

TAKE HOME A TOYOTA

FIRST

CAR

BUYERS

GUIDE

TEN CRUCIAL STEPS TO GETTING IT RIGHT



A ROADMAP TO BUYING YOUR FIRST CAR

So the moment has finally arrived. It's time to join the car-owning population. Well done! This is a pretty exciting time, and also a slightly stressful one. You don't want to get all emotional and buy the first car you see just because it comes in that exact shade of lime green you like. Equally you don't want to choose a car so incredibly sensible and boring that you fall asleep every time you look at it.

But fear not! Forewarned is forearmed. This handy guide takes the guesswork out of getting your first vehicle. It lists the things you need to consider, and the order that you should get things done to make sure you have fun, know what you're doing, and find a first car that's exactly right for you.

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STEP 1

DECIDING THE TYPE OF CAR

What brand?

Is the car a brand that you know and trust? Does the brand have a good track record of providing reliable, safe vehicles? Or is the brand more of a fashion statement? Remember – for your first car you are far better off going with a vehicle that's reliable, and you can afford to have repaired, rather than something more exotic that could end up costing you an arm and a leg.

Shape it up

Deciding between a station wagon, hatchback, coupe or sedan is key. What are you going to be using the vehicle for in your everyday life? Just because you go surfing once a year doesn't mean you should buy a stationwagon.

Size matters

As a rule of thumb, the larger the vehicle, the more it's going to cost you in fuel, parts and maintenance. Maybe a small hatchback is all you need?

Performance or economy?

Bigger, faster or gruntier engines often cost more to maintain. Unless you live on a backcountry farm you probably don't need a 4X4. Fuel costs are highly variable. Could you still afford to drive the vehicle if they went up overnight?

Safety first

Safety is often the most important thing people look for in a first car, as (unfortunately) according to NZTA you are statistically most likely to crash

in the first 6-12 months of starting to drive. Even if you've been driving a while, it still pays to check your vehicle has driver's side airbags at the very least. Also consider passenger airbags, side-impact bars, side curtain airbags and Vehicle Stability Control (VSC). The best way to check safety is to look at the number of ANCAP stars. The more stars, the safer the car.

Room for your mates

Many SUVs now utilise the boot space to create 7 or even 8 seat configurations. However, unless you've got small kids, or a heavy metal band to cart around, less is more. A 5 seater can be ample when you're first starting out.

Using it

What are you going to be using the vehicle for most? Whether towing, commuting, off roading, sports driving or just zipping about town, figuring out your main requirements will narrow down your options and make choosing easier.

STEP 2

WORKING OUT YOUR BUDGET

Your deposit

Many dealers will want a down payment to secure a vehicle. The amount of the deposit is part of your negotiation, and depends on the dealer. It's a good idea to have at least a 10% initial deposit sitting in your bank account before you start talking to dealers. Bear in mind that you can get 'nothing down' finance deals, but this may end up costing you more in the long run, as you could get charged a higher interest rate.

An eye for insurance

Third party fire and theft only is cheaper, but it may only cover you for damage to someone's else's vehicle or property. It also may cover you if you are in a crash caused by another driver who happens not have any insurance (although often only up to a set amount like \$3,000). In many cases with third party insurance if you are at fault, you'll have to fork out. Fully comprehensive, on the other hand, costs more, but means you're covered for most eventualities. Whatever you decide, check the policy terms and conditions to see exactly what you are covered for. And before you start looking for a car, get a good read of the market by gathering quotes from at least three different companies for a mid-sized vehicle like a Corolla. Then use this as a guide when figuring out your overall budget.

Keep it serviced

A regularly serviced car is often worth more when it comes to selling it on. Even better is a vehicle serviced by an authorised dealer, who will have ensured the vehicle has a full service history, and that only Genuine Parts are used.

Parts Galore

A vehicle with Genuine Parts fitted by an authorised dealer can also be worth more due to a number of factors – including better reliability. Generic parts may not work as well, can be badly manufactured, and make the vehicle more likely to breakdown.

