

# ***Purchasing a Commercial or Company Vehicle?***

**With Sandra Kelly**

Whether you are a tradesman, professional, retail, entrepreneur, or transport operator, as a business owner or manager, it is important that you purchase wisely and borrow with the correct financial structure. Most small- medium sized businesses purchase their vehicles financing with a chattel mortgage. This enables them to claim the GST portion back in full in their next BAS return



Most reputable motor dealers have a finance arm so you can access the major motor vehicle lenders. If your financial position is established as a business you will have your finance approved usually within a day, just be prepared before you apply. Have your records up to date, the lenders usually want at least 2 years financials and bank statements for proof of income. The more information ready, the quicker the approval.

If you are just new to business and don't own your own home, be prepared for your finance to take longer for approval; they will have a stricter lending criteria. Whatever you do, don't leave your job to start your new business without getting your finance approved first. You will hit a brick wall unless you have plenty of assets to secure the finance and a good business plan. If you have defaulted in the past, make sure you have paid up or your past will come back to bite you, it can be shattering. Beware the dodgy finance companies. You will be able to recognise them, they usually say things like "pay no interest ever" *or* "No application rejected". These companies lend to the people who can't get finance from the big guys. Yes, they have a place getting people into cars they normally wouldn't be able to buy, but beware, they charge the earth, you often have to buy one of their cars, and they are usually much overpriced vehicles.

If you purchase new, you will be eligible for fleet discounts. Each manufacturer and dealership offer different rates, so it is often hard to compare apples with apples. The first thing you need to do is determine what vehicle to purchase. The best thing would be to make a list of the functions and features that you like in a vehicle, better still make 2 lists, one stating the features you want and the other stating what the business needs, then when it comes down to making the decision, you can choose what the business needs rather than what you want. Ha! Easier said than done, but we can help you with that.

January and February are a good time to purchase run out models from the previous year, but don't wait too long as they literally run out of stock, same applies for end of financial year. But in all honesty you can buy well most of the year round. Some dealers offer good prices at the end of the month as they need to meet their sales targets. Do your homework, but don't spend all week and weekend looking at cars, you have a business to run and a life to lead.

For further help, guidance and options contact SunCoast Auto Brokers  
1300 365352 or log onto their website [www.sunauto.com.au](http://www.sunauto.com.au)

If you would like SunCoast Auto Brokers to test drive a vehicle for you just email  
the details to [info@sunauto.com.au](mailto:info@sunauto.com.au)

\*The above is general advice only and is subject to change, please seek professional advice from your accountant or adviser before borrowing. Property of Suncoast Auto Brokers 25/10/2007