

Keerthi CH Week2 Assignment

2022-07-15

Introduction

For this assignment i have worked on the provided zillow_price.csv dataset. Firstly, installed the necessary libraries and setup our working directory and loading the data and converting the file to a data table, so that it will be easier to look into the data.

```
# load the data.table, ggplot2, and dplyr libraries and the zillow_price.csv file
```

```
library(data.table)
library(dplyr)
```

```
##
```

```
## Attaching package: 'dplyr'
```

```
## The following objects are masked from 'package:data.table':
```

```
##
```

```
##      between, first, last
```

```
## The following objects are masked from 'package:stats':
```

```
##
```

```
##      filter, lag
```

```
## The following objects are masked from 'package:base':
```

```
##
```

```
##      intersect, setdiff, setequal, union
```

```
library(ggplot2)
```

```
setwd("~/Downloads")
```

```
dt <- read.csv("zillow_price.csv")
```

```
# Convert the file to a data table
```

```
dt <- as.data.frame(dt)
```

Methods and Results

In this we are performing some histograms, boxplots, correlation, ggplot, Pearson correlation, linear model

Here we are seeing how many columns we have in our data set and also the summary and structure of the object.

```
# how many observations and columns are there?
```

```
dim(dt)
```

```
## [1] 90275    60
```

```
ncol(dt)
```

```
## [1] 60
```

```
# use str and summary to see how many missing values we have,  
# and what the data looks like  
str(dt)
```

```
## 'data.frame': 90275 obs. of 60 variables:  
## $ parcelid : int 10711738 10711755 10711805 10711816 10711858 10711910 10712086  
## $ airconditioningtypeid : int 1 1 1 1 1 NA 1 1 1 1 ...  
## $ architecturalstyletypeid : int NA NA NA NA NA NA NA NA NA NA ...  
## $ basementsqft : int NA NA NA NA NA NA NA NA NA NA ...  
## $ bathroomcnt : num 3 3 2 2 2 2 2 3 3 3 ...  
## $ bedroomcnt : int 4 3 3 4 4 3 4 3 4 3 ...  
## $ buildingclasstypeid : int NA NA NA NA NA NA NA NA NA NA ...  
## $ buildingqualitytypeid : int 4 4 4 4 4 4 4 4 4 4 ...  
## $ calculatedbathnbr : num 3 3 2 2 2 2 2 3 3 3 ...  
## $ decktypeid : int NA NA NA NA NA NA NA NA NA NA ...  
## $ finishedfloorisquarefeet : int NA NA NA NA NA NA NA NA NA NA ...  
## $ calculatedfinishedsquarefeet : int 2538 1589 2411 2232 1882 1477 1850 3193 2421 1678 ...  
## $ finishedsquarefeet12 : int 2538 1589 2411 2232 1882 1477 1850 3193 2421 1678 ...  
## $ finishedsquarefeet13 : int NA NA NA NA NA NA NA NA NA NA ...  
## $ finishedsquarefeet15 : int NA NA NA NA NA NA NA NA NA NA ...  
## $ finishedsquarefeet50 : int NA NA NA NA NA NA NA NA NA NA ...  
## $ finishedsquarefeet6 : int NA NA NA NA NA NA NA NA NA NA ...  
## $ fips : int 6037 6037 6037 6037 6037 6037 6037 6037 6037 6037 ...  
## $ fireplacecnt : int NA NA NA NA NA NA NA NA NA NA ...  
## $ fullbathcnt : int 3 3 2 2 2 2 2 3 3 3 ...  
## $ garagecarcnt : int NA NA NA NA NA NA NA NA NA NA ...  
## $ garagetotalsqft : int NA NA NA NA NA NA NA NA NA NA ...  
## $ hashottuborspa : chr "" "" "" "" ...  
## $ heatingorsystemtypeid : int 2 2 2 2 2 2 2 2 2 ...  
## $ latitude : int 34220381 34222040 34220427 34222390 34222544 34221864 34226039  
## $ longitude : int -118620802 -118622240 -118618549 -118618631 -118617961 -118615  
## $ lotssquarefeet : num 11012 11010 11723 9002 9002 ...  
## $ poolcnt : int 1 1 1 NA 1 1 1 1 1 NA ...  
## $ poolsizeum : int NA NA NA NA NA NA NA NA NA NA ...  
## $ pooltypeid10 : int NA NA NA NA NA NA NA NA NA NA ...  
## $ pooltypeid2 : int NA NA NA NA NA NA NA NA NA NA ...  
## $ pooltypeid7 : int 1 1 1 NA 1 1 1 1 1 NA ...  
## $ propertycountylandusecode : chr "O101" "O101" "O101" "O100" ...  
## $ propertylandusetypeid : int 261 261 261 261 261 261 261 261 261 261 ...  
## $ propertyzoningdesc : chr "LARE11" "LARE11" "LARE9" "LARE9" ...  
