

New Lease car buying guide

What is Car Leasing?

Many people are choosing to buy their new car on lease agreements nowadays. This gives you the chance to own a brand new car without the upfront costs of buying a vehicle outright, as you would typically do at a car dealer.

There are many types of car leasing agreements.

Why buy a new car on a leasing scheme? The main reason is that you can spread your payments over a fixed term but start driving your new car straight away. Maintenance charges can also be kept to a minimum depending on the service schedule.

Buying your new lease car on the Internet

Buying over the Internet protects the buyer under the Distance Selling Act. When buying from a car leasing website make sure that the company displays their full contact details such as phone number, fax number and full address (not a P.O. box). The Internet is a very useful tool for comparing prices from different companies, all in the comfort of your own home.

When looking at new lease car prices on the Internet make sure there are no hidden extras and whether VAT is inclusive or exclusive. If necessary call and speak to a representative and ask as many questions as you like – if you are not happy with the answers move on to the next one.

New Lease Car - Advantages and Disadvantages

Pros

- Full manufacturers warranty
- Better safety features
- Owning a brand new vehicle
- Your choice of colour and specification
- Accident free and mechanically sound
- Latest features
- Low initial payment
- Easy options at the end of the deal (you don't have to sell the vehicle, either hand back or trade in against a new car leasing deal)

Cons

- Cost is higher than a used model
- Depreciation of vehicle is high initially
- Insurance could be higher for a new car
- Early termination can be costly
- Can be costly if you go over the annual mileage agreement.
- Must return the car in good condition or penalties will apply

Reasons not to lease a car.

- If you are not sure how long you will need a car or you may be getting a company car in the near future
- Not cannot guarantee that you can meet the monthly payments or have a regular income
- You have a high annual mileage
- You do not look after your cars
- You do not like to be in debt or owing money

GMC Leasing is an independent car leasing company specialising in personal and business contract hire. We also arrange all other types of finance including finance lease, lease purchase, hire purchase and cash sales. We can finance any make on model new or used.

GMC Leasing can answer any car leasing questions you have – just call free on 0800 655 6005 or visit www.gmcleasing.co.uk

About the Author

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