Prague University of Economics and Business

Faculty of Informatics and Statistics

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Airbnb: Price prediction in Prague

4IT439 – Data-X – Applied data analytics models in real world tasks

Term paper

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# Data Understanding

We used python to explore the data. At first we downloaded all three versions of everything from the website. Then we went and looked at it one by one.

* Neighbourhoods – the same, kept one for possible binning (already included in listings)
* Reviews – all reviews in one file, kept the newest one from December
* Calendars – the data from December seem strange, so we decided to use only the one from June and September
* Listings – also a bit strange data from December, so we used only June and September

Here are some insights from our data exploration of the listings:

* price – wrong currency, needs to be a float, but won´t need to use it, we will use the price from calendar (the same case)
* bathroom\_text – text, needs to be transformed, gives us information about the number of bathrooms and also if it is shared or not
* bathroom – empty column, will be dropped
* neighbourhood – can be dropped, cleaned data are already in the column neighbourhood\_cleansed
* amenities – all equipment of the accommodation, could be helpful in the model if properly handled
* price, room type, accommodates, beds, bedrooms, bathrooms, neighbourhood will be probably the most important features for the model
* multiple other empty columns, will be dropped
* true false columns will be also transformed into Boolean 1/0

For the purpose of this report we have used python to give us a table (on the following page), which describes all the columns in listings.

