# MODELLING AND SIMULATION (IT-205)



# PROJECT REPORT

**SUBMITTED BY:-**

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**Under the Supervision of: -**

Mr . Ankit Yadav

Asst.Prof.

# DEPARTMENT OF INFORMATION TECHNOLOGY DELHI TECHNOLOGICAL UNIVERSITY

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Bawana Road, Delhi-110042

# **CERTIFICATE**

I hereby certify that the Project titled "House Price Prediction" which is submitted by <u>Varun Kumar</u>; Roll No – 2K19/IT/140; and <u>Yashit Kumar</u>; Roll No – 2K19/IT/149 INFORMATION TECHNOLOGY, Delhi Technological University, Delhi in fulfillment of the requirement for the 3<sup>rd</sup> semester of Bachelor of Technology, is a record of the project work carried out by the students under my supervision. To the best of my knowledge this work has not been submitted in part or full for any Degree or Diploma to this University or elsewhere.

Place: Delhi Mr. Ankit Yadav

Date: 15-11-20 Supervisor

# DEPARTMENT OF INFORMATION TECHNOLOGY DELHI TECHNOLOGICAL UNIVERSITY

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# **ACKNOWLEDGEMENT**

We would like to convey our heartfelt thanks to our supervisor Mr. Ankit Yadav for his ingenious ideas, tremendous help and cooperation. We are extremely grateful to our friends who gave valuable suggestions and guidance for completion of our project. The cooperation and healthy criticism came handy and useful with them.

# **OBJECTIVE**

Thousands of houses are sold everyday. There are some questions every buyer asks himself like: What is the actual price that this house deserves? Am I paying a fair price?

In this Project a machine learning model is proposed to predict a house price based on data sets (features) related to the house.

Our model will be used to predict house prices in given area and invest in that area.

While learning about machine learning it is best to actually work with real world data.

The main objectives of this Project are as follows:

- To apply data preprocessing and preparation techniques in order to obtain clean data
- To build machine learning models able to predict house price based on house features
- To analyze and compare models performance in order to choose the best model

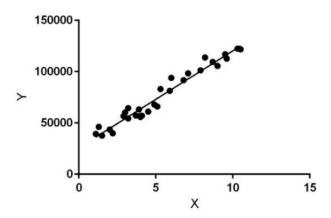


# **ALGORITHMS USED**

We are trying to predict the House price using the machine learning techniques with the help of the previous works. We have used the Simple Linear Regression, Decision Tree Regression and Random Forest Regression So, it would be helpful for the people and it may avoid them in making mistakes.

### 1. Linear Regression

**Linear Regression** is a machine learning algorithm based on **supervised learning**. It performs a **regression task**. Regression models a target prediction value based on independent variables. It is mostly used for finding out the relationship between variables and forecasting. Different regression models differ based on – the kind of relationship between dependent and independent variables, they are considering and the number of independent variables being used.



Linear regression performs the task to predict a dependent variable value (y) based on a given independent variable (x). So, this regression technique finds out a linear relationship between x (input) and y(output). Hence, the name is Linear Regression.

In the figure above, X (input) is the work experience and Y (output) is the salary of a person. The regression line is the best fit line for our model.

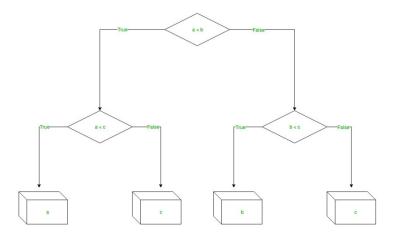
## 2. <u>Decision Tree Regression</u>

**Decision Tree** is a decision-making tool that uses a flowchart-like tree structure or is a model of decisions and all of their possible results, including outcomes, input costs and utility. Decision-tree algorithm falls under the category of supervised learning algorithms. It works for both continuous as well as categorical output variables.

The branches/edges represent the result of the node and the nodes have either:

- 1. Conditions [Decision Nodes]
- 2. Result [End Nodes]

The branches/edges represent the truth/falsity of the statement and takes makes a decision based on that in the example below which shows a decision tree that evaluates the smallest of three numbers:



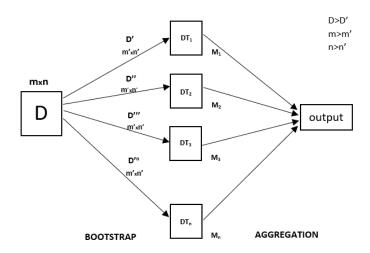
Decision tree regression observes features of an object and trains a model in the structure of a tree to predict data in the future to produce meaningful continuous output. Continuous output means that the output/result is not discrete, i.e., it is not represented just by a discrete, known set of numbers or values.

