



## **What Is Car Leasing, and Is It Right for Me?**

When it comes to car ownership, you've traditionally had two options: buy a new car outright, either with your own savings or finance, or a cheaper used car. Another option though, which gives you more flexibility is leasing a car.

Motor Source Group, our motoring partner and new car specialist for emergency services and teachers, talk us through what exactly is car leasing, and how it could fit into your life.

### **What is leasing?**

Leasing a car, also known as Personal Contract Hire, is very similar to renting a house: you agree on a contract length, lay down a deposit and then pay monthly while you drive the vehicle. Once the end date rolls around, you arrange the return the car to the dealership.

The contract can be tweaked to fit your cost and driving habits. For example, if you drive less than 8,000 miles a year, you can select a contract with an appropriate mileage, bringing down the price of the lease. It's similar for the length of the contract, with often three or four-year contracts being cheaper than shorter ones. You can even include the cost of maintenance in the contract, if you're worried about potential damage to the car.

When you sign the contract, there are some terms you agree to. If you travel further than the agreed mileage, you'll incur a charge per mile over the amount (usually a few pence per mile, but this can add up quickly). Also, the car has to be returned in good condition; if there's any serious or undeclared damage then you may have to pay for repairs yourself or agree on an amount to pay to the rental company.

### **Here's an example...**

Let's walk through leasing a Nissan Qashqai Hatchback 1.3 DiG-T MH Visia. If you pay 12 months initial rent up front, on a 36-month contract with an annual mileage of 6000 miles, you'll be paying around £216 a month, with an upfront cost of £2,593. Once it's all signed, the car is yours for three years. A great benefit with Motor Source leasing is that all of these terms can be adjusted to meet your individual needs, so if you drive more you can increase the mileage, or if you want to put less initial payment in that's fine too!

After that time, it's simply a case of agreeing a new lease contract, whether that's with the same model car or upgrade to something entirely different. The great thing about leasing is that you have

the freedom to choose – especially useful for electric cars, where the technology is quickly improving.

### Why should I consider lease?

Leasing has been growing in popularity over the last few years, and it's easy to see why. It's a simple, straightforward way to drive a new car on a budget. Here's a few points that draw people to leasing compared to owning:

- One of the main benefits is that **monthly payments are usually lower than other finance methods**, so you can potentially afford a higher spec vehicle than you perhaps would with HP or PCP finance options.
- After the contract is complete, you **avoid the hassle of having to sell or part exchange the car**. This includes not having to worry about price depreciation; with the average car [losing about 40% of its value after three years](#), a lease sidesteps this problem, the costing being agreed upfront and remaining constant throughout the contract.
- **There's no pressure to buy the car** at the end of the agreement, which can sometimes require a large balloon payment with other financing methods.
- **There are minimal maintenance costs** – you'll get a brand-new car that's covered by the manufacturer's warranty, and the length of the contract usually means its covered for the duration of the agreement.
- **You have the flexibility to change your car** more often, or try a different make or model after your contract's completed. Leasing is great if you anticipate your transport needs changing in the future, for example if your family grows or your work requires longer or shorter trips.

Whether you're looking for personal or commercial contracts, Motor Source Group have great offers for you. If you currently work in, or have previously worked for the emergency services, NHS or as a teaching professional, visit <https://motorsourceleasing.com/> to find out more and explore available offers today.