

USED CAR BUYING GUIDE

Everything you need to know before
you buy your next used vehicle



WHO IS CARFAX CANADA?

CARFAX Canada is Canada's definitive source of automotive information, delivering vehicle history, appraisal and valuation data. Drawing on billions of records from thousands of unique sources, its products enable used vehicle buyers and sellers to make informed decisions.

When you're buying a used vehicle, CARFAX Canada gives you full insight into what's happened to that vehicle over the course of its lifetime and how much it's worth – allowing you to make your decision with complete peace of mind.

What does CARFAX Canada tell you?

CARFAX Canada provides relevant and important information about a vehicle (to the extent such information is available to CARFAX Canada), including:

- Whether the vehicle was in any reported accidents
- Where the vehicle has been registered and what the vehicle branding is in those jurisdictions
- Whether the vehicle was imported into Canada from the U.S.
- Depending on the type of CARFAX Canada report purchased, information about liens registered against the vehicle in certain provinces and/or territories in Canada
- How much the vehicle is worth
- Odometer records and more

Visit www.carfax.ca for more tips and information to help you navigate the used car buying process and beyond! From advice on how to sell your vehicle to ways to prep your car for a road trip, CARFAX Canada is a resource you can count on throughout your vehicle's lifetime.

You can also find us on:



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WHAT'S THE RIGHT USED CAR FOR YOU?

When you're searching for a new used car, deciding which vehicle is right for you will depend on your needs, your budget and your personal preferences.

Here's a list of questions to consider:

- Will this be your primary vehicle or do you have another car that will be used equally or more often?
 - What type of driving will you be doing with the vehicle – short trips around town or long daily commutes?
 - Do you have a certain vehicle year or mileage in mind?
 - Do you have a preference when it comes to make, model or colour?
 - How many passengers do you need to accommodate on average?
 - Do you need extra space in the trunk or vehicle to haul additional items?
 - What accessories or options would you like the vehicle to have?
- What major features are most important to you? You'll want to rank the following factors to see what matters most:
 - safety ratings
 - fuel economy
 - size of the vehicle
 - number of doors
 - maintenance and insurance costs
 - all-wheel drive
 - overall price
 - driving experience
 - interior space
 - vehicle power
 - resale value
 - How price sensitive are you? Do you have a set budget that you'll need to stick to throughout the process?

This will give you a better idea of your vehicle wants and needs. From there, you can begin to research the type of vehicle you're looking for and begin the shopping process.



WHERE TO RESEARCH A USED CAR

Now that you have an idea of what type of vehicle you're looking for, it's important that you spend time researching the makes and models that you're interested in. Here's a guide to help you kick off your used car research.

▶ SEEK OUT REVIEWS

Friends and family are great resources for used car advice. Before you settle on one particular vehicle, ask your friends why they chose the vehicles they did and pay attention to the factors they considered.

There are also several online resources you can use to source more information:

- [ConsumerReports.org](https://www.consumerreports.org)

This is an independent and non-profit organization that puts together complete ratings and recommendations on vehicles in Canada.

- [Autos.ca](https://www.autos.ca)

You can view new and used car reviews, Canadian consumer reports and information on pricing, car specs and more.

- [Transport Canada](https://www.transportcanada.gc.ca)

See if past or current recalls exist for the particular make and model you're interested in.

▶ LEARN MORE ABOUT PRICING

There are many factors that impact a vehicle's value. These can include subjective things like whether anyone smoked in the vehicle or if it has after-market accessories.

The two main factors that influence value are how much similar vehicles have sold for nearby and what has happened in that particular vehicle's past.

As Canada's most trusted source of vehicle information, you can trust CARFAX Canada to give you a vehicle value that considers both of these key factors – [CARFAX Canada True Value™](#).

DID YOU KNOW?

CARFAX Canada has partnered with every major used car listing site in Canada, so sellers can include CARFAX Canada reports in their vehicle listings. You can view the CARFAX Canada report for free whenever a seller has posted a report.



WHERE TO FIND A USED CAR

Here are a few places you can check to find a used car that fits your needs:

- **Online listing sites:**

There are plenty of online vehicle listing sites where you can browse both dealer and private listings to see what cars are available in your area. Most major Canadian listing sites offer the option to view an available CARFAX Canada report for the listing or request one from the seller.

- **A public auction:**

You may have heard of the auto auctions that car dealers attend and use to source vehicles to fill their lots. Many auto auctions also designate specific dates where they open the auction process to the public.

- **The local newspaper:**

The community newspaper might have a car classified section in print and online.

- **Online or print buying guides:**

Depending on your location, you may have access to an online or print buying guide with vehicle listings.

Take a trip to your local car dealer or check out their website to see which cars they have on their lot.



WHAT'S THE CAR ACTUALLY WORTH?

When you're buying a used car, you want to be confident that you're getting a fair price. Find out what your car's worth based on the numbers that really matter with **CARFAX Canada True Value™**.

▶ TRADITIONALLY, HOW IS A USED CAR'S VALUE DETERMINED?

Before CARFAX Canada True Value, a used car buyer or seller might look for a vehicle's book value or manually search multiple listing sites for comparable vehicles to get an idea of what a car was worth. This can be a good place to start, but it can be tedious and inaccurate as listing price and sold prices aren't the same. CARFAX Canada True Value does the homework for you by searching comparable sold prices rather than list prices. Plus, it takes the vehicle's unique history into account – the only way to determine a truly accurate value for that specific car.

▶ WHAT IS CARFAX CANADA TRUE VALUE?

CARFAX Canada True Value is a used car value calculator that tells you how much a vehicle is really worth, based on what similar cars have sold for nearby, adjusted to consider the unique history of that specific car (which may include damage records, odometer readings and registration history).

