

Is an extended car warranty worth it?



9DREAMSTUDIO/STOCK.ADOBE.COM

SEAN P. MURPHY

THE FINE PRINT

Ice-T, the longtime rapper and actor, looked relaxed and confident as he strode through an auto repair shop in a TV commercial for CarShield, which has sold more than 1 million extended warranties on automobiles.

"If you... don't want to get stuck with expensive repair bills, then call CarShield," he says as the telephone number appears on the screen. "I trust them with my car, and you

should too."

The ads are ubiquitous on cable television, often anchored by longtime sportscaster Chris Berman, proclaiming that it makes economic sense to buy CarShield to cover expensive car repairs.

But does it really?

Q. What does CarShield sell?

It sells a kind of insurance: In exchange for your monthly premium, CarShield promises to cover the cost of repairs if your automobile breaks down (plus some extra benefits like towing and roadside assistance; a

\$100 deductible is required with some plans). Most automobile manufacturers provide a "factory" warranty on new cars that covers major repairs for up to five years. Factory warranties are tied to the vehicle and transfer with the car until the warranty expires. Extended warranties go beyond that period, whether you bought the car new or used. CarShield is one of the biggest companies selling extended warranties, with revenue of more than \$140 million in 2016. (As a private company, it limits the amount of financial data it releases; it did not respond

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In Needham, Amazon rumors spur opposition

Rezoning could block it from a high-visibility site

By Jon Chesto

GLOBE STAFF

Needham officials are watching Amazon warehouses proliferate throughout Greater Boston's suburbs, and they worry one of their town's most prominent sites could be next.

That has provided added motivation to rezone 15 acres on Highland Avenue overlooking the town's main Route 128 ramps, land occupied by the Muzi Ford and Chevrolet dealerships and the WCVB-TV studio.

Although the owners of the properties have not yet sought to redevelop them, Needham officials tried to rezone the area once before, in 2019, to accommodate broader uses and larger buildings. But proponents failed to secure the necessary two-thirds majority at Town Meeting.

Now they're back at it, with a somewhat scaled-back proposal. And this time supporters point to another motivation: keeping a warehouse for Amazon or another e-commerce company, a use allowed under current rules, from opening on this prime spot. Rumors of Amazon's potential interest have started to circulate.

"That's really the gateway to Needham," said Greg Reibman, president of the Newton-Needham Regional Chamber. "You want something aspirational to appear in that spot, not a big warehouse with trucks coming in at all hours of the day... A warehouse doesn't bring great jobs to the region. It doesn't bring economic vitality."

Select Board member Marianne Cooley said town officials began to look at rezoning the business district between Gould Street, which runs alongside the properties, and Route 128 seven years ago, in part to give the area a more modern look and feel, and spur an economic boost for the town and its tax revenues. It was to be their next focal point after a successful rezoning of the Needham Crossing business park on the other side of the highway, to allow for taller buildings there. Eventually, they proposed a slew of new uses for the Muzi and WCVB properties in 2019. But opponents raised concerns about traffic and development density.

This time around, Cooley said, town officials have tried to allay the concerns by making several changes. The 2019 proposal could have accommodated as much as nearly 1.2 million square feet of development, she said, while the proposal going before Town Meeting in May would cap it at roughly 870,000 square feet, with maximum building heights of four stories. Up to 240 residential units would be allowed by special permit this time around, after many people expressed an interest in seeing housing built at the site.

But those changes still might not be enough. The town's Finance Committee last week voted against supporting the rezoning. Two new Select Board members, both elected Tuesday, have also expressed concerns, which indicates the five-member board could have a split

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STEVEN SENNE/ASSOCIATED PRESS

Warehouses and trucks have been appearing in higher-profile locations in Greater Boston to speed deliveries.

INSIDE

TRAVEL

Airline fare prices rise amid optimism for the summer. D2



RENDERINGS BY DESIGN DISTILL STUDIO

FINALLY, FENWAY CENTER WILL RISE

The air-rights project, years in the planning, will take shape on a deck over the Pike on which work is starting

By Tim Logan

GLOBE STAFF

The drive into downtown Boston from the west is about to change forever. So is the walk from Kenmore Square over to Fenway Park.

