

End of Car Lease Guide

What to do at the end of a car lease

Option 1: Return the vehicle

When you return your leased car, it will be thoroughly inspected. This is called the “lease-end inspection.”

It’s important to understand that you may be charged fees for excessive wear and tear to the vehicle.

When you take your vehicle to the dealership they’ll be looking for:

- Scratches or dings
- Window damage
- Interior damage such as burns or rips
- Excessive wear on the tires

Before you head for the dealership, you should ensure you have everything that came with the car to avoid additional fees. This means you’ll want to bring both sets of Keys, make sure the spare tire is in the trunk, have the original floor mats in the vehicle, etc.

If you plan to simply return the vehicle, you should also be prepared to pay the lease disposition fee, which is often around \$400. The exact amount is on your lease contract.

This fee is to cover the costs of reselling your leased car, and if you plan to return your vehicle (and not lease another vehicle from the same manufacturer), you cannot get out of paying this fee.

If you went over your mileage allotment expect to get a bill sent to you, and if you’re terminating your lease before it’s over, expect even more fees (you’ll still need to make your remaining lease payments).



Key points

Deciding what to do at the end of a car lease depends mostly on how you feel about the car and your financial situation.

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Option 2: Move into a new lease

It's likely that the dealership has contacted you in the months leading up to your lease-end to try and get you into a new lease already.

When you return a vehicle and then lease another from the same manufacturer they will waive the lease disposition fee.

The vehicle you are returning will still need to go through a lease-end inspection, so be sure to take a look at "Option #1" above to arrive prepared.

You may be able to roll any lease equity over into a new lease as well. Lease equity is the positive equity created when your car is worth more than the residual value stated in your lease terms. Lease equity typically only occurs when you have severely under-driven the mileage stated on your lease, or when you simply get lucky because of rising car values.

You should shop around before jumping into another lease with the same dealership. We recommend **ALWAYS** negotiating a discount before leasing.

Looking for help with your lease? [Your CarEdge Coaches are ready to assist!](#)

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Option 3: Buy the car

You usually have the option of buying it outright at the end of your lease. In recent years, a few automakers have started to eliminate lease buyout options. Tesla no longer allows lease buyouts.

Why buy out your leased car?

- You know exactly how much you're going to pay for the car (the residual value set when you signed the lease contract)
- You know everything about the vehicle (since you have been driving it for the past few years)

Why shouldn't you buy out your leased car?

- You will end up owning an older car
- The value of your car will depreciate the longer you own it
- Monthly payments are often higher than leasing

Option 4: Buy a car

If your driving habits have changed, or perhaps how you think about a vehicle ownership has changed, you may want to consider buying a new or used car instead of leasing.

Our CarEdge Coaches are ready to help you make the best decision for your needs. We're real people helping drivers save real money.

[Learn more about how we can help you today!](#)