

Luxury bargains at the used car lot

High-end car prices keep coming down

This 2001 Lexus LS 430 comes with a three year, 100,000 mile bumper-to-bumper warranty, and 24-hour roadside assistance -- all for \$45,000.



CNBC

By Sharon Epperson
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April 22 — You don't have to be wealthy to get a high-end car these days. In used car lots around the country, luxury car bargains abound.

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USED CARS AREN'T LIKE they used to be — “pre-owned” is the politically correct term today. And when it comes to high-end, luxury vehicles, the inventory looks as pristine as new models.

“This 2001 Lexus LS 430 comes with a three year, 100,000 mile bumper-to-bumper warranty, 24-hour roadside assistance,” says Pat Zenowitz, sales manager at Lexus of Englewood, N.J.

“It’s almost a new car, except this particular model is \$45,000. A new one, comparably equipped is \$59,000 or \$58,800.”

When we went to this Lexus dealership in northern New Jersey the sales staff assured us that buyers won’t see much

difference in the way the car drives or the maintenance it needs. But there's certainly a big difference in the price — more than a \$13,000 difference.



The same is true of the luxury car market nationwide. The difference in price between new and used cars is greater than it has been in years..

The selling price of a 2000 luxury vehicle fell 17 percent in March 2003 compared to last year. That price drop has outpaced the entire used car market where

prices have fallen less than 15 percent in the past year.

So what is fueling the discount? Lexus' Zenowitz says it's simple economics.

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“They’re delivering a lot more value because three or three-and-a-half years ago a lot more cars were leased. Now they’re coming off lease and going into the market at an incredible price. The reason: supply and demand.”

Breaks on financing are also bringing in consumers for luxury car bargains. A year ago only two automobiles had subsidized financing rates for certified pre-owned vehicles, according to cars.com. Today, 18 are offering discounted financing and 11 of them are on luxury names.

“So, for instance, if you get an Audi or a Saab you can get like 4.9 or 3.9 [percent] financing,” says Mary Butler, senior editor of cars.com “You are getting the used car value, you are getting the manufacturing warranty, and you are getting the discount financing, so all around it is a win for the consumer.”

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