

Selling a Used Car

What should you know about selling a vehicle? CAA provides you with all the information you need when it comes to selling a vehicle.

Selling a Used vehicle

CAA provides you with valuable information when it comes to selling a used vehicle. Consult the following information on your rights and responsibilities, and ensure you make a fair and economical transaction.

What's required

Used Vehicle Information Package Under Ontario law, private sellers of most motor vehicles must provide buyers with a Used Vehicle Information Package (UVIP). The UVIP costs \$20 and is available from all Ministry of Transportation Driver and Vehicle Licence Issuing Offices.

This package contains:

- Vehicle registration history in Ontario
- Vehicle lien information (i.e. whether there were any outstanding debts on the vehicle in Ontario up until two business days before the seller bought the UVIP)
- Average wholesale value on which the minimum tax owed is based and other information dealing with vehicle safety standards
- Retail sales tax and forms for an affidavit
- Bill of sale

Safety Standards Certificate and Emissions Test While it is not necessary to have a Safety Standards Certificate and Drive Clean Test report that shows that the vehicle has passed the emission test, it helps to speed up the selling process if these two documents are available.

- If the vehicle is sold "as is" then it is the buyer's responsibility to have the safety and emission tested completed.

Preparing the Vehicle For Sale

- Make sure the vehicle is clean (both inside and out) and in good running condition; remember that a well maintained vehicle is easier to sell than a poorly maintained vehicle.
- Consider getting a tune-up if it's been more than a year since the last tune-up.
- Remove all of your personal belongings from the storage bins, glove compartment and trunk.

Deciding on a Price

Setting an asking price for your vehicle that is fair to you and prospective buyers requires some home work. Knowing what your vehicle is worth can help you sell your vehicle quickly and may prevent you from selling at a loss. You can contact CAA Consumer and Technical Services for a Red Book retail value.

Surveying local used vehicle dealers and watching the newspapers will give you an approximation of what you may ask for your vehicle. If you are selling a vehicle that is: modified, restored (professionally

or otherwise), in "mint" condition, or a collector's item, we recommend that you consult a professional appraiser to get an accurate assessment of your vehicle.

Advertising

- Place an ad in such places as the newspaper, buy & sell magazines, or on local bulletin boards.
- The ad should include the vehicle year, make, model, colour, mileage, optional features, general mechanical condition, and a phone number where you can be reached.
- Including the asking price will help attract only those who genuinely are interested in purchasing your vehicle.
- The words "must sell" will attract many bargain hunters, but also puts you at a disadvantage when it comes to selling at a fair price.

Prospective Buyers

- When a prospective buyer comes to view the vehicle, be truthful about the vehicle's condition and reveal all defects. If you are not truthful concerning the vehicle's collision history, or if there is still financing to be paid, this information can be used against you in court.
- Share receipts for vehicle repairs and service so that you can prove it has been well maintained.
- If the vehicle is still under the manufacturer's warranty, have the warranty and service booklet on hand.
- Demonstrate all features of the vehicle before accompanying the prospective buyer on a test drive.
- If the prospective buyer wants a mechanical inspection, accompany him/her to the garage as the vehicle is still yours, and your insurance is still in effect. The inspection should be at the prospective buyer's expense.

Negotiating a Price

- If you've advertised a price, remain flexible, but do not accept unreasonable offers. Prospective buyers almost always offer less than the asking price.
- If there are no takers, then consider lowering your asking price.
- With the HST in effect, private car sales are now subject to a federal tax for the first time in Ontario

Closing the Sale

- Once you have agreed on a price, ask for a cash or money order deposit for a minimum of \$500.00. Once you have received full payment, fill out the Bill of Sale form that comes in Used Vehicle Information Package.
- Complete and sign the Application for Transfer. The Application for Transfer is on the back of the "vehicle portion" of the registration permit.
- Give the Used Vehicle Information Package and the "vehicle portion" of the registration permit to the buyer.
- Two copies will be required of the Bill of Sale: one for the buyer and one for the seller. Make sure that both copies are filled out exactly the same.

- If the vehicle is being sold "as is", this should be included in the Bill of Sale to protect you from any subsequent claims made by the buyer.
- Transfer of ownership must be registered officially with Ministry of Transportation Driver and Vehicle Licence Issuing Offices.
- It is not required that the seller accompany the buyer to the Licence Issuing Office to get the registration, however make sure that you keep the Bill of Sale as proof of the transaction.
- Once the vehicle is sold, the seller must remove his/her license plate from the vehicle because the plate belongs to the seller, not the vehicle.
- Don't forget to call your insurance agent to remove your coverage from the vehicle.