
backward.model<- step (full.model, direction = "backward")</pre>
summary(backward.model)
 Call:
 lm(formula = SalePrice ~ MSSubClass + Neighborhood + LotFrontage +
 LotArea + OverallOual + YearRemodAdd + MasVnrArea + BsmtFinSF1 +
 BsmtUnfSF + CentralAir + LowOualFinSF + GrLivArea + GarageArea +
 WoodDeckSF + OpenPorchSF + SaleCondition, data = train1)
 Residuals:
 Min
 1Q Median
 3Q
 Max
 -166192 -14817
 -1306
 13389
 90623
 Coefficients:
 Estimate Std. Error t value Pr(>|t|)
 (Intercept)
 -3.390e+05 7.421e+04 -4.568 5.33e-06 ***
 -1.022e+02 1.539e+01 -6.643 4.34e-11 ***
 MSSubClass
 1.228e+03 1.339e+02 9.173 < 2e-16 ***
 Neiahborhood
 1.197e+02 7.116e+01 1.682 0.09269 .
 LotFrontage
 8.100e-01 3.202e-01 2.529 0.01153 *
 LotArea
 OverallOual
 1.043e+04 7.345e+02 14.203 < 2e-16 ***
 1.660e+02 3.805e+01 4.362 1.38e-05 ***
 YearRemodAdd
 MasVnrArea
 1.350e+01 5.098e+00 2.648 0.00820 **
 BsmtFinSF1
 3.338e+01 2.901e+00 11.507 < 2e-16 ***
 BsmtUnfSF
 8.195e+00 2.592e+00 3.161 0.00160 **
 CentralAir
 -1.219e+04 2.713e+03 -4.494 7.56e-06 ***
 LowQualFinSF -2.145e+01 1.293e+01 -1.658 0.09748.
 GrLivArea
 5.677e+01 2.675e+00 21.225 < 2e-16 ***
 1.002e+01 3.841e+00 2.609 0.00918 **
 GarageArea
 1.960e+01 6.046e+00 3.242 0.00121 **
 WoodDeckSF
 OpenPorchSF
 2.996e+01 1.474e+01 2.033 0.04221 *
 SaleCondition -4.786e+03 1.642e+03 -2.915 0.00361 **
 Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
 Residual standard error: 23390 on 1443 degrees of freedom
 Multiple R-squared: 0.7765.
 Adjusted R-squared: 0.774
 F-statistic: 313.4 on 16 and 1443 DF, p-value: < 2.2e-16
```

## Model with Top 5

```
{r}
cors <- sapply(train1, cor, y=train1$SalePrice)
mask \leftarrow (rank(-abs(cors)) \leftarrow 6
best5.pred <- train1[, mask]</pre>
best5.pred <- subset(best5.pred, select = c(-SalePrice))</pre>
summary(best5.pred)
```{r}
model.best5 <- lm (SalePrice ~
                                          Neighborhood + OverallQual + GrLivArea + GarageCars +
GarageArea, data=train1)
model.best5<- step (model.best5, direction = "backward")</pre>
```{r}
summary(model.best5)
Call:
lm(formula = SalePrice ~ Neighborhood + OverallQual + GrLivArea +
 GarageArea, data = train1)
Residuals:
 Min
 1Q Median
-140933 -15612
 -1271
 13633 100098
Coefficients:
 Estimate Std. Error t value Pr(>|t|)
(Intercept) -14472.334 4212.272 -3.436 0.000608 ***
Neighborhood 1723.765 141.016 12.224 < 2e-16 ***
OverallOual 11896.404
 735.461 16.175 < 2e-16 ***
GrLivArea
 61.218
 2.660 23.017 < 2e-16 ***
GarageArea
 28.109
 4.024
 6.986 4.29e-12 ***
Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
Residual standard error: 25900 on 1455 degrees of freedom
Multiple R-squared: 0.7237, Adjusted R-squared: 0.7229
F-statistic: 952.6 on 4 and 1455 DF, p-value: < 2.2e-16
```

## **Compare Model using ANOVA**

