1_Multiple Linear Regression

October 17, 2021

1 Multiple Linear Regression

1.1 Importing the libraries

```
[1]: import numpy as np
   import pandas as pd
   import matplotlib.pyplot as plt

[2]: from sklearn.impute import SimpleImputer
   from sklearn.compose import ColumnTransformer
   from sklearn.preprocessing import OneHotEncoder
   from sklearn.preprocessing import LabelEncoder

[3]: from sklearn.model_selection import train_test_split

[4]: from sklearn.linear_model import LinearRegression

[5]: import statsmodels.api as sm

[6]: import seaborn as sns
```

1.2 Importing the data set

```
[7]: data_set = pd.read_csv("housing.csv")
print(data_set)
```

	price	area	bedrooms	bathrooms	stories	mainroad	guestroom	basement	\
0	13300000	7420	4	2	3	yes	no	no	
1	12250000	8960	4	4	4	yes	no	no	
2	12250000	9960	3	2	2	yes	no	yes	
3	12215000	7500	4	2	2	yes	no	yes	
4	11410000	7420	4	1	2	yes	yes	yes	
		•••			•••	•••			
540	1820000	3000	2	1	1	yes	no	yes	
541	1767150	2400	3	1	1	no	no	no	
542	1750000	3620	2	1	1	yes	no	no	
543	1750000	2910	3	1	1	no	no	no	
544	1750000	3850	3	1	2	yes	no	no	

```
hotwaterheating airconditioning
                                         parking prefarea furnishingstatus
0
                   no
                                    yes
                                                 2
                                                                     furnished
                                                         yes
                                                 3
1
                                                                      furnished
                   no
                                    yes
                                                          no
2
                                                 2
                                                                semi-furnished
                   no
                                     no
                                                         yes
3
                                    yes
                                                 3
                                                         yes
                                                                      furnished
                   no
                                                 2
4
                                    yes
                                                                      furnished
                   no
                                                          no
. .
540
                                                 2
                                                                   unfurnished
                   nο
                                     nο
                                                          no
                                                 0
541
                                                                semi-furnished
                   no
                                     no
                                                          no
542
                   no
                                     nο
                                                 0
                                                          nο
                                                                   unfurnished
543
                                                 0
                                                                      furnished
                   no
                                     no
                                                          no
                                                 0
544
                   no
                                                          no
                                                                   unfurnished
                                     no
```

[545 rows x 13 columns]

```
[8]: x = data_set.iloc[:,1:].values
y = data_set.iloc[:,0].values
```

[9]: print(x)

```
[[7420 4 2 ... 2 'yes' 'furnished']
[8960 4 4 ... 3 'no' 'furnished']
[9960 3 2 ... 2 'yes' 'semi-furnished']
...
[3620 2 1 ... 0 'no' 'unfurnished']
[2910 3 1 ... 0 'no' 'furnished']
[3850 3 1 ... 0 'no' 'unfurnished']]
```