Selling it on

According to a report by Trade Me, some vehicles, like the Toyota Hilux in particular, hold value better than others. This largely comes down to the reliability of the brand, the demand for that brand, and of course, the standard of the vehicle being sold. Toyota Signature Class vehicles, for example, undergo many rigorous checks before being sold. So going with a reliably sourced, recognisable brand usually makes for better results when it comes to trading up.

Smart Financing

How you finance your car can have a big impact on the money you have left over to actually get out there and use it. Adding the initial cost of the car to your mortgage (if you have one!) is one option, but this can often lead to a longer repayment term, and might mean you end up paying significantly more for the vehicle. If you don't have enough to pay for a vehicle outright, financing it through Toyota Finance is often more cost-effective and practical than you may think. They have a number of flexible ways to help you – from Choices Finance, which includes low fixed monthly payments, all the way to Driveway Finance where you have a floating interest rate and can choose to make lumpsum payments at any time you like – plus lots more financing and leasing options in between.*

STEP 3

DOING YOUR RESEARCH

Roaming the internet

Your first port of call should be the web. Make a folder and save bookmarks of your favourite cars for later reference. Check out how reliable different brands are, and find out which cars have the best resale value.

You could start right now by taking a look at the Our Range page at toyota.co.nz.

Beware the car yard

Car yards are different to authorised dealers as they are independently owned. There's nothing wrong with having a look around, but beware of the 'too good to be true deal'. It often is. If you are at all worried, it might be better to rely on the reassurance and dependability of an authorised dealer instead.

Online Auctions

Buying online is an obvious possibility. Make sure you ask a lot of questions to cover yourself in case of a dodgy deal, and always go and see the vehicle and take it out for a spin (see 'test drive' and 'pre-purchase inspection') before making a bid. A good way to avoid getting yourself into an uncontrolled bidding frenzy is to set an auto-bid and then turn the computer off (no sneak-peeking on your phone!). If you've won, you've won.

Want to avoid the possibility of getting an online-lemon? Signature Class gets rid of the guesswork.

Dealers know

Authorised dealers are car professionals with a vast amount of reliable knowledge about helping

customers find the right car for them. They will be friendly and courteous, and happy to share their knowledge with you. Building a good, trusted relationship with a local dealer can reap rewards over the years.

Gathering advice

By all means have a chat with your dad's mate who 'knows a bit about cars'. Advice from experienced people is often the best advice. Your local mechanic will often be able to give you a good steer on which vehicles are the most reliable.

Research overload

There will come a point when you just have to get out there and do it. If you've followed the previous steps, you'll be in good stead. At that point, don't second-guess yourself too much. Trust your emotional reaction to a car, but temper it with some sensible thinking. At the end of the day, buying a car should be fun.



Want some genuine advice?

Talk to your local Authorised Toyota Dealer

STEP 4

TEST DRIVING

Driving back to back

Car dealerships tend to clump together. In fact, in many towns you'll find them right on the same street. This makes it much easier than you'd think to call ahead and arrange to test drive similar vehicles 'back to back'. That way you can get a better feel for what you like and how much value you are getting.

The test drive

If you can, take the car for an open road test drive as well. Also, if possible find a place to do a hill start. Drive in the rain if you can, as you can check the windscreen wipers and door seals are working. Do a bit of 'around town' driving to get the feel for the vehicle in traffic, and try to reverse park at least once to make sure you are happy with the vehicle's size.

Want to get started now?

Test drive a Signature Class vehicle.

The once over

As opposed to a full pre-purchase inspection (more on that later), a 'once over' is a simple way to make sure you aren't investing time in a car that turns out to be a dud further down the line. You can check for rust, discoloration of the paint job hiding accident damage, and do the old 'push down' trick on each corner of the car to make sure the suspension is fully functioning (if it bounces twice, that's probably bad). You can also check there's no leaks under the vehicle and the tyre tread is deep enough. Finally, pop the bonnet and quickly check the oil level is normal, the battery diodes aren't encrusted, the radiator fluid isn't rusty (this can be dangerous if the engine is hot,

so be careful!) and that the brake and power steering fluids aren't low – all of which are bad signs.

