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Reader floored by price gap for Honda vehicles

AL MACRURY

The Hamilton Spectator

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Len Dezoete was being driven to distraction.

He couldn't understand why Honda Canada appeared to be charging thousands of dollars more for a Civic ELX than consumers pay for the same car when purchased in the U.S.

He found it more galling that Honda Canada and its dealers also appear to charge more for freight and delivery, especially since the Civic he wished to buy is made right here in Ontario.

But things aren't as bad as they look.

"I have compared two vehicles with all the same features right off the official websites of Honda Canada and American Honda Motor Co.," Dezoete told us. "Brace yourself! I certainly cannot understand the freight charges. And the MSRP (Manufacturer's Suggested Retail Price) blows me away, considering our dollar has been at par for a long time now."

He told us he priced a Civic EXL model with leather, automatic transmission, power windows, locks and mirrors, aluminum wheels, sunroof and 160-watt stereo system.

If purchased here in Ontario, the car has an MSRP of \$24,680, with a freight and delivery charge of \$1,295, he said. Using Honda America's own website, Dezoete said the same car can be had for \$20,710 in the states, with a delivery fee of \$635. That's a combined difference of \$4,630.

When he priced an Accord EX with air conditioning and a four-cylinder engine, Dezoete says the difference is a whopping \$5,685.

But first a word of caution. These web prices are not etched in stone. You won't know precisely how much you're paying until you sit down in a showroom and hammer out a deal.

The price gap may not be nearly as great as it first appears.

"It may appear so on the surface," says Honda Canada public affairs manager Rick Jacobs. "But in Canada, we have more aggressive incentives than in the U.S., which can significantly lower the final transaction price or lease cost. Also, content of Canadian and U.S. models is not the same, so it's not an identical apple-to-apple comparison."

As for the higher freight and delivery charges, Jacobs offered no explanation, simply stating that such costs can vary.

The pricing certainly doesn't appear to be hurting. Honda Canada reported record February sales of 12,069 units, a 50 per cent increase over last year, and up 18 per cent over the previous February sales record of 10,186 in 2003.

Dealers say manufacturers aren't lowering their MSRP because they expect the Canadian dollar to eventually drop in value. If they dropped the MSRP now, they'd have a hard time justifying an increase later. Instead, the industry is offering incentives that can reach as high as \$10,000 on some vehicles.

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If you're an Ontario worker not protected by the Employment Standards Act, you may want to attend a meeting next Tuesday at 5 p.m. at the Social Planning and Research Council offices, 162 King William St., Suite 103, Hamilton.

The Temp Workers Rights Group is looking for community members, labour activists, social justice advocates and business people who are interested in fighting for changes to legislation and better enforcement of existing law.

More information is available by contacting mitchhruschka@hotmail.com or dpike@sprc.hamilton.on.ca.

Many of the issues facing these workers are addressed on the Workers' Action Centre website at: www.workersactioncentre.org.

If you have a consumer problem, call **905-526-4665** or e-mail amacrury@thespec.com. Not all calls and letters can be answered.

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