<u>Creating a model for 'Japan Used Cars Price Prediction'</u> to check what should be the price of a car in resale market

In this post, I will go through the whole process of creating machine learning model on the 'Japan Used car price prediction'. In this, we need to predict price of a used car listed on the website 'tc-v.com'.

We all know that there is a great demand of used car by middle and lower middle class people for whom affording a new car is quite difficult due to expansiveness. Reduced cash inflow due to the pandemic (Covid-19)has forced buyers to look for alternatives other than new cars, and the used car industry has high growth potential in these terms. As the sales and production of new vehicles have been hindered due to the pandemic, the used car market is gaining traction among buyers.

We will cover below points in the blog

- 1. PROBLEM STATEMENT
- 2. DATA ANALYSIS
- 3. EDA
- 4. PRE-PROCESSING PIPELINE
- 5. BUILDING MACHINE LEARNING MODELS
- 6. CONCLUDING REMARKS

Source of Dataset: The dataset for this project is received from below link

https://github.com/dsrscientist/dataset4/blob/main/Japan used cars datasets.csv

1. PROBLEM STATEMENT

Cars' data was scraped from tc-v.com and it included Information about Japan's largest online used car marketplace. Ten features were assembled for each car in the dataset.

This dataset includes 10 features:

Feature	Туре	Description
Price	Integer	The sale price of the vehicle in the ad
Mark	String	The brand of car

Feature	Туре	Description
Model	String	model of the vehicle
Years	Integer	The vehicle registration year
Mileage	Integer	miles traveled by vehicle
Engine_capacity	Integer	The measurement of the total volume of the cylinders in the engine
Transmission	String	The type of gearbox used by the car
Drive	String	wheel drive(2wd, 4wd and awd)
Hand_drive	String	Left-hand traffic (LHT) and right-hand traffic (RHT)
Fuel	String	The type of fuel used by the car(gasoline, diesel, hybrid, lpg and cng)

2 DATA ANALYSIS:

For data analysis, we need to get the data and observe it properly.

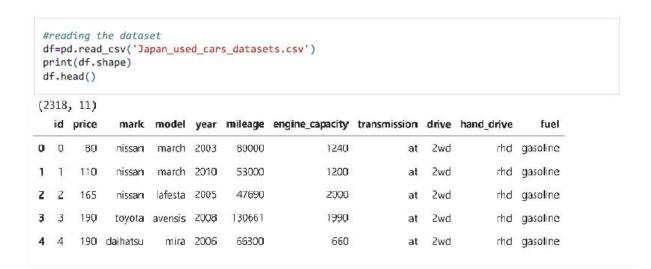
Importing the libraries

```
#importing the libraries
import numpy as np
import pandas as pd
import matplotlib.pyplot as plt
import seaborn as sns
import warnings
warnings.filterwarnings('ignore')
```

We need to first import all the libraries that will be useful in reading a file, preprocessing, missing values handling, for splitting, plotting graphs, model creation and many more.

Reading the csv file

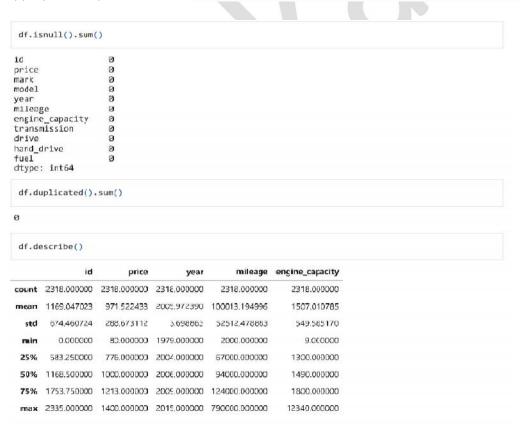
csv file contains the data, it is dataset, which will need to be used for processing. In short we can say, it's the soul of all the process.



Given data set have 2318 rows and 11 columns

3 EDA/EXPLORATORY DATA ANALYSIS

There is a need to remove the null values and duplicate rows as it will affect the predicted values. Sometimes instead of dropping the null values we can replace them with any appropriate value, we can say it will be mean, median, mode or 0. We can replace it with any value which will be appropriate as per the dataset.



As we can see that there are no null values and no duplicate data are available in the given data set.

