

# Pros and cons of outgoing car model vs. redesign

December 4 2019, by Ronald Montoya Of Edmunds



This undated photo provided by Ford shows the 2020 Ford Escape. The vehicle is as an example of how the redesigned version of a vehicle offers a number of improvements that might be worth the added price. (David Westphal/Ford Motor Co. via AP)



The end of the calendar year can be an exciting time for new-car buyers. Many vehicles have been redesigned and are packed with the latest technology. However, the outgoing models are still on dealer lots and likely to be discounted steeply by automakers and dealers looking to meet year-end sales goals.

These options pose a compelling question for car shoppers: Should you buy the discounted outgoing model or go for the latest tech in the redesigned model? Edmunds provides the pros and cons of each approach.

### **REDESIGN PROS**

Newest body style: You get to be a trendsetter and enjoy the satisfaction of being among the first to drive the latest generation of the vehicle. It will have a modern body style and will likely garner the most attention from bystanders and other motorists.

Latest technology: Often the automaker addressed what people didn't like in the previous car and fixed it in the redesign. These changes can come in the form of a more powerful engine, better fuel economy, a nicer interior or all of the above. You will also benefit from the latest advancements in safety technology.

Most variety: Every color, trim and option should be available to you in the current model year. And if you don't see what you want or are very specific about your configuration, you can always place a special order from the factory.

#### **REDESIGN CONS**

More expensive: The newer version of a model will usually be more expensive, both in terms of the starting price and scanter discounts. As



of mid- to late November, a 2020 model cost about \$1,400 more on average than the 2019 model, according to Edmunds data.

Lower reliability: The first model year of a redesign is often the least reliable, according to a recent Consumer Reports survey. The technology is new and often hasn't had the chance to be tested extensively in the real world.

Changes may be too radical for you: Sometimes a redesign drastically shakes things up, and some buyers aren't willing to go along with it. For example, when Ford switched the current-generation Ford F-150 to an aluminum body, collision repairs became more expensive. It was hard to fault someone for wanting the outgoing model at the time.





This undated photo provided by Ford shows the 2019 Ford Escape, a compact SUV that offers an average savings of about \$3,177 over the redesigned 2020 model. (Ford Motor Co. via AP)

# OUTGOING-MODEL PROS

Better discounts: The outgoing or discontinued model will be less expensive. But discounts will vary by vehicle, so it is important to know the market. The 2019 Ford Escape, for example, is about \$3,177 less expensive on average than the all-new 2020 model. In contrast, the 2019 Ford Explorer is only \$694 less on average than the redesigned 2020 model.

Greater reliability: The same Consumer Reports survey concluded that the final model year of a generation is often the most reliable. This is because many of the vehicle's issues have been sorted out over the course of the model's run.

Best version of that generation: In addition to being more reliable, the last model year of a generation typically benefits from all of the minor improvements the automaker made in previous years. The styling has likely been slightly tweaked from when it debuted, more power might have been added, and some previously optional features have been made standard equipment.

## OUTGOING-MODEL CONS

Limited selection: Since these models are essentially on clearance, you're limited to the inventory on hand. So you may not have as much selection in terms of colors, trim levels and packages. Some brands manage their inventory better than others, so the selection will vary by vehicle and



how late into the season you're buying.

Quicker depreciation: The model year before a redesign tends to depreciate at a quicker rate than the model that replaces it. It's about 6%-8% on average, according to Edmunds. Why? Supply and demand. In the used car market, the current body style will be the hotter and more desirable <u>model</u>. But you can avoid this by either leasing or keeping your car longer. Eventually the depreciation will plateau and be on par with the depreciation of comparable vehicles.

EDMUNDS SAYS: Making a decision comes down to knowing your needs and wants. Do you want the latest technology and styling or a proven <u>vehicle</u> with a better discount? For further help, get a price quote on both the old and new models so you can better judge value.

© 2019 The Associated Press. All rights reserved.

Citation: Pros and cons of outgoing car model vs. redesign (2019, December 4) retrieved 26 April 2024 from <u>https://techxplore.com/news/2019-12-pros-cons-outgoing-car-redesign.html</u>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.