

More car for less cash?

Citroën C4
True depreciation
cost: **£7,291**

What you pay for a car and how much you sell it for later determine the true 'price' of a car. So we went shopping for discounts to find out which cars are easiest on your pocket – with some surprising results

The moment you drive a new car off the forecourt, the value starts to seep from it like a half-set jelly in a colander. Taking a Ford Focus as a typical example, by the time it's three years old, it's likely to be worth just 40 per cent of the original list price. But whichever car you choose, depreciation is likely to account for more than half of your running costs over the first three years.

So how can you avoid getting stung? In short, don't get hung up on depreciation as a percentage of a car's list price, but study the real financial costs instead – as we've done. By comparing the discount you can get on a new car with its future resale value, you may find that a model you thought looked cheap to buy works out more expensive in the long run, or vice versa.

Shopping for discounts

To find out real-life discounted prices for more than 50 popular cars, our mystery shoppers, posing as ordinary car buyers, went to franchised dealers up and down the country during late September and early October. They didn't go in as 'expert' hagglers but were clear about the exact model they wanted and that they expected a discount. Our tables show the lowest prices they achieved from main dealers.

Meanwhile, our true depreciation figures are based on the difference between the discounted price and the predicted trade-in price for each car in good condition, after three years and 36,000 miles. They come from our industry experts who supply used-car values to the motor trade.

If the car you're interested in isn't one that we've shopped for, don't forget you can look up future resale values and running costs for other models using our online Car Buying Guide. Log on at www.which.co.uk/cars.

Forecourt versus internet

A local franchised dealer is often the most convenient place to buy a car, but it's rarely the cheapest. That's because main dealers have high overheads due to presenting the cars in shiny showrooms, with comfy waiting areas and hot coffee. They will usually part-exchange your old car but at a price that suits them rather than you.

You should always haggle on list prices, but in a dealership you'll be up against slick sales staff who want to get the highest returns they can – either on the car itself or

on an associated finance package. Even so, with a bit of bartering, our shoppers secured an average of 8 per cent off these cars.

Internet- and telephone-based brokers offer new, usually UK-sourced, cars but without the face-to-face service. Their pricing is usually keen and transparent (no need to haggle) but test drives and part-exchanges are very uncommon, due to the way they trade. In our assessments, brokers' advertised deals undercut list prices by an average of 9 per cent, showing it's easy to make substantial savings on a new car.

Weighing up the options:

Superminis: Matiz is cheap as chips

SUPERMINIS	LIST PRICE (£)	DISCOUNTED PRICE (£)	PREDICTED VALUE AFTER 3 YEARS/ 36,000 MILES (£)	TRUE DEPRECIATION COST (£)
CHEVROLET Matiz 1.0 SE petrol 5-dr hatch	6,745	4,999	2,631	2,368
CITROËN C1 1.0 Vibe petrol 3-dr hatch	6,795	5,995	2,922	3,073
KIA Picanto 1.0 GS petrol 5-dr hatch	6,395	5,995	2,430	3,565
TOYOTA Aygo 1.0 VVT-i petrol 5-dr hatch	6,890	6,680	3,071	3,609
FORD Fiesta 1.4 Zetec petrol 5-dr hatch	10,490	8,500	4,091	4,409
HYUNDAI Getz 1.5 CRTD GSI diesel 5-dr hatch	9,210	8,410	3,776	4,634
CITROËN C2 1.4 HDi (70) Design diesel 3-dr hatch	9,710	8,410	3,690	4,720
RENAULT Clio 1.2 Expression petrol 3-dr hatch	9,610	9,093	4,036	5,057
VAUXHALL Corsa 1.2 Club petrol 3-dr hatch	9,195	9,195	4,138	5,057
HONDA Jazz 1.4 SE petrol 5-dr hatch	10,750	10,750	5,590	5,160
MITSUBISHI Colt 1.5 DI-D C22 diesel auto 5-dr hatch	10,994	10,300	4,617	5,683
PEUGEOT 207 1.6 HDi (90) SE diesel 5-dr hatch	12,795	11,800	5,758	6,042
RENAULT Modus 1.4 Expression (AC) petrol 5-dr hatch	10,760	10,260	4,196	6,064



Chevrolet Matiz:



Honda Jazz:



Renault Modus:

BMW 1 Series
True depreciation
cost: **£6,130**



sometimes a more expensive car works out cheaper



costs are low



few discounts



£6,000 losses

We shopped for prices on small 'city cars' as well as larger superminis such as the Ford Fiesta.

