Twitter Thread by Ruthless Focus



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Let me talk to those who are planning to buy cars these year; Buying a car is good. Very essential for making life easier. However, a car isn't cheap, the cheapest car is around 450USD in Kenya. Today owning a car may seem very easy as compared to the 70s, THREAD 1/3

Today you can buy a car either in cash ■, by bank finance, hire purchase and through trade in. But my interest on this post is on bank financing and Hire purchase. Bank finance is where the bank buys for you a car and you pay the bank for a period of time.

Hire purchase terms of purchase is where by you identify a car in a dealership, negotiate for its final price, pay an agreed deposit upfront then clear balance in defined period of time I.e in 6/12/18/20/24 months. So HP =Deposit + total Monthly Installments.

Whenever a bank offers to buy you a car, there is always a 99.9% chance that they will retain the logbook[A substitute for a collateral in lending] A logbook is the only instrument of ownership for any car in Kenya. So the bank will issue you with your logbook once you finish,

Finish paying for the car. The only problem I have with bank financing is the possibility of the buyer losing the car and servicing the loan. It has happened and it does happen. The bank repossesses the car and they auction it. You shall have lost two important things; the money

and the car. Now, if you ask me if it's totally wrong and financially detrimental to take a car on loan from a bank, I will say YES it is wrong to an extent. BUT if you are buying a vehicle which can be part of servicing the loan facility, YES, it is a good decision.

Hire purchase on the other hand is very enticing, for instance in Mombasa there are over car showrooms each with its own terms of HP terms. One thing that the buyers don't realize is that big showrooms love the HP terms. But why do they love hp when one can buy in cash ? ??

So why is HP very enticing to the buyers ? Get me right, today if you log in on Facebook,you will see over 1000 ads on cars from different people who pose as and may actually be car dealers. 90% of these ads are from brokers. They indicate very low deposits on new cars , and yes-

I don’t have a problem with the brokers, but I have a problem with the buyer who accepts their terms, for instance a car that goes for 1M in cash, a broker may indicate that the deposit for that car is 300k. They may not be lying because am there are showrooms that accepts such

Deposits. Now here is the business aspect of the HP, once you go the hire purchase way, it seems very easy and very fast, no guarantor, no collateral needed. Just pay deposit and clear balance within a given time. That’s the surface. But when you come to the showroom, things get

a little different, The cash price of the car will go up by 100k that’s if on cash basis a car costs 700k , on HP, the car will cost 800k. You will be required to pay 20k for car tracker. You must also pay for annual comprehensive insurance for the car. But it gets even more

Expensive if you want more months to repay. So today if you identify a car and it’s quoted 1M for cash, a broker advises you to just pay 300k deposit and pay 20k for tracker and insurance for the whole year and you are good to go. YES IT IS VERY POSSIBLE

But come to think of it, the idea of HP is really lucrative for most dealers with many units in stock,. Why ? It is because once you deposit your 300k on a car that goes for 1M, the total price will be 1.1M and your balance will be 800k payable in 1 year that’s 67k per month —

People struggle to pay 67k per month and if they don’t pay in good time, they are penalized by adding some interest. It’s the normal way of doing business of lending and borrowing. But I can tell you that 60% of guys who pick cars on hire purchase end up losing it all at the end

I have seen guys pay up to the 8/12th month and they are unable to pay for the 9th / 10th/11th month and the dealers send auctioneers to pick the car. When the car comes to showroom, the owner is given 2 weeks to clear the pending balance failure to which the car is put on sale

Dealers will sell these cars again at a good price. They won’t refund you the money. You shall have lost the money and you won’t have a car you saved up to buy. It is very painful and it has put so many into depression. So what should you do when you want have a stress free car

ownership? I will say and say it again, if you can not afford it twice don’t pay a deposit for a car. If you don’t work for the government and you have no crafty deals that will help you pay for the car very fast, avoid buying a car on hire purchase.

Don’t be enticed to go the hire purchase whatsoever unless you have a clear plan on how you will pay for the car. If you have 600k and you want a car, go for a car within your budget. Don’t let perceived class and your peers influence your decision. They won’t help you pay.

Also watch out for the brokers. They are very important people but 90% don’t even know so much about the cars they are selling. They will dupe you into buying a car for their commission. Their mission is the commission not the condition of the car or your finance plight.