What else to look for

This is an infinite list. As a rule of thumb, if it drove in a straight line and handled the motorway and town driving, the engine and drivechain are probably okay (hard to tell if it will overheat or not, but a test drive is more about making sure you like the vehicle and the way it drives than seeing if it is mechanically sound – more on 'pre-purchase vehicle inspections' later). You may also want to look at the vehicle's service history to make sure its been regularly looked after, and also check whether it comes with any accessories you may need.

The WOF

Obviously the vehicle should have a recent WOF (best practice is within 28 days according to the AA – it can still be sold if the WOF is older – or it doesn't have one – but if so this must be clearly stated by the seller before purchase). This will cover off things like tyre condition and tread, whether the lights are all working, the structure is roadworthy, and the brakes, safety belts, suspension and steering all work.

Go to [nzta.govt.nz](https://www.nzta.govt.nz) and search 'WOF' to find out more.

What's the score?

Put together a list of things that you need your vehicle to do, then score each vehicle just after you test drive it. Use a scale of 1 - 5. Then total the scores to see which vehicle comes out best.

STEP 5

MAKING THE DECISION

Watching your emotions

It's easy to get carried away and just buy the first vehicle you see. This isn't a great idea, as you have no clue what the market is like until you've test driven at least three different cars. However, how you feel can be a good indicator of what you really like – so don't dismiss your emotions altogether. Instead use them as a barometer and take a mental note.

The overall cost

The overall cost is the sum total of what it will cost you to buy the vehicle, pay your insurance, pay your road charges and fill it up. In other words, the sale price isn't the only thing you need to account for. Most good dealers will easily be able to tell you what the 'Total Cost of Ownership' is.

Want a little more financial knowledge?

[Check out our Cost of Ownership guidelines.](#)

Value adds

Some things aren't essential, but they make the vehicle a lot nicer to be in. Air conditioning, leather seats, alloy wheels, roof racks and window tints all add up if you buy them separately. However safety should always be at the top of your list of priorities. A safer car might not be as cool, but it could save your life some day.

STEP 6

HAGGLING

End of month, end of year

Now you've decided which car you want, it's time to haggle. All dealers are open to a bit of negotiation, and many now say that the time of year or month is largely irrelevant – the deals are there to be had no matter what time of year it is.

The art of bargaining

You are in the driving seat here (so to speak). Have a hard ceiling for how much you are willing to pay, and don't go over it. Be willing to walk away, but also don't treat the dealer like they are the enemy. They are almost certainly looking to form a long-term relationship with you, rather than sting you for a fast buck. Be straight, honest and stick to your guns. Always negotiate a price first, and then talk about finance afterwards. Remember that vehicles have very small margins these days, so a few hundred dollars is a big discount.

Deals and promotions

Do they add value? Is a free TV worth feeling dissatisfied with your vehicle? At the end of the day, money talks. Go for a cash discount or value-adds to the vehicle itself, rather than something unrelated like a TV.

STEP 7

GETTING IT CHECKED

History is important

Make sure you check out the vehicle's history before you buy it. There are a number of reputable companies doing this on the web for free (or for a small fee if you want a more detailed check) such as carjam.co.nz* Look out for whether the vehicle has ever been reported stolen, what its odometer reading is, and whether its had structural damage or been reported as a structural write-off.

What kind of mileage?

Mileage is much less important than usage. A delivery vehicle or city 'run-around' will have been driven from cold a lot, and probably quite vigorously – while a car used as a long distance commuter might have a lot of Ks, but may have been treated much more gently, and may have less wear and tear on the engine. If the vehicle is ex-fleet (used to be owned and run by a company or government agency) this could still be a good thing – it depends on how well it has been maintained! Check who it used to be owned by, and whether it has a regular service history.

Previous owners

Again, this might not reveal much, but it's worth asking. A single owner gives you less variables – but doesn't mean its been treated better overall.