```
```{r}
anova(full.model, reduced.model, backward.model, model.best5, test="Chisq")
Analysis of Variance Table
Model 1: SalePrice ~ MSSubClass + Neighborhood + LotFrontage + LotArea +
    BldgType + OverallQual + OverallCond + YearBuilt + YearRemodAdd +
    MasVnrArea + BsmtFinSF1 + BsmtFinSF2 + BsmtUnfSF + CentralAir +
    LowQualFinSF + GrLivArea + GarageCars + GarageArea + WoodDeckSF +
    OpenPorchSF + EnclosedPorch + ScreenPorch + X3SsnPorch +
    PoolArea + MiscVal + MoSold + YrSold + SaleCondition
Model 2: SalePrice ~ MSSubClass + Neighborhood + LotArea + OverallQual +
    YearBuilt + YearRemodAdd + MasVnrArea + BsmtFinSF1 + BsmtUnfSF +
    CentralAir + GrLivArea + WoodDeckSF + OpenPorchSF + SaleCondition
Model 3: SalePrice ~ MSSubClass + Neighborhood + LotFrontage + LotArea +
    OverallOual + YearRemodAdd + MasVnrArea + BsmtFinSF1 + BsmtUnfSF +
    CentralAir + LowQualFinSF + GrLivArea + GarageArea + WoodDeckSF +
    OpenPorchSF + SaleCondition
Model 4: SalePrice ~ Neighborhood + OverallQual + GrLivArea + GarageArea
  Res.Df
                  RSS Df
                              Sum of Sq Pr(>Chi)
1 1434 786766781016
2 1445 797081291276 -11 -10314510260 0.064784 .
3 1443 789652291334
                      2 7428999941 0.001147 **
4 1455 976387611229 -12 -186735319894 < 2.2e-16 ***
Signif. codes: 0 '*** 0.001 '** 0.01 '* 0.05 '. ' 0.1 ' ' 1
```

Prepare Test Data

- Select interesting columns
- Change the categorical variables to numeric
- Impute missing data
- Drop a few columns of colinearity
- Fix the outliers

