# **HDB Resale Price Predictor & Visualisation**

```
In [297...
           import numpy as np
           import pandas as pd
           import seaborn as sns
           import matplotlib.pyplot as plt
           from sklearn.preprocessing import LabelEncoder, MinMaxScaler
           from sklearn.model_selection import train_test_split, RandomizedSearchCV
           from sklearn.metrics import r2_score, mean_absolute_error, mean_squared_error
           from sklearn.inspection import permutation_importance
           from sklearn.linear_model import SGDRegressor, LassoCV
           from sklearn.tree import DecisionTreeRegressor
           from sklearn.feature_selection import mutual_info_regression, SelectKBest
           from sklearn.ensemble import RandomForestRegressor, GradientBoostingRegressor
           import joblib
           plt.style.use("fivethirtyeight")
           df = pd.read_csv('static/2023_01_to_04.csv', index_col=0)
In [298...
           display(df.head())
           print(df.shape)
                   resale_price year month timeseries_month region
                                                                     town rooms avg_storey floor_area_sqm remaining
               _id
                                                                      Ang
                                                             North-
           150071
                      298000.0 2023
                                                  2023-04-01
                                                                              2.0
                                                                                         8.0
                                                                                                       44.0
                                                                                                                  53
                                                                       Мо
                                                               East
                                                                       Kio
           152255
                      865000.0 2023
                                                                              5.5
                                                                                        11.0
                                                                                                      142.0
                                                  2023-04-01
                                                              North Yishun
                                                                                                                  63
           152254
                      780000.0 2023
                                                                                                      142.0
                                         4
                                                                              5.5
                                                                                        11.0
                                                                                                                  6;
                                                  2023-04-01
                                                              North Yishun
           152253
                      935000.0 2023
                                                  2023-04-01
                                                                              5.5
                                                                                         5.0
                                                                                                      164.0
                                                              North Yishun
                                                                                                                  68
           152252
                      892000.0 2023
                                         4
                                                                              5.5
                                                                                         2.0
                                                                                                      169.0
                                                  2023-04-01
                                                              North Yishun
                                                                                                                  68
           (8859, 15)
```

# **Model Building**

- 1. EDA
- 2. Model Building
- 3. Conclusions

## 1. EDA</a>

- 1.1 Handling null values
- 1.2 Checking for collinearity
- 1.3 Exploring the dataset

### **Explanation for each feature**

Feature*	Explanation
resale_price	Dependent variable, the selling price of the flat
region	Region of the flat
town	Town district of the flat
rooms	Number of rooms in the flat (whole numbers except for 5.5, which represents an executive flat with an extra study/balcony)
avg_storey	Mean value of the floor range (intervals of 3 storeys)
floor_area_sqm	Total floor area (in square meters) of the flat
remaining_lease	Remaining lease of the flat in months
dist_to_marina_bay	Distance in absolute coordinates to Marina Bay (proxy to city center)
dist_to_station	Distance in meters to the nearest MRT (Mass Rapid Transit) station

<sup>\*</sup>Other features not listed above but in DataFrame are for visualisation purposes

## 1.1 Handling null values < /id>

Double check for null values, drop if any present

```
In [299...
```

In [300...

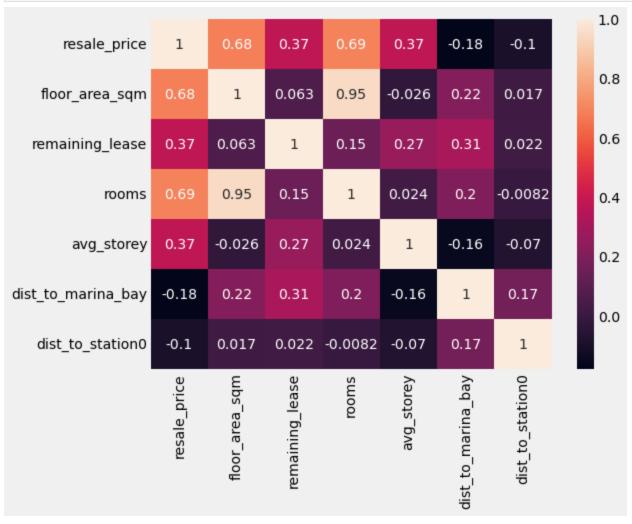
```
display(df.isna().sum())
df.dropna(inplace=True)
resale_price
                      0
year
                      0
month
timeseries_month
                      0
region
town
rooms
avg_storey
floor_area_sqm
                      0
remaining_lease
                      0
dist_to_marina_bay
latitude
longitude
nearest_station_0
                      0
dist_to_station0
dtype: int64
```