I also want to appeal to our women. I have been selling cars for some time now and I have realized that the decision to buy a car is highly influenced by a woman the man has. Whether girlfriend/wife/side chic /or An ex girlfriend. STOP GIVING MEN PRESSURE TO GET A CAR THEY CANNOT

AFFORD. Today for example, I sell Nisan note 1200Cc for 650-700k depending on the unit, but a couple comes in and says they don't want the note, they want a Mark X which goes for 1.65M-1.5M. They will pay 650k deposit and remain with 1M balance. Yes I will sell them that.

So these couple must pay at least 77,000 pm. Unfortunately most people who take hp, are on payroll, according to a recent research conducted, Kenyan doesn't have so many people earning 100k per month, not so many people earn over 100k. If you minus 77k pm from your salo??

Don't succumb to the social media cult of getting it all together at once. If you can afford a DEMIO at the moment, please go for that, Don't pay the demio money to get a BMW that you will lose shortly. Not only Luos but everyone who is looking forward to buy a car.

Then when you are ready to buy a car what next? Start your car shopping a month or 2 before the actual purchase. Don't hurry in buying a car. There is a big post purchase dissonance when you hurry to get a car. Once you are ready, start doing market research and of course,

You can do that online but be CAUTIOUS, Facebook will give you an idea of the cost but 90% of those posts are from brokers. A broker is a person who identifies a car in a showroom and looks for a client for the car and gets a commission on the car. A broker is a good person BUT

Most brokers aren't even concerned about you as a cleint, they got their eyes on the commission. The commission paid to a broker depends on many factors such as terms of sale and the cost of the car being sold. It ranges from 30k on small cars to 500k on big high end cars.

Brokers will help you know where the car is. That's their work. But once you are on a market research window, call a few of them online and know the price range. You can also go to Cheki to view price ranges but REMEMBER even in Cheki most people who have listed are brokers

So after you have known the price range, work within your budget. Don't fall for lucrative offers on Facebook. Plan a trip, or go physically if it is a place you can get to. Now you are in the yard/car dealership/ Showroom. What next ?

At the showroom physically assess the car you want to buy. Check for possibility of repairs and dents. Check its engine and if possible have a neutral mechanic. Be sure that they don't strike a deal with the showroom to "PITISHA GARI" nitakuona. Let him check it thoroughly.

Check for the mileage of the car. The mileage of the car is usually indicated on the sticker on the co-drivers side where you usually stick your insurance, check if it corresponds to the odometer reading. Be keen on this, IT IS VERY IMPORTANT THAT YOU VERIFY MILEAGE, By,

If you have checked the mileage on the sticker and it corresponds to the mileage on the odometer/dashboard, THAT IS NOT ENOUGH, it doesn't mean the mileage is GENUINE, dealers have a tendency of reducing the mileages to favour the pricing of the cars, here is how to certify

To check your mileage online, search on google for QISJ (that's Quality Inspection Services Japan) they are an in inspection organization that's inspects most of the car in Japan before they are exported to other countries. So type the chassis number on QISJ and click verify

So if the QISJ is giving you an error, please check again the chassis number and feed it in as it is, put hyphen, letters and numbers as indicted. It should give you the mileage of the car at the time of inspection in Japan, and the date of inspection. What if it doesn't match ??

Chances are very high that the mileage of the car is not genuine and it has been tampered with, but still, dealers are very cunning, they will tell you that QISJ isn't effective, but trust me it is very effective and again IT IS NOT ONLY QISJ that does inspection in Japan.

So always look for the sticker on the left side of the car that indicates the name of the inspecting organization in Japan, then go to their sites, verify. And just to confirm, compel the dealer to show you inspection certificate certified by KEBS in JAPAN like this. INSIST

If the dealer doesn't give you the certificate, it is another red flag ■ to look out for. There are usually many stories as to why that certificate isn't available but all vehicles imported must have that certificate. So assume that everything is okay and now you want to pay

The prices usually quoted on the cars are negotiable if you want to in most cases. If you have gone with a broker, don't let them push you to pay, take your time, negotiate and understand terms of the contract of sale. If there is something you need replaced agree before paying

Also ensure that you check whether the car you buying is a 2WHEEL (2WD) or a FOUR WHEEL[4WD] this is important because in smaller cars, a 2WD is better than a 4WD but for SUVs 4WD is better and this goes down to the fuel consumption aspect of the car. There are cars with Optional

Also verify the logbook of the car you are buying if it is in the name of the showroom/dealer you buying from, if not, that's another red flag ■ ■. It is also possible not to pay for the car the same day you have seen it or negotiated for it. Take at least a day then transact

