



# WORKHORSES

A new 5 Series means the old ones just got cheaper. Time to look for the E39 workhorse sedan of your dreams!

By Mike Miller Artwork by Steven Cavalieri

**W**hen a new model is introduced, the old ones suddenly become much, much cheaper. As evidenced by the cover of this issue, BMW has just revealed its new F10 5 Series, and the coming months will see its predecessors being sold off *en masse* in anticipation of the new car's arrival.

In most instances, that sell-off would be taking place mainly among the car's immediate predecessors, but the polarizing looks of the E60 meant that plenty of old school BMW enthusiasts eschewed that model

generation entirely in favor of keeping their E39s for a few more years. Now that the F10 has returned to more traditional styling, their cars will be coming up for sale. If you've had your eye on one of these late-model classics, start planning your purchase strategy now, because tons of E39s will be on the market by summer.

Even if you're not looking for an outright bargain, the broad availability of these cars should make it easy to find a good one, and that's not always the case. For some reason, sedans are rarely coddled like coupes.

They're driven to death, curb-rashed and cart-bashed rather than pampered and preserved. In short, these cars get *used*—as commuter cars, kid haulers, grocery getters, you name it. In Germany, they're even employed as police cars and taxis.

On the plus side of that equation, they also become relatively cheap once depreciation sets in. Sedans just don't hold their value like coupes do, and that means relative bargains for savvy used-car buyers who don't mind (or perhaps even want) those two extra doors.

# The E39 pantheon: From 525 to M5

Model	Model Yrs.	Engine	Horsepower/Torque	Transmission
<b>528i sedan</b>	1997-'98	2.8-l M52 inline-6	190 hp/206 lb-ft	5-sp. man/4-sp auto
<b>528i sedan</b>	1999-'00	2.8-l M52 TU inline-6	193 hp/206 lb-ft	5-sp. man/5-sp auto*
<b>528i wagon</b>	1999-'00	2.8-l M52 TU inline-6	193 hp/206 lb-ft	5-sp. man/5-sp auto
<b>525i sedan</b>	2001-'03	2.5-l M54 inline-6	175 hp/184 lb-ft	5-sp. man/5-sp auto
<b>525i wagon</b>	2001-'03	2.5-l M54 inline-6	175 hp/184 lb-ft	5-sp. man/5-sp auto
<b>530i sedan</b>	2001-'03	3.0-l M54 inline-6	225 hp/214 lb-ft	5-sp. man/5-sp auto

\*beginning with 9/99 production

The initial six-cylinder E39 model was the 528i sedan, introduced in mid-1996 as a 1997 model. It was powered by the same single-VANOS, iron-block M52 inline-six found in the E36 328i, mated to either a ZF 5-speed manual or GM-sourced 4-speed automatic. ASC+T traction control, power front seats with driver-side memory, multi-function steering wheel, automatic climate control and remote locking were all standard. Most cars also had the optional Premium Package with leather seating and Vavona wood trim. Only minor changes arrived for 1998, most notably the optional Sport Package, which included Sport suspension, 17-inch wheels and Shadowline trim. The slightly more powerful aluminum-block, double-VANOS M52 TU engine was introduced for 1999. That year, the 528i Sport Wagon also debuted, and it could be equipped with a manual or automatic transmission, as well as Sport Package (now with M steering wheel) and/or Premium Package (now with 16-inch alloy wheels). A 5-speed Steptronic automatic replaced the 4-speed starting with 9/99 production (production of the MY 2000 528i actually began a few months earlier). For 2001, the 5 Series received a mild exterior facelift ("Angel Eyes" headlights, jeweled taillights, body-color moldings, updated wheels), while the 528i sedan and Sport Wagon were replaced by a trio of new models: 525i sedan, 525i Sport Wagon and 530i sedan, all powered by the new M54 six in 2,494cc (525i) and 2,979cc (530i) versions. Both continued to be offered with manual and automatic transmissions, while standard and optional equipment differed only slightly from that of the 528i. Additional standard features were added for each of the final two model years.