That's because work is set to begin imminently on the long-planned Fenway Center project, which will put a two-acre deck, followed by a 350-foot tower, above the Massachusetts Turnpike between Brookline Avenue and Beacon Street. It's a development two decades in the planning that promises to transform the western edge of the city's core, knitting together two neighborhoods that have long been split by a highway.

Late Friday afternoon, the developers — a partnership of Beverly-based Meredith Management and the life-sciences developer IQHQ — closed on a \$55 million deal to lease so-called air rights from the Massachusetts Department of Transportation. Now they'll get to work on the deck, a two-year project that involves driving about 500 piles into the sides and median of the Mass. Pike, then laying 90,000 square feet of steel over them to serve as the base for a massive complex of buildings.

"It's a very ambitious project, obviously. It's complicated, it's time-consuming," said IQHQ's chief investment officer, John Bonanno. "And we feel it's transformational, reconnecting Back Bay to the Fenway where the highway has separated them for a very long time."

It's the largest project of its kind since Copley Place was built in the early 1980s, and the second underway on the Mass. Pike now. A half-mile east of Fenway Center is a project known as Parcel 12, where developer Samuels & Associates started work last summer on a deck that will hold an office building, hotel, and plaza along the western side of Massachusetts Avenue.

That project already requires that one lane be closed each way on the Pike, closures that will be extended for, and coordinated with, Fenway Center's. It effectively means the turnpike will narrow to three lanes near Boston University, rather than around Mass. Ave., where it did before construction on the air-rights projects began.

So far, the Parcel 12 lane closings have had little impact on traffic, said Scott Bosworth, undersecretary of transportation and chief strategy officer at MassDOT. Travel on the Pike is still 40 percent below pre-pandemic levels, but Bosworth said he expects the lane closures won't be a problem even as more commuters get back on the road.

"We're confident that the traffic management plan, the highway management plan, is a good one," he said. "It will not lead to any substantial impacts to the motoring public."

Closing the deal is a victory for the transportation agency, which has seen a number of air-rights projects stumble over the years due to their engineering and economic complexities. But under Governor Charlie Baker, MassDOT has tried to streamline its approval process, and now work is

'We feel it's transformational, reconnecting Back Bay to the Fenway where the highway has separated them for a very long time.'

JOHN BONANNO, chief investment officer of IQHQ, one of the developers



Fenway Center, being built under an air-rights agreement with the state, will include a deck over the turnpike on which buildings will be erected. Above is an artist's rendering of the plaza that will be created; at top is an overall view of the project.

underway on large projects at Parcel 12 and above the tracks at South Station. Fenway Center would be the third. The developers' \$55 million upfront lease payment is the largest such deal MassDOT has yet made.

"We're creating revenue from the taxpayers' assets, and that's important," Bosworth said. "We're also creating opportunities [to build] where there aren't any."

It is also a huge win for developer John Rosenthal, who has been working on the Fenway Center project for two decades, through multiple administrations on Beacon Hill and in City Hall. His Meredith Management firm has already financed and built Lansdowne Station on the commuter rail, which opened in 2014, as well as a pair of mid-rise apartment buildings that opened last year next to the train station.

Now he'll get to start work on the main course: a million-square-foot tower aimed at life-sciences companies — a structure that will pop on the city's skyline and transform a windswept canyon between Kenmore Square and Fenway Park.

"It's kind of the pinnacle of this vision," Rosenthal said. "It really is a new gateway into Boston."

To make it happen, Rosenthal had to flip his plans for the tower from housing to lab space, to bring in the kind of deep-pocketed partners who could finance the billion-dollar price tag. That's IQHQ, a California life-sciences development company led by the founder of an industry giant, BioMed Realty.

