# Car price prediction

In this notebook we are going to do a regression project to predict selling price of a car based on some features that are provided in dataset.

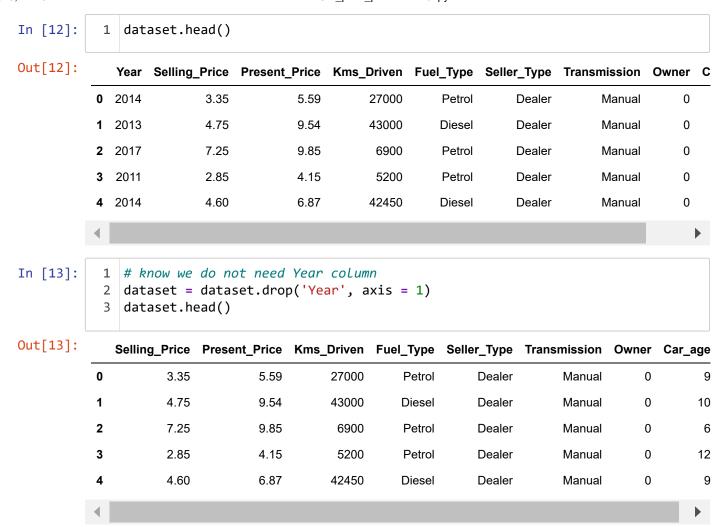
# **Data Dictionary**

- Car name ----> The name of the car.
- Year ----> Year of car production.
- Selling\_price ----> The price that car was dealed with: target value
- Present\_price ----> Current car's price .
- Kms\_Driven ----> The distance traveled by the car in kilometer.
- Fuel\_Type ----> Fuel type that car uses.
- Seller\_type ----> Car has sold be a dealer or a individual.
- Transmission ----> Type of gearbox that car has.
- Owner ----> The number of previous owner.

```
In [1]:
              import numpy as np
           2 import pandas as pd
           3 import matplotlib.pyplot as plt
           4 | import seaborn as sns
In [2]:
           1 # Defining the path
             path = 'E:/EDU/Programming/Python/AI/car_prediction_data.csv'
In [3]:
           1 dataset = pd.read_csv(path)
           2 dataset.head()
Out[3]:
             Car Name
                      Year Selling_Price Present_Price Kms_Driven Fuel_Type Seller_Type Transmission
          0
                   ritz 2014
                                     3.35
                                                   5.59
                                                             27000
                                                                        Petrol
                                                                                   Dealer
                                                                                                Manua
          1
                   sx4 2013
                                     4.75
                                                   9.54
                                                             43000
                                                                        Diesel
                                                                                   Dealer
                                                                                                Manua
          2
                   ciaz 2017
                                     7.25
                                                   9.85
                                                               6900
                                                                        Petrol
                                                                                   Dealer
                                                                                                Manua
                                                               5200
                                                                        Petrol
                                                                                   Dealer
          3
               wagon r 2011
                                     2.85
                                                   4.15
                                                                                                Manua
                  swift 2014
                                                                                                Manua
                                     4.60
                                                   6.87
                                                             42450
                                                                        Diesel
                                                                                   Dealer
```

# Data preprocessing and Exploratory data analysis.

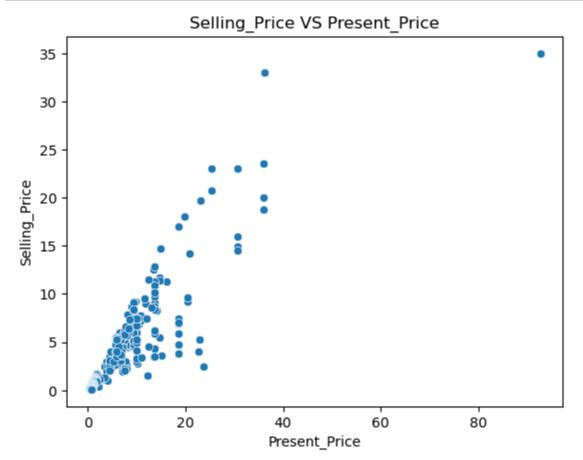
```
In [4]:
           1 # see the unique values
           2 print(dataset['Fuel_Type'].unique())
           3 print(dataset['Seller_Type'].unique())
           4 print(dataset['Transmission'].unique())
           5 print(dataset['Owner'].unique())
          ['Petrol' 'Diesel' 'CNG']
          ['Dealer' 'Individual']
          ['Manual' 'Automatic']
          [0 1 3]
           1 # finding null values
 In [5]:
            2 dataset.isnull().sum()
Out[5]: Car Name
                            0
          Year
                            0
          Selling_Price
                            0
          Present Price
                            0
          Kms Driven
                            0
          Fuel_Type
          Seller_Type
                            0
          Transmission
                            0
          Owner
                            0
          dtype: int64
 In [6]:
           1 # Car name is not nessesary as it has no effect on price of the car
            2 dataset = dataset.drop('Car Name', axis = 1)
 In [7]:
            1 dataset.head()
Out[7]:
                  Selling_Price Present_Price Kms_Driven Fuel_Type Seller_Type Transmission Owner
           0
             2014
                          3.35
                                      5.59
                                                 27000
                                                           Petrol
                                                                     Dealer
                                                                                 Manual
                                                                                            0
             2013
                          4.75
                                      9.54
                                                 43000
                                                                     Dealer
                                                          Diesel
                                                                                 Manual
                                                                                             0
            2017
                          7.25
                                      9.85
                                                 6900
                                                           Petrol
                                                                     Dealer
                                                                                 Manual
                                                                                             0
                                                 5200
            2011
                          2.85
                                      4.15
                                                           Petrol
                                                                     Dealer
                                                                                 Manual
                                                                                             0
                          4.60
                                                 42450
           4 2014
                                      6.87
                                                          Diesel
                                                                     Dealer
                                                                                 Manual
                                                                                            0
In [11]:
           1 # insted of year of the car production it is better to have the age of it. u
           2 import datetime
           3 | current_time = datetime.datetime.now()
           4 current_year = current_time.year
           5 dataset['Car_age'] = current_year - dataset['Year']
```



