

# Review on House Price Prediction through Regression Techniques

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**Abstract -** The broad and consistent real estate characteristics are frequently listed individually from the enquiring price and the overall description. Thus with these characteristics or the features are individually listed in a prepared organized way, such that they can be effortlessly compared across the entire range of prospective houses. Though, every house has its own distinctive features, such as a particular view, balcony 1 or 2, parking area, Kids Park or type of sink the sellers can provide a précis of all the important description of the house. Thus the given real estate features can be measured by the probable buyers, but it seems to be nearly impossible to make available an automated evaluation on all features or variables due to the huge variety. This is as well true in the erstwhile direction: house sellers have to formulate an estimation of the worth based on its characteristics or features in similarity to the existing market price of related houses Using the Machine Learning or the hypothesis function an automated system is to be creating to predict the house price..

**Keywords:** model, machine learning, linear regression, random forest, supervised learning.

## I. INTRODUCTION

Machine learning is an relevance of artificial intelligence (AI) that endow with systems the capability to repeatedly learn and improve from experience without being overtly programmed[1][2]. Machine learning do centre of attention on the growth of computer programs that can access data and use it be trained for themselves. Networking Sites using which helps the people to connect with the existing friends, relatives, group of employees etc. The process of learning start with interpretation or data, such as examples, straight experience, or instruction, so as to look for sample in data and make enhanced judgment in the future pedestal on the instance that it provide[3]. The primary aspire is to permit the computers learn robotically without human interference or support and fiddle with actions accordingly[4]. Whilst bagging with decision trees, it may less fretful about individual trees over fitting the training data. For this reason and for effectiveness, the human being decision trees are full-grown deep and the trees are not pruned. These trees will have together high variance and low bias. These are significant illustrate of sub-models when mingling predictions using bagging [16]. The only factors when bagging decision trees is the quantity of samples and hence the number of trees to consist of. This

can be selected by growing the number of trees on run after run in anticipation of the accuracy begins to stop viewing enhancement [15]. Random forest is a supervised learning algorithm that is used for in cooperation with categorization as well as regression. But though, it is predominantly used for classification problems [17]. As it would known that a forest is prepared up of trees and more trees means more robust forest. Likewise, random forest algorithm produce decision trees on data samples and then obtains the prediction from every of them and at last choose the most excellent solution through means of voting [18]. It is an ensemble technique which is enhanced than a single decision tree since it diminishes the over-fitting by averaging the result[19].

## II. LITERATURE SURVEY

diminish ratio, indicative of a trend line of data. In erstwhile words, the value of the dependant variable is altered to a constant sample, and the relationship amid these variables is referred to as linear regression in the linear function of the primary function, and the statistical modelling means is the for the most part normally used method[5]. Multiple linear regression analysis take for granted a linear relationship between several independent variables ( $X_1, X_2, \dots, X_n$ ) and dependent variables ( $Y$ ), which compute the things of each independent variable ( $\beta$ ) using the subsequent expressions [22].  $Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 \dots \beta_n x_n + \epsilon$  in multiple linear regression analysis, a lot of input variables are inclined to noise data or contain preventable information, thereby sinking the predictive power of regression analysis. In this paper, They evaluate and analyze the presentation of the wave information prediction algorithm in instruct to get better the stability of the direction-finding and the efficiency all the way through the maritime traffic control due to normal occurrence of marine accidents. In addition, with initiate the linear regression model, Algorithm[20]. First, this paper is a procedure of finding waves. It is linked to this paper in that it predicts the predicted dangerous waves by be relevant linear regression algorithms shows the result of the linear regression[6][7]]. In most recent two decades forecasting the property worth has turn out to be an important field. Rise in insist intended for property and unpredictable

behaviour of financial system induce researchers to come across out a method that forecast the real estate prices devoid of any biases. Therefore, it is a challenge meant for researchers to discover out all the miniature features that can have an effect on the outlay of property and create a predictive model by taking into deliberation all the features. Constructing a predictive model for real estate price evaluation necessitate methodical information on the subject. A lot of researchers have effort on this problem and converse their research work. For the most division of this research work is enthused from this [31]. The author has worn out the housing data set since Centris.ca and duProprio.com. Their dataset consists of just about 25,000 examples and 130 factors. Approximately 70 features were worn out from the above websites and real estate agencies such as, RE/MAX, Century 21, and Sutton, etc. Erstwhile 60 features were socio-demographic based on everywhere the property is positioned [32]. Later, author put into practice Principal Component Analysis to decrease the dimensionality. The author used four regression techniques to forecast the price worth of the property. The four methods are Linear Regression, Support Vector Machine, KNearest Neighbors (KNN) and Random Forest Regression and an ensemble move towards by combining KNN and Random Forest Technique. The ensemble moves towards forecast the prices with least error of 0.0985 [9]. Though, applying PCA did not perk up the prediction error. A group of researchers have been complete on Artificial Neural Networks. This has helped many researchers focusing on real estate problem to resolve using neural networks. In [7], the author has compared hedonic price model and ANN model that forecast the house prices. Hedonic price models are essentially used to calculate the price of any commodity that is dependent relative on internal description as well as external descriptions [10]. The hedonic model fundamentally involves regression technique that believes various parameters such as property area, age, bedrooms number and so on. The Neural Network is trained to begin with and the weights and biases of the edges and nodes in that order are measured using trial and error method. Training the Neural Network model is a black box technique. However, the RSquared value for Neural Network model was greater compared to hedonic model and the RMSE value of Neural Network model was reasonably lower[11]. Hence it is finished that Artificial Neural Network performs superior than Hedonic model. A number of researchers like that in have used classifiers to forecast the property values. The author in research article has collected the data from Multiple Listing Service (MLS), historical mortgages rates and public school ratings. Real Estate Data was obtained from Metropolitan Regional Information Systems (MRIS) database. The author extracted approximately 15,000 records from these three