**Discrete output example:** A weather prediction model that predicts whether or not there'll be rain in a particular day.

**Continuous output example:** A profit prediction model that states the probable profit that can be generated from the sale of a product

## 3. Random Forest Regression

A Random Forest is an ensemble technique capable of performing both regression and classification tasks with the use of multiple decision trees and a technique called Bootstrap and Aggregation, commonly known as **bagging**. The basic idea behind this is to combine multiple decision trees in determining the final output rather than relying on individual decision trees. Random Forest has multiple decision trees as base learning models. We randomly perform row sampling and feature sampling from the dataset forming sample datasets for every model. This part is called Bootstrap.



# **DATASETS**

- 1. Title: Boston Housing Data
- 2. Sources:
  - (a) Origin: This dataset was taken from the StatLib library which is maintained at Carnegie Mellon University.
  - (b) Creator: Harrison, D. and Rubinfeld, D.L. 'Hedonic prices and the demand for clean air', J. Environ. Economics & Management, vol.5, 81-102, 1978.
  - (c) Date: July 7, 1993

#### 3. Past Usage:

- Used in Belsley, Kuh & Welsch, 'Regression diagnostics ...', Wiley,
   1980. N.B. Various transformations are used in the table on
   pages 244-261.
- Quinlan,R. (1993). Combining Instance-Based and Model-Based Learning.
   In Proceedings on the Tenth International Conference of Machine
   Learning, 236-243, University of Massachusetts, Amherst. Morgan
   Kaufmann.
- 4. Relevant Information:

Concerns housing values in suburbs of Boston.

- 5. Number of Instances: 506
- 6. Number of Attributes: 13 continuous attributes (including "class" attribute "MEDV"), 1 binary-valued attribute.

#### 7. Attribute Information:

- 1. CRIM per capita crime rate by town
- ZN proportion of residential land zoned for lots over
   25,000 sq.ft.
- 3. INDUS proportion of non-retail business acres per town
- 4. CHAS Charles River dummy variable (= 1 if tract bounds river; 0 otherwise)
- 5. NOX nitric oxides concentration (parts per 10 million)
- 6. RM average number of rooms per dwelling
- 7. AGE proportion of owner-occupied units built prior to 1940
- 8. DIS weighted distances to five Boston employment centres
- 9. RAD index of accessibility to radial highways
- 10. TAX full-value property-tax rate per \$10,000
- 11. PTRATIO pupil-teacher ratio by town
- 12. B 1000(Bk 0.63)^2 where Bk is the proportion of blacks by town
- 13. LSTAT % lower status of the population
- 14. MEDV Median value of owner-occupied homes in \$1000's
- 8. Missing Attribute Values: None.

# **DATASET ANALYSIS**

housing.head()

	CRIM	ZN	INDUS	CHAS	NOX	RM	AGE	DIS	RAD	TAX	PTRATIO	В	LSTAT	MEDV
0	0.00632	18.0	2.31	0	0.538	6.575	65.2	4.0900	1	296	15.3	396.90	4.98	24.0
1	0.02731	0.0	7.07	0	0.469	6.421	78.9	4.9671	2	242	17.8	396.90	9.14	21.6
2	0.02729	0.0	7.07	0	0.469	7.185	61.1	4.9671	2	242	17.8	392.83	4.03	34.7
3	0.03237	0.0	2.18	0	0.458	6.998	45.8	6.0622	3	222	18.7	394.63	2.94	33.4
4	0.06905	0.0	2.18	0	0.458	7.147	54.2	6.0622	3	222	18.7	396.90	5.33	36.2

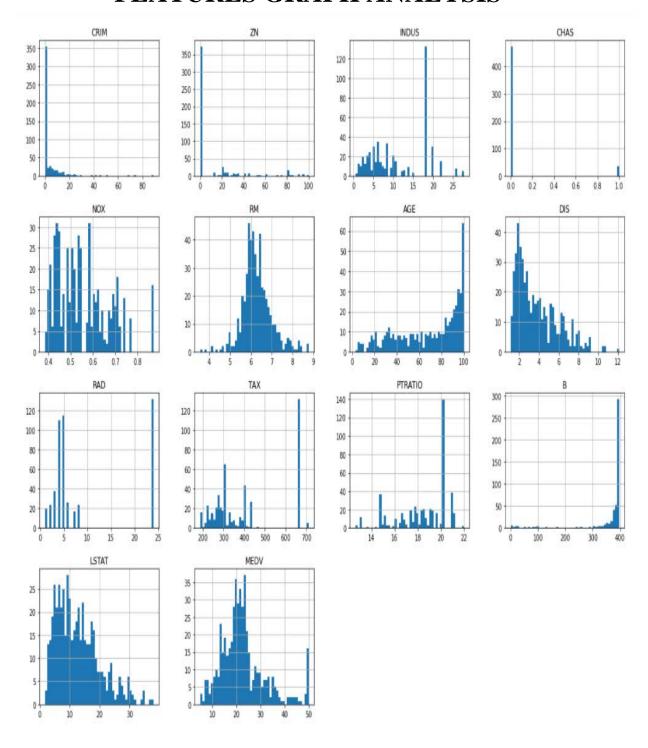
## housing.info()