Summary of Test Data

```
MSSubClass
                 Neighborhood
                                 LotFrontage
                                                    LotArea
                                                                    BldgType
                                                                                     GarageCars
                                                                                                     GarageArea
                                                                                                                      WoodDeckSF
                                                                                                                                       OpenPorchSF
                                                                                                                                                        EnclosedPorch
Min. : 20.00
                Min. : 1.00
                                Min.
                                     : 21.00
                                                 Min. : 1470
                                                                 Min. :1.000
                                                                                                   Min. : 0.0
                                                                                                                                                       Min. :
                                                                                   Min. :0.000
                                                                                                                    Min. :
                                                                                                                               0.00
                                                                                                                                      Min. : 0.00
1st Qu.: 20.00
                                                 1st Qu.: 7391
                1st Qu.: 7.00
                                1st Qu.: 60.00
                                                                 1st Qu.:5.000
                                                                                   1st Qu.:1.000
                                                                                                   1st Qu.: 318.0
                                                                                                                               0.00
                                                                                                                     1st Qu.:
                                                                                                                                      1st Qu.: 0.00
                                                                                                                                                        1st Qu.:
Median : 50.00
                Median :12.00
                                Median : 68.58
                                                 Median: 9399
                                                                 Median : 5.000
                                                                                   Median:2.000
                                                                                                   Median : 480.0
                                                                                                                     Median :
                                                                                                                               0.00
                                                                                                                                      Median : 28.00
                                                                                                                                                        Median :
Mean : 57.38
                                                      : 9819
                      :12.55
                                Mean
                                      : 68.58
                                                 Mean
                                                                 Mean
                                                                      :4.482
                                                                                   Mean :1.766
                                                                                                    Mean
                                                                                                         : 472.8
                                                                                                                     Mean
                                                                                                                          : 93.17
                                                                                                                                      Mean
                                                                                                                                            : 48.31
                                                                                                                                                        Mean
3rd Qu.: 70.00
                 3rd Qu.:17.00
                                3rd Qu.: 78.00
                                                 3rd Qu.:11518
                                                                 3rd Qu.:5.000
                                                                                   3rd Qu.:2.000
                                                                                                    3rd Qu.: 576.0
                                                                                                                     3rd Qu.: 168.00
                                                                                                                                      3rd Qu.: 72.00
                                                                                                                                                        3rd Qu.:
Max. :190.00
                Max.
                       :25.00
                                Max.
                                       :200.00
                                                 Max.
                                                        :56600
                                                                 Max.
                                                                       :5.000
                                                                                                                           :1424.00
                                                                                         :5.000
                                                                                                    Max.
                                                                                                          :1488.0
                                                                                                                     Max.
                                                                                                                                      Max.
                                                                                                                                            :742.00
                                                                                                                                                       Max.
                                                                                   Max.
OverallOual
                 OverallCond
                                  YearBuilt
                                                YearRemodAdd
                                                                MasVnrArea
                                                                                    ScreenPorch
                                                                                                      X3SsnPorch
                                                                                                                         PoolArea
                                                                                                                                           MiscVal
Min. : 1.000
                       :1.000
                                       :1879
                                                      :1950
                                                                        0.0
                Min.
                                Min.
                                               Min.
                                                              Min.
                                                                                   Min. : 0.00
                                                                                                    Min.
                                                                                                          : 0.000
                                                                                                                      Min.
                                                                                                                            : 0.000
                                                                                                                                        Min.
                                                                                                                                                     0.00
                 1st Qu.:5.000
                                1st Qu.:1953
1st Qu.: 5.000
                                               1st Qu.:1963
                                                              1st Qu.:
                                                                                                    1st Ou.: 0.000
                                                                                                                      1st Ou.: 0.000
                                                                                                                                                     0.00
                                                                                   1st Qu.: 0.00
                                                                                                                                        1st Qu.:
Median : 6.000
                Median:5.000
                                Median:1973
                                               Median:1992
                                                              Median :
                                                                                   Median: 0.00
                                                                                                    Median: 0.000
                                                                                                                      Median: 0.000
                                                                                                                                         Median:
                                                                                                                                                    0.00
Mean : 6.079
                Mean
                       :5.554
                                Mean
                                       :1971
                                               Mean
                                                      :1984
                                                              Mean
                                                                    : 101.8
                                                                                   Mean : 17.06
                                                                                                          : 1.794
                                                                                                                      Mean
                                                                                                                                         Mean
                                                                                                                                                    58.17
3rd Qu.: 7.000
                                                              3rd Qu.: 163.5
                 3rd Qu.:6.000
                                3rd Qu.:2001
                                               3rd Qu.:2004
                                                                                   3rd Qu.: 0.00
                                                                                                    3rd Qu.: 0.000
                                                                                                                      3rd Qu.: 0.000
                                                                                                                                         3rd Qu.:
                                                                                                                                                    0.00
      :10.000
                Max.
                       :9.000
                                Max.
                                       :2010
                                                      :2010
                                                              Max.
                                                                    :1290.0
                                                                                         :576.00
                                                                                                          : 360,000
                                                                                                                      Max.
                                                                                                                             :800.000
                                                                                                                                        Max.
 BsmtFinSF1
                  BsmtFinSF2
                                    BsmtUnfSF
                                                    TotalBsmtSF
                                                                    CentralAir
                                                                                       MoSold
                                                                                                        YrSold
                                                                                                                   SaleCondition
          0.0
                      :
                           0.00
                                       : 0.0
                                                   Min. : 0
                                                                        :0.0000
                Min.
                                  Min.
                                                                  Min.
Min.
                                                                                   Min.
                                                                                         : 1.000
                                                                                                    Min.
                                                                                                           :2006
                                                                                                                   Min.
                                                                                                                         :0.0000
1st Qu.: 0.0
                1st Qu.:
                           0.00
                                  1st Qu.: 219.5
                                                   1st Qu.: 784
                                                                  1st Qu.:1.0000
                                                                                   1st Ou.: 4.000
                                                                                                    1st Qu.:2007
                                                                                                                   1st Ou.:1.0000
Median : 351.0
                                  Median: 460.0
                                                   Median: 988
                                                                  Median :1.0000
                Median :
                           0.00
                                                                                   Median : 6.000
                                                                                                    Median:2008
                                                                                                                   Median :1.0000
     : 439.2
                Mean
                      : 52.62
                                  Mean
                                        : 554.3
                                                   Mean
                                                                  Mean
                                                                        :0.9308
                                                                                        : 6.104
                                                                                                           :2008
                                                                                   Mean
                                                                                                    Mean
                                                                                                                   Mean
                                                                                                                         :0.8252
3rd Qu.: 752.0
                           0.00
                                  3rd Qu.: 797.5
                                                   3rd Qu.:1304
                                                                  3rd Qu.:1.0000
                 3rd Qu.:
                                                                                   3rd Qu.: 8.000
                                                                                                    3rd Qu.:2009
      :4010.0
                                         :2140.0
                                                         :5095
                                                                        :1.0000
                                                                                                                   3rd Qu.:1.0000
                Max.
                      :1526.00
                                  Max.
                                                   Max.
                                                                  Max.
                                                                                         :12.000
                                                                                                    Max.
                                                                                                           :2010
                                                                                                                   Max.
                                                                                                                          :1.0000
 X1stFlrSF
                  X2ndF1rSF
                                LowQualFinSF
                                                    GrLivArea
                                                                  TotRmsAbvGrd
     : 407.0
                          0
                                         0.000
                                                        : 407
                                                                 Min. : 3.000
                                                  Min.
1st Qu.: 873.5
                1st Qu.:
                               1st Qu.:
                                          0.000
                                                  1st Qu.:1118
                                                                 1st Qu.: 5.000
Median :1079.0
                Median :
                               Median :
                                          0.000
                                                  Median:1432
                                                                 Median : 6.000
                           0
     :1156.5
                      : 326
                                          3.543
                                                         :1486
                                                                 Mean : 6.385
                Mean
                               Mean
                                                  Mean
```

