

# RAA Member Panel

## Buying a first car

Getting a first car is an important milestone in many people lives, as it helps to provide levels of freedom and independence that would otherwise be unattainable, especially for people living in regional areas with limited public transport.

For many young people, buying their first car will be the biggest purchase in their lives to date. RAA is interested in understanding how young people (under the age of 24) obtain their first car, and what, if any, factors are important to them.

We asked our Member Panel to consider a specific young person when answering the questions in this survey.

### **Majority of first cars purchased were paid for with cash not gifted.**

Almost 50 per cent of all first cars purchased for young people were paid for with cash, with a further 20 per cent gifted to the owner. Just over a quarter of young people will get some form of a loan for their first car.

Young people are primarily responsible for funding their first car (50%), while one third of purchases will be funded by a parent or guardian. Grandparents (8%), other relatives (3%) and friends or siblings account for others who might buy a young person's first car.

In more than 50 per cent of cases, the young person will save funds specifically for the purchase of the car.

### **Young people are more likely to pay under \$10,000 for a used car from a dealership.**

Four in ten first cars for young drivers were identified to have been sourced from a dealership, with a further 30 per cent sourced through a private sale and/or transfer from a known person. Nearly 90 per cent of first cars were used or second hand, and 59 per cent priced between \$2,000 and \$10,000.

### **A quarter of people didn't know they could check for outstanding finance on a vehicle.**

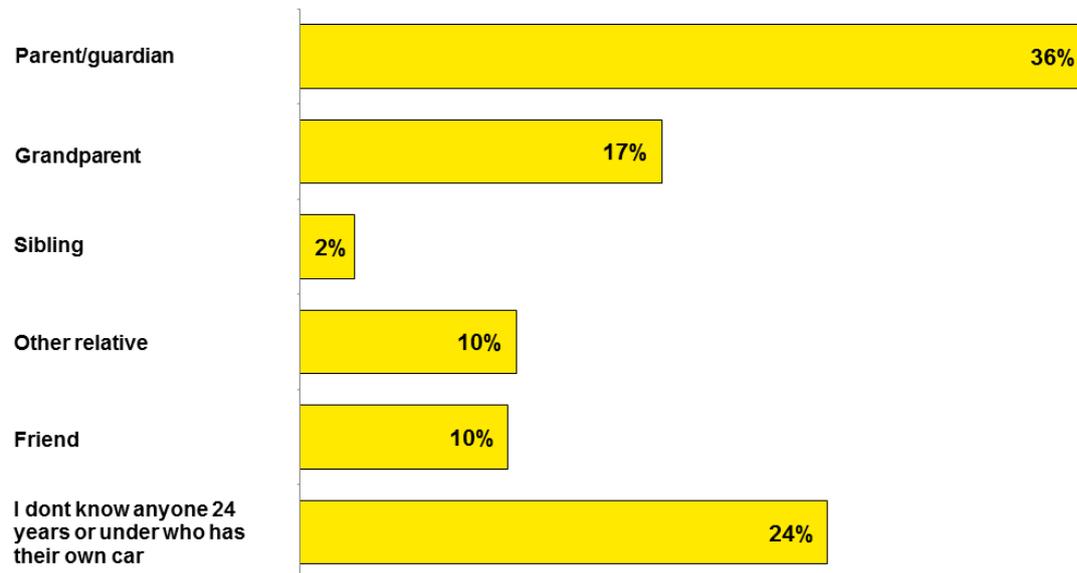
When purchasing a second hand vehicle you can get a Personal Property Securities Register (PPSR) check, which will identify if the vehicle has any outstanding or previous finance owing on it. Less than 70 per cent of respondents were aware a PPSR check was available. Given 90 per cent of first cars purchased are used cars, a PPSR check offers a level of additional knowledge about the cars history.

