Task 1: Problem definition

Project Description:

The aim of our project is to create a model that allow us to predict the price of hdb using relevant parameters, such as the flat type, size, distance form mrt, etc. We achieved this goal by following the steps below: 1. A suitable dataset with the relevant data and attributes is selected 2. Additional datasets are evaluated and used to enrich the existing dataset. 3. Exploratory data analysis and visualisation are done where data is cleaned and prepared 4. Multiple models are trained and evaluated using RMSE (Root-mean-square error) and MAE (Mean absolute error). 5. The selected model is analysed where the feature importance is evaluated

Potential use cases:

- 1. The trained model can be deployed on real estate website such as PropertyGuru, 99.co, where buyers and sellers are able to get the most optimal price estimation before listing or buying.
- 2. This model can also be used by HDB to real estate agent to find a suitable price when consulting their clients on calculating the valuation of the client's property.

Task 2: Data collection/curation

We have collected the data we required for our HDB sales price prediction task primarary from data.gov.sg.

HDB resale price:

https://beta.data.gov.sg/collections/189/datasets/d_8b84c4ee58e3cfc0ece0d773c8ca6abc/view

Besides, we also enriched our dataset using additional data from kaggle as follows:

HDB coordinate: https://www.kaggle.com/datasets/mylee2009/singapore-postal-code-mapper **MRT coordinate**: https://www.kaggle.com/datasets/shengjunlim/singapore-mrt-lrt-stations-with-coordinates

The files have been downloaded locally and renamed accordingly.

Task 3 & 4: Data preparation & Exploratory data analysis and visualization

Step 1: Import the packages and load resale data

```
import pandas as pd
import numpy as np
import matplotlib.pyplot as plt
import seaborn as sns

//matplotlib inline

data = pd.read_csv("ResaleflatpricesbasedonregistrationdatefromJan2017onwards.csv")
hdb_locations = pd.read_csv("sg_zipcode_mapper_utf.csv", delimiter=',')
mrt_locations = pd.read_csv("mrt.csv")
```

Step 2: Data cleaning and EDA

```
In [3]: data.info()
       <class 'pandas.core.frame.DataFrame'>
       RangeIndex: 177572 entries, 0 to 177571
       Data columns (total 11 columns):
        # Column
                                Non-Null Count Dtype
       --- -----
                                -----
        0 month
                               177572 non-null object
                               177572 non-null object
           town
        2 flat_type
3 block
                           177572 non-null object
                               177572 non-null object
        4 street_name 177572 non-null object 5 storey_range 177572 non-null object
        6 floor_area_sqm 177572 non-null float64
7 flat_model 177572 non-null object
        8 lease_commence_date 177572 non-null int64
        9 remaining_lease 177572 non-null object
        10 resale_price
                                177572 non-null float64
       dtypes: float64(2), int64(1), object(8)
       memory usage: 14.9+ MB
In [4]: data.head()
```

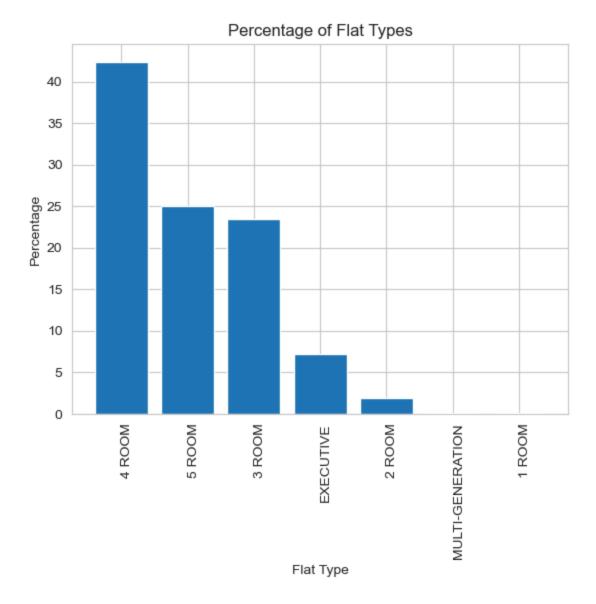
Out[4]

