



# Article Side

Car Leasing as in Contract Hire by [Freddie Wade](#)

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A company has a business to run; and often, there is a need to supply a fleet of cars and vehicles to complement its operations. However, financing a fleet of vehicle can be very costly for the company especially when there is the depreciation factor for vehicles. Hence, smart companies prefer to consider car leasing as in contract hire which settles a lot of hassles associated with the purchase of company vehicles.

## Business decision

Financing a fleet of vehicles to supplement the company's operation may not be a difficult business decision for the company that is making profit; however, there can be other problems and inconveniences arising from the simple purchase. There is the hassle of disposing the vehicles when they reach a certain mileage or age. Company cars cannot belong to any employee in the company after a certain period of usage; that is the company policy. These are company cars which were obtained to complement the business operation. Hence, after the wear and tear sets in on these company cars, it is best to dispose them as best as possible.

Most smart companies would dispose their fleet a couple of years before the fleet gets too run down; the better condition the company cars are in, the better prices they fetch in the re-sale market. Hence, contract hire is preferred by many companies that have to consider company fleets in their businesses.

## Hire schemes

There are many contract hire or car leasing schemes available in the market for the company's consideration. This contract simply states that the company needs to pay a fixed fee monthly for their fleet. This also allows the company to determine the monthly budget on car leasing. There is no worry about vehicle depreciation as the fleet does not belong to the company but the car leasing firm.

There is no need about disposing the fleet on expiry of contract hire or car lease as the leasing firm handles it all. The fleet would be taken back by the car leasing firm and that is the end of the matter for the company.

Some contract hire schemes include maintenance with a surcharge on top of the monthly leasing fee. Many companies would opt for the maintenance section of their leased fleet to avoid any cost incurred during their leasing tenure. This would be one less problem the company has to deal with; their efforts and time can be concentrated on their core business.

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