### **Fuel efficiency is more important than the cars appearance.**

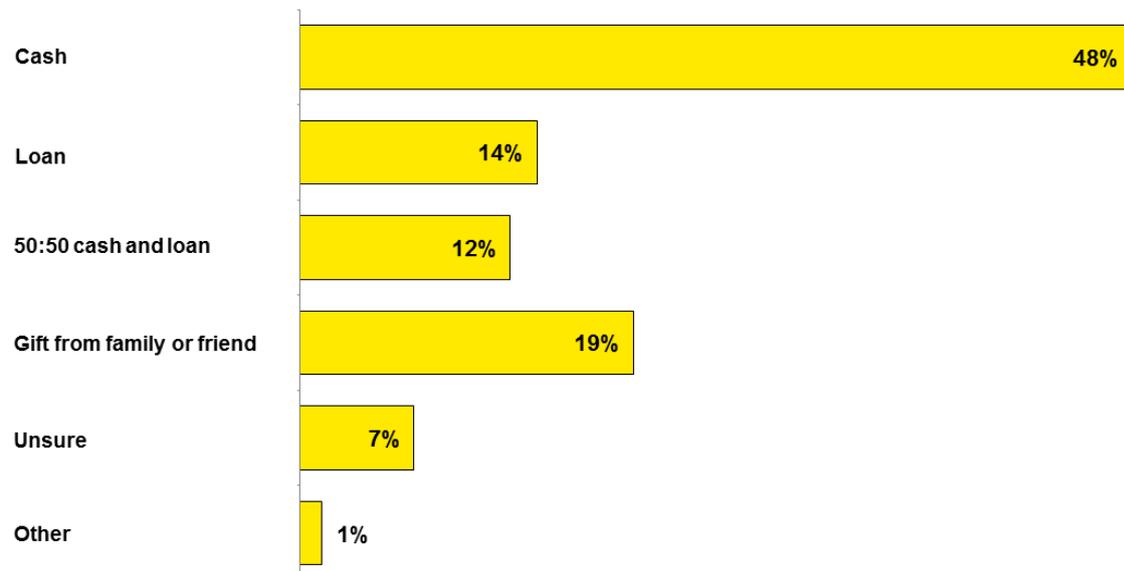
A vehicles fuel efficiency (93%) is something that was important to young people's first car choice, followed by purchase price (88%); with safety (79%) seemingly less important in third place. The cars appearance was considered important by about three quarters of young people, with the cost of insurance (70%) less of a factor.

# Appendix: Key Results

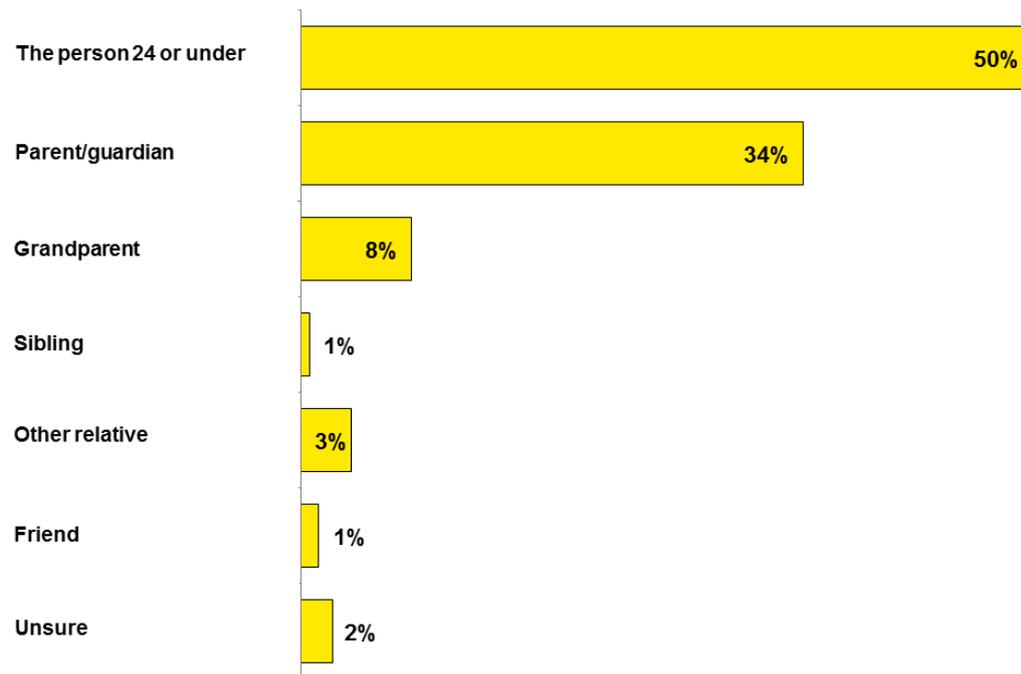
What is your relationship to the young person you will be considering?



