

# Many Canadians say new-car purchase is in the offing

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## EXTRACT

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## ARTICLE CONTENT

At one point or another, just about everyone will buy a new car, whether it's due to their current vehicle being too old, favorable lending rates or they just want to experience what it's like to ride in a car fresh off the showroom floor. And as a recent poll indicates, many Canadians intend to purchase a new ride in the not-too-distant future.

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There is some question, however, as to the way in which they plan on paying for their new automobile, as some said that they intend to purchase it outright, while others indicated that they would lease. There's also some inconclusiveness with regards to whether buyers think they will go into debt. Only 50 percent of respondents said that they were optimistic that they'd be able to afford their next car purchase and avoid going into debt.

Depending on where Canadians live, car-related costs vary in terms of how much they factor into buyers' ultimate decision as to whether they will purchase a vehicle. For example, the survey found that roughly 48 percent of British Columbians considered the overall price of a vehicle to be a "major factor" in their determination of buying or passing on a car. Meanwhile in Ontario, nearly 60 percent thought these automotive related costs were important, such as the sticker price, local car insurance premiums and maintenance expenses.

Other components that Canadians say influenced their purchase decision was the test drive, positive consumer reports and the best price they're able to find after comparison shopping.

### **How to figure out whether buying a new car is doable**

Automotive experts agree that what car buyers can afford is typically the most crucial component in consumers' decision making. One of the ways in which people can figure out what they can reasonably spend on a new vehicle is by taking into account what costs they have already, such as their mortgage and rent, as well as their utility payments and credit card bills that are outstanding.

After figuring out the monthly dollar amount spent on these cost considerations, CNN Money says that a good rule to go by is devoting between 10 percent and 15 percent of one's monthly budget toward automotive expenses. If buyers still have enough money after crunching the numbers, feel free to further investigate whether a given vehicle is right for them.

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There are a variety of other elements that go into a new-car purchase, such as what one plans on doing with the car. Asking a number of questions can help motorists figure out which model is optimal. For example, plan on driving alone or with others, such as one's kids or spouse? If so, a sedan or SUV is more well-suited than a sporty, less-spacious vehicle. Alternatively, if buyers intend to take their cars off-road, the engine should have plenty of horsepower so that it can better navigate rocky terrain.

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