# 1.2 Checking for collinearity among numerical features

- There is strong collinearity between
  - floor\_area\_sqm and rooms (0.86)
- Even much so higher than their correlation with output (resale price)
- For linear models, we need to remove one of each pair of feature to ensure that there is no multicollinearity, for this I will remove the feature with lower Pearson's correlation with our output
  - rooms (0.65)

```
plt.figure(figsize=(8,6))
numerical_columns = df[['resale_price', 'floor_area_sqm', 'remaining_lease', 'rooms', 'avg_store']
```

sns.heatmap(numerical\_columns.corr(), annot=True)
plt.show()



### 1.3 Exploring the dataset

### Which are the most expensive neighbourhoods?

Each neighbourhood has a different mean price due to a non-exhaustive number of factors:

- location
- infrastructure and amenitites
- affluent / less affluent neighbourhoods
- supply and demand
- market speculation

We can see that flats in Central region have the highest mean prices, while those in the North region have the lowest mean prices.

```
region_prices = df.groupby(['region', 'rooms'])[['resale_price']].mean(numeric_only=True).sort_v
region_prices = region_prices.unstack()
region_prices.columns = ['1 room', '2 room', '3 room', '4 room', '5 room', 'Executive', 'Multige
region_prices.style.format(precision=0, thousands=',').highlight_max(color='red').highlight_min(
```

Central	238,500	276,092	430,501	738,833	897,418	1,034,309	nan
East	nan	341,000	397,821	558,999	679,368	844,161	nan
North	nan	322,784	390,628	495,866	607,045	781,995	1,080,000
North-East	nan	328,633	414,581	575,548	666,898	824,604	nan
West	nan	320,586	392,153	530,853	643,428	767,185	nan

This is consistent even as we breakdown the region into towns. Towns in the Central region have the highest mean resale prices.

As shown below.

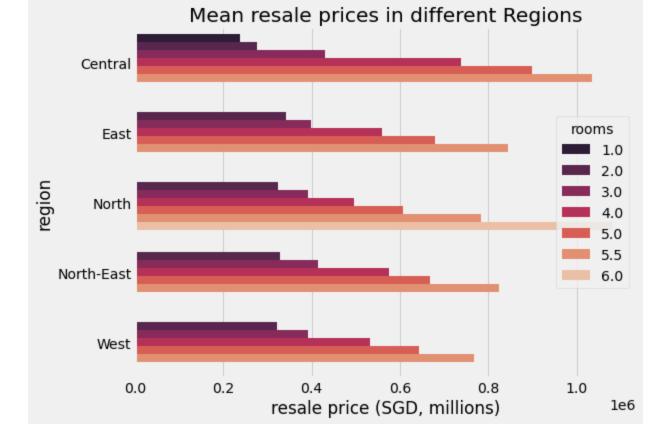
region

```
town_regions = {'Sembawang' : 'North',
In [302...
                           'Woodlands' : 'North',
                           'Yishun' : 'North',
                           'Ang Mo Kio' : 'North-East',
                           'Hougang' : 'North-East',
                           'Punggol' : 'North-East',
                           'Sengkang' : 'North-East'
                           'Serangoon' : 'North-East',
                           'Bedok' : 'East',
                           'Pasir Ris' : 'East',
                           'Tampines' : 'East',
                           'Bukit Batok' : 'West',
                           'Bukit Panjang' : 'West',
                           'Choa Chu Kang' : 'West',
                           'Clementi' : 'West',
                           'Jurong East' : 'West',
                           'Jurong West' : 'West',
                           'Tengah' : 'West',
                           'Bishan' : 'Central',
                           'Bukit Merah' : 'Central',
                           'Bukit Timah' : 'Central',
                           'Central Area' : 'Central',
                           'Geylang' : 'Central',
                           'Kallang/Whampoa' : 'Central',
                           'Marine Parade' : 'Central',
                           'Queenstown' : 'Central',
                           'Toa Payoh' : 'Central'}
           plt.figure(figsize=(10,6))
           town_prices = df.groupby(['town'])[['resale_price']].mean(numeric_only=True).sort_values(by=['re
           town_prices['region'] = town_prices['town'].map(town_regions)
           sns.barplot(data=town_prices, x='town', y='resale_price', hue='region', palette='rocket')
           plt.title('Mean resale prices in different Towns')
           plt.xlabel('resale price (SGD)')
           plt.xticks(rotation = 90)
           plt.show()
```



