

Abstract

The market of used cars in Czechia, generating an annual turnover over one hundred billion Czech crowns, is visited by hundreds of thousands of people a year and a similar number of used vehicles are sold there. This work tries to find and appropriately evaluate the main determinants that set the price of a used car in Czechia, and thus, among other things, increase buyers' awareness. Multiple linear regression (MLR) and the ordinary least squares (OLS) method were used to estimate coefficients indicating the effect of a given variable on the price. This study uses a unique dataset, which was obtained from the Czech online marketplace advertising used cars Sauto.cz, containing all available information about more than 55 thousand used cars from 34 different car manufacturers. According to the assumptions, the importance and negative effect of variables indicating the number of kilometers driven and the age on the price of the used car was confirmed. Other important parameters that, on the other hand, have a positive influence on the price of a used car are the elements of additional equipment. Higher price of used cars from German manufacturers compared to competing manufacturers was also confirmed and, conversely, cars from carmakers from America or Asia were found cheaper. As a huge number of variables were found, it can be stated that a used car is a very complex product, and its correct valuation is a really is a really demanding process.