house-price-prediction

June 6, 2023

1 Importing Data and Libraries

```
[46]: # Importing pre-installed Libraries
      import seaborn as sns # For advanced data visualization and plotting,,,
       senhancing the visual representation of data.
      import numpy as np # For numerical computations, efficient handling of arrays,
       \rightarrow and mathematical operations.
      import pandas as pd # For data manipulation, analysis, and working with
       structured data in tabular form.
      import matplotlib.pyplot as plt # For creating plots, charts, and__
       ⇔visualizations of data.
      import seaborn as sns # Additional functionality for data visualization, _
       ⇔complementing matplotlib.
      import os # For interacting with the operating system, such as file and
       ⇔directory manipulation.
      from scipy.stats import (
         boxcox.
      ) # For performing the Box-Cox transformation, a data transformation technique,
       ⇔that helps normalize skewed data.
      import statsmodels.api as sm # For advanced statistical models and analysis, ___
       →providing a wide range of statistical tools.
      from statsmodels.stats.outliers_influence import (
          variance inflation factor,
      ) # For detecting multicollinearity, a measure of correlation between
       ⇔predictor variables.
      from sklearn.preprocessing import (
          StandardScaler,
      ) # For standardizing feature scaling, ensuring each feature has a mean of \mathcal{O}_{\sqcup}
       ⇔and standard deviation of 1.
      from sklearn.model_selection import (
         train_test_split,
      ) # For splitting data into training and testing sets, evaluating model \Box
       ⇒performance.
```

```
from sklearn.linear_model import (
                        LinearRegression,
              ) # For implementing linear regression models, fitting a linear equation to \Box
                ⇔the observed data.
              from sklearn.ensemble import (
                        RandomForestRegressor,
              ) # For implementing random forest regression models, using an ensemble of _{\sqcup}
                 ⇔decision trees.
              from sklearn.metrics import (
                        r2_score,
                        explained_variance_score,
              ) # For evaluating regression model performance, measuring the amount of production of the second of
                 →variance explained by the model.
              from sklearn.impute import (
                        KNNImputer,
              ) # For imputing missing values using the K-Nearest Neighbors algorithm.
              from sklearn import (
                        preprocessing,
              ) # For preprocessing and data transformation, including scaling, encoding, \Box
                 \hookrightarrow and normalization.
              from sklearn import (
                       metrics,
              ) # For evaluating model performance and metrics, such as accuracy, precision, \Box
                 \rightarrowand recall.
              import missingno as msno # For visualizing missing data patterns in the
                  →dataset, identifying missing data and their distribution.
[47]: # Importing self-build libraries and functions
              from manipulation import (
                        feature_select,
                        box_cox_transformer,
                        outlayer_remover,
                        calculate_z_scores,
              from eda import data_overview, visualization, prediction_scatter
              from manipulation import preprocesing
              from machine_learning import (
                        feature_target_splitter,
                        machine_learning,
                        multireg statmodels,
[48]: # Getting current directory path
              current_dir = os.getcwd()
```

```
[49]: # Importing Data
df = pd.read_csv(current_dir + "/dataset.csv")
dscr = open(current_dir + "/data_description.txt")
dscr = dscr.read()
```

2 Data Overview

```
[50]: overview = data_overview(df, dscr)
```

2.0.1 Looking at first and last rows of the dataframe

```
[51]: overview.head_tail()
```

Data Head:

	т.,	Maa-1- a		MO7		T - 4 P		т.	+ 4	C +	477	T - + 01			
	Id	MSSubC.			_	Lotrr	_			Street	•		-		
0	1		60		RL		65.	0	8450	Pave	NaN	R	.eg	\	
1	2		20		RL		80.	0	9600	Pave	NaN	R	.eg		
2	3		60		RL		68.	0	11250	Pave	NaN	I	R1		
3	4		70		RL		60.	0	9550	Pave	NaN	I	R1		
4	5		60		RL		84.	0	14260	Pave	NaN	I	R1		
	Land	Contour	Util	ities	•••	PoolAre	a Po	olQC	Fence	MiscFea	ature 1	MiscVal	MoS	old	
0		Lvl	A	11Pub	•••		0	NaN	NaN		NaN	0	1	2	\
1		Lvl	A	11Pub	•••		0	NaN	NaN		NaN	0	1	5	
2		Lvl	A	11Pub	•••		0	NaN	NaN		NaN	0	١	9	
3		Lvl	A	11Pub			0	NaN	NaN		NaN	0	1	2	
4		Lvl	Α	11Pub			0	NaN	NaN		NaN	0	1	12	
-				III ub	•••		•	11011				Ŭ			
	YrSo	ld Sale	еТуре	Sale	Con	dition	Sal	.ePric	e						
0	200	08	WD			Normal		20850	00						
1	200	07	WD			Normal		18150	00						
2	200	08	WD			Normal		22350	00						
3	200	06	WD		A	bnorml		14000	00						
4	200	08	WD			Normal		25000	00						

[5 rows x 81 columns]

Data Tail:

	Id	MSSubCl:	ass MSZoni	ng	LotFro	ntage	${\tt LotArea}$	${\tt Street}$	Alley	LotSha	ре	
1455	1456		60	RL		62.0	7917	Pave	${\tt NaN}$	R	.eg	\
1456	1457		20	RL		85.0	13175	Pave	${\tt NaN}$	R	.eg	
1457	1458		70	RL		66.0	9042	Pave	NaN	R	.eg	
1458	1459		20	RL		68.0	9717	Pave	${\tt NaN}$	R	.eg	
1459	1460		20	RL		75.0	9937	Pave	${\tt NaN}$	R	.eg	
	LandCo	ntour Ut	ilities "	. Po	olArea	PoolQC	Fence 1	MiscFeat	ture M	iscVal		
1455		Lvl	AllPub		0	NaN	NaN		NaN	0	\	
1456		Lvl	AllPub		0	NaN	${\tt MnPrv}$		NaN	0		
1457		Lvl	AllPub		0	NaN	${\tt GdPrv}$	S	Shed	2500		
1458		Lvl	AllPub		0	NaN	NaN		NaN	0		
1459		Lvl	AllPub		0	NaN	NaN		NaN	0		
	MoSold	YrSold	SaleType	Sa	leCondi	tion :	SalePrice	Э				
1455	8	2007	WD		No	rmal	175000)				
1456	2	2010	WD		No	rmal	210000)				
1457	5	2010	WD		No	rmal	266500)				
1458	4	2010	WD		No	rmal	14212	5				
1459	6	2008	WD		No	rmal	147500)				

[5 rows x 81 columns]

2.0.2 Looking at dataset documentation and feature description

[52]: overview.features_description()

The Description for Features:

MSSubClass: Identifies the type of dwelling involved in the sale.

- 1-STORY 1946 & NEWER ALL STYLES
 10 1-STORY 1945 & OLDER
 1-STORY W/FINISHED ATTIC ALL AGES
 1-1/2 STORY UNFINISHED ALL AGES
 1-1/2 STORY FINISHED ALL AGES
- 60 2-STORY 1946 & NEWER

- 70 2-STORY 1945 & OLDER
- 75 2-1/2 STORY ALL AGES
- 80 SPLIT OR MULTI-LEVEL
- 85 SPLIT FOYER
- 90 DUPLEX ALL STYLES AND AGES
- 120 1-STORY PUD (Planned Unit Development) 1946 & NEWER
- 150 1-1/2 STORY PUD ALL AGES
- 160 2-STORY PUD 1946 & NEWER
- 180 PUD MULTILEVEL INCL SPLIT LEV/FOYER
- 190 2 FAMILY CONVERSION ALL STYLES AND AGES

MSZoning: Identifies the general zoning classification of the sale.

- A Agriculture
- C Commercial
- FV Floating Village Residential
- I Industrial
- RH Residential High Density
- RL Residential Low Density
- RP Residential Low Density Park
- RM Residential Medium Density

LotFrontage: Linear feet of street connected to property

LotArea: Lot size in square feet

Street: Type of road access to property

Grvl Gravel
Pave Paved

Alley: Type of alley access to property

Grvl Gravel
Pave Paved

NA No alley access

LotShape: General shape of property

Reg Regular

IR1 Slightly irregular
IR2 Moderately Irregular

IR3 Irregular

LandContour: Flatness of the property

Lvl Near Flat/Level

Bnk Banked - Quick and significant rise from street grade to

building

HLS Hillside - Significant slope from side to side

Low Depression

Utilities: Type of utilities available

AllPub All public Utilities (E,G,W,&S)

NoSewr Electricity, Gas, and Water (Septic Tank)

NoSeWa Electricity and Gas Only

ELO Electricity only

LotConfig: Lot configuration

Inside Inside lot Corner Corner lot CulDSac Cul-de-sac

FR2 Frontage on 2 sides of property
FR3 Frontage on 3 sides of property

LandSlope: Slope of property

Gtl Gentle slope Mod Moderate Slope Sev Severe Slope

Neighborhood: Physical locations within Ames city limits

Blmngtn Bloomington Heights

Blueste Bluestem
BrDale Briardale
BrkSide Brookside
ClearCr Clear Creek
CollgCr College Creek
Crawfor Crawford
Edwards Edwards

Gilbert Gilbert

 ${\tt IDOTRR} \qquad {\tt Iowa~DOT~and~Rail~Road}$

MeadowV Meadow Village

Mitchel Mitchell
Names North Ames
NoRidge Northridge
NPkVill Northpark Villa
NridgHt Northridge Heights
NWAmes Northwest Ames

OldTown Old Town

SWISU South & West of Iowa State University

Sawyer Sawyer West

Somerst Somerset
StoneBr Stone Brook
Timber Timberland
Veenker Veenker

Condition1: Proximity to various conditions

Artery Adjacent to arterial street Feedr Adjacent to feeder street

Norm Normal

RRNn Within 200' of North-South Railroad RRAn Adjacent to North-South Railroad

PosN Near positive off-site feature--park, greenbelt, etc.

PosA Adjacent to postive off-site feature RRNe Within 200' of East-West Railroad RRAe Adjacent to East-West Railroad

Condition2: Proximity to various conditions (if more than one is present)

Artery Adjacent to arterial street Feedr Adjacent to feeder street

Norm Normal

RRNn Within 200' of North-South Railroad RRAn Adjacent to North-South Railroad

PosN Near positive off-site feature--park, greenbelt, etc.

PosA Adjacent to postive off-site feature RRNe Within 200' of East-West Railroad RRAe Adjacent to East-West Railroad

BldgType: Type of dwelling

1Fam Single-family Detached

2FmCon Two-family Conversion; originally built as one-family dwelling

Duplx Duplex

TwnhsE Townhouse End Unit
TwnhsI Townhouse Inside Unit

HouseStyle: Style of dwelling

1Story One story

1.5Fin One and one-half story: 2nd level finished1.5Unf One and one-half story: 2nd level unfinished

2Story Two story

2.5Fin Two and one-half story: 2nd level finished2.5Unf Two and one-half story: 2nd level unfinished

SFoyer Split Foyer SLvl Split Level

OverallQual: Rates the overall material and finish of the house

- 10 Very Excellent
- 9 Excellent
- 8 Very Good
- 7 Good
- 6 Above Average
- 5 Average
- 4 Below Average
- 3 Fair
- 2 Poor
- 1 Very Poor

OverallCond: Rates the overall condition of the house

- 10 Very Excellent
- 9 Excellent
- 8 Very Good
- 7 Good
- 6 Above Average
- 5 Average
- 4 Below Average
- 3 Fair
- 2 Poor
- 1 Very Poor

YearBuilt: Original construction date

YearRemodAdd: Remodel date (same as construction date if no remodeling or additions)

RoofStyle: Type of roof

Flat Flat Gable

Gambrel Gabrel (Barn)

Hip Hip Mansard Shed Shed

RoofMatl: Roof material

ClyTile Clay or Tile

CompShg Standard (Composite) Shingle

Membran Membrane Metal Metal Roll Roll

Tar&Grv Gravel & Tar

WdShake Wood Shakes WdShngl Wood Shingles

Exterior1st: Exterior covering on house

AsbShng Asbestos Shingles
AsphShn Asphalt Shingles
BrkComm Brick Common
BrkFace Brick Face
CBlock Cinder Block
CemntBd Cement Board
HdBoard Hard Board

ImStucc Imitation Stucco MetalSd Metal Siding

Other Other
Plywood Plywood
PreCast PreCast
Stone Stone
Stucco Stucco

VinylSd Vinyl Siding
Wd Sdng Wood Siding
WdShing Wood Shingles

Exterior2nd: Exterior covering on house (if more than one material)

AsbShng Asbestos Shingles
AsphShn Asphalt Shingles
BrkComm Brick Common
BrkFace Brick Face
CBlock Cinder Block
CemntBd Cement Board
HdBoard Hard Board

ImStucc Imitation Stucco

MetalSd Metal Siding

Other Other
Plywood Plywood
PreCast PreCast
Stone Stone
Stucco Stucco

VinylSd Vinyl Siding
Wd Sdng Wood Siding
WdShing Wood Shingles

MasVnrType: Masonry veneer type

BrkCmn Brick Common BrkFace Brick Face CBlock Cinder Block None None Stone Stone

MasVnrArea: Masonry veneer area in square feet

ExterQual: Evaluates the quality of the material on the exterior

Ex Excellent

Gd Good

TA Average/Typical

Fa Fair Po Poor

ExterCond: Evaluates the present condition of the material on the exterior

Ex Excellent

Gd Good

TA Average/Typical

Fa Fair Po Poor

Foundation: Type of foundation

BrkTil Brick & Tile
CBlock Cinder Block
PConc Poured Contrete

Slab Slab Stone Stone Wood Wood

BsmtQual: Evaluates the height of the basement

Ex Excellent (100+ inches)

Gd Good (90-99 inches)

TA Typical (80-89 inches)

Fa Fair (70-79 inches)

Po Poor (<70 inches

NA No Basement

BsmtCond: Evaluates the general condition of the basement

Ex Excellent

Gd Good

TA Typical - slight dampness allowed

Fa Fair - dampness or some cracking or settling

Po Poor - Severe cracking, settling, or wetness

NA No Basement

BsmtExposure: Refers to walkout or garden level walls

Gd Good Exposure

Av Average Exposure (split levels or foyers typically score average

or above)

Mn Mimimum Exposure
No No Exposure
NA No Basement

BsmtFinType1: Rating of basement finished area

GLQ Good Living Quarters

ALQ Average Living Quarters

BLQ Below Average Living Quarters

Rec Average Rec Room

LwQ Low Quality Unf Unfinshed NA No Basement

BsmtFinSF1: Type 1 finished square feet

BsmtFinType2: Rating of basement finished area (if multiple types)

GLQ Good Living Quarters

ALQ Average Living Quarters

BLQ Below Average Living Quarters

Rec Average Rec Room

LwQ Low Quality
Unf Unfinshed
NA No Basement

BsmtFinSF2: Type 2 finished square feet

BsmtUnfSF: Unfinished square feet of basement area

TotalBsmtSF: Total square feet of basement area

Heating: Type of heating

Floor Floor Furnace

GasA Gas forced warm air furnace GasW Gas hot water or steam heat

Grav Gravity furnace

OthW Hot water or steam heat other than gas

Wall furnace

 ${\tt HeatingQC:\ Heating\ quality\ and\ condition}$

Ex Excellent

Gd Good

TA Average/Typical

Fa Fair Po Poor

CentralAir: Central air conditioning

N No Y Yes

Electrical: Electrical system

SBrkr Standard Circuit Breakers & Romex

FuseA Fuse Box over 60 AMP and all Romex wiring (Average)

FuseF 60 AMP Fuse Box and mostly Romex wiring (Fair)

FuseP 60 AMP Fuse Box and mostly knob & tube wiring (poor)

Mix Mixed

1stFlrSF: First Floor square feet

2ndFlrSF: Second floor square feet

LowQualFinSF: Low quality finished square feet (all floors)

GrLivArea: Above grade (ground) living area square feet

BsmtFullBath: Basement full bathrooms

BsmtHalfBath: Basement half bathrooms

FullBath: Full bathrooms above grade

HalfBath: Half baths above grade

Bedroom: Bedrooms above grade (does NOT include basement bedrooms)

Kitchen: Kitchens above grade

KitchenQual: Kitchen quality

Ex Excellent

Gd Good

TA Typical/Average

Fa Fair Po Poor

TotRmsAbvGrd: Total rooms above grade (does not include bathrooms)

Functional: Home functionality (Assume typical unless deductions are warranted)

Typical Functionality Typ Minor Deductions 1 Min1 Min2 Minor Deductions 2 Mod Moderate Deductions Major Deductions 1 Maj1 Maj2 Major Deductions 2 Severely Damaged Sev Sal Salvage only

Fireplaces: Number of fireplaces

FireplaceQu: Fireplace quality

Ex Excellent - Exceptional Masonry Fireplace
Gd Good - Masonry Fireplace in main level

TA Average - Prefabricated Fireplace in main living area or Masonry

Fireplace in basement

Fa Fair - Prefabricated Fireplace in basement

Po Poor - Ben Franklin Stove

NA No Fireplace

GarageType: Garage location

2Types More than one type of garage

Attchd Attached to home Basment Basement Garage

BuiltIn Built-In (Garage part of house - typically has room above

garage)