<class 'pandas.core.frame.DataFrame'> RangeIndex: 506 entries, 0 to 505 Data columns (total 14 columns): Non-Null Count Dtype Column 506 non-null float64 0 CRIM 506 non-null float64 1 ΖN 2 INDUS 506 non-null float64 3 CHAS 506 non-null int64 4 NOX 506 non-null float64 5 501 non-null float64 RM 506 non-null float64 6 AGE 7 506 non-null float64 DIS 506 non-null 8 RAD int64 506 non-null int64 9 TAX PTRATIO 506 non-null float64 10 float64 506 non-null 11 В 506 non-null float64 12 LSTAT 13 MEDV 506 non-null float64 dtypes: float64(11), int64(3)

memory usage: 55.4 KB

CRIM ZN INDUS CHAS NOX RM AGE DIS RAD TAX PTRATIO B  COUNT 506.000000 506.00000 506.00000 506.000000 506.000000 506.00000 506.000000	ousir	g.describe	e()												
count         506.00000         500.0000         12.653063         22.53281         22.53281         22.165710         8.707259         168.537116         2.164946         91.294864         7.141062         91.9711         7.141062         91.9711         7.141062         91.9711         7.141062         91.9711         7.141062         91.9711         91.9711		CRIM	ZN	INDUS	CHAS	NOX	RM	AGE	DIS	RAD	TAX	PTRATIO	В	LSTAT	MEDV
mean         3.613524         11.363636         11.136779         0.069170         0.554695         6.284341         68.574901         3.795043         9.549407         408.237154         18.455534         356.674032         12.653063         22.53286           std         8.601545         23.322453         6.860353         0.253994         0.115878         0.705587         28.148861         2.105710         8.707259         168.537116         2.164946         91.294864         7.141062         9.19711           min         0.006320         0.000000         0.460000         0.038000         3.561000         2.900000         1.129600         1.000000         187.00000         12.60000         0.320000         1.730000         5.00000           26%         0.082045         0.000000         5.190000         0.449000         5.88400         45.025000         2.100175         4.000000         279.00000         17.40000         375.377500         6.950000         17.02500           50%         0.256510         0.000000         9.690000         0.038000         6.208000         77.500000         3.207450         5.000000         30.000000         19.050000         391.440000         11.360000         21.00000         25.00000         25.00000         5.188425 <th< td=""><td>count</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>506.000000</td><td>506.000000</td></th<>	count													506.000000	506.000000
std         8.601545         23.322453         6.860353         0.253994         0.115878         0.705587         28.148861         2.105710         8.707259         168.537116         2.164946         91.294864         7.141062         9.19710           min         0.008320         0.000000         0.460000         0.038500         3.561000         2.900000         1.129600         1.000000         187.00000         12.60000         0.320000         1.730000         5.00000           25%         0.082045         0.000000         5.190000         0.049000         0.588000         45.025000         2.100175         4.000000         279.000000         17.40000         375.377500         6.950000         17.02500           50%         0.256510         0.000000         9.690000         0.032000         0.624000         6.625000         94.075000         5.188425         24.00000         66.00000         20.20000         391.440000         11.360000         25.00000           75%         3.677082         12.500000         18.100000         0.000000         0.624000         6.625000         94.075000         5.188425         24.000000         66.00000         20.20000         396.225000         16.955000         25.00000	mean													12.653063	22.532806
min         0.006320         0.000000         0.460000         0.035000         0.385000         3.561000         2.900000         1.129600         1.00000         187.00000         12.60000         0.320000         1.730000         5.00000           25%         0.082045         0.000000         5.190000         0.044900         5.884000         45.025000         2.100175         4.000000         279.00000         17.40000         375.377500         6.950000         17.36000         21.20000           50%         0.256510         0.000000         9.690000         0.038000         6.258000         77.500000         5.188425         24.00000         66.00000         20.20000         391.440000         11.360000         25.00000           75%         3.677082         12.500000         18.100000         0.000000         0.624000         6.625000         94.075000         5.188425         24.00000         66.00000         20.20000         396.225000         16.955000         25.00000														7.141062	9.197104
25%         0.082045         0.000000         5.190000         0.0449000         5.884000         45.025000         2.100175         4.000000         279.000000         17.400000         375.377500         11.360000         21.20000           50%         0.256510         0.00000         9.690000         0.038000         6.208000         77.500000         3.207450         5.000000         330.000000         19.050000         391.440000         11.360000         21.20000           75%         3.677082         12.500000         18.100000         0.002000         0.624000         6.625000         94.075000         5.188425         24.000000         666.00000         20.200000         396.225000         16.955000         25.000000														1.730000	5.000000
<b>75</b> % 3.677082 12.500000 18.100000 0.000000 0.624000 0.625000 94.075000 5.188425 24.00000 66.00000 20.20000 396.225000 16.955000 25.00000 19.05000 396.225000 16.955000 25.00000 19.05000 396.225000 16.955000 25.00000 19.05000 396.225000 16.955000 25.000000 19.05000 396.225000 16.955000 25.00000 19.05000 396.225000 16.955000 25.00000 19.05000 396.225000 19.05000 396.225000 19.050000 396.225000 19.050000 396.225000 19.050000 396.225000 19.050000 396.225000 19.050000 396.225000 19.050000 396.225000 19.050000 396.225000 19.050000 396.225000 19.050000 396.225000 19.0500000 19.050000 19.050000 19.050000 19.050000 19.050000 19.050000 19.05000 19.05000 19.05000 19.05	25%	0.082045	0.000000	5.190000	0.000000	0.449000	5.884000	45.025000	2.100175	4.000000	279.000000	17.400000	375.377500	6.950000	17.025000
<b>75%</b> 3.67/082 12.500000 18.100000 0.000000 0.624000 6.625000 94.075000 5.188425 24.000000 666.000000 20.200000 396.225000	50%	0.256510	0.000000	9.690000	0.000000	0.538000	6.208000	77.500000	3.207450	5.000000	330.000000	19.050000	391.440000	11.360000	21.200000
27 070000 - F0 00000	75%	3.677082	12.500000	18.100000	0.000000	0.624000	6.625000	94.075000	5.188425	24.000000	666.000000	20.200000	396.225000	16.955000	25.000000
max 88.976200 100.000000 27.740000 1.000000 0.871000 8.780000 100.000000 12.126500 24.000000 711.000000 22.000000 396.900000 37.970000 30.000000	max	88.976200	100.000000	27.740000	1.000000	0.871000	8.780000	100.000000	12.126500	24.000000	711.000000	22.000000	396.900000	37.970000	50.000000