<b>540i sedan</b>	1997-'98	4.4-liter M62 V8	282 hp/310 lb-ft	6-sp. man/5-sp. auto
<b>540i sedan</b>	1999-'03	4.4-liter M62 TU V8	282 hp*/324 lb-ft	6-sp. man/5-sp. auto
<b>540i wagon</b>	1999-'03	4.4-liter M62 TU V8	282 hp*/324 lb-ft	5-sp. auto

\*290 hp from MY 2000

The 540i sedan was introduced alongside the 528i sedan as a 1997 model. Early (1997-'98) 540i sedans use the aluminum-block M62 V8 engine, with Alusil cylinder coating instead of the wear-prone Nikasil used in the E34 540i. In 1999, that motor was replaced by the M62 TU (for Technically Updated) V8 with single-VANOS variable valve timing for an additional 14 lb-ft of torque. In 2000, the engine was re-rated at 290 hp (up from 282 hp). All 540i sedans were available with a Getrag 6-speed manual or a ZF 5-speed automatic, though the Steptronic function was only fitted to cars with Sport Package (paired to a shorter rear axle ratio and higher stall speed torque converter). The 540i Sport Wagon debuted for MY 1999 equipped with the Steptronic automatic (no manual was offered), even without the available Sport Package. As the 540i's generous standard equipment included leather upholstery, Burl Walnut wood trim, full on-board computer and a power moonroof, no Premium Package was offered. In line with the six-cylinder E39s, the 2001 540i received a mild cosmetic update. Sport Package was enhanced on the final 2003 models to include the M-Technic aero package, more aggressive suspension and (on sedans) 18-inch M Parallel Spoke alloy wheels.

<b>M5 sedan</b>	2000-'03	4.9-liter S62 V8	394 hp/368 lb-ft	6-sp. manual
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The E39 reintroduced the M5 to North America after a seven-year absence, trading the race-bred S38 inline-sixes of the E28 and E34 for a 4.9-liter S62 V8 producing nearly 400 hp. With a standard Getrag 6-speed manual gearbox (mated to a limited slip differential and DSC stability control), the M5 could reach 60 mph in under five seconds. Its M-tuned chassis included stiffened suspension, a unique steering rack and enlarged vented disc brakes behind M5-specific 18-inch wheels. A subtle aero package and quad exhaust tips further distinguished the model from lesser E39s, while the interior was fitted with Sport seats, an M steering wheel and special M instrumentation. Equipment was extensive, including every standard 540i feature as well as Xenon headlights, heated front seats and satellite navigation in addition to a choice of several types of leather and interior trims. Aside from a minor facelift and a few minor interior upgrades for 2001, little changed over the four years that the E39 M5 was produced. It proved to be the most popular M5 in North America by a large margin, with nearly 10,000 imported. —*Alexander Palevsky*

As the Pantheon at left indicates, the E39 was sold as a sedan and as a station wagon in a variety of engine and transmission configurations, with Sport and regular suspensions. If you want to be one of those crazy people who drive a luxury sedan at the racetrack, there's even an M5. If you want one for more sedate purposes, there's a 528i automatic out there that even your grandmother would love.

Where E39s are concerned, those two cars also represent the ends of the cost spectrum with respect to both purchase price and ownership. If you want to keep costs down while driving a midsize BMW, stick with the six-cylinder engines. Though V8 bargains abound, both the M5s and the 540i's can be frightfully expensive to keep on the road.

To assess the state of the E39 market, we searched Craigslist San Francisco (*Bimmer's* home port but not the author's), taking advantage of the abundance of used BMWs in Northern California. We also searched the nationwide ads at Roadfly.com and BMWCCA.org, but we skipped BMWUSA.com since the E39 is too old for Certified Pre-Owned status. Finally, we checked in with a junkyard in New Hampshire called Euro Depot ([www.partsed.com](http://www.partsed.com)) that routinely offers cars that both run and drive for \$1,495 or best offer, and which are never advertised using the supremely condescending words, "Serious buyers only," that disqualify many a car from consideration.