CarPort Car Port

Detchd Detached from home

NA No Garage

GarageYrBlt: Year garage was built

GarageFinish: Interior finish of the garage

Fin Finished

RFn Rough Finished Unf Unfinished NA No Garage

GarageCars: Size of garage in car capacity

GarageArea: Size of garage in square feet

GarageQual: Garage quality

Ex Excellent

Gd Good

TA Typical/Average

Fa Fair
Po Poor
NA No Garage

GarageCond: Garage condition

Ex Excellent

Gd Good

TA Typical/Average

Fa Fair Po Poor

NA No Garage

PavedDrive: Paved driveway

Y Paved

P Partial Pavement

N Dirt/Gravel

WoodDeckSF: Wood deck area in square feet

OpenPorchSF: Open porch area in square feet

EnclosedPorch: Enclosed porch area in square feet

3SsnPorch: Three season porch area in square feet

ScreenPorch: Screen porch area in square feet

PoolArea: Pool area in square feet

PoolQC: Pool quality

Ex Excellent

Gd Good

TA Average/Typical

Fa Fair NA No Pool

Fence: Fence quality

GdPrv Good Privacy
MnPrv Minimum Privacy

GdWo Good Wood

MnWw Minimum Wood/Wire

NA No Fence

MiscFeature: Miscellaneous feature not covered in other categories

Elev Elevator

Gar2 2nd Garage (if not described in garage section)

Othr Other

Shed Shed (over 100 SF)

TenC Tennis Court

NA None

MiscVal: \$Value of miscellaneous feature

MoSold: Month Sold (MM)

YrSold: Year Sold (YYYY)

SaleType: Type of sale

WD Warranty Deed - Conventional

CWD Warranty Deed - Cash
VWD Warranty Deed - VA Loan

New Home just constructed and sold

COD Court Officer Deed/Estate

Con Contract 15% Down payment regular terms
ConLw Contract Low Down payment and low interest

ConLI Contract Low Interest
ConLD Contract Low Down

Oth Other

SaleCondition: Condition of sale

Normal Normal Sale

Abnorml Abnormal Sale - trade, foreclosure, short sale

AdjLand Adjoining Land Purchase

Alloca Allocation - two linked properties with separate deeds,

typically condo with a garage unit

Family Sale between family members

Partial Home was not completed when last assessed (associated with New

Homes)

2.0.3 Looking into the data information

[53]: overview.data_information()

<class 'pandas.core.frame.DataFrame'>
RangeIndex: 1460 entries, 0 to 1459
Data columns (total 81 columns):

Data	columns (total	81 columns):	
#	Column	Non-Null Count	Dtype
0	Id	1460 non-null	int64
1	MSSubClass	1460 non-null	int64
2	MSZoning	1460 non-null	object
3	LotFrontage	1201 non-null	float64
4	LotArea	1460 non-null	int64
5	Street	1460 non-null	object
6	Alley	91 non-null	object
7	LotShape	1460 non-null	object
8	LandContour	1460 non-null	object
9	Utilities	1460 non-null	object
10	LotConfig	1460 non-null	object
11	LandSlope	1460 non-null	object
12	Neighborhood	1460 non-null	object
13	Condition1	1460 non-null	object
14	Condition2	1460 non-null	object
15	BldgType	1460 non-null	object
16	HouseStyle	1460 non-null	object
17	OverallQual	1460 non-null	int64
18	OverallCond	1460 non-null	int64
19	YearBuilt	1460 non-null	int64
20	${\tt YearRemodAdd}$	1460 non-null	int64
21	RoofStyle	1460 non-null	object
22	RoofMatl	1460 non-null	object
23	Exterior1st	1460 non-null	object
24	Exterior2nd	1460 non-null	object
25	${ t MasVnrType}$	588 non-null	object
26	MasVnrArea	1452 non-null	float64
27	ExterQual	1460 non-null	object
28	ExterCond	1460 non-null	object
29	Foundation	1460 non-null	object
30	BsmtQual	1423 non-null	object
31	BsmtCond	1423 non-null	object
32	${\tt BsmtExposure}$	1422 non-null	object
33	BsmtFinType1	1423 non-null	object
34	BsmtFinSF1	1460 non-null	int64
35	BsmtFinType2	1422 non-null	object
36	BsmtFinSF2	1460 non-null	int64
37	BsmtUnfSF	1460 non-null	int64
38	TotalBsmtSF	1460 non-null	int64

```
39
     Heating
                     1460 non-null
                                      object
 40
     HeatingQC
                     1460 non-null
                                      object
 41
     CentralAir
                     1460 non-null
                                      object
 42
                                      object
     Electrical
                     1459 non-null
                                      int64
 43
     1stFlrSF
                     1460 non-null
     2ndFlrSF
                                      int64
                     1460 non-null
     LowQualFinSF
                     1460 non-null
                                      int64
 46
     GrLivArea
                     1460 non-null
                                      int64
     BsmtFullBath
                     1460 non-null
                                      int64
 48
     BsmtHalfBath
                     1460 non-null
                                      int64
 49
     FullBath
                     1460 non-null
                                      int64
                     1460 non-null
 50
     HalfBath
                                      int64
 51
     BedroomAbvGr
                     1460 non-null
                                      int64
 52
                     1460 non-null
     KitchenAbvGr
                                      int64
 53
     KitchenQual
                     1460 non-null
                                      object
     TotRmsAbvGrd
                     1460 non-null
                                      int64
 55
     Functional
                     1460 non-null
                                      object
 56
     Fireplaces
                     1460 non-null
                                      int64
 57
     FireplaceQu
                                      object
                     770 non-null
 58
     GarageType
                     1379 non-null
                                      object
     GarageYrBlt
 59
                     1379 non-null
                                      float64
     GarageFinish
 60
                     1379 non-null
                                      object
 61
     GarageCars
                     1460 non-null
                                      int64
 62
     GarageArea
                     1460 non-null
                                      int64
 63
     GarageQual
                     1379 non-null
                                      object
     GarageCond
 64
                     1379 non-null
                                      object
                     1460 non-null
 65
     PavedDrive
                                      object
 66
     WoodDeckSF
                     1460 non-null
                                      int64
 67
                     1460 non-null
     OpenPorchSF
                                      int64
     EnclosedPorch
                     1460 non-null
                                      int64
 69
     3SsnPorch
                     1460 non-null
                                      int64
 70
     ScreenPorch
                     1460 non-null
                                      int64
 71
     PoolArea
                     1460 non-null
                                      int64
 72
    PoolQC
                     7 non-null
                                      object
 73
     Fence
                     281 non-null
                                      object
 74
     MiscFeature
                     54 non-null
                                      object
                                      int64
 75
     MiscVal
                     1460 non-null
 76
     MoSold
                     1460 non-null
                                      int64
 77
     YrSold
                                      int64
                     1460 non-null
 78
     SaleType
                     1460 non-null
                                      object
 79
     {\tt SaleCondition}
                     1460 non-null
                                      object
     SalePrice
                     1460 non-null
                                      int64
dtypes: float64(3), int64(35), object(43)
memory usage: 924.0+ KB
```

None

2.0.4 Descriptive statistics of the columns with numeric objecs

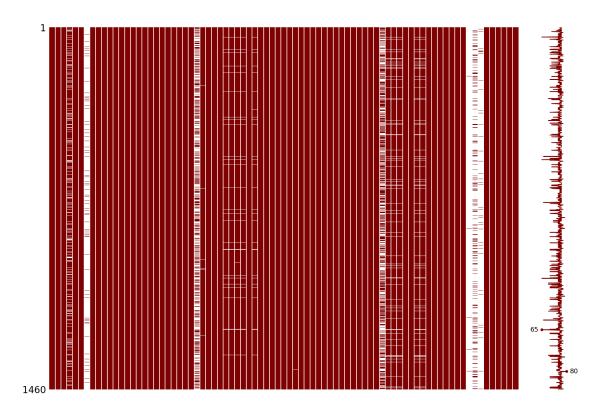
[54]: overview.descriptive_statistics()

	Id	MSSubClass	LotFrontage	LotArea	OverallQual
count	1460.000000	1460.000000	1201.000000	1460.000000	
mean	730.500000	56.897260	70.049958	10516.828082	
std	421.610009	42.300571	24.284752	9981.264932	
min	1.000000	20.000000	21.000000	1300.000000	
25%	365.750000	20.000000	59.000000	7553.500000	
50%	730.500000	50.000000	69.000000	9478.500000	
75%	1095.250000	70.000000	80.000000	11601.500000	
max	1460.000000	190.000000	313.000000	215245.000000	
	OverallCond	YearBuilt	YearRemodAdd	MasVnrArea	BsmtFinSF1
count	1460.000000	1460.000000	1460.000000	1452.000000	1460.000000
mean	5.575342	1971.267808	1984.865753	103.685262	443.639726
std	1.112799	30.202904	20.645407	181.066207	456.098091
min	1.000000	1872.000000	1950.000000	0.000000	0.00000
25%	5.000000	1954.000000	1967.000000	0.000000	0.00000
50%	5.000000	1973.000000	1994.000000	0.000000	383.500000
75%	6.000000	2000.000000	2004.000000	166.000000	712.250000
max	9.000000	2010.000000	2010.000000	1600.000000	5644.000000
	BsmtFinSF2	${\tt BsmtUnfSF}$	${\tt TotalBsmtSF}$	1stFlrSF	2ndFlrSF
count	1460.000000	1460.000000	1460.000000	1460.000000	1460.000000
mean	46.549315	567.240411	1057.429452	1162.626712	346.992466
std	161.319273	441.866955	438.705324	386.587738	436.528436
min	0.000000	0.000000	0.000000	334.000000	0.000000
25%	0.000000	223.000000	795.750000	882.000000	0.000000
50%	0.000000	477.500000	991.500000	1087.000000	0.000000
75%	0.000000	808.000000	1298.250000	1391.250000	728.000000
max	1474.000000	2336.000000	6110.000000	4692.000000	2065.000000
	LowQualFinSF	${\tt GrLivArea}$	BsmtFullBatl		
count	1460.000000	1460.000000	1460.00000		
mean	5.844521	1515.463699	0.425342	0.05753	1.565068
std	48.623081	525.480383	0.51891		0.550916
min	0.000000	334.000000	0.00000	0.00000	0.000000
25%	0.000000	1129.500000	0.000000	0.00000	0 1.000000
50%	0.000000	1464.000000	0.000000	0.00000	0 2.000000
75%	0.000000	1776.750000	1.000000	0.00000	0 2.000000
max	572.000000	5642.000000	3.000000	2.00000	0 3.000000
	HalfBath	${\tt BedroomAbvGr}$	KitchenAbvG		-
count	1460.000000	1460.000000	1460.00000		
mean	0.382877	2.866438	1.04657		
std	0.502885	0.815778	0.220338	3 1.62539	0.644666

min 25% 50% 75% max	0.000000 0.000000 0.000000 1.000000 2.000000	0.000000 2.000000 3.000000 3.000000 8.000000	0.000000 1.000000 1.000000 3.000000	2.000000 5.000000 6.000000 7.000000 14.000000	0.000000 1.000000 1.000000
count mean std min 25% 50% 75% max	GarageYrBlt 1379.000000 1978.506164 24.689725 1900.000000 1961.000000 1980.000000 2002.000000 2010.000000	GarageCars 1460.000000 1.767123 0.747315 0.000000 1.000000 2.000000 2.000000 4.000000	GarageArea 1460.000000 472.980137 213.804841 0.000000 334.500000 480.000000 576.000000		OpenPorchSF 1460.000000 46.660274 66.256028 0.000000 0.000000 25.000000 68.000000
count mean std min 25% 50% 75% max	EnclosedPorci 1460.00000 21.95411 61.11914 0.00000 0.00000 0.00000 0.00000 552.00000	0 1460.000000 0 3.409589 9 29.317331 0 0.000000 0 0.000000 0 0.000000	1460.000000 15.060959 55.757415 0.000000 0.000000 0.000000 0.000000	PoolArea 1460.000000 2.758904 40.177307 0.000000 0.000000 0.000000 738.000000	MiscVal 1460.000000 43.489041 496.123024 0.000000 0.000000 0.000000 0.000000
count mean std min 25% 50% 75% max	MoSold 1460.000000 6.321918 2.703626 1.000000 5.000000 6.000000 8.000000 12.000000	YrSold 1460.000000 2007.815753 1.328095 2006.000000 2007.000000 2008.000000 2009.000000 2010.000000	SalePrice 1460.000000 180921.195890 79442.502883 34900.000000 129975.000000 163000.000000 214000.000000 755000.000000		

2.0.5 Visualize Missing Values

[55]: overview.visualize_missing()



3 Data Manipulation

3.1 Check for duplicates

```
[56]: sum(df.duplicated())
```

[56]: 0

If this line of code returns any number rather than 0, it means we have duplicated rows in our dataset. But as can be seen, it returns 0 which means we have no duplicated row here.

• Usually after this step, we search for structural errors such as string inconsistencies. However, regarding the documentation, we don't have these type of issues for this dataset.

3.2 Checking for null values

```
[57]: overview.features_with_null_values()
```

The features containing null values :

Feature number of null

LotFrontage 259

Alley	1369
MasVnrType	872
MasVnrArea	8
BsmtQual	37
BsmtCond	37
${\tt BsmtExposure}$	38
BsmtFinType1	37
BsmtFinType2	38
Electrical	1
FireplaceQu	690
GarageType	81
${\tt GarageYrBlt}$	81
${\tt GarageFinish}$	81
GarageQual	81
GarageCond	81
PoolQC	1453
Fence	1179
MiscFeature	1406
dtype: int64	

.

. - -

dtype: int64

3.3 Handling missing values

As seen in the documentation, two kinds of null values exist in our dataset. One kind is meaningful, and we have to replace them with real values. On the other hand, real null values are truly missed during the data-collecting process. In this section, we replace the meaningful null values with the true values for them.

features mentioned in documentation

•

Alley Considering data description, NA means "no alley access"

```
[58]: df["Alley"] = df["Alley"].fillna("None")
```

•

PoolQC According to the description, NA stands for "No Pool." That makes sense, considering the enormous missing value ratio (+99%) and the fact that the majority of houses don't generally have pools.

```
[59]: df["PoolQC"] = df["PoolQC"].fillna("None")
```

•

FireplaceQu data description says NA means "no fireplace"

```
[60]: df["FireplaceQu"] = df["FireplaceQu"].fillna("None")
```

Fence Considering data description, NA means "no fence"

```
[61]: df["Fence"] = df["Fence"].fillna("None")
```

•

MiscFeature Considering data description, NA means "no misc feature"

```
[62]: df["MiscFeature"] = df["MiscFeature"].fillna("None")
```

•

BsmtQual, BsmtCond, BsmtExposure, BsmtFinType1 and BsmtFinType2 For all basement-related features, NaN means that there is no basement.

```
[63]: for cname in ("BsmtQual", "BsmtCond", "BsmtExposure", "BsmtFinType1", □

→ "BsmtFinType2"):

df[cname] = df[cname].fillna("None")
```

•

GarageType, GarageFinish, GarageQual and GarageCond Regrarding documentation, NA for garange features means 'feature is not available'. so we replace missing data with 'None'

```
[64]: for cname in ("GarageType", "GarageFinish", "GarageQual", "GarageCond"):

df[cname] = df[cname].fillna("None")
```

•

GarageYrBlt, GarageArea and GarageCars Although it is not mentioned in the documentation, we replie non with 0 (Since No garage = no cars in such garage)

```
[65]: for cname in ("GarageYrBlt", "GarageArea", "GarageCars"):
    df[cname] = df[cname].fillna(0)
```

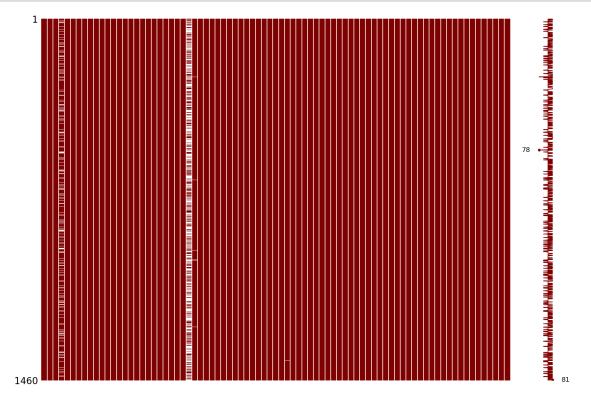
```
[66]: # Check for any null value overview.features_with_null_values()
```

The features containing null values :

```
Feature number of null
LotFrontage 259
MasVnrType 872
MasVnrArea 8
```

Electrical 1 dtype: int64

```
[67]: # Visualize missing values overview.visualize_missing()
```



features not mentioned in the documentation As can be seen, after feature engineering, almost all of the features contain no null values anymore, except four features. MasVnrType and MasVnrArea have only 8 null values. The electrical feature has only one missing value. But LotFrontage has the most missing values, which is 259. For features with a few missing values, these null values have almost no effect on the feature selection process based on correlation. But for a feature like 'LotFrontage' with almost %20 missing values, the missing values might affect the feature selection process. So basically, it is better to impute these values by making some assumptions before feature selection.

