

# New or Used?

A lot of new things are happening in the used car market.

As many as 45 million "previously-owned" vehicles will be sold in the U.S. this year. That's three times the size of the new car market. But what's changing lately is the quality of the vehicles rolling onto used car lots. Sure, you can still find some creaky old hulks guaranteed to give you trouble. But you'll also find a lot of two and three-year-old off-lease vehicles that have been well maintained and carry extensive, like-new warranties.

"The risk of buying a new car has gone down," says auto industry analyst David Andrea, of Detroit's Roney & Co. "You have newer, better products to choose from, and in many cases, the warranties to support them."

Take General Motors' new Certified Used Car program. It's designed to promote GM products that are less than four years old with no more than 60,000 miles on the odometer. Every vehicle that qualifies is put through a 110-point inspection and repair program. Worn brakes are fixed, tires replaced, dings filled and repainted, explains Tom Williams, general manager of Lou Fusz Buick in St. Louis. His dealership spends an average \$800 to prepare a previously-owned car carrying the Certified sticker, twice as much as the other used vehicles on his lot. Then they're backed by extended factory warranties with the same breadth of coverage as if they were new. To wrap up the package, GM throws in a three-day, 150-mile, money-back guarantee. "We want the customer to feel as much as possible like they got a new car," says Williams.

GM's Certified Used Car program isn't completely unique.

Vehicles covered by the Lexus used car program get an extended warranty and a roadside assistance program. There's also six months of free basic service tossed in, including the first oil change—the same as you get with a new Lexus. BMW's program even throws in trip interruption protection. Break down when you're more than 100 miles from home, and the automaker will pop for a hotel, a rental car, even airline tickets, if that's what it takes to get you to your destination.

Be aware that all those extras are likely to be passed on in the price tag. Vehicles that go through certification programs, such as GM's, are usually more expensive than comparable cars without the inspection-and-repair work. For a car that's gone through the Lexus Certified Pre-Owned Program, you could pay as much as \$1000 more. But company officials stress that you're likely to recover those savings in the form of lower repair bills.

So shop carefully. Indeed, the best advice you can get when you shop for a used car is "buyer beware," and that

applies whether you're shopping at one of the 500 dealers participating in the GM program or buying a car from a family friend. Some common sense guidelines will help you separate the "creampuff" from someone else's cast-off lemon.

"The cost of owning and operating a used car will be 50 percent less than that of a new car, primarily because you're not absorbing the tremendous, first year of depreciation," says consumer activist Jack Gillis, author of the "Used Car Book." "The downside is that you have to do more homework."

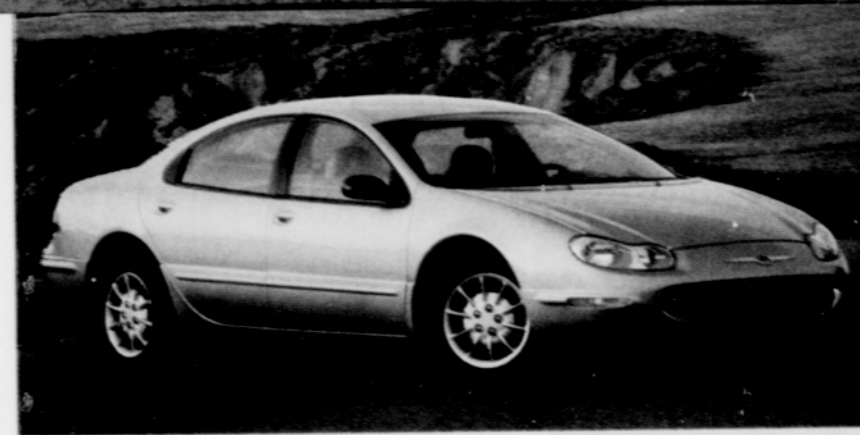
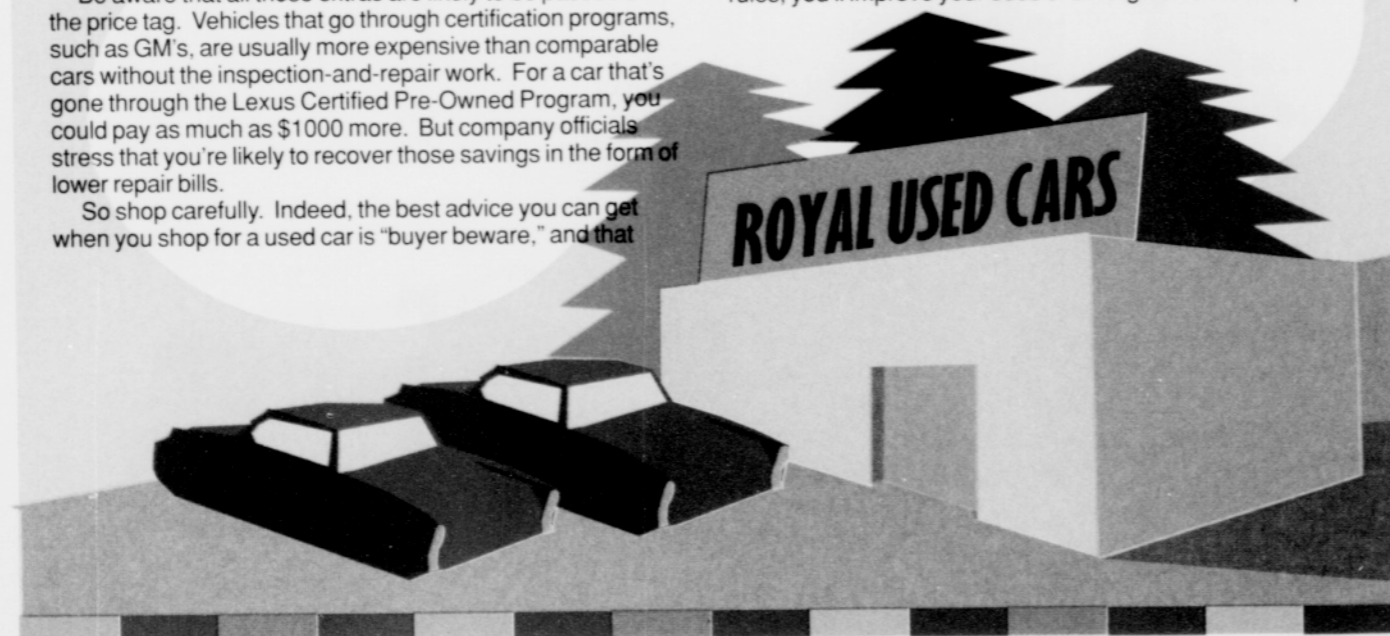
There are some tip-offs to trouble, says Gillis. Look for rust or things like unevenly worn tires, which could suggest problems with the car's suspension. Check under floor mats and the carpeting in the trunk, and let your nose tip you off to mold or mildew. Always take a test drive, and give the car a "stress test," by jouncing it over some rough potholes. In the process, make sure everything works. Turn the radio on, and if there's a cassette player, pop in a tape. Even if it's the middle of summer, turn the heater all the way up, then the air conditioning all the way down.

