

Used Car Price Prediction Using Machine Learning

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Abstract— The price of a new car in the industry is fixed by the manufacturer with some additional costs incurred by the Government in the form of taxes. So, customers buying a new car can be assured of the money they invest to be worthy. But, due to the increased prices of new cars and the financial incapability of the customers to buy them, used car sales are on a global increase. Therefore, there is an urgent need for a used car price prediction system which effectively determines the worthiness of the car based on multiple aspects, including vehicle mileage, year of manufacturing, fuel consumption, transmission, road tax, fuel type, and engine size. We have developed a model which will be highly effective. This model can benefit sellers, buyers, and car manufacturers in the used cars market. Upon completion, it can output a relatively accurate price prediction based on the information that user's input. Various regression methods were applied in the research to achieve the highest accuracy. Because of which it will be possible to predict the actual price a car rather than the price range of a car. User Interface has also been developed which acquires input from any user and displays the Price of a car according to user's inputs. To evaluate the performance of each regression, R-square was calculated.

Index Terms— Used car price prediction, Regression, Linear Regression, Lasso Regression, Random Forest, and Machine Learning.

I. INTRODUCTION

The used car market is a burgeoning industry with a significant market value that has almost doubled in recent years. To estimate the market worth of a used car, there are numerous internet resources and other tools available. These tools have made it simpler for both buyers and sellers to gain a better knowledge of the elements that go into determining a used car's market value. Any automobile's price can be predicted using machine learning algorithms based on a variety of variables.

The data set will contain details on a range of vehicles. For each car, details about the technical components of the vehicle, such as the engine type, fuel type, miles per gallon, and so forth, will be provided.

Since different websites use different methods to calculate the retail price of used cars, there is no comprehensive mechanism for doing so. Using statistical models, it is possible to forecast pricing without having to enter all the information into the desired website. This study's main goal is to examine the precision of several forecasting algorithms for determining the suggested retail price of used cars.

Machine learning can be used to automate operations, enhance processes, forecast results, and make judgements based on prior experiences. Additionally, machine learning can be utilised to develop robust algorithms that can handle massive amounts of data. It enables software programmes to predict outcomes more accurately without having to be expressly designed to do so. In order to forecast new output values, machine learning algorithms use historical data as input.

As a result, we provide a machine learning-based methodology for estimating used automobile costs based on their specifications. The effectiveness of different machine learning algorithms, including Linear Regression, Lasso Regression, Support Vector Machine, and Random Forest, will be compared, and the best one will be chosen. We will figure out the cost of the car based on a number of factors. Because regression algorithms provide us a continuous number rather than a categorised value as an output, it is possible to estimate a car's exact price rather than just its price range. Then, to analyse our findings, a user interface that accepts input from any user and displays the price of a car in accordance with user inputs has also been constructed. This methodology can help consumers who are looking to buy a second-hand car make better informed decisions. Customers can now look for all automobiles without any physical efforts, anytime and from any location.

II. MOTIVATION BEHIND PROJECT TOPIC

Deciding whether a used car is worth the posted price when you see listings online can be difficult. Several factors, including mileage, make, model, year, etc. can influence the actual worth of a car. From the perspective of a seller, it is also a dilemma to price a used car appropriately. Based on existing data, the aim is to use machine learning algorithms to develop models for predicting used car prices.

III. AIM AND OBJECTIVE(S) OF THE WORK

Project aim:

The aim of this project is to predict the car price as to develop an efficient and effective model which predicts the price of a used car according to user's inputs.

Project objectives:

- To predict the car price as per the data set (previous consumer data like engine capacity, distance travelled, year of manufacture, etc).
- To achieve good accuracy.
- To develop a User Interface (UI) which is user-friendly and takes input from the user and predicts the price.

IV. LITERATURE SURVEY

According to author Doan Van Thai et al [1], they used data inference, meaning extraction approaches, and rules for qualitative data in this research. The major goal of the current research is to investigate various automotive data types with the aim of developing an automated method to forecast car prices. They compared and built models using random forest, XGBoost, and LightGBM with r2 values utilising Kaggle and Vietnamese Datasets.