[10]: print(y)

```
[13300000 12250000 12250000 12215000 11410000 10850000 10150000 10150000
 9870000
           9800000
                     9800000
                              9681000
                                        9310000
                                                  9240000
                                                            9240000
                                                                     9100000
 9100000
           8960000
                     8890000
                               8855000
                                        8750000
                                                  8680000
                                                            8645000
                                                                     8645000
           8540000
                     8463000
                              8400000
                                        8400000
                                                  8400000
                                                            8400000
                                                                     8400000
 8575000
                     8120000
                               8080940
 8295000
           8190000
                                        8043000
                                                  7980000
                                                            7962500
                                                                     7910000
 7875000
           7840000
                     7700000
                              7700000
                                        7560000
                                                  7560000
                                                            7525000
                                                                     7490000
 7455000
           7420000
                     7420000
                               7420000
                                        7350000
                                                  7350000
                                                            7350000
                                                                      7350000
 7343000
           7245000
                     7210000
                              7210000
                                        7140000
                                                  7070000
                                                            7070000
                                                                      7035000
 7000000
           6930000
                     6930000
                               6895000
                                        6860000
                                                  6790000
                                                            6790000
                                                                      6755000
 6720000
           6685000
                     6650000
                               6650000
                                        6650000
                                                  6650000
                                                            6650000
                                                                     6650000
 6629000
           6615000
                     6615000
                               6580000
                                        6510000
                                                  6510000
                                                            6510000
                                                                      6475000
 6475000
           6440000
                     6440000
                               6419000
                                        6405000
                                                  6300000
                                                            6300000
                                                                      6300000
 6300000
           6300000
                     6293000
                               6265000
                                        6230000
                                                  6230000
                                                            6195000
                                                                      6195000
 6195000
           6160000
                     6160000
                               6125000
                                        6107500
                                                  6090000
                                                            6090000
                                                                      6090000
 6083000
           6083000
                     6020000
                               6020000
                                        6020000
                                                  5950000
                                                            5950000
                                                                      5950000
 5950000
           5950000
                     5950000
                               5950000
                                        5950000
                                                  5943000
                                                            5880000
                                                                      5880000
 5873000
           5873000
                     5866000
                               5810000
                                        5810000
                                                  5810000
                                                            5803000
                                                                      5775000
           5740000
                     5740000
                               5740000
                                        5740000
                                                  5652500
                                                            5600000
 5740000
                                                                      5600000
                                        5600000
 5600000
           5600000
                     5600000
                               5600000
                                                  5600000
                                                            5600000
                                                                      5565000
```

5565000	5530000	5530000	5530000	5523000	5495000	5495000	5460000
5460000	5460000	5460000	5425000	5390000	5383000	5320000	5285000
5250000	5250000	5250000	5250000	5250000	5250000	5250000	5250000
5250000	5243000	5229000	5215000	5215000	5215000	5145000	5145000
5110000	5110000	5110000	5110000	5075000	5040000	5040000	5040000
5040000	5033000	5005000	4970000	4970000	4956000	4935000	4907000
4900000	4900000	4900000	4900000	4900000	4900000	4900000	4900000
4900000	4900000	4900000	4900000	4893000	4893000	4865000	4830000
4830000	4830000	4830000	4795000	4795000	4767000	4760000	4760000
4760000	4753000	4690000	4690000	4690000	4690000	4690000	4690000
4655000	4620000	4620000	4620000	4620000	4620000	4613000	4585000
4585000	4550000	4550000	4550000	4550000	4550000	4550000	4550000
4543000	4543000	4515000	4515000	4515000	4515000	4480000	4480000
4480000	4480000	4480000	4473000	4473000	4473000	4445000	4410000
4410000	4403000	4403000	4403000	4382000	4375000	4340000	4340000
4340000	4340000	4340000	4319000	4305000	4305000	4277000	4270000
4270000	4270000	4270000	4270000	4270000	4235000	4235000	4200000
4200000	4200000	4200000	4200000	4200000	4200000	4200000	4200000
4200000	4200000	4200000	4200000	4200000	4200000	4200000	4200000
4193000	4193000	4165000	4165000	4165000	4130000	4130000	4123000
4098500	4095000	4095000	4095000	4060000	4060000	4060000	4060000
4060000	4025000	4025000	4025000	4007500	4007500	3990000	3990000
3990000	3990000	3990000	3920000	3920000	3920000	3920000	3920000
3920000	3920000	3885000	3885000	3850000	3850000	3850000	3850000
3850000	3850000	3850000	3836000	3815000	3780000	3780000	3780000
3780000	3780000	3780000	3773000	3773000	3773000	3745000	3710000
3710000	3710000	3710000	3710000	3703000	3703000	3675000	3675000
3675000	3675000	3640000	3640000	3640000	3640000	3640000	3640000
3640000	3640000	3640000	3633000	3605000	3605000	3570000	3570000
3570000	3570000	3535000	3500000	3500000	3500000	3500000	3500000
3500000	3500000	3500000	3500000	3500000	3500000	3500000	3500000
3500000	3500000	3500000	3500000	3493000	3465000	3465000	3465000
3430000	3430000	3430000	3430000	3430000	3430000	3423000	3395000
3395000	3395000	3360000	3360000	3360000	3360000	3360000	3360000
3360000	3360000	3353000	3332000	3325000	3325000	3290000	3290000
3290000	3290000	3290000	3290000	3290000	3290000	3255000	3255000
3234000	3220000	3220000	3220000	3220000	3150000	3150000	3150000
3150000	3150000	3150000	3150000	3150000	3150000	3143000	3129000
3118850	3115000	3115000	3115000	3087000	3080000	3080000	3080000
3080000	3045000	3010000	3010000	3010000	3010000	3010000	3010000
3010000	3003000	2975000	2961000	2940000	2940000	2940000	2940000
2940000	2940000	2940000	2940000	2870000	2870000	2870000	2870000
2852500	2835000	2835000	2835000	2800000	2800000	2730000	2730000
2695000	2660000	2660000	2660000	2660000	2660000	2660000	2660000
2653000	2653000	2604000	2590000	2590000	2590000	2520000	2520000
2520000	2485000	2485000	2450000	2450000	2450000	2450000	2450000
2450000	2408000	2380000	2380000	2380000	2345000	2310000	2275000
2275000	2275000	2240000	2233000	2135000	2100000	2100000	2100000

```
1960000 1890000 1890000 1855000 1820000 1767150 1750000 1750000 1750000]
```