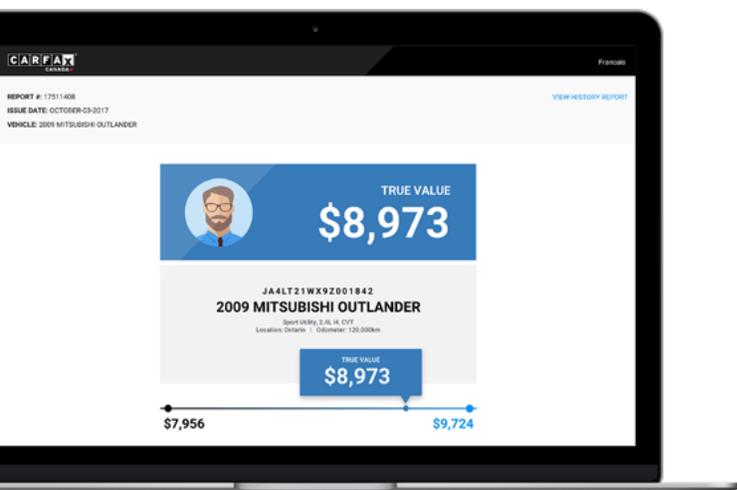
• The difference between list and sold prices

A list value (or asking price), is the price a seller requests for their vehicle on a listing site. A sold value is what the car actually sold for. Typically, there is a difference between list and sold price. Therefore, if buyers and sellers enter a deal knowing the car's True Value based on accurate data, they set themselves up for a quick, easy sale.

• Why accident history matters

A vehicle's history (which could include things like accident history and odometer readings) impacts its value. CARFAX Canada True Value searches hundreds of data sources to provide the most comprehensive information about a car's past, and uses this information to calculate the accurate value of that specific vehicle.

[Get the True Value](#)



HOW TO GET A CARFAX CANADA VEHICLE HISTORY REPORT

Every CARFAX Canada Vehicle History Report now comes with the CARFAX Canada True Value™ at no extra charge. Ordering is a simple and easy process that will provide you with important information to help you buy a used car at a fair price.

1 Get the vehicle's VIN

You can find the vehicle identification number (VIN) on the driver's side of the vehicle's dashboard, on the inside of the driver's side door or in vehicle documents like the ownership, insurance files or service records.

2 Visit www.carfax.ca and click on our order page

You'll need to have the VIN as well as a valid credit card.

3 Check your inbox

Shortly after your order, you'll be emailed a link to view your reports.

If you have any questions about your report, please visit [CARFAX Canada's FAQ](#) section or [Glossary](#).

You can also contact CARFAX Canada's Customer Service team by calling 1.866.835.8612 or emailing support@carfax.ca.



IS A CERTIFIED PRE-OWNED VEHICLE RIGHT FOR YOU?

When you're looking to purchase a vehicle, there's no doubt you have plenty of cars to choose from when it comes to the make and model. You also have options in terms of the vehicle's condition. You can choose from new or used and if you decide to go with used, you have yet another decision to make: is a Certified Pre-Owned car right for you?

► WHAT IS A CERTIFIED PRE-OWNED CAR?

Certified Pre-Owned (CPO) vehicle programs are offered by vehicle manufacturers across Canada and provide you with the ability to own a quality used vehicle, with many of the benefits of buying brand new. A CPO vehicle is one that has undergone a detailed inspection and safety process and fits vehicle age and mileage requirements as set out by the manufacturer. CPO vehicles are repaired by factory trained technicians using factory parts that are backed by the manufacturers. The program also includes extended warranties and can come with additional benefits like special financing and a roadside assistance program.

In addition to these manufacturer-run CPO programs, you can also find certified cars (sometimes also called CPO) at independent dealerships as well. These dealerships will have their own set of requirements that they use to classify cars as such and can also include additional benefits.

► WHY CHOOSE A CERTIFIED PRE-OWNED CAR?

When a dealer offers you a CPO vehicle it means they've put extra time and resources into the vehicle to ensure that it meets the CPO program requirements. This means you'll likely pay more for a CPO vehicle when compared to a non-CPO vehicle, but that's because you're also getting more out of the program. A CPO program can provide a consumer

with greater peace of mind, knowing that it's undergone a detailed inspection and safety process and is covered through an extended warranty.

If you're considering a CPO vehicle, you should look at the program details to see which areas of the vehicle fall under the inspection process. You'll want to learn more about the extended warranty in order to determine what this warranty will cover and when it expires. You should also ask about the additional benefits offered through the program. You'll want to weigh this information against how you plan to use the car and your budget in order to see whether or not a CPO program will benefit you.

► CARFAX CANADA IS AN IMPORTANT PART OF CPO PROGRAMS

CARFAX Canada Vehicle History Reports are a key component of certain Certified Pre-Owned programs across Canada. Acura, Audi, BMW, Ferrari, Honda, Infiniti, Kia, Lexus, Mercedes-Benz, Nissan, Porsche, Subaru, Toyota, Volvo and Volkswagen use CARFAX Canada reports to provide car shoppers with confidence and assurance when they buy their next vehicle. When you're given a free CARFAX Canada report through a CPO program, you'll have instant access to relevant and important information about the car's history, including any previous accident data, registration and branding details, information about liens registered against the vehicle in certain provinces and/or territories in Canada (depending on the type of CARFAX Canada report purchased), odometer readings, police data and much more.

11 QUESTIONS TO ASK BEFORE YOU BUY YOUR NEXT CAR



Purchasing a used vehicle can at first seem like an intimidating experience, but if you know the right questions to ask and have the right information, you can navigate the process easily and with confidence.

