Problem Statement

A real estate agent want help to predict the house price for regions in USA. He gave us the dataset to work on to use linear regression model. create a model that helps him to estimate of what the house sell for.

In [22]:
```
import numpy as np
import pandas as pd
import matplotlib.pyplot as plt
import seaborn as sns
from sklearn.model_selection import train_test_split
from sklearn.linear_model import LinearRegression
```

In [3]:
```
df = pd.read_csv("10_USA_Housing.csv")
df
```

Out[3]:

	Avg. Area Income	Avg. Area House Age	Avg. Area Number of Rooms	Avg. Area Number of Bedrooms	Area Population	Price	Address
0	79545.458574	5.682861	7.009188	4.09	23086.800503	1.059034e+06	208 Michael Ferry Apt. 674\nLaurabury, NE 3701...
1	79248.642455	6.002900	6.730821	3.09	40173.072174	1.505891e+06	188 Johnson Views Suite 079\nLake Kathleen, CA...
2	61287.067179	5.865890	8.512727	5.13	36882.159400	1.058988e+06	9127 Elizabeth Stravenue\nDanieltown, WI 06482...
3	63345.240046	7.188236	5.586729	3.26	34310.242831	1.260617e+06	USS Barnett\nFPO AP 44820
4	59982.197226	5.040555	7.839388	4.23	26354.109472	6.309435e+05	USNS Raymond\nFPO AE 09386
...	...	...	...	...	...	...	...
4995	60567.944140	7.830362	6.137356	3.46	22837.361035	1.060194e+06	USNS Williams\nFPO AP 30153-7653
4996	78491.275435	6.999135	6.576763	4.02	25616.115489	1.482618e+06	PSC 9258, Box 8489\nAPO AA 42991-3352
4997	63390.686886	7.250591	4.805081	2.13	33266.145490	1.030730e+06	4215 Tracy Garden Suite 076\nJoshualand, VA 01...
4998	68001.331235	5.534388	7.130144	5.44	42625.620156	1.198657e+06	USS Wallace\nFPO AE 73316
4999	65510.581804	5.992305	6.792336	4.07	46501.283803	1.298950e+06	37778 George Ridges Apt. 509\nEast Holly,

	Avg. Area Income	Avg. Area House Age	Avg. Area Number of Rooms	Avg. Area Number of Bedrooms	Area Population	Price	Address
							NV 2...

5000 rows × 7 columns

In [4]:
```
df.head()
```

Out[4]:

	Avg. Area Income	Avg. Area House Age	Avg. Area Number of Rooms	Avg. Area Number of Bedrooms	Area Population	Price	Address
0	79545.458574	5.682861	7.009188	4.09	23086.800503	1.059034e+06	208 Michael Ferry Apt. 674\nLaurabury, NE 3701...
1	79248.642455	6.002900	6.730821	3.09	40173.072174	1.505891e+06	188 Johnson Views Suite 079\nLake Kathleen, CA...
2	61287.067179	5.865890	8.512727	5.13	36882.159400	1.058988e+06	9127 Elizabeth Stravenue\nDanieltown, WI 06482...
3	63345.240046	7.188236	5.586729	3.26	34310.242831	1.260617e+06	USS Barnett\nFPO AP 44820
4	59982.197226	5.040555	7.839388	4.23	26354.109472	6.309435e+05	USNS Raymond\nFPO AE 09386

Data cleaning and pre processing

In [5]:
```
df.info()
```

```
<class 'pandas.core.frame.DataFrame'>
RangeIndex: 5000 entries, 0 to 4999
Data columns (total 7 columns):
 #   Column                       Non-Null Count  Dtype  
---  ------                       --------------  -----  
 0   Avg. Area Income             5000 non-null   float64
 1   Avg. Area House Age          5000 non-null   float64
 2   Avg. Area Number of Rooms    5000 non-null   float64
 3   Avg. Area Number of Bedrooms 5000 non-null   float64
 4   Area Population              5000 non-null   float64
 5   Price                        5000 non-null   float64
 6   Address                      5000 non-null   object 
dtypes: float64(6), object(1)
memory usage: 273.6+ KB
```

In [6]:
```
df.describe()
```

Out[6]:

	Avg. Area Income	Avg. Area House Age	Avg. Area Number of Rooms	Avg. Area Number of Bedrooms	Area Population	Price
count	5000.000000	5000.000000	5000.000000	5000.000000	5000.000000	5.000000e+03
mean	68583.108984	5.977222	6.987792	3.981330	36163.516039	1.232073e+06
std	10657.991214	0.991456	1.005833	1.234137	9925.650114	3.531176e+05
min	17796.631190	2.644304	3.236194	2.000000	172.610686	1.593866e+04
25%	61480.562388	5.322283	6.299250	3.140000	29403.928702	9.975771e+05
50%	68804.286404	5.970429	7.002902	4.050000	36199.406689	1.232669e+06
75%	75783.338666	6.650808	7.665871	4.490000	42861.290769	1.471210e+06
max	107701.748378	9.519088	10.759588	6.500000	69621.713378	2.469066e+06