:		month	town	flat_type	block	street_name	storey_range	floor_area_sqm	flat_model
	0	2017- 01	ANG MO KIO	2 ROOM	406	ANG MO KIO AVE 10	10 TO 12	44.0	Improved
	1	2017- 01	ANG MO KIO	3 ROOM	108	ANG MO KIO AVE 4	01 TO 03	67.0	New Generation
	2	2017- 01	ANG MO KIO	3 ROOM	602	ANG MO KIO AVE 5	01 TO 03	67.0	New Generation
	3	2017- 01	ANG MO KIO	3 ROOM	465	ANG MO KIO AVE 10	04 TO 06	68.0	New Generation
	4	2017- 01	ANG MO KIO	3 ROOM	601	ANG MO KIO AVE 5	01 TO 03	67.0	New Generation
	4								•

The data is already cleaned, it does not contain null value, therefore data cleaning is not required.

Extract year from the data and filter data to only include data from 2019 to 2023, because we only want to predict he proce of the flat based on the past 4 years of data.

```
In [5]: data['month'] = pd.to_datetime(data['month'])
        data['year'] = list(map(lambda x: x.year, data['month']))
        data = data[data['year'] >= 2019]
        data = data[data['year'] != 2024]
        data['price_per_sqm'] = data['resale_price'] / data['floor_area_sqm']
        data['remaining_lease'] = (99 + data['lease_commence_date']) - data['year']
In [6]: flat_type_counts = data['flat_type'].value_counts(normalize=True) * 100 # This call
        # Create a bar plot using Matplotlib
        plt.bar(flat_type_counts.index, flat_type_counts.values)
        plt.xlabel('Flat Type')
        plt.ylabel('Percentage')
        plt.title('Percentage of Flat Types')
        plt.xticks(rotation=90, ha='left', rotation_mode='default')
        plt.show()
        # # Show the plot
        # plt.show()
```



From the count plot above we can see that there are very little one room, two room and multi-generatin flat(below 5%). therefore we are going to drop these data for our model training.

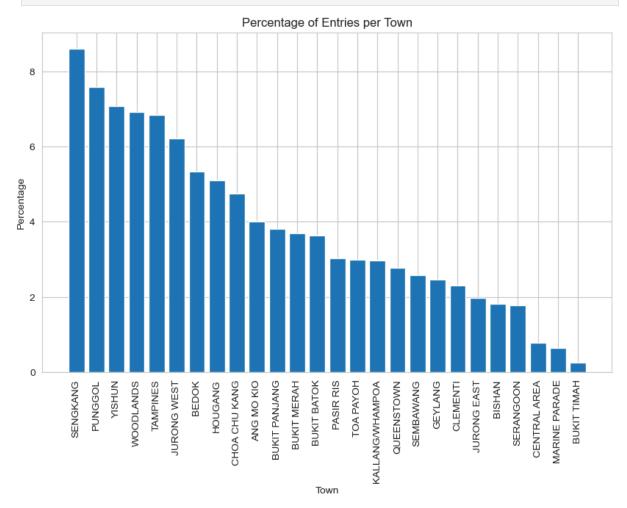
```
In [7]: data = data[data['flat_type'] != "1 ROOM"]
    data = data[data['flat_type'] != "2 ROOM"]
    data = data[data['flat_type'] != "MULTI-GENERATION"]

In [8]: town_counts = data['town'].value_counts() # Get the counts for each town
    total_counts = town_counts.sum() # Total number of entries
    town_percent = (town_counts / total_counts) * 100 # Convert counts to percentage

# Plotting with Matplotlib
    plt.figure(figsize=(10, 6)) # Optional: Adjust the size of the figure
    plt.bar(town_percent.index, town_percent.values) # Create a bar chart

plt.xlabel('Town') # Label for the x-axis
    plt.ylabel('Percentage') # Label for the y-axis
    plt.title('Percentage of Entries per Town') # Title of the plot
```

plt.xticks(rotation=90) # Rotate the x-axis labels for better visibility if needed
plt.show()