2 Taking care of missing data

```
[11]: imputer = SimpleImputer(missing_values = np.nan, strategy="mean")
    imputer.fit(x[:,0:4])
    x[:,0:4] = imputer.transform(x[:,0:4])
    print(x)

[[7420.0 4.0 2.0 ... 2 'yes' 'furnished']
    [8960.0 4.0 4.0 ... 3 'no' 'furnished']
    [9960.0 3.0 2.0 ... 2 'yes' 'semi-furnished']
    ...
    [3620.0 2.0 1.0 ... 0 'no' 'unfurnished']
    [2910.0 3.0 1.0 ... 0 'no' 'furnished']
    [3850.0 3.0 1.0 ... 0 'no' 'unfurnished']]
```

2.1 Encoding categorical data

0

4

```
[12]: le = LabelEncoder()
      for i in range (4,9):
          x[:,i]=le.fit_transform(x[:, i])
      x[:,10] = le.fit_transform(x[:, 10])
      df2 = pd.DataFrame(x,
       →columns=['area', 'bedrooms', 'bathrooms', 'stories', 'mainroad', 'guestroom', 'basement', 'hotwate
      print(df2)
             area bedrooms bathrooms stories mainroad guestroom basement
     0
           7420.0
                        4.0
                                   2.0
                                           3.0
                                                       1
                                                                  0
                                                                            0
     1
           8960.0
                        4.0
                                  4.0
                                           4.0
                                                       1
                                                                  0
                                                                            0
     2
           9960.0
                        3.0
                                  2.0
                                           2.0
                                                       1
                                                                  0
                                                                            1
     3
           7500.0
                        4.0
                                  2.0
                                           2.0
                                                       1
                                                                  0
                                                                            1
           7420.0
     4
                        4.0
                                   1.0
                                           2.0
                                                       1
                                                                  1
                                                                            1
      . .
                                            •••
     540 3000.0
                        2.0
                                   1.0
                                           1.0
                                                                  0
                                                       1
                                                                            1
     541 2400.0
                                  1.0
                        3.0
                                           1.0
                                                       0
                                                                  0
                                                                            0
     542
           3620.0
                        2.0
                                  1.0
                                           1.0
                                                       1
                                                                  0
                                                                            0
           2910.0
     543
                        3.0
                                   1.0
                                           1.0
                                                       0
                                                                  0
                                                                            0
                                                                  0
                                                                            0
     544
           3850.0
                        3.0
                                   1.0
                                           2.0
                                                       1
          hotwaterheating airconditioning parking prefarea furnishingstatus
     0
                         0
                                          1
                                                   2
                                                            1
                                                                      furnished
                                          1
                                                   3
                         0
                                                            0
                                                                      furnished
     1
     2
                         0
                                          0
                                                   2
                                                            1
                                                                 semi-furnished
     3
                         0
                                          1
                                                   3
                                                            1
                                                                      furnished
```