•

MasVnrArea and MasVnrType It is not mentioned in the description file that NA means none, But it most likely means no masonry veneer for these houses. So with this assumption we can fill 0 for the area and None for the type.

```
[68]: df["MasVnrType"] = df["MasVnrType"].fillna("None")
df["MasVnrArea"] = df["MasVnrArea"].fillna(0)
```

Electrical This feature has only one null value. In this case we can just drop this single item. However, our dataset contains limited rows. So, it is more efficient to fill this one missing value with mode.

```
[69]: df["Electrical"] = df["Electrical"].fillna(df["Electrical"].mode()[0])
```

•

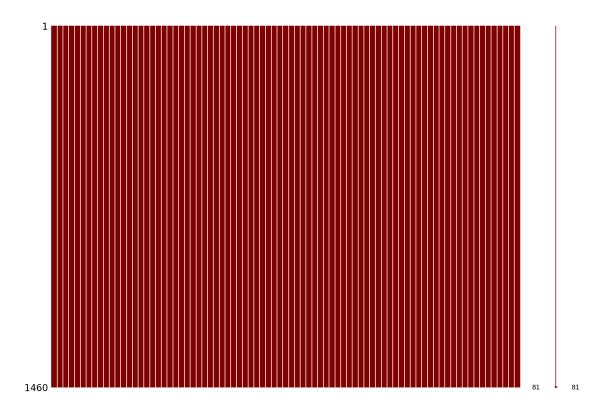
LotFrontage There is no clue in documntation to impute the LotFrontage null values. But, since the area of each street connected to the house property most likely have a similar area to other houses in its neighborhood, we can fill in missing values by average of its four neighbour values. To do so, we use KNNImputer which is a scikit-learn module.

```
[70]: # Imputing null values with KNNImputer
imputer = KNNImputer(n_neighbors=4)
df["LotFrontage"] = imputer.fit_transform(
    imputer.fit_transform(np.array(df["LotFrontage"]).reshape(-1, 1))
)
```

```
[71]: # Check for any null value overview.features_with_null_values()
```

No feature contains null value

```
[72]: # Visualize missing values overview.visualize_missing()
```



```
[73]: all_data = df.copy()
```

3.4 String to Numeric transformation

3.4.1 Converting Data to Categorical

First we need to check if there is any string inconsistencies in the columns with string data type. To do so, we check for unique values of columns.

```
[74]: # Check out if there is any string inconsistencies
for cname in df.columns:
    if df[cname].dtype == "object":
        print(f"{cname} : ", df[cname].unique(), "\n")

MSZoning : ['RL' 'RM' 'C (all)' 'FV' 'RH']

Street : ['Pave' 'Grvl']

Alley : ['None' 'Grvl' 'Pave']

LotShape : ['Reg' 'IR1' 'IR2' 'IR3']

LandContour : ['Lvl' 'Bnk' 'Low' 'HLS']
```

```
Utilities : ['AllPub' 'NoSeWa']
LotConfig : ['Inside' 'FR2' 'Corner' 'CulDSac' 'FR3']
LandSlope : ['Gtl' 'Mod' 'Sev']
Neighborhood: ['CollgCr' 'Veenker' 'Crawfor' 'NoRidge' 'Mitchel' 'Somerst'
'NWAmes'
 'OldTown' 'BrkSide' 'Sawyer' 'NridgHt' 'NAmes' 'SawyerW' 'IDOTRR'
 'MeadowV' 'Edwards' 'Timber' 'Gilbert' 'StoneBr' 'ClearCr' 'NPkVill'
 'Blmngtn' 'BrDale' 'SWISU' 'Blueste']
Condition1 : ['Norm' 'Feedr' 'PosN' 'Artery' 'RRAe' 'RRNn' 'RRAn' 'PosA'
'RRNe'l
Condition2 : ['Norm' 'Artery' 'RRNn' 'Feedr' 'PosN' 'PosA' 'RRAn' 'RRAe']
BldgType : ['1Fam' '2fmCon' 'Duplex' 'TwnhsE' 'Twnhs']
HouseStyle: ['2Story' '1Story' '1.5Fin' '1.5Unf' 'SFoyer' 'SLvl' '2.5Unf'
'2.5Fin'l
RoofStyle: ['Gable' 'Hip' 'Gambrel' 'Mansard' 'Flat' 'Shed']
RoofMatl: ['CompShg' 'WdShngl' 'Metal' 'WdShake' 'Membran' 'Tar&Grv' 'Roll'
 'ClyTile']
Exterior1st : ['VinylSd' 'MetalSd' 'Wd Sdng' 'HdBoard' 'BrkFace' 'WdShing'
'CemntBd'
 'Plywood' 'AsbShng' 'Stucco' 'BrkComm' 'AsphShn' 'Stone' 'ImStucc'
 'CBlock'
Exterior2nd : ['VinylSd' 'MetalSd' 'Wd Shng' 'HdBoard' 'Plywood' 'Wd Sdng'
'CmentBd'
 'BrkFace' 'Stucco' 'AsbShng' 'Brk Cmn' 'ImStucc' 'AsphShn' 'Stone'
 'Other' 'CBlock']
MasVnrType : ['BrkFace' 'None' 'Stone' 'BrkCmn']
ExterQual : ['Gd' 'TA' 'Ex' 'Fa']
ExterCond : ['TA' 'Gd' 'Fa' 'Po' 'Ex']
Foundation: ['PConc' 'CBlock' 'BrkTil' 'Wood' 'Slab' 'Stone']
BsmtQual : ['Gd' 'TA' 'Ex' 'None' 'Fa']
BsmtCond : ['TA' 'Gd' 'None' 'Fa' 'Po']
```

```
BsmtExposure : ['No' 'Gd' 'Mn' 'Av' 'None']
BsmtFinType1 : ['GLQ' 'ALQ' 'Unf' 'Rec' 'BLQ' 'None' 'LwQ']
BsmtFinType2 : ['Unf' 'BLQ' 'None' 'ALQ' 'Rec' 'LwQ' 'GLQ']
Heating : ['GasA' 'GasW' 'Grav' 'Wall' 'OthW' 'Floor']
HeatingQC : ['Ex' 'Gd' 'TA' 'Fa' 'Po']
CentralAir : ['Y' 'N']
Electrical : ['SBrkr' 'FuseF' 'FuseA' 'FuseP' 'Mix']
KitchenQual : ['Gd' 'TA' 'Ex' 'Fa']
Functional: ['Typ' 'Min1' 'Maj1' 'Min2' 'Mod' 'Maj2' 'Sev']
FireplaceQu : ['None' 'TA' 'Gd' 'Fa' 'Ex' 'Po']
GarageType : ['Attchd' 'Detchd' 'BuiltIn' 'CarPort' 'None' 'Basment' '2Types']
GarageFinish : ['RFn' 'Unf' 'Fin' 'None']
GarageQual : ['TA' 'Fa' 'Gd' 'None' 'Ex' 'Po']
GarageCond : ['TA' 'Fa' 'None' 'Gd' 'Po' 'Ex']
PavedDrive : ['Y' 'N' 'P']
PoolQC: ['None' 'Ex' 'Fa' 'Gd']
Fence : ['None' 'MnPrv' 'GdWo' 'GdPrv' 'MnWw']
MiscFeature: ['None' 'Shed' 'Gar2' 'Othr' 'TenC']
SaleType: ['WD' 'New' 'COD' 'ConLD' 'ConLI' 'CWD' 'ConLw' 'Con' 'Oth']
SaleCondition: ['Normal' 'Abnorml' 'Partial' 'AdjLand' 'Alloca' 'Family']
```

As can be seen, there is no string inconsistency in the columns. Also, all the values are the same as the values in the documentation. The problem here is that values are strings. To do Machine Learning techniques on them, we need to convert them to numeric data. To do so, initially, we need to convert them to categoricals data which are pandas data types corresponding to categorical variables in statistics. Then we need to convert them to numerics.

To accomplish the first step, we define a function which takes a data frame as the input and returns

another data frame with the same shape and values. The only difference is that in the returned data frame string values are converted to categorical data.

```
[75]: # Convert string data to categorical data
      preprocessing = preprocesing()
      df = preprocessing.string_to_categorical(df)
[76]:
      df.head()
              MSSubClass MSZoning
[76]:
                                     LotFrontage
                                                    LotArea Street Alley LotShape
      0
           1
                       60
                                 RL
                                             65.0
                                                       8450
                                                               Pave
                                                                      None
                                                                                 Reg
      1
           2
                       20
                                 RL
                                             80.0
                                                       9600
                                                               Pave
                                                                      None
                                                                                 Reg
      2
           3
                       60
                                 RL
                                                       11250
                                             68.0
                                                               Pave
                                                                      None
                                                                                  IR1
           4
      3
                       70
                                 RL
                                             60.0
                                                        9550
                                                               Pave
                                                                      None
                                                                                  IR1
      4
           5
                                             84.0
                                                                                  IR1
                       60
                                 RL
                                                       14260
                                                               Pave
                                                                      None
        LandContour Utilities
                                  ... PoolArea PoolQC Fence MiscFeature MiscVal MoSold
      0
                 Lvl
                         AllPub
                                            0
                                                 None
                                                       None
                                                                     None
                                                                                  0
                                                                                         2
                                                                                             \
      1
                 Lvl
                         AllPub
                                            0
                                                 None
                                                       None
                                                                     None
                                                                                  0
                                                                                         5
      2
                                                                                  0
                 Lvl
                         AllPub
                                            0
                                                       None
                                                                                         9
                                                 None
                                                                     None
      3
                 Lvl
                         AllPub
                                            0
                                                 None
                                                       None
                                                                     None
                                                                                  0
                                                                                         2
      4
                 Lvl
                         AllPub
                                            0
                                                                                  0
                                                                                        12
                                                 None
                                                       None
                                                                     None
        YrSold
                 SaleType
                             SaleCondition
                                             SalePrice
      0
           2008
                        WD
                                    Normal
                                                 208500
      1
           2007
                        WD
                                    Normal
                                                 181500
      2
           2008
                        WD
                                    Normal
                                                 223500
      3
           2006
                                    Abnorml
                        WD
                                                 140000
      4
           2008
                        WD
                                    Normal
                                                 250000
```

[5 rows x 81 columns]

3.4.2 Converting Categorical Data to Numeric

Now that non-numeric data is categorical, we need to convert them to numerics. There are different methods to accomplish it. We prefer Scikit Learn Label Encoder tool that can satisfy our needs.

It iterates through the columns. For each column, it starts to label instances of that column from zero to a number of different instances in that column minus one. The problem with this approach is that the label encoder labels instances with numbers regardless of the hierarchy of instances. For example, if we have three different instances, such as 'negative', 'neutral', and 'positive, it doesn't necessarily label them with 0, 1, and 2. Instead, it labels them randomly, considering the order in these instances is sorted in the column. This issue might affect our accuracy in the machine learning process; however, it could not impact the correlation much. So, we must handle it after feature selection.

Our function (categorical_to_numeric) takes the data frame containing categorical data and converts it to a new data frame consisting of all numerics. Then it returns the new data frame, also a dictionary to map the numerics to the original categories. It could be helpful in data visualisation

because, in that case, we need to represent the data with original labels to convey insight to the consumer rather than meaningless numerics.

```
[77]: # Convert Categorical Data to Numeric
      df, col_dic = preprocessing.categorical_to_numeric(df)
[78]: df.head()
[78]:
             MSSubClass
                          MSZoning LotFrontage LotArea Street
                                                                      Alley
                                                                             LotShape
                                  3
                                                       8450
                                                                           1
      0
          1
                      60
                                             65.0
                                                                   1
                                                                                     3
                                                                                         \
      1
          2
                      20
                                  3
                                             80.0
                                                       9600
                                                                   1
                                                                           1
                                                                                     3
      2
          3
                                  3
                                             68.0
                                                      11250
                                                                   1
                                                                           1
                                                                                     0
                      60
      3
          4
                      70
                                  3
                                             60.0
                                                                   1
                                                                           1
                                                                                     0
                                                       9550
      4
                                  3
                                                                   1
                                                                           1
                                                                                     0
          5
                      60
                                             84.0
                                                      14260
         LandContour
                       Utilities
                                       PoolArea PoolQC
                                                          Fence
                                                                  MiscFeature
                                   •••
      0
                                                       3
                                                               4
                    3
                                0
                                              0
                                                                             1
                                                                                       0
                                                                                          \
                    3
                                                       3
                                                               4
      1
                                0
                                              0
                                                                             1
                                                                                       0
      2
                    3
                                0
                                              0
                                                       3
                                                               4
                                                                             1
                                                                                       0
                    3
                                              0
                                                       3
                                                               4
      3
                                0
                                                                             1
                                                                                      0
      4
                    3
                                0
                                              0
                                                       3
                                                               4
                                                                             1
                                                                                       0
         MoSold
                  YrSold
                          SaleType
                                     SaleCondition
                                                      SalePrice
      0
               2
                    2008
                                  8
                                                   4
                                                         208500
                    2007
                                  8
      1
               5
                                                   4
                                                         181500
      2
               9
                    2008
                                  8
                                                   4
                                                         223500
      3
               2
                                                   0
                    2006
                                  8
                                                         140000
      4
              12
                    2008
                                  8
                                                   4
                                                         250000
      [5 rows x 81 columns]
[79]: # Preview the 5 first item of the mapping dictionary
      dict(list(col_dic.items())[0:5])
[79]: {'MSZoning': {0: 'C (all)', 1: 'FV', 2: 'RH', 3: 'RL', 4: 'RM'},
       'Street': {0: 'Grvl', 1: 'Pave'},
       'Alley': {0: 'Grvl', 1: 'None', 2: 'Pave'},
       'LotShape': {0: 'IR1', 1: 'IR2', 2: 'IR3', 3: 'Reg'},
       'LandContour': {0: 'Bnk', 1: 'HLS', 2: 'Low', 3: 'Lvl'}}
[80]: rawdf = df.copy()
```

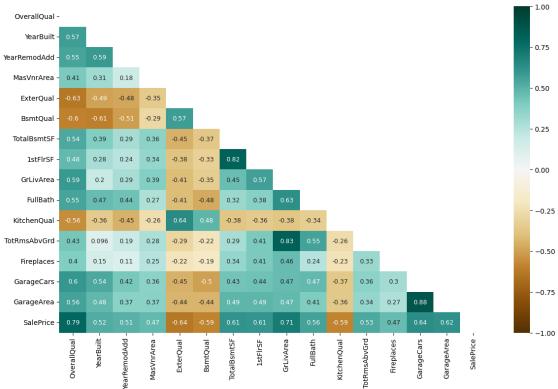
4 Feature Selection

Now that all our data is numeric, it is time to select the features that impact our target 'SalePrice' most. There are two main methods for feature selection. Supervised and Unsupervised. As our data set is supervised and we have access to our targets, the correlation method, a supervised

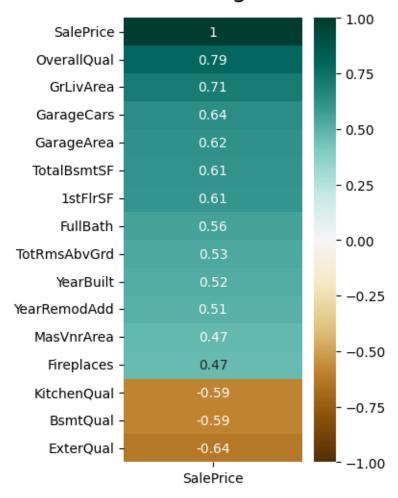
approach, is suitable for our dataset.

```
[81]: # Select features by highest correlation
      corr_dic = feature_select(df, "SalePrice")
[82]: corr_dic
[82]: {'OverallQual': 0.7909816005838053,
       'YearBuilt': 0.5228973328794968,
       'YearRemodAdd': 0.5071009671113862,
       'MasVnrArea': 0.4726144990045739,
       'ExterQual': -0.6368836943991126,
       'BsmtQual': -0.5937339191038187,
       'TotalBsmtSF': 0.6135805515591956,
       '1stFlrSF': 0.6058521846919145,
       'GrLivArea': 0.7086244776126521,
       'FullBath': 0.5606637627484456,
       'KitchenQual': -0.5891887782994207,
       'TotRmsAbvGrd': 0.5337231555820281,
       'Fireplaces': 0.46692883675152796,
       'GarageCars': 0.6404091972583522,
       'GarageArea': 0.6234314389183617,
       'SalePrice': 0.99999999999998}
[83]: # Create new dataframe with selected features and target
      df = df[corr_dic.keys()]
      # Print the shape of new dataframe
      df.shape
[83]: (1460, 16)
[84]: grapher = visualization(df)
      grapher.correlation_plotter()
```

Correlation Heatmap



Features Correlating with SalePrice



[85] : df	head()							
[85]:	OverallQual	YearBuilt	YearRemod	Add MasVn	ırArea Exte	rQual	BsmtQual	
0	7	2003	2	003	196.0	2	2	\
1	6	1976	1	976	0.0	3	2	
2	7	2001	2	002	162.0	2	2	
3	7	1915	1	970	0.0	3	4	
4	8	2000	2	000	350.0	2	2	
	TotalBsmtSF	1stFlrSF	GrLivArea	FullBath	KitchenQua	.l Tot	RmsAbvGrd	
0	856	856	1710	2		2	8	\
1	1262	1262	1262	2		3	6	
2	920	920	1786	2		2	6	
3	756	961	1717	1		2	7	
4	1145	1145	2198	2		2	9	

```
Fireplaces
                GarageCars
                              GarageArea
                                            SalePrice
0
             0
                           2
                                      548
                                               208500
                           2
1
             1
                                      460
                                               181500
2
             1
                           2
                                      608
                                               223500
3
             1
                           3
                                      642
                                               140000
4
             1
                           3
                                      836
                                               250000
```

```
[86]: # Previewing which what is the encoding of the categories [col_dic[i] for i in ["ExterQual", "BsmtQual", "KitchenQual", "GarageFinish"]]
```