Here's a list of questions you should ask the seller before you commit to buying.

- 1 What's the condition of the car and the current mileage? Has anything on the car ever been replaced or updated?**
Find out about any known issues with the car, any flaws in the appearance as well as new updates. These details will let you know how much money you can expect to invest in the vehicle down the line.
- 2 Why are you selling the car?**
The seller might be ready for an upgrade or perhaps the car's size doesn't suit their lifestyle anymore. It's good to know the reason behind this change because you might run into the same issues.
- 3 Who did you buy the vehicle from, when did you buy it and where from?**
Discover details about how the car was driven, who the previous owners were and what's happened over the lifespan of the car. Learn if the car was purchased from a dealership or a private seller and if it's spent time in a different province or country.
- 4 Did the car have regular oil changes and maintenance?**
If maintenance, service records or receipts are available, ask to see them.
- 5 Do you have a CARFAX Canada Vehicle History Report?**
Get the CARFAX Canada report to see the full details on the vehicle's history. If they don't have one available, ask for the vehicle identification number (VIN) of the vehicle so you can purchase a report yourself.

- 6 What's the car really worth?**
Ask for the CARFAX Canada True Value™, which comes free with every CARFAX Canada Vehicle History Report purchase. It will give you third-party validation that you're paying a fair price.

- 7 Can I see the VIN, the vehicle ownership and your identification?**
Confirm that the seller is in fact the legal owner and double check that the registration information matches with the car's VIN. Check your CARFAX Canada report as well to be sure the VIN and vehicle details in the report match up with the vehicle you see in front of you.

- 8 Is there any of the original manufacturer's warranty left on the vehicle?**
If you're looking to purchase a newer used vehicle, then the car may still have some warranty left on it.

- 9 How long of a test drive can I take?**
Aim to spend up to 30 minutes on a test drive so you can evaluate how well the car runs.

- 10 Can I take the car for an independent inspection?**
It's important that you take the car to a mechanic for a pre-purchase inspection so you can get an expert's opinion on what's happening with the car under the hood.

- 11 Can we fix this problem before purchase?**
If during your vehicle inspection, or through your mechanic's inspection, you discover a flaw that can be fixed, see if it's possible to get this done before you purchase the vehicle.



HOW TO INSPECT YOUR CAR'S INTERIOR AND EXTERIOR



When you're looking to buy a previously-owned car, the appearance of the vehicle can be a great indicator as to what's happened to that car during its lifetime.

Here's a list of areas and features to check when you visit your potential new car:

OUTSIDE THE CAR

Suspension: Make sure the car is located on flat ground and check that the vehicle is level to the ground.

Paint/exterior: Inspect the vehicle's exterior for rust, paint chips, rough spots, cracks and sections of paint that don't match.

Look for panel gaps: Watch for large or small gaps between the door panels, the trunk and hood panels as this could mean a panel has been replaced or repositioned.

Windshield: Examine the glass for any chips, cracks or scratches.

Trunk: Is the trunk large enough to suit your needs? If you're frequently lugging around a stroller or oversized sports equipment, bring these measurements along to ensure these items will fit.

Keys: Double check that the seller has two sets of keys for the vehicle and test the key in all of the door locks and the trunk lock.

Under the hood: Although it's best to leave this area up to your mechanic during the pre-purchase inspection, you can check here for any obvious rust spots or cracked hoses.

Doors: Open all of the doors to ensure that they are in working order. Are they big (or small) enough for you and your family's needs?

Measure: If you're planning to park your car in a garage or in a small parking spot, bring along measuring tape so you'll know if the car fits.

Tires: Check the tires for cracks or bald spots. They should be worn evenly and the brand and size of each tire should match. Ask the seller if a spare tire is included with the car.

VIN: Make sure the VIN is located on the right side of the vehicle's dashboard when you're looking through the windshield from outside of the vehicle. It can also be found on the inside of the driver's side door, near where the door latches. Write this number down because you'll need it to run a CARFAX Canada report if the seller hasn't provided one already. Get a free preview of what the VIN can uncover [here](#).

Outside lights: Confirm that all of the lights on the vehicle are working and aren't cracked, missing or filled with moisture. This includes:

- Headlights (daytime, nighttime and high beams)
- Hazard lights
- Fog lights
- Brake lights
- Licence plate light
- Turn signals
- Back-up lights

INSIDE THE CAR

Seats: Take the time to sit in each of the vehicle's seats and consider the following:

- Are the seats easily adjustable and do all of the controls work?
- Do you like the look and feel of the seats?
- Are there any burns, holes, stains, spots or scratches?
- Does your family fit in the backseat and how comfortable would they be during a long car ride?
- Will the backseat accommodate your car seat?

Inside lights: Are all of your interior lights and controls fully functioning? This includes headlights (daytime, nighttime and high beams), ceiling and interior lights, glove box lights and mirror lights.

Manuals and information: Does the vehicle come with a manual? Can you access any maintenance or service logs from the previous owner?

Dashboard: Record the odometer reading and compare it to the car's listing. Does the dashboard display any warning lights?

Controls and accessories: Try out every control and switch to make sure they are in proper working order. Consider checking:

- the windshield wipers and fluid control
- heater/air conditioning
- vents and airflow settings
- mirror adjustments
- GPS
- door and window locks
- power windows or roll-up handle
- stereo
- power outlets
- front window and rear window defrost
- speakers
- horn
- clock
- steering wheel tilt adjustment
- sunroof controls
- releases for the hood, trunk and gas cap

Smell: Does the car have an odour? A hanging air freshener could be masking a smell.



