

Advice on Buying a Used Car

By Glenn Kenadjian, China Outreach Ministries Staff, University of Minnesota

1) To figure out what a used car should cost approximately, I recommend you go to www.edmunds.com. You can look up any make and year of car within the last 10 years. It will give you the average retail price (what a dealer will likely sell it for), and wholesale/trade in price (what a dealer will pay to get the car). If you buy from a dealer, you would not want to pay over the average retail price, and if you buy from an individual, you should expect to pay IN BETWEEN the wholesale and retail price. (In America, negotiating the price of a car is normal.)

This web site will also tell you how to adjust the price according to high and low mileage on a car and extra features a car might have.

They have other helpful information at this site also. A different web site for looking up prices is www.kbb.com, which is mainly helpful when you have seen a specific car and you want to check the average price for it in your region.

Also keep in mind that whether you buy a car from a dealer or an individual, in many states, you will also need to pay tax on the car. Also consider that to operate a car, besides gas costs, you will need to pay the costs of auto insurance (usually required), an annual registration fee, and some repairs.

2) Before you finalize purchasing a car, I recommend ALWAYS having a mechanic inspect it first. You may have to pay \$40 to \$125 to do this, but it is well worth it, especially if you are going to be spending at least \$1,000 on a car! I know a Chinese woman who paid \$2,500 for a Honda several years ago, did not have it inspected, and a month later the engine caught fire and she lost all her invested money! If the mechanic finds major problems, you will not want to buy it, and if there are medium expensive problems, you can usually renegotiate the price. (However, all used cars will have some small problems and you will not want to worry about those too much.) A seller should agree to have a car inspected before completing the sale. If they do not agree, I would not buy it from them.