Pre-purchase inspection

The AA offers a pre-purchase inspection of a vehicle for a set price (currently \$149 for members, or \$169 for non-members). This covers off a number of things that the WOF doesn't, including the cooling system and drive line of

the vehicle. This is a good idea if you really don't know much about cars. You can also just pay a mechanic you trust to come with you and give a vehicle the once over. Just remember that a pre-purchase inspection isn't fail safe, and won't cover many of the things that can still go wrong with a vehicle, like faulty internal parts. If in doubt, go the tried and trusted route – Signature Class vehicles, for example, all come with a 3 year warranty as standard.

STEP 8

ADDING A WARRANTY

The value of peace of mind

Toyota ownership extends to complete peace of mind with a range of vehicle warranty options.

Which warrant?

Mechanical breakdown or extended? Both types of warranty help you avoid large repair bills, but they are quite different creatures. Both may have different 'levels' of plan. You'll need to choose the level that suits your budget. Both should be available from the dealer you buy a car from. As a quick rule of thumb, buying an extended warranty will add a year or more to the existing warranty offered by a dealer. It's paid for up front, for a set fee. With mechanical breakdown the payment is typically a set fee or percentage per repair visit.



Worried about navigating the warranty minefield?

All Signature Class vehicles come with a simple range of warranty options.

STEP 9

MAKING THE PURCHASE

Dealing with a dealer

The dealer's job is to make purchasing a car as easy as possible. They should always be polite, courteous, honest and professional. If they aren't, nobody can blame you for walking away.

Your purchase agreement

This is a legally binding document outlining the terms and conditions related to the sale of goods. This could include the price, and any other agreements about how and when you are going to pay, including any deposits etc, plus any obligations the dealer needs to fulfill, such as delivery of the vehicle etc.

Closing the deal

This should be the easy part. Make sure you have access to any funds you need before you walk in to the dealership. You'll need to arrange a time to seal the deal as there is paperwork to be completed (see below).

Transferring ownership

You'll need an MR13B form (Notice by Person Acquiring Motor Vehicle form) which you can pick up from the AA or your local PostShop. If buying from a dealer, they'll have copies of this form ready for you to fill out. You'll currently need to pay \$9 and have approved photo ID like your passport or driver's licence. Ask to keep a 'transfer receipt' when you pick up the vehicle, to show you are now the registered owner. Change of ownership can also be done completely online via the NZTA website. Talk to your dealer in advance about how they prefer to do this.

How to pay

This is entirely up to you, and should have been part of your earlier negotiations. Cash is okay, as it can often secure you a better deal, but don't turn up with a suitcase! Make sure you transfer the money direct from your bank account to ensure you have left a paper trail leading to the dealer.

STEP 10

GETTING INSURED

Before you drive away in your shiny new car you'll need to ring your preferred insurer and get one of the following in place:

Full cover

Comprehensive or 'full cover' car insurance covers you for damage to your car and damage you cause to someone else's car or property. It's the best cover you can get.

Third party fire and theft

As below, but you are also covered for theft and/or fire and medical.

Third party

The most basic cover, this protects you for your legal liability if you get in a crash, but not much more. It may only cover you for damage to someone's else's vehicle or property. It also may cover you if you are in a crash caused by another driver who happens not have any insurance (although often only up to a set amount like \$3,000). In many cases with third party insurance if you are at fault, you'll have to fork out. Toyota Financial Services offer a great range of insurance products to cater almost every need.



Looking for insurance?

Talk to Toyota Financial Services today*

AND THAT'S IT.

Follow the steps to the guide and buying your first car should be a happy and trouble-free experience. If in doubt, talk to your local Authorised Toyota Dealer today.

*This document provides general guidance only. The information in it is correct as at 5 February 2015. The information may not be appropriate for every situation. You will need to satisfy yourself about the costs and benefits of a particular vehicle in relation to your own individual needs.

For expert advice, see your Authorised Toyota Dealer.