By giving the inside and outside of the car a detailed examination, you'll be better informed about what's happened during the lifespan of your vehicle. Arming yourself with these details will help you in your quest to find the car that's perfect for you.

10 WAYS TO AVOID USED CAR FRAUD

As with any major purchase, you need to do your due diligence before buying a used car to make sure the vehicle is right for you and to avoid any scams.

Here are 10 tips to help ensure you get a great deal and a great car:

- 1 You should always question a deal that seems too good to be true**
If the price seems too low or the seller does something that sets off your alarm bells, walk away from the sale.
- 2 Beware of curbsiders**
A curbsider is an unlicensed individual, dealer or retailer who buys up vehicles and instead of registering them under their own name, will post the same vehicles for sale with a mark-up. The curbsider might misrepresent the real condition of the car or hide major issues.
- 3 Get the CARFAX Canada Vehicle History Report**
This report provides you with relevant and important information about the history of the vehicle, including accident information, registration details, information about liens registered against the vehicle in certain provinces and/or territories in Canada (depending on the type of CARFAX Canada report purchased) and U.S. history. Ask the seller for a report or buy your own to learn about the history of the vehicle.
- 4 Check out the dealer**
If you're buying your used car from a dealership, then look into the dealer's background and reputation. Each province has a governing body that issues dealer licences, a requirement in order to legally sell vehicles in Canada.
- 5 Look for liens and stolen cars**
A CARFAX Canada Verified report will search for liens registered against the vehicle in certain provinces and/or territories in Canada (depending on the type of CARFAX Canada report purchased). A lien on a vehicle is an interest in the vehicle that the owner grants to another party, usually as security or collateral for a debt, until such debt has been discharged. A CARFAX Canada report can also tell you if a vehicle is marked as actively stolen.

6**Verify the seller's identity and the VIN**

Ask your seller for proof of identity and check that the seller's name and address matches up with the owner information on the vehicle registration form. This is also a good time to double check the make, model, year, colour, licence plate and vehicle identification number (VIN) of the car against the registration form. Run the VIN through [CARFAX Canada's free decoder tool](#) to make sure the information it provides matches what you're seeing in front of you.

7**Check for odometer rollbacks**

Have a look at the actual odometer – do all of the numbers line up and is there any evidence of sabotage (scratches, cracks) in and around the odometer? Does the wear and tear of the vehicle show more use than the mileage would indicate?

8**Double check the condition of the car**

Give the inside and the outside of the car a thorough inspection and take a test drive to make sure the car is in the same condition that the seller is advertising.

9**Don't pay before you get the vehicle**

Never agree to pay for the vehicle upfront or send money via wire transfer. If the seller requests a third-party escrow service, investigate the service to make sure it's legitimate, as many online escrow sites are fraudulent.

10**Take the vehicle for a pre-purchase inspection**

Get an independent, licenced mechanic to give the vehicle a detailed inspection. Bring your CARFAX Canada report with you as you'll want to verify that any damage was properly repaired.



HOW MUCH FUEL WILL YOUR CAR CONSUME?

For many consumers, fuel consumption is a major consideration in the used car purchasing process.

Many manufacturers use miles per gallon (MPG) to advertise the fuel efficiency of a vehicle. For Canadian consumers who follow the metric system, it can be difficult to convert the MPG rating to litres/100 kilometre (L/100 km), making average fuel consumption a confusing number. In order to make this process easier, here is a formula to convert L/100 km into MPG and MPG into L/100 km:

$$L/100 \text{ km} = \frac{282.48}{\text{MPG}} \qquad \text{MPG} = \frac{282.48}{L/100 \text{ km}}$$

If you're looking for a vehicle with the best fuel efficiency, keep in mind that the lower the L/100 km rating, the lower the fuel consumption. On the other hand, remember that the higher the MPG, the better the fuel consumption. Buyers should also be aware that fuel consumption ratings can differ between the U.S. and Canada.

In order to make sure you're selecting the vehicle that's right for you, you'll also want to know approximately how much you can expect to pay for gas each year, based on your vehicle use. In Canada, the average person drives approximately 20,000 km per year, with a mix of 55 per cent city driving and 45 per cent highway driving.

You can use the following formula to estimate your fuel use for the entire year. By multiplying this number by the average fuel cost in your region, you can compare the expected annual fuel costs for the various vehicles you're interested in.

$$\frac{\text{Annual distance travelled (km)} \times \text{Fraction of city driving}}{100} \times \text{City fuel consumption rating L/100 km} + \frac{\text{Annual distance travelled (km)} \times \text{Fraction of highway driving}}{100} \times \text{Highway fuel consumption rating L/100 km}$$

HOW TO DO A PROPER TEST DRIVE

Bring a friend or family member along with you to the dealership

Take along an extra person to help you spot any red flags throughout the process and have them take notes for you during the test drive.

Decide which features are important to you

Outline which features you require in your next used car and bring a checklist with you to review on your drive to see how well that vehicle measures up.

Plan your test drive route

Try out the vehicle in different environments such as stop and go traffic, highway driving and smooth and bumpy road conditions to see how the car reacts to each surface.

Get a feel for the vehicle before you leave the lot

Get in and out of the car a few times – is the entrance uncomfortably high or low? Play around with the car's accessories before you hit the road so you aren't distracted during the drive. You'll want to check the following:

- Can you comfortably reach the radio, temperature and mirror controls?
- Do the pedals and seat adjustments suit you?
- Are the accessories you'll use on a daily basis working? ie. lights, vents etc.
- How long does the heat and air conditioner take to reach the maximum temperature?

Drive it realistically

Try accelerating, decelerating, passing and merging. What's the engine's power like? Does it accelerate fast enough for you? Or does it have extra power that you don't think you need? Does the vehicle upshift and downshift smoothly and at the correct time?

