

## **This One Car Color Could Earn You More Cash at Resale—Find Out How!**

**By Arnav Dashaputra**

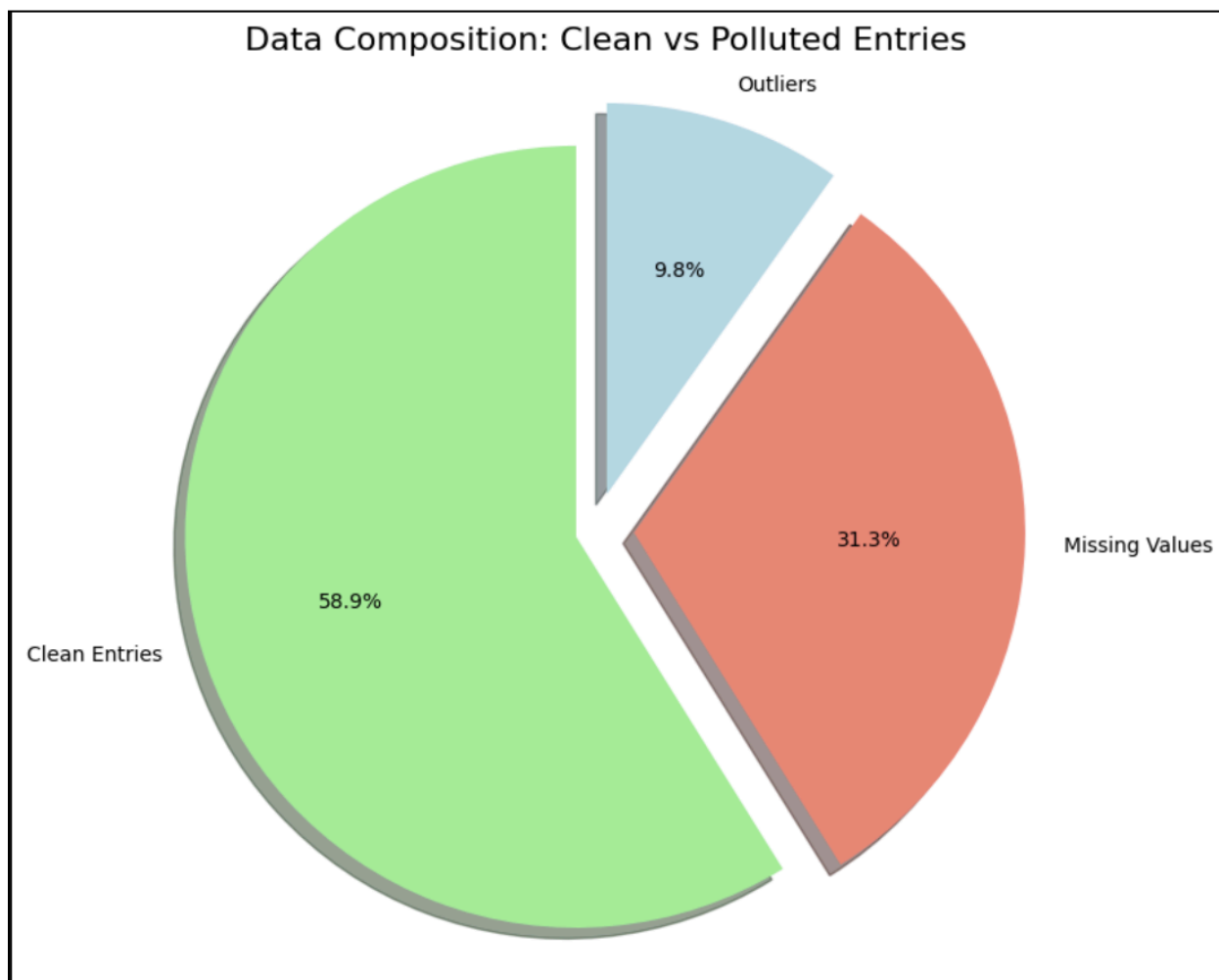
The used car market can be considered, simply put, a nightmare. Prices all over the place, confusing ads, and the constant fear of overpaying. Like most people, I thought resale value was mostly about mileage, make, model, and condition. But after digging through endless listings, I noticed something strange — cars that were nearly identical in these factors had surprisingly different prices. That's when I stumbled upon an overlooked factor: color. Most people choose color based on preference, but data proves it does much more than that. Certain colors consistently fetched higher prices than others, suggesting that car color plays a much bigger role in resale value than most people would think.

In this report, I delve into the resale value of cars based on their color. I'm not just talking about trends or assumptions – I analyzed a dataset from Craigslist that includes upwards of 400,000 listings for used cars and trucks, and I cleaned up the data to get to the real impact of color on resale prices.

### **Data Preparation: Cleaning Up the Craigslist Listings**

Before I could begin my analysis, I had to clean up the dataset. As with most datasets sourced from public listings, this one had a large percentage of problems. Most of these problems were related to Craigslist's users, not Craigslist themselves - I found a mix of misspellings, inconsistent color names, and outliers that skewed the data.