# Let's see the relation between indipendent variables and dependent one which is 'Selling\_Price'

Selling\_Price VS Present\_Price

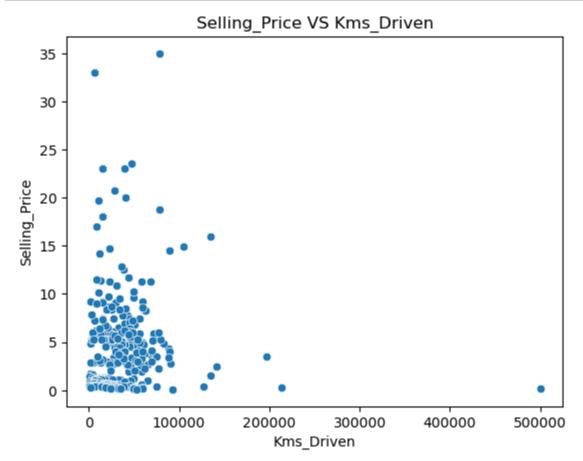
In [14]: 1 sns.scatterplot(x = 'Present\_Price', y = 'Selling\_Price', data = dataset).se



The scatter plot displays the rise in selling price in relation to the current price. Nonetheless, there are certain cars whose price is comparatively lower than others with a similar current price. Hence, there must be additional factors influencing the selling price.

Selling\_Price VS Kms\_Driven

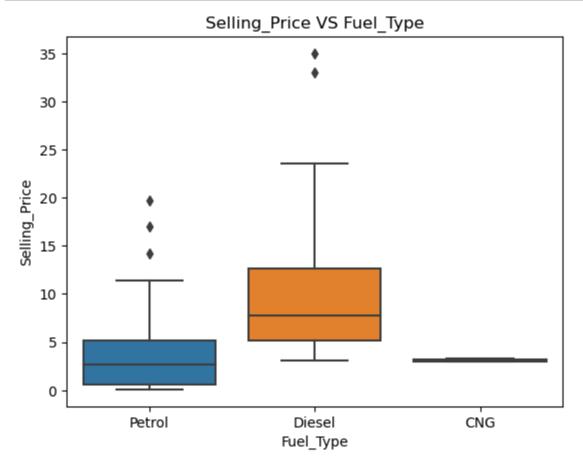
In [15]: 1 sns.scatterplot(x = 'Kms\_Driven', y = 'Selling\_Price', data = dataset).set\_t



There appears to be no specific correlation between the selling price and kms\_Driven, as observed.

## Selling\_Price VS Fuel\_Type

In [16]: 1 sns.boxplot(x = 'Fuel\_Type', y = 'Selling\_Price', data = dataset).set\_title(



The plot indicates that cars fueled by diesel tend to have higher selling prices. It is important to take into account the limited number of car samples with CNG fuel type in this dataset.

## Selling\_Price VS Seller\_Type

In [17]: 1 sns.boxplot(x = 'Seller\_Type', y = 'Selling\_Price', data = dataset).set\_title



We can observe the impact of the seller type on the selling price, which suggests that cars sold by a "Dealer" generally fetch higher selling prices.