2

0

furnished

1

```
. .
                                              2
540
                   0
                                     0
                                                        0
                                                                unfurnished
541
                                     0
                                              0
                                                        0
                                                            semi-furnished
                    0
                    0
                                     0
                                              0
                                                        0
                                                                unfurnished
542
                                                        0
543
                    0
                                     0
                                              0
                                                                  furnished
                                                        0
                                                                unfurnished
544
```

[545 rows x 12 columns]

```
[13]: ct = ColumnTransformer(transformers=[('encoder',OneHotEncoder(),[-1])],

→remainder ='passthrough')

x = ct.fit_transform(x)
```

```
[14]: print(x)
```

```
[[1.0 0.0 0.0 ... 1 2 1]

[1.0 0.0 0.0 ... 1 3 0]

[0.0 1.0 0.0 ... 0 2 1]

...

[0.0 0.0 1.0 ... 0 0 0]

[1.0 0.0 0.0 ... 0 0 0]

[0.0 0.0 1.0 ... 0 0 0]
```

```
[15]: x = x[:, 1:]
```

2.2 Splitting the dataset into the Training set and Test set

```
[16]: x_train,x_test,y_train,y_test = train_test_split(x,y,test_size=0.2,random_state

→= 0)
```

2.3 Training Multiple linear Regression Model on Training set

```
[17]: Regressor = LinearRegression()
Regressor.fit(x_train,y_train)
```

[17]: LinearRegression()

2.4 Predict Test Result

```
[18]: y_predict = Regressor.predict(x_test)
print(y_predict)
```

```
[ 3950288.61876196
                   6173868.81883061
                                     4483635.98836272
                                                      7258732.75105198
 2836727.58490499
                   7032947.0974906
                                     3203851.47112406
                                                      3270994.00904074
 3472554.03645932 8289978.32623682
                                     6605321.62954614
                                                      3723366.23684106
 3812376.95976104 4548966.84544599
                                    4020476.3484966
                                                      1969836.22090165
 4057262.98087856 3704586.86711732 3282767.93188815
                                                      4609423.64909571
 5968243.73637128 6363698.62063799 4751300.32389003
                                                      2659595.27633066
 5305573.24662102 5680819.58784482 5404106.90027122 5543050.5219253
```

```
5768360.4798223
                  5801753.70839269
                                    3389277.96110617
                                                      6399092.02678457
7081030.31411738
                  2913042.40387681
                                    4498664.01335446
                                                      5210561.68059354
                  3707596.71347599
5013457.84122302
                                    2916603.45485358
                                                      3937761.75634098
                                                      3511338.78156419
8041334.20180879
                  4942174.6114205
                                    6432605.21981742
3813475.39540813
                  6434856.19540018
                                    4447687.02885148
                                                      2696243.71724915
                                                      7124571.30073128
4180018.706258
                  6455973.25779215
                                    4056226.34306799
2530661.67791795
                  3033278.46419645
                                    3500830.32062843
                                                      5119451.01676899
                                                      4325732.61744607
7110973.93249708
                  4127705.79986428
                                    2970005.36861369
5986119.70766227
                  6824682.68794762
                                    3325637.45729309
                                                      7191804.55935353
2609468.55099856
                  5056521.66455864
                                    6636269.77589372
                                                      2565659.89128227
3751294.03758704
                  5080427.99370204
                                    4281895.68812439
                                                      7361447.18275847
5088033.19021914
                  6022539.93047597
                                    4176648.2040903
                                                      4639478.54662236
2898083.34640804
                                    2583102.74086279
                                                      3764386.73199941
                  7564393.66040171
4281895.68812439
                  6064669.4160839
                                    5199726.50699991
                                                      5402615.00751849
3900783.41794339
                  4206866.26507446
                                    4785571.46071508
                                                      5125782.90220209
3843109.12191378
                                                      5800152.85515771
                  4373515.96292211
                                    3233779.57826289
3086788.94075898
                  3736808.50597401
                                    4475695.33317646 10490600.69498214
3044861.09249697
                                                      4508307.36728241
                  7172608.23555207
                                    4348859.16641385
6607800.84902966
                  3393091.94230324
                                    4545560.49433471
                                                      3313363.08812188
7340959.28328457
                  5235408.60082988 4134159.03053657
                                                      5058911.23363261
6279957.32173079]
```

