Leasing v. Buying Fleet Vehicles

Leasing

- Lower Vehicle Acquisition Cost
- Monthly Payment Matched to Vehicle's Market Depreciation
- Increased Cash Flow Flexibility
- Offers More Control Over Vehicle Cycling, Resulting in Lower Non-Preventive Maintenance Expenses and Better Company Image
- Only Pay for the Amount of the Vehicle You Use
- Cost-Effective and Simple Way to Replace Vehicles with Newer Models
- Short-Term Leasing Allows for Temporary Scaling of Fleet Size to Meet Peak or Seasonal Demands
- Lessor is Responsible for Vehicle Disposal
- Increased Control of Vehicle Selection and Standardization Makes Fleets Easier to Manage

Buying

- Requires Significant Capital to Acquire Vehicles
- Monthly Payment is Rarely Tied to Market Depreciation
- Increased Budgeting and Forecasting Costs
- Results in Longer Lifecycles, Which Often Increases Non-Preventive Maintenance Costs
- 100% Full Value of Vehicle Must Be Financed or Paid
- Vehicles Are Cycled Less Often Because of High Investment Cost
- Under-Utilized Vehicles Are Retained for Longer Periods and Can Be Difficult to Dispose
- Owner Must Dispose of Vehicle
- Increased Vehicle Variety Typically Makes Fleet Operations Less Streamlined