## $ rawcensustractandblock : num 60371132 60371132 60371132 60371132 60371132 ...  
## $ regionidcity : int 12447 12447 12447 12447 12447 12447 12447 12447 12447 12447 ..  
## $ regionidcounty : int 3101 3101 3101 3101 3101 3101 3101 3101 3101 3101 ...  
## $ regionidneighborhood : int 268588 268588 268588 268588 268588 268588 268588 268588 268588 268588  
## $ regionidzip : int 96339 96339 96339 96339 96339 96339 96339 96339 96339 96339 ..  
## $ roomcnt : int 0 0 0 0 0 0 0 0 0 0 ...  
## $ storytypeid : int NA NA NA NA NA NA NA NA NA NA ...  
## $ threequarterbathnbr : int NA NA NA NA NA NA NA NA NA NA ...  
## $ typeconstructiontypeid : int NA NA NA NA NA NA NA NA NA NA ...
```

```
## $ unitcnt : int 1 1 1 1 1 1 1 1 1 1 ...
## $ yardbuildingsqft17 : int NA NA NA NA NA NA NA NA NA NA ...
## $ yardbuildingsqft26 : int NA NA NA NA NA NA NA NA NA NA ...
## $ yearbuilt : int 1978 1959 1973 1973 1973 1960 1974 1964 1962 1961 ...
## $ numberofstories : int NA NA NA NA NA NA NA NA NA NA ...
## $ fireplaceflag : chr "" "" "" "" ...
## $ structuretaxvaluedollarcnt : num 245180 254691 235114 262309 232037 ...
## $ taxvaluedollarcnt : num 567112 459844 384787 437176 382055 ...
## $ assessmentyear : int 2015 2015 2015 2015 2015 2015 2015 2015 2015 2015 ...
## $ landtaxvaluedollarcnt : num 321932 205153 149673 174867 150018 ...
## $ taxdelinquencyflag : chr "" "" "" "" ...
## $ taxdelinquencyyear : int NA NA NA NA NA NA NA NA NA NA ...
## $ censustractandblock : num 6.04e+13 6.04e+13 6.04e+13 6.04e+13 6.04e+13 ...
## $ price : num 622343 594922 420397 479316 420539 ...
## $ logerror : num 0.0276 -0.0182 -0.1009 -0.0121 -0.0481 ...
## $ transactiondate : chr "2016-08-02" "2016-08-02" "2016-05-03" "2016-04-05" ...
```

```
summary(dt)
```

```
##      parcelid      airconditioningtypeid architecturalstyletypeid
## Min.   : 10711738 Min.   : 1.00      Min.   : 2.00
## 1st Qu.: 11559500 1st Qu.: 1.00      1st Qu.: 7.00
## Median : 12547337 Median : 1.00      Median : 7.00
## Mean   : 12984656 Mean   : 1.82      Mean   : 7.23
## 3rd Qu.: 14227552 3rd Qu.: 1.00      3rd Qu.: 7.00
## Max.   :162960842 Max.   :13.00     Max.   :21.00
##                NA's   :61494      NA's   :90014
##      basementsqft      bathroomcnt      bedroomcnt      buildingclasstypeid
## Min.   : 100.0      Min.   : 0.000      Min.   : 0.000      Min.   :4
## 1st Qu.: 407.5      1st Qu.: 2.000      1st Qu.: 2.000      1st Qu.:4
## Median : 616.0      Median : 2.000      Median : 3.000      Median :4
## Mean   : 713.6      Mean   : 2.279      Mean   : 3.032      Mean   :4
## 3rd Qu.: 872.0      3rd Qu.: 3.000      3rd Qu.: 4.000      3rd Qu.:4
## Max.   :1555.0      Max.   :20.000      Max.   :16.000      Max.   :4
## NA's   :90232                NA's   :90259
##      buildingqualitytypeid      calculatedbathnbr      decktypeid
## Min.   : 1.00      Min.   : 1.000      Min.   :66
## 1st Qu.: 4.00      1st Qu.: 2.000      1st Qu.:66
## Median : 7.00      Median : 2.000      Median :66
## Mean   : 5.57      Mean   : 2.309      Mean   :66
## 3rd Qu.: 7.00      3rd Qu.: 3.000      3rd Qu.:66
## Max.   :12.00      Max.   :20.000      Max.   :66
## NA's   :32911      NA's   :1182      NA's   :89617
##      finishedfloor1squarefeet      calculatedfinishedsquarefeet      finishedsquarefeet12
## Min.   : 44      Min.   : 2      Min.   : 2
## 1st Qu.: 938      1st Qu.: 1184      1st Qu.: 1172
## Median :1244      Median : 1540      Median : 1518
## Mean   :1348      Mean   : 1773      Mean   : 1745
## 3rd Qu.:1614      3rd Qu.: 2095      3rd Qu.: 2056
## Max.   :7625      Max.   :22741      Max.   :20013
## NA's   :83419      NA's   :661      NA's   :4679
##      finishedsquarefeet13      finishedsquarefeet15      finishedsquarefeet50
## Min.   :1056      Min.   : 560      Min.   : 44
## 1st Qu.:1392      1st Qu.: 1648      1st Qu.: 938
```