Evaluate how the car feels

Is the steering wheel comfortable for you? Is it sensitive to the touch or is there a lag when you turn? Does the vehicle require constant adjustment while you drive? Make a variety of left and right turns to see how the car reacts.

Hit the brakes

Take the vehicle to a safe setting where you can test out the car's stopping power. Brake both hard and soft – did the car's anti-lock brake system kick in as promised? Did the car pull to one side or did you have to push the pedal to the floor? These will be things you'll want to bring up to the seller and your mechanic during a pre-purchase inspection.

Put it in park

At some point during the drive, try parallel parking the vehicle. This will give you another perspective on the angles of the car and the potential blindspots you could face on a daily basis.

Don't rush through the process

A good test drive can take up to 30 minutes so take your time. You're making a big commitment and the test drive can really influence whether or not you want the car.

Try it again

There are certain elements of the vehicle that you won't experience in the daylight. Ask the seller if you can drive it again at night to test out the car's headlights and experience how it drives. Also, don't be afraid to take the car for another spin if you have more questions or if another family member wants to weigh in on the vehicle.

HOW TO NEGOTIATE YOUR USED VEHICLE PURCHASE

You've found a vehicle that is right for you, and you're ready to talk with the seller about a potential agreement. When it comes to negotiating the price, the key is to settle on a deal that benefits both parties.

Here are some things you should keep in mind before you commit:

1 Do your research

Find out what the car is really worth based on the information that matters. Get the **CARFAX Canada True Value™**, free with every vehicle history report purchase – it's based on what similar cars have actually sold for nearby, adjusted to account for the vehicle's unique history.

2 Remember the other factors

While these factors are not considered in the True Value calculation, they can also impact the value of a vehicle:

- Colour
- If it was smoked in
- Number of previous owners
- Service history
- Extended warranties
- After-market features
- Extras like winter tires
- Recent replacement of brakes, battery etc.

3 Get the CARFAX Canada Vehicle History Report

A CARFAX Canada report will give you accident and damage information, and it will search for liens registered against the vehicle in certain provinces and/or territories in Canada (depending on the type of CARFAX Canada report purchased). It will also give you insight into the registration and branding history of the vehicle.



- 4 Take the car for a pre-purchase inspection**
Get an independent, licenced mechanic to give the vehicle a detailed inspection. Bring your CARFAX Canada report with you as you'll want to verify that any accident damage was properly repaired.

- 5 Remember the sales tax**
Don't forget to consider any provincial taxes and extra fees when you're calculating the final cost of the vehicle. Depending on where you live, trading your vehicle in to a dealership can save you a lot of tax.

- 6 Know your budget**
Before going in to the sales office or meeting with a private seller, determine what amount is the highest price you're willing to pay for that particular vehicle.

- 7 Ask the tough questions**
If the CARFAX Canada report does reveal that the vehicle has been damaged, check to make sure the vehicle has been properly repaired. Don't be afraid to bring up any other flaws you find.

- 8 Be respectful**
Don't give the seller a lowball offer – you'll risk insulting the seller and they probably won't want to negotiate with you any further.

- 9 Have confidence in your offer**
When you make your offer to the seller, say it with confidence. Don't mutter it, or say it in a way that makes your price seem like an uncertain question. Be assertive and state the offer in a way that shows the seller you're serious.

- 10 Check your emotions**
When you're bartering back and forth with the seller, don't get angry, pushy or arrogant and take caution if you find the seller acting this way. Keep in mind that the goal of the negotiating process is to find a fair price that both you and the seller can be happy with.

- 11 Don't rush the decision**
If the seller makes a counteroffer and you'd like to think about it, that's OK. However, know that the seller may have other potential buyers and you could risk losing out on the car if you wait.

- 12 Be prepared to walk away**
There are plenty of options out there when it comes to buying a used car. Don't get too attached to the vehicle if you and the seller can't come to a deal.

WHY A PRE-PURCHASE INSPECTION IS IMPORTANT

Once you've found the car that you think is "the one," it's tempting to rush through the buying process so you can get into the driver's seat as soon as possible. But before you fully commit, there's one more important step you need to make and that's to take the car for a pre-purchase inspection (PPI).

► WHAT IS A PPI?

A PPI is performed by a qualified and licenced mechanic or auto technician, who will give the vehicle a thorough inspection to determine the cosmetic, mechanical and safety condition of the car. The mechanic will pinpoint any current and existing conditions as well as highlight potential issues that could arise in the future. By learning more about what's happening underneath the hood, you'll either feel more confident that you're making a great investment or you'll discover that there are a few hidden conditions that could give you more leverage with price negotiations.

The PPI usually costs around \$100 to \$200, depending on the service centre and the extent of the inspection, and can take anywhere from 45 minutes to two hours, depending on the car. The technician will examine the exterior of the car, the interior, under the hood and will also investigate the under carriage. Many quality service centres also conduct a test drive to see what's happening with the car when it's in motion.

► WHERE CAN I GET ONE?

If you're buying from a dealer, then many dealerships can conduct the PPI onsite. They should also be open to you taking the vehicle for an inspection by an independent mechanic. As a consumer, it's your right to have a PPI and usually a non-binding offer to purchase and a refundable deposit are considered acceptable pre-conditions to an inspection.

If you're getting the inspection done offsite, or you're dealing with a private seller then ideally, you'll want to take the vehicle to a mechanic that you already have a great relationship with. If you don't have a go-to service centre, then you can ask the dealership for recommendations. CAA has a list of preferred partners as does the Automobile Protection Agency (APA). The APA also has an inspection form on its website that you can print off and take into the shop.