4.0.1 Relabelling the categorical data

Label encoders don't consider the trend of categories. They start from index zero and label the categories depending on the sort of data in the dataset. It can reduce the accuracy of the model when we do Machine Learning on the dataset. We should relabel the categorical features considering their trend to solve this issue.

```
[87]: # Rearrange the categorical values by their real value in a ascending format

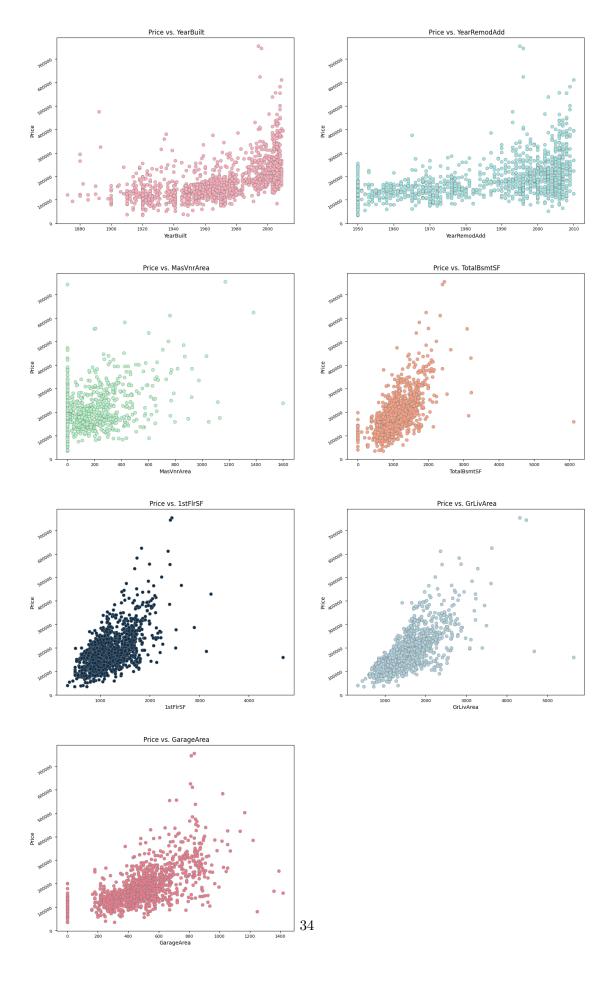
df = df.copy(deep=True)
    col_dic["ExterQual"] = {0: 4, 1: 1, 2: 3, 3: 2}
    df.replace({"ExterQual": col_dic["ExterQual"]}, inplace=True)
    col_dic["BsmtQual"] = {0: 4, 1: 1, 2: 3, 3: 0, 4: 2}
    df.replace({"BsmtQual": col_dic["BsmtQual"]}, inplace=True)
    col_dic["KitchenQual": col_dic["KitchenQual"]}, inplace=True)
    col_dic["GarageFinish"] = {0: 2, 1: 0, 2: 1, 3: 0}
    df.replace({"GarageFinish": col_dic["GarageFinish"]}, inplace=True)
```

4.1 Data Visualization

```
[88]: # Create an object of visualization class for our dataframe plotter = visualization(df)
```

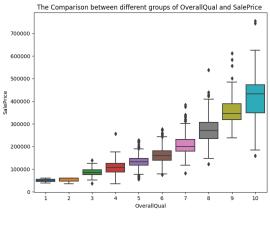
Scatter Plots

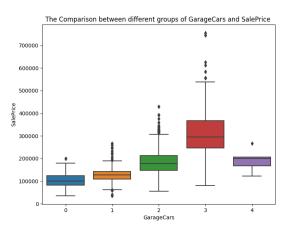
```
[89]: # Plotting the Scatter plots of price vs different features plotter.features_price_scatter()
```

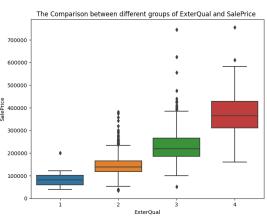


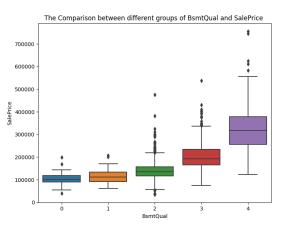
Categorical features boxplots regarding the price

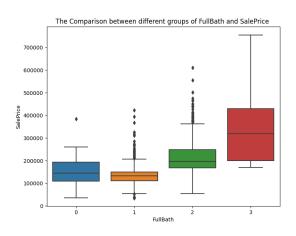
[90]: # Plotting independent categorical variables vs target plotter.feature_price_boxplot()

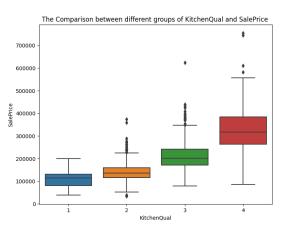


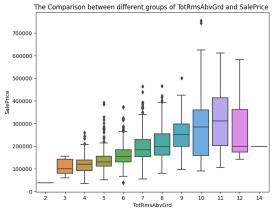


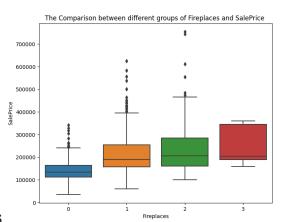












Result: Considering GarageCars feature, by increasing the number of these features, we have an upward trend for price. However, we can see a reduction when parking spaces increase from 3 to 4. Now we have to check why this is the case. To do so, first, we need to extract two dataframe from our main dataframe. The first one consists of the instances with 3 parking spaces, and the second one includes houses with 4 parking spaces.

```
[91]: # Croppiing the data frame to two new dataframe
      # df_parking_3 : houses with 3 parking
      # df_parking_4 : houses with 4 parking
      df_parking_4 = df[df["GarageCars"] == 4]
      df_parking_3 = df[df["GarageCars"] == 3]
      # Get the average of the feature values of cropped data frames
      mean_features_4 = df_parking_4.describe().loc["mean"]
      mean_features_3 = df_parking_3.describe().loc["mean"]
      # Create a dataframe to compare the difference between the average values for
       ⇔each group
      comparison = pd.DataFrame(
          index=mean_features_4.index,
          data={
              "Average feature values (GarageCars == 3)": mean_features_3.values,
              "Average feature values (GarageCars == 4)": mean_features_4.values,
          },
      )
      comparison
```

```
[91]:
                     Average feature values (GarageCars == 3)
      OverallQual
                                                      7.950276
      YearBuilt
                                                   1997.287293
      YearRemodAdd
                                                   2000.850829
      MasVnrArea
                                                    285.806630
      ExterQual
                                                      3.099448
      BsmtQual
                                                      3.359116
      TotalBsmtSF
                                                   1546.657459
      1stFlrSF
                                                   1562.055249
      GrLivArea
                                                   2084.607735
      FullBath
                                                      2.016575
      KitchenQual
                                                      3.276243
      TotRmsAbvGrd
                                                      8.082873
      Fireplaces
                                                      0.972376
      GarageCars
                                                      3.000000
      GarageArea
                                                    811.574586
      SalePrice
                                                 309636.121547
```

```
Average feature values (GarageCars == 4)
OverallQual
                                                      5.4
YearBuilt
                                                   1955.6
YearRemodAdd
                                                   1983.2
MasVnrArea
                                                    143.4
ExterQual
                                                      2.2
BsmtQual
                                                      2.2
TotalBsmtSF
                                                   1187.8
1stFlrSF
                                                   1299.2
GrLivArea
                                                   1822.4
FullBath
                                                      1.4
KitchenQual
                                                      2.2
TotRmsAbvGrd
                                                      8.0
                                                      0.4
Fireplaces
GarageCars
                                                      4.0
GarageArea
                                                    890.4
SalePrice
                                                 192655.8
```

regarding the above data, houses with 3 parking have better Overal Quality, External Quality, Basement Quality, and Kitchen Quality rather than houses with 4 parking on average. Furthermore, overall, the former group's houses are bigger than the latter. Also, there is a big gap between the year they've been built. The houses with 4 parking usually had been built almost 40 years before the other group. So basically, the reason why we observe a disorder in price trend by increasing the number of parking is has been found.

This pattern again has been observed in the 'TotRmsAbvGrd' feature. In fact, the houses which has 12 total room above the average has less prices than the ones with 11 above the average. To analyse why this is the case, we repeat the above procedure.

```
[92]: # Cropping the data frame to two new dataframe
      # df_rooms_12 : houses with 12 rooms above the average
      # df_rooms_11 : houses with 11 rooms above the average
      df_rooms_12 = df[df["TotRmsAbvGrd"] == 12]
      df_rooms_11 = df[df["TotRmsAbvGrd"] == 11]
      # Get the average of the feature values of cropped data frames
      mean_features_12 = df_rooms_12.describe().loc["mean"]
      mean_features_11 = df_rooms_11.describe().loc["mean"]
      # Create a dataframe to compare the difference between the average values for
       ⇔each group
      comparison = pd.DataFrame(
          index=mean_features_12.index,
          data={
              "Average feature values (TotRmsAbvGrd == 11)": mean_features_11.values,
              "Average feature values (TotRmsAbvGrd == 12)": mean_features_12.values,
          },
```

```
comparison
[92]:
                     Average feature values (TotRmsAbvGrd == 11)
      OverallQual
                                                          7.555556
      YearBuilt
                                                       1972.333333
      YearRemodAdd
                                                       1995.944444
      MasVnrArea
                                                        298.555556
      ExterQual
                                                          2.944444
      BsmtQual
                                                          3.166667
      TotalBsmtSF
                                                       1365.333333
      1stFlrSF
                                                       1628.111111
      GrLivArea
                                                       2812.000000
      FullBath
                                                          2.444444
      KitchenQual
                                                          3.166667
      {\tt TotRmsAbvGrd}
                                                         11.000000
      Fireplaces
                                                          1.166667
      GarageCars
                                                          2.500000
      GarageArea
                                                        707.666667
      SalePrice
                                                    318022.000000
                     Average feature values (TotRmsAbvGrd == 12)
      OverallQual
                                                          6.909091
      YearBuilt
                                                       1967.272727
      YearRemodAdd
                                                       1985.454545
      MasVnrArea
                                                        248.818182
      ExterQual
                                                          2.636364
      BsmtQual
                                                          2.454545
      TotalBsmtSF
                                                       1648.090909
      1stFlrSF
                                                       1752.090909
      GrLivArea
                                                       3097.363636
      FullBath
                                                          2.363636
      KitchenQual
                                                          3.000000
      TotRmsAbvGrd
                                                         12.000000
      Fireplaces
                                                          1.181818
      GarageCars
                                                          2.272727
```

Comparing the columns of the table above, although the houses with one extra room are bigger than the other group on average, their quality in different indexes are inferior to the other houses. Also, these group are usually older than the other buildings. So , the impact of quality and year they are built outweight the size.

721.000000

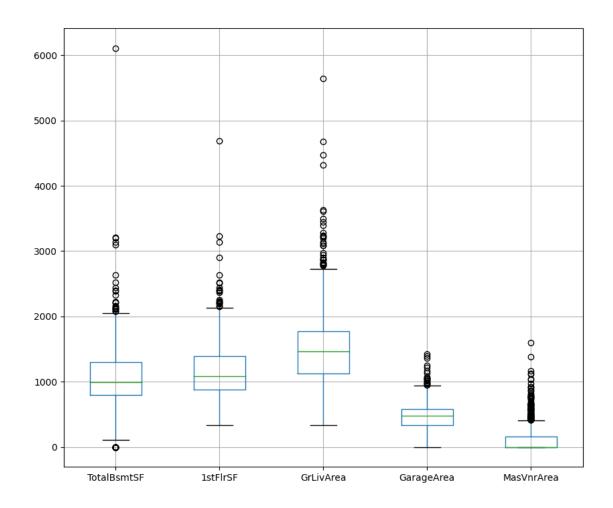
280971.454545

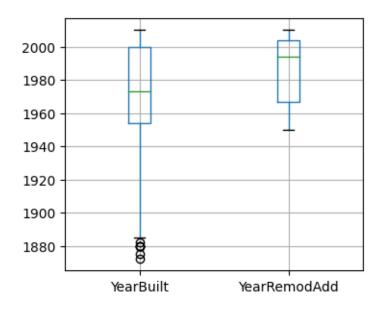
Box-Plot for each feature

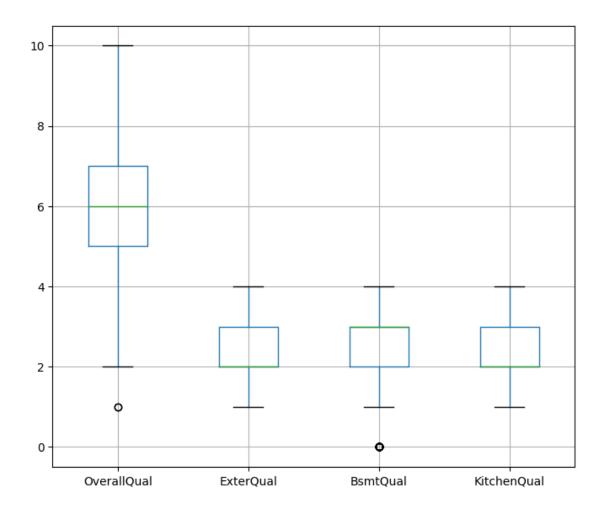
GarageArea

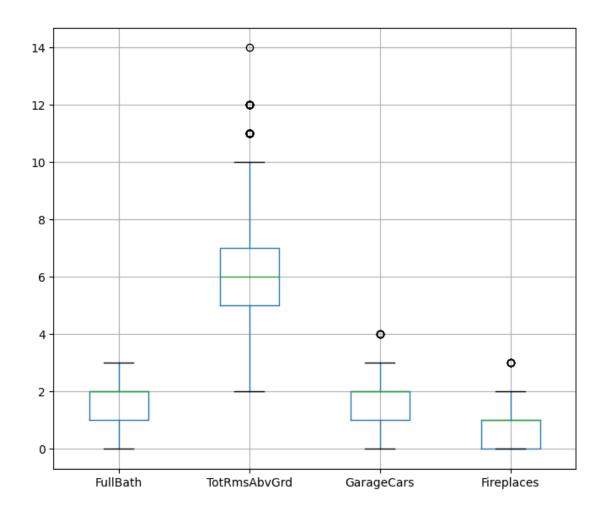
SalePrice

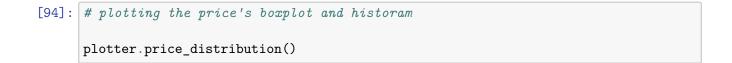
[93]: # Plotting the box plot for all the features to understand their distributions plotter.features_boxplots()

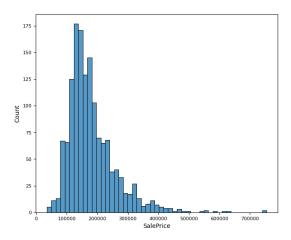


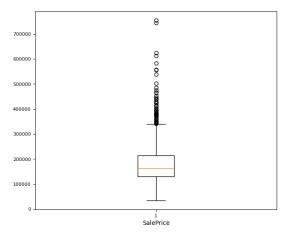












4.2 Checking for the Outliers

Hypothesis: Considering the SalePrice distribution above, it can be that there are some suspicious instances which can be categorised as outliers. But the chance of being our layer for two is very high. They might be fancy houses with enormous prices. However, we need solid reasons to consider an instance as an outlier and remove it from the database. So, it could be a better approach to create another dataframe with removed potential outliers. Then, we do ML on the original and modified dataframes. Finally, if we see any improvement in the accuracy of our modified model, it can be understood that the removed instances were out layers. Otherwise, they were not.

Method: Z-scores Usually, we calculate the Z-score for detecting outliers, which is the deviation of an instance divided by the standard deviation of the data for all instances. Then those instances with Z-score above 3 standard deviations or below -3 standard deviation will be dropped from the dataset.

```
[95]: # Remove the outlayers and print out the number of outlayers

df_without_outlayers = outlayer_remover(df, calculate_z_scores(df["SalePrice"]))
```

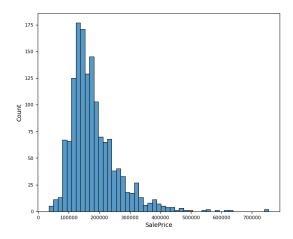
22 Houses are detected as outlayers

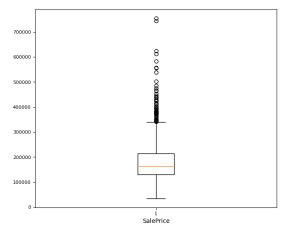
Showing the distributions after and before removing outlayers:

```
[96]: new_plotter = visualization(df_without_outlayers)

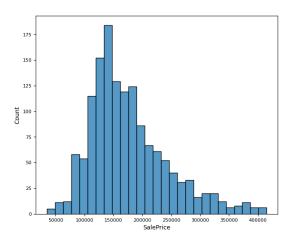
print("The old Price distribution:")
plotter.price_distribution()
plt.show()
print("\n\n\nNew Price distribution:")
new_plotter.price_distribution()
```

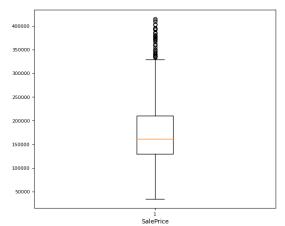
The old Price distribution:





New Price distribution:

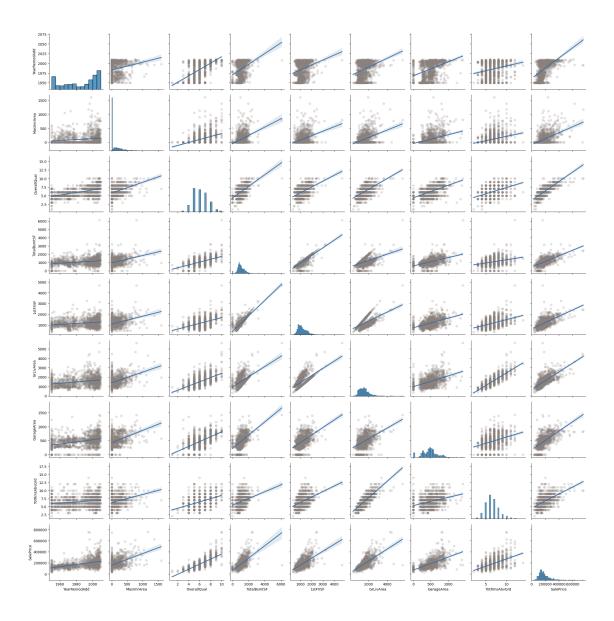




Result: Considering visualizations we can not judge these houses are outlayers or not. Because they might be fancy houses with high prices. To investigate it, we can do ML and discuss if these are outlayers or not.

