



Leasing

“For most people, the flexibility of not putting down such a big down payment, having a lower monthly car payment and getting into a new car every couple of years makes leasing better than buying.”

“Leasing is better because it allows **you** the consumer to get into a new car every two years for about the same amount of money **you** would be spending to stay in that same car for 5 years if they were financing it for ownership.”

Dealers agree, claiming that leasing is a growing trend in the area thanks to increased awareness about the sometimes confusing subject. We think it's becoming a trend now because people are becoming more aware of it. Years ago we had to inform customers about it, now they come in and ask about it. In the last 2 years, more people are coming in asking about it.

Several years ago, leasing was mostly reserved for those people who used their cars for business and could then use the vehicle as a tax write-off. Today, the idea of leasing is gaining popularity with the general public because of the increasing price of cars.

The reason it's become more popular is that each year, cars are getting more expensive, and the worst thing about it is that they're depreciating faster than they ever have. People now are getting in tune with that and realizing that with a conventional buy, where they would just finance the car through the bank, by the time they have the car paid off and they own it, it's not worth 15 percent of what they paid for. So with leasing, they get that, and they save quite a bit of money per month.

But leasing isn't just a good idea for customer. It has some benefits for the manufacturers as well.

There's no question it's a growing trend, the manufacturers, one of the reasons they're subsidizing it, is because they'd rather put more cars on the road for shorter terms and subsidize them than make more money and sell less vehicles. With a two-year lease in a 10-year period, they can lease five cars or sell two. They'd rather lease five.

Despite leasing's increasing popularity, it's not a good idea for everyone, dealers warn. Leasing's not for everybody, it's for the customer who plans to keep a car three to five years; they should be good candidates. Those people who want to keep a car until it dies, you can talk until they're blue in the face and they won't be good candidates.



The only person that would not be a good candidate for a lease would be the person who absolutely, positively wants to keep their car for 10 years, so to speak.

It's not for everybody, to figure out whether leasing is a good idea for **you**, figuring out the number of miles you put on your car each year, calculating what monthly payment best suits your needs and then deciding what your buying habits are. Using this information, a dealer can determine the type of lease that best suits you.

The reason leasing has a bad name and people are afraid of it is that a lot of people jump into it without determining what the right lease is for them. You don't want to jump into the wrong vehicle either.

It depends on which car you lease. More popular vehicles hold their value; big ticket items hold their value. That simple theory explains why most of the cars leased locally are the more expensive ones.