From the count plot above we can see that there are very little ales recoed in Central Area, Bukit Timah and Marine Parade(below 1%).therefore we are going to drop these data for our model training.

```
In [9]: data = data[data['town'] != "CENTRAL AREA"]
   data = data[data['town'] != "BUKIT TIMAH"]
   data = data[data['town'] != "MARINE PARADE"]
```

Load the HDB location file, and join with the resale dataframe. This will allow us to calculate the distance from the nearest mrt for each HDB blocks.

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```
on=['block', 'street_name'])
          imputed_data.dropna(inplace=True)
In [11]:
          imputed_data.head()
Out[11]:
             month
                     town flat_type block street_name storey_range floor_area_sqm flat_model
                      ANG
              2019-
                                                ANG MO
                                                                                             New
          0
                                        225
                                                              01 TO 03
                       MO
                            3 ROOM
                                                                                  67.0
              01-01
                                               KIO AVE 1
                                                                                        Generation
                       KIO
                      ANG
              2019-
                                                ANG MO
                       MO
                            3 ROOM
                                        174
                                                              01 TO 03
                                                                                  60.0
                                                                                         Improved
                                               KIO AVE 4
              01-01
                       KIO
                      ANG
              2019-
                                                ANG MO
                                                                                             New
          2
                       MO
                            3 ROOM
                                        440
                                                              04 TO 06
                                                                                  67.0
              01-01
                                              KIO AVE 10
                                                                                        Generation
                       KIO
                      ANG
              2019-
                                                ANG MO
          3
                            3 ROOM
                                        174
                                                              10 TO 12
                                                                                  61.0
                                                                                         Improved
                       MO
              01-01
                                               KIO AVE 4
                       KIO
                      ANG
              2019-
                                                ANG MO
                                                                                             New
                       MO
                            3 ROOM
                                        637
                                                              01 TO 03
                                                                                  68.0
              01-01
                                               KIO AVE 6
                                                                                        Generation
                       KIO
```

Data Enrichment

We will try to enrich the data by calculating the distance of the HDB from MRT stations as we think distance to mrt station might be a good predictor

Here we will clean the mrt_locations data to remove the unnecessary data

```
In [12]: mrt_locations.head()
```

3252 2597
2980
2165
6817
=True)
(

This is the formula to convert from euclidean distance to earth distance

Formula taken from https://byteshiva.medium.com/navigate-the-world-a-guide-to-calculating-distances-between-points-on-earth-using-python-and-the-9f3c5c856203

```
In [16]: def calculate_distance(x, y):
    R = 6371 # Radius of the Earth in kilometers

lat_a, lon_a = x[0], x[1]
    lat_b, lon_b = y[0], y[1]
```

```
# Convert latitude and longitude to radians
lat_a, lon_a, lat_b, lon_b = np.radians([lat_a, lon_a, lat_b, lon_b])

# Calculate the difference in latitude and longitude
dlat = lat_b - lat_a
dlon = lon_b - lon_a

# Apply the Haversine formula
a = np.sin(dlat / 2) ** 2 + np.cos(lat_a) * np.cos(lat_b) * np.sin(dlon / 2) **
c = 2 * np.arctan2(np.sqrt(a), np.sqrt(1 - a))
distance = R * c
return distance
```

Here we import the KNN package to calculate the distance between each HDB block and the nearest mrt