According to author Praful Rane, Deep Pandya and Dhawal Kotak [2], in this paper Regression Algorithms like Lasso, Linear, Ridge Regression are used because they provide us with continuous value as an output and not a categorized value. As a result, it will be feasible to forecast the exact cost of an automobile rather than its price range. A user interface that accepts input from any user and displays the price of a car based on their inputs has also been developed.

According to author Anamika Das Mou et al [3], to improve accuracy for a car purchase, they suggested some well-known algorithms in this paper, including SVM, Naive Bayes, and KNN. These algorithms were used on their dataset, which consists of 50 data. With a prediction accuracy of 86.7%, Support Vector Machine (SVM) produces the best result of the group. Additionally, they compare the precision, recall, and F1 score for all data samples using various algorithms in this study.

According to author S. E. Vishwapriya, Durbaka Sai Sandeep Sharma and Gandavarapu Sathya kiran [4], This research uses three machine learning techniques—Artificial Neural Network, Support Vector Machine, and Random Forest—to construct an accurate model to forecast the price worth of second-hand cars. These methods were used to many data points. This data set was obtained via a web portal, which was also utilised to forecast prices. The information needs to be gathered using a PHP web scraper. To acquire the best result from the supplied data set, numerous machine learning methods with different results had been compared. The last prediction model was added to a Java programme.

According to author Laveena D'Costa et al [5], in this paper they are applying machine learning algorithms to determine the true value of cars when selling them to the dealers. They have used multiple linear regression model by dividing the data into training and test. Vehicle price forecast is both a critical and significant job, particularly when the car is used and does not come directly from the factory.

V. PROPOSED SYSTEM

In this, we will apply suitable/best fit algorithm to predict car price. The most necessity ingredient for prediction is brand and model, period usage of vehicle, mileage of vehicle. Different features like year of manufacture, fuel type, transmission type, dealer type, etc. will also influence the vehicle price. Here we will see algorithms like Linear Regression, Lasso Regression, Support Vector Machine (SVM), Random Forest and then choose best fit algorithm. Model is built according to best fit algorithm and then deployed.

Algorithms**1. Linear Regression-**

In statistics, linear regression is a linear approach for modelling the relationship between a scalar response and one or more explanatory variables (also known as dependent and independent variables). Simple linear regression is used when there is only one explanatory variable, and multiple linear regression is used when there are numerous explanatory variables.. This term is distinct from multivariate linear regression, where multiple correlated dependent variables are predicted, rather than a single scalar variable. Regression coefficients as observed in the dataset are provided via linear regression.

2. Lasso Regression-

Least Absolute Shrinkage and Selection Operator is referred to as "LASSO." It is a statistical algorithm for selecting features and regularising data models. The lasso regression analysis method in statistics and machine learning combines variable selection and regularisation to improve the predictability and understandability of the produced statistical model. Similar to linear regression, lasso regression employs the "shrinkage" strategy, which involves reducing the coefficients of determination until they are zero. To prevent overfitting and improve their performance on other datasets, you can reduce or regularise these coefficients using the lasso regression method.

3. Support Vector Machine (SVM)-

SVM is one of the most popular Supervised Learning algorithms, which is used for Classification as well as Regression problems. The goal of the SVM algorithm is to create the best line or decision boundary that can segregate n-dimensional space into classes so that we can easily put the new data point in the correct category in the future(hyperplane). SVM selects the extreme vectors and points that aid in the creation of the hyperplane. Support vectors, which are used to represent these extreme instances, form the basis for the SVM method. The challenges of utilising linear functions in the high-dimensional feature space can be overcome using SVM.

4. Random Forest Regression-

Random Forest, as the name implies, is a classifier that uses a number of decision trees on different subsets of the provided dataset and averages them to increase the dataset's predictive accuracy. Instead of relying on one decision tree, the random forest takes the prediction from each tree and based on the majority votes of predictions, and it predicts the final output. It is called a Random Forest because we use Random subsets of data and features and we end up building a Forest of decision trees (many

trees). As we employ several subsets of data in each model to produce predictions, Random Forest is another well-known illustration of a bagging strategy.