# **FEATURES GRAPH ANALYSIS**



# **FEATURES OBSERVATION**

Data Science is the process of making some assumptions and hypothesis on the data, and testing them by performing some tasks. Initially we could make the following intuitive assumptions for each feature:

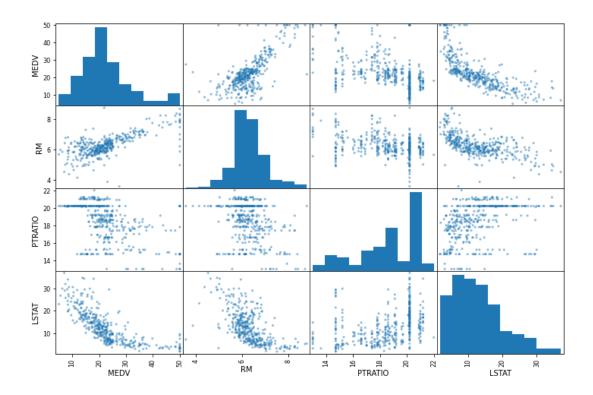
- Houses with more rooms (higher 'RM' value) will worth more. Usually houses with more rooms are bigger and can fit more people, so it is reasonable that they cost more money.
   They are directly proportional variables.
- Neighborhoods with more lower class workers (higher 'LSTAT' value) will worth less. If the
  percentage of lower working class people is higher, it is likely that they have low purchasing
  power and therefore, they houses will cost less. They are inversely proportional variables.
- Neighborhoods with more students to teachers ratio (higher 'PTRATIO' value) will be worth less. If the percentage of students to teachers ratio people is higher, it is likely that in the neighborhood there are less schools, this could be because there is less tax income which could be because in that neighborhood people earn less money. If people earn less money it is likely that their houses are worth less. They are inversely proportional variables.