IQHQ, which has raised \$2.5 billion in equity in less than two years, will pay for construction of the \$200 million deck, then seek financing for the tower. It's a huge bet, Bonanno acknowledged, but one the firm is happy to make, given Fenway Cen-

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TALKING POINTS

MEDIA

SWISS BUSINESSMAN PULLS OUT OF BID FOR TRIBUNE

A Maryland hotel executive aims to assemble new financing for a \$680 million offer to buy Tribune Publishing after his partner, Swiss billionaire Hansjörg Wyss, pulled out of the bidding, a person familiar with the matter said Sunday. Wyss told Stewart Bainum Jr. it would require too much investment to turn the newspaper chain's flagship Chicago Tribune into a nationwide publication, said the person, who spoke anonymously. Wyss and Bainum offered \$18.50 per share, topping a previous offer of \$17.25 per share, or \$634 million, by Tribune's largest shareholder, the hedge fund Alden Global Capital. Bainum told Tribune representatives about Wyss's withdrawal Friday, and they authorized him to talk to other potential investors, according to the person. The special committee of the Tribune Publishing board that is handling the offers declined to comment. Tribune's papers include the Hartford Courant, the Baltimore Sun, and Orlando Sentinel. Alden owns many newspapers through its MediaNews Group, including the Boston Herald, Denver Post, and San Jose Mercury News. — ASSOCIATED PRESS

ENERGY

OIL SURPLUS? NOT ANYMORE



The pandemic oil glut is almost gone, rescuing producers but vexing consumers. Barely a fifth of the surplus remained as of February, the International Energy Agency said. Since then, lingering remnants of the surplus have been whittled away. The rebalancing comes as OPEC and its allies keep vast swaths of production off line and a tentative economic recovery rekindles demand. It's propping up international crude prices near \$67 a barrel, a boon for producers yet an increasing concern for motorists and governments wary of inflation. Inventories in developed economies stood just 57 million barrels above their 2015-2019 average as of February, down from a peak of 249 million in July, the IEA estimated. In the United States, the inventory pile-up has effectively cleared.

— BLOOMBERG NEWS

SOFTWARE

SEEKING A SMART PIECE OF CARS OF TOMORROW

Huawei Technologies plans to invest \$1 billion in intelligent vehicle solutions, including major software, in 2021, the Global Times said in a tweet Sunday. The Chinese company will employ about 5,000 technicians and engineers to work on the project, it reported, citing Wang Jun, the president of Huawei's intelligent automotive solution business unit. — BLOOMBERG NEWS

COMMUNICATION

SOMETHING MORE THAN CUPS AND STRING, AS IN \$4 BILLION MORE

Clubhouse, the buzzy audio-based social network, closed a new Series C round led by Andrew Chen at Andreessen Horowitz. Bloomberg reported earlier that the latest round would value the one-year-old startup at about \$4 billion, quadruple its value from January, people familiar with the matter said. DST Global, Tiger Global Management, and investor Elad Gil also participated in the round, the company said in a blog post Sunday, without disclosing the financing terms. Clubhouse lets users host their own online radio shows. Listeners can tune in to hear interviews or panel discussions and ask to participate in live chats. The platform has drawn appearances from some of the biggest names in business, such as Elon Musk and Mark Zuckerberg, and inspired copycats from several of the world's social network giants. Twitter Inc. held talks to acquire Clubhouse but the discussions stalled, Bloomberg News has reported. The company said its servers "have struggled a bit these past few months" as the app's growth outpaced the algorithms its team originally built. The funding will allow it to scale up its team, which already quadrupled in size this year, and launch programs for creators to get paid. — BLOOMBERG NEWS

Longer warranty may not be worth it

► FINE PRINT

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to my repeated requests for comment.)

Q. How much does it cost?

It's comparable to what you probably pay for auto insurance (which covers damage to your car, as opposed to mechanical breakdown of your car). The average auto insurance premium in Massachusetts is about \$100 a month.

Q. How can I find out what CarShield would charge me?

As part of my research, I called CarShield as an ordinary prospective customer. The sales representative asked me how many miles I had on my 2014 Ford Fusion (85,000), did I buy it new (yes), does it run OK (yes), and do I plan on keeping it (yes). To my surprise, the rep almost immediately gave me a quote: \$129.99 a month. (That's \$1,560 a year; do you pay that much, on average, in repair bills? I don't.) The next thing I heard from the rep: "How would you like to pay for that? Debit or credit card?"

Q. Are prices negotiable?

Apparently, yes, as I found out, even though I never asked for a lower price. When I declined to pay the rep's initial price, he almost immediately offered the same coverage for \$109.99, a 15 percent reduction. I said no thanks and hung up.

In the next few days, I received daily calls from CarShield, though I had not given the company permission to call me. (It obviously got my number when I called them.) First, a rep offered the same "platinum" plan for \$99.99, and after I declined, another called later to offer \$69.99, almost half the initial price. If CarShield can make a profit on \$69.99, think about what it can make on \$129.99.