```
In [17]: from sklearn.neighbors import KNeighborsClassifier
          nbrs = KNeighborsClassifier(n_neighbors=1, algorithm='ball_tree',
                                      metric=calculate_distance).fit(mrt_locations[['lat', 'l
                                                                       mrt_locations['STN_NAME'
          imputed_data['mrt_dist'] = nbrs.kneighbors(imputed_data[['lat', 'lng']])[0]
          imputed_data['nearest_mrt'] = nbrs.predict(imputed_data[['lat', 'lng']])
In [18]:
         imputed_data.head()
Out[18]:
             month town flat_type block street_name storey_range floor_area_sqm flat_model
                     ANG
              2019-
                                              ANG MO
                                                                                          New
                                      225
          0
                      MO
                           3 ROOM
                                                            01 TO 03
                                                                               67.0
              01-01
                                              KIO AVE 1
                                                                                     Generation
                      KIO
                     ANG
              2019-
                                              ANG MO
                      MO
                           3 ROOM
                                      174
                                                            01 TO 03
                                                                               60.0
                                                                                      Improved
              01-01
                                              KIO AVE 4
                      KIO
                     ANG
              2019-
                                              ANG MO
                                                                                          New
          2
                           3 ROOM
                                      440
                                                            04 TO 06
                                                                               67.0
                      MO
              01-01
                                             KIO AVE 10
                                                                                     Generation
                      KIO
                     ANG
              2019-
                                              ANG MO
          3
                      MO
                           3 ROOM
                                      174
                                                            10 TO 12
                                                                               61.0
                                                                                      Improved
              01-01
                                              KIO AVE 4
                      KIO
                     ANG
              2019-
                                              ANG MO
                                                                                          New
                           3 ROOM
                                      637
                                                            01 TO 03
                                                                               68.0
                      MO
              01-01
                                              KIO AVE 6
                                                                                     Generation
                      KIO
In [19]: UniqueNames = imputed_data['town'].unique()
```

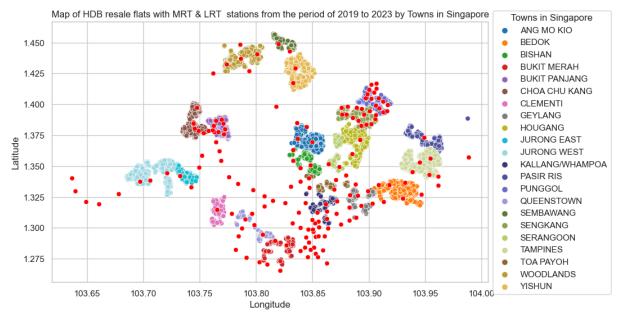
```
#create a data frame dictionary to store your data frames
DataFrameDict = {elem: pd.DataFrame() for elem in UniqueNames}
for key in DataFrameDict.keys():
   DataFrameDict[key] = imputed_data[imputed_data.town == key]
f = plt.figure(figsize=(20, 20))
for i in range(len(UniqueNames)):
   column = i // 5
   row = i \% 5
   axis = f.add_subplot(5, 5, i + 1)
   dataset = UniqueNames[i]
   title = "town = " + dataset
   axis.scatter(DataFrameDict[dataset]['mrt_dist'],
                 DataFrameDict[dataset]['price_per_sqm'],
                 color='#1978b9',
                 edgecolors='white',
                 linewidth=0.5)
   axis.set_xlim([-0.2, 3.5])
   axis.set_ylim([1500, 13000])
   axis.set_xticks([0, 1, 2, 3])
   axis.set_title(title)
   if i >= 17:
       axis.set(xlabel='mrt_dist')
   else:
        axis.tick_params(colors='black', which='major', axis='x', labelcolor='white
   if row == 0:
        axis.set(ylabel='price_per_sqm')
```



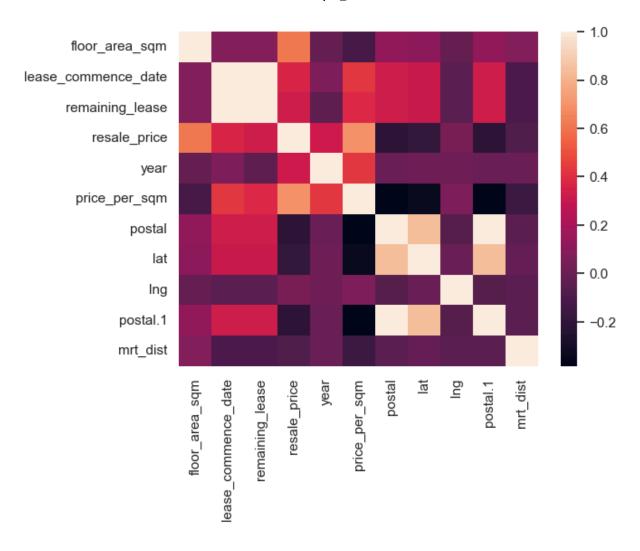
From the chart of price_per_sqm versus mrt_dist plot we generated for each town, we observed there is not a strong correlation between price and mrt distancefor most of the towns. Thus, the mrt_dist might be a useful predictor when training our model.

Visualisation

To visualise the hot spot where of hdb location and their distance to the mrt stations, we have plot the graph below resembling the Singapore map



