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# *The Industry Guide to* Buying a Japanese vehicle and importing it to Canada

Published by your Personal Automotive Advisors, [Terra2 Imports Inc.](http://www.terra2imports.ca)

## *Did you know?*

It's been legal to import vehicles from Japan to Canada for decades!

To help you understand how Japanese importing works and what it can do for you we've put together this easy to read guide which contains **the information you need to know** so before you import your dream car from Japan to Canada.

## The reason why THOUSANDS of Canadians are importing Japanese vehicles...

When comparing a North American Market car to an imported car, you will quickly see the benefit.

The reason we are able to purchase vehicles in Japan for such reasonable prices is due to a multitude of factors all working in our favor.

### *It's expensive to own a vehicle in Japan*

In Japan, in order to register your car, every 2-3 years there is an inspection called Shaken. This inspection alone costs upwards of \$1,000- \$3,000, plus the cost of any repairs necessary.

As well, to register and insure an older car, the cost is higher than a brand new car. The government has incentives to make it more cost effective to drive brand new cars than anything even 3 years old.

The reason they have done this is because they are an automotive manufacturing based nation, and by keeping demand for new vehicles high, they keep everyone working. In theory, they have devised a system to help stimulate their own economy and keep their small country cleaner. It's pure genius.

### *Japanese vehicles tend to be very well maintained*

The byproduct of this system is that the older vehicles are generally very well maintained due to the inspection processes and have a significantly decreased value due to the lack of demand. This allows us to purchase, import and register the vehicles, all the while keeping the costs reasonable and comparable to our own market cars.

### *You get a MUCH better car for a similar price*

While the costs may be comparable, the cars are clearly in much better shape, better maintained, and we have an entire country of cars to choose from, not just the limited local market.

## Are there any good vehicles left?

Over 100,000-150,000 Vehicles pass through the auctions alone every week. Add to that Dealerships and private sales and the fact that we can import a car from ANYWHERE in Japan, and it's easy to understand why we have access to the crème of the crop.

Of course there is still quite a variation in condition of these cars, but on average they are properly maintained, well kept, and we can choose only the best of the best.

### *We sort through the poor quality vehicles and ONLY list the great ones*

This is why we see a wide variation in pricing as well between vehicles, as their value is dependent on their condition and mileage, as well as the supply and demand for each particular vehicle.

### *You get what you pay for, literally*

With the more popular vehicles in Japan, the high quality examples will command quite a price, and people are willing pay it if the vehicle is worth the asking price. You must keep in mind these vehicles are typically less than 25% of their original retail price and they usually only have 3-4 years worth of mileage on them.

### *JDM Imports as an investment?*

Once they land in Canada, the Market Value of these high quality imported vehicles is significantly more than you will be paying for them, on average between 20-40%.

## How did you find a 1990 Lexus with only 22,000km's?

As an example, we have imported a [Lexus LS400 with only 22,000Kms](#) on it when it first landed in Canada. The interior looks like it is just out of a showroom, and the paint condition is unbelievable, especially considering it is a 15 year old car. There are only 2 minor marks on the entire car, and the engine bay is clean enough to eat off it (I'm not even joking).

It's hard to tell the car from brand new. You would never be able to find a car like this in our local market, and if you did, I guarantee it would not be priced as well as this one.

... this car was \$65,000CDN when new, and with less than a year's worth of driving, we asked less than 20% of that price.

**Update:** We have since imported a Bentley with 17K KM, a Skyline with 15k KM, and a Landcruiser with 19km KM.

While these cars do not become available every day, they are available. We just have to look very hard, utilize all of our sources to the fullest, and we can find you an amazing vehicle beyond anything you would ever find in this market. If you want something with only 30,000KMs on it, we can find it.

### *We only import quality cars, so please don't ask*

If you are willing to accept 100K KMs, that should be no problem at all. We prefer to deal with cars in immaculate shape with under 150,000Kms of mileage because we have that option and prefer to take full advantage.

If we're going to go through all the trouble of importing a vehicle, you want it to be the best vehicle possible and worth the time and effort invested.

## How we started importing Japanese cars

At one point, we were in your position!

We were the customer looking for the trustworthy importer to deal with, an enthusiast with the same priorities as us. Someone we could communicate with easily, someone we could rely on, and most importantly, someone we could trust.

And so, Terra2 was created, to give us enthusiasts the opportunity to do what we love, play with cars all day, and provide our clients with access to the highest quality vehicles at dealer cost for anyone willing to make the smart investment. This is our dream job, we don't plan on going anywhere but up.

With **hundreds of vehicles imported from Japan** since 2004 you can rest assured that you are dealing with experienced importers with **your best interests in mind.**

We come from an enthusiast background, as 2 of the founding members of a local non-profit car club, Northwest Nissans. After 5 years, the club we helped establish now has over 7000+ registered members.

*We started Terra2 as an alternative to what we dislike ourselves: used car salesmen.*

We have the same priorities and ideals as enthusiasts and we see the value in quality vehicles, not just the cheapest vehicle that can be imported. You get what you pay for in this market.

### *Our Dealership*

Since our humble beginnings we have opened a dealership in Vernon, BC, established working relationships with some of the best shops and suppliers in BC and have grown our team to 5 support staff.


## I thought driving on the wrong side was illegal?

To answer any questions regarding registration and insurance; in our experience Insurance costs are no different than a LHD car. There is no special license/plates/stickers required to drive a RHD vehicle and once the vehicle has passed through the registration process it is treated no different from a LHD vehicle.