A pre-purchase inspection is the final step to making sure the car you're considering is the right vehicle for you. By arming yourself with information from a PPI and a CARFAX Canada report, you can be confident about the history of the vehicle as well as its current state.

DID YOU KNOW?

CARFAX Canada reports can be purchased as part of Canadian Tire's Vehicle Pre-purchase Assessment package.

FINALIZING THE SALE



Everything you need to know - by province

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FINALIZING A PRIVATE USED CAR SALE

You've done your homework and researched what type of car you want. You've met with the private seller, gone for a test drive, asked all the right questions and taken the car for a pre-purchase inspection. Now you're ready to buy, so how do you go about finalizing the sale?

Each province across Canada has different regulations. We've compiled the steps and information that you need to know, as well as provided links to the appropriate websites. When in doubt, it's always best to contact your provincial government to make sure you and the seller have covered your bases.

► BRITISH COLUMBIA

In order to transfer the ownership of a used vehicle in British Columbia, the seller must pick up a Transfer/Tax Form from an Autoplan broker.

To prepare the car for sale, the seller should remove the licence plates from the vehicle as well as the insurance and registration, tearing off the vehicle registration portion and signing this portion.

The buyer receives the signed registration and gives payment to the seller. Once the seller is paid, both parties can fill out the Transfer/Tax Form. It's recommended that the seller and the buyer go together to take the registration and the Transfer/Tax form to an Autoplan broker. At this point, the buyer can register the vehicle, licence it and insure it all at the same time.

If the buyer and seller don't switch the registration of the vehicle right away, the buyer can drive the newly purchased vehicle with their old plates for up to 10 days from the date of purchase as long as:

- a) The vehicle the buyer is switching plates to is registered in B.C.
- b) The buyer has sold or disposed of the old vehicle.

- c) Both vehicles fall into the same category (ie. passenger vehicles).
- d) The plates are valid B.C. licence plates.
- e) The buyer carries the signed Transfer/Tax Form for the vehicle, the original registration, the still valid insurance papers for the buyer's old vehicle and proof that the buyer sold the old vehicle.

For more information, visit the [Insurance Corporation of British Columbia website](#).

► ALBERTA

When buying a used vehicle in Alberta, both the buyer and the seller need to fill out a Bill of Sale. This will include the date of the sale, address and identification information about the buyer and seller, the year, make, model and VIN (Vehicle Identification Number) number, odometer reading, the total price, how it is being paid for and any promises or statements about the vehicle, such as warranties or claims about the condition. Both the buyer and the seller may want to keep a copy of the Bill of Sale for reference purposes.

Most sellers will require you to leave a deposit. The remainder of the payment is usually in the form of a money order or bank draft. Be aware that signing a sales offer and leaving a deposit represents your commitment to purchase and is legally binding. The seller has the right to keep the deposit if the deal is not completed in order to cover his or her costs. If this is a concern to you, include in your offer a note that the deposit is fully refundable in the event that the deal doesn't go through.

To register the used vehicle, the buyer will need the proof of ownership (Bill of Sale), a valid Alberta insurance 'pink card' and identification. An inspection certificate from Alberta Transportation is required for all first time Alberta registrations of used vehicles (and used vehicles returning to Alberta that were last registered in another jurisdiction). There are some exceptions so it's always best to check with a Service Alberta registry agent.

If the buyer currently has valid Alberta licence plates, they may transfer them to the new vehicle. They can use their previous plates on the newly purchased vehicle for up to 14 days from the date on the Bill of Sale. During this grace period, the buyer must carry proof of ownership, insurance and valid registration for the licence plate being transferred to the vehicle.

For more information, visit the [Service Alberta website](#). You can also check out the [Alberta Transportation website](#).

► SASKATCHEWAN

In Saskatchewan, all retail sales are final. As a buyer, keep in mind that unless clearly stated verbally or in writing by a seller, there is no cancellation period for returning a vehicle.

The seller must provide the buyer with the 'Transfer of Ownership' or 'Vehicle Identification Certificate' that's attached to the seller's registration certificate, along with a Bill of Sale.

The buyer can use the licence plates from their original vehicle on a new vehicle for up to seven days when they buy a new or used vehicle in Saskatchewan. Before that time expires, the buyer should take the completed Transfer of Ownership form and the Bill of Sale to a Motor Licence Issuer.

The Motor Licence Issuer will let the buyer know if they are required to pay PST on the vehicle. PST does not apply to the purchase of eligible used light vehicles on which tax has been previously paid in full. The buyer can also determine if PST is payable on a particular vehicle by using Saskatchewan Government Insurance's free online Saskatchewan VIN search.

For more information, visit the [Saskatchewan Government Insurance website](#).

► MANITOBA

In Manitoba, the seller must provide the buyer with a signed Transfer of Ownership Document, a valid Certificate of Inspection (COI) and a Bill of Sale that is signed by both parties and has the year, make, model and VIN (Vehicle Identification Number) as well as the purchase price and the date it was bought.

The buyer will want to check to make sure they are buying from the legal owner as the registered owner and the legal owner aren't always the same person. Only the legal owner has the right to sell or dispose of the vehicle. The legal owner's name is on the right-hand side of the registration card. The registered owner's name is on the left-hand side of the registration card.

Most buyers will have to register and insure the newly purchased vehicle with Manitoba Public Insurance (MPI) before driving it. It's best for the buyer to check with MPI before to ensure they have necessary coverage.

If the buyer is purchasing a vehicle that is in a different registration class from their previous car (i.e. they sold their car and they're now buying a truck for their gardening business) then the buyer will need to get new licence plates or a special sticker to put on their licence plates when they're transferring registration and insurance from one vehicle to the other. The class can be found on the front of the Vehicle Registration Card, at the top left. If the vehicle is in a different class, then the buyer must report the change to an Autopac agent before driving in order to receive the new registration and the special sticker.

