

Rental Finance

FAQs

What is Rental Finance and Why Rent when we can buy?

Instead of paying for your lighting technology outright, you can choose to rent them for fixed monthly payments over 24, 36 48 and 60 months terms to suit your budget.

How much deposit do I need to get started?

A Rental Agreement does not require a deposit payment, so subject to your Rental Agreement being approved, you can start renting based on the agreed payments.

Under a Rental Agreement, does the rental payment change with changes in interest rates?

A Rental Agreement is a fixed payment obligation, therefore once you are approved and your Rental Agreement begins, the rental payments will be fixed throughout the term.

What interest rate am I paying under the Rental Agreement?

Under a Rental Agreement, because you rent the use of the equipment for the term of the agreement there is no interest rate as you would find with a loan or credit card. This means that the rental payments may be a tax deductible operating expense for your business or business use purposes.

During the Rental Agreement, what happens if I want to add additional equipment?

Provided you are making your rental payments and your financial circumstances continue in good standing, a Rental Agreement enables you to add additional equipment at any point throughout the agreement.

What are the advantages of taking out a Rental Agreement for equipment if I can spend the cash to own it today?

Rental finance enables you to preserve your valuable cash so you can invest it in other parts of your business. If you normally buy your assets through bank funding, then renting enables you to preserve your undrawn bank lines for any emergencies or opportunities when you need cash fast.

What are my payment obligations?

The rental instalments are payable monthly depending on the payment period in your Rental Agreement. The rental payments are shown inclusive and exclusive of GST. As rental payments are a fully deductible operating expense you may be entitled to a tax deduction and or an input tax credit (confirm with your independent tax advisor).

Who is responsible if the equipment is lost, stolen or damaged?

As the operator of the equipment, you will typically retain and bear the risk of accidental loss or damage to the equipment anywhere in Australia. You should always maintain insurance for the equipment to protect against the risk of accidental loss or damage to the equipment.

What happens if I want to upgrade to newer equipment before my rental term expires?

You can contact Nexgen and provide us with the details of the new equipment you are looking to upgrade to and we can assist in rolling some or all of your existing rental obligations into a new Rental Agreement. The proposed term of the new rental together with where you are at with your existing Rental Agreement will determine what your new rental payment will be.

During the Rental Agreement, what happens if I want to add additional items?

You can contact us and we can make a quick assessment of your financial position and notify you of the new amount that you can finance. We will issue you a variation agreement to enable you to add the new equipment to your existing agreement.

I'm a self-employed sole trader. Are FlexiCommercial leasing agreements available to me?

Nexgen financing is available to all businesses, including sole traders with a registered ABN who will be using the equipment for business purposes only. To qualify for Nexgen financing, your business will also need to have an established trading history, usually of more than 2 years. As a sole trader and director of your business, you will also need to have a clear credit history.

How is FlexiCommercial different to a bank loan?

While banks will often issue a loan for the purchase of equipment, with Nexgen your business is paying a monthly fee for the use of the equipment, not making loan repayments. This means that the equipment are not counted as an asset on your company balance sheet, which can have different implications to the way your business accounts for its expenditure. Speak with your business financial advisor to get a full understanding of which is the right option for your business.

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Can I upgrade or modify the equipment to improve its performance?

If you want to modify the equipment to improve performance, you must receive our written consent. Please notify us before hand by phone or in writing.

What happens if I can no longer meet my payment obligations?

If you are having difficulties meeting your payment obligations, you can contact the Nexgen team on 1300 02 04 02 to discuss your options.