Number of rooms are also a good quantifier of the resale price, we see that the mean resale prices for different rooms follow a certain range (irregardless of region) While expensive regions have a higher upper range of mean resale price.

```
plt.figure(figsize=(8,6))
region_prices = df.groupby(['region', 'rooms'])[['resale_price']].mean(numeric_only=True).reset_
sns.barplot(data=region_prices, x='resale_price', y='region', hue='rooms', orient='h', palette=
plt.title('Mean resale prices in different Regions')
plt.xlabel('resale price (SGD, millions)')
plt.show()
```



#### Breaking it down into town and rooms

```
town_prices = df.groupby(['town', 'rooms'])[['resale_price']].mean(numeric_only=True).sort_value
town_prices = town_prices.unstack()
town_prices.columns = ['1 room', '2 room', '3 room', '4 room', '5 room', 'Executive', 'Multigene
town_prices.style.format(precision=0, thousands=',').highlight_max(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').highlight_min(color='red').hig
```

Out[304]:		1 room	2 room	3 room	4 room	5 room	Executive	Multigenerational
	town							
	Ang Mo Kio	nan	293,169	399,997	652,085	791,463	974,750	nan
	Bedok	nan	285,000	378,805	554,100	691,595	885,251	nan
	Bishan	nan	nan	441,647	685,848	914,984	1,051,229	nan
	Bukit Batok	nan	334,786	395,838	587,560	763,515	832,822	nan
	Bukit Merah	238,500	268,667	483,468	782,030	875,421	nan	nan
	Bukit Panjang	nan	306,250	389,512	508,015	624,467	784,295	nan
	<b>Bukit Timah</b>	nan	nan	458,250	748,861	985,000	1,288,000	nan
	Central Area	nan	332,933	450,759	908,956	1,230,625	nan	nan
	Choa Chu Kang	nan	305,750	404,567	493,439	587,143	724,076	nan
	Clementi	nan	nan	444,730	659,597	840,667	952,417	nan
	Geylang	nan	256,591	371,419	599,210	767,988	891,000	nan
	Hougang	nan	338,000	392,954	531,542	678,042	859,765	nan
	Jurong East	nan	311,500	369,435	474,739	642,994	827,753	nan
	Jurong West	nan	307,800	346,939	488,548	598,622	701,939	nan
	Kallang/Whampoa	nan	300,571	440,362	716,669	838,694	979,114	nan
	Marine Parade	nan	nan	447,082	582,875	842,189	nan	nan
	Pasir Ris	nan	363,333	486,667	550,584	650,740	809,932	nan
	Punggol	nan	333,072	451,513	581,824	669,633	713,444	nan
	Queenstown	nan	290,148	438,574	845,666	999,540	1,185,000	nan
	Sembawang	nan	327,896	437,727	536,401	600,251	657,735	nan
	Sengkang	nan	336,083	445,313	563,106	633,905	741,225	nan
	Serangoon	nan	nan	393,097	601,312	670,151	937,588	nan
	Tampines	nan	338,250	422,357	565,545	688,771	854,421	nan
	Toa Payoh	nan	259,378	401,346	719,012	909,719	997,889	nan
	Woodlands	nan	323,529	384,879	489,662	593,162	804,890	nan

### Change in resale prices within year 2023

Yishun

The prediction of resale prices over time should be a timeseries problem.

nan 316,444 385,622 486,419

Here we are only looking at a short span of time, and the prices have not moved significantly much, we will do away with timeseries models for simplicity.

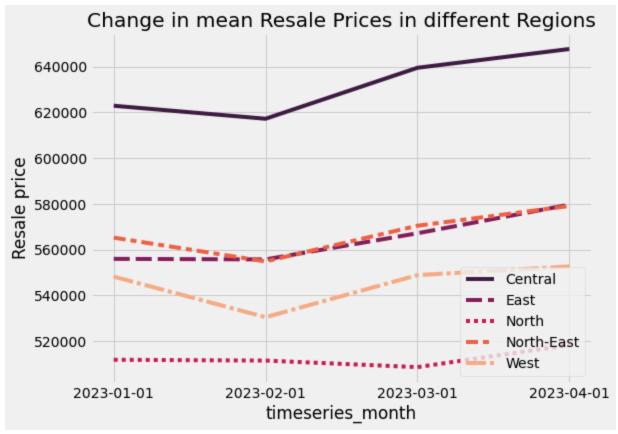
638,223

838,168

1,080,000

```
In [305...
    ma_df = df.groupby(['timeseries_month', 'region'])['resale_price'].mean()
    ma_df = ma_df.unstack()
    plt.figure(figsize=(8,6))
    sns.lineplot(data=ma_df, palette='rocket')
    plt.title('Change in mean Resale Prices in different Regions')
    plt.ylabel('Resale price')
```

plt.legend(loc='lower right')
plt.show()