Pair-Plots The discription of this plot can be found within the function.

[97]: # Plotting the pairplots
plotter.pair_plots()



4.2.1 Box-Cox Data Transformation

Regarding the distribution of features in the PairPlots graph, some non-categorical features have a normal distribution. However, all of them are skewed to the left. these features are 'OverallQual', 'TotalBsmtSF', '1stFlrSF', 'GrLivArea', 'GarageArea', 'SalePrice', and 'MasVnrArea'. We have to transform their distribution to remove this skewness in these features. Our options are Log-Transformation and Box-Cox Transformation. Although log transformation is an easy method to use in comparison with the box-cox method, we choose box-cox as it completely solves this issue, while log can't.

The problem with this method is that box-cox can be used just for positive data, whereas we have many zeroes in our dataset. So, we shift our data by adding an epsilon that is an extremely small number to all of our data, then we implement the box-cox transformation.

```
[98]: # Deploying Box-Cox transformation
       transformed_df, skew_dataframe, lambda_dic = box_cox_transformer(df)
[99]: transformed_df.head()
[99]:
          OverallQual
                       YearBuilt
                                   YearRemodAdd
                                                  MasVnrArea
                                                             ExterQual
                                                                          BsmtQual
             4.470077
                           2003.0
                                         2003.0
                                                    4.695494
                                                                     3.0
                                                                               3.0
       0
                                                                                    \
       1
             3.829085
                           1976.0
                                         1976.0
                                                  -34.333996
                                                                     2.0
                                                                               3.0
       2
             4.470077
                           2001.0
                                         2002.0
                                                    4.544780
                                                                     3.0
                                                                               3.0
       3
             4.470077
                           1915.0
                                         1970.0
                                                  -34.333996
                                                                     2.0
                                                                               2.0
       4
             5.089582
                           2000.0
                                                    5.146264
                                                                     3.0
                                                                               3.0
                                         2000.0
          TotalBsmtSF
                       1stFlrSF
                                  GrLivArea
                                             FullBath
                                                        KitchenQual
                                                                     TotRmsAbvGrd
       0
            63.443149
                       5.235744
                                   7.621712
                                                   2.0
                                                                3.0
                                                                               8.0
                                                                                    \
       1
            78.155763
                       5.460253
                                   7.303623
                                                   2.0
                                                                2.0
                                                                               6.0
       2
            65.954972 5.277966
                                   7.667293
                                                   2.0
                                                                3.0
                                                                               6.0
       3
                       5.303382
                                   7.625994
                                                                               7.0
            59.331570
                                                   1.0
                                                                3.0
       4
                                                                               9.0
            74.183155 5.404626
                                   7.885039
                                                   2.0
                                                                3.0
            Fireplaces
                        GarageCars
                                     GarageArea
                                                  SalePrice
                                      33.850183
          1.000000e-09
                                2.0
                                                   7.932606
          1.000000e+00
                                2.0
                                      31.183954
                                                   7.878259
       1
       2 1.000000e+00
                                2.0
                                      35.532111
                                                   7.959614
         1.000000e+00
                                3.0
                                      36.443966
                                                   7.774951
       3
         1.000000e+00
                                3.0
                                      41.190778
                                                   8.002870
[100]:
      lambda_dic
[100]: {'OverallQual': 0.7622455698532536,
        'TotalBsmtSF': 0.5230460974863727,
        '1stFlrSF': -0.07883214245105231,
        'GrLivArea': 0.006304877505247834,
        'GarageArea': 0.43788711651301193,
        'SalePrice': -0.07692401520136988,
        'MasVnrArea': -0.045219976590401896}
      Result The table below, compares the original skewness of our data with the new skewness.
```

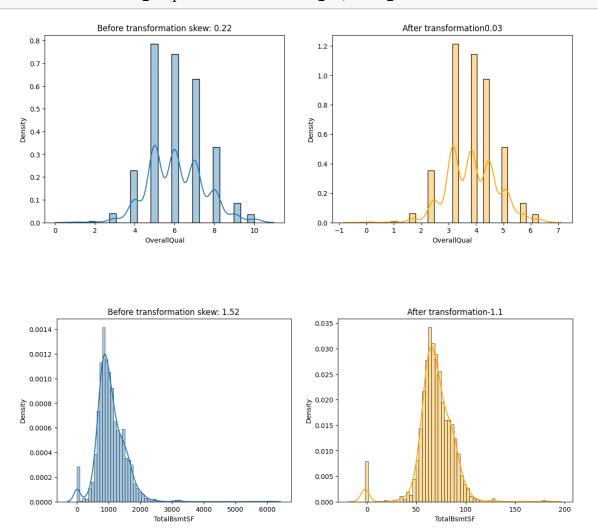
Skewness = 0 is the ideal. Overall we can see almost all of the skewnesses have improvements.

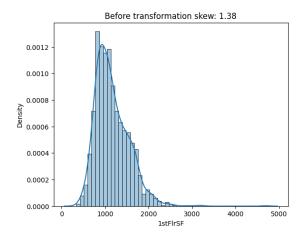
[101]: skew_dataframe [101]: Transformed Data Skew Original Data Skew OverallQual 0.216944 0.028409 TotalBsmtSF 1.524255 -1.098511 1stFlrSF 1.376757 -0.001098 GrLivArea 1.366560 0.000195 GarageArea 0.179981 -1.932475

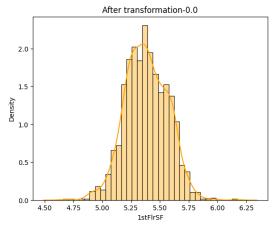
SalePrice 1.882876 -0.008653 MasVnrArea 2.677616 0.389984

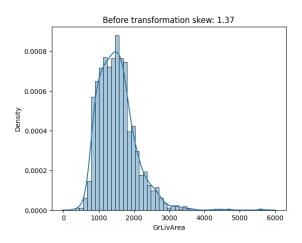
Comparing the distributions before and after transformation

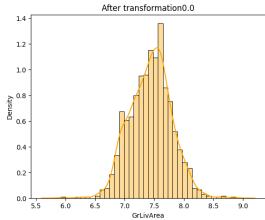
[102]: plotter.distribution_comparison(transformed_df, skew_dataframe)

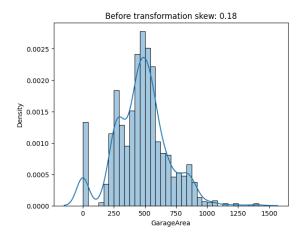


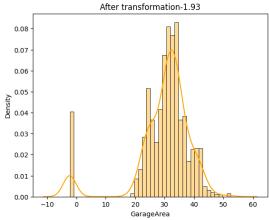


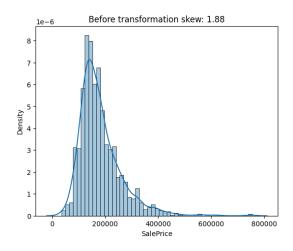


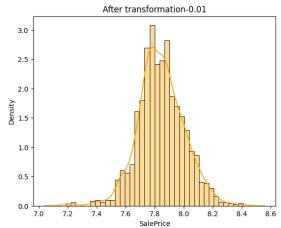












5 Machine Learning

[103]: # Creating an object for machine learning process
ml = machine_learning(df, transformed_df)

5.0.1 Scikit-Learn Multivariate Liniear Regression model

[104]: # Scikit-Learn Multivariate Liniear Regression model ml.multi_regr_with_scikit()

Normal model score is: 0.7642659946885764 Transformed model score is: 0.8388684160659758

[104]:		coef	average	Effect on price
	OverallQual	0.0391	6.099315	0.238483
	YearBuilt	0.0006	1971.267808	1.182761
	${\tt YearRemodAdd}$	0.0008	1984.865753	1.587893
	MasVnrArea	-0.0001	103.117123	-0.010312
	ExterQual	0.0025	2.395890	0.005990
	BsmtQual	0.0135	2.514384	0.033944
	${\tt TotalBsmtSF}$	0.0006	1057.429452	0.634458
	1stFlrSF	0.0895	1162.626712	104.055091
	${\tt GrLivArea}$	0.1298	1515.463699	196.707188
	FullBath	-0.0041	1.565068	-0.006417
	KitchenQual	0.0203	2.511644	0.050986
	${\tt TotRmsAbvGrd}$	0.0010	6.517808	0.006518
	Fireplaces	0.0227	0.613014	0.013915
	GarageCars	0.0164	1.767123	0.028981

Result: considering the models' scores, the linear regression model obviously performed better on the transformed dataset. the accuracy for the original dataset is %76.43, while after box-cox transformation, our accuracy has improved up to %83.89. Consequently, we can use the transformed dataset rather than the original one to deploy further improvements to our model.

0.425682

Also, regarding the "effect on price" index, we can see that the parameters which refer to the area of the house, such as "GrLivArea" and "1stFlrSF", have the most impact on the price. And the second important variable group that significantly affects the price is the date of construction and reconstruction. Features such as "YearBuilt" and "YearRemodAdd" moderately impact price.

5.0.2 Scikit-Learn Random Forest Ensemble learning method

[105]: ml.multi_regr_with_randomforest()

Normal model score is: 0.8065805549434145 Transformed model score is: 0.81960352953889

5.0.3 statsmodels library Multivariate linear model via least squares

statmodels library offers more statistical metrics compared with scikit-learn that are useful for model selection. We shortly describe these metrics here and how they help the process of feature selection.

BIC: Bayesian Information Criterion (BIC) is a statistical criterion for model selection that balances the trade-off between model fit and complexity. It is calculated by adding a penalty term to the log-likelihood of the model, with the penalty term increasing as the number of parameters in the model increases. BIC is commonly used to select the best model among competing models in various statistical and machine-learning applications. The Smaller BIC, the simpler model.

AIC: Akaike Information Criterion (AIC) is a statistical criterion for model selection that measures the quality of a model based on how well it fits the data and how many parameters it has. It is calculated by adding a penalty term to the log-likelihood of the model, where the penalty term is proportional to the number of parameters in the model. AIC is commonly used to select the best model among competing models in various statistical and machine-learning applications. The Smaller BIC, the better model.

R-squared: R-squared is a statistical measure representing the proportion of variation in a dependent variable explained by an independent variable or variables in a linear regression model. It ranges between 0 and 1, where 0 indicates that the model doesn't explain any variation, and 1 indicates a perfect fit between the model and the data. We can consider it as the accuracy of our model.

p-values: P-values are a statistical measure used to determine the probability of observing a result as extreme or more extreme than the one obtained, assuming that the null hypothesis is true. The p-value is typically compared to a significance level (e.g., 0.05), and if it is less than the significance level, the null hypothesis is rejected.

VIF: Variance Inflation Factor (VIF) is a statistical measure used to detect the presence of multicollinearity in regression analysis. It measures how much the variance of the estimated regression coefficients is inflated due to multicollinearity among the independent variables. VIF values greater than 3 indicate the presence of multicollinearity, with higher values indicating more severe multicollinearity.

5.0.4 Model Selection Approach:

Initially, we are looking for models with a higher r-squared. Models with bigger r-squared are better fitted on data points. Once we measure the r-squared of our model, we evaluate the p-values of our features. p-values higher than 0.05 indicate that the coefficient of our independent variables is significant. Therefore, we should drop features with p-values over 0.05. Once we've done it, we should check BIC and AIC factors, they can be a good measure to analyse is our new model is simpler than our previous model or not. If removing a column doesn't affect the r-squared that much and also reduces the BIC and AIC, we choose the new model as the best model.

5.0.5 Note:

In all the models below, we expect a high multicollinearity dues to a weak feature selection process, for instance, the features such as YearBuilt and YearRemodAdd, or features which refer to the size of the house such as TotalBsmtSF, 1stFlrSF, and GrLivArea have compelling multicollinearity effect on each other.

```
ml.multi_regr_with_lstat()
[106]:
      BIC is:
                -2866.5939459025276
      AIC is:
                -2946.5701001785374
      r-squared for original dataframe is:
                                               0.8036786061691842
      r-squared for modified dataframe is:
                                               0.8497640074088291
[106]: (
                           coef
                                  p-values
                                            VIF Factor
        const
                       3.345330
                                     0.000
                                                  0.000
        OverallQual
                       0.039077
                                     0.000
                                                 73.749
        YearBuilt
                       0.000576
                                     0.000
                                               8885.052
        YearRemodAdd
                       0.000788
                                     0.000
                                               8740.769
        MasVnrArea
                      -0.000078
                                     0.496
                                                  1.824
        ExterQual
                       0.002484
                                     0.657
                                                 53.278
        BsmtQual
                       0.013489
                                     0.002
                                                 28.861
        TotalBsmtSF
                       0.000555
                                     0.004
                                                 32.237
        1stFlrSF
                       0.089462
                                     0.000
                                                 45.348
        GrLivArea
                       0.129825
                                     0.000
                                                 47.400
        FullBath
                      -0.004131
                                     0.428
                                                 18.941
                                                 37.191
        KitchenQual
                                     0.000
                       0.020311
        {\tt TotRmsAbvGrd}
                       0.001034
                                     0.630
                                                 56.702
        Fireplaces
                       0.022721
                                     0.000
                                                  2.700
                                                 35.402
        GarageCars
                       0.016385
                                     0.005
        GarageArea
                       0.000857
                                     0.036
                                                 31.574,
        <class 'statsmodels.iolib.summary.Summary'>
```

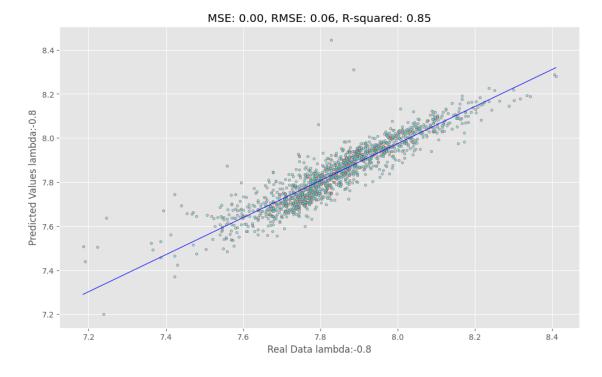
OLS Regression Results

=========						======
Dep. Variable	e:	SalePrice	R-square	ed:		0.847
Model:		OLS	Adj. R-s	squared:		0.845
Method:	L	east Squares	F-statis	stic:		398.2
Date:	Tue,	06 Jun 2023	Prob (F-	statistic):		0.00
Time:			Log-Like			1489.3
No. Observati	ions:		AIC:			-2947.
Df Residuals:	:		BIC:			-2867.
Df Model:		15				
Covariance Ty	pe:	nonrobust				
==========						======
0.975]		std err				
const	3.3453	0.312	10.710	0.000	2.732	
OverallQual	0 0391	0 004	0 853	0 000	0.031	
0.047	0.0591	0.004	9.000	0.000	0.031	
YearBuilt	0.0006	0.000	5.439	0.000	0.000	
0.001						
YearRemodAdd	0.0008	0.000	5.897	0.000	0.001	
0.001						
MasVnrArea	-7.759e-05	0.000	-0.681	0.496	-0.000	
0.000						
ExterQual	0.0025	0.006	0.444	0.657	-0.009	
0.013						
BsmtQual	0.0135	0.004	3.073	0.002	0.005	
0.022						
TotalBsmtSF	0.0006	0.000	2.897	0.004	0.000	
0.001						
1stFlrSF	0.0895	0.017	5.226	0.000	0.056	
0.123						
GrLivArea	0.1298	0.013	10.248	0.000	0.105	
0.155	0.0044	0.005	0.700	0 400	0.014	
FullBath	-0.0041	0.005	-0.792	0.428	-0.014	
0.006	0.0000	0.005	4 454	0.000	0.014	
KitchenQual	0.0203	0.005	4.451	0.000	0.011	
0.029	0.0010	0.000	0 404	0.620	0.003	
TotRmsAbvGrd	0.0010	0.002	0.481	0.630	-0.003	
0.005	0.0007	0.002	C F04	0.000	0.016	
Fireplaces	0.0227	0.003	6.584	0.000	0.016	
0.029	0.0164	0 006	2.814	0.005	0 005	
GarageCars 0.028	0.0164	0.006	2.01 4	0.005	0.005	
GarageArea	0.0009	0.000	2.102	0.036	5.72e-05	
0.002	0.0009	0.000	2.102	0.030	0.726-00	
0.002						