For instance, color names like “grey” and “gray” were listed separately. I standardized all the color entries to make sure the analysis was clean, and I also removed outliers, such as cars priced unusually high or low for their make and model, saving any potential distortion to the results. These corrections were necessary to ensure that my findings would be accurate and applicable in the real-world market.



As seen above, a whopping ~40% of data had either unreasonable data values, marking them as outliers, or simply did not have enough information in the listing to be considered fit for use.

## **The Hypotheses: What I Set Out to Test**

Now with a clean dataset, I developed two key hypotheses. First, I wanted to test whether certain car colors do indeed correlate to a higher resale value. Second, I wanted to explore whether specific colors tend to have more consistent resale value over time or not (meaning they depreciate slower than other colors).

The first hypothesis tested the relationship between car color and price using a permutation test. This checks if there is a statistically significant difference in resale value between different colors of cars. The second hypothesis looked into how stable a color's value remains over periods of time. This way, I could check if certain colors hold up better in value over time compared to others.

## **The Color Resale Value Breakdown**

The results of my testing and analysis were fascinating. I found that some colors consistently stood out as top performers in terms of resale value:

### **1. Neutral colors are the move.**

Cars painted in neutral colors like white, black, and silver tended to retain their value better.

White, in particular, led some of the best resale prices across all car types. It's a color that's universally appealing and tends to hide wear and tear better, which might explain why it does so well. White cars are also cited to be the safest color car to drive, as they are the easiest to see in hazardous conditions and at night.<sup>1</sup>

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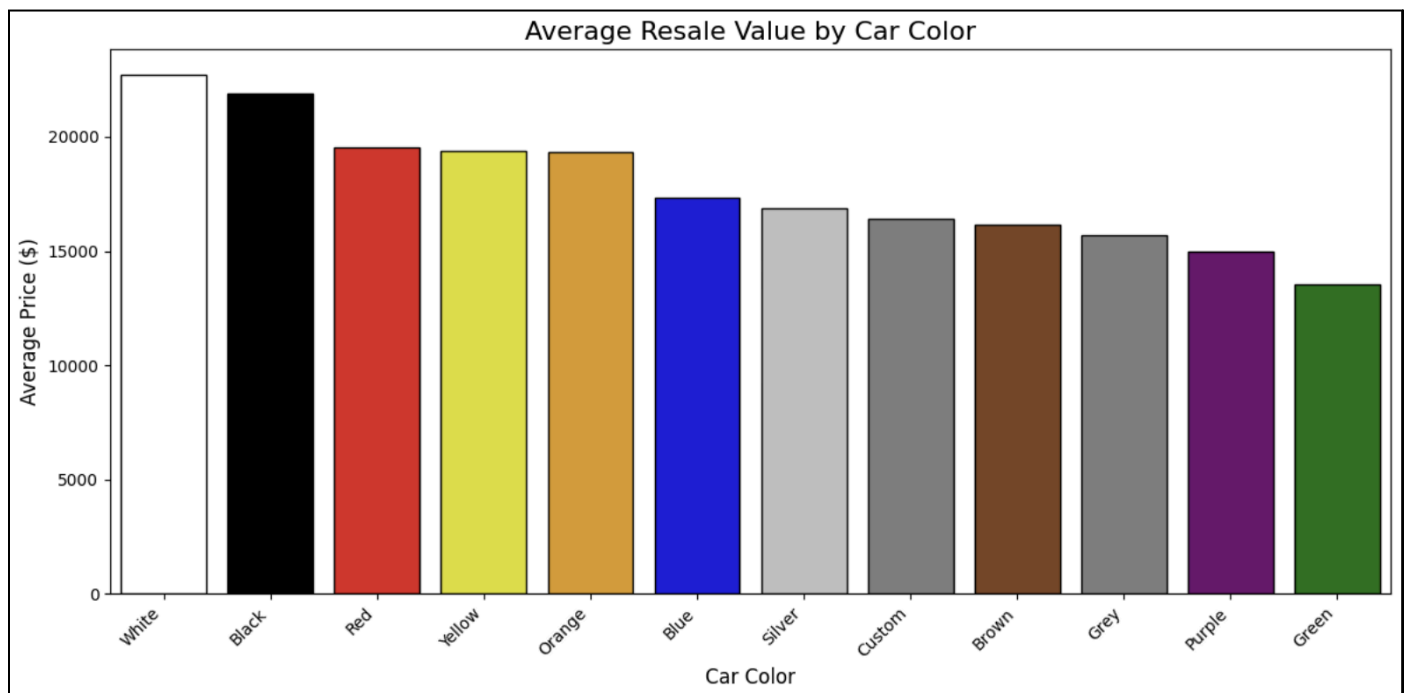
<sup>1</sup> I wanted to include this fact for fun - <https://living.acg.aaa.com/auto/does-car-color-matter>

2. Bright colors are riskier for resale.

On the other hand, colors like yellow and orange, while eye-catching, tended to have lower resale values. These colors tend to appeal to a niche audience, which limits your buyer pool when you go to resell. They may look great when you're driving off the lot, but they could cost you in the long run.