We'll find out if these assumptions are correct through the project.

# LOOKING FOR CORRELATIONS

We will start by creating a scatterplot matrix that will allow us to visualize the pair-wise relationships and correlations between the different features.

It is also quite useful to have a quick overview of how the data is distributed and wheter it cointains or not outliers.



We can spot a linear relationship between 'RM' and House prices 'MEDV'. In addition, we can infer from the histogram that the 'MEDV' variable seems to be normally distributed but contain several outliers

# SHUFFLE AND SPLIT DATA

For this section we will take the Boston housing dataset and split the data into training and testing subsets. Typically, the data is also shuffled into a random order when creating the training and testing subsets to remove any bias in the ordering of the dataset.

# . TRAINING AND TESTING

It is useful to evaluate our model once it is trained. We want to know if it has learned properly from a training split of the data. There can be 3 different situations:

- 1) The model didn't learn well on the data, and can't predict even the outcomes of the training set, this is called underfitting and it is caused because a high bias.
- 2) The model learn too well the training data, up to the point that it memorized it and is not able to generalize on new data, this is called overfitting, it is caused because high variance.
- 3) The model just had the right balance between bias and variance, it learned well and is able predict correctly the outcomes on new data.

# **SOURCE CODE**

# Github link to code - https://github.com/varunkmr038/MS-PROJECT-

#### HOUSE PRICE PREDICTOR

```
In [1]: import pandas as pd
In [2]: housing = pd.read_csv("data.csv")
In [3]: housing.head()
Out[3]:
            CRIM ZN INDUS CHAS NOX RM AGE DIS RAD TAX PTRATIO
                                                                         B LSTAT MEDV
        0 0.00632 18.0 2.31 0 0.538 6.575 65.2 4.0900 1 296
                                                                 15.3 396.90
                                                                                  24.0
                                                                             4.98
        1 0.02731 0.0 7.07
                              0 0.469 6.421 78.9 4.9671
        2 0.02729 0.0 7.07 0 0.469 7.185 61.1 4.9671 2 242
                                                                 17.8 392.83
                                                                                  34.7
                                                                            4.03
        3 0.03237 0.0 2.18
                            0 0.458 6.998 45.8 6.0622
                                                      3 222
                                                                 18.7 394.63 2.94
        4 0.06905 0.0 2.18 0 0.458 7.147 54.2 6.0622 3 222 18.7 398.90 5.33 36.2
In [4]: housing.info()
       <class 'pandas.core.frame.DataFrame'>
       RangeIndex: 506 entries, 0 to 505
       Data columns (total 14 columns):
        # Column Non-Null Count Dtype
                    -----
        0 CRIM
                    506 non-null float64
           ZN
                    506 non-null
                                  float64
           INDUS
                    506 non-null
                                 float64
           CHAS
                    506 non-null
                                  int64
           NOX
                    506 non-null
                                  float64
           RM
                    501 non-null
                                  float64
           AGE
                    506 non-null
                                 float64
           DIS
                    506 non-null
                                  float64
        8
           RAD
                    506 non-null
                                  int64
           TAX
                    506 non-null
                                  int64
        10 PTRATIO 506 non-null
                                  float64
        11 B
                    506 non-null
                                  float64
        12 LSTAT
                    506 non-null
                                  float64
        13 MEDV
                    506 non-null
       dtypes: float64(11), int64(3)
       memory usage: 55.4 KB
In [5]: housing['CHAS'].value_counts()
Out[5]: 0 471
       Name: CHAS, dtype: int64
```

```
In [6]: housing.describe()
Out[6]:
                 CRIM
                           ZN
                                  INDUS
                                           CHAS
                                                     NOX
                                                              RM
                                                                      AGE
                                                                                DIS
                                                                                        RAD
                                                                                                 TAX
                                                                                                     PTRATIO
                                                                                                                    В
        3.613524 11.363636 11.136779 0.069170 0.554695 6.284341 68.574901 3.795043 9.549407 408.237154 18.455534 356.674032 12.6
               8.601545 23.322453 6.860353 0.253994 0.115878 0.705587 28.148861 2.105710 8.707259 168.537116 2.164946 91.294864
          std
                                                                                                                        7.1
               0.006320
                       0.000000
                               0.460000
                                         0.000000 0.385000 3.561000
                                                                   2.900000