We decided not to include the grey columns in the model, because they don´t seem to us as relevant. The others we want in the model, the green ones will stay as they are and the orange ones need to be transformed. The transformations are described in the next chapter.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Column** | **Data Type** | **Non-null val** | **Missing val** | **Unique Count** | **Min Value** | **Max Value** | **Mean Value** | **SD** | **Outlier Count** |
| id | int64 | 8949 | 0 | 8949 |  |  |  |  |  |
| listing\_url | object | 8949 | 0 | 8949 |  |  |  |  |  |
| scrape\_id | int64 | 8949 | 0 | 1 |  |  |  |  |  |
| last\_scraped | object | 8949 | 0 | 1 |  |  |  |  |  |
| source | object | 8949 | 0 | 2 |  |  |  |  |  |
| name | object | 8949 | 0 | 6728 |  |  |  |  |  |
| description | object | 8785 | 164 | 7599 |  |  |  |  |  |
| neighborhood\_overview | object | 4904 | 4045 | 3126 |  |  |  |  |  |
| picture\_url | object | 8949 | 0 | 8627 |  |  |  |  |  |
| host\_id | int64 | 8949 | 0 | 3180 | 3128 | 537229454 | 167351187,56 | 176419788 | 0 |
| host\_url | object | 8949 | 0 | 3180 |  |  |  |  |  |
| host\_name | object | 8949 | 0 | 1383 |  |  |  |  |  |
| host\_since | object | 8949 | 0 | 2144 |  |  |  |  |  |
| host\_location | object | 7025 | 1924 | 191 |  |  |  |  |  |
| host\_about | object | 5259 | 3690 | 1479 |  |  |  |  |  |
| host\_response\_time | object | 7860 | 1089 | 4 |  |  |  |  |  |
| host\_response\_rate | object | 7860 | 1089 | 47 |  |  |  |  |  |
| host\_acceptance\_rate | object | 8284 | 665 | 92 |  |  |  |  |  |
| host\_is\_superhost | object | 8637 | 312 | 2 |  |  |  |  |  |
| host\_thumbnail\_url | object | 8949 | 0 | 3048 |  |  |  |  |  |
| host\_picture\_url | object | 8949 | 0 | 3048 |  |  |  |  |  |
| host\_neighbourhood | object | 8197 | 752 | 132 |  |  |  |  |  |
| host\_listings\_count | int64 | 8949 | 0 | 68 | 0 | 2562 | 21,96 | 72 | 27 |
| host\_total\_listings\_count | int64 | 8949 | 0 | 83 | 0 | 5324 | 36,50 | 219 | 15 |
| host\_verifications | object | 8949 | 0 | 6 |  |  |  |  |  |
| host\_has\_profile\_pic | object | 8949 | 0 | 2 |  |  |  |  |  |
| host\_identity\_verified | object | 8949 | 0 | 2 |  |  |  |  |  |
| neighbourhood | object | 4904 | 4045 | 236 |  |  |  |  |  |
| neighbourhood\_cleansed | object | 8949 | 0 | 52 |  |  |  |  |  |
| neighbourhood\_group\_cleansed | float64 | 0 | 8949 | 0 |  |  |  |  | 0 |
| latitude | float64 | 8949 | 0 | 5334 | 50 | 50 | 50,08 | 0 | 19 |
| longitude | float64 | 8949 | 0 | 6193 | 14 | 15 | 14,43 | 0 | 19 |
| property\_type | object | 8949 | 0 | 60 |  |  |  |  |  |
| room\_type | object | 8949 | 0 | 4 |  |  |  |  |  |
| accommodates | int64 | 8949 | 0 | 16 | 1 | 16 | 3,93 | 2 | 0 |
| bathrooms | float64 | 0 | 8949 | 0 |  |  |  |  | 0 |
| bathrooms\_text | object | 8933 | 16 | 34 |  |  |  |  |  |
| bedrooms | float64 | 7030 | 1919 | 15 | 1 | 34 | 1,57 | 1 | 33 |
| beds | float64 | 8833 | 116 | 26 | 1 | 50 | 2,61 | 2 | 83 |
| amenities | object | 8949 | 0 | 8040 |  |  |  |  |  |
| price | object | 8949 | 0 | 3121 |  |  |  |  |  |
| minimum\_nights | int64 | 8949 | 0 | 63 | 1 | 1115 | 4,97 | 32 | 295 |
| maximum\_nights | int64 | 8949 | 0 | 128 | 1 | 9000 | 590,46 | 464 | 2 |
| minimum\_minimum\_nights | int64 | 8949 | 0 | 61 | 1 | 1115 | 4,43 | 29 | 269 |
| maximum\_minimum\_nights | int64 | 8949 | 0 | 66 | 1 | 1115 | 9,64 | 41 | 285 |
| minimum\_maximum\_nights | int64 | 8949 | 0 | 97 | 1 | 3333 | 693,11 | 472 | 1 |
| maximum\_maximum\_nights | int64 | 8949 | 0 | 97 | 1 | 3333 | 751,94 | 451 | 1 |
| minimum\_nights\_avg\_ntm | float64 | 8949 | 0 | 231 | 1 | 1115 | 6,16 | 32 | 218 |
| maximum\_nights\_avg\_ntm | float64 | 8949 | 0 | 298 | 1 | 3333 | 734,00 | 451 | 1 |
| calendar\_updated | float64 | 0 | 8949 | 0 |  |  |  |  | 0 |
| has\_availability | object | 8949 | 0 | 2 |  |  |  |  |  |
| availability\_30 | int64 | 8949 | 0 | 31 | 0 | 30 | 9,90 | 9 | 0 |
| availability\_60 | int64 | 8949 | 0 | 61 | 0 | 60 | 25,93 | 20 | 0 |
| availability\_90 | int64 | 8949 | 0 | 91 | 0 | 90 | 43,06 | 31 | 0 |
| availability\_365 | int64 | 8949 | 0 | 366 | 0 | 365 | 159,07 | 133 | 0 |
| calendar\_last\_scraped | object | 8949 | 0 | 1 |  |  |  |  |  |
| number\_of\_reviews | int64 | 8949 | 0 | 499 | 0 | 1693 | 63,26 | 100 | 6 |
| number\_of\_reviews\_ltm | int64 | 8949 | 0 | 121 | 0 | 385 | 17,72 | 23 | 6 |
| number\_of\_reviews\_l30d | int64 | 8949 | 0 | 19 | 0 | 23 | 1,50 | 2 | 4 |
| first\_review | object | 8066 | 883 | 2585 |  |  |  |  |  |
| last\_review | object | 8066 | 883 | 932 |  |  |  |  |  |
| review\_scores\_rating | float64 | 8066 | 883 | 146 | 0 | 5 | 4,69 | 0 | 49 |
| review\_scores\_accuracy | float64 | 8050 | 899 | 132 | 1 | 5 | 4,74 | 0 | 42 |
| review\_scores\_cleanliness | float64 | 8050 | 899 | 164 | 1 | 5 | 4,68 | 0 | 36 |
| review\_scores\_checkin | float64 | 8050 | 899 | 133 | 1 | 5 | 4,79 | 0 | 73 |
| review\_scores\_communication | float64 | 8051 | 898 | 129 | 1 | 5 | 4,79 | 0 | 79 |
| review\_scores\_location | float64 | 8050 | 899 | 124 | 1 | 5 | 4,77 | 0 | 55 |
| review\_scores\_value | float64 | 8050 | 899 | 136 | 1 | 5 | 4,66 | 0 | 35 |
| license | float64 | 0 | 8949 | 0 |  |  |  |  | 0 |
| instant\_bookable | object | 8949 | 0 | 2 |  |  |  |  |  |
| calculated\_host\_listings\_count | int64 | 8949 | 0 | 53 | 1 | 96 | 17,06 | 24 | 0 |
| calculated\_host\_listings\_count\_entire\_homes | int64 | 8949 | 0 | 50 | 0 | 96 | 14,30 | 23 | 0 |
| calculated\_host\_listings\_count\_private\_rooms | int64 | 8949 | 0 | 22 | 0 | 59 | 1,82 | 7 | 112 |
| calculated\_host\_listings\_count\_shared\_rooms | int64 | 8949 | 0 | 7 | 0 | 77 | 0,78 | 7 | 186 |
| reviews\_per\_month | float64 | 8066 | 883 | 782 | 0 | 27 | 2,00 | 2 | 5 |