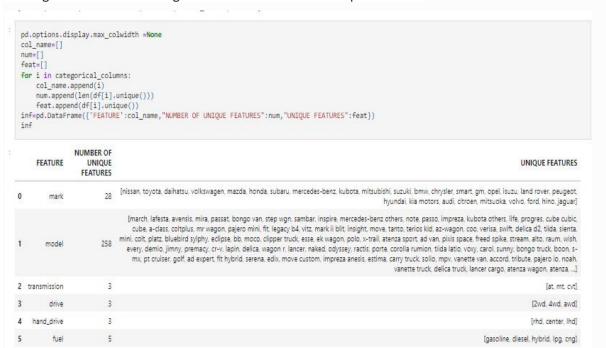
```
df.dtypes
id
                   int64
price
                   int64
mark
                 object
model
                 object
                  int64
year
mileage
                  int64
engine_capacity
                  int64
transmission
                 object
drive
                  object
hand_drive
                 object
fuel
                  object
dtype: object
```

It has 'object', and 'int64' data types.

Separating categorical and numerical columns in a different list form

```
# finding categorical variables
categorical = [var for var in df.columns if df[var].dtype=='0']
print('There are {} categorical variables\n'.format(len(categorical)))
print('The categorical variables are :', categorical)
There are 6 categorical variables
The categorical variables are : ['mark', 'model', 'transmission', 'drive', 'hand_drive', 'fuel']
numerical = [var for var in df.columns if df[var].dtype!='0']
print('There are {} numerical variables\n'.format(len(numerical)))
print('The numerical variables are :', numerical)
There are 5 numerical variables
The numerical variables are : ['id', 'price', 'year', 'mileage', 'engine_capacity']
# checking for categorical columns
categorical_columns=[]
for i in df.dtypes.index:
    if df.dtypes[i]=='object':
        categorical_columns.append(i)
print(categorical_columns)
['mark', 'model', 'transmission', 'drive', 'hand_drive', 'fuel']
```

Making a data frame of categorical columns and their unique features.



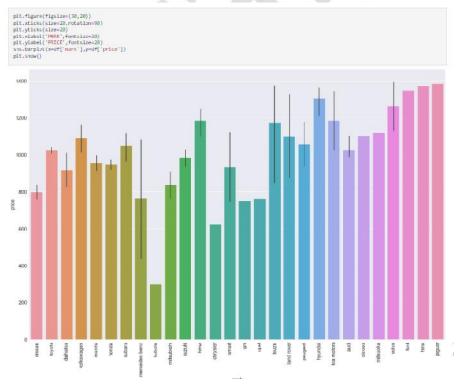
After data frame of categorical columns, I wanted to check the distribution of numerical columns



Checking the correlation among the features

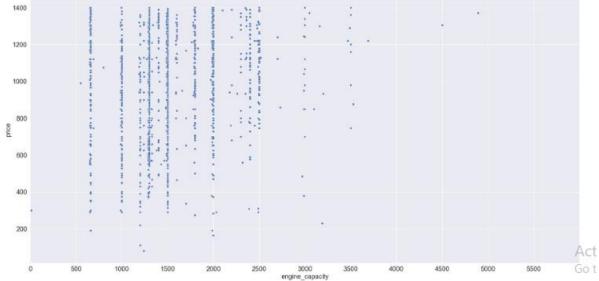


Checking the mark wise price of the cars according to given data



Checking the relation among the price and engine capacity through scattered plot

```
plt.figure(figsize=(30,15))
2   sns.scatterplot(x=df['engine_capacity'],y=df['price'])
3   plt.xlabel('engine_capacity',fontsize=20)
4   plt.ylabel('price',fontsize=20)
5   plt.xticks(size=20)
6   plt.yticks(size=20)
7   plt.xticks(np.arange(0,6000,500))
8   plt.xlim(0,6000)
9   plt.show()
```



Checking the outliers of numerical data



There are outliers present in the columns like engine_capacity, mileage and year

Checking the skewness of numerical columns



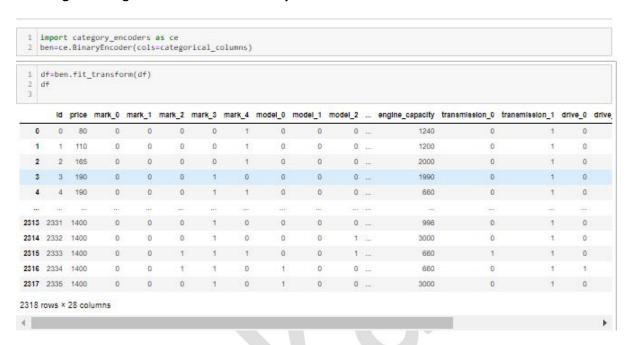
Plot and data both showing that

Year, Price and id are having negative skew on the other hand mileage and engine_capacity are having positive skew