If available, ask for the car's service record to see if it's been carefully maintained. Regular oil changes are critical, though today's cars seldom need full tune-ups. Check the title closely to see if there are signs of altered information, and if the numbers on the odometer don't line up. Be careful: The mileage might have been rolled back.

Finally, if you're comfortable with the car, take it to your own mechanic for a closer inspection. It's the best way to discover hidden problems, like a failing water pump or a faulty transmission. "The \$65 to \$70 you're likely to spend is your best warranty," Gillis emphasizes.

Obviously, some brands are more reliable than others. Gillis says that "as a group, Japanese cars typically hold up better, but they may not necessarily be a better value," because they typically cost more than a comparable domestic model.

There's no way to ensure that two otherwise identical cars will be in the same condition. But by following a few logical rules, you'll improve your odds of driving home a creampuff.



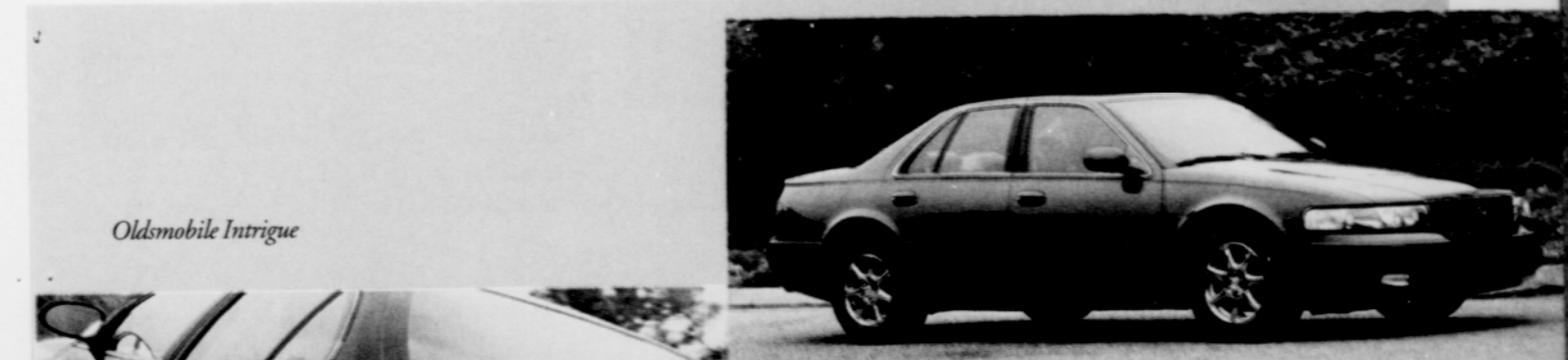
Chrysler Concord

LHS. The Chrysler 300M sedan, a sporty, slightly downsized version of the Concorde, is also scheduled to make its model debut soon.

Chrysler has offerings aplenty from the truck side, too. Look for the Quad Cab Ram, the industry's first dual rear quarter doors. The new Dodge Durango, hailed by Chrysler designers as a "smart-sized" compact sport-utility vehicle with more power and the capability to accommodate three rows of seats and up to eight passengers with room for luggage.



Dodge Durango



Oldsmobile Intrigue



Cadillac Seville STS