Legend

|  |
| --- |
| not for model |
| adjust |
| keep |

# Data Preparation

Here is the next version of the previous table, where each parameter is reasoned with why keep it or not and what changes we did.

Specifics can be found in the code. We have merged the June and September data.

|  |  |  |  |
| --- | --- | --- | --- |
| **Column** | **Keep** | **Change** | **Reason** |
| id | No |  | Not relevant, could be misleading |
| listing\_url | No |  | Not relevant, could be misleading |
| scrape\_id | No |  | Not relevant, could be misleading |
| last\_scraped | No |  | Not relevant, could be misleading |
| source | No |  | Not relevant, could be misleading |
| name | No |  | Not relevant, could be misleading |
| description | Yes, but | Count number of signs | Could be relevant |
| neighborhood\_overview | Yes, but | Is or not - boolean | Could be relevant |
| picture\_url | No |  | Not relevant, could be misleading |
| host\_id | No |  | Not relevant, could be misleading |
| host\_url | No |  | Not relevant, could be misleading |
| host\_name | No |  | Not relevant, could be misleading |
| host\_since | Yes, but | Difference from today and in bins (less than year, more than year) | Could be relevant |
| host\_location | No |  | Not relevant, could be misleading |
| host\_about | Yes, but | Is or not - boolean | Could be relevant |
| host\_response\_time | No |  | Not relevant, could be misleading |
| host\_response\_rate | No |  | Too many null values |
| host\_acceptance\_rate | No |  | Not relevant, could be misleading |
| host\_is\_superhost | Yes, but | 1/0 boolean | Could be relevant |
| host\_thumbnail\_url | No |  | Not relevant, could be misleading |
| host\_picture\_url | No |  | Not relevant, could be misleading |
| host\_neighbourhood | No |  | Not relevant, could be misleading |
| host\_listings\_count | No |  | Not relevant, could be misleading |
| host\_total\_listings\_count | No |  | Not relevant, could be misleading |
| host\_verifications | No |  | Not relevant, could be misleading |
| host\_has\_profile\_pic | Yes, but | 1/0 boolean | Could be relevant |
| host\_identity\_verified | Yes, but | 1/0 boolean | Could be relevant |
| neighbourhood | No |  | Not relevant, could be misleading |
| neighbourhood\_cleansed | Yes, but | Make bins | Relevant |
| neighbourhood\_group\_cleansed | No |  | Empty |
| latitude | No |  | Not relevant, could be misleading |
| longitude | No |  | Not relevant, could be misleading |
| property\_type | No |  | Not relevant, could be misleading |
| room\_type | Yes |  | Relevant |
| accommodates | Yes |  | Relevant |
| bathrooms | No |  | Empty |
| bathrooms\_text | Yes, but | Convert to number and create a new column boolean shared\_bathroom | Relevant |
| bedrooms | Yes, but | Replace blanks with 1 | Relevant |
| beds | Yes, but | Replace blanks with 1 | Relevant |
| amenities | Yes, but | Give score | Relevant |
| price | No |  | Not relevant, could be misleading |
| minimum\_nights | No |  | Not relevant, could be misleading |
| maximum\_nights | No |  | Not relevant, could be misleading |
| minimum\_minimum\_nights | No |  | Not relevant, could be misleading |
| maximum\_minimum\_nights | No |  | Not relevant, could be misleading |
| minimum\_maximum\_nights | No |  | Not relevant, could be misleading |
| maximum\_maximum\_nights | No |  | Not relevant, could be misleading |
| minimum\_nights\_avg\_ntm | No |  | Not relevant, could be misleading |
| maximum\_nights\_avg\_ntm | No |  | Not relevant, could be misleading |
| calendar\_updated | No |  | Empty |
| has\_availability | No |  | Not relevant, could be misleading |
| availability\_30 | No |  | Not relevant, could be misleading |
| availability\_60 | No |  | Not relevant, could be misleading |
| availability\_90 | No |  | Not relevant, could be misleading |
| availability\_365 | No |  | Not relevant, could be misleading |
| calendar\_last\_scraped | No |  | Not relevant, could be misleading |
| number\_of\_reviews | Yes |  | Could be relevant |
| number\_of\_reviews\_ltm | No |  | Not relevant, could be misleading |
| number\_of\_reviews\_l30d | No |  | Not relevant, could be misleading |
| first\_review | No |  | Not relevant, could be misleading |
| last\_review | No |  | Not relevant, could be misleading |
| review\_scores\_rating | Yes |  | Could be relevant |
| review\_scores\_accuracy | No |  | Not relevant, could be misleading |
| review\_scores\_cleanliness | No |  | Not relevant, could be misleading |
| review\_scores\_checkin | No |  | Not relevant, could be misleading |
| review\_scores\_communication | No |  | Not relevant, could be misleading |
| review\_scores\_location | No |  | Not relevant, could be misleading |
| review\_scores\_value | No |  | Not relevant, could be misleading |
| license | No |  | Empty |
| instant\_bookable | Yes, but | 1/0 boolean | Could be relevant |
| calculated\_host\_listings\_count | No |  | Not relevant, could be misleading |
| calculated\_host\_listings\_count\_entire\_homes | No |  | Not relevant, could be misleading |
| calculated\_host\_listings\_count\_private\_rooms | No |  | Not relevant, could be misleading |
| calculated\_host\_listings\_count\_shared\_rooms | No |  | Not relevant, could be misleading |
| reviews\_per\_month | No |  | Not relevant, could be misleading |