[20]: print(df)

	Acctual value	predicted value	difference
0	4585000	3950288.62	634711.38
1	6083000	6173868.82	-90868.82
2	4007500	4483635.99	-476135.99
3	6930000	7258732.75	-328732.75
4	2940000	2836727.58	103272.42
	•••	•••	•••
104	6650000	7340959.28	-690959.28
105	5810000	5235408.60	574591.40
106	4123000	4134159.03	-11159.03
107	3080000	5058911.23	-1978911.23
108	5530000	6279957.32	-749957.32

[109 rows x 3 columns]

2.5 Building the optimal model using Backward Elimination

```
[21]: x = np.append(arr = np.ones((545, 1)).astype(int), values = x, axis = 1)
print(x)
```

```
[[1 0.0 0.0 ... 1 2 1]
[1 0.0 0.0 ... 1 3 0]
```

```
[1 0.0 1.0 ... 0 0 0]
     [1 0.0 0.0 ... 0 0 0]
     [1 0.0 1.0 ... 0 0 0]]
[22]: x_{opt} = x[:, [0, 1, 2, 3, 4, 5]]
    x_opt = x_opt.astype(np.float64)
    print(x_opt)
    [[1.00e+00 0.00e+00 0.00e+00 7.42e+03 4.00e+00 2.00e+00]
     [1.00e+00 0.00e+00 0.00e+00 8.96e+03 4.00e+00 4.00e+00]
     [1.00e+00 1.00e+00 0.00e+00 9.96e+03 3.00e+00 2.00e+00]
     [1.00e+00 0.00e+00 1.00e+00 3.62e+03 2.00e+00 1.00e+00]
     [1.00e+00 0.00e+00 0.00e+00 2.91e+03 3.00e+00 1.00e+00]
     [1.00e+00 0.00e+00 1.00e+00 3.85e+03 3.00e+00 1.00e+00]]
[23]: regressor_OLS = sm.OLS(endog = y, exog = x_opt).fit()
    regressor_OLS.summary()
[23]: <class 'statsmodels.iolib.summary.Summary'>
                           OLS Regression Results
    ______
    Dep. Variable:
                                     R-squared:
                                                                0.514
                                OLS Adj. R-squared:
    Model:
                                                                0.509
                        Least Squares F-statistic:
    Method:
                                                                113.8
    Date:
                      Sun, 17 Oct 2021 Prob (F-statistic):
                                                              5.59e-82
    Time:
                            12:40:16 Log-Likelihood:
                                                               -8447.2
    No. Observations:
                                545 AIC:
                                                             1.691e+04
    Df Residuals:
                                539
                                     BTC:
                                                             1.693e+04
    Df Model:
                                  5
    Covariance Type:
                           nonrobust
     ______
                                            P>|t|
                                                      [0.025
                        std err
     ______
              4.696e+05 2.92e+05
                                             0.109 -1.04e+05
                                   1.607
                                                             1.04e+06
             -2.808e+05 1.42e+05
                                   -1.983
                                             0.048
                                                   -5.59e+05
                                                             -2620.471
    x1
              -7.93e+05 1.52e+05
                                  -5.234
                                             0.000 -1.09e+06
                                                             -4.95e+05
    x2
               358.8673
                        26.769
                                  13.406
                                             0.000
                                                     306.283
                                                               411.451
    xЗ
              3.756e+05 8.26e+04
                                   4.546
                                             0.000
                                                    2.13e+05
                                                              5.38e+05
    x4
               1.33e+06
                        1.22e+05
                                   10.869
                                             0.000
                                                    1.09e+06
                                                              1.57e+06
    ______
                              75.630
                                     Durbin-Watson:
                                                                1.006
    Omnibus:
    Prob(Omnibus):
                                                              152.634
                               0.000
                                     Jarque-Bera (JB):
    Skew:
                               0.789
                                     Prob(JB):
                                                              7.18e-34
```

[1 1.0 0.0 ... 0 2 1]

Kurtosis:

Cond. No.