sources which included 76 variables. Subsequently, t-test was used to select 49 variables as a preliminary screening. Their research question was to determine whether the closing price was higher or lower than the listing price. Thus to speak to this categorization problem, the author used four machine learning models. C4.5, RIPPER, Naive Bayesian, and AdaBoost are the four algorithms used by writer. However, they originate that RIPPER outperforms previous house prediction model. However the problem is that presentation evaluation is pedestal only on classifiers. Performance comparison of other machine learning algorithms should also be measured. In article, the authors have forecast the stock market prices using linear regression methods [12].

### III. PROBLEM DEFINITION

The broad and consistent real estate characteristics are frequently listed individually from the enquiring price and the overall description. Thus with these characteristics or the features are individually listed in a prepared organized way, such that they can be effortlessly compared across the entire range of prospective houses. Though, every house has its own distinctive features, such as a particular view, balcony 1 or 2, parking area, Kids Park or type of sink the sellers can provide a précis of all the important description of the house[13]. Thus the given real estate features can be measured by the probable buyers, but it seems to be nearly impossible to make available an automated evaluation on all features or variables due to the huge variety. This is as well true in the erstwhile direction: house sellers have to formulate an estimation of the worth based on its characteristics or features in similarity to the existing market price of related houses. The assortment of the characteristics or the huge number of features makes the challenging task to calculate approximately a satisfactory market price. Apart, a description of the significant features of the house, the house depiction is also a means of raising interest in the reader, or in other words to convince the person. It is probable that there are definite word sequences in the language text that seduce probable buyers more than others. Therefore, there may be a relation between the language or verbal communication sentence used in the explanation or summary and the value of the property. This evaluation does not spotlight principally on the house characteristics, but on all words within the feature summary. For example, a summary with the word extremely can break one with the word very looking at price fluctuation: the difference between real estate house price asking- and selling price. This can mean that the word or the feature variable highly is commonly seen in summary of the detail database that show an boost in real estate house price prediction while the features having low characteristics very generally leads to a decrease in price.

#### IV. PROPOSED METHODOLOGY

Before going in the methodology understanding of the problem is much important. The problem is creating the hypothesis function that may give the prediction of the target value based on the data given as the training part. Then see or analyze the prediction on the testing part of the data. Here the data given is on the house price and its respective features which accommodate the price of the house. Thus to build the machine to learn the data features and predict the price accurate is the challenging task. This will also help the society of the real estate builder to easily predict the price of the land, house etc according to their feature with the help of this model. The data set for this thesis is taken from Kaggle's Housing Data Set Knowledge Competition. Data set is simple and this thesis aims at the prediction of the house price (residential) in Ames Iowa, USA. Thus the data has been downloaded from the Kaggle Housing Datasets. The detail of the dataset is as follows it contain 81 explanatory variables or the features or characteristics variable. The last variable is considered as the target value; here it is named as Sale Price, which is the actual price of the house. The when machine will predict the price it will get matched with the actual value and the mean error will get calculated which will give the accuracy rate of the model. The data set may contain the various detail features of the houses. With explanatory variables describing (almost) every aspect of residential homes in Ames, Iowa, this challenges the researcher to predict the final price of each home. Now import the data set by the help of the pandas in python platform and analyze the data set. Check all the features of the house related to the dependent target. Analyze and visualize the data by checking the missing values, fill all the missing values by taking median of all the values of that attribute. Change the data which are in categorical form, place the one hot encoder, or the label encoder coding for changing the categorical data into the numerical data. Change the entire alphabet values of the attribute into the numerical values. Find the appropriate features by the help of heat map and the correlation matrix generated by the help of Seaborn in python. Select the most nearly features to which the label target is truly dependent. Before applying the machine learning regression function to the data, split the data into two parts one is training data and another is the testing data. Apply the machine learning on the training part of the data by the help of the sklearn library on python platform.

