Abstract

Valuation of used cars, affected by various technical attributes and information asymmetry, is the key objective of all agents operating on the automobile market. This thesis, focusing on a hedonic price analysis, aims to determine basic as well as additional attributes as determinants of a used car market price. In addition, the analysis sheds light upon novel attributes (service records, cigarette smoke pollution of a vehicle interior, selling channel factor in the e-commerce environment, and a German geographical division). The hedonic price research uses the unique data sample of the German used car market, extracted from the database of the e-commerce platform AutoScout24 comprised of almost 51 thousand vehicles and 57 attributes. The model selection is specified by the incorporation of the Bayesian model averaging approach. The research proves the complexity of a valuation of a used vehicle in a term of a substantial number of relevant variables. The most interesting innovative conclusions are non-significant effect of selling channels and small local price differences among two German regions. Remarkable are also the significant effect of the status of previous owners, bodywork colour, and smoke pollution. The estimated vehicle lifespan of 10 years shows that cars have shorter than generally accepted lifespan.

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Keywords	market for used cars; used car prices; hedonic price analysis; Bayesian model averaging; Germany
Title	What is My Car Worth? Hedonic Price Analysis of the German Used Car Market