PRE PROCESSING

Encoding

Encoding the categorical columns with Binary encoder



Encoding increases the number of columns from 11 to 28

After separating the feature and target column I am checking the skewness of features

```
1 x_scaled=df_new.drop(['price'],axis=1)
    2 y=df_new['price']
    1 x_scaled.skew()
: 1d
                          -0.282512
  mark_0
mark_1
                          9.416675
  mark_2
mark_3
mark_4
                          0.897529
                         -1.207557
                           0.880819
  model @
                         33.120970
  model_1
  mode1_2
mode1_3
                          0.868977
                           0.325800
                         -0.200498
0.024598
   model_4
  model_5
model_6
                          -0.013665
                          0.185718
-0.563060
  model 7
  model_8
                          -8.888962
                          -0.027962
  mileage
  engine_capacity
transmission_0
                          0.007618
4.085655
   transmission_1
                          -4.885083
  drive_0
drive_1
                          3.226541
-3.290072
  hand_drive_0
                         12.415532
  hand_drive_1
fuel_0
                           0.000000
                         23.388002
   fuel_1
                          11.597563
                        -11.243473
   fuel 2
  dtype: float64
```

Removing the outliers of numerical columns

5.22% of data loss in removing the outliers

As number of rows reduced from 2318 to 2197

Checking the outliers through box plot

Selecting the best (20) features out of 28 features through K-best feature selection method

```
1 from sklearn.feature_selection import SelectKBest,f_classif
2 select=SelectKBest(score_func=f_classif,k=20)
 4 fit=select.fit(x_scaled,y)
 1 cols=fit.get_support(indices=True)
 print(f' top {k} FEATURES INDEX = {cols}')
 top 20 FEATURES INDEX = [ 0 1 3 4 5 6 7 8 9 10 11 13 15 16 17 18 19 22 25 26]
 1 features=x_scaled.columns[cols]
2 list(features)
['id',
'mark_0',
'mark_2',
'mark_3',
 'mark_4',
'model_0',
 'model_2',
'model_3',
'model_4',
 'model_5',
  'year'.
  'mileage',
 'engine_capacity',
 'transmission_0',
 'transmission_1',
'hand_drive_0',
 'fuel_1',
 'fuel_2']
1 print(f' BEST {len(cols)} FEATURES ARE AS FOLLOWS : \n\n{list(features)} ')
 BEST 20 FEATURES ARE AS FOLLOWS :
['id', 'mark_0', 'mark_2', 'mark_3', 'mark_4', 'model_0', 'model_1', 'model_2', 'model_3', 'model_4', 'model_5', 'model_7', 'ye ar', 'mileage', 'engine_capacity', 'transmission_0', 'transmission_1', 'hand_drive_0', 'fuel_1', 'fuel_2']
```

BUILDING MACHINE LEARNING MODELS

Importing required libraries to select the random state After splitting the data into train and test

Random state 34 is selected as at this point training and testing accuracies are equal

FOR LINEAR REGRESSION MODEL

1 score(Ir,x_train,x_test,y_train,y_test,train=True)
2 score(Ir,x_train,x_test,y_train,y_test,train=False)

Training SCORE FOR THE LinearRegression() is 99.81
mean squared error is -- 0.0019896169383989085
mean squared error is -- 0.0019896169383989085
root mean squared error is -- 0.0017221624366466706
difference between rmse and mae is 0.00738349796717238

Testing SCORE FOR THE LinearRegression() is 99.81

CROSS VAL SCORE IS -- 90.27
adjusted r2_score for LinearRegression() is 99.81
mean squared error is -- 0.0017549922981063245
mean aboslute error is -- 0.03517557933460611
root mean squared error is -- 0.04189262820719565
mean aboslute error is -- 0.03517557933460611