                                                                            1.129800 1.000000 187.000000 12.600000
                                                                                                               0.320000
               0.082045 0.000000
                               5.190000 0.000000 0.449000 5.884000 45.025000
                                                                            2.100175 4.000000 279.000000 17.400000 375.377500
         25%
                                                                                                                       6.9
         50%
               0.256510 0.000000 9.690000 0.000000 0.538000 6.208000 77.500000
                                                                            3.207450 5.000000 330.000000 19.050000 391.440000
         75% 3.677082 12.500000 18.100000 0.000000 0.624000 6.625000 94.075000 5.188425 24.000000 666.000000 20.200000 396.225000 16.9
         max 88.976200 100.000000 27.740000 1.000000 0.871000 8.780000 100.000000 12.126500 24.000000 711.000000 22.000000 396.900000 37.9
In [7]: %matplotlib inline
In [8]: # For plotting histogram
       # import matplotlib.pyplot as plt
       # housing.hist(bins=50, figsize=(20, 15))
       Train-Test Splitting
       def split_train_test(data, test_ratio):
           np.random.seed(42)
           shuffled = np.random.permutation(len(data))
           print(shuffled)
           test_set_size = int(len(data) * test_ratio)
```

```
In [13]: from sklearn.model_selection import StratifiedShuffleSplit
             from sklearn.model_selection import StratifiedShuffleSplit(
split = StratifiedShuffleSplit(n_splits=1, test_size=0.2, random_state=42)
for train_index, test_index in split.split(housing, housing['CHAS']):
    strat_train_set = housing.loc[train_index]
    strat_test_set = housing.loc[test_index]
In [14]: strat_test_set['CHAS'].value_counts()
Out[14]: 0 95
             Name: CHAS, dtype: int64
In [15]: strat_train_set['CHAS'].value_counts()
Out[15]: 0 376
             Name: CHAS, dtype: int64
In [16]: # 95/7
In [17]: # 376/28
In [18]: housing = strat_train_set.copy()
             Looking for Correlations
In [19]: corr_matrix = housing.corr()
corr_matrix['MEDV'].sort_values(ascending=False)
Out[19]: MEDV
                            1.000000
                            0.680857
             RΜ
                            0.361761
             В
             ZN
                            0.339741
                            0.240451
             DIS
                            0.205066
             CHAS
                           -0.364596
             AGE
             RAD
                           -0.374693
             CRIM
                           -0.393715
             NOX
                           -0.422873
             TAX
                           -0.456657
             INDUS
                            -0.473516
             PTRATIO
                           -0.493534
             LSTAT
                           -0.740494
             Name: MEDV, dtype: float64
In [20]: # from pandas.plotting import scatter_matrix
# attributes = ["MEDV", "RM", "PTRATIO", "LSTAT"]
# scatter_matrix(housing[attributes], figsize = (12,8))
```

```
In [21]: housing.plot(kind="scatter", x="RM", y="MEDV", alpha=0.8)

Out[21]: <AxesSubplot:xlabel='RM', ylabel='MEDV'>

50
40
20
10
8M
```

```
Trying out Attribute combinations
In [22]: housing["TAXRM"] = housing['TAX']/housing['RM']
In [23]: housing.head()
Out[23]:
                CRIM ZN INDUS CHAS NOX
                                                           DIS RAD TAX PTRATIO
                                                                                                        TAXRM
                                               RM AGE
                                                                                     B LSTAT MEDV
                                                                                                21.9
                                                                                                      51.571709
          254 0.04819 80.0
                            3.64
                                     0 0.392 6.108 32.0 9.2203
                                                                  1 315
                                                                             16.4 392.89
                                                                                          6.57
                                                                  4 280
                                                                             17.0 390.94
          476 4.87141 0.0
                           18.10
                                     0 0.614 6.484 93.6 2.3053
                                                                 24 666
                                                                             20.2 396.21 18.68
                                                                                                16.7 102.714374
          321 0.18159 0.0
                            7.38
                                     0 0.493 6.376 54.3 4.5404
                                                                 5 287
                                                                             19.6 396.90
                                                                                          6.87
                                                                                                      45.012547
          326 0.30347 0.0 7.38
                                     0 0.493 6.312 28.9 5.4159
                                                                 5 287
                                                                             19.6 396.90 6.15 23.0 45.468948
In [24]: corr_matrix = housing.corr()
    corr_matrix['MEDV'].sort_values(ascending=False)
Out[24]: MEDV
                     1.000000
                     0.680857
          RΜ
          В
                     0.361761
          ΖN
                     0.339741
```