## **Selling\_Price VS Transmission**

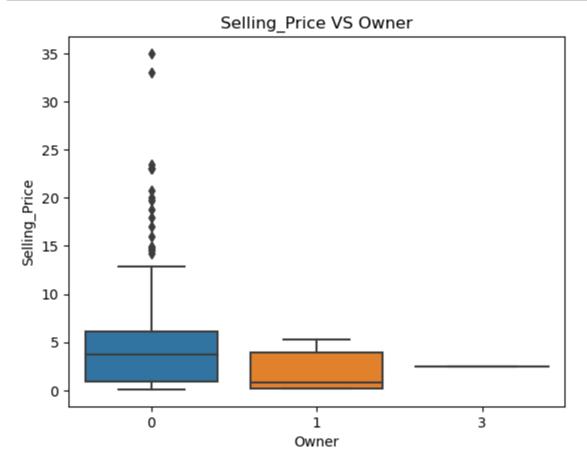
In [18]: 1 sns.boxplot(x = 'Transmission', y = 'Selling\_Price', data = dataset).set\_tit



The presented plot demonstrates the influence of the transmission type on the selling price. It is evident that cars equipped with automatic transmission tend to be more expensive compared to those with manual transmission. Nevertheless, there are instances where some cars with manual transmission command higher selling prices.

# Selling\_Price VS Owner

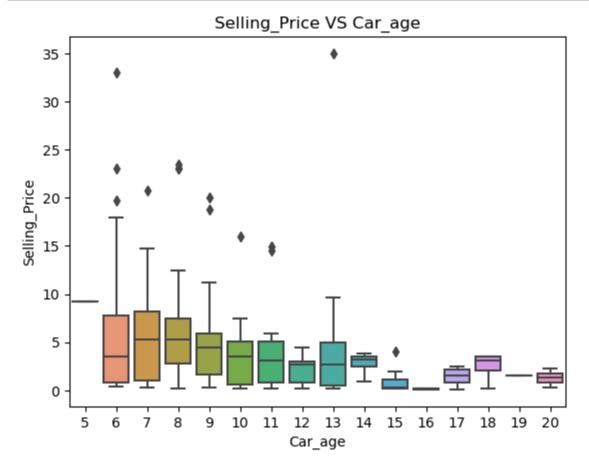
In [19]: 1 sns.boxplot(x = 'Owner', y = 'Selling\_Price', data = dataset).set\_title('Sel



The graph illustrates that the selling price typically declines as the number of previous owners increases.

Selling\_Price VS Car\_age

In [20]: 1 sns.boxplot(x = 'Car\_age', y = 'Selling\_Price', data = dataset).set\_title('



The last graph demonstrates that the selling price frequently decreases as the age of the car increases.

In [21]: 1 dataset

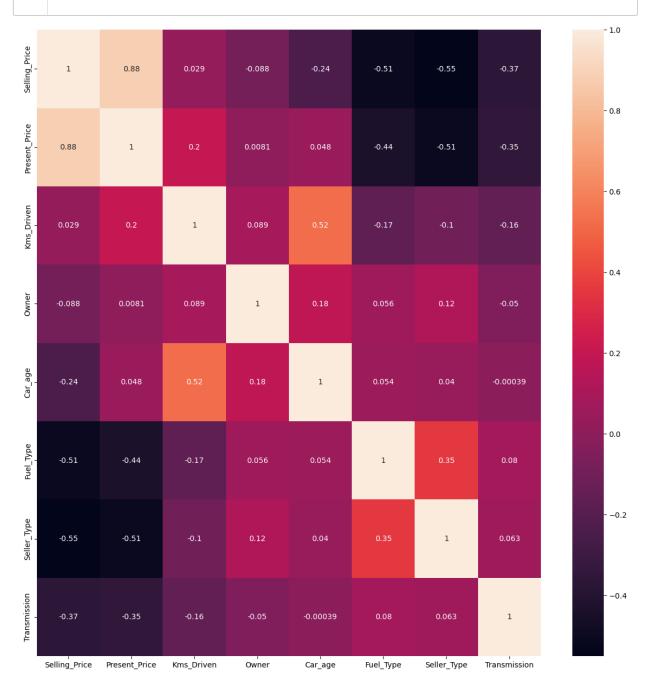
Out[21]:		Selling_Price	Present_Price	Kms_Driven	Fuel_Type	Seller_Type	Transmission	Owner	Car_a
	0	3.35	5.59	27000	Petrol	Dealer	Manual	0	
	1	4.75	9.54	43000	Diesel	Dealer	Manual	0	
	2	7.25	9.85	6900	Petrol	Dealer	Manual	0	
	3	2.85	4.15	5200	Petrol	Dealer	Manual	0	
	4	4.60	6.87	42450	Diesel	Dealer	Manual	0	
	296	9.50	11.60	33988	Diesel	Dealer	Manual	0	
	297	4.00	5.90	60000	Petrol	Dealer	Manual	0	
	298	3.35	11.00	87934	Petrol	Dealer	Manual	0	
	299	11.50	12.50	9000	Diesel	Dealer	Manual	0	
	300	5.30	5.90	5464	Petrol	Dealer	Manual	0	

