

Buying a Pre-owned Vehicle From an Auto Dealer Has Its Advantages

BY DOUG SCANCARELLA
SPECIAL TO CONSUMER GUIDE AUTO

Historically, a stroll through any major automobile dealership meant getting an impressive view of long rows of gleaming, brand new, buyer-tantalizing vehicles ... and relegated to some more obscure spot on the lot, as almost an afterthought, was a relatively small fleet of "used cars."

It seems that used cars have always had second class status for both car sellers and the car-buying public — understandably so. The prestige, lack of potential service problems and the ability to get the latest model always seemed to capture the fancy of car buyers. Consequently, auto dealerships focused most of their time, energy and resources selling bigger-ticket items on the lot.

But in spite of this business ap-

proach, sales of used cars have always accounted for a large percentage of cars sold annually in the United States.

Why?

Cost.

The initial cost of buying a used car is usually significantly less than the initial cost of buying a new car, with the previous owner of the used car taking the loss in monetary value due to vehicle depreciation.

In recent years however, the used car has been elevated to "pre-owned" and "certified" status, with prospective buyers in search of a bigger, wider inventory due to the uncertainty of current economic times.

In the past, the used-car buying experience in many instances meant raising the hood, kicking the tires and crossing your fingers as you drove your "new" car off the lot. Today, dealers thoroughly inspect trade-ins for damage and make re-

pairs before putting them on their pre-owned lots, and, depending on the age of the vehicle, most are sold with limited or extended warranties.

These changes have made it considerably easier for dealers to sell pre-owned vehicles. So much so, in fact, that pre-owned car and truck sales nationwide outstrip new vehicle sales by more than two to one. More than 43 million used vehicles changed hands last year. Nearly half were sold at dealerships

The key reason for buying a certified, pre-owned vehicle is that unlike buying a used car from an individual, those sold by a dealership have been inspected, repaired and come with a warranty. Most dealers also offer a Carfax report with every pre-owned sale that lists the vehicle's ownership history, odometer reading and accident reports.

The price of the pre-owned vehicle tends to rise to defray the cost of those perks, but the higher price is offset by buyerpeace of mind.

"Buying a certified, pre-owned vehicle has become very popular," said Ken Mularczyk, general manager of Ken Smith Lincoln Mercury in Ridge-wood. "People seem to feel safer going that route because they know

that they can save money and get a car that has been inspected, repaired and comes with a warranty."

The slumping and uncertain state of the economy, volatile gas prices, and much tighter loan standards have also made certified, pre-owned cars attractive. Consumers are concerned about the sinking value of their homes and savings, and the possibility of losing their jobs, which has resulted in the postponement of buying big-ticket items like new cars.

Dealers are hardly abandoning the new car business. But many say that they are just as happy if customers take home a pre-owned car.

"If you sell a pre-owned car and the customer is happy, they are likely to return of service, another pre-owned vehicle and maybe at some point a new vehicle," Mularczyk said. "At the very least, you are increasing foot traffic.

"There is legitimacy to buying a pre-owned, certified car. Years ago, that was not necessarily the case. It is quite tempting to buy a relatively young, gently used car that has been inspected. That takes the uncertainty out of these transactions. That's the peace of mind most people are looking for."

