

Tips to buying a car

Regardless of whether it is your first car, a business vehicle or upgrading the family transport, buying a car can be an exciting time, but there is a lot to consider. This quick checklist will help de-mystify the process and get you into your new (or used) car with confidence

#Choosing your car

You can never do enough research with such a large investment as a new car. Think about the practicality of what purpose you need the car for, and also what luxury features you'd like on your wishlist. Car selling websites and automotive magazines are good sources of expert reviews covering information such as fuel economy, safety and manoeuvrability. And, of course you can't beat the benefit of test driving as many cars as you can, even if you plan to buy privately, it will help you create a short list.

#Set a budget

Working within your affordability now, and for the life of the finance term, is an important consideration to help determine what sort of car you purchase. Try to work out your weekly/monthly expense vs. income calendar (check out our Home Budget Planner (Link:10) for a good starting list of all your expenses). In addition, make sure you review what your running costs will be considering expenses such as fuel, servicing and insurance.

#To buy through a dealer or privately?

Some car finance solutions have different guidelines on age and value of the car you are purchasing, which can determine whether you choose to buy new or used.

Here are some tips on buying new from a car dealer,

- Make sure you work with Total On-road Costs, that means no more to pay than the quoted amount,
- Shop around at different dealers and look for value added options,

- Beware of Dealer Delivery Fees, which can be added to your cost,
- Check the actual build date on the vehicle to match the advertised specifications.

Some tips on buying used from a car dealer,

- Check if the car is still covered under any manufacturer's warranty,
- Check the Personal Property Securities Register website (Link: <https://www.ppsr.gov.au>) to ensure there are no open claims on the vehicle.

When buying privately, you should look at,

- Confirm if a roadworthy certificate can be supplied,
- Consider having a mechanic inspect the car with you,
- Put your offer in writing to the seller to clarify selling price,
- Confirm who cheques should be made out to (i.e. lender)
- Request a receipt for any deposits paid.

#Insurance

You should never drive an uninsured car, so it is important to have organized your insurance (Link:39) prior to collecting your vehicle. Comprehensive insurance covers any damage to your car and other cars and property, whereas third party insurance only covers the damage your car causes (i.e. not repairs to your own car). In addition, you can consider loan protection insurance which protects you in the instance where you may stop earning income, such as an accident or involuntary unemployment.