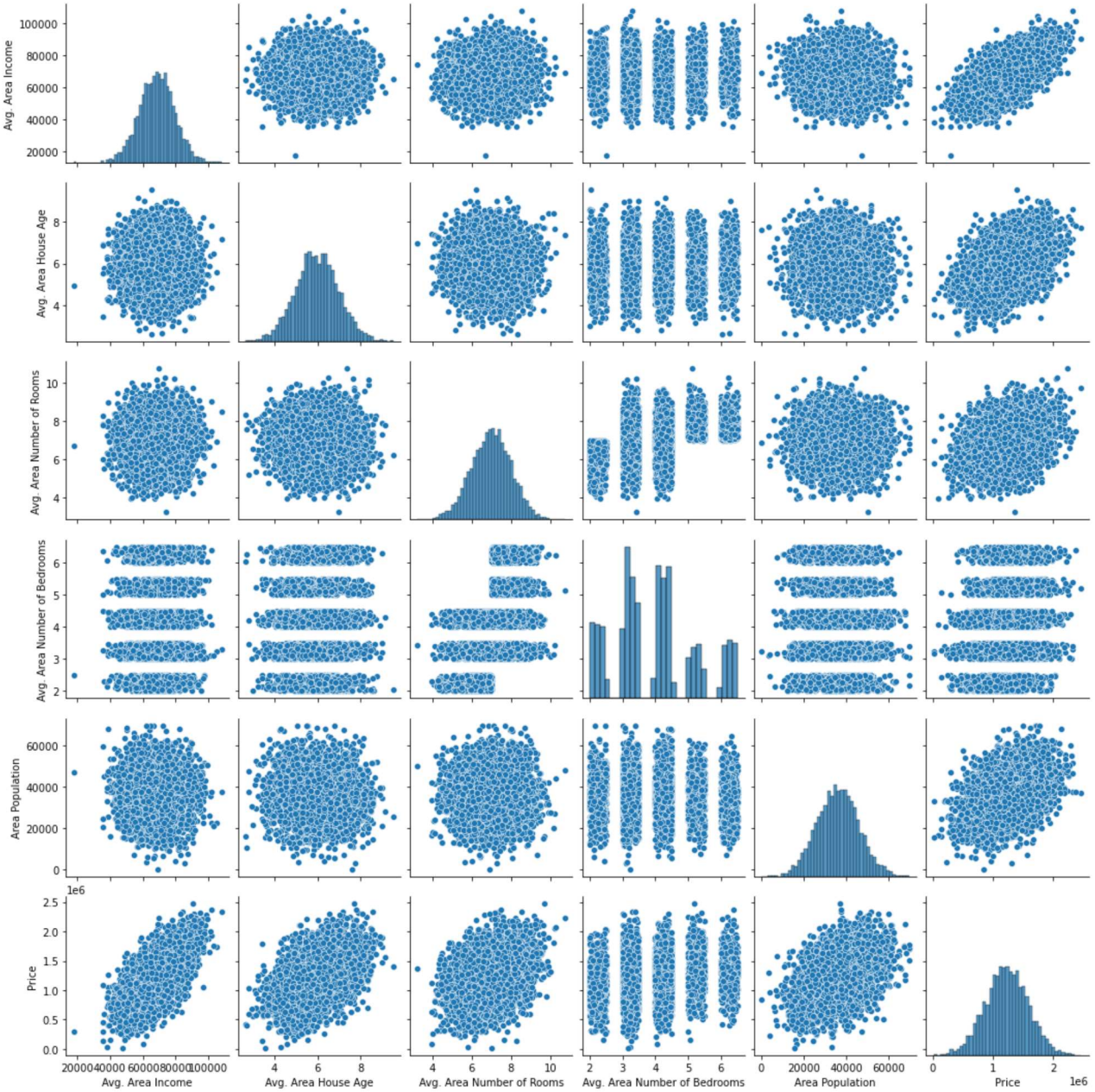
In [8]:
```
df.columns
```

Out[8]:
```
Index(['Avg. Area Income', 'Avg. Area House Age', 'Avg. Area Number of Rooms',
       'Avg. Area Number of Bedrooms', 'Area Population', 'Price', 'Address'],
      dtype='object')
```