Among the city cars, the Chevrolet Matiz offers the lowest real-life depreciation, due to its cheap list price and hefty discounts (we saved more than 25 per cent). The car isn't worth much after three years but, then again, you haven't paid that much for it either.

Larger superminis tend to be more competent all-round cars, commanding higher list prices. Generally there's healthy demand for

them second-hand, meaning used prices remain strong. We were quite surprised to find the Ford Fiesta's true depreciation was so low, with the £2,000 discount we were offered clearly softening the blow a great deal.

We weren't able to negotiate any money at all off the Honda Jazz (a *Which?* Best Buy) or the new Vauxhall Corsa, so their true depreciation costs are higher. And we managed to get only £500 off the price of the Renault Modus – not enough to stop it from being the most costly supermini on our shopping list.

Medium cars: how a BMW costs less than a Kia

In this competitive category, we shopped for very similar vehicles (1.6-litre petrol hatchbacks) from a wide range of carmakers, and found that Ford's popular (and heavily discounted) Focus came out on top.

You might expect BMW's 1 Series to hold its value well. What you may not know is how much discount you can get, even on a premium-badge car like this. By combining the healthy £2,000 discount we were offered with a predicted resale value of 54 per cent of list price, the 1 Series is a serious value-hugger. In real terms it retains an impressive 61 per cent of our discounted price after three years, making it more appealing than many other mainstream and prestige medium cars we looked at.

We also secured a good discount on Audi's rival model, the A3, with £1,680 knocked off the list price. But, although its predicted resale value is similar to the 1 Series', its true depreciation cost is likely to be £1,150 higher over three years.

Even a car with a much lower price tag as well as a good discount can

still cost you big money. We were offered a £1,200 discount on the Citroën C4 but, despite this, poor resale values mean it still costs more than £7,000 in true depreciation – much higher than the 1 Series and very similar to the A3.



Ford Focus: discount limits losses



Audi A3: costlier than BMW 1 Series

MEDIUM CARS		LIST PRICE (£)	DISCOUNTED PRICE (£)	PREDICTED VALUE AFTER 3 YEARS/ 36,000 MILES (£)	TRUE DEPRECIATION COST (£)
FORD	Focus 1.6 Zetec Climate petrol 5-dr hatch	14,795	11,800	5,918	5,882
BMW	1 Series 1.6 116i SE petrol 5-dr hatch	17,945	15,820	9,690	6,130
MAZDA	3 1.6 TS petrol 5-dr hatch	13,300	12,250	5,852	6,398
VAUXHALL	Astra 1.6i 16v Club petrol 5-dr hatch	14,275	12,158	5,567	6,591
VOLKSWAGEN	Golf 1.6 FSI SE petrol 5-dr hatch	15,375	14,500	7,380	7,120
KIA	Cerato 1.6 LX petrol auto 5-dr hatch	11,995	10,995	3,838	7,157
AUDI	A3 1.6 FSI SE petrol 5-dr hatch	18,680	17,000	9,714	7,286
CITROËN	C4 1.6i 16v SX petrol 5-dr hatch	13,695	12,495	5,204	7,291

One dealer tried to stop us haggling by saying he had to get written permission from Fiat

Large cars: Vauxhall delivers value

These cars are popular with fleet buyers, and the big players are used to cut-throat pricing. So it's not too surprising to see Ford and Vauxhall at the top of the table. Both cars have very similar list prices, but the Vectra trumps the Mondeo thanks to its higher predicted resale value and bigger discount. With both cars, a serious discount is vital to avoid crippling depreciation.

The BMW 3 Series should retain a healthy 52 per cent of its list price after three years, but even with a £3,310 discount, it still costs around £2,000 more than the Vectra in terms of true depreciation. Mind you, some might say that's a fair premium for a more 'prestigious' car.

The Cadillac BLS's high list prices and low predicted resale values could prove ruinous – especially as we weren't offered any discount. All this adds up to it costing an eye-watering £6,800 more in true depreciation than its GM sister model, the Vectra.

