

Buying a Used Car

https://www.thestar.com/business/personal_finance/2018/03/26/tips-for-how-to-buy-your-first-car.html

Tips for buying a new car:

1. Do your research

- Avoid pushy sales people
- Use Consumer Reports – a non-profit organization that helps people make the most informed decisions they can. There is a cost to look up cars online, but Consumer Reports are FREE at your local library!



2. Know your Rights

- If you buy from a dealership you are protected by Ontario's Consumer Protection Legislation – you are NOT protected if you buy privately
- People falsely believe there is a "cooling off period" after signing a contract to buy a new car where you can change your mind to get out of a contract – it isn't true!

3. Go for a Spin

- Take the car for a good long drive – including on the highway
- This will allow you to identify any potential problems

4. Go to a Mechanic

- A mechanic can find things the seller didn't disclose, or even know about
- Ask questions including: How long have you owned the car? What is the history of the car – was it in any accidents or has it had any major repairs? Why are you selling?
- Anyone selling a car in Ontario is required to provide a UVIP (Used Vehicle Information Package) including details about the care like who has owned it, it's condition, and if there are any liens on it

Questions

1. When buying a car, it is helpful to make a list of “wants” and “needs”. *Wants* are features you’d like to have, but are considered extra. *Needs* are features that must be present in the used vehicle or you will not even consider buying it.

Make a list of your “wants” and “needs” for buying a used car. Some examples include: fuel efficiency, number of doors, colour, heated seats, low kilometers, age of the car, make/model, accident free etc.

Wants - I would like the car to have . . .	Needs – the car MUST have . . .

2. Before looking up new cars, it is important to understand the abbreviations that are commonly used in ads. Check out [this list of commonly used abbreviations](#), and look up the following:

- A/C
- 4WD
- ABS
- P/S

3. It is time to look up some used vehicles! Head to [Autotrader](#) to search for a car.

- To start, click on “**Price/Payments**” and set your range from **\$500 - \$8000**.
- Next, click on “**Condition**” and make sure only “used” and “certified pre-owned” are checked off – uncheck the rest
- Look down the list of search options – customize your search to include any of your NEEDS from the list you made above. You can narrow your search by # of seats, car colour, standard vs automatic, make/model, etc.

Look up 4 different used cars and complete the table:

Make/Model & Year	Cost	Kilometres	Features I like	Features I don't like	Payment Calculator – Biweekly payment \$	Payment Calculator – Total Interest Charged \$

4. Which car from the list above would you purchase? Why?

5. In Ontario, buyers pay tax when they purchase a car. You do not pay tax to the seller, but instead you pay tax at the local DMV when you register yourself as the new legal owner of the vehicle. There are some Tax Exemptions – you do not need to pay sales tax if you are given the vehicle as a gift from a close family member, or if you are a Status Indian.

Tax in Ontario is 13% RST. Calculate the tax you will owe on your vehicle.