## 528i: The bargain E39

All BMWs trade a unique driving experience for high maintenance and repair costs, but you can reduce the likelihood of going to the poorhouse by choosing the more reliable six-cylinder engine over the V8, and by avoiding the automatic transmission in favor of a manual. As with all BMWs, the fewer options the better, especially if those options have wires attached to them. In the E39, the GPS navigation board monitor tends to fail to the tune of thousands of dollars, as does the upgraded audio amplifier. Buy a car with Premium Package and you can expect power seat problems and a leaking rearview mirror. Xenon headlights, in our opinion, are worth the repair costs.

Of the various six-cylinder E39s, the later M54-powered 530i runs much better and stronger than the earlier M52-powered 528i, and it also gets better gas mileage. That said, the M52 has a more reliable crankcase ventilation system (oil separator), and the 528i tends to be much cheaper on the used market than the later 530i.



We found 14 E39 528i's for sale on Craigslist, of which 12 were viable. Only one had a manual gearbox, which gives some indication of how hard it is to find an E39 with a manual. This particular example was a **1998 528i** five-speed manual in Aubergine Metallic (a lovely dark red) over Sand leather with only 86,000 miles in Santa Clara. Like most BMWs around this mileage, it probably needs remedial maintenance such as an engine tune-up (spark plugs, air filter, fuel filter), operating fluid changes, a front brake job and set of control arm bushings. A good do-it-yourselfer can get the parts at near-wholesale prices from many *Bimmer* advertisers and do the job at home, making this car a good deal at \$6,000 or best offer.

Of the 11 automatic transmission cars, one stood out: a **1999 528i** automatic in the BMW Individual color combination of Anthracite Gray metallic over Sand leather for \$7,000 or best offer in Danville. With 153,000 miles, this Sport Package car has already had the standard BMW cooling system overhaul—radiator, water pump, thermostat—but it's highly unlikely that it's ever had an ATF and filter change; if not, it will probably need a rebuilt automatic transmission soon. Not surprisingly, the owner says he's selling it for a manual gearbox version.

### 525i and 530i: Skip the 525i

From 2001 to 2003, BMW sold the E39 with two versions of the new M54 engine. Though the 2.5-liter 525i was much cheaper than the 3.0-liter 530i when new, that's no longer the case. Prices for used 525i sedans tend to be identical to those for 530i sedans even though the 2.5-liter engine struggles for performance in the E39 chassis. The larger engine fares much better thanks to its additional 30 lb-ft of torque, making the 530i a much better prospect than the 525i unless you really prefer a wagon. (No E39 530i wagon was sold in the U.S.)

That said, finding an M54-powered E39 isn't easy in either case. None were advertised on the CCA web site or Roadfly.com, leaving us to search for cream puffs among the seven daily drivers offered at Craigslist SF. Only one had the preferred manual gearbox as well as Sport Package, and it was also the nicest one we found. This was the **2001 530i Sport** in Aspen Silver over Black leather with 67,000 miles in Emeryville, California. It has a five-speed manual and lovely two-piece BMW alloy wheels wearing 235/45-17 tires at all four corners, but we nonetheless found this car hideously overpriced at \$15,000—which the owner just might get since it's the only Sport Package 530i with a manual gearbox for sale



The E39 sedan



The E39 Sport Wagon

right now. This car offers formidable handling and respectable engine performance, and in the long run that makes it a lower-cost alternative to an E39 M5 for roughly the same initial purchase price.

If you don't want to pay top dollar for a manual transmission 530i, how about a **2002 530i** automatic in Sterling Gray over Gray leather with 105,000 miles? This car has both Sport and Premium Packages as well as a LoJack theft alert and recovery system—probably the only such device that actually works—for just \$9,500 in Redwood Shores, California.