From the calendar we have decided to keep only the “listing\_id”, “date” and “price” features.

First, we had to work with the price a lot, where we converted it to number and then we removed outliers (quantile 0.01 and 0.96). Then we grouped the date for every listing id by year and month and averaged the price.

Afterwards, we joined the listings with calendar to get the data for the modelling.

# Data Visualization

* Ceny bych udělala – jak jsme odebrali outliers
* Avg price by neighbourhood group

# Modelling

In the following chapter, we present the models we selected for training on our data.

## X a Y values

We used the same set of explained and explanatory variables for all the models we trained. Which we have modified to be applicable to our models. For example, we made the neighborhood\_cleansed and room\_type variables into dummy variables that are understandable for the models.

# Making of dummy values for model procesing

# One-Hot Encoding for neighbourhood\_cleansed and room\_type

neighbourhood\_dummies = pd.get\_dummies(data['neighbourhood\_cleansed'], prefix='neighb-')

room\_dummies = pd.get\_dummies(data['room\_type'], prefix='room-')

# Adding new dummy columns to dataframe data

data = pd.concat([data, neighbourhood\_dummies], axis=1)

data = pd.concat([data, room\_dummies], axis=1)

# sorting data by date

data\_sorted = data.sort\_values(by='date', ascending=True)

# validation of succesful sorting logic

print(data\_sorted['date'])

# setting borders

total\_rows = len(data\_sorted)

train\_idx = int(total\_rows \* 0.6)

valid\_idx = int(total\_rows \* 0.8)

# train 0 - 60 %

X\_train = data\_sorted.iloc[:train\_idx].drop(['avg\_price','neighbourhood\_cleansed','room\_type','date','neighb\_num'], axis=1)

y\_train = data\_sorted.iloc[:train\_idx]['avg\_price']

# valid 60 - 80 %

X\_valid = data\_sorted.iloc[train\_idx:valid\_idx].drop(['avg\_price','neighbourhood\_cleansed','room\_type','date', 'neighb\_num'], axis=1)

y\_valid = data\_sorted.iloc[train\_idx:valid\_idx]['avg\_price']

# test 80 - 100 %

X\_test = data\_sorted.iloc[valid\_idx:].drop(['avg\_price','neighbourhood\_cleansed','room\_type','date', 'neighb\_num'], axis=1)

y\_test = data\_sorted.iloc[valid\_idx:]['avg\_price']

To avoid overfitting the model, we split the data into training, validation and test data. Therefore, the X and Y variables were also divided into train, valid and test.

