

A lease idea for the fickle executive Company offers opportunity to change luxury cars frequently

A new car service company catering to the well-heeled is cashing in on what it calls the failure of automakers to satisfy Canadians who want to switch vehicles more frequently.

Toronto-based DreamFleet Inc. bills itself as a kind of luxury lifestyle club and launches officially this week. It offers members prestige cars such as the Audi Q7 and BMW 650i Cabriolet they can swap with other members. A growing number of affluent consumers want to change autos more frequently than the typical 48-month lease offered by a dealer, DreamFleet founder and president Edmond Helstab said. More broadly, consumers are demanding increased flexibility to meet their auto needs — a change that's led to the established popularity of companies like Lease Busters Inc. and emerging trends like more U.S. consumers renting cars for in-town trips instead of owning. "People are just not happy with the rigidity of some of these vehicle services," said Mr. Helstab, whose family previously owned a Volkswagen dealership in Ontario's Niagara region. "And it's primarily at the high-end. I mean when I talk to people — we're talking about chairmen of companies or the presidents of divisions or whatever — they really don't like it when they get locked into something. They believe that they deserve better treatment."

Twenty people have paid the minimum \$500 list price to join DreamFleet so far, Mr. Helstab said. He said he expects 50 clients by the fall, with the potential to grow to hundreds. Consumers are hamstrung by existing lease contracts that impose break fees for cancelling early and restrictions on lease transfers, Mr. Helstab said.

DreamFleet members sign up for 36-month contracts and then choose a program that specifies how many vehicles they want over that period and what price range of vehicle they're looking for. Most clients so far have opted for vehicles worth between \$60,000 and \$120,000, Mr. Helstab said. One program allows a member to drive an SUV in the winter and a convertible in the summer. A DreamFleet member who wants three cars over three years will pay \$90 more per month on average than a consumer who locks into a regular one-car for three-year lease, Mr. Helstab said. Members swap vehicles at posh events organized by DreamFleet.

Most people who want to get out of their lease these days simply want a new car, said Lease Busters founder Jim Matthews, whose company helps drivers get in and out of vehicle leases. "They don't like driving around in yesterday's news."

Mr. Matthews said automakers and dealers aren't doing more to meet the needs of these consumers in part because they feel there's not enough of a market to justify moving to shorter leases. But Mr. Helstab said he expects automakers who own several vehicle brands may begin to offer a similar service to his own once it takes root. Between 30,000 and 40,000 new vehicles per month are leased in Canada, according to Lease Busters, which averages between 700 and 900 transactions per month.