## 2. Model Building

- 2.1 Preprocessing (label and mean encoding)
- 2.2 Feature selection (KBest, Lasso regression)
- 2.3 Model selection
- 2.4 Hyperparameter tuning

### 2.1 Preprocessing (label and mean encoding)

- I will perform both label and mean encoding (resale\_price) onto the town and rooms.
- Since all of them overlap, I will only use one of these encodings in the end, based on how well the feature generate is.
- Take note that mean encoding may sometimes result in overfitting.

```
# Label encoding for town
encoder = LabelEncoder()
town_label = pd.Series(encoder.fit_transform(df['town']), name='town_encoded', index=df.index)

# Label encoding for region
region_label = pd.Series(encoder.fit_transform(df['region']), name='region_encoded', index=df.in
```

There is no in-built encoders in Sklearn for Mean/Median encoding, for the purpose of deployment later, I will write my own custom class for Mean/Median encoding.

```
In [307...
          class MeanEncoder():
              Custom class encoder to deal with mean/median encoding
              def __init__(self, measure:str='mean'):
                  self.encoder_dict_ = None
                  self.columns_ = None
                  self.measure_ = measure
                   self.target_column_ = None
              def fit(self, X : pd.DataFrame, columns : list, target_column : str)->None:
                  Fit to dataframe to create encoder_dict_ (dictionary) for data mapping
                  ## Parameters
                       X : pd.DataFrame object
                       columns : list of strings, indicating columns to groupby
                       target_column : str, desired output (must be numeric)
                  Returns None
                  self.columns_ = columns
                  self.target_column_ = target_column
                  if self.measure_ == 'mean':
                       self.encoder_dict_ = X.groupby(self.columns_)[self.target_column_].mean(numeric_only
                  elif self.measure_ == 'median':
                       self.encoder_dict_ = X.groupby(self.columns_)[self.target_column_].median(numeric_on
              def transform(self, X : pd.DataFrame)->pd.Series:
                  Transform dataframe by mapping data using encoder_dict_
                  ## Parameters
                      X : pd.DataFrame object
                  Returns pd. Series of encoded data
                  def columns_to_tuple(df, columns):
                       Function to combined columns as a tuple for dictionary mapping
                      temp = []
                       for column in columns:
                           temp.append(df[column])
                       return tuple(temp)
                  row_tuple = X.apply(columns_to_tuple, columns = self.columns_, axis=1)
                  row_tuple.name = f'{self.measure_}_encoded'
                  output = row_tuple.map(self.encoder_dict_)
                  return output
              def set_from_json(self, filepath):
                  Manually set an encoding dictionary
                  import json
                  with open(filepath) as f:
                       data = json.load(f)
                       self.encoder dict = data['encoder dict']
                       # Note eval() is used to read the str to get back the tuple
                       self.encoder_dict_ = eval(self.encoder_dict_)
                       self.columns_ = data['columns']
                       self.target_column_ = data['target_column']
              def export_to_json(self, filepath):
                   Export the underlying variables to a json file
                       The dictionary with tuples is written as a str first, to be read later using eval()
```

```
Returns a json file to the specified filepath
                    import json
                    export_dict = {'encoder_dict': str(self.encoder_dict_),
                                     'columns': self.columns_,
                                      'target_column': self.target_column_}
                    with open(filepath, 'w')as f:
                        json.dump(export_dict, f, indent=4)
           # Median encoding on towns and rooms
In [308...
           median_encoder = MeanEncoder(measure='median')
           median_encoder.fit(df, columns=['town', 'rooms'], target_column='resale_price')
           town_median_price = median_encoder.transform(df)
           # Mean encoding on towns and rooms
           mean_encoder = MeanEncoder(measure='mean')
           mean_encoder.fit(df, columns=['town', 'rooms'], target_column='resale_price')
           town_mean_price = mean_encoder.transform(df)
           train_df = pd.concat([numerical_columns, town_median_price, town_mean_price, town_label, region_
           train_df.head()
Out[308]:
                   resale_price floor_area_sqm remaining_lease rooms avg_storey dist_to_marina_bay dist_to_station0 me
               _id
                                                   53.750000
           150071
                      298000.0
                                         44.0
                                                                2.0
                                                                           8.0
                                                                                            9.23
                                                                                                            0.41
           152255
                      865000.0
                                        142.0
                                                   63.833333
                                                                5.5
                                                                          11.0
                                                                                           14.89
                                                                                                            1.59
           152254
                      780000.0
                                        142.0
                                                   62.166667
                                                                5.5
                                                                          11.0
                                                                                           16.13
                                                                                                            0.70
           152253
                      935000.0
                                        164.0
                                                   68.166667
                                                                5.5
                                                                           5.0
                                                                                           15.54
                                                                                                            0.86
                                                                                           17.08
           152252
                      892000.0
                                        169.0
                                                   68.333333
                                                                5.5
                                                                           2.0
                                                                                                            0.79
```