3. Red is surprisingly strong

Red cars, often associated with sportiness and performance, came out better than I expected. Red cars had higher resale values than many of the less common colors like green or purple. I was surprised to see that despite the similarities, white cars beat the sales of neutral colors like silver, custom, and gray by a large margin.

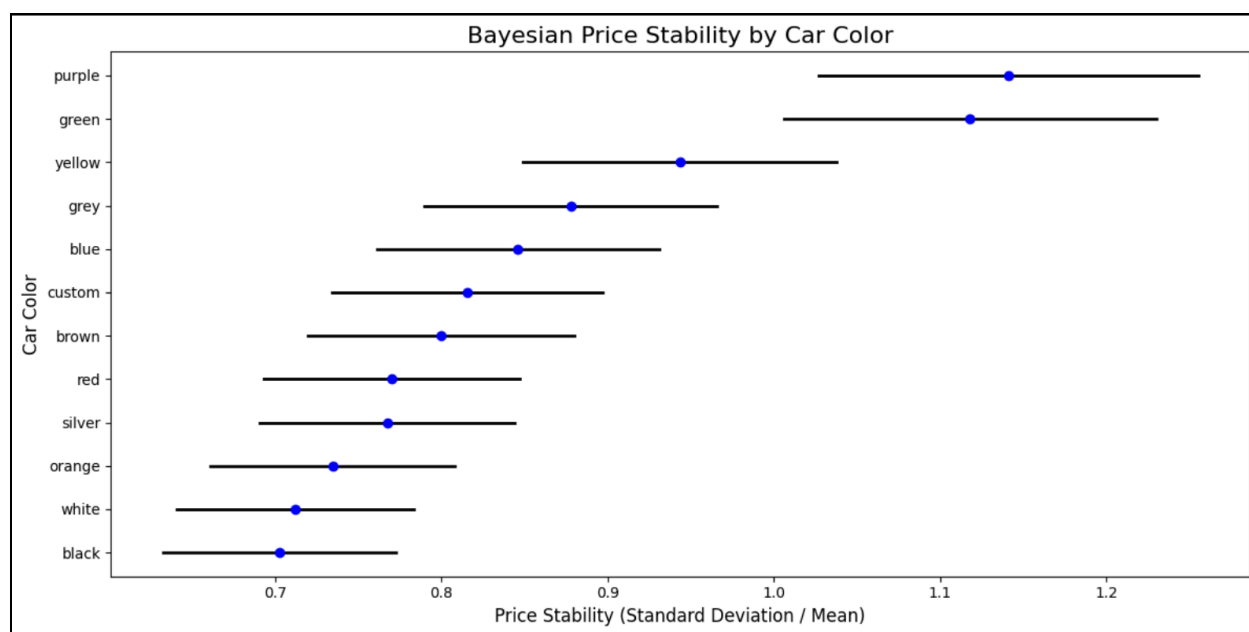


## **Bayesian Analysis: Finding Hidden Insights**

I also conducted a Bayesian analysis to dig deeper into the data. What this allowed me to do is factor in the uncertainty around the data and generate a broader understanding of which colors are the best for resale value.

The first Bayesian analysis compared the probability that a car of one color would sell for more than a similar car of another color. Unsurprisingly, the most neutral colors—white, black, and silver—came out on top. The probability distributions showed that these colors had the highest likelihood of being at the higher end of resale prices.

The second analysis evaluated how car color affects price stability. For buyers who plan to hold onto their cars for a while before reselling, price stability is key. White and black cars again performed well, showing relatively stable price depreciation over time. Bright colors, as expected, had more erratic depreciation, which suggests they're riskier choices if you're thinking about resale.



As seen above, cars with black and white colors have the most stable resale prices, meaning they generally sell for consistent values without much fluctuation. However, less common colors show high variability, meaning that their resale prices are more unpredictable. Overall, if you're looking for a safe investment with steady resale value, stick with neutral colors like black or white..

### Why These Results Matter for You

If you're planning to buy a car with the intention of reselling it later, the color you choose can make a significant difference in how much money you get back. Based on the findings from my analysis, here's what I'd recommend:

1. Go neutral for maximum resale value.

If you want to play it safe, stick with white, black, or silver. These colors appeal to the broadest audience and consistently hold their value well.

2. Avoid niche colors unless you're okay with a smaller market.

If you fall in love with a yellow, orange, or green car, just be aware that these colors might not appeal to as many buyers when you're ready to sell. You'll likely have to accept a lower price, or it might take longer to find the right buyer.

3. Red is a good middle ground.

Want something a little sportier but still want decent resale value? Red cars are a solid compromise. They're eye-catching but still perform better in resale than other bright or niche colors.

### **Conclusion: What Color Should You Buy?**

The bottom line is that color matters a lot more than you might think when it comes to resale value. Based on my analysis, white and black cars are your best bets for getting top dollar when you decide to sell. While some niche colors might be fun in the short term, they often come with a resale penalty down the road. So, the next time you're in the market for a car and want to make sure you'll get a good price when you resell, choose your color wisely!

<https://www.kaggle.com/datasets/austinreese/craigslist-carstrucks-data/data>