

# Leasing Vans: The Complete Guide

Are you considering leasing a van for yourself or your company?

In the U.S., auto leasing is [on the rise](#) and continues to climb. Let's stay ahead of the game, weigh the pros and cons, and find how to lease vans for your fleet.

First, we'll properly explain what leasing is.

## What is Leasing?

Leasing allows for the payment of a fixed monthly fee. For the duration of the agreement, you'll have a vehicle you want at a price you can manage.

## How Much Can I Lease Vans For?

There are at least five things to consider when determining [how much it will cost](#).

### 1. Make & Model MSRP

- The lower the original cost of the van, the lower your monthly fee

### 2. Interest Rate

- The higher the finance volume, the cheaper the cost

### 3. Residual Value

- You will be asked about the anticipated mileage you will accrue
- Estimation determines ultimate residual value of vehicle
- The higher the value, the lower your monthly fee

### 4. Deposit

- The greater your initial deposit, the less your monthly fee will be

### 5. Term

- The longer the agreed upon lease is active, the less the monthly fee will be

What you put into your lease agreement in the very beginning will directly impact your final costs.

## Differences Between Buying and

# Leasing

Buying is the preferred method for some, but leasing can save you substantial amounts of money.

## Buying

Choosing to buy a van, for most individuals and businesses, [requires a hefty loan](#). The upside to this is that you will own the van outright.

Buying tends to get you the best value. You can choose to haggle - if you're a decent negotiator - and receive a much better deal.

In the event that you already have a van, you can opt to trade it in, thereby saving even more money.

## Leasing

If you prefer the idea of swapping to a new van every few years, leasing will make your life a lot easier. Once your term is up, you can even choose to walk away if that suits you.

It is possible to trade-in for a new van on a new agreement. This can be a fantastic money saver for companies who don't want to pay for depreciation and maintenance. General upkeep can be a terrible strain on finances.

As a lessee, you can opt for a lease purchase. This grants you the ability to buy the van once the term is up.

This enables your company to increase its assets; it can be a wonderful incentive to reach particular financial goals.

# Consider the Cost

You will take a substantial financial blow when buying a van. It bares you with the weight and responsibilities of being an owner. This will include the cost of general maintenance.

Leasing gives you the ability to spread small increments of payment over time. This creates a much more manageable and viable scenario for most - especially when considering business costs.

On average, lease payments tend to be [much lower than loan payments](#).

Keep in mind that if you choose to lease vans, they will not be counted as assets. If your business goes under, the vehicles cannot be used to pay debts.

## Commercial Use

[Cargo vans](#) come in varying size and load capacities making them perfect for businesses in need of fleet vehicles. Most dealerships will have a specific department for buying and leasing commercial vehicles.

These departments will have commercial fleet experts on-site to help you.

### Commercial Lease

Terminal Rental Adjustment Clause (TRAC) leases are used when making agreements for commercial vehicles. A major stipulation of a TRAC lease states that 50% of the van's use must be for business purposes.

Residual value is typically flexible with these agreements, and they're set on a scale between \$100 and 20% of the van's purchase price.

TRAC leases are known to have zero restrictions in regard to mileage and general wear and tear. The terms of a TRAC lease span for 2-5 years and awards you [full tax deductibility](#).

Other benefits of a TRAC lease include increased cash flow, variable payment options, and no large down payment(s).

### Credit Qualification

Financial information for both you and the principal company owners will be required for a commercial credit application. If your business has not yet established commercial credit, the company owners can still provide their personal guarantees.

Developing a trustworthy business relationship with your commercial finance company has the potential to earn you business credit without the personal guarantees.

### End of Lease

You have [three options](#) at the end of a TRAC lease: buy the van for the residual value price, continue leasing at a reduced rate, or return it. If you choose to return it - and it eventually sells for more than residual value - you can obtain the excess money.

However, if the van ultimately sells for less, your contract holds you to pay the difference.

## Do You Want to Lease Vans for Your Company?

Buying vans for your company fleet (or otherwise) may be the most viable option if you have the financial strength to pull it off successfully. Leasing vans, however, is a fiscally-safe solution for companies in all fortune brackets.

A Senior Analyst from Kelley Blue Book, Alec Gutierrez, states that "[...] consumers don't feel they want to be tied down to one vehicle for the next 10 years."

Gutierrez goes on to explain that vehicles are changing rapidly. This can easily be translated to business terms: to lease vans is to keep your position at the forefront of your field.

Depending on the type of industry you're in, as a lessee, you may want to go the extra mile and look into **[trucks]** to complement your fleet. The 2018 Ford Ranger is not available for fleets but is an outstanding example of what you can get.

If you want to stand out as a company that cares about its environmental impact, it would be a wise idea to research **[electric alternatives]**, too.