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As most average consumers are unable to buy a car with cash, it is best to consider car leasing options. Car leasing is also known as contract hire in the industry; this is a special contract between the consumer and the financier.

With a car leasing scheme, the consumer can enjoy the full use of any car preferred without actually possessing the car until the lease is terminated. Then, the consumer may choose to return the car to the financier or pay a certain premium to own the car for life. Another alternative at the end of the car lease is to secure another lease for another new car.

Advantages

There are many advantages to a car lease option. The consumer does not need to fork out a large sum of money outright to purchase the desired car; only a small deposit is required. Hence, the consumer can make use of the large sum to invest in other profitable ventures.

The consumer can enjoy the full use of the car during the car lease and use it in any way that is desired. The financier does not interfere as long as the monthly repayments are received on time. The consumer has many choices at the end of the car lease. The leased car may be considered old after 4 to 5 years of lease; there may be newer models in the market; maintenance is high; these considerations would prompt the consumer to return the leased car to the hirer at the end of the lease and opt for a new car.

Disadvantages

One of the disadvantages of a car leasing scheme is that the consumer is never the true owner of the vehicle. The true owner is the financier of the car lease. The car must be returned to the hirer at the end of the hire contract unless the consumer chooses to buy it off from the hirer. This may trigger off another bout of tedious procedures.

The comprehensive car insurance may be quite high if the consumer wants the maintenance charges to be packaged into the car lease.

Otherwise, the consumer still needs to keep the car in good condition with regular and proper maintenance.

If the consumer is late with the monthly repayments, the hirer has the right to seize back the vehicle anytime. This could be quite embarrassing to the consumer.

Hence, the consumer needs to consider all factors carefully before making a decision on car leasing.

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