3rd Qu.: 7.000

Max. :15.000

3rd Qu.:1382.5

:5095.0

3rd Qu.: 676

:1862

Max.

3rd Qu.:

Max.

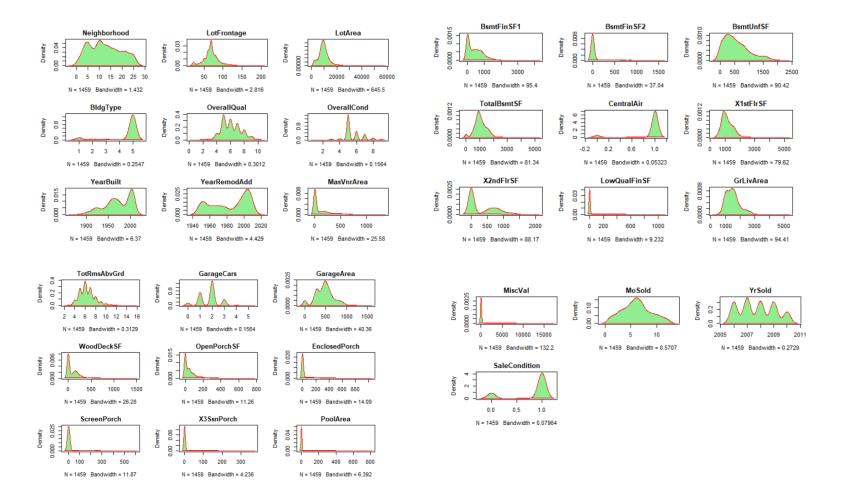
0.000

:1064.000

3rd Qu.:1721

:5095

Density Plot of Test Data



Predict SalePrice by 4 Models

```
#Full Model Prediction
```{r, echo=T, warning=F, message=F}
full.model.pred <- cbind(test1. s<-predict(full.model. test1))</pre>
names(full.model.pred)[ncol(full.model.pred)] <- "SalePrice"
full.model.submission <- dplyr::select(full.model.pred,Id,SalePrice)</pre>
write.csv(full.model.submission. file="full.model.submission.csv")
#Reduced Model Prediction
```{r, echo=T, warning=F, message=F}
reduced.model.pred <- cbind(test1, s<-predict(reduced.model, test1))</pre>
names(reduced.model.pred)[ncol(reduced.model.pred)] <- "SalePrice"</pre>
reduced.model.submission <- dplyr::select(reduced.model.pred,Id,SalePrice)</pre>
write.csv(reduced.model.submission, file="reduced.model.submission.csv")
#Backward Model Prediction
```{r, echo=T, warning=F, message=F}
backward.model.pred <- cbind(test1, s<-predict(backward.model, test1))</pre>
names(backward.model.pred)[ncol(backward.model.pred)] <- "SalePrice"</pre>
backward.model.submission <- dplyr::select(backward.model.pred,Id,SalePrice)</pre>
write.csv(backward.model.submission, file="backward.model.submission.csv")
#Model Best 5
 `{r. echo=T. warning=F. message=F}
model.best5.pred <- cbind(test1, s<-predict(model.best5, test1))</pre>
names(model.best5.pred)[ncol(model.best5.pred)] <- "SalePrice"</pre>
model.best5.submission <- dplyr::select(model.best5.pred,Id,SalePrice)</pre>
write.csv(model.best5.submission. file="model.best5.submission.csv")
```

## **Summary of SalePrice by 4 Medels**

	Min.	1st Qu.	Median	Mean	3rd Qu.	Max.
Full Model	46543	135286	168060	176848	209841	626329
	Min.	1st Qu.	Median	Mean	3rd Qu.	Max.
Reduced Model	49574	135729	168059	177033	209958	629382
	Min.	1st Qu.	Median	Mean	3rd Qu.	Max.
<b>Backward Model</b>	49577	135547	167838	176919	209709	623086
		1st Qu.	Median	Mean	3rd Qu.	Max.
<b>Model Best5</b>	49480	143550	178091	183741	216539	457456

### **Histograms of SalePrice in 4 Models**



## Score of Full Model

Name submission\_11.csv Submitted just now

Wait time 1 seconds

Execution time 0 seconds

Score 0.18519

#### Complete

Jump to your position on the leaderboard -

Make a submission for junpan43

## Reduced Model



### House Prices: Advanced Regression Techniques

Predict sales prices and practice feature engineering, RFs, and gradient boosting 4,557 teams  $\cdot$  Ongoing

Overview	Data	Kernels	Discussion	Leaderboard	Rules	Team	My Submissions	Submit Predictions
Your most r	recents	submissior	1					
Name				Submitted		Wait time	Execution time	Score
submission <sub>.</sub>	_22.csv			ust now		0 seconds	0 seconds	0.18486
Complete	<del>)</del>							

Make a submission for junpan43

You have 8 submissions remaining today. This resets an hour from now (00: 00 UTC).

## **Backward Model**



### House Prices: Advanced Regression Techniques

Predict sales prices and practice feature engineering, RFs, and gradient boosting 4,557 teams · Ongoing

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## Best 5 Model



### House Prices: Advanced Regression Techniques

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