#### 2.2 Feature selection

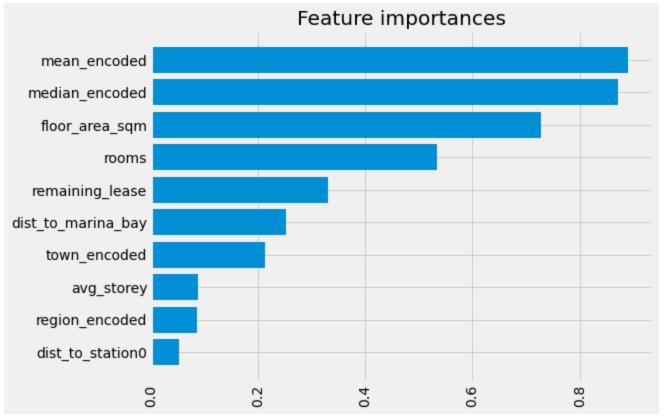
```
In [309... X_unscaled = train_df.iloc[:,1:]
y = train_df.iloc[:,0]
scaler = MinMaxScaler()
X = scaler.fit_transform(X_unscaled)
X_train, X_test, y_train, y_test = train_test_split(X, y, test_size=0.2, random_state=42)
```

SelectKBest using Mutual Information

- The KBest algorithmn will score the different features based on a scoring function.
- In this case, Mutual Information (MI) is used, which measures the dependency of each feature to our dependant variable.
- MI equals to zero if and only if two random variables are independent, and higher values mean higher dependency.

```
In []:
In [310... X_df = pd.DataFrame(X, columns=X_unscaled.columns)
   kbest = SelectKBest(score_func=mutual_info_regression, k='all')
   kbest.fit(X_df, y)
   kbest = pd.DataFrame(np.round(kbest.scores_,3), index=kbest.get_feature_names_out(kbest.feature_kbest = kbest.sort_values(by=['Mutual Info Score'], ascending=True)
```





Lasso (L1) regularisation to determine less important features

- To help us determine the optimal penalty term,  $\alpha$ , LassCrossValidation is used.
- The penalty term will help reduce less important features nearer to a zero value.

In this case, we see that the median encoded feature and label encoded features have turned negative and headed to 0.