EDA and VISUALIZATION

In [9]:
```
sns.pairplot(df)
```

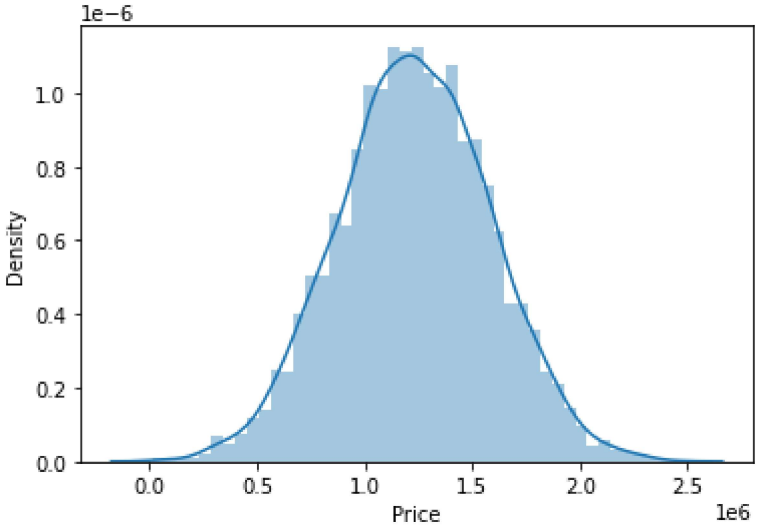
Out[9]:
```
<seaborn.axisgrid.PairGrid at 0x190db374820>
```



In [10]:
```
sns.distplot(df["Price"])
```

```
C:\ProgramData\Anaconda3\lib\site-packages\seaborn\distributions.py:2557: FutureWarning:
`distplot` is a deprecated function and will be removed in a future version. Please adap
t your code to use either `displot` (a figure-level function with similar flexibility) o
r `histplot` (an axes-level function for histograms).
  warnings.warn(msg, FutureWarning)
```

Out[10]: <AxesSubplot:xlabel='Price', ylabel='Density'>



In [12]:
```
df1 = df[['Avg. Area Income', 'Avg. Area House Age', 'Avg. Area Number of Rooms',
       'Avg. Area Number of Bedrooms', 'Area Population', 'Price']]
```

In [14]:
```
sns.heatmap(df1.corr())
```

Out[14]: <AxesSubplot:>

To train the model - model building

going to train linear Regression model

- first split the data into two variables x and y where x is independent variable (input) and y is dependent on x (output)
- we can ignore address column as it is not required for our model

In [15]:
```
x = df1[['Avg. Area Income', 'Avg. Area House Age', 'Avg. Area Number of Rooms',
       'Avg. Area Number of Bedrooms', 'Area Population']]
y = df1['Price']
```

split the data into training and test data

In [19]:
```
x_train, x_test, y_train, y_test = train_test_split(x,y,test_size=0.3)
```

In [24]:
```
lr = LinearRegression()
lr.fit(x_train, y_train)
```

Out[24]:
```
LinearRegression()
```

In [26]:
```
lr.intercept_
```

Out[26]:
```
-2639713.984629445
```

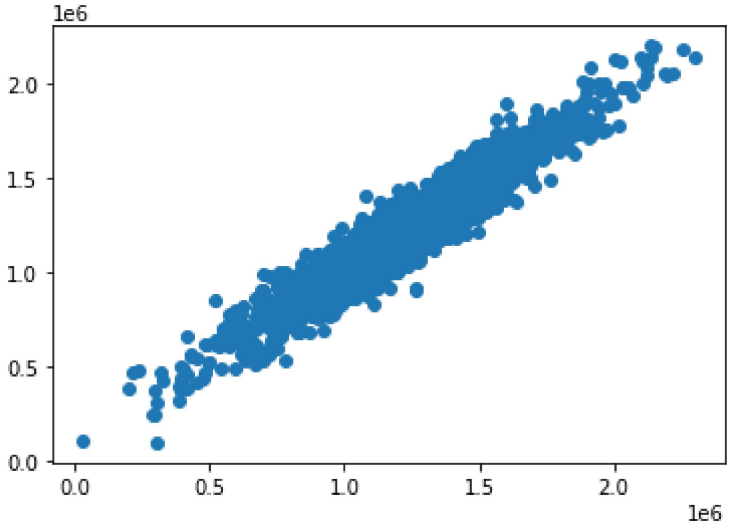
In [27]:
```
coeff = pd.DataFrame(lr.coef_, x.columns, columns =['Co-efficient'])
coeff
```

Out[27]:

	Co-efficient
Avg. Area Income	21.577210
Avg. Area House Age	165324.413148
Avg. Area Number of Rooms	121051.833653
Avg. Area Number of Bedrooms	1227.694779
Area Population	15.308496

In [28]:
```
prediction = lr.predict(x_test)
plt.scatter(y_test, prediction)
```

Out[28]:
```
<matplotlib.collections.PathCollection at 0x190ded61a90>
```



In [29]:
```
lr.score(x_test,y_test)
```

Out[29]: 0.9164989189516786