Omnibus:	537.787	Durbin-Watson:	2.011
Prob(Omnibus):	0.000	Jarque-Bera (JB):	7654.169
Skew:	-1.897	<pre>Prob(JB):</pre>	0.00
Kurtosis:	15.384	Cond. No.	4.63e+05

- [1] Standard Errors assume that the covariance matrix of the errors is correctly specified.
- [2] The condition number is large, 4.63e+05. This might indicate that there are strong multicollinearity or other numerical problems.

```
[107]: # Plotting the prediction vs real prices
targets, predictions = multireg_statmodels(transformed_df)
prediction_scatter(targets, predictions)
```



BIC is: -2872.9555006839364 AIC is: -2947.9331453176956 r-squared for original dataframe is: 0.8030503588376833 r-squared for modified dataframe is: 0.8495191462177774

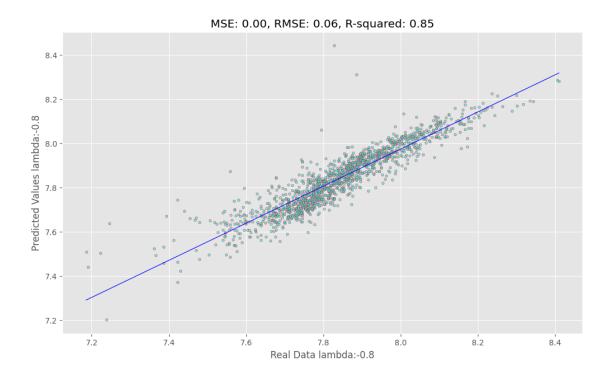
[108]:	(coef	p-values	VIF Factor	
	const	3.422742	0.000	0.000	
	OverallQual	0.038926	0.000	72.939	
	YearBuilt	0.000556	0.000	8684.845	
	${\tt YearRemodAdd}$	0.000778	0.000	8527.005	
	MasVnrArea	-0.000076	0.505	1.819	
	ExterQual	0.002363	0.673	52.942	
	BsmtQual	0.013530	0.002	28.701	
	${\tt TotalBsmtSF}$	0.000568	0.003	31.897	
	1stFlrSF	0.089390	0.000	45.231	
	GrLivArea	0.126694	0.000	44.279	
	KitchenQual	0.020256	0.000	36.972	
	TotRmsAbvGrd	0.000842	0.693	55.796	
	Fireplaces	0.022991	0.000	2.654	
	GarageCars	0.015911	0.006	34.881	
	GarageArea	0.000899	0.026	31.202,	
	<class 'stats<="" td=""><td>smodels.iol</td><td>ib.summary</td><td>.Summary'></td><td></td></class>	smodels.iol	ib.summary	.Summary'>	
	11 11 11		·	·	

OLS Regression Results

Dep. Variable: Model: Method: Date: Time: No. Observation Df Residuals: Df Model: Covariance Type	Tue, as:	OLS east Squares 06 Jun 2023 19:18:55 1095 1080 14 nonrobust	F-statistic: Prob (F-statistic): Log-Likelihood:			0.847 0.845 426.8 0.00 1489.0 -2948. -2873.
0.975]	coef	std err	t	P> t	[0.025	
		0.297				
OverallQual 0.047	0.0389	0.004	9.828	0.000	0.031	
YearBuilt 0.001	0.0006	0.000	5.409	0.000	0.000	
YearRemodAdd	0.0008	0.000	5.850	0.000	0.001	
MasVnrArea -7	7.588e-05	0.000	-0.667	0.505	-0.000	
ExterQual	0.0024	0.006	0.422	0.673	-0.009	

Omnibus: Prob(Omnibus): Skew: Kurtosis:		535.398 0.000 -1.890 15.262	Durbin- Jarque- Prob(JB Cond. N	Bera (JB):):		2.015 7512.127 0.00 4.39e+05
O b		E2E 200	Db-:		=======	0.015
0.002						
0.027 GarageArea	0.0009	0.000	2.223	0.026	0.000	
GarageCars	0.0159	0.006	2.747	0.006	0.005	
Fireplaces	0.0230	0.003	6.696	0.000	0.016	
TotRmsAbvGrd 0.005	0.0008	0.002	0.394	0.693	-0.003	
KitchenQual	0.0203	0.005	4.440	0.000	0.011	
GrLivArea 0.150	0.1267	0.012	10.528	0.000	0.103	
1stFlrSF 0.123	0.0894	0.017	5.223	0.000	0.056	
0.022 TotalBsmtSF 0.001	0.0006	0.000	2.973	0.003	0.000	
0.013 BsmtQual	0.0135	0.004	3.083	0.002	0.005	

- [1] Standard Errors assume that the covariance matrix of the errors is correctly specified.
- [2] The condition number is large, 4.39e+05. This might indicate that there are strong multicollinearity or other numerical problems.



```
[110]: ml = machine_learning(
           df.drop(["FullBath", "ExterQual"], axis=1),
           transformed_df.drop(["FullBath", "ExterQual"], axis=1),
       ml.multi_regr_with_lstat()
      BIC is: -2879.773330685338
      AIC is: -2949.7524656768464
      r-squared for original dataframe is: 0.8004283611714987
      r-squared for modified dataframe is: 0.8493866329058775
[110]: (
                                p-values VIF Factor
                          coef
                      3.402262
                                    0.000
                                                0.000
        const
        OverallQual
                      0.039393
                                    0.000
                                               65.447
        YearBuilt
                                    0.000
                                             8635.902
                      0.000562
        YearRemodAdd
                                             8494.169
                      0.000782
                                    0.000
        MasVnrArea
                                    0.505
                                                1.816
                     -0.000076
                                               28.324
        BsmtQual
                      0.013636
                                    0.002
        {\tt TotalBsmtSF}
                      0.000569
                                    0.003
                                               31.876
        1stFlrSF
                      0.089556
                                    0.000
                                               45.228
        GrLivArea
                      0.126819
                                    0.000
                                               44.276
        KitchenQual
                      0.020940
                                    0.000
                                               30.838
        TotRmsAbvGrd 0.000828
                                               55.757
                                    0.698
```

2.635

34.868

0.000

0.006

Fireplaces

GarageCars

0.022907

0.015993

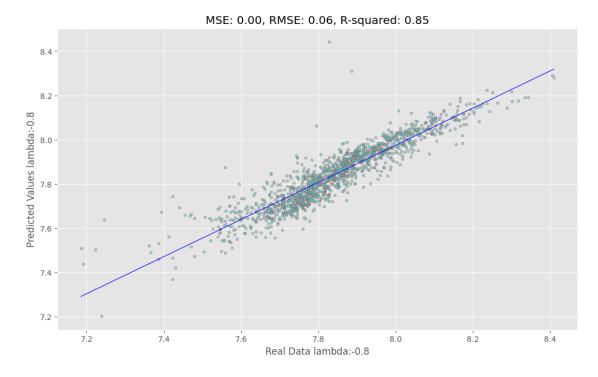
GarageArea 0.000896 0.027 31.194,
<class 'statsmodels.iolib.summary.Summary'>

OLS Regression Results

ULS regression results						
Dep. Variable: Model: Method: Date: Time: No. Observation Df Residuals: Df Model: Covariance Type	Tue, ns: e:	1081 13 nonrobust	Adj. R-s F-statis Prob (F- Log-Like AIC: BIC:	squared: stic: -statistic): elihood:		0.847 0.845 459.9 0.00 1488.9 -2950.
0.975]	coef	std err	t	P> t	[0.025	======
const 3.976		0.293		0.000		
0.047 YearBuilt 0.001	0.0006	0.000	5.530		0.000	
0.001 MasVnrArea -7	0.0008 7.592e-05	0.000	5.899 -0.667	0.000	0.001	
0.000 BsmtQual 0.022	0.0136	0.004	3.114	0.002	0.005	
TotalBsmtSF 0.001 1stFlrSF	0.0006	0.000	2.9825.236	0.003	0.000	
0.123 GrLivArea 0.150	0.1268	0.012	10.546	0.000	0.103	
KitchenQual 0.029 TotRmsAbvGrd	0.0209	0.004	4.911 0.388	0.000	0.013	
0.005 Fireplaces 0.030	0.0229	0.003	6.685	0.000	0.016	
GarageCars 0.027	0.0160	0.006	2.764	0.006	0.005	
GarageArea 0.002	0.0009	0.000	2.217	0.027	0.000	

Omnibus:	533.171	Durbin-Watson:	2.017
Prob(Omnibus):	0.000	Jarque-Bera (JB):	7428.296
Skew:	-1.882	Prob(JB):	0.00
Kurtosis:	15.192	Cond. No.	4.33e+05

- [1] Standard Errors assume that the covariance matrix of the errors is correctly specified.
- [2] The condition number is large, 4.33e+05. This might indicate that there are strong multicollinearity or other numerical problems.



```
[112]: ml = machine_learning(
          df.drop(["FullBath", "ExterQual", "MasVnrArea"], axis=1),
          transformed_df.drop(["FullBath", "ExterQual", "MasVnrArea"], axis=1),
    )
    ml.multi_regr_with_lstat()
```

BIC is: -2886.320958727809 AIC is: -2951.3015840770668

r-squared for original dataframe is: 0.795556012923421 r-squared for modified dataframe is: 0.8491895496551417

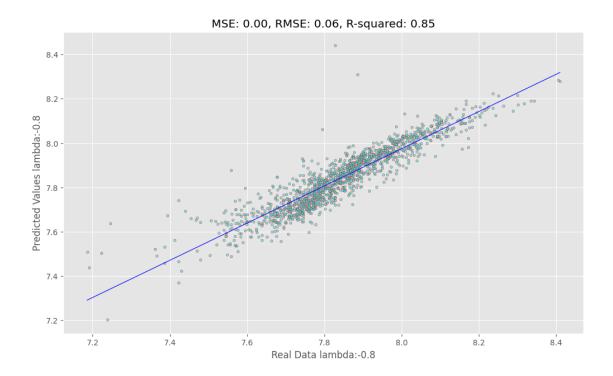
[112]:	(coef	p-values	VIF Factor				
	const	3.426023	0.000	0.000				
	OverallQual	0.039127	0.000	64.746				
	YearBuilt	0.000547	0.000	8474.927				
	${\tt YearRemodAdd}$	0.000788	0.000	8302.511				
	BsmtQual	0.013819	0.002	28.281				
	${\tt TotalBsmtSF}$	0.000560	0.003	31.630				
	1stFlrSF	0.089084	0.000	45.220				
	GrLivArea	0.127023	0.000	43.409				
	KitchenQual	0.020977	0.000	30.831				
	${\tt TotRmsAbvGrd}$	0.000767	0.719	55.658				
	Fireplaces	0.022781	0.000	2.635				
	GarageCars	0.015712	0.007	34.867				
	GarageArea	0.000904	0.025	31.090,				
	<pre><class 'statsmodels.iolib.summary.summary'=""></class></pre>							

OLS Regression Results

Dep. Variable: Model: Method: Date: Time: No. Observations Df Residuals: Df Model: Covariance Type:	Tue	19:18:59 1095 1082 12	Adj. R-squared: F-statistic: Prob (F-statistic): Log-Likelihood:			0.847 0.845 498.5 0.00 1488.7 -2951. -2886.
0.975]				P> t		======
const 3.996		0.290				
OverallQual 0.047 YearBuilt		0.004 9.9e-05			0.032	
0.001 YearRemodAdd 0.001	0.0008	0.000	5.951	0.000	0.001	
BsmtQual 0.022	0.0138	0.004	3.163 2.944	0.002	0.005	
100athemon.	0.0000	0.000	2.377	0.003	0.000	

0.001						
1stFlrSF	0.0891	0.017	5.214	0.000	0.056	
0.123 GrLivArea	0 1070	0.010	10 560	0.000	0 102	
0.151	0.1270	0.012	10.569	0.000	0.103	
KitchenQual	0.0210	0.004	4.922	0.000	0.013	
0.029						
${\tt TotRmsAbvGrd}$	0.0008	0.002	0.360	0.719	-0.003	
0.005						
Fireplaces	0.0228	0.003	6.660	0.000	0.016	
0.029						
GarageCars	0.0157	0.006	2.724	0.007	0.004	
0.027						
GarageArea	0.0009	0.000	2.239	0.025	0.000	
0.002						
 Omnibus:	=======	532.598	 -Durbin	========= Watson:		2.020
Prob(Omnibus):		0.000	Jarque-	Bera (JB):		7407.298
Skew:		-1.880	Prob(JE			0.00
Kurtosis:		15.174	Cond. N			4.30e+05

- [1] Standard Errors assume that the covariance matrix of the errors is correctly specified.
- [2] The condition number is large, 4.3e+05. This might indicate that there are strong multicollinearity or other numerical problems.



AIC is: -2953.1704446794556

r-squared for original dataframe is: 0.7950242103826386 r-squared for modified dataframe is: 0.8491191136086412

[114]:	(coef	p-values	VIF Factor
	const	3.416856	0.000	0.000
	OverallQual	0.039082	0.000	64.742
	YearBuilt	0.000545	0.000	8474.278
	${\tt YearRemodAdd}$	0.000786	0.000	8283.997
	BsmtQual	0.013758	0.002	28.193
	TotalBsmtSF	0.000560	0.003	31.581
	1stFlrSF	0.088880	0.000	45.206
	GrLivArea	0.130263	0.000	19.026
	KitchenQual	0.020994	0.000	30.772
	Fireplaces	0.022677	0.000	2.621
	GarageCars	0.015965	0.005	34.603

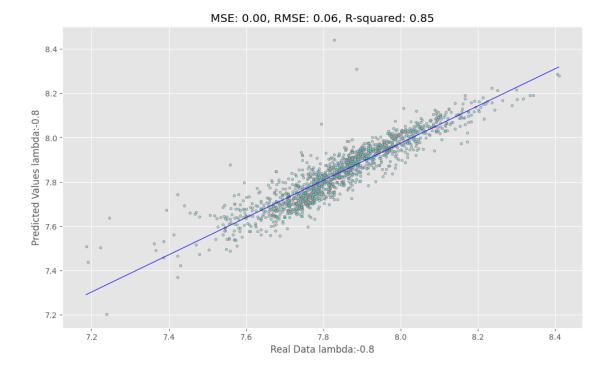
GarageArea 0.000884 0.027 30.891,
<class 'statsmodels.iolib.summary.Summary'>

OLS Regression Results

===========	:=======	e==========				=======
Dep. Variable: Model: Method: Date: Time: No. Observations Df Residuals: Df Model: Covariance Type:	Tue,	SalePrice OLS Least Squares O6 Jun 2023 19:19:01 1095 1083 11 nonrobust	Adj. R-s F-statis Prob (F- Log-Like	0.847 0.845 544.2 0.00 1488.6 -2953. -2893.		
0.975]	coef	std err	t	P> t	[0.025	
const 3.984	3.4169	0.289	11.821	0.000	2.850	
OverallQual 0.046	0.0391	0.004	10.350	0.000	0.032	
YearBuilt 0.001	0.0005	9.88e-05	5.513	0.000	0.000	
YearRemodAdd 0.001	0.0008	0.000	5.943	0.000	0.001	
BsmtQual 0.022	0.0138	0.004	3.152	0.002	0.005	
TotalBsmtSF 0.001	0.0006	0.000	2.945	0.003	0.000	
1stFlrSF 0.122	0.0889	0.017	5.207	0.000	0.055	
GrLivArea 0.146	0.1303	0.008	16.358	0.000	0.115	
KitchenQual 0.029	0.0210	0.004	4.928	0.000	0.013	
Fireplaces 0.029	0.0227	0.003	6.656	0.000	0.016	
GarageCars 0.027	0.0160	0.006	2.789	0.005	0.005	
GarageArea 0.002	0.0009	0.000	2.211	0.027	9.96e-05	
Omnibus: Prob(Omnibus): Skew: Kurtosis:		532.155 0.000 -1.879 15.148	Durbin-Watson: Jarque-Bera (JB): Prob(JB): Cond. No.		2.020 7377.431 0.00 4.29e+05	

Notes:

- [1] Standard Errors assume that the covariance matrix of the errors is correctly specified.
- [2] The condition number is large, 4.29e+05. This might indicate that there are strong multicollinearity or other numerical problems.