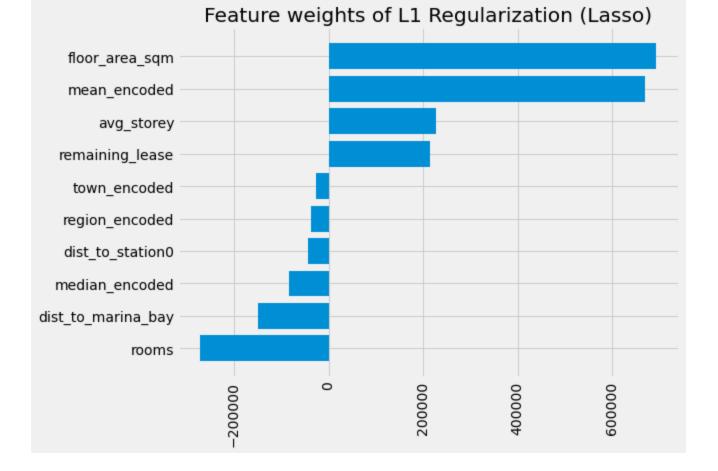
Similarly rooms which should be a positive weight has also turned negative instead. This could likely be due to its collinearity with floor\_area\_sqm

```
In [311... # LassoCV here uses crossvalidation to determine the optimum alpha (penalty value)
lr_reg1 = LassoCV(random_state=42)
lr_reg1.fit(X_train, y_train)
r2 = r2_score(y_test, lr_reg1.predict(X_test))
print(f'LassoCV Alpha: {np.round(lr_reg1.alpha_,3)}')
print(f'R2 score: {np.round(r2,3)}')

feature_weights = pd.DataFrame(lr_reg1.coef_, index=X_unscaled.columns, columns=['feature_weight
feature_weights = feature_weights.sort_values(by=['feature_weights'], ascending=True)

plt.figure(figsize=(8,6))
plt.title('Feature weights of L1 Regularization (Lasso)')
plt.barh(feature_weights.index, feature_weights['feature_weights'])
plt.xticks(rotation=90)
plt.show()
```

LassoCV Alpha: 20.221 R2 score: 0.884



#### Final selection of features

Based on the EDA, KBest and LassoCV done so far, the following features will be excluded:

- rooms (to utilise in mean encoding instead)
- dist\_to\_station
- median\_encoded
- town\_encoded
- region\_encoded

Mean encoding works the best, hence we will not consider the label encoded features and median encoded prices.

```
In [312...
X_unscaled = train_df[['floor_area_sqm', 'remaining_lease', 'avg_storey', 'dist_to_marina_bay',
y = train_df.iloc[:,0]
scaler = MinMaxScaler()
X = scaler.fit_transform(X_unscaled)
X_train, X_test, y_train, y_test = train_test_split(X, y, test_size=0.2, random_state=42)
```

#### 2.3 Model Selection

I will compare the following models in general, before hyperparameter tuning

- SGD Regressor
- Decision Tree Regressor
- Random Forest Regressor
- Gradient Boosting Regressor

I will fit them onto the training set (80%) of the data, then compare them on the test set (remaining 20%)

```
models = {'SGD Regressor' : SGDRegressor(random_state=42),
In [313...
                     'Tree Regressor' : DecisionTreeRegressor(random_state=42),
                     'Random Forest Regressor' : RandomForestRegressor(random_state=42),
                     'Gradient Boosting Regressor' : GradientBoostingRegressor(random_state=42)}
          initial_results = {}
          for name, model in models.items():
              model.fit(X_train, y_train)
              r2 = r2_score(y_test, model.predict(X_test))
              mae = mean_absolute_error(y_test, model.predict(X_test))
              mse = mean_squared_error(y_test, model.predict(X_test))
              r2 = str(round(r2,3))
              mae = str(int(mae))
              mse = str(int(mse))
              initial_results[name] = [r2, mae, mse]
          pd.DataFrame(initial_results, index=['r2_score', 'Mean absolute error', 'Mean squared error'])
```

#### Out[313]:

	SGD Regressor	Tree Regressor	Random Forest Regressor	Gradient Boosting Regressor
r2_score	0.876	0.913	0.948	0.928
Mean absolute error	45433	34084	25958	32684
Mean squared error	3680276641	2591285075	1529341144	2138510784

The ensemble models (Random Forest and Gradient Boosting) tend to perform better. I will narrow down to tune these two models for now.

#### **Feature importances**

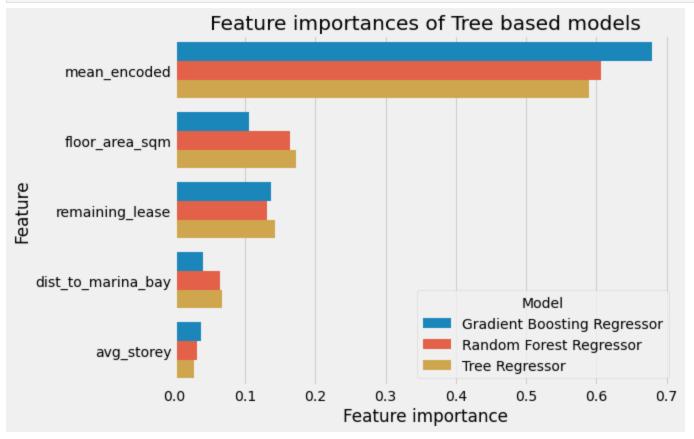
Note that feature importances are impurity based, and can biased towards high cardinality features. (in this case the mean encoded feature)