If the vehicle is in the same registration, the buyer can transfer the licence plates from their currently registered vehicle to their new one. The buyer has seven days after the day they disposed of their old vehicle to register their new replacement car. During this seven day period, the same coverage on the old vehicle will apply to the new one. If this coverage is insufficient, it's best to register the new vehicle immediately.

When a buyer purchases a vehicle privately, the buyer will be charged retail sales tax when they register the vehicle. This tax is based on the fair market value of the vehicle; either the purchase price or the average wholesale price, whichever is greater.

For more information, please visit the [Manitoba Public Insurance website](#).

▶ ONTARIO

In Ontario, every privately sold vehicle must be accompanied with a Used Vehicle Information Package (UVIP) from the Ontario Ministry of Transportation. This package contains a description of the vehicle, the VIN, year, make and model, retail sales tax requirements, a bill of sale and tips on vehicle safety standards inspections. The seller must show this package to the buyer as it plays a role in finalizing the sale of the vehicle.

The seller has to give the vehicle permit, the completed and signed Application for Transfer (found on the back of the 'vehicle portion' of the registration permit) and the completed Bill of Sale from the UVIP (with their name, signature, date and purchase price) to the buyer.

The seller keeps the licence plate (Ontario uses a plate-to-owner registration system which means they stay with you) and the plate portion of the vehicle registration permit. The seller can then let the Ontario Ministry of Transportation know that the vehicle has sold.

The buyer has to register the used vehicle within six days of the sale. To do so, they have to take the UVIP, the vehicle permit and the Application for Transfer to the Driver and Vehicle Licensing Office. Here, the buyer will pay the retail sales tax, based on the purchase price or the wholesale value (whichever is greater). The buyer will also pay the licensing fees for the plates and permit. The buyer can attach plates they already own (they need to bring in the plate portion of their vehicle registration permit), and validate them with a sticker or purchase new plates with proof of identity that verifies their legal name, date of birth and signature.

The buyer has to provide proof of insurance and a Safety Standards Certificate if the vehicle is to be plated.

If the vehicle is registered, plated and in the Drive Clean Program, then the buyer has to present the vehicle emissions report. To find out if a vehicle needs an emissions test, a buyer or seller can visit the Ministry of the Environment's Drive Clean website or call 1-888-758-2999.

For more information, please visit the [Ontario Ministry of Transportation website](#).

▶ QUEBEC

In Quebec, in order to finalize a private vehicle sale, the buyer and seller should sign a contract to make things official. This isn't mandatory, but it's advisable. CAA Quebec provides its members with standard contracts, but Bill of Sale forms can also be found online.

In the Civil Code of Quebec, a term called latent defects is used to define "warranty of quality" when making a sale. This states that when a sale is conducted privately between two people, the seller must declare any latent defects. These are defects that make the property for sale "unfit for the use for which it was intended or which so diminish its usefulness that the buyer would not have bought it or paid so high a price if he had been aware of them." This warranty applies to the property sold as well as accessories. This law also requires that the buyer report a latent defect to the seller in writing within a reasonable amount of time after discovering the defect. The buyer has three years to bring proceedings against the seller if the seller refuses to settle the matter to the buyer's satisfaction.

The Quebec Automobile Insurance Corporation recommends that when conducting a private vehicle sale, both the seller and the buyer go to a SAAQ service outlet where both parties will be required to show identification. If the seller is selling the vehicle but can't make it to a service outlet, they can send someone on their behalf after assigning them Power of Attorney.

When the buyer goes to register the vehicle, they will be responsible for paying Quebec Sales Tax on the actual purchase price or the book value, as found in Guide Hebdo, less \$500 – whichever is higher. If the vehicle is over 10 years old and can't be found in the Guide Hebdo, then the buyer will pay QST on the purchase price.

For more information, please visit the [CAA Quebec website and the Quebec Automobile Insurance Corporation website](#).

► NEWFOUNDLAND AND LABRADOR

When buying a used vehicle in Newfoundland and Labrador, both the buyer and the seller need to fill out a Bill of Sale. This must include the date of the sale, the buyer's name and driver's licence number, the year, make and model of the vehicle, the plate number and serial number, the purchase price and the name and signature of the seller. If HST was collected by the seller, then the Bill of Sale will also need to include the seller's HST registration number. A Bill of Sale can be found on the reverse side of the current vehicle registration permit or a separate document can be used. Both the buyer and seller may want to keep a copy for reference purposes.

The seller of a used vehicle is required to notify the Motor Registration Division within 10 days of the sale of a motor vehicle. The seller can find a Notice of Sale on the reverse side of the vehicle registration permit for this purpose. Failure to submit this within 10 days is an offence and the seller could be fined. The seller could also receive traffic fines that should be issued to the new owner or the seller could be financially responsible for an accident if the new owner didn't obtain insurance.

The buyer is required to transfer the ownership of the vehicle within 10 days and failure to do this could also result in a fine.

When the buyer registers the vehicle with the Newfoundland Motor Registration Division, they'll need the seller's vehicle registration permit (the seller must be the registered owner of the vehicle), a Bill of Sale and/or a sworn affidavit (a sworn affidavit from the buyer and seller is required when the purchase price of the vehicle is below the wholesale Red Book value, a vehicle valuation guide), a completed and signed insurance declaration (found on the reverse side of the seller's vehicle registration permit) and a motor vehicle safety inspection certificate.

The buyer will be required to pay a transfer fee, provincial sales tax on the purchase price or the Red Book (a vehicle valuation guide) value of the vehicle and any outstanding fines on the buyer's record.

