

# House Price Prediction Project Report

## 1. Introduction

This project aims to predict house prices using Linear Regression.

It analyzes how different features such as area, bedrooms, bathrooms, location, and condition affect the price of a property.

## 2. Dataset Description

- Total records: 2000 houses
- Total features: 10
- Main features: `Area`, `Bedrooms`, `Bathrooms`, `Floors`, `YearBuilt`, `Location`, `Condition`, `Garage`, and `Price`.
- No missing values were found in the dataset.

## 3. Data Preprocessing

- Converted text data (`Location`, `Condition`, `Garage`) into numeric form using one-hot encoding.
- Verified data types and ensured all numerical features were ready for training.
- Split the data into training (80%) and testing (20%) sets.

## 4. Exploratory Data Analysis (EDA)

- Area showed the highest positive correlation with Price.
- Houses with more bedrooms and bathrooms are costlier.
- Urban and Downtown areas have higher average prices.
- Visualized data using scatter plots, box plots, and a correlation heatmap.

## 5. Model Building

- Used Linear Regression from scikit-learn.
- Trained the model on the training data and predicted house prices for the test set.
- Achieved a good  $R^2$  Score, showing strong prediction accuracy.

## 6. Model Optimization

- Implemented:
- Polynomial Regression (for non-linear relationships)
- Polynomial Regression achieved slightly better performance.

## 7. Findings & Conclusions

- Area, Bedrooms and Bathrooms are key predictors of house price.
- Houses in better condition and prime locations are more expensive.
- Linear Regression is a simple but powerful model for this type of prediction.

## 8. Learning Outcomes

- Learned how to clean, analyze, and visualize data effectively.
- Understood how regression algorithms work in real-world prediction problems.
- Improved knowledge of model evaluation using metrics like MAE, MSE, and  $R^2$ .
- Gained experience in optimizing models using advanced regression techniques.

## **9. Future Work**

- Include more features such as proximity to schools, public transport, or amenities.
- Try advanced models like Random Forest or Gradient Boosting for better accuracy.
- Build a web-based prediction app using the trained model.

## **10. Conclusion**

- The project demonstrates how machine learning and data analysis can help estimate house prices accurately.
- It highlights the importance of data quality, preprocessing, and model selection in achieving reliable predictions.