301 rows × 8 columns

```
In [26]:
              # creat a class to plot corrilation and do onehot encoding for given dataset
           2
              class manual functions():
           3
                  def __init__(self, dataset):
           4
           5
                      self.dataset = dataset
           6
           7
                  def corrilation(self):
           8
                      from sklearn.preprocessing import LabelEncoder
           9
                      global dataset
          10
                      cat_col = [c for i, c in enumerate(dataset.columns) if dataset.dtype
          11
                      if len(cat_col) > 0:
          12
                          new_dataset = dataset.copy()
                          for feature in cat_col:
          13
          14
                              le = LabelEncoder()
          15
                              label = le.fit_transform(new_dataset[feature])
                              new_dataset.drop([feature], axis=1, inplace=True)
          16
          17
                              new_dataset[feature] = label
          18
          19
                          plt.figure(figsize = (15, 15))
          20
                          g= sns.heatmap(new_dataset.corr(),annot=True, )
          21
                      else:
          22
                          plt.figure(figsize = (15, 15))
          23
                          g= sns.heatmap(new_dataset.corr(),annot=True, )
          24
          25
                  def onehot_encoding(self):
          26
                      global dataset
                      cat_col = [c for i, c in enumerate(dataset.columns) if dataset.dtype
          27
          28
                      for cat_features in cat_col:
          29
                          dataset = pd.get_dummies(dataset, columns = [cat_features])
          30
                      return dataset
```

In [27]:

manual\_functions.corrilation(dataset)



In this corelation matrix heatmap, we can see that the present price has highest corrilation with selling price.

t[28]:		Selling_Price	Present_Price	Kms_Driven	Owner	Car_age	Fuel_Type_CNG	Fuel_Type_Diesel
	0	3.35	5.59	27000	0	9	0	0
	1	4.75	9.54	43000	0	10	0	1
	2	7.25	9.85	6900	0	6	0	0
	3	2.85	4.15	5200	0	12	0	0
	4	4.60	6.87	42450	0	9	0	1
						•••		
	296	9.50	11.60	33988	0	7	0	1
	297	4.00	5.90	60000	0	8	0	0
	298	3.35	11.00	87934	0	14	0	0
	299	11.50	12.50	9000	0	6	0	1
	300	5.30	5.90	5464	0	7	0	0

301 rows × 12 columns

#### **Feature Importance**

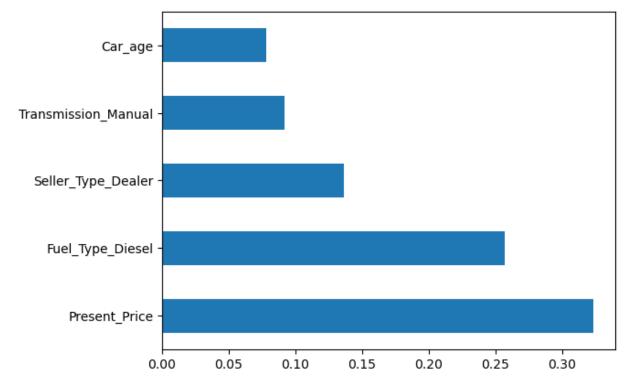
Feature importance is a feature selection technique usually use for larg dataset. However our dataset is a small dataset we are goting to it anyway just to show the importance of features and are not going to implement it on out model.

```
In [30]: 1 from sklearn.ensemble import ExtraTreesRegressor
2 model = ExtraTreesRegressor()
3 model.fit(X,target)
```

# Out[30]: ExtraTreesRegressor()

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As we can see the most importannt feature to predict selling price is present price.

```
In [35]: 1  from sklearn.model_selection import train_test_split, cross_val_score
2  X_train, X_test, y_train, y_test = train_test_split(X, target, random_state=
3  print(X_train.shape, X_test.shape, y_train.shape, y_test.shape)

(225, 11) (76, 11) (225,) (76,)
```

#### **Model Creation**

In this nokebook we are going to compare four different regressor and then tune each one that have poor performance then see which one is going to perform better.

```
In [36]: 1 import warnings
2 warnings.filterwarnings('ignore')
```

```
In [37]: 1  from sklearn.ensemble import GradientBoostingRegressor
2  from sklearn.linear_model import SGDRegressor
3  from sklearn.ensemble import RandomForestRegressor
4  from catboost import CatBoostRegressor
5  from sklearn.model_selection import RandomizedSearchCV
7  # import metrics
9  from sklearn.metrics import mean_absolute_error, mean_squared_error, r2_score
The [30]: 1 CRB model = ChadientBoostingRegresson(nandom_state=_43)
```