LARGE CARS				
	LIST PRICE (£)	DISCOUNTED PRICE (£)	PREDICTED VALUE AFTER 3 YEARS/ 36,000 MILES (£)	TRUE DEPRECIATION COST (£)
VAUXHALL Vectra 1.9 CDTi (120) Exclusiv diesel 5-dr hatch	15,775	12,893	5,995	6,899
FORD Mondeo 1.8 LX petrol 5-dr hatch	15,995	13,495	4,958	8,537
VOLKSWAGEN Passat 2.0 TDI (140) SE diesel 4-dr saloon	18,765	17,769	8,632	9,137
BMW 3 Series 320d (163) SE diesel 4-dr saloon	26,500	23,190	13,780	9,410
AUDI A4 2.0T FSI S-line petrol 5-dr estate	24,830	22,427	12,415	10,012
HONDA Accord 2.4i VTEC EX petrol 5-dr estate	22,300	21,257	10,927	10,330
ALFA ROMEO 159 2.2 JTS Lusso petrol 5-dr estate	23,495	21,300	10,338	10,962
VOLVO V50 D5 (180) Sport diesel auto 5-dr estate	24,565	22,735	11,546	11,189
CADILLAC BLS 1.9 SE diesel 4-dr saloon	21,473	21,473	7,730	13,743

The Cadillac's 'buy high, sell low' pricing is a sure way to lose money



Vauxhall: discount saves the day



BMW: we haggled £3,000 off



Cadillac: worst of both worlds

MPVs: room for manoeuvre on Fiat Doblo

Space and versatility needn't cost the earth. Take the Fiat Doblo, for example – this five-seat MPV may be basic, but it won't break the bank despite its poor resale values. Low list prices and a whopping 23 per cent discount make the Doblo a depreciation bargain.

There's stark contrast between Ford's new Galaxy and S-Max, which share their basic structure. Both have similar depreciation rates and there's just £1,500 between the list prices of the models we shopped for. But the excellent deal we got on the Galaxy offset a big chunk of depreciation, leaving the trendier, diesel-engined S-Max costing £3,400 more overall. Although it should use £815 less fuel than the petrol Galaxy over 36,000 miles, it still works out much costlier.



Fiat Doblo: big savings



Ford S-Max: too costly

MPVs				
	LIST PRICE (£)	DISCOUNTED PRICE (£)	PREDICTED VALUE AFTER 3 YEARS/ 36,000 MILES (£)	TRUE DEPRECIATION COST (£)
FIAT Doblo 1.3 Multijet Family diesel 5-dr MPV	11,390	8,777	4,100	4,677
HYUNDAI Matrix 1.6 GSi petrol auto 5-dr MPV	11,870	10,870	4,511	6,359
FORD Galaxy 2.0 LX petrol 5-dr MPV	19,495	15,663	8,578	7,085
VAUXHALL Zafira 1.8 Design petrol 5-dr MPV	17,725	14,700	7,267	7,433
FIAT Multipla 1.9 JTD (120) Eleganza diesel 5-dr MPV	17,245	14,740	6,553	8,187
CHRYSLER Voyager 2.4 SE petrol 5-dr MPV	18,750	16,750	8,438	8,313
KIA Sedona 2.9 CRDi LS diesel 5-dr MPV	19,495	18,495	9,080	9,415
MERCEDES-BENZ Viano 2.0 CDI Trend diesel 5-dr MPV	23,675	22,530	12,311	10,219
FORD S-Max 1.8 TDCi Titanium diesel 5-dr MPV	20,995	20,150	9,658	10,492
RENAULT Espace 2.0 dCi Dynamique diesel 5-dr MPV	23,900	22,700	8,604	14,096

Off-rovers: small change for discounts

It's the market that every carmaker wants to be in – high list prices and strong demand mean dealers are reluctant to offer discounts. Again, we've looked at a wide range of models, from cheap and cheerful

4x4s through to luxury mud-pluggers.

The Fiat Sedici and Suzuki SX4 offer 4x4 motoring on a budget. They're essentially the same car but with differences in detail, including the badges. However, the Fiat's

lower list price and decent discount mean it will save you £1,500 or more in depreciation.

