

Christina West

615-885-4841

Dr. Annette McCreedy

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When buying or leasing a car several considerations should be taken into effect. Buying a car is when payments are taken monthly if the car can't be purchased in one lump sum. A car lease is a short-term purchase and when the lease is up the car must be returned. Although leasing a car might be fun and ideal for people who have an abundance of money, buying a car is ultimately the best path. I feel that buying a car is a much better decision than leasing a car, because after the car is paid off it belongs to the buyer, still holds value, can be modified, and gives the owner a sense of pride. Also, when leasing a car the buyer is forced into a constant program of spending more money.

Leasing is like renting a car for a long period of time. The leaser never owns the car, and there are limits to what can be changed about it and how many miles that can be put on the car (Citrome). Leased cars cannot be modified and society this is very popular. "Modifying cars has been a popular past time for as long as cars have been about" as posted on Street Racers website. When buying a car, changing the appearance of the interior or exterior by installing new speakers or changing paint colors is acceptable. If the car has been modified everything that has been added to the car should be taken off before returning the car. Otherwise, the lessee will be charged with any dents or other minor damages incurred.

Leasing a new car will end up costing more over time than buying one (Gin 1). With long-term leasing more of the lessees' money goes to the company then paying towards the cars use. Also, only the portion of the car being used is what is paid for. In other words, if the car is wanted for two years the payments will be only for two years worth, without having to resell the car or trade it in (Gin 1). If short-term use is one goal, a lease may make sense. However, if the use of a car will always be in need, but it doesn't

have to be a new car, a lease is an expensive option. At the end of the lease term, the car will have to be replaced with another car, a different lease, and further series of payments. When buying, the car belongs to the buyer after the monthly payments end and does not have to be returned to the dealer.

Leasing a car also involves mileage limits. If an agreement of how many miles the car is limited to is passed the leaser is charged extra for the miles exceeded over the limit. This may cause problems for many people. No one can tell the future and know how many miles they will have to drive when emergencies come up. There are two types of lease agreements closed or open-ended. With an open-end lease, there is the choice of unlimited miles, but if the resale value of the car at the end of the lease is less than the agreed-to amount, the difference must be made up. A closed-end lease imposes a mileage limit, usually 12,000 to 15,000 miles a year (Gin 1). The website for Primus Financial Services advises that if the purchasers' lifestyle includes driving over 15,000 per year or more, then buying will be a better financial option.

Leasing can also be considered if having a new car every two or three years is affordable. These days, cars' values depreciate drastically when driven off the lot. At the end of a lease there are usually four options: give the keys back to the dealer and walk away; buy the car by financing the buy-back value; find someone to buy the car; or renew lease on the same car (Citrome). Kacya Cotton, a counselor with the Canadian Automotive Association, says that it's best to either let the car go or sell it to someone else (qtd. in Citrome). Also when leasing, the financial company, not the lessee pays for theft insurance (although the lessee is expected to pay for liability insurance).

There are many factors to think about when leasing or buying a car. Simply, the reasons why leasing is not the smarter option are; the lessee never owns the car, monthly payments go more to the company that leased out the car than to the actual use of the car, the car cannot be modified, and going over the mileage limit can be very expensive. The main reasons why buying a car is better than leasing a car is the sense of ownership, ability to modify the car, and the saving of money.

Works Cited Page

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<http://www.street-racers.co.uk/cars/index.htm>

Modifying cars has been a popular past time for as long as cars have been about.

http://www.primuscredit.com/buy/buy_why_buy.html