## Median :1440	Median : 2104	Median :1248	
## Mean :1405	Mean : 2380	Mean :1356	
## 3rd Qu.:1440	3rd Qu.: 2862	3rd Qu.:1619	
## Max. :1584	Max. :22741	Max. :8352	
## NA's :90242	NA's :86711	NA's :83419	
## finishedsquarefeet6	fips	fireplacecnt	fullbathcnt
## Min. : 257	Min. :6037	Min. :1.00	Min. : 1.000
## 1st Qu.:1112	1st Qu.:6037	1st Qu.:1.00	1st Qu.: 2.000
## Median :2028	Median :6037	Median :1.00	Median : 2.000
## Mean :2303	Mean :6049	Mean :1.19	Mean : 2.241
## 3rd Qu.:3431	3rd Qu.:6059	3rd Qu.:1.00	3rd Qu.: 3.000
## Max. :7224	Max. :6111	Max. :5.00	Max. :20.000
## NA's :89854		NA's :80668	NA's :1182
## garagecarcnt	garagetotalsqft	hashottuborspa	heatingorsystemtypeid
## Min. : 0.00	Min. : 0.0	Length:90275	Min. : 1.00
## 1st Qu.: 2.00	1st Qu.: 0.0	Class :character	1st Qu.: 2.00
## Median : 2.00	Median : 433.0	Mode :character	Median : 2.00
## Mean : 1.81	Mean : 345.5		Mean : 3.93
## 3rd Qu.: 2.00	3rd Qu.: 484.0		3rd Qu.: 7.00
## Max. :24.00	Max. :7339.0		Max. :24.00
## NA's :60338	NA's :60338		NA's :34195
## latitude	longitude	lotsizesquarefeet	poolcnt
## Min. :33339295	Min. :-119447865	Min. : 167	Min. :1
## 1st Qu.:33811538	1st Qu.: -118411692	1st Qu.: 5703	1st Qu.:1
## Median :34021500	Median :-118173431	Median : 7200	Median :1
## Mean :34005411	Mean :-118198868	Mean : 29110	Mean :1
## 3rd Qu.:34172742	3rd Qu.: -117921588	3rd Qu.: 11686	3rd Qu.:1
## Max. :34816009	Max. :-117554924	Max. :6971010	Max. :1
##		NA's :10150	NA's :72374
## poolsum	pooltypeid10	pooltypeid2	pooltypeid7
## Min. : 28.0	Min. :1	Min. :1	Min. :1
## 1st Qu.: 420.0	1st Qu.:1	1st Qu.:1	1st Qu.:1
## Median : 500.0	Median :1	Median :1	Median :1
## Mean : 519.8	Mean :1	Mean :1	Mean :1
## 3rd Qu.: 600.0	3rd Qu.:1	3rd Qu.:1	3rd Qu.:1
## Max. :1750.0	Max. :1	Max. :1	Max. :1
## NA's :89306	NA's :89114	NA's :89071	NA's :73578
## propertycountylandusecode	propertylandusetypeid	propertyzoningdesc	
## Length:90275	Min. : 31.0	Length:90275	
## Class :character	1st Qu.:261.0	Class :character	
## Mode :character	Median :261.0	Mode :character	
##	Mean :261.8		
##	3rd Qu.:266.0		
##	Max. :275.0		
##			
## rawcensustractandblock	regionidcity	regionidcounty	regionidneighborhood
## Min. :60371011	Min. : 3491	Min. :1286	Min. : 6952
## 1st Qu.:60373203	1st Qu.: 12447	1st Qu.:1286	1st Qu.: 46736
## Median :60376200	Median : 25218	Median :3101	Median :118887
## Mean :60491795	Mean : 33761	Mean :2525	Mean :190646
## 3rd Qu.:60590423	3rd Qu.: 45457	3rd Qu.:3101	3rd Qu.:274800
## Max. :61110091	Max. :396556	Max. :3101	Max. :764167
##	NA's :1803		NA's :54263
## regionidzip	roomcnt	storytypeid	threequarterbathnbr

```

## Min. : 95982 Min. : 0.000 Min. :7 Min. :1.00
## 1st Qu.: 96193 1st Qu.: 0.000 1st Qu.:7 1st Qu.:1.00
## Median : 96393 Median : 0.000 Median :7 Median :1.00
## Mean : 96586 Mean : 1.479 Mean :7 Mean :1.01
## 3rd Qu.: 96987 3rd Qu.: 0.000 3rd Qu.:7 3rd Qu.:1.00
## Max. :399675 Max. :18.000 Max. :7 Max. :4.00
## NA's :35 NA's :90232 NA's :78266
## typeconstructiontypepid unitcnt yardbuildingsqft17 yardbuildingsqft26
## Min. : 4.00 Min. : 1.00 Min. : 25.0 Min. : 18.0
## 1st Qu.: 6.00 1st Qu.: 1.00 1st Qu.: 180.0 1st Qu.: 100.0
## Median : 6.00 Median : 1.00 Median : 259.5 Median : 159.0
## Mean : 6.01 Mean : 1.11 Mean : 310.1 Mean : 311.7
## 3rd Qu.: 6.00 3rd Qu.: 1.00 3rd Qu.: 384.0 3rd Qu.: 361.0
## Max. :13.00 Max. :143.00 Max. :2678.0 Max. :1366.0
## NA's :89976 NA's :31922 NA's :87629 NA's :90180
## yearbuilt numberofstories fireplaceflag structuretaxvaluedollarcent
## Min. :1885 Min. :1.00 Length:90275 Min. : 100
## 1st Qu.:1953 1st Qu.:1.00 Class :character 1st Qu.: 81245
## Median :1970 Median :1.00 Mode :character Median : 132000
## Mean :1969 Mean :1.44 Mean : 180093
## 3rd Qu.:1987 3rd Qu.:2.00 3rd Qu.: 210534
## Max. :2015 Max. :4.00 Max. :9948100
## NA's :756 NA's :69705 NA's :380
## taxvaluedollarcent assessmentyear landtaxvaluedollarcent taxdelinquencyflag
## Min. : 22 Min. :2015 Min. : 22 Length:90275
## 1st Qu.: 199023 1st Qu.:2015 1st Qu.: 82228 Class :character
## Median : 342872 Median :2015 Median : 192970 Mode :character
## Mean : 457673 Mean :2015 Mean : 278335
## 3rd Qu.: 540589 3rd Qu.:2015 3rd Qu.: 345420
## Max. :27750000 Max. :2015 Max. :24500000
## NA's :1 NA's :1
## taxdelinquencyyear censustractandblock price logerror
## Min. : 6.0 Min. :6.037e+13 Min. : 4231 Min. : -4.60500
## 1st Qu.:13.0 1st Qu.:6.037e+13 1st Qu.: 247658 1st Qu.: -0.02530
## Median :14.0 Median :6.038e+13 Median : 391616 Median : 0.00600
## Mean :13.4 Mean :6.049e+13 Mean : 515860 Mean : 0.01146
## 3rd Qu.:15.0 3rd Qu.:6.059e+13 3rd Qu.: 594922 3rd Qu.: 0.03920
## Max. :99.0 Max. :6.111e+13 Max. :27753111 Max. : 4.73700
## NA's :88492 NA's :605 NA's :6
## transactiondate
## Length:90275
## Class :character
## Mode :character
##
##
##
##

