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In the end, the decision to buy new or used boils down to what you can afford and what will give you peace of mind.

If you're on a tight budget, then buying a used car gets you the most vehicle for the least amount of money. You can count on one hand the number of new cars that list for less than \$10,000. That buys you a tiny car, probably with two doors and certainly with a manual transmission instead of an automatic, no air conditioning, a lack of safety features and few other common amenities.

For less than half the price of the average new car, you can buy a three- or four-year-old used vehicle that is larger and loaded with more features than the small, bare-bones new one. But buying a used vehicle has its risks, which could cost you more over the life of the vehicle. The fact is, you are buying a vehicle that someone else has owned and driven. You don't know how it's been driven or how well it's been cared for. A used vehicle will require maintenance and possibly expensive repairs far sooner than a new one, and these repairs probably won't be covered by a warranty.

The Case for Buying New

Auto story

Written by Administrator Sunday, 17 April 2011 20:13 - Last Updated Sunday, 17 April 2011 20:18

For some people, buying used isn't an option; they want a brand spanking new car. They want to select the color and all of the features that go on it. There's definitely a pride of ownership and peace of mind in being a vehicle's first owner. Some of a new car's advantages include:

- **reduced maintenance:** A new vehicle won't need maintenance for the first several thousand miles, and then only an oil change and tuneup are required. Some manufacturers even cover the cost of those routine maintenance items. The new vehicle likely won't need new tires, a battery, exhaust system or brakes during the first few years of ownership or longer.
- warranty coverage: The manufacturer covers its new vehicles under warranty for at least three years, and some warranties last even longer. Many luxury makes now offer warranties of four years and 50,000 60,000 miles. With manufacturer warranties, if something goes wrong it's the responsibility of the dealer and manufacturer to fix it.

In addition to comprehensive warranties, automakers provide warranty coverage for both corrosion resistance and powertrains. Many manufacturers offer coverage beyond three years/36,000 miles, the previous norm. It's good to keep in mind that if you buy these vehicles used, what's left of the warranty may not be fully transferable.

- **peace of mind:** If you encounter problems with your new car, you have legal recourse through state lemon laws offered in all 50 states. If you can prove that your new car is a lemon, you could receive a replacement vehicle or get your money back. Lemon laws apply only to new cars. You also can find out if your vehicle was returned to the used-car market as a lemon by looking at the vehicle's title and using a free look-up service provided by Carfax.
- **roadside assistance:** In addition to a comprehensive warranty, virtually all mainstream new cars and light trucks come with free roadside assistance while the vehicle remains under warranty, and, in some cases beyond. Only exotic car makers do not provide roadside assistance. In addition, some automakers reimburse you or provide alternate transportation if you get stranded far from home. A few manufacturers, including Audi, BMW, Lincoln and Volkswagen, offer free routine maintenance during the first couple years of ownership. These generally cover oil changes and tuneups.

The Case for Buying Used

If you're not married to the idea of buying a new car, used vehicles have their own benefits:

- **increased choice:** Both new and used-car dealers are feeling the side effects of a tough economy. The positive side of this is that consumers win in a bear market; as dealerships close prices of large, used SUVs and even midsized cars are down, and there should be more

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vehicles on lots due to slowing sales.

- **improving reliability:** Although used vehicles typically don't carry the same warranties as new ones, the original factory warranty on a new car is transferable to a second owner, usually at no charge. Buyers of certified pre-owned cars from an authorized dealer can purchase a late-model used car with the original warranty and then choose to add to it. The combination of a glut of late-model used vehicles, the greater reliability and durability of vehicles, and the availability of warranties make buying a used car less of a gamble.

just like new: Another trend that makes buying used a better option is the proliferation of certified pre-owned programs. The idea started with luxury brands such as Lexus and Mercedes-Benz and has become a popular alternative for car buyers.