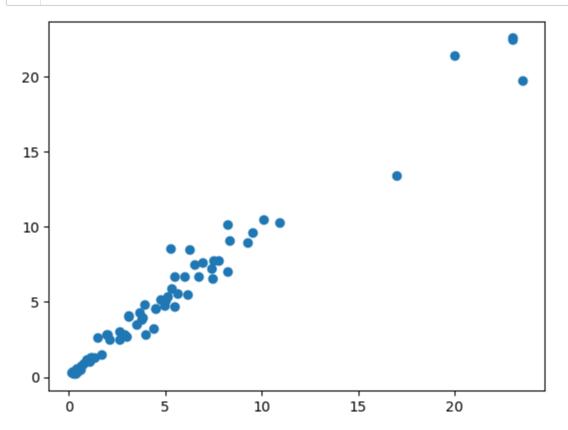
#### GBR\_model

6 # printing the results

MAE: 0.5408562819175843, MSE: 0.8808967747078672, R2: 0.9679374302804042

7 print(f'MAE:{GBR MAE}, MSE: {GBR MSE}, R2: {GBR R2}')

In [43]: 1 plt.scatter(y\_test, y\_pred);

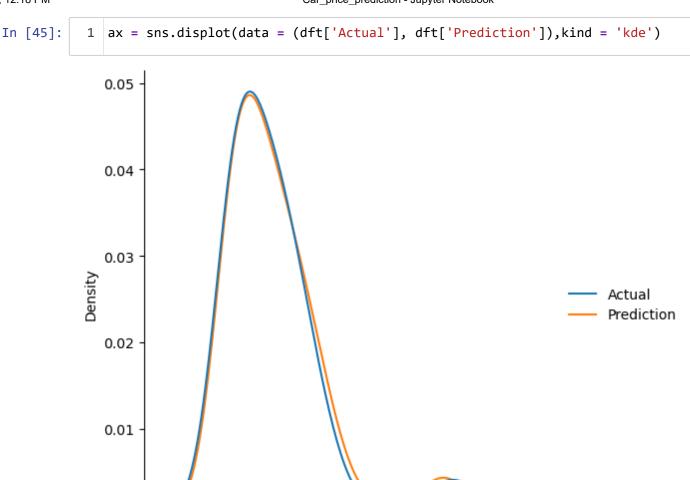


As this model works prety good with default hyperparameter we do not need to tune it

Actual	Prediction
0.35	0.424882
10.11	10.467838
4.95	4.772250
0.15	0.268056
	0.35 10.11 4.95

6.95

7.657061



GBR model performed very good without tuning so we are not going to tune it.

10

15

20

25

30

5

#### SGDR\_model

6

0.00

-5

0

MAE:6.4245507559862e+18, MSE: 5.884683481743032e+37, R2: -2.1418863120904382e+3

```
SGDR_df = pd.DataFrame({'Actual': y_test, 'Prediction': SGDR_y_pred})
In [48]:
              SGDR_df.head()
Out[48]:
                          Prediction
               Actual
           177
                 0.35 -4.426537e+18
           289
                 10.11 -2.025141e+18
           228
                 4.95 -1.106634e+19
           198
                 0.15 -6.455367e+18
            60
                 6.95 -7.377746e+18
            1 ax = sns.displot(data = (SGDR_df['Actual'], SGDR_df['Prediction']),kind = 'k
In [49]:
              0.05
              0.04
              0.03
                                                                                      Actual
                                                                                      Prediction
              0.02
              0.01
              0.00
                                           -1.5
                            -2.5
                                    -2.0
                     -3.0
                                                  -1.0
                                                          -0.5
                                                                  0.0
                                                                         0.5
```

As we can see it cannot preddict well with default hyperparameter so let's tune it.

1e19

```
In [50]:
             loss= ['squared_error', 'huber', 'epsilon_insensitive', 'squared_epsilon_inse
           penalty = ['12', '11']
           3 alpha = [float(X) for X in np.linspace(start= 0.0001, stop= 0.01, num = 100
           4 | l1_ratio = [float(X) for X in np.linspace(start = 0.1, stop = 0.5, num = 100
           5 fit_intercept = ['True, False']
           6 max_iter = [int(X) for X in np.linspace(start = 900, stop = 1500, num = 100)
           7 learning_rate = ['constant', 'optimal', 'invscaling', 'adaptive']
           8 warm_start = ['False', 'True']
              random grid = {'loss': loss,
In [51]:
           2
                             'penalty': penalty,
           3
                             'alpha': alpha,
           4
                             'l1 ratio': l1 ratio,
           5
                             'max_iter': max_iter,
                             'learning rate': learning rate,
           6
           7
                             'warm_start': warm_start,}
In [52]:
             Tuned_SGDR_model = RandomizedSearchCV(estimator= SGDR_model, param_distribut
```

