

8 SIGNS IT'S TIME TO

# SELL YOUR CAR

CHECKLIST

Thinking of selling your car?

Not sure it's the right time?

Answer our top 8 questions to determine whether you're better off keeping or selling.

CREATED BY



### 1. Is your service and repair bill close to the cost of a newer car?

YES  NO

Are you going to your mechanic more often? Are your repair bills growing?

Growing repair bills could be the same or similar to the cost of a newer, more fuel-efficient car with less maintenance costs.

### 2. Are you about to hit a major car maintenance milestone?

YES  NO

Will your car soon be due for a major service?

Typically this occurs every 5 years or 100,000kms.

This is likely when you'll spend the most maintaining your car, as major parts need replacing.

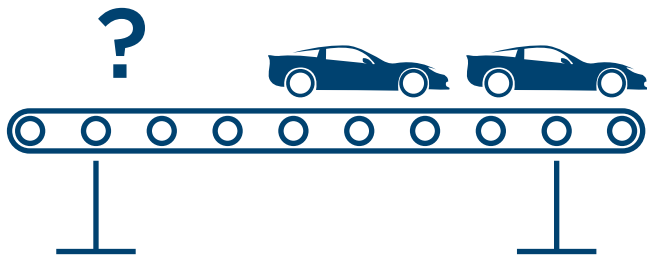
It's also statistically the highest failure rate of any car during its life (according to Warranty Direct).

For example a 10-year old manual Volkswagen Golf will cost approximately \$5,500 in maintenance, repairs and petrol that year. A two-year old Golf will cost around \$5,600 that year for maintenance, petrol and finance.

### 3. Has your car's production line stopped?

YES  NO

Once your car's make and model ceases to be manufactured, the cost of services and repairs will skyrocket. Plus parts will be harder to find, so your car will be with the mechanic for longer. Check out your manufacturer's Australian website or [carsales.com.au](http://carsales.com.au) to search your cars last year of sale.



#### 4. Are you in positive equity?

YES  NO

Do you still owe money on your car? Do you owe more than the car is worth?

Check your finance balance with your financier. Review what your car is worth by comparing the same make, model, year and kilometres at [carsales.com.au](https://carsales.com.au).

#### 5. Are you losing confidence in your car's reliability?

YES  NO

As cars get older they become less reliable due to wear and tear. You may even experience a breakdown or 2.

Keep your car long enough and you'll be spending more and more time with your mechanic.

Once you lose confidence in your car's ability to safely and reliably get you from A to B each day, then it's time to consider a newer car.

#### 6. Are you spending more on fuel?

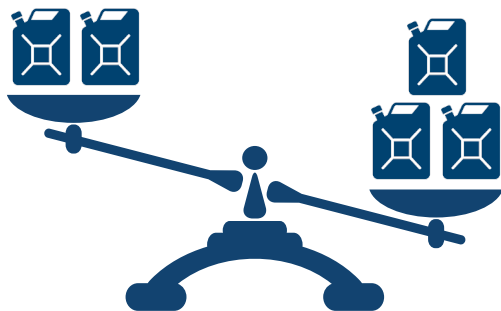
YES  NO

Older cars use more fuel – it's a fact! (Consider technology improvements, and wear and tear).

Compare what you currently spend, versus the fuel consumption of a newer model. View the rating on sites such as [carsales.com.au](https://carsales.com.au), displayed as L/100km.

Calculate: (your kms per annum) x (average fuel price) x (fuel consumption rating) / 100 = annual fuel bill

E.g. 15,000km x \$1.27 x 8.9 / 100 = \$1,695.45



## 7. Are you missing out on tax benefits?

YES  NO

Can you claim part of your car as a business expense for tax purposes?

If so, the more your car is worth, the more you can typically depreciate via tax.

Once your car hits 4-5 years old, most or all of your taxable depreciation has probably been claimed.

So check with your accountant whether it's time to upgrade.

## 8. Are market conditions favourable to sell?

YES  NO

Consider factors such as:

### Time of year:

- Avoid when dealers are promoting (unless you're trading in).
- Sell in Spring.
- Know when your target market is likely to buy (i.e. selling a convertible in winter is tougher than summer).

### Petrol prices:

- The higher the petrol price, the larger the car, the harder it is to sell. Conversely smaller cars become easier to sell.



Most people hold onto their cars longer than they should. If you answered yes to at least 4 of the 8 questions, then it's time to consider upgrading to a newer, potentially more cost effective model.