Training score =99.81

Teating score =99.81

Adjusted R2 score =99.81

CROSS VAL SCORE IS = 90.27

FOR DECISION TREE REGRESSON

MODEL 2)-DECISION TREE

1 from sklearn.tree import DecisionTreeRegressor
2 dt=DecisionTreeRegressor()

score(dt,x_train,x_test,y_train,y_test,train=True)
score(dt,x_train,x_test,y_train,y_test,train=False)

Training SCORE FOR THE DecisionTreeRegressor() is 100.0 mean squared error is -- 4.0629715598362593e-32 mean squared error is -- 4.0629715598362593e-32 root mean squared error is -- 2.0156814132784623e-16 mean aboslute error is -- 8.657291809830824e-17 difference between rmse and mae is 1.14995223229538e-16

Testing SCORE FOR THE DecisionTreeRegressor() is 100.0 CROSS VAL SCORE IS -- -187.06 adjusted r2_score for DecisionTreeRegressor() is 100.0 mean squared error is -- 3.012427072234439e-05 mean aboslute error is -- 0.001542627777231098 root mean squared error is -- 0.0054885581642490034 mean aboslute error is -- 0.0019342627777231098 difference between rmse and mae is 0.0035542953865258936

Training score =100

Teating score =100

Adjusted R2 score =100

Cross val score is = -187.06

FOR KNN

```
1 from sklearn.neighbors import KNeighborsRegressor
2 knr-KNeighborsRegressor()

1 knr.fit(x_train,y_train)

KNeighborsRegressor()
In a Jupyter environment, please rerun this cell to show the HTML representation or trust the notebook.
On GitHub, the HTML representation is unable to render, please try loading this page with nbviewer.org.

1 score(knr,x_train,x_test,y_train,y_test,train=True)
2 score(knr,x_train,x_test,y_train,y_test,train=False)

Training SCORE FOR THE KNeighborsRegressor() is 89.79

mean squured error is -- 0.1849859146643431

mean squured error is -- 0.1849859146643431
```

```
mean squured error is -- 0.1049859146643431
mean squured error is -- 0.1049859146643431
root mean squured error is -- 0.32401530004668466
mean aboslute error is -- 0.22947656274550202
difference between rmse and mae is 0.09453873730118265

Testing SCORE FOR THE KNeighborsRegressor() is 83.12

CROSS VAL SCORE IS -- -617.51
adjusted r2_score for KNeighborsRegressor() is 83.06
mean squured error is -- 0.1542080057286002
mean aboslute error is -- 0.27150768201868697
root mean squured error is -- 0.3926932718147845
mean aboslute error is -- 0.27150768201868697
difference between rmse and mae is 0.1211855897960975
```

Training score =89.79

Testing score =83.12

Adjusted R2 value=83.06 Cross validation score=-617.51

After TUNING THE PARAMETERS-----

Training score =100

Testing score =85.86

Cross validation score=-577.57

```
kmr=KNeighborsRegressor()
  pu=["n_neighboes":mp.arange(2,5),
    "weights":['unifare', distance'],
    "algorithm':['unifare', 'boll tree', 'kd_tree', 'brute'],
    "leaf_size':mp.arange(40,50))
  kgsv=GridSearchCV(knr,param_grid=pu)
 kgsv.fit(x_train,y_train)
('algorithm': 'auto', 'leaf_slze': 48, 'n_meighbors': 4, 'weights': 'distance')
 knr-kgsv.best estimator
RNeighborskegressor(leaf size=40, n neighbors=4, weights='distance')
In a Jupyter environment, please rerun this cell to show the HTML representation or trust the notebook.
On GitHub, the HTML representation is unable to render, please try loading this page with noviewer.org.
  Training SCORE FOR THE KNeighborsRegressor(leaf size-48, n neighbors-4, weights-'distance') is 188.8
 mean sqauned error is -- 2.3881125377435987e-15
 mean squared error is -- 2.3881125377435987e-15
 root mean squared error is -- 4.8842819835471575e-88
 mean aboslute error is -- 2.0621465779773316e-88
 difference between rese and mae is 2.742135485569836e-88
 Testing SCORE FOR THE KNeighborsRegrossor(leaf_size=40, n_neighbors=4, weights='distance') is 85.86
 CROSS WAL SCORE IS -- -577.51
```

