

Luxury Cars



The Dalai Lama says that if you have fame and money, you will have plenty of friends. However, he adds, your friends will be in love with your fame and money, and when these go, so will they. Therefore, if you're going to try to impress people with your new luxury car, make sure you're going to be able to keep up the payments. Otherwise, settle for a less glamorous form of transport.

Luxury cars are the ones everyone wants as long as someone else is paying for them. They are generally a bit stronger and safer than the average small Asian car. That's the good news. The bad news is that luxury cars are, in our humble opinion, a remarkably poor investment. They drop in value by tens of thousands the instant you drive out of the showroom, and it's all downhill from there.

You can expect to lose around 40% of your investment in the first year alone.

The worst example we can think of was a lawyer who paid \$150,000 for an upmarket Audi. Eighteen months later he was a bit short of dough and took the Audi back to the people who sold it to him; they offered \$50,000 for it. The Audi cost that lawyer \$100,000 for eighteen months motoring, or around \$1300 a week, excluding interest and insurance. Was that a good investment?

If he'd spent his money instead on a house section and driven an old Toyota to work, at the end of five years he'd likely have made a tidy profit when he sold up. Instead, the man who bought the luxury car lost most of his original investment, not including repairs, interest payments or insurance.

In case we haven't put you off yet, there's more. The instant your new luxury car leaves the guarantee period, you can expect to pay horrific garage bills every time anything goes wrong. Moreover, the less com-

monplace the car, the more the likelihood that the parts you need will not be in the country, and will have to be flown in at great expense – while you drive to work in a rental car.

The real pain starts, however, for the people you sell the car to, and then the people they sell it to. European cars in particular, are designed to be put off the road after a few years. The idea that a quality car should serve its owner faithfully for decades went out of fashion in the early 1960s.

For this reason, when some luxury cars reach around 100,000 kilometres, they may become a nightmare for the poor wretch that owns them. The sad fact remains that the poor man who is foolish enough to play a rich man's game must expect to pay a rich man's bills, and there'll be plenty of them once a luxury car gets old. Oh, and while you've been reading this, a few hundred people have died of starvation •