Something you have to know is that once you have gone with a broker to a showroom even if you decide to finish the deal when he is not around, his commission will be there and you are the one paying for it. It is upon you to choose what you do with this information . Wako kazi

When transacting for a new car, please avoid paying money to a personal account, the bank account should be should be the one for the company you buying from. And always insist on them giving you a proforma invoice with it's letterhead and stamp. I have seen people conned

Now you have agreed to pay and you have paid for the car, assuming you are buying on cash basis, ensure you ask the dealership to transfer the logbook when you are still there, don't take any excuse moreso if it's a working day. Choose where you want to pick your new logbook.

Now you have transferred logbook and you will pick it at your NTSA, office of your choice. You need to get your insurance. Always opt for a comprehensive insurance cover with excess that is if you can afford. Not all insurers are the good for you, ensure you ask,

Don't ask a broker for a good insurer because they will broke you again. They have their numbers. Ask your friends who have cars or do your research before. At this point I assume that the car you buying has its registration number ready from NTSA, if not see what to do ,

Chances are many cars in the showrooms aren't registered , in a Kenyan way" Hazina number, ni number MPYA" so many dealers love this because it keeps their stock new and relevant. So now people are buying KDB, if you have KDA, that's a dead stock. So they lodge their numbers

So if it happens that you haven't gotten your new number, tell your insurer to make you an insurance with the chassis number of the car, however, 8/10 cases one gets the number in the system within 30 minutes or less. And in that case you will draw chassis number on a plate and

And use it as the tentative number plate as you wait for the legit plate from NTSA, now you are good to go and you can go through the sales agreement and finalize by having your witness put their signatures too. Always the dealership will give you IDF/ BL accompanying the SA

Now you need to remember something about brokers, everyone can be a broker, I have seen wife broking a husband and vice versa and son/daughter broking their fathers, a broker is not necessarily anyone who advertises the car on behalf of the showrooms, it is even that your friend

who bought their car recently and is only referring you to where he bought the car from, they always call the showroom to inform them that I am bringing you a client. Yes we have to pay them, so be aware of that fact. How does a broker benefit then?? Is it worth it??

A broker gives you information about the place where the car is-THAT IS ENTIRELY WHAT THEY DO. A broker has very little or no power to negotiate for the car with the owner for you, because the lower the price, the lower his commission. Be careful because in broking, HAKUNA HURUMA

But let's leave the broking thread for another day because it is work and work needs to be ethical and should be respected, but just know that, it has good sides 30% and dark sides 70%

LET ME CONCLUDE; Many people flex with cars on social media that will make you wonder what is that you are doing wrong in life, actually all over the highways you will see cars, in your head you may ask yourself "Nilikosea wapi" why are so many people driving and I am in a mat??

Owning a car is not a bad idea, but the process of owning it is. Don’t kill yourself to please your peers and the society that you have made it, if you are keen, you realize that dealers who sell even the big cars around, Moreso in Mombasa use very small/or easy to maintain cars

So assume you just got your job or you have saved for even 2 years upto 600-700k please just buy a small car and finish upfront. Don’t put your whole family in a financial jeopardy because you want to please the society. Remember it will be yours and you have the logbook, think-

This idea of hire purchase is actually translated into “ Owning what you cannot afford at the time you want it “ it is very tempting and many are drooling for it to join the “ driving class” Do you know there are guys who leave their cars at home and go to work with matatu?Why?—

Because buying a car from the dealership isn’t the end of it all, a car needs maintenance cost. Yes your friends cheered you up, walikuita bingwa, If you told them that you can no longer pay for your car? How many can bail you out? STOP IMPRESSING ANYONE, BUY WHAT YOU CAN AFFORD

Imagine driving a Vitz and you have your 1M in your account and driving a BMW and you use a Matatu to go to work because you cannot afford fuel or spare parts, who is wise between the two ? Think critically before buying a car that you can’t afford on hire purchase.

The Hire purchase is very different from LIPA POLE POLE. In usual lipa pole purchases from supermarkets, you only pay at your pace and pick the item when you want to after finishing, car hire purchase isn’t anything POLEPOLE. The first thing they do when you fail to pay for your

Installments , the first thing the dealers do is to lock the car, that’s the work of the tracker in your car. They can monitor where you are at what time and if the car is moving or still. They are able to switch off from the system until you pay your installment. AVOID HP