```
In [21]: corr_matrix = imputed_data.select_dtypes(include=['float64', 'int64']).corr()
    sns.heatmap(corr_matrix)
    plt.show()
```



From the heatmap shown above, we theorised that floor_area_sqm and remaining_lease will be a good predictor of resale price, while mrt_dist will not contribute much in predicting the resale_price

Task 5: Modeling and visualization

Feature selection for model training

To reduce the complexity of the model and prevent model overfitting, we have discarded:

- 1) features which are too sparse(block & street name)
- 2) features which are similar(lease commence date) the value is already calculated and represented by remaining lease

Step 3: Modelling

1) Linear Regression Model

We train a linear regression model as a baseline where we will improve on it using more complicated models which utilises techniques such as cross validation, baggging, stacking and ensembling.

```
In [24]: data = pd.read_csv('output.csv')

In [25]: # Data preparation
    from sklearn.model_selection import train_test_split
    from sklearn.metrics import mean_squared_error, r2_score, mean_absolute_error

# Split data into predictors and target
X = data.drop('resale_price', axis=1)
X = X.drop('month', axis=1)
y = data['resale_price']

# Split the dataset into training (90%) and test (10%) sets
X_train, X_test, y_train, y_test = train_test_split(X, y, test_size=0.1, random_sta)
```

Preprocessing for categorical features

Before piping the data into the regression model, we perform 1 hot encoding to transform Categorial data (which are text data) into one hot encoding to match the input format of the Linear Regressor

```
In [26]: from sklearn.linear_model import LinearRegression
         from sklearn.preprocessing import OneHotEncoder
         from sklearn.compose import ColumnTransformer
         from sklearn.pipeline import Pipeline
         # Define columns that need encoding
         categorical_features = ['town', 'flat_type', 'storey_range', 'flat_model']
         # OneHotEncoder for categorical data within a ColumnTransformer
         preprocessor = ColumnTransformer(
             transformers=[
                 ('cat', OneHotEncoder(handle_unknown='ignore'), categorical_features)
             remainder='passthrough' # Include all other columns in the model unchanged
         # Create a pipeline that includes preprocessing and the linear model
         LR model = Pipeline(steps=[
             ('preprocessor', preprocessor),
             ('regressor', LinearRegression())
         1)
         # Train the model
         LR model.fit(X train, y train)
         # Predict on the test data
         y pred = LR_model.predict(X_test)
```

```
# Evaluate the model
mse = mean_squared_error(y_test, y_pred)
r2 = r2_score(y_test, y_pred)
mae = mean_absolute_error(y_test, y_pred)
rmse = (mean_squared_error(y_test, y_pred))**0.5

print('RMSE: {:.2f}'.format(rmse))
print('MAE: {:.2f}'.format(mae))
print('r2: {:.2f}'.format(r2))
```

RMSE: 79845.39 MAE: 64428.02 r2: 0.77

2) Decision Tree

With the baseline identified, we proceeded to experiment with more complex models such as DecisionTreeRegressor. The DecisionTreeRegressor is a versatile machine learning model used for regression tasks that predicts continuous outcomes by splitting data into increasingly homogeneous subsets. It constructs a tree-like model of decisions based on the values of the input features, making it highly interpretable and easy to visualize.

By using the decision tree regressor, we are able to improve the RMSE from 79845 to 54105, with a 47% improvement.

