



## Keep your old Car or Buy a New One

It may shake and shudder, but your despised old car may be the best bargain around. Here are some facts on keeping your older vehicle running and knowing when it's really time to upgrade. Let's divide the car-buying world into two categories:

Category 1: People who keep a car until it drops. Almost any car can be nursed to 300,000 kilometers, if properly maintained. Downside: regular repair bills.

Category 2: People who buy new vehicles for trouble free driving. The 16 million or so new cars that people buy every year instantly become used cars available at a considerable discount to those in category 1. Downside: no guarantee for trouble free driving. Warrantee may cover repairs but speaking from experience, sometimes you have to convince the dealer there is a problem. Hearing the phrase "they're all like that" may cause undue stress.

Whether you're a "drive until it drops" vehicle owner or somewhere in between read on. We all look at ways to keep our cars on the road longer and realistically weigh the costs of upgrading.

**Those repair bills are really adding up.** Then do the math. Does the cost of repairs exceed the cost of a new car? A typical new car is \$21,000, about \$450 a month for five years after 20% down. A rebuilt transmission might run \$2,500, a huge outlay in one chunk, but far less than the \$5,400 a year you could spend on new-car payments alone. If you can't afford repairs twice a year, it's unlikely you can afford a new car payment every month. In any case, anybody with a car older than three years should be tucking aside \$100 a month for repairs and maintenance. If you're lucky you'll never use most of it and you'll have a tidy sum to blow on your next car.

**I'm nervous driving an older car.** Maybe little things are beginning to go: a new thermostat one month, a starter the next. You might simply spend \$80 on an auto club membership and carry a cell phone, reminding yourself that even new cars are not immune to mechanical failure. The upside of frequent breakdowns is that you'll get to know your automotive technician quite well. Find one you like and the next time he fixes your car; ask him to take a few minutes to see what else will need repaired soon. This way you can prepare yourself for what's ahead.

**Never skimp on maintenance.** Pay special attention to the things that will cost you a fortune if they break. That means servicing the engine with regular tune-ups, rotating the tires for longer wear. Most imports have timing belts that can cost up to \$600. Replacing one, for no other reason than the odometer turning 100,000 km might seem wasteful but let one break and you'll find that repairing bent valves could cost you five times that. Replacing torn CV boots costs about a third of the cost of repairing a CV joint. Follow your owner's manual for all recommended service schedules.

**The repair costs more than the car is worth.** A \$3,000 engine rebuild that keeps your car on the road an extra 2 years may still makes good financial sense. However, you must consider the condition of the whole vehicle. Is the body without holes? Are the fuel lines and brake lines in good condition? Is the transmission healthy? Now you're at a point where you may begin to think about upgrading.

**Am I ready for a newer car?** Now ask yourself how much am I willing to spend on payments, insurance and licensing fees each year? Sooner or later, every new car becomes a used car and will require more frequent repairs. A typical car payment of \$450, adds up to more than \$1,300 in just three short months or should you use that \$1,300 and limp along with that older model for another year.

When shopping for a replacement vehicle, look for a lower mileage vehicle. Stay away from exotic and



specialty vehicles as they usually cost more to maintain. There are lots of good lease return vehicles available. The popular makes are usually good buys. Always have your automotive technician inspect the vehicle before you decide.