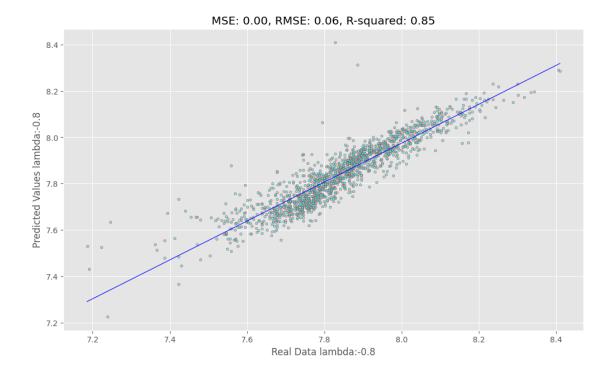


```
ml.multi_regr_with_lstat()
      BIC is: -2895.254309765134
      AIC is: -2950.237915829891
      r-squared for original dataframe is: 0.7939248952801108
      r-squared for modified dataframe is: 0.8473809468842513
[116]: (
                        coef p-values VIF Factor
       const
                    3.463554
                                0.000
                                           0.000
                                0.000
                                           64.740
       OverallQual
                    0.039197
       YearBuilt
                    0.000555
                                0.000
                                         8471.827
       YearRemodAdd 0.000758
                                0.000
                                         8280.054
       BsmtQual
                    0.012511
                              0.004
                                          27.995
       TotalBsmtSF
                    0.000597
                              0.002
                                          31.188
       1stFlrSF
                    0.089159
                                0.000
                                          45.029
       GrLivArea
                    0.129350
                                0.000
                                          18.955
       KitchenQual
                             0.000
                    0.021469
                                          30.663
       Fireplaces
                    0.022786
                                0.000
                                           2.598
                    0.026169
                                0.000
       GarageCars
                                           11.482,
       <class 'statsmodels.iolib.summary.Summary'>
       11 11 11
                                 OLS Regression Results
       Dep. Variable:
                                 SalePrice
                                            R-squared:
                                                                           0.846
       Model:
                                       OLS
                                            Adj. R-squared:
                                                                           0.845
       Method:
                             Least Squares
                                            F-statistic:
                                                                           596.0
       Date:
                          Tue, 06 Jun 2023
                                            Prob (F-statistic):
                                                                            0.00
       Time:
                                  19:19:02
                                            Log-Likelihood:
                                                                          1486.1
       No. Observations:
                                            AIC:
                                                                          -2950.
                                      1095
                                      1084
       Df Residuals:
                                            BIC:
                                                                          -2895.
       Df Model:
                                        10
       Covariance Type:
                                 nonrobust
      _____
                                                                 Γ0.025
                         coef
                                std err
                                                t
                                                       P>|t|
      0.975]
       const
                       3.4636
                                  0.289
                                           11.993
                                                       0.000
                                                                  2.897
      4.030
       OverallQual
                       0.0392
                                  0.004 10.363
                                                       0.000
                                                                  0.032
      0.047
       YearBuilt
                       0.0006
                               9.88e-05
                                            5.616
                                                       0.000
                                                                  0.000
      0.001
       YearRemodAdd
                       0.0008
                                  0.000
                                            5.750
                                                       0.000
                                                                  0.000
      0.001
       BsmtQual
                       0.0125
                                  0.004
                                            2.886
                                                       0.004
                                                                  0.004
```

),

0.021 TotalBsmtSF	0.0006	0.000	3.143	0.002	0.000	
0.001	0.0000	0.000	0.110	0.002	0.000	
1stFlrSF	0.0892	0.017	5.214	0.000	0.056	
0.123						
GrLivArea	0.1293	0.008	16.236	0.000	0.114	
0.145						
KitchenQual	0.0215	0.004	5.037	0.000	0.013	
0.030						
Fireplaces	0.0228	0.003	6.677	0.000	0.016	
0.029						
GarageCars	0.0262	0.003	7.715	0.000	0.020	
0.033						
Omnibus:	=======	514.725	======================================		=======	2.024
Prob(Omnibus):		0.000	Jarque-Bera (JB):			6497.375
Skew:		-1.829	Prob(JE			0.00
Kurtosis:		14.359	Cond. N			4.27e+05

- [1] Standard Errors assume that the covariance matrix of the errors is correctly specified.
- [2] The condition number is large, 4.27e+05. This might indicate that there are strong multicollinearity or other numerical problems.



Result: Among All the above regressor models, The statsmodel linear regression model outperforms, and also, among all the statsmodel models, the least model is the best model considering the lowest BIC and AIC, also the significance of the coefficients regarding p-values. However, with respect to the weak feature engineering of the dataset, we can see that the variance inflation factor for the features is too high, which illustrates a massive multicollinearity amongst the features. all in all, the best regression model here is the statsmodel with 11 features that are:

OverallQual, YearBuilt, YearRemodAdd, MasVnrArea, BsmtQual, TotalBsmtSF, 1stFlrSF, GrLivArea, KitchenQua, Fireplaces, and GarageCars.

5.0.6 Comparing Model with and without outlayers:

```
["FullBath", "ExterQual", "MasVnrArea", "TotRmsAbvGrd", "GarageArea"],
       ⇒axis=1
         ),
     comparison.multi regr with lstat()
     BIC is: 1652.8173140450403
     AIC is: 1598.005823778882
     r-squared for original dataframe is: 0.8473809468842513
     r-squared for modified dataframe is: 0.8390410060048632
[119]: (
                      coef p-values VIF Factor
      const
                 -10.754153
                              0.000
                                        0.000
      OverallQual
                   0.272156
                              0.000
                                       59.512
      YearBuilt
                   0.005139
                             0.000
                                   8516.907
      YearRemodAdd 0.006190
                             0.000
                                     9419.520
      BsmtQual
                  0.092301
                            0.011
                                       33.595
      TotalBsmtSF
                            0.000
                  0.005993
                                       51.408
      1stFlrSF
                  0.496347
                            0.000
                                     2319.841
                                     930.614
      GrLivArea
                            0.000
                  0.624196
                0.194016
      KitchenQual
                            0.000
                                       30.442
      Fireplaces
                  0.252747
                              0.000
                                       2.636
                              0.000
      GarageCars
                   0.196880
                                       11.444,
      <class 'statsmodels.iolib.summary.Summary'>
                              OLS Regression Results
      _____
      Dep. Variable:
                              SalePrice
                                        R-squared:
                                                                   0.853
      Model:
                                   OLS
                                        Adj. R-squared:
                                                                   0.852
      Method:
                          Least Squares
                                        F-statistic:
                                                                   618.6
      Date:
                        Tue, 06 Jun 2023
                                        Prob (F-statistic):
                                                                    0.00
      Time:
                              19:19:03
                                        Log-Likelihood:
                                                                 -788.00
      No. Observations:
                                  1078
                                       ATC:
                                                                   1598.
                                  1067
                                        BIC:
      Df Residuals:
                                                                    1653.
      Df Model:
                                    10
      Covariance Type:
                             nonrobust
     _____
                                                          [0.025
                      coef
                             std err
                                           t
                                                 P>|t|
      const
                  -10.7542
                              2.274
                                     -4.728
                                                 0.000
                                                         -15.217
     -6.291
      OverallQual
                              0.026 10.659
                                                 0.000
                    0.2722
                                                           0.222
     0.322
      YearBuilt
                  0.0051
                              0.001 6.497
                                                 0.000
                                                           0.004
     0.007
```

transformed_df_without_outlayers.drop(

YearRemodAdd	0.0062	0.001	5.800	0.000	0.004	
0.008						
BsmtQual	0.0923	0.036	2.540	0.011	0.021	
0.164						
TotalBsmtSF	0.0060	0.001	4.069	0.000	0.003	
0.009						
1stFlrSF	0.4963	0.102	4.860	0.000	0.296	
0.697						
GrLivArea	0.6242	0.036	17.382	0.000	0.554	
0.695						
KitchenQual	0.1940	0.035	5.581	0.000	0.126	
0.262						
Fireplaces	0.2527	0.028	9.120	0.000	0.198	
0.307						
GarageCars	0.1969	0.029	6.897	0.000	0.141	
0.253						
		260 009	Dumbin I			071
Omnibus:		260.098	Durbin-Watson:			071
Prob(Omnibus):		0.000	Jarque-Bera (JB):		1395.	
Skew:		-1.002	Prob(JB)		9.69e-	
Kurtosis:		8.201	Cond. No).	4.14e	:+05

5.0.7 Result:

As can be seen, removing outliers decreases the accuracy of the model, which means possibly they are not outliers. Also, removing them increases the AIC and BIC significantly, which means it adds up to the complexity of the model, which is not a good result. All in all, Obviously, the 22 houses which we used to consider as outlayer are not real outlayers. They are just houses with prices above the average, such as fancy houses.

6 Note:

Due to the macbooks' M series chipsets' architecture, installing TensorFlow on macbook is tricky. We don't provide any instruction for that in this project. ANN regressor only works properly if you install TensorFlow on your virtual environment, otherwise it won't. Nonetheless, if you want to run ANN regression, you can use the link below to run this notebook on the Kaggle platform. This notebook is public and you can access it with your account.

Link: https://www.kaggle.com/vahidsharifi76/house-price-python-uog

^[1] Standard Errors assume that the covariance matrix of the errors is correctly specified.

^[2] The condition number is large, 4.14e+05. This might indicate that there are strong multicollinearity or other numerical problems.