DIS

CHAS

AGE

RAD

CRIM

NOX

TAX

INDUS

TAXRM

PTRATIO

0.240451

0.205066

-0.364596

-0.374693

-0.393715

-0.422873

-0.456657

-0.473516

-0.493534

-0.528626

```
In [26]: housing.plot(kind="scatter", x="TAXRM", y="MEDV", alpha=0.8)

Out[25]: <AxesSubplot:xlabel='TAXRM', ylabel='MEDV'>

50
40
20
40
60
80
100
120
140
160
180

In [26]: housing = strat_train_set.drop("MEDV", axis=1) housing_labels = strat_train_set["MEDV"].copy()
```

#### Missing Attributes

```
In [27]: # To take care of missing attributes, we have three options:
              1. Get rid of the missing data points
         #
               2. Get rid of the whole attribute
               3. Set the value to some value(0, mean or median)
In [28]: a = housing.dropna(subset=["RM"]) #Option 1
         a.shape
Out[28]: (399, 13)
In [29]: housing.drop("RM", axis=1).shape # Option 2
Out[29]: (404, 12)
In [30]: median = housing["RM"].median() # Compute median for Option 3
In [31]: housing["RM"].fillna(median) # Option 3
Out[31]: 254
                6.108
         348
                6.635
         476
                6.484
                6.376
```

```
In [32]: housing.shape
Out[32]: (404, 13)
In [33]: housing.describe() # before we started filling missing attributes
Out[33]:
                                   CRIM
                                                      ZN
                                                                   INDUS
                                                                                    CHAS
                                                                                                       NOX
                                                                                                                          RM
                                                                                                                                         AGE
                                                                                                                                                           DIS
                                                                                                                                                                           RAD
                                                                                                                                                                                             TAX
                                                                                                                                                                                                       PTRATIO
                                                                                                                                                                                                                                  В
                 count 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.0000000 404.000000 404.000000 404.000000 404.0000000 404.000000 404.000000 404
                              3.602814 10.836634 11.344950
                                                                               0.069307 0.558064 6.279481 69.039851
                                                                                                                                                     3.746210
                                                                                                                                                                    9.735149 412.341584 18.473287 353.392822
                                                                                                                                                                                                                                        12.7
                              8.099383 22.150836
                                                               6.877817 0.254290 0.116875 0.716784 28.258248
                                                                                                                                                     2.099057 8.731259 168.672623
                                                                                                                                                                                                      2.129243 96.069235
                                                                                                                                                                                                                                         7.2
                    std
                              0.006320 0.000000
                                                             0.740000 0.000000 0.389000 3.581000 2.900000
                                                                                                                                                    1.129600 1.000000 187.000000 13.000000 0.320000
                              0.088963 0.000000 5.190000 0.000000 0.453000 5.876500 44.850000 2.035975 4.000000 284.000000 17.400000 374.617500 6.8
                   25%
                   50%
                              0.286735 0.000000
                                                               9.900000 0.000000 0.538000 6.209000 78.200000
                                                                                                                                                     3.122200 5.000000 337.000000 19.000000 390.955000
                                                                                                                                                                                                                                         11.5
                   75%
                              3.731923 12.500000 18.100000 0.000000 0.631000 6.630500 94.100000 5.100400 24.000000 686.000000 20.200000 395.630000 17.1
                          73.534100 100.00000 27.740000 1.000000 0.871000 8.780000 100.000000 12.126500 24.000000 711.000000 22.000000 396.900000
                                                                                                                                                                                                                                        36.9
               4
In [34]: from sklearn.impute import SimpleImputer
                imputer = SimpleImputer(strategy="median")
                imputer.fit(housing)
Out[34]: SimpleImputer(strategy='median')
In [35]: imputer.statistics_
Out[35]: array([2.86735e-01, 0.00000e+00, 9.90000e+00, 0.00000e+00, 5.38000e-01,
                            6.20900e+00, 7.82000e+01, 3.12220e+00, 5.00000e+00, 3.37000e+02,
                            1.90000e+01, 3.90955e+02, 1.15700e+01])
In [36]: X = imputer.transform(housing)
In [37]: housing_tr = pd.DataFrame(X, columns=housing.columns)
In [38]: housing tr.describe()
Out[38]:
                                   CRIM
                                                       ΖN
                                                                   INDUS
                                                                                     CHAS
                                                                                                        NOX
                                                                                                                          RM
                                                                                                                                         AGE
                                                                                                                                                            DIS
                                                                                                                                                                           RAD
                                                                                                                                                                                             TAX
                                                                                                                                                                                                       PTRATIO
                                                                                                                                                                                                                                  В
                  count 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000 404.000000
                                                                                                                                                                                                                                       404.0
                              3.602814 10.836834 11.344950
                                                                              0.089307 0.558064 6.278609 69.039851
                                                                                                                                                    3.746210 9.735149 412.341584 18.473267 353.392822 12.7
                              8.099383 22.150636
                                                             6.877817 0.254290 0.116875 0.712366 28.258248
                                                                                                                                                    2.099057 8.731259 168.672623 2.129243 96.069235
                                                                                                                                                                                                                                        7.2
                    std
                    min
                              0.006320
                                              0.000000
                                                                0.740000
                                                                                 0.000000
                                                                                                0.389000
                                                                                                                  3.561000
                                                                                                                                    2.900000
                                                                                                                                                     1.129800
                                                                                                                                                                    1.000000 187.000000 13.000000
                                                                                                                                                                                                                         0.320000
                                                                                                                                                                                                                                          1.7
                   25%
                              0.086963
                                              0.000000
                                                               5.190000
                                                                                 0.000000
                                                                                                0.453000 5.878750 44.850000
                                                                                                                                                     2.035975
                                                                                                                                                                    4.000000 284.000000 17.400000 374.617500
                                                                                                                                                                                                                                         6.8
                   50%
                              0.286735 0.000000
                                                                9.900000
                                                                                 0.000000 0.538000 6.209000 78.200000
                                                                                                                                                     3.122200 5.000000 337.000000 19.000000 390.955000
                                                                                                                                                                                                                                       11.5
                   75% 3.731923 12.500000 18.100000 0.000000 0.631000 6.630000 94.100000 5.100400 24.000000 666.000000 20.200000 395.630000 17.1
                    72 524100 100 000000 27 740000 1 000000 0 971000 9 790000 100 000000 12 126500 24 000000 711 000000 22 000000 206 000000
                                                                                                                                                                                                                                       28.0
```