```

The results shows that we have 90,275 observations and 60 columns in the data table. And the summary gives the information about the number of Null values in each column.

In this next step we are taking the columns which are numeric and don't have lot of missing values.

```

# columns that are numeric and don't have lots of missing values
# you can add others if you like
numeric_cols <- c('bathroomcnt',
                  'bedroomcnt',
                  'calculatedfinishedsquarefeet',
                  'roomcnt',
                  'yearbuilt',
                  'taxvaluedollarcnt',
                  'landtaxvaluedollarcnt',
                  'price')

dt_rows = nrow(dt)

# Simplify your dataset by only selecting the columns of your choosing dt[, numeric_cols, with = FALSE]

dt <- dt[, numeric_cols]
dt <- na.omit(dt)
#dt <- dt[complete.cases(dt),]
dt_rows = nrow(dt)

```

```
## [1] 776
```

So, here we see that we have dropped 776 rows which has Null values.

Here we are checking the correlation for home price and the taxvaluedollarcnt and i see that the correlation was found to be 0.95

Created a boxplot and histogram of the price data.

```

# We want to try to correlate home price with another variable.
# Create a boxplot of the price data

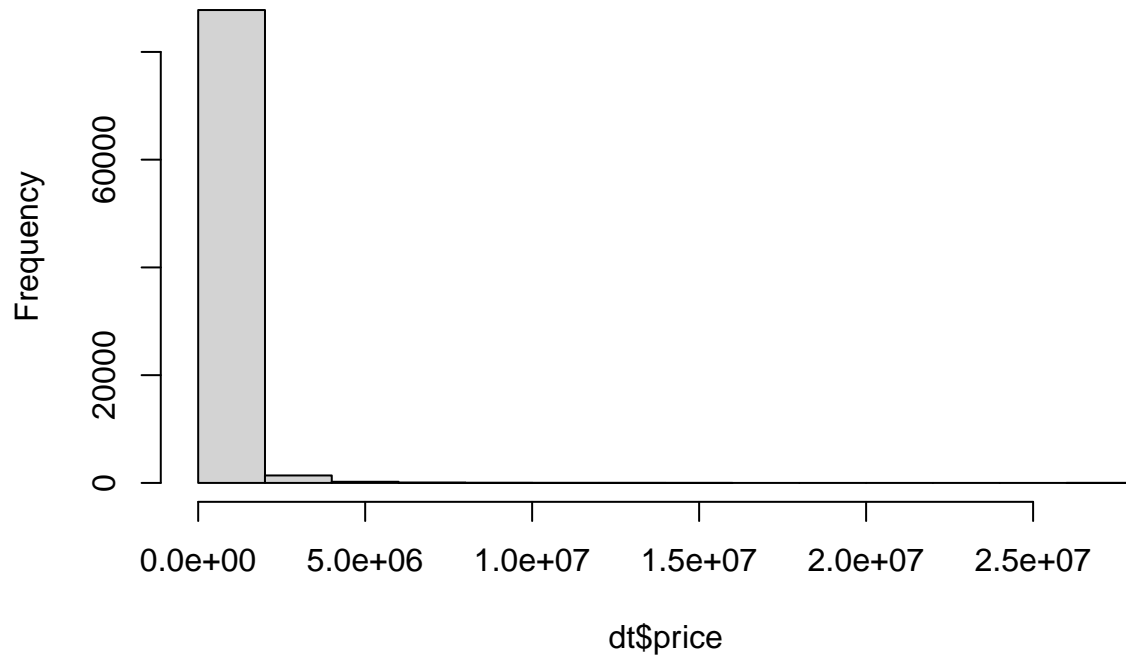
cor(dt$price, dt$taxvaluedollarcnt)

```

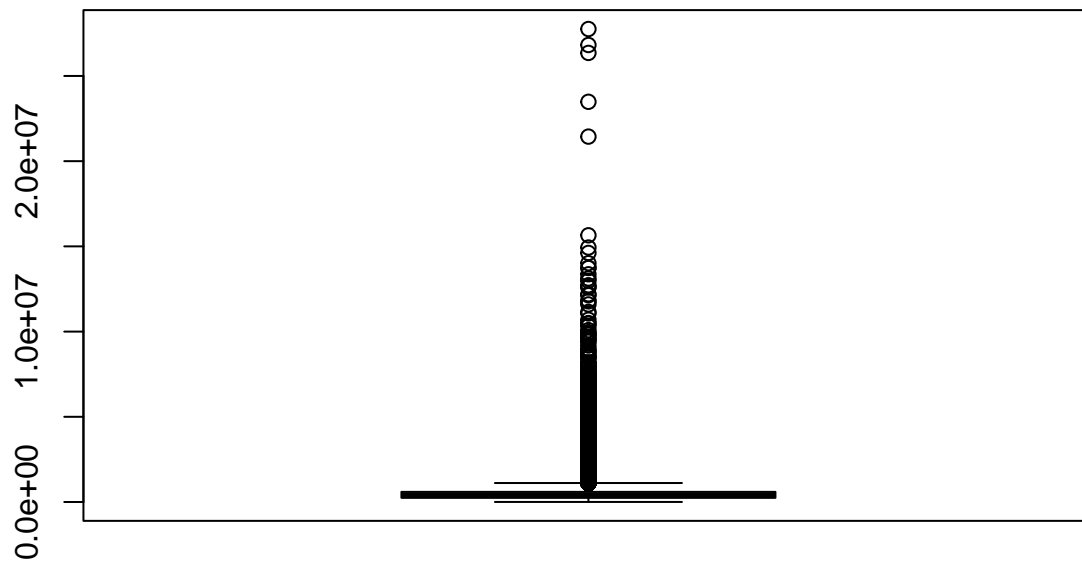
```
## [1] 0.9518683
```

```
hist(dt$price)
```