I would have been impressed if a sales rep had cited a data-driven calculation for my premium, something based on the record of breakdowns and repair costs of my make and model. Instead, I got the feeling CarShield simply took a chance at roping me in at the highest price, and then tested me at every step

down to almost half price.

The people I dealt with were courteous and pleasant, although it became a little annoying how quickly and how often they punctuated their pitches with requests for my debit or credit card information. One stood out by repeatedly and pointedly asking me if I "had thought about" how I was going to pay thousands of dollars in repair bills.

He even asked (rhetorically, I suppose) if I could pay for repairs with a credit card or from a savings account. I felt like I was being shamed by a voice on the phone.

Q. Does an extended warranty make sense for some people?

Maybe. Let's say you have no savings and no credit, and you need your car to work. A sudden and substantial repair bill could mean losing your car and your job. You may be better off financially by skipping the extended warranty and putting aside money each month in a rainy day fund. But if you are living paycheck to paycheck, that may not be an option. It's been said many times it's expensive to be poor.

Other people may simply appreciate the peace of mind that comes with knowing repair bills will be covered.

Q. What exactly is covered?

Well, you'll have to check the 17-page, 5,000-word sample contract available online. (The actual contract will come to you in the mail during a 30-day trial period during which you can cancel and get your money back.) The sales reps and the sample contract were consistent that "platinum" coverage included these items: engine, transmission, electrical, steering and suspension, air conditioning, and brakes. But you need to read your actual contract to know for sure.

Q. What doesn't it cover?

About one-quarter of the lengthy sample contract details items not covered, including "normal maintenance" such as engine tune-ups, oil changes, brake pads and shoes, computer programming, and wheel and suspension alignment. Other

examples of exclusions include damage caused by a lack of maintenance or by an act of nature; the normal wearing out of such components as valves, piston rings, and the transmission clutch; the breakdown or failure of parts not meeting manufacturer's specifications or of parts damaged by parts not meeting specifications; and the cost of diagnosis and teardown if a mechanical breakdown cannot be verified. No claims are paid without prior authorization.

Q. How long does it last?

The sales reps said I could get a plan for a fixed monthly premium unlimited in time and mileage. But the sample contract leaves the contract period blank. If you are buying, make sure to discuss expiration date and mileage, if in its ads, CarShield says it won't begin a contract on a vehicle with mileage of more than 150,000.

Q. Does an extended warranty save money in the long run?

One bit of research I found online says probably not. In 2013, Consumer Reports got 12,000 responses from a survey of subscribers who said they had purchased an extended warranty on an automobile. Consumer Reports said 55 percent of respondents reported they had never used it and that, on average, those who did use it spent hundreds more for coverage than they saved in repair costs.

Q. What about extended warranties in general, say, for major appliances or electronics?

Researchers at Northwestern University found consumers believe that a product is far more likely to break than it actually is, calling the purchase of warranties "irrational behavior," especially in light of the cost, which can range up to one-quarter of the cost of the product itself.

Got a problem?

Send your consumer issue to sean.murphy@globe.com. Follow him on Twitter @spmurphyboston.

I got the feeling CarShield simply took a chance at roping me in at the highest price . . .

SEAN MURPHY, who got repeatedly lower offers when asking for price quotes and refusing them

ROCKLAND TRUST BANK

Many are betting on summer travel

By Quoc Trung Bui and Sarah Kliff
NEW YORK TIMES

On March 11, President Biden gave the country a preliminary timetable for returning to normalcy. In a prime-time address, he directed states to make all adults eligible for vaccination by May 1.

"A July 4 with your loved ones is the goal," he said.

Americans, it turns out, made travel plans accordingly: Airline ticket prices for summer travel shot up the week after the speech, according to data from the travel booking app Hopper.

The speech was sandwiched between two other events that might also have increased optimism about traveling: The Johnson & Johnson one-shot vaccine received emergency approval on Feb. 27, and a tranche of stimulus checks arrived in bank accounts on March 17.

"During that shift in mid-March, there wasn't a change in supply, but there was a big change in sentiment," said Adit Damodaran, Hopper's chief economist. "A lot of people started to think, maybe I could start to plan that summer vacation."