The detail explanation of the data flow diagram is as follows the data set has been taken from the kaggle dataset. The fetching operation is done by the help of the

pandas library function as in the format of .csv file and giving the path where data is stored.

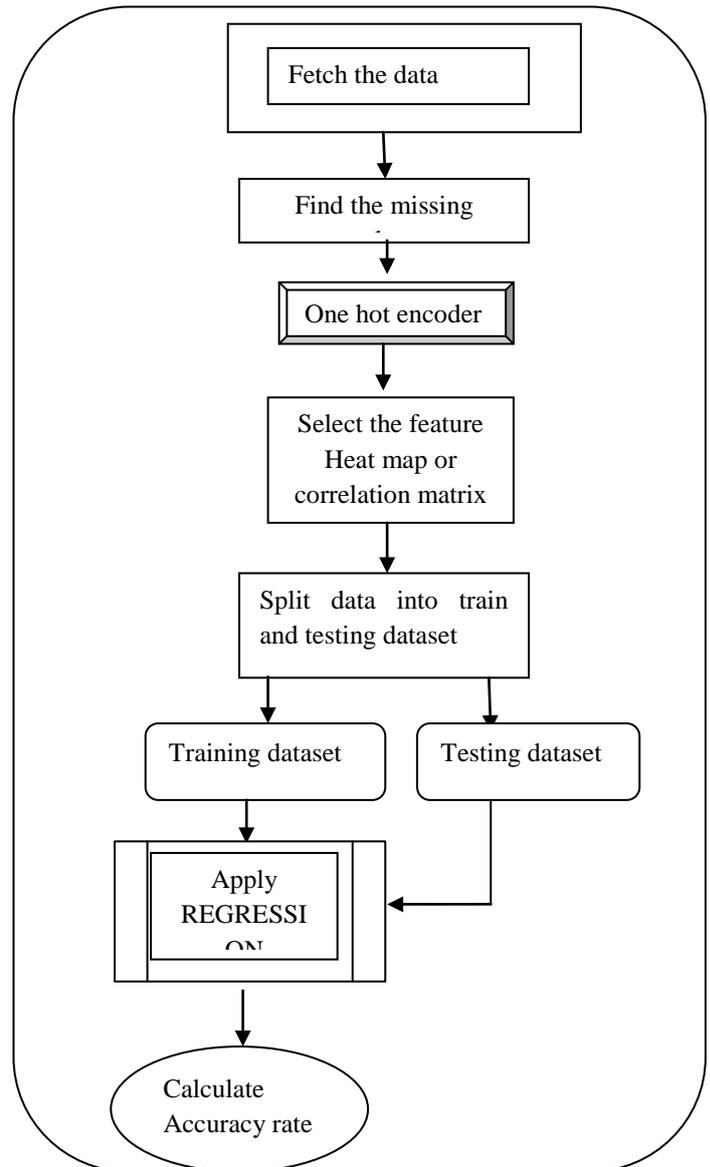


Figure1 Data Flow Diagram

After fetching the data, some cleaning process is applied to the data to make it provide useful information. Thus the missing values is the attribute is checked and clean it out i.e. drop attribute if it is not much useful feature or fill the missing value by taking the median of the all values. After cleaning process is done then the categorical data is get specified and applied the one hot encoder to it. Thus after applying the one hot code encoder the correlation matrix is calculated to select the appropriate features, further the whole data set is divided or split into two parts in 80% in training data and 20% in testing data. Then the further process applying machine learning is processed and three regression technique is applied to the dataset linear regression, random forest.

Algorithm or the pseudo-code is as follows

Step 1: Fetch the data set in appropriate format

*Step2: Find the missing values in the data set as the cleaning process is done*

*Step3: Apply the one hot encoder to remove the categorical data*

*Step4: selection of feature by heatmap or matrix correlation.*

*Step5: splitting of the dataset into two part training data and the testing data*

*Step6: apply or fit the regression technique on training data and test it with testing data*

*Step7: Compare the accuracy result.*

## V. CONCLUSION

With the use of a range of analytical and graphical tools, it was able to estimate the predictive performance of a variety of housing price models. In totting up, the models also helped categorize which characteristics of housing were most robustly coupled with price and could elucidate most of the price variation. Moreover, it was able to get better models' prediction accuracy by accounting for the impact of different regression technique. The methods used in this study consisted of simple and multiple linear regression, random forests, and gradient boosting for predictors. The models were evaluated and measured using median absolute error and median percent error as performance metric criterion. Another main goal of this thesis was to inspect the significance of each predictor in illumination of price variation for a specified set of housing features. Overall, the results endow with practical information regarding the cause of various features on house prices and their corresponding analysis.

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