### 540i: Cheaper than an M5

The E39 540i has a well-deserved reputation as a pain in the neck. It tends to need frequent engine repairs and cooling system replacements, and it's expensive to keep one of these cars on the road once the warranty expires. That said, the 540i is a lot of fun to drive, especially when it's equipped with Sport Package and a six-speed manual transmission. The V8's torque is addictive, and overall performance is just shy of M5 levels but without the astronomical insurance and maintenance costs—as expensive as a 540i is, it can't hold a candle to the M5 in that regard. Nor is as expensive to keep as a newer V8-powered E60 550i, which is a giant rolling computer wrapped in funky-looking bodywork. The E39 540i never won any reliability awards, but technicians know how to fix it, and it still looks like a BMW.

For enthusiasts, the 540i to look for is the M sport six-speed or one of the rare wagons with Sport Package. Though it costs as

much as an M5, the gorgeous **2003 BMW 540i M sport** in Jet Black over Gray leather with 89,000 miles caused us to take a long, hard look. M sport cars were equipped as standard with a six-speed manual, and this one has every option except Navigation, which is a good thing to omit. It's gotten a few tasteful mods like M3-style mirrors, M5 rear trunk lip spoiler, Shadowline kidney grilles, Bilstein Sport shocks with H&R springs, new Michelin tires and a custom stainless steel exhaust that the owner says has "a real nice exhaust note, not too loud." It's also had \$7,000 in recent service that included new brake pads and rotors front and rear, all suspension bushings and ball joints, fan resistor, water pump and thermostat, hoses, valve cover gaskets, spark plugs, evaporative emissions control system purge valve, all filters, mass airflow sensor, MID unit, clutch, belts and all operating fluids. This car retailed for \$60,000 six years ago, but it's advertised on Roadfly for \$15,000 out of Boxford, Massachusetts. (If I'd paid \$60 grand for a car six years ago, the last thing I'd do is sell it today for a lousy \$15,000—I'd rather get my money's worth out of it on the road!)

Even though we really liked that car, the fact that you can now buy an E39 540i six-speed in pretty nice condition for around or even under \$10,000 makes it worthwhile to look for a better deal, and indeed we found one on Craigslist: a **2000 540i six-speed** in Jet Black over Black with Sport Package being offered in San Jose, California for a mere \$9,750. This car has every option including the problematic DSP sound system, but the owner is a



mechanic who actually maintained the car with driveline oil changes. It's got four Michelin Pilot Sport tires, is nicely detailed and needs nothing. The owner wants the cash so he can buy a house, which means you can get a hell of a car for less than \$10 grand—and this is just one of *three* perfectly viable 540i Sport six-speeds we found at that price on Craigslist San Francisco.

As nice as the 540i sedan can be, the wagon can be even nicer thanks to its extra cargo space, although choosing a wagon means getting an automatic transmission in the bargain since no manual option existed on 540i wagons sold in the U.S. Nonetheless, we found ourselves intrigued by the rare **1999 540i wagon** in lovely Glacier Green metallic over Black with only 74,500 miles being offered on BMWCA.org. The car has Sport Package, Xenon headlights, navigation and a LoJack—which explains why it's never been stolen from its home in New York City. Having been dealer serviced, it will need some remedial maintenance, but the owner says it's in great overall condition. (In our experience, cars in New York City are either pristine or have four bent wheels and dents in every panel.) It's \$12,000, and you can double your pleasure while picking it up in Manhattan by taking a side trip to Little Italy for the outstanding rice pudding at Rice to Riches. Yum!

### M5: Only a few good deals

Given how many 540i sedans we found, we expected the M5 market to be similarly flooded. Since that wasn't the case, we suspect that a vast number of these cars changed hands in the last year thanks to a startling depreciation rate, Ferrari-like engine repair bills, the economic collapse and the proliferation of more-powerful E60 M5s on the CPO market.

