

March 4, 1999

Used-PC Bargains Add Appeal to Life in the Slow Lane

By ANNE EISENBERG

IN an age when you can't be too rich or too thin or have too much RAM, is there any reason to buy a secondhand computer, one of those early wood-burning Pentiums?

There could well be, if you use a computer for simple tasks like word processing and E-mail and are willing to sacrifice a few megahertz to save money.

The new generation of used machines will suit many people's daily computer needs, some industry experts say. They predict that secondhand personal computers could have substantial appeal for computer buyers in 1999.

"A year and a half ago, most of the machines hitting the used market were 486's -- a bit slow for many applications," said Christine Arrington, an analyst at the International Data Corporation, a research business specializing in technology that is based in Framingham, Mass. "Now used machines -- low-end Pentiums or comparable Macs -- can handle applications like Internet connections and some spreadsheets that are very attractive to buyers."

Even the older 486's are adequate for E-mail and word processing, although they often cannot run Windows 95 or 98. Ms. Arrington, who prepared a research report on secondhand PC sales for her company, estimated that more than 6.4 million used PC's were shipped in 1998, mainly to small businesses and offices, local governments and school systems. In 1999, that number is very likely to be well over 7.4 million, and by 2000, 8.1 million, Ms. Arrington said. The figures included Apple Macintosh computers.

Ms. Arrington said she saw an increasing number of individual consumers joining the mix of schools, businesses and government offices buying used computers. "As prices continue to drop, vendors of used PC's will pay less, making the costs very attractive to the home market," Ms. Arrington said, citing the growth of computer resellers like Computer Renaissance, based in Minneapolis. Computer Renaissance is a franchise operation that buys and sells new and used computers from 240 stores in the United States and Canada. Eighty of them were added in 1998 and another 80 are expected in 1999, said Richard B. Brill, a company spokesman.

Relatively powerful used desktop systems may be bought these days for as little as \$300 - a low-cost solution to the problem of two children fighting over who can use the computer. Owners can even buy home network technology -- wired or wireless -- and link the computers, eliminating the need for such extras as a second printer or a second Internet account. Experts say consumers are safest if they stick to a low-end Pentium, 75 megahertz or faster, with 16 megabytes of RAM and a hard drive of 810 megabytes or more.

"Networking has been a growing application for pre-owned computers," said Brian Kushner, chairman and chief executive of Recompute, an on-line company that sells new and used PC's to companies, schools and homes. "Six months ago, we had no sales of network cards to individual consumers. Now about 5 percent of the individual consumers who buy from us want them."

Of course, this is in a market in which new computers can cost as little as \$500 and some businesses are offering new computers free to schools or individual consumers if they are willing to provide personal information and accept advertising on their desktops.

Ms. Arrington said she believed that the home market would continue to grow despite the plummeting prices of new PC's. "The drop in prices may tighten the market, but it won't kill it -- not until we see a sub-\$99 machine," Ms. Arrington said. At Computer Options in Raleigh, N.C., where 90 percent of the business is in used computers, the shop has been so busy that Annette Freeman, the owner, recently moved to a bigger location in a shopping center to double her floor space.

A browser in her shop on a recent Saturday afternoon, Steve Richards of Raleigh, said over the telephone that he bought a used computer last year that he thought had been a good deal. "It's like buying a car," he said. "You can buy a brand-new car, or wait a year or two and get roughly the same sort of functions, but far more cheaply. You don't always have to have the top of the line."

Len Schiefer, who lives in Ridgewood, Queens, echoed that philosophy. He bought a powerful computer for \$300 last year, buying it not from a shop or on line but from a friend who wanted a fancier system.

While the bulk of used computer sales tracked by analysts are for desktop models, used portable computers are also popular choices for equipping college students or people who are road warriors only occasionally and need an inexpensive way to check their E-mail while traveling. James McQuivey, a senior analyst at Forrester Research, based in Cambridge, Mass., said portable computers could be a good buy. "You can get a good machine that's a year or two old, but nicely loaded, for half the price of a new one -- or even less," he said.