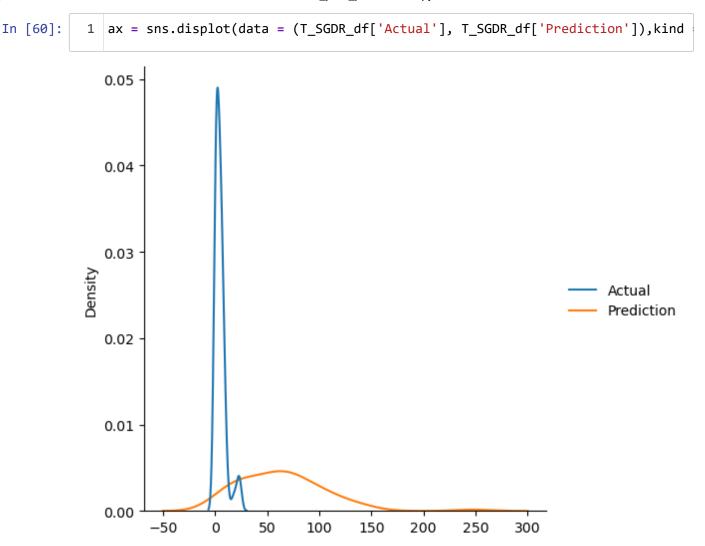
```
In [53]:
             Tuned_SGDR_model.fit(X_train, y_train)
Out[53]: RandomizedSearchCV(cv=10, estimator=SGDRegressor(random state=42),
                             param distributions={'alpha': [0.0001, 0.0002,
                                                              0.000300000000000000003,
                                                              0.0004, 0.0005,
                                                              0.00060000000000000001,
                                                              0.0007000000000000001, 0.000
         8,
                                                              0.0009000000000000001, 0.001,
                                                              0.0011, 0.0012000000000000000
         1,
                                                              0.001300000000000000002,
                                                              0.0014000000000000002, 0.001
         5,
                                                              0.0016, 0.0017000000000000000
         1,
                                                              0.001800000000000...
                                                                      'adaptive'],
                                                   'loss': ['squared_error', 'huber',
                                                             'epsilon insensitive',
                                                             'squared epsilon insensitiv
         e'],
                                                    'max iter': [900, 906, 912, 918, 924,
                                                                 930, 936, 942, 948, 954,
                                                                 960, 966, 972, 978, 984,
                                                                 990, 996, 1003, 1009, 101
         5,
                                                                 1021, 1027, 1033, 1039,
                                                                 1045, 1051, 1057, 1063,
                                                                 1069, 1075, ...],
                                                   'penalty': ['12', '11'],
                                                   'warm_start': ['False', 'True']},
                             random_state=42, scoring='neg_mean_absolute_error')
```

In a Jupyter environment, please rerun this cell to show the HTML representation or trust the notebook.

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```
Car_price_prediction - Jupyter Notebook
              T_SGDR_y_pred = Tuned_SGDR_model.predict(X_test)
In [55]:
In [57]:
              plt.scatter(y_test, T_SGDR_y_pred);
           250
           200
           150
           100
            50
                                5
                                            10
                                                          15
                                                                       20
In [58]:
           1 # evaluate model
           2 T_SGDR_MAE = mean_absolute_error(y_test, T_SGDR_y_pred)
           3 T_SGDR_MSE = mean_squared_error(y_test, T_SGDR_y_pred)
             T_SGDR_R2 = r2_score(y_test, T_SGDR_y_pred)
           5
              # printing the results
              print(f'MAE:{T_SGDR_MAE}, MSE: {T_SGDR_MSE}, R2: {T_SGDR_R2}')
         MAE:59.07001780969827, MSE: 5217.386128116324, R2: -188.9005777859246
In [59]:
              T_SGDR_df = pd.DataFrame({'Actual': y_test, 'Prediction': T_SGDR_y_pred})
              T_SGDR_df.head()
Out[59]:
               Actual
                      Prediction
           177
                 0.35
                      43.892625
           289
                10.11
                      20.069339
           228
                 4.95 109.763463
```

198	0.15	64.019826
60	6.95	73.170383

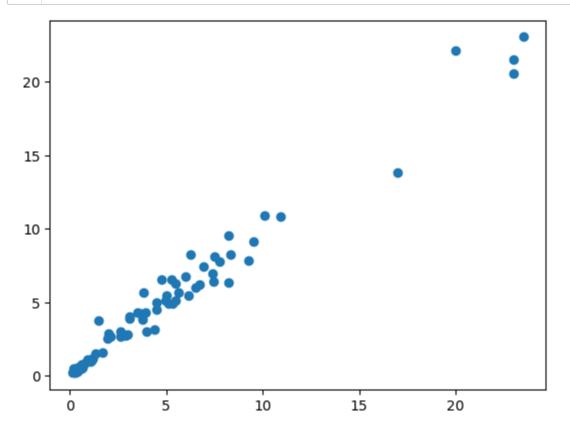


Obviously, the model has not a good performance. Howerver, it is essential to note a substantial difference between the SGDR model after the implementation of tuning techniques as compared to its pre-tuning state.`

### RandomForestRegressor