Histogram of dt\$price

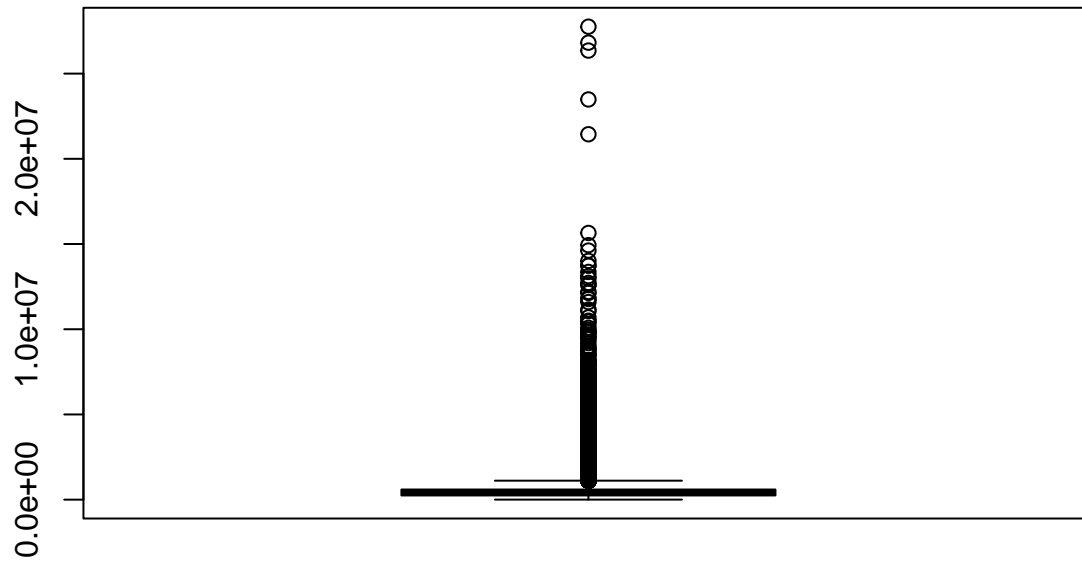


```
boxplot(dt$price)
```



Here we are removing the outliers.

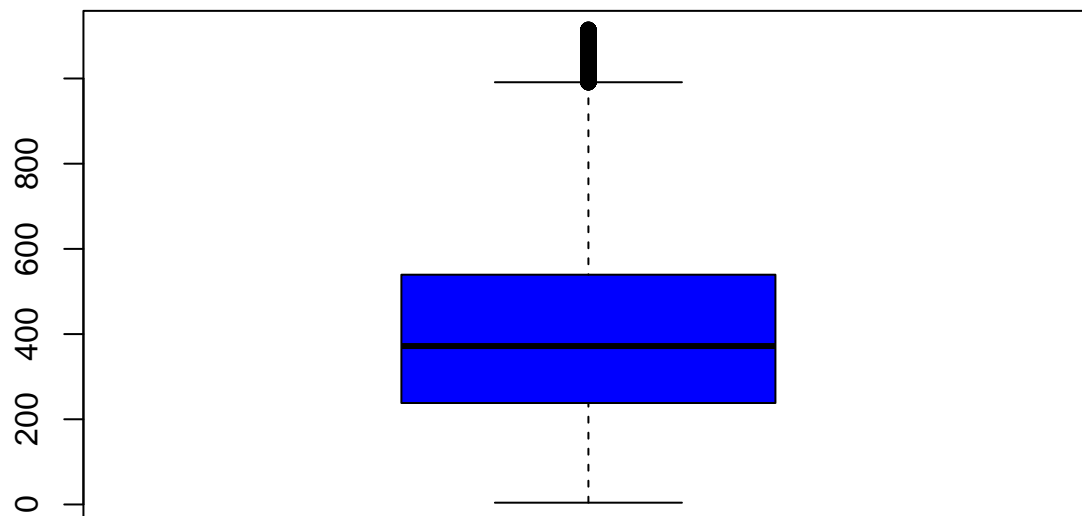
```
# Remove the outliers. dt[!which(dt$price %nin% boxplot(dt$price)$out)]  
`%nin%` <- Negate(`%in%`)  
dt1 <- dt[which(dt$price %nin% boxplot(dt$price)$out),]
```



```
`%nin%` <- Negate(`%in%`)
dt1 <- dt1 %>%
  mutate(price = price / 1000)

dt1 <- dt1 %>%
  mutate(taxvaluedollarcnt = taxvaluedollarcnt / 1000)

boxplot(dt1$price,
        col = "blue")
```



The boxplot shows us that there are houses ranging from very cheap to around \$1M.

```
# How many outliers did we drop?
nrow(dt) - nrow(dt1)
```

```
## [1] 6020
```

Here it looks like we have dropped 6020 outliers.

As there are many observations lets take 200 samples and do some plotting.

```
# In our case, we have too many observations.  
# Use sample() to only sample a few hundred points to plot.  
  
dt_sample <- dt1[sample(nrow(dt1), size = 200),]
```

Here i have selected the variables price & taxvaluedollarcnt and performed the correlation..