#### Creating a Pipeline

#### Selecting a desired model

```
In [42]: from sklearn.linear_model import LinearRegression
    from sklearn.tree import DecisionTreeRegressor
    from sklearn.ensemble import RandomForestRegressor
    # modet = LinearRegression()
    # modet = DecisionTreeRegressor()
    model = RandomForestRegressor()
    model = fit(housing_num_tr, housing_labels)

Out[42]: RandomForestRegressor()

In [43]: some_data = housing_iloc[:5]

In [44]: some_labels = housing_labels.iloc[:5]

In [45]: prepared_data = my_pipeline.transform(some_data)

In [46]: model.predict(prepared_data)

Out[46]: array([22.273, 25.598, 16.531, 23.315, 23.511])

In [47]: list(some_labels)

Out[47]: [21.9, 24.5, 16.7, 23.1, 23.0]
```

#### **Evaluating the model**

```
In [48]: from sklearn.metrics import mean_squared_error
housing_predictions = model.predict(housing_num_tr)
mse = mean_squared_error(housing_labels, housing_predictions)
rmse = np.sqrt(mse)
In [49]: rmse
Out[49]: 1.2735771822347122
```

#### Using better evaluation technique - Cross Validation

#### Saving the model

```
In [54]: from joblib import dump, load
dump(model, 'Predictor.joblib')
Out[54]: ['Predictor.joblib']
```

#### Testing the model on test data

```
In [55]: X_test = strat_test_set.drop("MEDV", axis=1)
    Y_test = strat_test_set["MEDV"].copy()
    X_test_prepared = my_pipeline.transform(X_test)
    final_predictions = model.predict(X_test_prepared)
    final_mse = mean_squared_error(Y_test, final_predictions)
    final_mse = np.sqrt(final_mse)
    # print(final_predictions, list(Y_test))
In [56]: final_rmse
Out[56]: 2.9620950654005993
```

#### Using the model

# **CONCLUSION**

The main goal of this project is to determine the prediction for prices of houses for which we tried three different machine learning algorithms namely Linear regression, Decision tree regression and Random forest regression, And we got the following results:---

#### **Model Outputs**

#### 1. Linear Regression:

Mean (rmse error): 5.037482786117751

Standard deviation: 1.0594382405606948

#### 2. Decision Tree Regression:

Mean (rmse error): 4.220181728238616

Standard deviation: 0.7451258431327811

#### 3. Random Forest Regression

Mean (rmse error): 3.3513709824947817

Standard deviation: 0.7291550975961761

So it's clear from the outputs that the Random forest have more accuracy in prediction when compared to the others. Hence, we have used this model to predict better house prices.

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