```
In [61]: 1 RFR_model = RandomForestRegressor()
2 RFR_model.fit(X_train, y_train)
3 RFR_y_pred = RFR_model.predict(X_test)
```

```
In [62]: 1 plt.scatter(y_test, RFR_y_pred);
```



```
In [63]: 1 RFR_MAE = mean_absolute_error(y_test, RFR_y_pred)
2 RFR_MSE = mean_squared_error(y_test, RFR_y_pred)
3 RFR_R2 = r2_score(y_test, RFR_y_pred)
4 print(f'MAE: {RFR_MAE} | MSE: {RFR_MSE} | R2: {RFR_R2}')
```

MAE: 0.5749657894736846 | MSE: 0.7935562621052629 | R2: 0.9711164194140571

```
In [64]: 1 RFR_df = pd.DataFrame({'Actual': y_test, 'Prediction': RFR_y_pred})
2 RFR_df.head()
```

Out[64]:		Actual	Prediction
	177	0.35	0.4381
	289	10.11	10.8830
	228	4.95	5.1575
	198	0.15	0.1967
	60	6.95	7.4735

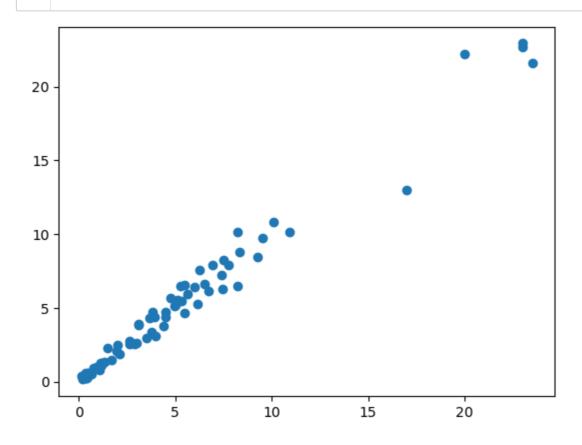
In [65]:

1 ax = sns.displot(data = (RFR\_df['Actual'], RFR\_df['Prediction']), kind = 'kd 0.05 0.04 0.03 Density Actual Prediction 0.02 0.01 0.00 5 -5 10 20 0 15 25 30

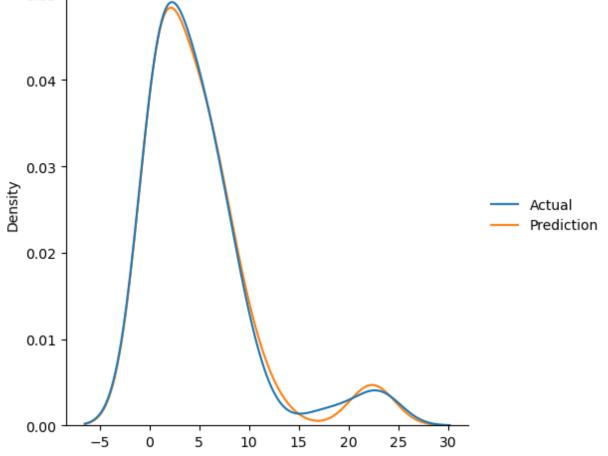
The random forest regressor exhibits a remarkable level of performance, rendering any further adjustments or tuning is unnecessary.

# CatBoostRegressor