Feature importances are only useful here in identifying the features that contribute to the prediction, but they do not indicate how important they are to future predictions.

```
feature_importances = {}
for name, model in models.items():
    if name == 'SGD Regressor': # Impurity based, cannot be used to evaluate the gradient descen
        continue
    feature_importances[name] = np.round(model.feature_importances_, 3)

feature_importances = pd.DataFrame(feature_importances, index=X_unscaled.columns).reset_index()
    feature_importances = feature_importances.melt(id_vars='index').sort_values(by=['value'], ascend
    feature_importances.columns = ['Feature', 'Model', 'Feature importance']
```

plt.figure(figsize=(8,6))
plt.title('Feature importances of Tree based models')
sns.barplot(data=feature\_importances, y='Feature', x='Feature importance', orient='h', hue='Mode
plt.show()



### Permutation importances (a better alternative for tree-based models)

The permutation feature importance is defined to be the decrease in a model score when a single feature value is randomly shuffled.

- Not only is permutation importance model agnostic, it helps us understand how a model is currently using a certain feature.
- This is done simply by shuffling the rows within one feature at a time and measure the difference in our desired score (R2) due to the shuffling.

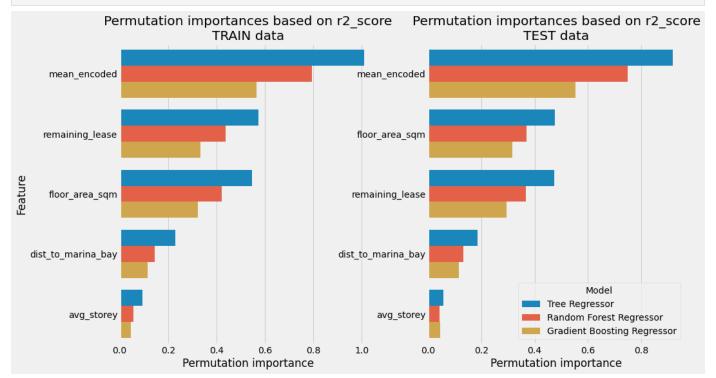
"impurity-based feature importance of random forests suffers from being computed on statistics derived from the training dataset: the importances can be high even for features that are not predictive of the target variable, as long as the model has the capacity to use them to overfit." source

```
permutation_importance_set = pd.DataFrame(dic, index=X_unscaled.columns).reset_index()
    permutation_importance_set = permutation_importance_set.melt(id_vars='index').sort_values(by
    permutation_importance_set.columns = ['Feature', 'Model', 'Permutation importance']

ax = sns.barplot(data=permutation_importance_set, y='Feature', x='Permutation importance', o

# Remove Legend on ax1, and share axis on ax2
ax1.get_legend().remove()
ax2.get_shared_x_axes().join(ax1, ax2)
# ax2.axes.yaxis.set_ticks([])
ax2.set_ylabel('')

ax1.set_title('Permutation importances based on r2_score\nTRAIN data')
ax2.set_title('Permutation importances based on r2_score\nTEST data')
plt.show()
```



Compared to the feature importances, we can now see that the other features have a higher weightage now. This is good as it shows that my model is not overly reliant on the mean encoding as suggested by feature importances that can be biased against high cardinality features.

### 2.4 Hyperparameter tuning

Randomized Search Cross-Validation to tune the hyperpameters for the top 2 models

### Random Forest Regressor

```
random_cv.fit(X, y)
print('Best Parameters', random_cv.best_params_)
print('Best R2 score', np.round(random_cv.best_score_,3))
best_rfr = random_cv.best_estimator_

Fitting 5 folds for each of 15 candidates, totalling 75 fits
Best Parameters {'n_estimators': 150, 'min_samples_leaf': 5, 'max_features': None, 'max_depth': 5}
Best R2 score 0.878
```