6.1 ANN Regressor

```
[65]: import tensorflow as tf
      from tensorflow.keras.layers import Dense, Input, Dropout
      from tensorflow.keras.models import Model
      from tensorflow.keras.optimizers import Adam
[66]: features, target = feature_target_splitter(transformed_df)
[67]: x_train, x_test, y_train, y_test = train_test_split(
          features, target, test_size=0.2, random_state=2200
[68]: # normalizing the data
      s scaler = StandardScaler()
      x_train = s_scaler.fit_transform(x_train)
      x_test = s_scaler.transform(x_test)
[69]: i = Input(shape=(15,))
      x = Dense(90, activation="relu")(i)
      x = Dropout(0.2)(x)
      x = Dense(45, activation="relu")(x)
      x = Dense(15, activation="relu")(x)
      x = Dense(5, activation="relu")(x)
      x = Dense(30, activation="relu")(x)
      x = Dense(90, activation="relu")(x)
      x = Dense(45, activation="relu")(x)
      x = Dense(14, activation="relu")(x)
      x = Dense(1)(x)
     model = Model(i, x)
[70]: results = []
      for i in [1, 5, 10]:
          model.compile(loss="mse", optimizer=Adam(learning_rate=0.001 / i))
          r = model.fit(
              x=x_train,
              y=y_train,
              validation_data=(x_test, y_test),
              batch_size=256,
              epochs=200,
          )
          results.append(r.history["loss"])
     model.summary()
     Epoch 1/200
                             =======] - 1s 57ms/step - loss: 61.2627 - val_loss:
```

```
59.9970
Epoch 2/200
55.6625
Epoch 3/200
46.7008
Epoch 4/200
31.1483
Epoch 5/200
11.2383
Epoch 6/200
7.6896
Epoch 7/200
6.3549
Epoch 8/200
4.1766
Epoch 9/200
5.0518
Epoch 10/200
3.5874
Epoch 11/200
2,4558
Epoch 12/200
2.4104
Epoch 13/200
2.0251
Epoch 14/200
2.0317
Epoch 15/200
1.8069
Epoch 16/200
1.6122
Epoch 17/200
```

```
1.5161
Epoch 18/200
1.4334
Epoch 19/200
1.3821
Epoch 20/200
1.2933
Epoch 21/200
1.2131
Epoch 22/200
1.1572
Epoch 23/200
1.1265
Epoch 24/200
1.0688
Epoch 25/200
0.9927
Epoch 26/200
0.9469
Epoch 27/200
0.9462
Epoch 28/200
0.9181
Epoch 29/200
0.8378
Epoch 30/200
0.8206
Epoch 31/200
0.8128
Epoch 32/200
0.7518
Epoch 33/200
```

```
0.7398
Epoch 34/200
0.7495
Epoch 35/200
0.6851
Epoch 36/200
0.6476
Epoch 37/200
0.6651
Epoch 38/200
0.6046
Epoch 39/200
0.5682
Epoch 40/200
0.5696
Epoch 41/200
0.5435
Epoch 42/200
0.5194
Epoch 43/200
0.5148
Epoch 44/200
0.4712
Epoch 45/200
0.4617
Epoch 46/200
0.4343
Epoch 47/200
0.4337
Epoch 48/200
0.4018
Epoch 49/200
```

```
0.3999
Epoch 50/200
0.3930
Epoch 51/200
0.3603
Epoch 52/200
0.3506
Epoch 53/200
0.3491
Epoch 54/200
0.3355
Epoch 55/200
0.3337
Epoch 56/200
0.3018
Epoch 57/200
0.3103
Epoch 58/200
0.2813
Epoch 59/200
0.2785
Epoch 60/200
0.2584
Epoch 61/200
0.2437
Epoch 62/200
0.2354
Epoch 63/200
0.2287
Epoch 64/200
0.2368
Epoch 65/200
```

```
0.2053
Epoch 66/200
0.2033
Epoch 67/200
0.2077
Epoch 68/200
0.1984
Epoch 69/200
0.1786
Epoch 70/200
0.1805
Epoch 71/200
0.1584
Epoch 72/200
0.1944
Epoch 73/200
0.1467
Epoch 74/200
0.1646
Epoch 75/200
0.1457
Epoch 76/200
0.1537
Epoch 77/200
0.1298
Epoch 78/200
0.1547
Epoch 79/200
0.1219
Epoch 80/200
0.1341
Epoch 81/200
```

```
0.1228
Epoch 82/200
0.1148
Epoch 83/200
0.1302
Epoch 84/200
0.1090
Epoch 85/200
0.1131
Epoch 86/200
0.1068
Epoch 87/200
0.1025
Epoch 88/200
0.0914
Epoch 89/200
0.0984
Epoch 90/200
0.0941
Epoch 91/200
0.0893
Epoch 92/200
0.0901
Epoch 93/200
0.0766
Epoch 94/200
0.0807
Epoch 95/200
0.0781
Epoch 96/200
0.0721
Epoch 97/200
```

```
0.0965
Epoch 98/200
0.0681
Epoch 99/200
0.0709
Epoch 100/200
0.0700
Epoch 101/200
0.0716
Epoch 102/200
0.0628
Epoch 103/200
0.0568
Epoch 104/200
0.0629
Epoch 105/200
0.0585
Epoch 106/200
0.0559
Epoch 107/200
0.0633
Epoch 108/200
0.0538
Epoch 109/200
0.0497
Epoch 110/200
0.0466
Epoch 111/200
0.0498
Epoch 112/200
0.0446
Epoch 113/200
```

```
0.0481
Epoch 114/200
0.0484
Epoch 115/200
0.0383
Epoch 116/200
0.0463
Epoch 117/200
0.0450
Epoch 118/200
0.0383
Epoch 119/200
0.0365
Epoch 120/200
0.0418
Epoch 121/200
0.0371
Epoch 122/200
0.0356
Epoch 123/200
0.0346
Epoch 124/200
0.0351
Epoch 125/200
0.0308
Epoch 126/200
0.0359
Epoch 127/200
0.0379
Epoch 128/200
0.0281
Epoch 129/200
```

```
0.0279
Epoch 130/200
0.0302
Epoch 131/200
0.0308
Epoch 132/200
0.0261
Epoch 133/200
0.0282
Epoch 134/200
0.0248
Epoch 135/200
0.0272
Epoch 136/200
0.0246
Epoch 137/200
0.0272
Epoch 138/200
0.0231
Epoch 139/200
0.0221
Epoch 140/200
0.0278
Epoch 141/200
0.0239
Epoch 142/200
0.0224
Epoch 143/200
0.0221
Epoch 144/200
0.0219
Epoch 145/200
```

```
0.0229
Epoch 146/200
Epoch 147/200
0.0214
Epoch 148/200
0.0206
Epoch 149/200
0.0218
Epoch 150/200
0.0210
Epoch 151/200
0.0197
Epoch 152/200
0.0182
Epoch 153/200
0.0203
Epoch 154/200
0.0186
Epoch 155/200
0.0183
Epoch 156/200
0.0173
Epoch 157/200
0.0176
Epoch 158/200
0.0177
Epoch 159/200
0.0172
Epoch 160/200
0.0170
Epoch 161/200
```

```
0.0175
Epoch 162/200
0.0178
Epoch 163/200
0.0172
Epoch 164/200
0.0175
Epoch 165/200
0.0172
Epoch 166/200
0.0158
Epoch 167/200
0.0167
Epoch 168/200
0.0159
Epoch 169/200
0.0176
Epoch 170/200
0.0185
Epoch 171/200
0.0168
Epoch 172/200
0.0148
Epoch 173/200
0.0150
Epoch 174/200
0.0176
Epoch 175/200
0.0160
Epoch 176/200
0.0145
Epoch 177/200
```

```
0.0144
Epoch 178/200
0.0146
Epoch 179/200
0.0153
Epoch 180/200
0.0153
Epoch 181/200
0.0144
Epoch 182/200
0.0148
Epoch 183/200
0.0143
Epoch 184/200
0.0144
Epoch 185/200
0.0149
Epoch 186/200
0.0157
Epoch 187/200
0.0133
Epoch 188/200
0.0131
Epoch 189/200
0.0136
Epoch 190/200
0.0142
Epoch 191/200
0.0134
Epoch 192/200
0.0136
Epoch 193/200
```

```
0.0134
Epoch 194/200
0.0135
Epoch 195/200
0.0140
Epoch 196/200
0.0130
Epoch 197/200
0.0130
Epoch 198/200
0.0130
Epoch 199/200
0.0130
Epoch 200/200
0.0131
Epoch 1/200
0.0196
Epoch 2/200
0.0125
Epoch 3/200
0.0147
Epoch 4/200
0.0105
Epoch 5/200
0.0115
Epoch 6/200
0.0101
Epoch 7/200
0.0101
Epoch 8/200
0.0101
Epoch 9/200
```

```
0.0097
Epoch 10/200
0.0099
Epoch 11/200
0.0095
Epoch 12/200
0.0098
Epoch 13/200
0.0095
Epoch 14/200
0.0100
Epoch 15/200
0.0091
Epoch 16/200
0.0095
Epoch 17/200
0.0089
Epoch 18/200
0.0089
Epoch 19/200
0.0087
Epoch 20/200
0.0085
Epoch 21/200
0.0089
Epoch 22/200
0.0084
Epoch 23/200
0.0093
Epoch 24/200
0.0085
Epoch 25/200
```

```
0.0090
Epoch 26/200
0.0088
Epoch 27/200
0.0087
Epoch 28/200
0.0086
Epoch 29/200
0.0083
Epoch 30/200
0.0087
Epoch 31/200
0.0079
Epoch 32/200
0.0077
Epoch 33/200
0.0077
Epoch 34/200
0.0076
Epoch 35/200
0.0074
Epoch 36/200
0.0075
Epoch 37/200
0.0076
Epoch 38/200
0.0073
Epoch 39/200
0.0076
Epoch 40/200
0.0081
Epoch 41/200
```

```
0.0074
Epoch 42/200
0.0074
Epoch 43/200
0.0075
Epoch 44/200
0.0072
Epoch 45/200
0.0076
Epoch 46/200
0.0072
Epoch 47/200
0.0070
Epoch 48/200
0.0072
Epoch 49/200
0.0070
Epoch 50/200
0.0066
Epoch 51/200
0.0065
Epoch 52/200
0.0068
Epoch 53/200
0.0067
Epoch 54/200
0.0061
Epoch 55/200
0.0062
Epoch 56/200
0.0061
Epoch 57/200
```

```
0.0059
Epoch 58/200
0.0065
Epoch 59/200
0.0063
Epoch 60/200
0.0061
Epoch 61/200
0.0063
Epoch 62/200
0.0067
Epoch 63/200
0.0061
Epoch 64/200
0.0062
Epoch 65/200
0.0065
Epoch 66/200
0.0064
Epoch 67/200
0.0062
Epoch 68/200
0.0062
Epoch 69/200
0.0063
Epoch 70/200
0.0062
Epoch 71/200
0.0062
Epoch 72/200
0.0063
Epoch 73/200
```

```
0.0061
Epoch 74/200
0.0069
Epoch 75/200
0.0062
Epoch 76/200
0.0061
Epoch 77/200
0.0063
Epoch 78/200
0.0066
Epoch 79/200
0.0061
Epoch 80/200
0.0061
Epoch 81/200
0.0062
Epoch 82/200
0.0061
Epoch 83/200
0.0060
Epoch 84/200
0.0061
Epoch 85/200
0.0061
Epoch 86/200
0.0065
Epoch 87/200
0.0060
Epoch 88/200
0.0060
Epoch 89/200
```

```
0.0060
Epoch 90/200
0.0059
Epoch 91/200
0.0057
Epoch 92/200
0.0061
Epoch 93/200
0.0060
Epoch 94/200
0.0056
Epoch 95/200
0.0053
Epoch 96/200
0.0052
Epoch 97/200
0.0057
Epoch 98/200
0.0051
Epoch 99/200
0.0053
Epoch 100/200
0.0053
Epoch 101/200
0.0052
Epoch 102/200
0.0053
Epoch 103/200
0.0055
Epoch 104/200
0.0053
Epoch 105/200
```

```
0.0052
Epoch 106/200
0.0052
Epoch 107/200
0.0051
Epoch 108/200
0.0050
Epoch 109/200
0.0054
Epoch 110/200
0.0052
Epoch 111/200
0.0053
Epoch 112/200
0.0052
Epoch 113/200
0.0052
Epoch 114/200
0.0051
Epoch 115/200
0.0050
Epoch 116/200
0.0055
Epoch 117/200
0.0052
Epoch 118/200
0.0051
Epoch 119/200
0.0054
Epoch 120/200
0.0055
Epoch 121/200
```

```
0.0053
Epoch 122/200
0.0052
Epoch 123/200
0.0054
Epoch 124/200
0.0053
Epoch 125/200
0.0054
Epoch 126/200
0.0051
Epoch 127/200
0.0052
Epoch 128/200
0.0052
Epoch 129/200
0.0051
Epoch 130/200
0.0052
Epoch 131/200
0.0054
Epoch 132/200
0.0053
Epoch 133/200
0.0053
Epoch 134/200
0.0050
Epoch 135/200
0.0048
Epoch 136/200
0.0049
Epoch 137/200
```

```
0.0047
Epoch 138/200
0.0046
Epoch 139/200
0.0048
Epoch 140/200
0.0055
Epoch 141/200
0.0049
Epoch 142/200
0.0046
Epoch 143/200
0.0046
Epoch 144/200
0.0052
Epoch 145/200
0.0051
Epoch 146/200
0.0043
Epoch 147/200
0.0045
Epoch 148/200
0.0046
Epoch 149/200
0.0047
Epoch 150/200
0.0044
Epoch 151/200
0.0045
Epoch 152/200
0.0046
Epoch 153/200
```

```
0.0044
Epoch 154/200
0.0044
Epoch 155/200
0.0043
Epoch 156/200
0.0044
Epoch 157/200
0.0043
Epoch 158/200
0.0043
Epoch 159/200
0.0043
Epoch 160/200
0.0044
Epoch 161/200
0.0042
Epoch 162/200
0.0045
Epoch 163/200
0.0045
Epoch 164/200
0.0048
Epoch 165/200
0.0043
Epoch 166/200
0.0044
Epoch 167/200
0.0043
Epoch 168/200
0.0046
Epoch 169/200
```

```
0.0042
Epoch 170/200
0.0042
Epoch 171/200
0.0042
Epoch 172/200
0.0043
Epoch 173/200
0.0045
Epoch 174/200
0.0045
Epoch 175/200
0.0044
Epoch 176/200
0.0041
Epoch 177/200
0.0040
Epoch 178/200
0.0042
Epoch 179/200
0.0048
Epoch 180/200
0.0043
Epoch 181/200
0.0043
Epoch 182/200
0.0044
Epoch 183/200
0.0045
Epoch 184/200
0.0041
Epoch 185/200
```

```
0.0041
Epoch 186/200
0.0044
Epoch 187/200
0.0042
Epoch 188/200
0.0042
Epoch 189/200
0.0042
Epoch 190/200
0.0049
Epoch 191/200
0.0046
Epoch 192/200
0.0042
Epoch 193/200
0.0042
Epoch 194/200
0.0045
Epoch 195/200
0.0042
Epoch 196/200
0.0041
Epoch 197/200
0.0042
Epoch 198/200
0.0042
Epoch 199/200
0.0042
Epoch 200/200
0.0042
Epoch 1/200
```

```
0.0040
Epoch 2/200
0.0044
Epoch 3/200
0.0039
Epoch 4/200
0.0042
Epoch 5/200
0.0039
Epoch 6/200
0.0041
Epoch 7/200
0.0039
Epoch 8/200
0.0041
Epoch 9/200
0.0038
Epoch 10/200
0.0040
Epoch 11/200
0.0039
Epoch 12/200
0.0040
Epoch 13/200
0.0040
Epoch 14/200
0.0041
Epoch 15/200
0.0039
Epoch 16/200
0.0043
Epoch 17/200
```

```
0.0039
Epoch 18/200
0.0041
Epoch 19/200
0.0040
Epoch 20/200
0.0039
Epoch 21/200
0.0042
Epoch 22/200
0.0039
Epoch 23/200
0.0041
Epoch 24/200
0.0041
Epoch 25/200
0.0039
Epoch 26/200
0.0039
Epoch 27/200
0.0039
Epoch 28/200
0.0040
Epoch 29/200
0.0040
Epoch 30/200
0.0039
Epoch 31/200
0.0039
Epoch 32/200
0.0042
Epoch 33/200
```

```
0.0040
Epoch 34/200
0.0046
Epoch 35/200
0.0039
Epoch 36/200
0.0039
Epoch 37/200
0.0043
Epoch 38/200
0.0039
Epoch 39/200
0.0040
Epoch 40/200
0.0041
Epoch 41/200
0.0038
Epoch 42/200
0.0042
Epoch 43/200
0.0038
Epoch 44/200
0.0039
Epoch 45/200
0.0039
Epoch 46/200
0.0038
Epoch 47/200
0.0042
Epoch 48/200
0.0038
Epoch 49/200
```

```
0.0038
Epoch 50/200
0.0038
Epoch 51/200
0.0040
Epoch 52/200
0.0038
Epoch 53/200
0.0039
Epoch 54/200
0.0038
Epoch 55/200
0.0039
Epoch 56/200
0.0038
Epoch 57/200
0.0038
Epoch 58/200
0.0041
Epoch 59/200
0.0040
Epoch 60/200
0.0038
Epoch 61/200
0.0039
Epoch 62/200
0.0042
Epoch 63/200
0.0038
Epoch 64/200
0.0039
Epoch 65/200
```

```
0.0044
Epoch 66/200
0.0038
Epoch 67/200
0.0042
Epoch 68/200
0.0038
Epoch 69/200
0.0039
Epoch 70/200
0.0038
Epoch 71/200
0.0038
Epoch 72/200
0.0040
Epoch 73/200
0.0038
Epoch 74/200
0.0039
Epoch 75/200
0.0039
Epoch 76/200
0.0038
Epoch 77/200
0.0040
Epoch 78/200
0.0037
Epoch 79/200
0.0038
Epoch 80/200
0.0040
Epoch 81/200
```

```
0.0038
Epoch 82/200
0.0038
Epoch 83/200
0.0038
Epoch 84/200
5/5 [=============== ] - Os 9ms/step - loss: 0.0033 - val_loss:
0.0039
Epoch 85/200
0.0039
Epoch 86/200
0.0038
Epoch 87/200
0.0040
Epoch 88/200
0.0038
Epoch 89/200
0.0038
Epoch 90/200
0.0041
Epoch 91/200
0.0038
Epoch 92/200
0.0038
Epoch 93/200
0.0040
Epoch 94/200
0.0039
Epoch 95/200
0.0039
Epoch 96/200
0.0039
Epoch 97/200
```

```
0.0039
Epoch 98/200
0.0039
Epoch 99/200
0.0039
Epoch 100/200
0.0042
Epoch 101/200
0.0038
Epoch 102/200
0.0041
Epoch 103/200
0.0039
Epoch 104/200
0.0039
Epoch 105/200
0.0040
Epoch 106/200
0.0039
Epoch 107/200
0.0040
Epoch 108/200
0.0039
Epoch 109/200
0.0039
Epoch 110/200
0.0040
Epoch 111/200
0.0038
Epoch 112/200
0.0039
Epoch 113/200
```

```
0.0040
Epoch 114/200
0.0038
Epoch 115/200
0.0037
Epoch 116/200
0.0040
Epoch 117/200
0.0038
Epoch 118/200
0.0038
Epoch 119/200
0.0039
Epoch 120/200
0.0039
Epoch 121/200
0.0037
Epoch 122/200
0.0037
Epoch 123/200
0.0039
Epoch 124/200
0.0037
Epoch 125/200
0.0037
Epoch 126/200
0.0042
Epoch 127/200
0.0037
Epoch 128/200
0.0037
Epoch 129/200
```

```
0.0039
Epoch 130/200
0.0037
Epoch 131/200
0.0040
Epoch 132/200
0.0037
Epoch 133/200
0.0039
Epoch 134/200
0.0038
Epoch 135/200
0.0037
Epoch 136/200
0.0038
Epoch 137/200
0.0040
Epoch 138/200
0.0037
Epoch 139/200
0.0038
Epoch 140/200
0.0038
Epoch 141/200
0.0037
Epoch 142/200
0.0037
Epoch 143/200
0.0040
Epoch 144/200
0.0038
Epoch 145/200
```

```
0.0038
Epoch 146/200
0.0038
Epoch 147/200
0.0037
Epoch 148/200
0.0040
Epoch 149/200
0.0037
Epoch 150/200
0.0038
Epoch 151/200
0.0038
Epoch 152/200
0.0037
Epoch 153/200
0.0038
Epoch 154/200
0.0039
Epoch 155/200
0.0038
Epoch 156/200
0.0038
Epoch 157/200
0.0037
Epoch 158/200
0.0038
Epoch 159/200
0.0037
Epoch 160/200
0.0039
Epoch 161/200
```

```
0.0040
Epoch 162/200
0.0038
Epoch 163/200
0.0037
Epoch 164/200
0.0038
Epoch 165/200
0.0038
Epoch 166/200
0.0038
Epoch 167/200
0.0037
Epoch 168/200
0.0039
Epoch 169/200
0.0039
Epoch 170/200
0.0037
Epoch 171/200
0.0040
Epoch 172/200
0.0039
Epoch 173/200
0.0037
Epoch 174/200
0.0038
Epoch 175/200
0.0038
Epoch 176/200
0.0039
Epoch 177/200
```

```
0.0040
Epoch 178/200
0.0038
Epoch 179/200
0.0037
Epoch 180/200
0.0039
Epoch 181/200
0.0038
Epoch 182/200
0.0037
Epoch 183/200
0.0040
Epoch 184/200
0.0037
Epoch 185/200
0.0038
Epoch 186/200
0.0041
Epoch 187/200
0.0037
Epoch 188/200
0.0038
Epoch 189/200
0.0038
Epoch 190/200
0.0039
Epoch 191/200
0.0039
Epoch 192/200
0.0039
Epoch 193/200
```

0.0037	
Epoch 194/200 5/5 [===================================	======] - Os 11ms/step - loss: 0.0031 - val_loss:
0.0039 Epoch 195/200	
-	======] - Os 10ms/step - loss: 0.0030 - val_loss:
0.0039	•
Epoch 196/200	======] - Os 11ms/step - loss: 0.0029 - val_loss:
0.0038	
Epoch 197/200	
	======] - Os 10ms/step - loss: 0.0029 - val_loss:
0.0038 Epoch 198/200	
-	======] - Os 11ms/step - loss: 0.0032 - val_loss:
0.0040	
Epoch 199/200 5/5 [===================================	======] - Os 10ms/step - loss: 0.0032 - val_loss:
0.0038	
Epoch 200/200	3 0 45 / 1 3 0 0004 3 3
0.0038	======] - Os 15ms/step - loss: 0.0031 - val_loss:
Model: "model"	
Layer (type)	Output Shape Param #
Layer (type)	Output Shape Param #
Layer (type)	Output Shape Param #
Layer (type)	Output Shape Param #
Layer (type) ====================================	Output Shape Param #
Layer (type) ====================================	Output Shape Param # [(None, 15)] 0 (None, 90) 1440
Layer (type) ====================================	Output Shape Param # [(None, 15)] 0 (None, 90) 1440 (None, 90) 0
Layer (type) input_1 (InputLayer) dense (Dense) dropout (Dropout) dense_1 (Dense)	Output Shape Param # [(None, 15)] 0 (None, 90) 1440 (None, 90) 0 (None, 45) 4095
Layer (type) input_1 (InputLayer) dense (Dense) dropout (Dropout) dense_1 (Dense) dense_2 (Dense)	Output Shape Param # [(None, 15)]
Layer (type) ====================================	Output Shape Param # [(None, 15)]
Layer (type)	Output Shape Param # [(None, 15)] 0 (None, 90) 1440 (None, 90) 0 (None, 45) 4095 (None, 15) 690 (None, 5) 80 (None, 30) 180 (None, 90) 2790
Layer (type)	Output Shape Param # [(None, 15)]
Layer (type)	Output Shape Param # [(None, 15)] 0 (None, 90) 1440 (None, 90) 0 (None, 45) 4095 (None, 15) 690 (None, 5) 80 (None, 30) 180 (None, 90) 2790

Total params: 14,029 Trainable params: 14,029 Non-trainable params: 0

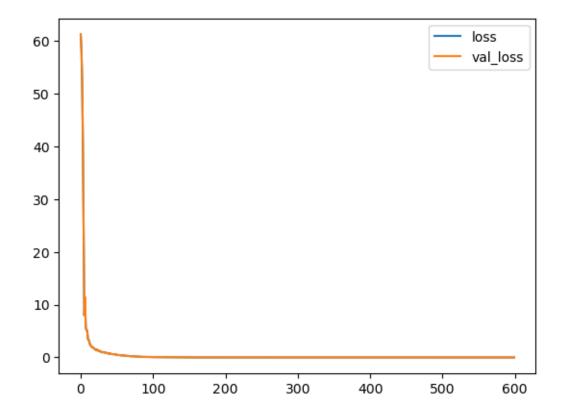
```
[71]: y_pred = model.predict(x_test)
print("MAE:", metrics.mean_absolute_error(y_test, y_pred))
print("MSE:", metrics.mean_squared_error(y_test, y_pred))
print("RMSE:", np.sqrt(metrics.mean_squared_error(y_test, y_pred)))
print("VarScore:", metrics.explained_variance_score(y_test, y_pred))
```

10/10 [=======] - Os 2ms/step

MAE: 0.04323374840943305 MSE: 0.0038056033449608514 RMSE: 0.06168957241674521 VarScore: 0.8500695661576034

[72]: flatten_result = [i for j in results for i in j]

```
[73]: plt.plot(flatten_result, label="loss")
plt.plot(flatten_result, label="val_loss")
plt.legend()
```



6.1.1 Result:

Considering the results of ANN regression, it can be seen that we had a slight improvement in the accuracy of the model. It is good to mention here that we used explained variance score, which is almost equivalent to r-squared, however, technically, there are some differences between these metrics, but here we can use them interchangeably. Although there was a small improvement in the result compared to statsmodel multivariate regression, the ANN regression is resource-consuming instead, so basically, in my opinion, statsmodel is the winner for this case.