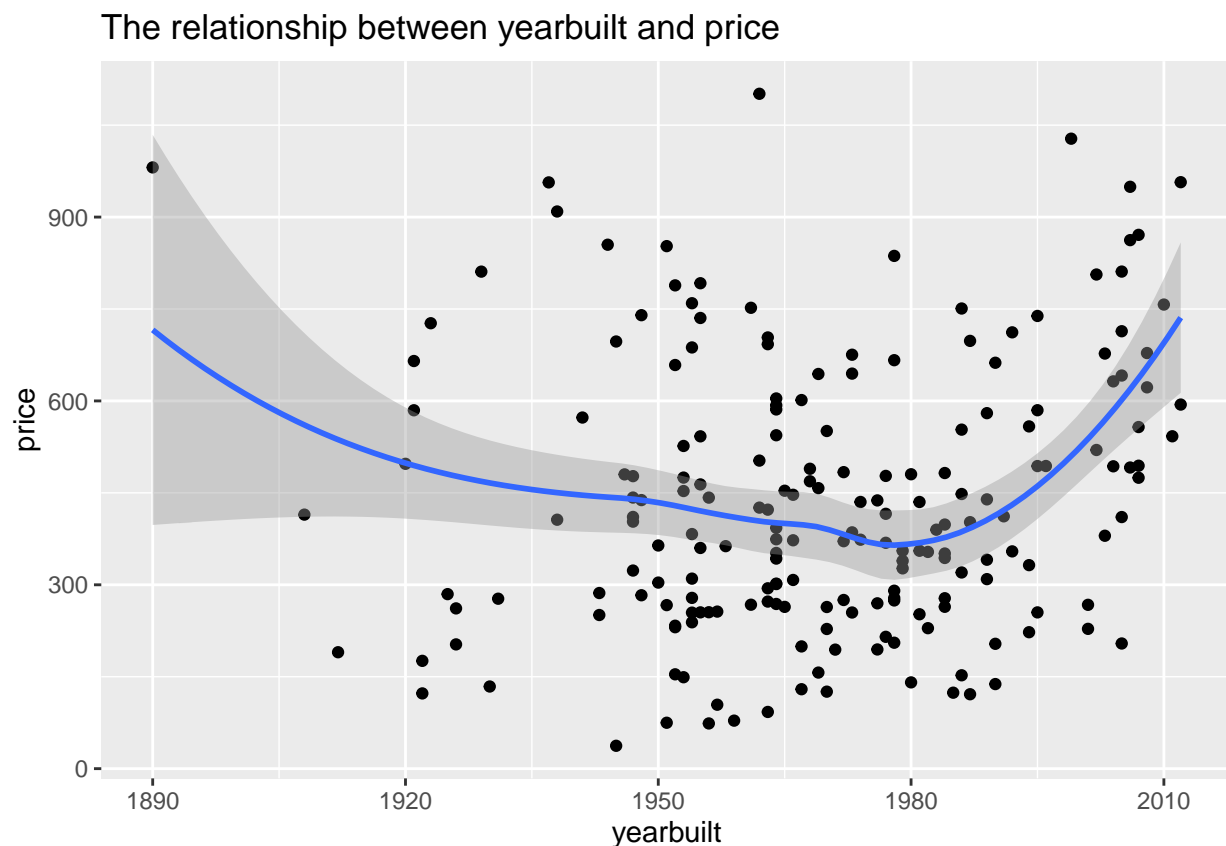
```
# plot a few of the more interesting pairs together  
cor(dt1$price, dt1$taxvaluedollarcnt)
```

```
## [1] 0.9108692
```

From the below results we can see that the correlation for price and taxvaluedollarcnt was found to be 0.91.

```
# bonus: try to make some nice-looking scatter plots with ggplot2  
  
ggplot(dt_sample, aes(yearbuilt, price)) +  
  geom_point() +  
  labs( title = "The relationship between yearbuilt and price")+ geom_smooth()
```

```
## 'geom_smooth()' using method = 'loess' and formula 'y ~ x'
```



```
# create a new data.table by dropping any missing values
# use dim() to see how many cases we dropped
colSums(dt1==0)
```

```
##           bathroomcnt           bedroomcnt
##           449           705
## calculatedfinishedsquarefeet           roomcnt
##           0           63760
##           yearbuilt           taxvaluedollarcnt
##           0           0
##           landtaxvaluedollarcnt           price
##           0           0
```

```
dim(dt1)
```

```
## [1] 83479      8
```

From the above results we can see that the roomcnt has more number of zeros compared to others.

Here we are performing the pearson correlation for price and taxvaluedollarcnt and we see that the correlation was found to be 0.90 which is a positive correlation.

```
# get the pearson correlation between price and another variable using cor()
#...there are other types of correlations
# try ?cor to see options, and try another correlation

cor(dt1$price, dt1$taxvaluedollarcnt, method = "spearman")
```

```
## [1] 0.9052994
```

