

How To Buy A Car When Inventory Is Low

Venturing on a car buying journey can feel discouraging when inventory is low and prices give you sticker shock. However, if you do some research and prepare beforehand, it's possible to walk away with a car you love!

Supply chain issues and semiconductor chip shortages have caused the auto industry to fall short on vehicle production. That has left dealerships with low inventory. Before you get too discouraged, consider this: you may be able to use the low inventory to your advantage in some ways, like if you have a car to trade-in.

Here's how to be prepared as you enter your journey to buy a car when inventory is low.

BE FLEXIBLE AND CONSIDER A USED CAR TO SAVE MONEY

Be prepared for higher prices than usual. At the end of 2021, the average used car in America was sold for \$28,205, according to Kelley Blue Book. That's [42% higher than used cars were sold for before the COVID-19 pandemic](#).

You'll have better luck in your car buying process when you're flexible about the car brand and color. If you're only interested in one very specific vehicle, you could be waiting around for a while.

Despite increases in the price of used cars [due to low inventory](#), it's still likely that you can get a better deal on a used vehicle than a new one.

GET PRE-APPROVED FOR A LOAN

Have you asked yourself lately if you need a loan? Probably not. But have you asked yourself if you need a car? Probably.

Before you ever even head to a dealership, [get pre-approved for a loan](#). When you come to Interra to get pre-approved, this will help you immediately determine how expensive of a car you can afford. It's best to figure this out before you fall in love with a car in the lot and then discover it's out of your budget.

Getting preapproved will also give you a clear picture of what shape your credit is, allow you to get the right down payment and loan term, and help you make negotiations at the dealership.

Car dealerships have lots of lenders to choose from. Interra has a strong reputation with car dealerships and is a great option if you want the convenience of financing at the dealer.

ORDER A CAR

Some dealers will sell cars before they even have them. If there's one specific vehicle you absolutely want, you'll need to order it if the car isn't currently on the lot.

If you're looking for something specific, this is the way to go during an inventory shortage, but you also can only do this if you're willing to wait for the car to come in. Part of what makes buying a car difficult when inventory is low is that even when dealerships do get cars in, people have already claimed them.

GET A HIGH RETURN ON YOUR TRADE-IN

If you're buying a car as a replacement for another, you want to get as much money out of it as possible, of course. When inventory is low, [your used car becomes even more valuable](#) to a dealership.

First, figure out the value of your car. [Free car value estimator tools online](#) are a good way to get started. Don't skip this part of your car-buying journey because you need to know you're getting what you deserve. When you get a high return, it'll give you more to spend on a new — or at least new to you — car of your own.

Ask around multiple dealerships to find out what they'll pay you for your old vehicle. Some may be willing to pay more than others because of their need for inventory. Then, take the best offer you get or use this information to further negotiate.

You can also sell privately if a dealership won't give you what you deserve. It's best to work on your trade-in after you've determined the price of your new car — you don't want a salesperson to offer you a good trade-in deal just to then increase the price of the car you want.

GET PRE-APPROVED TODAY

When you're ready to buy a new car, we're here for you at Interra Credit Union. Get [pre-approved for an auto loan](#) with us or ask for us by name at the dealership!

Learn more about our loan options by [visiting one of our branches](#) today, or by calling us at 574-534-2506.

PHOTO:

https://stock.adobe.com/images/couple-visiting-car-dealership-talking-with-salesman-in-auto-showroom/322538219?prev_url=detail