3.12e+04

5.058

Notes:

- [1] Standard Errors assume that the covariance matrix of the errors is correctly specified.
- [2] The condition number is large, 3.12e+04. This might indicate that there are strong multicollinearity or other numerical problems.

```
[24]: x_opt = x[:, [0, 1, 3, 4, 5]]
x_opt = x_opt.astype(np.float64)
regressor_OLS = sm.OLS(endog = y, exog = x_opt).fit()
regressor_OLS.summary()
```

[24]: <class 'statsmodels.iolib.summary.Summary'>

OLS Regression Results

Dep. Variable:	у	R-squared:	0.489
Model:	OLS	Adj. R-squared:	0.485
Method:	Least Squares	F-statistic:	129.1
Date:	Sun, 17 Oct 2021	Prob (F-statistic):	2.72e-77
Time:	12:40:16	Log-Likelihood:	-8460.7
No. Observations:	545	AIC:	1.693e+04
Df Residuals:	540	BIC:	1.695e+04
Df Model:	4		
Covariance Type:	nonrobust		

Covariance Type: nonrobust

=======	=========	-========				========
	coef	std err	t	P> t	[0.025	0.975]
const x1 x2	-2.229e+05 1.589e+05 378.8844	2.67e+05 1.17e+05 27.134	-0.835 1.361 13.963	0.404 0.174 0.000	-7.47e+05 -7.05e+04 325.583	3.01e+05 3.88e+05 432.186
x3 x4	4.02e+05 1.384e+06	8.45e+04 1.25e+05	4.759 11.080	0.000	2.36e+05 1.14e+06	5.68e+05 1.63e+06
Omnibus: Prob(Omnibus): Skew: Kurtosis:		0.7		-):	0.955 156.197 1.21e-34 2.67e+04
=======	==========			=======		========

Notes:

- [1] Standard Errors assume that the covariance matrix of the errors is correctly specified.
- [2] The condition number is large, 2.67e+04. This might indicate that there are strong multicollinearity or other numerical problems.

11 11 11

```
[25]: x_opt = x[:, [0, 3, 4, 5]]
x_opt = x_opt.astype(np.float64)
regressor_OLS = sm.OLS(endog = y, exog = x_opt).fit()
regressor_OLS.summary()
```

[25]: <class 'statsmodels.iolib.summary.Summary'>

OLS Regression Results

Dep. Variable: R-squared: 0.487 Model: OLS Adj. R-squared: 0.484 Method: Least Squares F-statistic: 171.3 Sun, 17 Oct 2021 Prob (F-statistic): 4.80e-78 Date: Time: 12:40:16 Log-Likelihood: -8461.6 No. Observations: 1.693e+04 545 AIC: Df Residuals: 541 BIC: 1.695e+04

Df Model: 3
Covariance Type: nonrobust

=======		========		=======		========
	coef	std err	t	P> t	[0.025	0.975]
const	-1.732e+05	2.65e+05	-0.655	0.513	-6.93e+05	3.47e+05
x1	378.7628	27.155	13.948	0.000	325.420	432.105
x2	4.068e+05	8.45e+04	4.817	0.000	2.41e+05	5.73e+05
хЗ	1.386e+06	1.25e+05	11.089	0.000	1.14e+06	1.63e+06
Omnibus:		70 . ·	400 Db-i			0.952
				Durbin-Watson:		
Prob(Omni	.bus):	0.	000 Jarque	Jarque-Bera (JB):		
Skew:		0.	738 Prob(J	Prob(JB):		
Kurtosis:		5.	029 Cond.	No.		2.64e+04
=======	.========		========	=======		