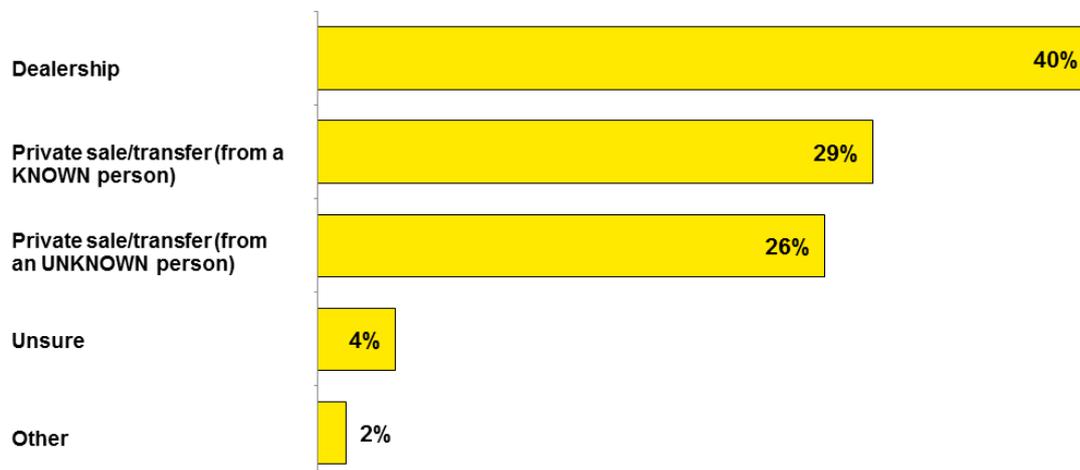
How was the car primarily funded?



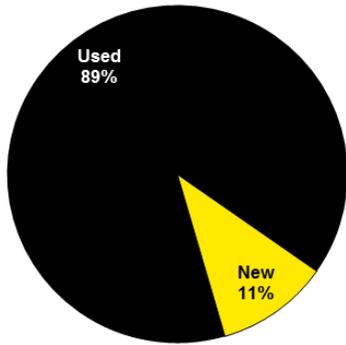
**Who was responsible for primarily funding/providing the car?**



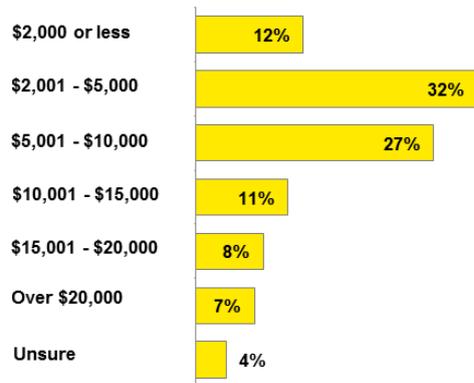
**Where was the car sourced?**



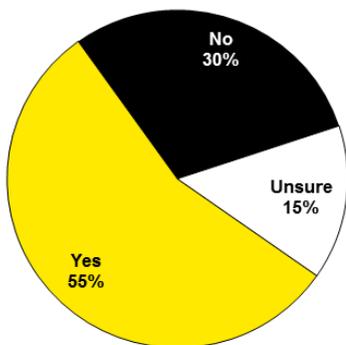
Was the car new or used?



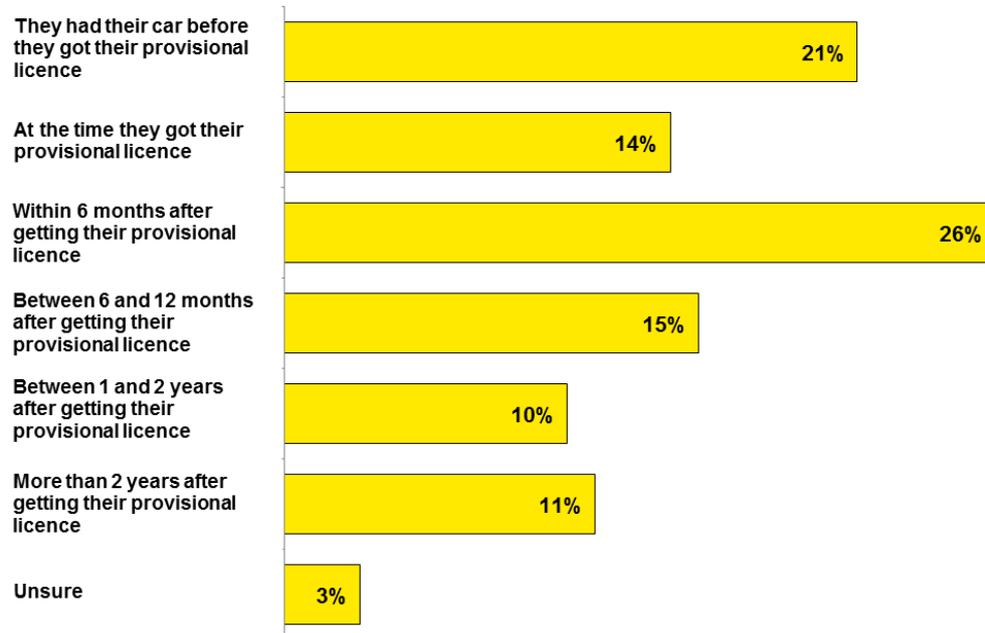
Approximately how much did the car cost?



Were any savings undertaken specifically for the purchase of this vehicle?



Approximately how long was it between when they got their provisional licence and when they got their first car?



Who is the person that the car is primarily insured under?

