

How to Set the Right Price for Your Used Car

Starting with the right number is the most important step toward ending with the best result.

Steps:

1. Decide how much you'd like to make on the car.
2. Look in the classifieds for similar cars.
3. Decide whether your preferred price is greatly above or below the market for that kind of car.
4. Adjust your price accordingly.
5. Identify the top price for a car in your make and model, then add a few hundred dollars more.
6. Announce that the car is for sale for this amount. Bump up the price less if the car is in bad condition, more if it's in good shape. But bump the price above market value to some degree in every case.
7. Make it clear in the sale announcement that you'll negotiate.

Hot Tips:

- Buyers often take the initial sale price to be an expression of the car's value, rather than an expression of the seller's hopes. Take advantage of this, within reason.
- Enormously overvalued cars won't sell, and it looks bad to start dropping the price every week. Give yourself room for profit when pricing, but be realistic. For example, a blue '77 Maverick is not worth \$5,000 and will never be worth \$5,000, no matter how long you wait and how nicely you wax it.