Methodology:

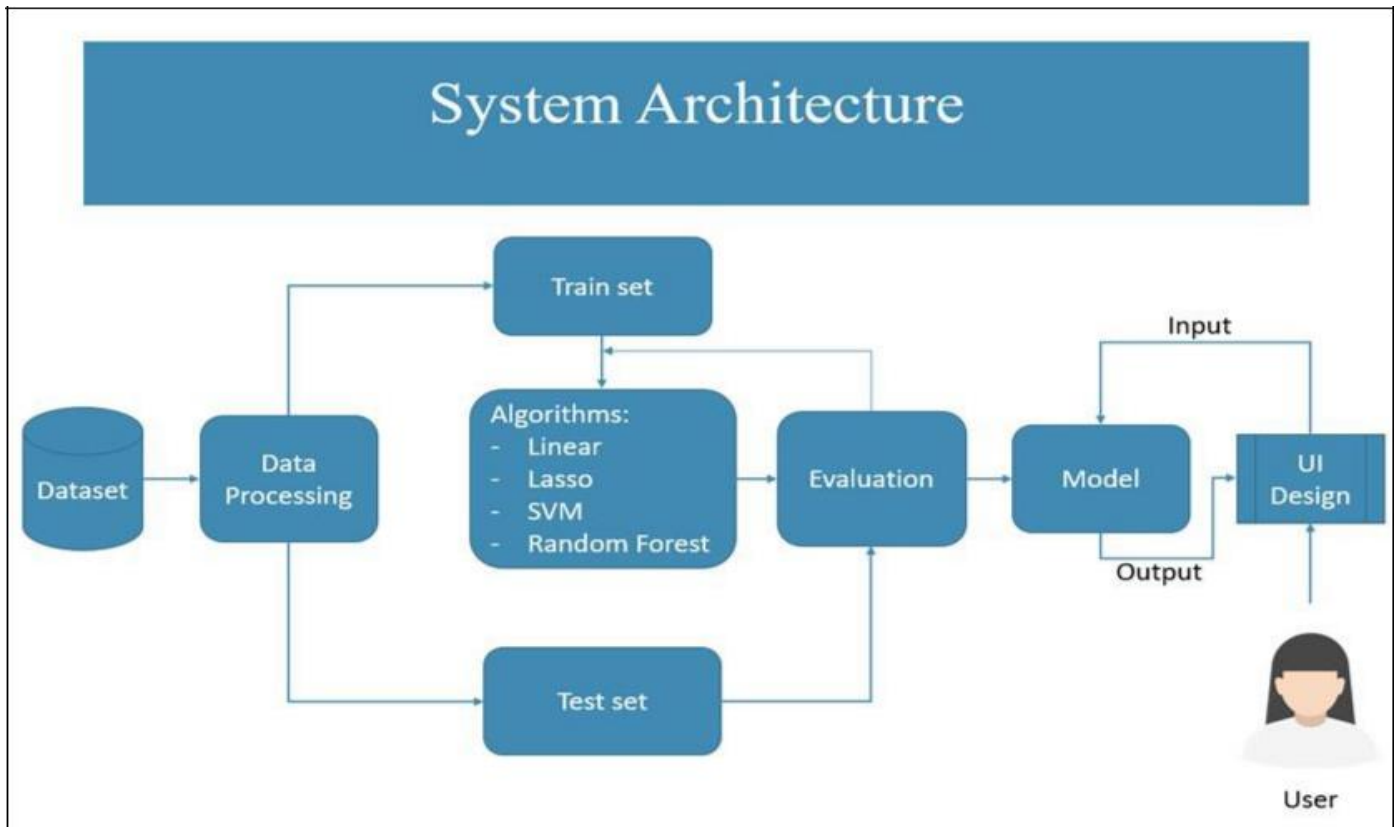


Figure V.(a) System Architecture

Data Flow Diagram:

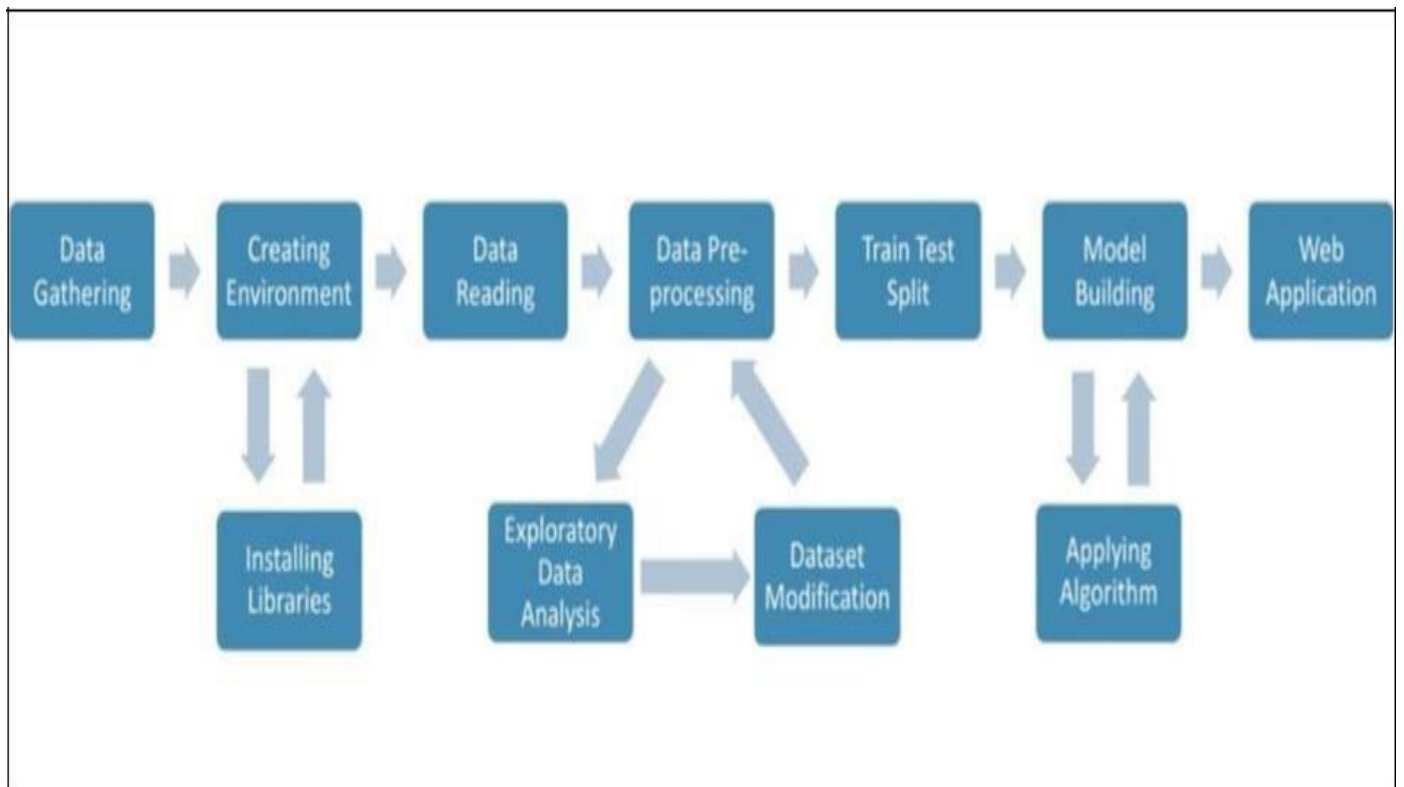


Figure V.(b) Data Flow Diagram

System Requirements

Hardware requirements

- Operating system- Windows 7,10,11
- Processor- dual core 2.4 GHz (i5 or i7 series Intel processor or equivalent AMD)
- RAM-4GB

Software requirements

- Python
- Jupyter Notebook
- Pycharm / Spider
- Chrome
- Flask
- Xampp

VI. ACKNOWLEDGMENT

It gives us great pleasure in presenting the preliminary project report on 'Used Car Price Prediction Using Machine Learning'. We would like to take this opportunity to thank our internal guide Prof. D. A. Gaikwad for giving us all the help and guidance we needed. We are grateful to them for their kind support. Their valuable suggestions were very helpful.

We are also grateful to Prof. V.V. Kalunge, Head of the Information Technology Department, JSPM's Jaywantrao Sawant College of Engineering for his indispensable support, suggestions. In the end our special thanks to Prof. V.V. Kalunge for providing various resources such as laboratory with all needed software platforms, continuous Internet connection, for Our Project.

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