#### **Gradient Boosting Regressor**

Best R2 score 0.942

```
param_distributions = {'max_depth' : [3,5],
In [317...
                                  'n_estimators' : [50,100,150],
                                  'learning_rate' : [0.01,0.1,1],
                                  'max_features': [None, 'sqrt', 'log2']
           random_cv = RandomizedSearchCV(estimator=GradientBoostingRegressor(random_state=42),
                                          scoring= 'r2',
                                          param_distributions= param_distributions,
                                          n_iter= 15,
                                          cv = 5,
                                          verbose= 1,
                                          n_{jobs=2}
           random_cv.fit(X, y)
           print('Best Parameters', random_cv.best_params_)
           print('Best R2 score', np.round(random_cv.best_score_,3))
           best_gbc = random_cv.best_estimator_
          Fitting 5 folds for each of 15 candidates, totalling 75 fits
          Best Parameters {'n_estimators': 150, 'max_features': 'log2', 'max_depth': 5, 'learning_rate':
          0.1}
```

### Test on subsequent month's data (Unseen data)

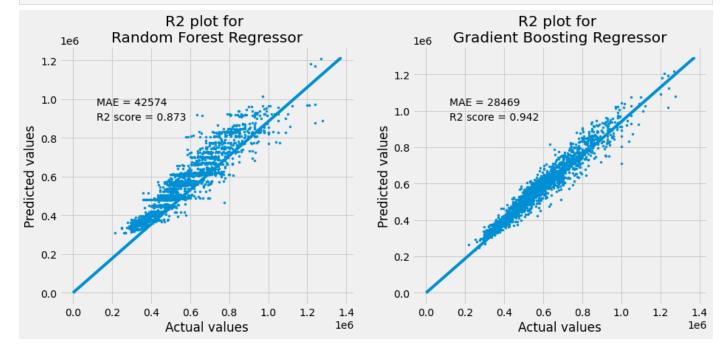
```
In [318...
test_df = pd.read_csv('static/2023_05.csv', index_col=0)

# Use previous dictionary of the town and rooms for mean encoding
mean_encoded = mean_encoder.transform(test_df)
test_df = pd.concat([test_df, mean_encoded], axis =1)
test_df = test_df[['resale_price','floor_area_sqm', 'remaining_lease', 'avg_storey', 'dist_to_madisplay(test_df.head())
print(test_df.shape)
```

#### resale\_price floor\_area\_sqm remaining\_lease avg\_storey dist\_to\_marina\_bay mean\_encoded

_id						
152256	275000.0	44.0	53.75	2.0	9.23	293168.800000
152257	300000.0	45.0	61.75	8.0	10.45	293168.800000
152258	348000.0	67.0	53.75	11.0	9.62	399997.149425
152259	330000.0	68.0	56.75	2.0	10.17	399997.149425
152260	400000.0	67.0	54.75	8.0	9.38	399997.149425

```
In [322...
          X_test = test_df.iloc[:,1:]
          y_test = test_df.iloc[:,0]
          X_test = scaler.transform(X_test)
          fig, (ax1,ax2) = plt.subplots(1,2, figsize=(14,6))
          chosen_models = {best_rfr: ax1, best_gbc: ax2}
          for model, ax in chosen_models.items():
              y_pred = model.predict(X_test)
              r2 = r2_score(y_test, y_pred)
              mae = mean_absolute_error(y_test, y_pred)
              ax.scatter(y_test, y_pred , marker='.')
              ax.set_xlabel('Actual values')
              ax.set_ylabel('Predicted values')
              ax.plot([0,max(y_test)], [0, max(y_pred)])
              ax.annotate(f'R2 score = {np.round(r2,3)}', (50,250), xycoords='axes points')
              ax.annotate(f'MAE = {int(mae)}', (50,270), xycoords='axes points')
          ax1.set_title(f'R2 plot for \nRandom Forest Regressor')
          ax2.set_title(f'R2 plot for \nGradient Boosting Regressor')
          plt.show()
```



### 3. Conclusions

It would have been possible to obtain higher scores for each regressor if the max\_depth was not limited at 5. However, it would be introducing possible overfitting.

Based on the scores

- The random forest regressor has a bias to overestimate resale prices, the accuracy is still decently above 85%.
- The gradient boosting regressor however has a better fit with a high R2 score and lower MAE.

## **Exporting the objects for deployment**

```
In [49]: print(f"File saved as {joblib.dump(scaler, 'models/scaler.joblib')}")
    print(f"File saved as{joblib.dump(mean_encoder, 'models/mean_encoder.joblib')}")
```

```
model_name = input(f'Name save file for model {best_gbc}\n')
if model_name != '':
    filepath = f'models/gbc_{model_name}.joblib'
    joblib.dump(best_gbc, filepath)
    print(f'File saved as {filepath}')
```

```
['models/scaler.joblib']
Out[49]:
```