FOR RANDOM FOREST REGRESSION

Training score =100

Testing score =100

Cross validation score=-187.84

Adjusted R2 value = 100

MODEL 4)-RANDOM FOREST REGRESSOR

from sklearn.ensemble import RandomForestRegressor
rfr=RandomForestRegressor()

rfr.fit(x_train,y_train)

RandomForestRegressor()

In a Jupyter environment, please rerun this cell to show the HTML representation or trust the notebook. On GitHub, the HTML representation is unable to render, please try loading this page with nbviewer.org.

score(rfr,x_train,x_test,y_train,y_test,train=True)
score(rfr,x_train,x_test,y_train,y_test,train=False)

Training SCORE FOR THE RandomForestRegressor() is 100.0 mean squared error is -- 4.152728006232281e-06 mean squared error is -- 4.152728006232281e-06 root mean squared error is -- 0.002037824331543885 mean aboslute error is -- 0.0007872434926212501 difference between rmse and mae is 0.0012505808389226348 Testing SCORE FOR THE RandomForestRegressor() is 100.0 CROSS VAL SCORE IS -- -187.84 adjusted r2_score for RandomForestRegressor() is 100.0 mean squared error is -- 1.745119198008833e-05 mean aboslute error is -- 0.0018611474608785361 root mean squared error is -- 0.0041871452385239194 mean aboslute error is -- 0.00418611474608785361

difference between rmse and mae is 0.0023163149243606573

FOR SVR

MODEL 5) SVK

from sklearn.svm import SVR
svr=SVR()

svr.fit(x_train,y_train)

SVR()

In a Jupyter environment, please rerun this cell to show the HTML representation or trust the notebook. On GitHub, the HTML representation is unable to render, please try loading this page with noviewer.org.

score(svr,x_train,x_test,y_train,y_test,train=True)
score(svr,x_train,x_test,y_train,y_test,train=False)

Training SCORE FOR THE SVR() is 99.44

mean squared error is -- 0.00578144857100038

mean squared error is -- 0.00578144857100038

root mean squared error is -- 0.07603583741237009

mean aboslute error is -- 0.06114837404051081

difference between rmse and mae is 0.014887463371859283

Testing SCORE FOR THE SVR() is 97.74

CROSS VAL SCORE IS -- -19.08

adjusted r2_score for SVR() is 97.74

mean squared error is -- 0.020602994015964066

mean aboslute error is - 0.08078619410997623

root mean squured error is -- 0.14353743871395722 mean aboslute error is -- 0.08078619410997623 difference between rmse and mae is 0.06275123660398099

A

Training score =99.44

Testing score =97.74

Adjusted R2 value=97.74

Cross validation score=-19.04

ADA BOOST REGRESSOR

Training score =99.44

Testing score =97.74

Ajusted R2 value= 99.63

Cross validation score=-19.04

MODEL 6) ADA BOOST REGRESSOR

```
from sklearn.ensemble import AdaBoostRegressor
adr=AdaBoostRegressor()

adr.fit(x_train,y_train)
```

AdaBoostRegressor()

In a Jupyter environment, please rerun this cell to show the HTML representation or trust the notebook. On GitHub, the HTML representation is unable to render, please try loading this page with nbviewer.org.

```
score(adr,x_train,x_test,y_train,y_test,train=True)
 score(adr,x_train,x_test,y_train,y_test,train=False)
Training SCORE FOR THE AdaBoostRegressor() is 99.56
mean sqaured error is -- 0.004489293635979762
mean sqaured error is -- 0.004489293635979762
root mean sqaured error is -- 0.06700219127744825
mean aboslute error is -- 0.04784736916875553
difference between rmse and mae is 0.019154822108692716
Testing SCORE FOR THE AdaBoostRegressor() is 99.63
CROSS VAL SCORE IS -- -290.65
adjusted r2_score for AdaBoostRegressor() is 99.63
mean sqaured error is -- 0.0033416736105010224
mean aboslute error is - 0.04484113148171567
root mean sqaured error is -- 0.057807210713725174
mean aboslute error is -- 0.04484113148171567
difference between rmse and mae is 0.012966079232009507
```

At each and every step I have done Hyperparametric tuning also

Conclusion

Here we can easily see that LINEAR REGRESSION gave a quite close value **for Training and Testing data**

ADJSUTED R2 SCORE and TESTING SCORES WERE CLOSER TO EACH OTHER as well as CROSS VAL SCORE is also close with them

