**Executive Summary**

Car use within Sweden has steadily increased over time. Constant innovation has led to a diversification of the types of cars that are on the road. Electric and hybrid cars are becoming the primarily produced type of car, and diesel and petrol cars are being phased out. These two groups of cars are therefore characterized quite differently. Electric and hybrid cars tend to be more expensive, **but how do we identify what it is that truly decides price?** The age of the car, mileage, horsepower, model – what fuel it uses? All are important variables to consider when we try to predict the price that a car will sell for.

This is what this report sets out to achieve, by building a model that can accurately predict listed prices on the website blocket based on several key characteristics. With a sample size of almost 800, a model is trained that will predict the listed price of cars to the best of it’s ability, and thereby identify which variables are important to price prediction.