Because airfare is typically purchased weeks or months in advance, it can be a barometer of how the public is feeling about the pace of recovery. The prices in the Hopper data, which includes fares displayed over three years of searches (representing billions of flight queries), now suggest a travel recovery that could be in full effect as early as this summer.

Week after week, prices for summer flights have inched closer to the prices that travelers paid two summers ago, an indication of rising expectations for a more normal summer.

"Starting in July, summer 2021 fares are looking increasingly like summer 2019 fares," said Kevin Williams, a Yale economist who reviewed the Hopper data. He added: "If anything, supply is only going up as we head into summer. High prices suggest planes will be full."

Airlines appear to be operating on a timeline similar to passenger expectations, and seeing this summer as a moment of recovery. Southwest Airlines is recalling all flight attendants from voluntary extended leave beginning June 1. As of late March, American Airlines had returned to 90 percent of its 2019-level bookings.

The spike in summer travel prices is a significant change from a few months ago, when the vaccine rollout was sluggish and demand for travel was weaker. In early February, the average price for July travel was \$278. By April, the average price for a flight in July grew 5 percent to \$293.

The Hopper data also suggests that Americans remain hesitant to travel this spring, with a recent uptick in coronavirus cases nationally and with most people not fully vaccinated.

Fares for April and May (typi-

cally slow months for travel) are still quite depressed this year compared with similar flights in 2019. A flight in May 2021 is about \$57 cheaper than a flight in May 2019.

The summer airfare recovery shows up on all sorts of routes, including those that are more typically taken by business travelers (like a flight between Boston and Washington) and those frequented by vacationers (flights to places like Orlando or Las Vegas).

Supply could become a constraint that drives up prices later this year, particularly if travelers with extra vacation days to burn want to make up for last year's canceled trips.

Right now, though, airline industry experts say the change in prices reflects rising demand. They point to the quick changes in prices from one week to the next, particularly in March after the Biden speech. Those are short periods when airlines' fleets are holding relatively stable.

"This crisis is all about demand," said Vikrant Vaze, an associate professor of engineering at Dartmouth College who studies the airline industry. "It's not like the oil price crisis, where the challenge was about costs. This crisis originated on the demand side, and now you see supply and prices responding to new demand."

Vaze said demand is increasing because of what people see happening around them — largely the faster pace of vaccination — as well as the messaging from the government and other sources about what to expect.

Flights have not proved to be a significant source of coronavirus spread; an article in the Journal of the American Medical Association identified only 42 instances worldwide as of October. Public health officials are contributing to that sense of safety: Early this month, the Centers for Disease Control and Prevention said vaccinated people could safely travel in the United States without testing or quarantining.

"It's quite fascinating how the ground reality and the messaging matter right now," he said. "People read the news, people think about it. The vaccine availability is a big deal, and the messaging is another big deal."

Another sign of rising demand: Airlines have found they can once again charge premiums for last-minute bookings. The prices for fares booked less than a week in advance is a trend that jumped out at Damodaran, the Hopper economist. Just a few months ago, travelers weren't interested in spur-of-the-moment trips.

"At the very beginning of the year, airlines couldn't really increase prices on a last-minute flight to Las Vegas," he said. "Then you start to see that change as you head into March, and those massive price spikes on last-minute bookings show up. That's leisure travel starting to come back."

Air-rights project years in the planning about to rise

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ter's proximity to the Longwood Medical Area and the huge demand for life-sciences space in Boston.

Still, the developers are building without a tenant, in part because the four-year process of constructing the deck and tower means the project will open too far in the future for companies to commit to leasing space. Marketing is likely to start in earnest once the deck starts to take shape.

Real estate analysts say there is demand on the horizon for millions of square feet of lab space, powered by the investment that's pouring into drug companies in the Boston area.

There's a lot of lab space coming, too, with projects planned or underway throughout Greater Boston. But few, Bonanno said, are like this one, with its proximity to both Longwood and Kendall Square, on top of a commuter rail station, and steps from Fenway Park and a quickly changing Kenmore Square.

"It's really unique," he said. "There are lots of well-conceived projects in good locations, but there aren't many that will be as do as much for an area as Fenway Center. . . . When you go underneath our project you'll know that you've arrived in Boston."

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