
Buy the lease at the end?

Posted by Hamilton02 - 2009/05/28 16:41

I am looking at leasing a new Mercedes C350 for 3 years. If I like the car I may buy it at the end of the lease. Is this advised..I am going to do something this weekend.

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Re:Buy the lease at the end?

Posted by Otto - 2009/05/28 19:17

Buying the vehicle at the end of the lease is only a good idea if the residual is less than the current market value. For instance,if the MSRP is \$30000 when the car is new and the residual is 50% - that means at the end of the lease you will have to pay \$15000 to buy the vehicle. If the ACV is less than \$15000 than you should buy it. However, most leases provided by the dealer are subvented. This means the factory artificially inflates the residual so they can advertise a low payment (Mercedes does this quite often). Chances are you are better off financing the car rather than leasing if you intend to own the car longer than the lease contract.

You can read this article on Lease VS Financing.

Good Luck!

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Re:Buy the lease at the end?

Posted by KLee - 2009/06/16 19:10

How do you know if a residual is low or high? I'm looking at lease that has a 52% residual for a three year lease. 52% Seems low for only three years.

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