## Linear regression

We decided to train a linear regression model first. To train the model we used the sklearn library. The model was fit on the training data. The Python code used for the linear regression is shown below.

from sklearn.metrics import mean\_squared\_error

from sklearn.linear\_model import LinearRegression

import pickle

# Fit model to train dataset

model = LinearRegression()

model.fit(X\_train, y\_train)

.

# Predict the test set labels 'y\_pred'

y\_pred = model.predict(X\_valid)

# Evaluate model on validation dataset

mse = mean\_squared\_error(y\_valid, y\_pred)

rmse\_LR = mse\*\*(1/2)

# Print the results

print("Intercept:", model.intercept\_ )

print("Coefficients:", model.coef\_)

print("Mean Squared Error:", mse)

print("Root Mean Squared Error:",rmse\_LR)

## Lasso regression

Second, we trained a lasso regression model, where we hoped that the regularization parameter alpha would reduce the number of coefficients and lead to better results. We tried many different alpha parameters, but in the end, parameter 1 worked best, which led to a lasso regression result that was slightly better than the ordinary linear regression result. In the following lines you can see the code that was used to fit the model.

from sklearn.linear\_model import Lasso

import pickle

# Set alpha parameter and initialize lasso regression model

alpha = 1

lasso = Lasso(alpha=alpha)

# Fit model to train dataset

lasso.fit(X\_train, y\_train)

# Predict the test set labels 'y\_pred'

y\_pred\_LAR = lasso.predict(X\_valid)

# Evaluating the model on validation dataset

mse = mean\_squared\_error(y\_valid, y\_pred\_LAR)

rmse\_LAR = mse\*\*(1/2)

# Print the results

print("Intercept:", lasso.intercept\_)

print("Coefficients:", lasso.coef\_)

print("Mean Squared Error:", mse)

print("Root Mean Squared Error:", rmse\_LAR)

## Random forest

## XG Boost

* + Try different models and provide a rationale for your selected model choice and architecture. Describe your validation process. Your model report must include the following:n
* Model limitations and considerations
* Ideas to improve the model
* Explain how you chose the values for the hyper-parameters of your model

# Model interpretation

In the following section, the interpretations of the individual trained models and the presentation of their results are presented.

## Linear regression

|  |  |
| --- | --- |
| Variable | Values |
| Intercept | -601152.3217238288 |
| Coeficients | [ 5.70560978 22.73911238 -130.36032637 -55.00277619 199.31731746  429.44269482 -918.90714623 403.68461469 209.79935586 -79.76090382  -2.39249414 203.46521552 245.94407167 -130.36032637 62.2399841  -503.21439886 297.31264558 38.99819051 -195.82174176 676.85574994  -481.03400817 56.06359818 639.56760892 108.49498473 -804.12619182] |
| Mean Squared Error | 5777962.777503724 |
| Root Mean Squared Error | 2403.739332270395 |

## Lasso regression

|  |  |
| --- | --- |
| Variable | Values |
| Intercept | -554864.9217283456 |
| Coeficients | [ 6.51754046 18.64938677 -58.20277747 -50.45990542 193.25813266 371.24951444 -889.94211536 406.56873007 209.73652472 -82.97424289 -2.39099193 199.64321291 240.51406609 -148.89703873 56.10230389 -486.96076918 274.38286681 36.46507818 -0. 869.51694696 -259.65078537 -12.52204476 514.6849589 23.81181889 -777.3042681 ] |
| Mean Squared Error | 5789605.883727598 |
| Root Mean Squared Error | 2406.159987142916 |

## Random forest

## XG Boost

* + Use appropriate methods to interpret the impact of your features on the predictions.
  + Try to interpret main interactions of the most influential features.

# Bonus tasks

* + Analyse the relation between the sentiment and price. Were people who paid more also more satisfied?
  + What high seasons did you identify? How do the seasons differ for different locations and estate types?