Buying a Used Car: the Debate between Dealers and Private Sellers by Alan Richardson

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Introduction:

Purchasing a used car in the past used to be all about dealerships. Unless you had a friend that was selling their used car, you really couldnâ€™t reach that many sellers. But with the posting of classified ads, specialty magazines and now with the internet, private sellers have found a niche where they could attract more people to buy their cars.

Each option has its own advantages and disadvantages though. And it will be worth your while to mull over these before you make your choice. Learn about the different pros and cons of each in the quick guide below.

Private Sellers:

Most often these are the owners of the cars, theyâ€™ve driven them before but they may not necessarily be the first owners. Take note that there are private sellers that buy-and-sell of cars on the side or as a business. They donâ€™t deal in bulk like dealerships though and they mostly have the cars at their house.

You can find a lot of private sellers online, in the classifieds or when youâ€™re looking for a particular kind of car, in specialty magazines or websites. You can often join an internet forum as well for car clubs. Here youâ€™ll be able to find people who are also selling their cars.

Advantages

Car Age - The car probably hasnâ€™t been sitting in the lot for a long time.

Car Condition and Documents â€“ youâ€™ll have a better chance seeing the carâ€™s maintenance histor Good owners always keep good records and you can speak to them firsthand about the car history.

Lots of options â€“ you can find many sellers, most search functions in a website can narrow it down further for you to make, model and year.

Disadvantages

Risk of not being able to return â€“ fly-by-night sellers are still a problem, so always be careful as you may not be able to get your money back for a bum deal.

Cash basis only â€“ since these are private sellers they usually only deal with cash or cashierâ€™s checks and credit is mostly out of the question.

Competition â€“ youâ€™re not the only one buying and looking, and if you want to buy that car, you usuall need to do it quick

Dealerships:

Advantages

Lots of Options â€“ in any used car lot, youâ€™d find several cars to choose from. These have a wide range of year, make and model so youâ€™ll be able to take your pick.

Competition isnâ€™t an issue â€“ unless youâ€™re buying a specific car of course. But if youâ€™re just lo around for a reliable used car, you usually have more than three to choose form in the lot. You wonâ€™t lose out on competition in other words.

Financing â€“ while it isnâ€™t the best financing deal out there, itâ€™s still an option to take. For those wit ready cash and canâ€™t get a bank loan, this option can prove to be the only one to take.

Disadvantages

Lemons â€“ some unscrupulous dealerships may try to remove lemons or bad cars as soon as possible. Theyâ€™ll offer low prices and even disguise problems so they can get rid of a car quick.

Return Policy â€“ this can vary from dealer to dealer but suffice to say it can be very challenging to get a return. Let the buyer beware.

Higher interest rates â€“ dealers will often pad the sales so they can make a higher profit. Interest rates are also higher since these places really look to make a profit.

Verdict:

For both car options you can usually find good buys for used cars under 5000 or even used cars for under 3000 dollars. You can usually find a reliable used car wherever you look. The important thing is really just to do your homework well. If you have the cash ready, itâ€™s up to you and how comfortable you are with the different options to choose one. If you have time, you may as well widen your options and take a look at both.

If ready money may be an issue and getting a loan from a bank proves difficult, then you can still hope to get some sort of financing from the dealership.

Good luck on your car hunt and remember to always take a long look before you take that leap.

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