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South Florida a bargain haven for used cars, website says

By Donna Gehrke-White and Miriam Valverde, Sun Sentinel

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South Floridians love boasting about being the best. Some surveys where we're No. 1 might make us squirm – foreclosures, tax cheats, etc. – but here's one to be proud of:

We're the best place in the country to get a great deal on a used car.

According to CarGurus.com, a car-shopping website, used cars in Broward, Palm Beach and Miami-Dade counties are nearly 7 percent less expensive than the national average. Their figures are based on an analysis of 3 million listings for pre-owned cars across the country.

Shopping patterns seem to bear that out. Stephen Medina, general manager of AOWSelect in Oakland Park, said his dealership sees buyers from all over the country, including faraway places like Alaska, Texas and Washington, D.C.

"Price is everything," said Medina, who said the company's website attracts the out-of-state buyers. "On the Internet, you are going against the nation. You don't get the business if you don't have the right prices and that's what attracts people."

Location has a definite impact on pricing, according to another website, AutoTrader.com.

"Prices for used vehicles do vary by geographic area, but there are a number of other factors that also influence prices, most notably the supply and demand of vehicles in different segments, and even down to the individual make-and-model level," said Rick Wainschel, vice president of automotive insights at AutoTrader.com:

South Florida may have cheaper used cars because of a large number of pre-owned cars for sale. Many drivers here regularly trade in their cars more often, to make a good impression on clients and, for vanity reasons, their own neighbors, said Jorge Salazar-Carrillo, an economics professor who directs the Center of Economic Research at Florida International University.

"It's that kind of environment," he said. "You have to show how well you are doing. Most people are never going to see the house you live in and so many people are trying to impress others by the kind of car they are driving."

There are also a number of used cars for sale in South Florida that heirs are trying to sell once their elderly relative passes away, suggested economist William B. Stronge, a professor emeritus at Florida Atlantic University. With the sense of urgency comes a lower price tag to get the deal done quickly
"We have a large older population," he said.

In its nationwide study, CarGurus didn't study why car prices vary by metro area. But website spokeswoman Michelle Juralewicz said "factors including population density, competition between dealerships, supply, and economic conditions in a given market can influence prices."

Motivated shoppers are more than willing to search for savings beyond their home turf — or try to sell their car in a higher priced market than their own, suggests CarGurus.com.

"At a minimum, understanding how an individual car listing compares to similar listings in the same market will help any car shopper make more informed, confident purchase decisions," said Langley Steinert, founder and CEO of CarGurus.