```
In [27]: from sklearn.tree import DecisionTreeRegressor
         DT_model = Pipeline(steps=[
             ('preprocessor', preprocessor),
             ('regressor', DecisionTreeRegressor(random_state=42))
         1)
         # Train the model
         DT_model.fit(X_train, y_train)
         # Predict on the test data
         y_pred = DT_model.predict(X_test)
         # Evaluate the model
         r2 = r2_score(y_test, y_pred)
         mae = mean_absolute_error(y_test, y_pred)
         rmse = (mean_squared_error(y_test, y_pred))**0.5
         print('RMSE: {:.2f}'.format(rmse))
         print('MAE: {:.2f}'.format(mae))
         print('r2: {:.2f}'.format(r2))
```

RMSE: 54104.85 MAE: 36034.01 r2: 0.90

3) Hyperparameter tuning on Decision Tree Regressor

Then, the model is finetuned by optimizing the parameters that govern the training process. In the cell below, we test various combinations of hyperparameters to determine the most effective settings for the Decision Tree Regressor including, max_depth, min_samples_split and min_samples_leaf.

It shows significant improvement (6.1%) with the RMSE decreasing from 54105 to 50984.

```
In [28]: from sklearn.model_selection import GridSearchCV
         # Define the parameter grid
         param_grid = {
             'regressor_max_depth': [None, 10, 20, 30], # Maximum number of levels in each
             'regressor__min_samples_split': [2, 10, 20], # Minimum number of samples requi
             'regressor_min_samples_leaf': [1, 5, 10] # Minimum number of samples required
         }
         grid_search = GridSearchCV(estimator=DT_model, param_grid=param_grid, scoring='neg_
         # Fit GridSearchCV
         grid_search.fit(X_train, y_train)
         # Get the best parameters and best score
         print("Best parameters:", grid_search.best_params_)
         print("Best score:", grid_search.best_score_)
         best_model = grid_search.best_estimator_
         # Predict on the test data
         y_pred = best_model.predict(X_test)
         # Evaluate the model
         r2 = r2_score(y_test, y_pred)
         mae = mean_absolute_error(y_test, y_pred)
         rmse = (mean_squared_error(y_test, y_pred))**0.5
         print('RMSE: {:.2f}'.format(rmse))
         print('MAE: {:.2f}'.format(mae))
         print('r2: {:.2f}'.format(r2))
        Fitting 5 folds for each of 36 candidates, totalling 180 fits
        Best parameters: {'regressor_max_depth': None, 'regressor_min_samples_leaf': 1, 'r
        egressor__min_samples_split': 10}
        Best score: -2702001284.5219145
        RMSE: 50984.10
        MAE: 34885.60
        r2: 0.91
```

Note: The below part is experimental and requires the installation of additional packages!

```
In [37]: !pip install autogluon
# !pip install -U scikit-learn==1.4.0
```

4) AutoML

By referring to the paper AutoGluon-Tabular, we have tried the best performing AutoML model which is able to automatically select relevant models based on our modelling task (regression) such as KNN, RandomForest, LightGBM, XGBoost. Then, a final model is trained using ensembling where the output of the most performant models are weighted.

By doing so, we are able to reduce the RMSE from 50984 to 25716.

Local Image