Created a linear model (lm) for a correlated variable by using the price and the taxvaluedollarcnt. Plotted the variables.

```
# use the lm() command to fit a linear model of price to the
# one variable you think is most correlated or predictive of price
# lm stands for 'linear model'

fit <- lm(dt_sample$taxvaluedollarcnt ~ dt_sample$price)

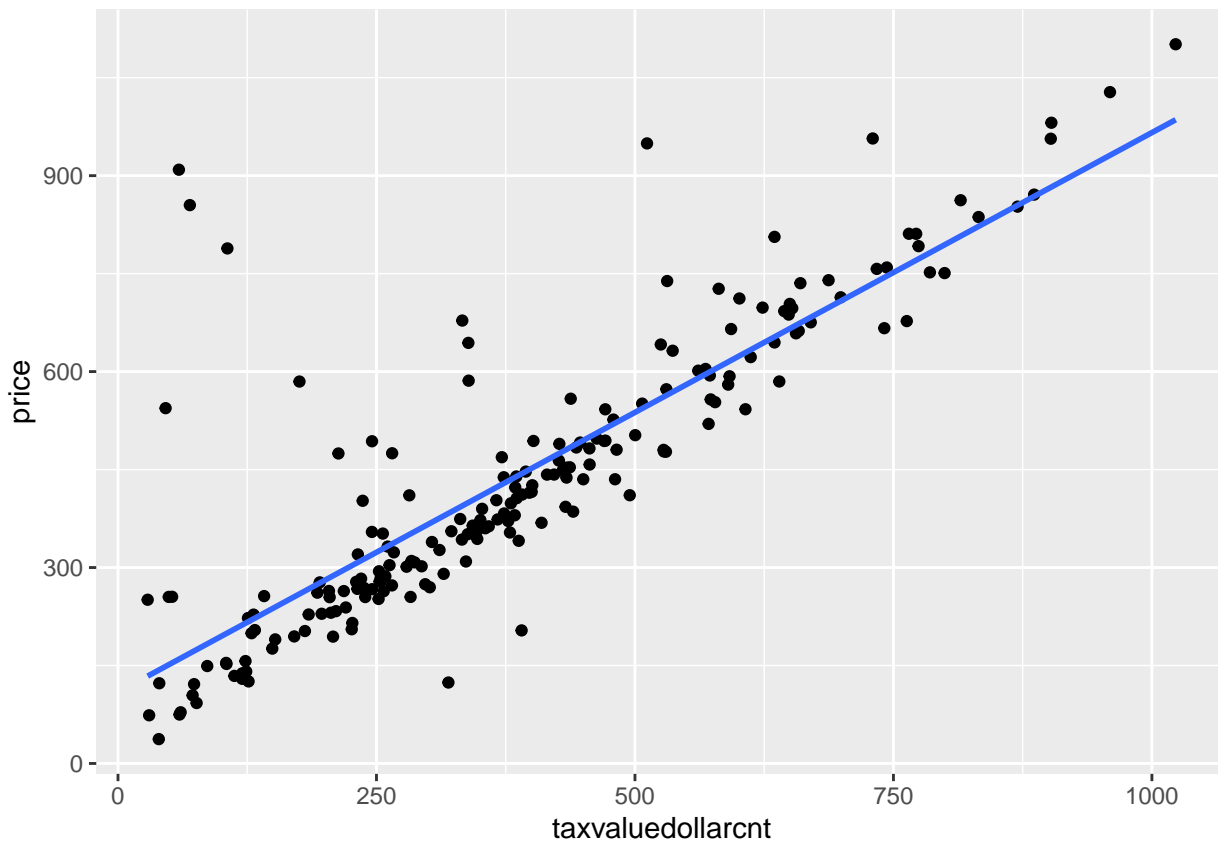
# view the model summary
summary(fit)
```

```
##
## Call:
## lm(formula = dt_sample$taxvaluedollarcnt ~ dt_sample$price)
##
## Residuals:
##      Min       1Q   Median       3Q      Max
## -712.46  -24.36   19.47   55.41  199.08
##
## Coefficients:
```

```
##               Estimate Std. Error t value Pr(>|t|)
## (Intercept)    23.79131   18.56174   1.282   0.201
## dt_sample$price 0.82231    0.03784  21.729 <2e-16 ***
## ---
## Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 117.7 on 198 degrees of freedom
## Multiple R-squared:  0.7045, Adjusted R-squared:  0.703
## F-statistic: 472.1 on 1 and 198 DF,  p-value: < 2.2e-16
```

```
# plot a scatter plot of the price and the variable you chose
```

```
ggplot(dt_sample, aes(taxvaluedollarcnt, price)) +
  geom_point() +
  geom_smooth(formula = y ~ x, method = 'lm', se = FALSE, data = dt_sample)
```

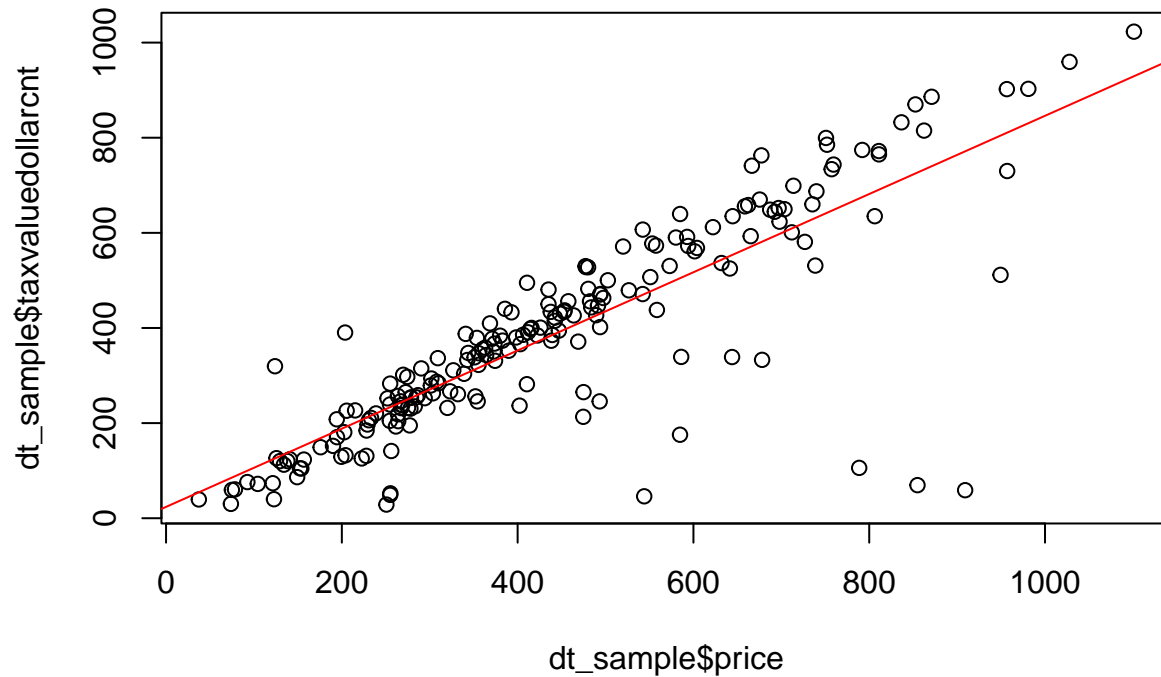


```
labs( title = "Tax value to Price")
```

```
## $title
## [1] "Tax value to Price"
##
## attr(,"class")
## [1] "labels"
```