Notes:

- [1] Standard Errors assume that the covariance matrix of the errors is correctly specified.
- [2] The condition number is large, 2.64e+04. This might indicate that there are strong multicollinearity or other numerical problems.

```
[26]: x_opt = x[:, [0, 3, 5]]
x_opt = x_opt.astype(np.float64)
regressor_OLS = sm.OLS(endog = y, exog = x_opt).fit()
regressor_OLS.summary()
```

[26]: <class 'statsmodels.iolib.summary.Summary'>

OLS Regression Results

===========	===========		=========
Dep. Variable:	у	R-squared:	0.465
Model:	OLS	Adj. R-squared:	0.463
Method:	Least Squares	F-statistic:	235.6
Date:	Sun, 17 Oct 2021	Prob (F-statistic):	2.32e-74
Time:	12:40:16	Log-Likelihood:	-8473.0
No. Observations:	545	AIC:	1.695e+04
Df Residuals:	542	BIC:	1.697e+04
D.C. M J J.	0		

Df Model: 2
Covariance Type: nonrobust

========	-=========			========	========	========
	coef	std err	t	P> t	[0.025	0.975]
const x1 x2	6.992e+05 390.1749 1.6e+06	1.97e+05 27.600 1.19e+05	3.554 14.137 13.422	0.000 0.000 0.000	3.13e+05 335.958 1.37e+06	1.09e+06 444.391 1.83e+06
========				=======	========	========
Omnibus:		84.	006 Durb	oin-Watson:		0.922
Prob(Omnik	ous):	0.	000 Jaro	ue-Bera (JB	182.089	
Skew:		0.	840 Prob	(JB):		2.88e-40
Kurtosis:		5.	280 Cond	l. No.		2.04e+04

Notes:

- [1] Standard Errors assume that the covariance matrix of the errors is correctly specified.
- [2] The condition number is large, 2.04e+04. This might indicate that there are strong multicollinearity or other numerical problems.

```
[27]: x_opt = x[:, [0, 3]]
x_opt = x_opt.astype(np.float64)
regressor_OLS = sm.OLS(endog = y, exog = x_opt).fit()
regressor_OLS.summary()
```

[27]: <class 'statsmodels.iolib.summary.Summary'>

OLS Regression Results

у	R-squared:	0.287
OLS	Adj. R-squared:	0.286
Least Squares	F-statistic:	218.9
Sun, 17 Oct 2021	Prob (F-statistic):	7.39e-42
12:40:16	Log-Likelihood:	-8551.2
	Least Squares Sun, 17 Oct 2021	OLS Adj. R-squared: Least Squares F-statistic: Sun, 17 Oct 2021 Prob (F-statistic):

No. Observations:	545	AIC:	1.711e+04
Df Residuals:	543	BIC:	1.712e+04
Df Model:	1		

Covariance Type: nonrobust

========			========			========
	coef	std err	t	P> t	[0.025	0.975]
const x1	2.387e+06 461.9749	1.74e+05 31.226	13.681 14.795	0.000 0.000	2.04e+06 400.637	2.73e+06 523.313
Omnibus: Prob(Omnibus): Skew: Kurtosis:		0.):	0.565 183.673 1.31e-40 1.44e+04

Notes:

- [1] Standard Errors assume that the covariance matrix of the errors is correctly specified.
- [2] The condition number is large, 1.44e+04. This might indicate that there are strong multicollinearity or other numerical problems.

[28]: print(x_opt)

[[1.00e+00 7.42e+03]

[1.00e+00 8.96e+03]

[1.00e+00 9.96e+03]

•••

[1.00e+00 3.62e+03]

[1.00e+00 2.91e+03]

[1.00e+00 3.85e+03]]

[29]: %matplotlib inline

[30]: plt.figure(figsize = (16,10))

sns.heatmap(data_set.corr(),annot= True)

plt.show()



