

How Much Does A New Family Car Really Cost?

The real cost of car ownership might surprise you

CHICAGO, ILLINOIS, USA, November 10, 2020 /EINPresswire.com/ -- When investing in a new car purchase, the MSRP as advertised is not the only cost to take into account, whether buying a small runabout or looking for the [best SUV for a family](#). Numerous additional charges all contribute to a much larger outlay than what the initial sticker price portrays. The true cost of car ownership over five years may be surprising, according to research from online motoring experts, CarBuzz.

Off the showroom floor

CarBuzz Associate Editor, Ian Wright, notes that “The MSRP is just the first payment made” when purchasing a car, and the true cost of ownership is actually much higher. Using a formula that takes into account new car taxes, destination and delivery charges, and the average number of miles driven per year, CarBuzz undertook to research overall outlays over the course of five years.

A family crossover like the [Honda CR-V](#) drew many buyers in with its \$28,145 price tag back in 2015. With delivery charges, sales tax, and an estimated insurance cost added, this car would require parting with \$32,362 just to get it off the showroom floor. In addition, factoring in maintenance bills, cost of financing, and fuel per year, a cost-to-own figure can be estimated at \$49,714, 1.7 times that which was advertised as MSRP.

Applying the same formula to more premium vehicles such as [cars from Tesla](#) shows that buyers will need to spend at least \$69,900 for a base-model Model S from 2015, then an extra \$1,200 for delivery costs. Insurance on luxury items is higher, although tax rebates and federal credits for EVs must be subtracted from the cost. Still, after five years, the actual cost to own a Tesla Model S works out to \$89,937, which is 1.2 times the base price.

On the road

There are other costs that are sometimes forgotten, too; fuel economy figures and the total fuel consumed over time must be considered as well as how much maintenance and repair a vehicle needs. Lump these costs together for five years on the road, and buyers will be spending

upwards of \$5k on a Tesla, alone. Owners also need to consider how the wear and tear of a car in use will affect the eventual resale or trade-in value when it's time to upgrade after a few years. Over the allotted time period, the CR-V loses around \$13,075 (46%) of its value, while the Model S loses \$40,600 (45%).

The big picture

By using the same reasoning, a base model 2015 BMW 320i had an MSRP of \$32,570. Adding the miscellaneous costs mentioned above, as well as out-of-warranty repairs based on consumer reports, total cost of ownership is a massive 1.7 times more.

An American favorite, the Ford F-150, was priced at \$26,030 in 2015 for the XL Supercab, with the various additional charges needing buyers to fork out \$31,327 just to drive it home. Over the course of five years, the total cost to maintain, run, and repair the pickup is a staggering 1.8 times what was initially budgeted for based on the MSRP. And, in a similar way, a family sedan like the reliable and relatively low-cost Toyota Camry, advertised for \$23,840 in 2015 will actually set you back \$43,334 after five years.

The result of this research indicates that the reputation of some cars to be expensive to own is indeed backed up by the numbers, but is proportionally still the same as owning more humble brands. Given the lower cost of fuel and tax breaks on cars such as the Tesla Model S, these types of automobiles are certainly the cheapest to own in the long run.

More information:

<https://carbuzz.com/features/how-much-does-a-new-family-car-really-cost>

About CarBuzz:

CarBuzz provides consumers with industry news and features posted daily to an app and website. A complete Buyer's Guide and BuzzScore rating system helps buyers to make purchasing decisions by means of comprehensive reviews, a comparison tool, and a car finder function.

Morgan Carter

CarBuzz

[email us here](#)

Visit us on social media:

[Facebook](#)

[Twitter](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/530391790>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something

we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2020 IPD Group, Inc. All Right Reserved.