



# What are runout sales and is it a good time to buy a new vehicle?

Everyone loves a good car deal and the end of year is no different. With new models coming in the new year, dealerships love getting rid of their existing stock to make room for the new. If you are thinking about a new car for the new year, the plate clearance sales might be just what you have been waiting for.

## Plate clearance sales

Or run out sales as they are also known as, are great to find bargains. They typically start at the end of the year or early in the new year. This is when motor dealers want to move this year's/last year's stock or meet end of year sales targets. So you will often see discounts on cars during the months of December and January.

You may not always see the model or colour you are looking for as the run out is used to move the less popular makes, models and colours.

## What is your game plan to secure the best deal?

**1. Start your research early** and be ready to jump when you find your ideal vehicle. The best models will sell out quickly and won't require as much discounting. So prepare your negotiation script. Be aware of 'over inflated' discounts. If the discount seems excessive, ask the question 'why'?

As a rule of thumb, the more obscure the car selection, the bigger the discount. However, remember that if it took a big discount to sell the car in the beginning, it's going to be harder to sell when it goes back on the market.

## 2. Arrange your finance in advance

Just like a pre-approval for your home loan, we recommend you do the same for your next vehicle purchase. Then you won't be tempted to use the dealership's '0 percent or subvention finance options' and lose in your negotiations on the vehicle through the finance package they offer.

## 3. Plan ahead on how you will be selling your existing car

Your options are to trade in or sell privately. Your cash position and your timeframe may dictate how you will sell your car. Remember private sales have been popular in the past few years due to the lack of stock, but you may be surprised at what a dealership may offer as well. Again, research is your best friend here.

## 4. Talk to your dealer or use a car buying service

Once you've identified the car you want, visit, call or google your local dealership to see if it's available. There are still longer wait times on vehicles, so finding a deal on a car that's in stock and available will be more challenging.

If you use a car buying service you can typically obtain a discount by using this service. Sometimes they have access to stock that is not readily available to the public.

## 5. Be prepared to compromise

Dealers can only offer discounts on the vehicles they have readily available. If it's not the colour you want or it doesn't have the options you were hoping for, then you will have to work out what is more important for you.



## How to decide on what to buy

To help narrow down your search, the Federal Chamber of Automotive Industries releases a monthly report on the top selling cars in Australia showing which models are proving most popular on our roads.

Canstar Blue also provides regular updates on the bestselling cars. October and November 2022 are listed below:

OCT 22	NOV 22
1. Ford Ranger	1. Toyota Hilux
2. Toyota Hilux	2. Ford Ranger
3. Toyota RAV4	3. Toyota Corolla
4. Mazda CX-5	4. MG ZS
5. MG ZS	5. Toyota RAV4
6. Isuzu UTE D-MAX	6. Mazda CX-5
7. Kia Sportage	7. Mitsubishi outlander
8. MG 3	8. Kia Sportage
9. Toyota LandCruiser	9. Tesla Model Y
10. Mitsubishi ASX	10. Hyundai Tuscon

## Do you have to buy during the sales?

Many car buyers wait for the plate clearance sales to save on their new car purchase. However, you don't need to wait for plate clearance sales to save on your new or used vehicle purchase!

**A novated lease** (or salary packaging) can be the most tax effective way to drive your car as it allows you to pay for your new car and its running costs using your pre-tax salary.

That's why it is always best to speak with us first to see what your borrowing capacity is and how to best finance your purchase.

We look forward to your call and helping with your vehicle finance options.

Check out Your New Year's resolutions for your car...

