

WHEN TO STOP REPAIRING YOUR CAR & BUY NEW

It's a question we never stop getting: "My mechanic tells me my car needs \$3,400 worth of repairs. Should I do it, or think about buying a new car?"

The costs to repair a vehicle have never been higher, and there's no sign they'll be getting any cheaper soon.

Just think about tires on something as pedestrian as a Subaru Legacy: In 1997, the replacement tires for a mid-level, Legacy LS sedan at Tire Rack cost \$217.80, plus mount, balance and disposal.

Today, for a basic sedan like the Legacy you can easily spend upwards of \$820 for four tires, plus mount, balance and disposal.

With that in mind, a car that comes into the shop with some deferred maintenance items, such as tires, brakes and a few worn-out suspension parts, can easily run \$3,000 to repair.

Dealerships know it's a lot harder to convince a customer to spend \$3,000 on a repair than it is to slide into a new car payment for \$400 a month, and they use that logic to present offers on new cars, sometimes before you even get out of the car in the service line. How do you really know that it's time to turn in your old car?

► Know your car's value

We'll make this simple: Facing a \$2,500 transmission replacement on an aging Daewoo Leganza? Invest in a new car.

But most people aren't in that situation. You can't make an educated decision about whether it's time to replace your car unless you have a solid idea of what your car's worth.

Our Leganza is worth less than half what the repair bill would be. But if you're driving a 2010 Toyota RAV4 with a \$2,500 repair bill, it's a completely different situation.

► Is the repair attractive to a buyer?

If you're putting \$3,000 into tires, brakes, suspension parts and other wear items, all of those repairs would be attractive to a theoretical buyer. That's \$3,000 worth of normal replacement parts that he or she won't have to worry about for a few years.

On the other hand, what if that \$3,000 were going into a transmission rebuild? To a potential buyer, that's a lot less interesting. Why did the transmission need to be rebuilt? If the transmission went bad, what about the engine? Is that the next item to fail?

► What would you buy?

Three grand sounds like a lot of money to put into a car, but consider what you'd buy if you didn't repair your current car. If you're looking at a new car, the average cost in 2017 was \$33,560, 10 times what you'd invest in the car you're driving.

If you're considering a late-model used car, the average cost is much less, but still \$19,189, and it's likely to need repair a lot sooner than a brand new car.

You might be able to justify it by stretching the investment out over 48 or 60 months, but the out of pocket expense of buying a new car is significantly higher than spending the money on your current vehicle.

► How has your vehicle been maintained?

The only person who can honestly answer how your current vehicle has been cared for is you. Have you fastidiously followed the recommendations in the owner's manual, always kept your car clean and avoided accidents? Then it's probably worth making the investment in repairs.

On the other hand, if you're still running the same motor oil the car started with 35,000 miles ago, it might be time to send that jalopy down the road.