```
In [30]: # Initialisation
         from autogluon.tabular import TabularDataset, TabularPredictor
         # Train test split
         train, test = train_test_split(data, test_size=0.1, random_state=0)
         train_data = TabularDataset(train)
         test_data = TabularDataset(test)
In [31]: label = 'resale_price'
         save_path = './AutogluonModels/small'
             predictor = TabularPredictor.load(save_path)
         except:
             # Retraining will take around 60 seconds
             presets = ['good_quality', 'optimize_for_deployment']
             predictor = TabularPredictor(label=label, path=save_path).fit(train_data, prese
In [32]: predictor.evaluate(test_data)
Out[32]: {'root_mean_squared_error': -28650.780324820356,
           'mean_squared_error': -820867213.2211133,
           'mean_absolute_error': -20450.017244982548,
           'r2': 0.9707724441181854,
           'pearsonr': 0.9852810733672099,
           'median_absolute_error': -14724.5625}
In [33]: results = predictor.evaluate(test_data)
         print('RMSE: {:.2f}'.format(-results['root_mean_squared_error']))
         print('MAE: {:.2f}'.format(-results['mean_absolute_error']))
         print('r2: {:.2f}'.format(results['r2']))
        RMSE: 28650.78
        MAE: 20450.02
        r2: 0.97
```

Feature importance

By calculating the feature importance scores for the given model via permutation importance, we found that the town and flat_type of the hdb flat have the highest

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importance when predicting the resale price.

In [34]: predictor.feature_importance(test_data)

	importance	stddev	p_value	n	p99_high	p99_low
town	106068.756376	1667.738286	7.331617e- 09	5	109502.652558	102634.860194
flat_type	85959.846495	1352.574806	7.353609e- 09	5	88744.816715	83174.876276
month	59488.467628	473.545541	4.817929e- 10	5	60463.504443	58513.430813
remaining_lease	57255.777302	1188.005105	2.222941e- 08	5	59701.896234	54809.658370
floor_area_sqm	43517.972184	1176.790124	6.410315e- 08	5	45940.999314	41094.945054
flat_model	24563.499687	502.472489	2.100038e- 08	5	25598.097487	23528.901888
mrt_dist	18048.738272	713.642695	2.926930e- 07	5	19518.138445	16579.338099
storey_range	16548.739849	652.336897	2.891413e- 07	5	17891.910536	15205.569161

Demo

Out[34]:

With the trained model, we are able to test out our model for our potential users (potential buyer searching for HDB flat near NUS on PropertyGuru):

```
In [35]: # Search criteria: a relatively new house near NUS
month = '2024-04-24'
town = 'CLEMENTI'
flat_type = '3 ROOM'
storey_range = '10 TO 12'
floor_area_sqm = 90
flat_model = 'New Generation'
remaining_lease = 90
mrt_distance = 1.0

# hdb_search = data.sample(1)
hdb_search = pd.DataFrame([[month, town, flat_type, storey_range, floor_area_sqm, floot_search
```

Out[35]:	month		town	flat_type	storey_range	floor_area_sqm	flat_model	remaining_lease	
	0	2024- 04-24	CLEMENTI	3 ROOM	10 TO 12	90	New Generation	90	
	4							•	
In [36]:	<pre>predictor.predict(hdb_search)</pre>								
Out[36]:			13.625 ale_price,	dtype: f]	loat32				

Conclusion

In the data preparation stage, we selected the most relevant data by filtering out the outliers. We also enriched the data by calculating the distance of mrt to hdb.

In the EDA stage, we visualised the data to have a better understanding of the data and plotted a correlation matrix in a heatmap. We also preprocessed the data by applying one hot encoding on categorical data.

In the modelling stage, we saw that even simple model like linear regression can get a relatively good prediction. However, we found out that more complex model just as Decision Tree Regression is able to get a better results, and can be further enhance using hyperparameter tuning. Lastly, we also tried out the state of the art model which utilises ensembling for best model performance.

In the feature importance analysis, we also confirmed our hypothesis when calculating the correlation matrix, where mrt_distance does not really contribute in the prediction of sales price.

In conclusion, we have successfully trained a highly accurate sales price prediction model with a 5.1% error (RMSE = 25716, mean = 507,654) after going through the steps of EDA, data enrichment, data preparation and modelling.