Though M5s weren't available in abundance, we did find several really nice, low-mileage E39 M5s at high asking prices. This is either because these cars are the cream of the crop left over after the bargains have been snapped up, or it may be the natural

and probable result when sellers not only ask way too much money but also say things like, "I don't have time to field phone calls all day," in their ads for cars like the nice but overpriced 2002 Dinan S2-M5 in Seattle, Washington. If anyone ever deserved to be told to "GFYS," it was this guy. For sheer rudeness, however, he was easily matched by the guy in Seacoast, New Hampshire who was trying to sell a 2000 M5 with just under 50,000 miles for a whopping \$32,000 by demanding, "Serious buyers only and NO joy rides." Listen, Dillweed, if you think I'm going to pay \$32 large for a *used* car without driving it you've been eating too much snow—is that serious enough for you?

With so few M5s to choose from—there were none on the car club web site—it didn't take long to settle on the honest **2001 M5** in Titanium Silver over black with 70,100 miles and folding rear seats advertised on Roadfly out of Tulsa, Oklahoma. This car appears to be in near-mint condition with no dings, and it was owned by a non-smoker. It has a new driveshaft, oil separator and instrument cluster, and the expensive Inspection II service has just been done. It has relatively new tires and needs nothing. This is the kind of M5 you want to find—one that has been recently serviced and doesn't need any work—and its \$18,500 price is decent for a clean, low-mileage example.

If you want to pay a little more, you can get a like-new E39 M5 with 56,000 miles for \$24,500 in Irving, Texas. It's a **2002 M5** in Titanium Silver over Silverstone leather with folding rear seats, Park Distance Control, rear sunshade and upgraded audio, and it's being sold by a BMW dealership technician who just performed the pricey Inspection II service. He wrote, "I have the history of all service performed under warranty. The CARFAX the dealer showed me when I bought the car was clean. I would rate [condition] as excellent. Engine runs beautifully, transmission/clutch shift and feel smooth. Vehicle is also covered under a fully transferable

two-year/24,000-mile (beginning 2/09) Western General Gold PLUS Extended Warranty that is much like BMW's CPO warranty. Rear brake pads are new. Front brakes still have a third of their life left. Michelin Pilot Sport tires all the way around with average of about half their tread life with a fully transferable five-year (beginning 2/09) Tire/Wheel Defect Service Contract including Roadside Assistance. Radio has a tape deck in the dash and a six-disc CD-changer in the trunk, fully functional. Replaced the guibo disc and resealed the rear door vapor barriers. Vehicle also covered by a fully transferable five-year (beginning 2/09) theft protection program that includes window etching. LoJack is installed in the vehicle; I am unaware of the term length but it is a new policy and fully transferable. Vehicle is in stock form, not modified in any way. If you are looking for an M5, this is the one you want. You can't get a much better deal than this." We agree.

### E39: The last viable 5 Series?

In scanning the E39 market, we found a reasonable number of fixer-uppers for fairly low prices and a few pristine examples at equally reasonable prices. We don't expect prices to fall much lower than they are right now, however, because it's entirely possible that the E39s will be the last truly viable 5 Series BMWs to appear on the used car market.

Later generations—i.e. those of E60 vintage or later—are so complicated that no one beyond the dealership will likely be able to work on them, and the lack of maintenance they received during their first five years means they're going to become frightfully expensive to keep beyond the warranty period. Who among us will fund a \$10,000 automatic transmission replacement, for instance? And which insurance company is going to pay for collision repair on cars with fiber optic wiring harnesses? (They barely pay to fix BMWs now...)

Of course, it's not BMW's fault that its customers want the latest gizmos and safety features, not to mention the hybrid powertrains they think will pollute less and save energy. As nice as that stuff is when the cars are new, it seriously reduces their viability once they start to age. As a result, we expect the current generation of BMWs to plummet in value once they're no longer new.

Not so the E39. These workhorse 5 Series cars are the last of a breed, the last to employ traditional mechanical systems that remain relatively free of computerization. That makes them great deals today, collectibles in the near future. ☘

The E39 M5