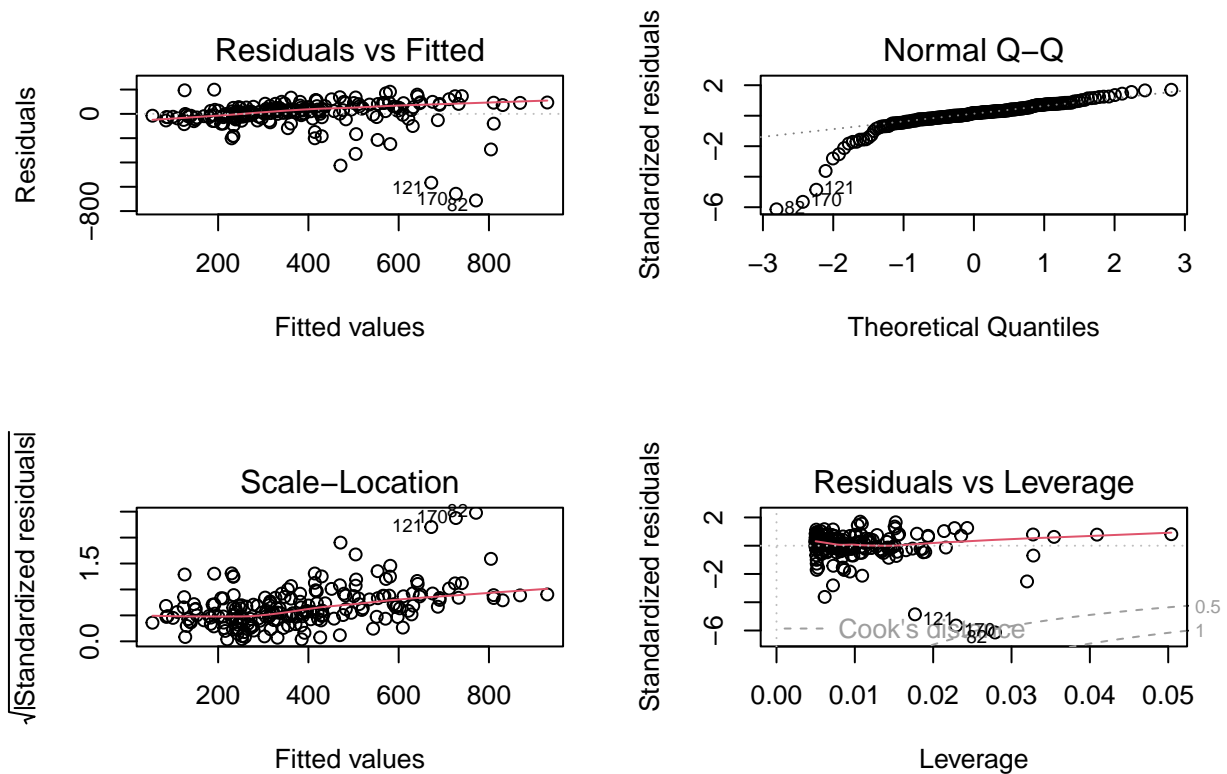
Added a regression line using abline and below is the plot.

```
# add the regression line to the current plot using abline()
plot(dt_sample$price, dt_sample$taxvaluedollarcnt)
abline(fit, col="red")
```



We can see that they are identical with the exception of the graphics, both indicating a good fit for the model. The ggplot2 model is definitely prettier but with some effort plot can be just as nice.

```
# plot the fit diagnostics here
par(mfrow=c(2,2)) # Change the panel layout to 2 x 2
plot(fit)
```



The Residual vs fitted plot can show if there is a non-linear relationship between our variables. But here we can see a flat, straight line indicating a linear relationship.

Normal Q-Q plot looks for normal distribution. we can see it is mostly normally distributed, but i think this indicates a slight skewing to the right where the lower priced houses are the exception.

The scale location plot shows the spread of residuals. A flat line would mean a uniform spread. However our data shows a higher spread as the value increases.

The Residuals vs Leverage plot shows extreme value cases can have on the regression line.

Conclusion:

I have downloaded the dataset and converted it to the data table so that it will be easier to look at the data, and i see that there are 90,275 observations and 60 columns in the data table and the summary gave the information about the number of Null values in each column. Next i have dropped 776 rows which has Null values.

Next i have checked the correlation for price and the taxvaluedollarcent and i see that the correlation was found to be 0.95

Performed box plot to see the outliers in a price column and removed them, and after removing i have plotted the boxplot again and see that the there are houses ranging from very cheap to around \$1M approximately.

Observation : I have performed the correlation between price and taxvaluedollarcent using pearson model and see that my results are 0.90 which is really good..

Next i have selected price:Taxvaluedollarcent and performed a basic linear model and performed a scatter plot and added a regression line using abline and we see that they are identical with the exception of graphics indicating a good fit for the model and see that we have a strong positive correlation, i also found that outliers do have a negative effect on our model.