Further up the scale, you might think an Audi Q7, Lexus RX400h or Mercedes R-class (a 4x4/MPV crossover) seem solid buys. But each is likely to depreciate by around £20,000 over three years while rivals, such as a Land Rover Discovery or Volvo XC90, can cut losses by £6,000 or more. Even the Porsche Cayenne, sold with no discount, works out cheaper, thanks to its strong resale values.

OFF-ROADERS	LIST PRICE (£)	DISCOUNTED PRICE (£)	PREDICTED VALUE AFTER 3 YEARS/ 36,000 MILES (£)	TRUE DEPRECIATION COST (£)
FIAT Sedici 1.6 Dynamic petrol 5-dr estate	12,495	11,299	5,498	5,801
SUZUKI SX4 1.6 GLX 4grip petrol 5-dr estate	13,066	12,999	5,618	7,381
TOYOTA RAV-4 2.2 D4-D XT4 diesel 5-dr estate	22,815	22,500	12,776	9,724
HYUNDAI Santa Fe 2.2 GSi (5-seat) diesel 5-dr estate	20,995	19,995	9,658	10,337
KIA Sorento 2.5 CRDi XT diesel 5-dr estate	24,995	23,800	11,248	12,552
LAND ROVER Discovery 3 2.7 TDV6 XS diesel 5-dr estate	32,580	31,300	17,919	13,381
VOLVO XC90 3.2 SE Lux petrol auto 5-dr estate	38,428	35,287	20,751	14,536
PORSCHE Cayenne S 4.5 Tiptronic S petrol auto 5-dr estate	46,908	46,908	27,676	19,232
LEXUS RX400h 3.3 SE hybrid auto 5-dr estate	40,263	39,000	18,924	20,076
AUDI Q7 4.2 FSI Quattro SE petrol auto 5-dr estate	47,725	47,725	26,249	21,476
MERCEDES-BENZ R-class R500 SE petrol auto 5-dr estate	50,035	47,000	25,518	21,482



Fiat Sedici: true cost is £1,500 less than SX4



Audi Q7: rides rough-shod over hagglers

Checklist

How to bag a bigger discount and save on depreciation

■ Don't be afraid to haggle

A few cars command full price, but any discount helps to offset depreciation losses. Look for manufacturer-backed discounts (for example, £1,500 cashback) on adverts and websites before you visit the showroom and then insist on a further discount (as dealers will still have their own margin to play with).

■ Don't be fobbed off with excuses

One dealer tried to stop us haggling by saying he had to get written permission from Fiat to offer a discount. Nonsense! Dealers can set their own prices, and almost all offer discounts to serious buyers.

■ Don't be made to feel like a cheapskate

Many dealers try to intimidate buyers in this way, but you're entitled to bargain as hard as you can. If you're not happy with the deal, walk away – you'll find a better price elsewhere.

■ Know what you want

Decide on the exact model before you start shopping around: it will help you compare deals. But if you stay flexible you may be able to pick up a bargain from stock – as long as the car meets all your needs.

■ Check brokers' prices

Even if you don't want to buy from a broker, we found that

just mentioning their prices often changed the attitudes of showroom staff. And a printed quote is good ammunition when hunting for discounts.

■ Time your purchase

Most carmakers offer dealers a bonus based on quarterly sales. Shop around for deals towards the end of the quarter (late December, late March, say), when dealers are scrambling to meet targets and you could be rewarded with a bargain.

■ Look out for pre-

registered cars Dealers and brokers can both offer excellent deals on pre-reg cars, but check the odometer – delivery mileage should be only 25 to 50 miles. Demand a much bigger discount for an 'ex-demo' car or one that's been hired out.

■ Avoid options that won't help resale value

Paying £1,000 or more for built-in sat-nav rarely makes sense when a portable unit costs a few hundred quid – few buyers will pay extra for this on a used car.

■ Watch out for expensive finance

Some dealers offer a big discount on a car because they make more money on the finance that goes with it. Check the 'total amount repayable' before signing any tempting deals, as there's no cooling-off period. Cash buyers should feign interest in taking the dealer's finance – then insist on the same discount for cash.

■ Keep your car for longer

It's a simple way to cut losses – depreciation is less severe when considered over a car's lifetime.