```
In [66]:
              CBR_model = CatBoostRegressor()
              CBR_model.fit(X_train, y_train)
           2
           3
             CBR_y_pred = CBR_model.predict(X_test)
         Learning rate set to 0.032346
                  learn: 4.9267607
         0:
                                           total: 141ms
                                                            remaining: 2m 21s
         1:
                  learn: 4.8379801
                                           total: 142ms
                                                            remaining: 1m 10s
         2:
                  learn: 4.7517828
                                           total: 143ms
                                                            remaining: 47.6s
         3:
                  learn: 4.6718790
                                           total: 144ms
                                                            remaining: 35.9s
         4:
                  learn: 4.5993245
                                           total: 145ms
                                                            remaining: 28.9s
         5:
                  learn: 4.5244262
                                           total: 146ms
                                                            remaining: 24.2s
         6:
                  learn: 4.4477143
                                           total: 147ms
                                                            remaining: 20.8s
         7:
                  learn: 4.3766781
                                                            remaining: 18.3s
                                           total: 148ms
         8:
                  learn: 4.2933881
                                           total: 149ms
                                                            remaining: 16.4s
         9:
                  learn: 4.2372730
                                           total: 149ms
                                                            remaining: 14.8s
         10:
                  learn: 4.1637480
                                           total: 150ms
                                                            remaining: 13.5s
                                                            remaining: 12.4s
         11:
                  learn: 4.1025327
                                           total: 151ms
         12:
                  learn: 4.0415710
                                           total: 152ms
                                                            remaining: 11.5s
         13:
                  learn: 3.9772887
                                           total: 153ms
                                                            remaining: 10.8s
                  learn: 3.9159160
                                           total: 154ms
         14:
                                                            remaining: 10.1s
         15:
                  learn: 3.8678159
                                           total: 156ms
                                                            remaining: 9.56s
         16:
                  learn: 3.8074929
                                           total: 157ms
                                                            remaining: 9.06s
         17:
                  learn: 3.7543990
                                           total: 158ms
                                                            remaining: 8.63s
In [67]:
              plt.scatter(y_test, CBR_y_pred);
```



```
Car price prediction - Jupyter Notebook
In [68]:
              # evaluate model
              CBR_MAE = mean_absolute_error(y_test, CBR_y_pred)
              CBR_MSE = mean_squared_error(y_test, CBR_y_pred)
              CBR_R2 = r2_score(y_test, CBR_y_pred)
            5
              # printing the results
              print(f'MAE:{CBR_MAE}, MSE: {CBR_MSE}, R2: {CBR_R2}')
          MAE: 0.5097258370652804, MSE: 0.6627723092087091, R2: 0.9758766475456004
In [69]:
              CBR_df = pd.DataFrame({'Actual': y_test, 'Prediction': CBR_y_pred})
            2 CBR df.head()
Out[69]:
               Actual Prediction
           177
                 0.35
                       0.592639
           289
                10.11
                      10.833225
           228
                 4.95
                       5.120798
           198
                 0.15
                       0.342871
           60
                 6.95
                       7.926235
In [70]:
            1 ax = sns.displot(data = (CBR_df['Actual'], CBR_df['Prediction']),kind = 'kde
              0.05
              0.04
```



Catboost regressor also is doing well so tuning is unnecessary

```
In [72]:
           print(f'GBR_MAE:{round(GBR_MAE, 3)}, GBR_MSE: {round(GBR_MSE, 3)}, GBR_R2: {
           print('----')
         2
         3 print(f'SGDR_MAE:{round(SGDR_MAE, 3)}, SGDR_MSE: {round(SGDR_MSE, 3)}, SGDR_
         4 | print('----')
         5 print(f'Tuned_SGDR_MAE:{round(T_SGDR_MAE, 3)}, Tuned_SGDR_MSE: {round(T_SGDR_MSE)
         6 | print('----')
           print(f'RFR_MAE: {round(RFR_MAE, 3)} | RFR_MSE: {round(RFR_MSE, 3)} | RFR_R2
         8 | print('----')
           print(f'CBR_MAE:{round(CBR_MAE, 3)}, CBR_MSE: {round(CBR_MSE, 3)}, CBR_R2: {
        GBR_MAE:0.541, GBR_MSE: 0.881, GBR_R2: 0.968
        SGDR MAE: 6.424550755986201e+18, SGDR MSE: 5.884683481743032e+37, SGDR R2: -2.14
        18863120904382e+36
        Tuned_SGDR_MAE:59.07, Tuned_SGDR_MSE: 5217.386, Tuned_SGDR_R2: -188.901
        RFR_MAE: 0.575 | RFR_MSE: 0.794 | RFR R2: 0.971
        ______
        CBR MAE: 0.51, CBR MSE: 0.663, CBR R2: 0.976
```

# Conclusion

Based on our exploratory data analysis, it was determined that the selling price of cars is predominantly influenced by factors such as the current price, fuel type, and seller type. Specifically, a higher current price tends to correspond to a higher selling price. Moreover, vehicles with diesel fuel type tend to exhibit higher price tags, while cars sold by dealers tend to have inflated prices, potentially attributable to profit margins.

In the realm of machine learning models, we conducted a comprehensive comparison analysis involving four specific regressor models: Gradient Boosting Regressor, SGD Regressor, Random Forest Regressor, and CatBoost Regressor. Subsequent evaluation revealed that the CatBoost Regressor exhibited the highest accuracy score, garnering an impressive performance level of 97.6%.