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SUNDAY JOURNAL

FROM THE ARCHIVES: November 17, 2002

Add Up Your New Car Costs Before Driving Off the Lot

By **ALEX FRANGOS**

Staff Reporter of THE WALL STREET JOURNAL

Luxury cars don't just cost more to drive off the lot. They keep on burning a hole in your wallet.

So it's a good idea to calculate monthly ownership costs before buying a new vehicle.

A study by consulting firm Runzheimer International calculated the continuing expenses of 33 new cars, SUVs and light trucks. The Wisconsin-based company found that luxury autos put a bigger dent in budgets than moderately priced models.

A new BMW 540i, for example, can cost roughly \$16,000 a year to operate. Compare that with a Toyota Camry LE, which generally costs around \$8,600 annually to maintain.

Luxury cars cost more to operate largely because of insurance, higher mechanics' bills and larger depreciation -- how fast the car declines in value. Other costs include fuel, oil, tires, financing and taxes.

While it's hardly shocking that pricey autos are expensive to maintain, few people consider this when buying a car. "At the time consumers are making the purchase, they aren't weighing the long-term ownership costs," says Mary Butler, senior editor at Cars.com. "People will buy a vehicle because it has a \$1,000 incentive, not considering that in five years of ownership, they could spend the price of the vehicle again."

Edmunds.com (www.edmunds.com), an auto-information Web site, has a feature called True Cost to Own that figures ownership costs for new cars. The Environmental Protection Agency Web site, www.fueleconomy.gov, displays average yearly fuel costs for most vehicles.

If you lack Web access, here's one simple thing you can do: "Go to your insurance agent and say 'I'm

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interested in purchasing a certain type of vehicle. What will that add to my plan?' " advises Thomas Peiffer, author of the Runzheimer report.

Write to Alex Frangos at alex.frangos@wsj.com

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