"New laptops are expensive," said Alex Wong, manager of USPC, a shop in New York City. "If you have only \$500 to spend, you can't afford a new one. After we've paid \$2,500 for a laptop and rented it for 18 months, we can sell it to you for \$500 to \$600."

Despite the lure of possible savings, it takes nerve to buy a used computer, as many consumers accustomed to the comforts of extensive warranties, technical support and preloaded software realize.

Even the language of used computers can be confusing. "Pre-owned" is easy enough, but "reconditioned," "refurbished," "resold," "remanufactured" and even "recomputed" may require some defining.

" 'Refurbished' usually means that the computer went back to the original manufacturer, perhaps because it was defective," explained Phillip Lemmonds, president of Datatech Remarketing, an on-line company. "At Datatech we do the fix-up work ourselves -- the equipment doesn't go back to Apple. So our computers are 'reconditioned' rather than 'refurbished.' "

Mr. Kushner, of Recompute, said: "We upgrade the pre-owned personal computer systems that we sell. We use the terms 'remanufactured' and 'recomputed' to show that we have reconfigured, rebuilt and upgraded the system."

At the least, buying a machine that is a few years old means that the inevitable bugs in the hardware and software may actually have been detected and fixed.

If a new system is going to fail, it tends to fail in the first 90 days, said Joe Ventimiglia, owner of Excess Quality New and Used Computers in Campbell, Calif. "After that, failures are usually much farther out," he said.

On the other hand, new software is made for new computers, and an older PC might be unable to run common current programs -- or to handle documents from others -- like E-mail attachments, for example -- if they are written with those current programs.

Buyers of secondhand computers can guard against fly-by-night operators by checking to see if a business is licensed. They can also ask for warranties. Most shops offer warranties of 30 days to a year on used computers.

Those who do not need the comfort of a corner shop can try the Internet. David A. Karp, author of "Windows 98 Annoyances" (O'Reilly & Associates, 1998), developed an on-line computer swap site but pointed out that such sites posed inherent difficulties for some users.

"People don't like to send money to someone they've never met," he said. Still, Mr. Karp estimated that among the 195,000 visitors to his site, www.creativelement.com, several thousand had completed sales. "I put up my modem for \$50 -- why not? -- and I had three people who wanted it in three days."

The bravest shoppers can try on-line auction sites like Onsale or Ebay. Many computer manufacturers sell their refurbished and discontinued merchandise on line. Other sites

specialize in a particular type of used computer, like laptops or Macs. The true experts can scour computer hardware shows, flea markets and swap meets.

Datatech Remarketing concentrates solely on secondhand Apples and Macs. "We open them up, blow the dust out, test the components, reload the operating system, put them back together, clean the case -- and sell them," Mr. Lemmonds said. He added that he had benefited from overkill in the computer industry -- the stream of new machines laden with more memory, speed and storage than the average user needs. "Why do most people need a six-gig hard drive?" he said. "I have a 500-meg hard drive, and it does all that I want it to."

Because comparison shopping for used computers is difficult -- there are so many different configurations -- many users make a list of desired features and check market prices through computer magazines and on-line appraisal services like [the Used Computer Evaluator \(www.usedcomputerevaluator.com\)](#) and the American Computer Exchange ([www.amcoex.co](#)). The bible for used computer prices is the Orion Computer Blue Book, \$129 an issue, published quarterly. Many used computer shops carry the book and use it as a basis for their pricing (it can be ordered on line at [www.usedcomputer.com](#)).

Shopping for a used computer takes its toll in time and energy. According to the small print in many software licensing agreements -- those from Microsoft, for instance -- owners may transfer their license to use the software as part of a sale but cannot keep any copies and must relinquish any entitlement to free upgrades as well as to all earlier versions. Many owners will not do this. Those who buy a used computer from such people will legally need to reformat the hard drive and install new software if the software on the machine is registered to the original owner.

For the novice, the best choice may be a corner store or Internet site that offers some initial advice and technical support along with the used machine.

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