For more information, please visit the [Newfoundland Motor Registration Division website](#).

► NOVA SCOTIA

In Nova Scotia, in order to finalize a private used vehicle sale, the seller must sign the reverse of the Certificate of Registration (Transfer of Ownership). The seller must also fill out the section headed Transfer of Title Certificate of Sale (Part 1) and give this to the buyer.

In addition to this, the seller has to sign the Notice of Sale portion of the Certificate of Registration and indicate who the vehicle was sold to. The seller should then return the Notice of Sale to the Registry of Motor Vehicles.

When a used vehicle is purchased privately, the vehicle must display a valid Motor Vehicle Inspection issued within 30 days prior to the date of the sale in the name of the seller, showing a two year expiry date for "type 1 vehicle" or a one year expiry for a "type 2 vehicle" from the time of inspection. The Motor Vehicle Inspection can also be obtained by the buyer prior to the transfer. Another option is for the buyer to obtain a letter from the Registry of Motor Vehicles at the time of transfer, providing an additional 10 days to get a valid Motor Vehicle Inspection. If the seller and buyer complete a "Sale of Vehicle Not Safety Approved" form, a vehicle permit may not be issued until a valid Motor Vehicle Inspection sticker is obtained in the name of the buyer.

Within 30 days of the date of purchase, the buyer must complete an Application for Certificate of Registration (Part 3, found on the Certificate of Registration from the seller), including the tax declaration in order to register the vehicle. At the time of registration, the buyer is responsible for paying HST (the tax is based on the Red Book value, a vehicle valuation guide, of the vehicle or the purchase price, whichever is greater), the transfer fee and the registration fee to the Registry of Motor Vehicles.

DID YOU KNOW?

CARFAX Canada shows accident history from every province, including provinces with public insurance.

The plates stay with the seller – they can be re-assigned to a new vehicle or returned to the Registry of Motor Vehicles. The buyer can attach their own plates (as long as they're valid) and the vehicle will be registered to the new owner for up to 30 days from the date of the sale. If it's not registered by the new owner within this time frame, the vehicle's registration will expire until it's re-registered.

If the buyer doesn't have plates to attach, they can obtain a temporary permit from the Registry of Motor Vehicles, which will be valid for up to 30 days.

For more information, please visit the [Service Nova Scotia website](#).

► NEW BRUNSWICK

In New Brunswick, in order to transfer the ownership of a vehicle from a seller to buyer, the seller must sign the back of the Certificate of Registration. The buyer's name, address and date of birth are required on the transfer document and the buyer must present the Certificate of Registration to any issuing office.

In order to register the vehicle in their name, the buyer must present the Certificate of Registration to a New Brunswick licence issuing office. This is the point when the buyer will be required to pay sales tax on the vehicle as well as any other applicable fees.

The buyer must refrain from driving the vehicle until the registration certificate is recorded in the new purchaser's name.

For more information, please visit the [New Brunswick Department of Public Safety, Motor Vehicle Branch website](#)

► PRINCE EDWARD ISLAND

In Prince Edward Island, in order to transfer the ownership of a vehicle from the seller to the buyer, the seller must fill out and sign the back of the registration marked vehicle permit. The seller must also complete the Notification of Transfer form on the registration permit and mail it within seven days of the transfer date to the Register of Motor Vehicles in P.E.I.

The buyer has seven days from the date of transfer to change the registration of the vehicle to their name. When doing so, the buyer must present the Vehicle Permit (signed by the previous owner), the Bill of Sale or receipt, the Motor Vehicle Inspection Form (in the present owner's name or buyer's name) and a valid insurance card. P.E.I. requires that all vehicles and trailers undergo an annual inspection and you can find more information on the inspection program [here](#).

The buyer will be charged sales tax based on the Red Book value (a vehicle valuation guide used by Canadian government, dealers, insurance, financial institutions and appraisers), the Bill of Sale or an appraisal, whichever one is greater.

For more information, please visit the [Prince Edward Island Department of Transportation and Public Works website](#).

DID YOU KNOW?

A buyer should always request a CARFAX Canada report from the seller of a used car. If the seller does not provide a report, ask for the car's VIN so you can buy your own CARFAX Canada report.

▶ NUNAVUT

For more information, please visit [Nunavut's Department of Economic Development and Transportation website](#).

▶ NORTHWEST TERRITORIES

When buying a used vehicle in Northwest Territories, both the buyer and the seller need to fill out a Bill of Sale. This must include the date of the sale, the buyer's name, the buyer's licence number, the seller's name, the make and model of the vehicle, VIN number, odometer reading, the purchase price, any terms or conditions and the signature of the seller. Both the buyer and seller may want to keep a copy of the Bill of Sale for reference purposes.

The seller must sign the back of the Certificate of Registration and give this to the buyer.

The Bill of Sale (or another document containing the exact same information) must be presented by the buyer to register the vehicle under their name, along with valid insurance for the new vehicle, proof of residency, and the old registration signed by the seller. At this point, the buyer will sign the Bill of Sale.

For more information, please visit the [Northwest Territories Transportation website](#).

▶ YUKON

In order to purchase a used vehicle from a private seller in the Yukon, the buyer and seller must complete, sign, and date a Bill of Sale. This, along with proof of insurance (a faxed copy will suffice) should be presented to a Motor Vehicles office in order to switch the registration over to the buyer's name.

For more information, please visit the [Government of Yukon's Motor Vehicles website](#).

CARFAX Canada's Customer Service team is available Monday through Saturday to help answer any report questions you might have.

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1.866.835.8612

[**www.carfax.ca**](http://www.carfax.ca)