*It's pretty much the exact same*

All of the pedals are the same, the shift pattern is the same, and adjusting to RHD takes no more than a few minutes in an automatic car, and of course longer in a 5spd to learn the shift pattern with your left hand.

The only controls that are switched are the signal and windshield wipers, to allow you to signal and shift at the same time. We have been driving RHD for years now and barely notice any difference whatsoever anymore. The hardest part is remembering to get into the car on the proper side. After a few weeks, it will feel just as natural as LHD.

 On a personal note,

... my own parents are driving a Right Hand Drive Lexus imported from Japan as their primary vehicle, and my mother actually prefers it! When parallel parking, she is right next to the curb and she gets out of the car onto the sidewalk instead of into the busy street.

Everyone has their own little tricks to adjusting to it, but in general 90% of people have no problem with it, 9% actually prefer it, and 1% will not even give it a try as they *think* it is "too weird". I have personally taken hundreds of people on their first RHD experiences with no problems at all. You'll be surprised how easy it really is, but you will not know until you try it for yourself. If you've driven a boat, you've driven RHD!

### "The early bird gets the worm..."

If you are in the position to purchase the vehicle on short notice, you will get the best deal as the good vehicles and good deals sell very quickly. Selling within minutes of being listed is not uncommon for the high demand vehicles.

There are multiple types of options when importing a car from Japan.

## 1) Dealers and Privates Sales

We can purchase vehicles from dealers, giving us the option of an inspection in many cases and plenty of information about the car prior to purchase. We can purchase through private sales, where some of the best deals can be found on the widest variety of cars.

We highly recommend having any vehicle purchased inspected by an independent, unbiased source and we can arrange this service for you. A dealer is much more likely to play up the strengths and play down the weaknesses of a vehicle to help make the sale. The same is true for a private sale, as their goal is to sell their car for the highest amount in the shortest time.

### *We get our cars checked out in person first*

Having an unbiased source confirm the condition of the car is highly recommended, as we assume you would never buy a car in Canada without first having it inspected by a mechanically inclined person. The cost is higher than an inspection in Canada, but it includes the mechanics time and transportation costs to travel back and forth from the vehicle.

When ordering an inspection on a "dealer" vehicle, you are committing to purchase that vehicle providing the inspection results prove positive. The cost of the inspection is on top of the Total Landed Cost and is due whether the vehicle is purchased or not, as the mechanic must be paid for services provided.

If the inspection results come back negative, you still have the option of backing out of the purchase, leaving you responsible for the inspection cost only, and avoiding a potentially bad purchase decision.

We believe that the more information you have before purchasing your vehicle, the most satisfied you will be with your purchase.

## 2) Auction House Network

We can also utilize the excellent auction system Japan is so well known for, which we highly recommend.

Typically you get more car for your money at the auctions, as the Japanese dealer is bypassed, saving you that markup and putting it where it belongs, into the purchase price of the vehicle. The trade-off that you will only have a few hours to commit to a purchase before it's up for bidding later that night.

### *Must Read Auction Articles:*

 [10 Steps to purchasing your imported vehicle through the Japanese Auctions](#)

## Why buy a vehicle from an auction?

The auction inspector is an un-biased source of information on the true condition of the vehicle. He is not interested whether or not the vehicle sells, he is interested in giving a proper grading, as the auction house is liable for mis-graded vehicles and his job is at stake, not just a sale.

### *Safety nets are good*

The second safety net at the auctions is our agent who is personally placing the bid. They are very experienced in purchasing auction vehicles as they have been doing this as a profession for years, day in and day out. They know exactly what to look for when purchasing an auction vehicle and if there is a problem found, they will cancel the bid and we will find a more suitable vehicle. Once again, it is in their best interest to provide only high quality vehicles. If this is not what we receive, we will not be dealing with them any further.

You get fewer pictures to look at in advance, but the agent calls us while standing at the vehicle to give us an indepth analysis of the condition.

**Once we have the details from the inspector, we'll give you a call to discuss placing your bid.**

He knows exactly what to look for when purchasing an auction vehicle and if there is a problem found, he will cancel the bid and we will find a more suitable vehicle. Once again, it is in his best interest to provide only high quality vehicles. If this is not what we receive, we will not be dealing with them very long at all.

## The Secrets of Auction Grading Explained

The auction grading system itself is quite efficient, as it must be for the Auction house can be held liable for mis-graded cars. Thus it is in everyone's best interests to keep the information provided accurate. We have had no problem purchasing auction vehicles because we are very selective in the cars we purchase and we have many safety nets in place to filter out the bad vehicles.


*Everything you need to know about the Auction Grading system can be found here:*

 [Auction Sheet Grade and Markings Explained](#)



## Caution

You have to be cautious when shopping for ANY vehicle. We've found that many consumers (and "salespeople") are not selective enough, do not have this personal element in place, nor do they have high enough standards as to what they are importing. We prefer grade 4 vehicles, the highest grade possible for any 15 year old vehicle, unless otherwise specified by the buyer.

 Our Company Vision:

*" The higher the quality of the cars we import,  
the better our reputation will be,  
the further our business will go,  
and the less problems for everyone in the long run.*

## Why we need a deposit to get started

To place an auction bid, we do require a minimum deposit of \$1000CDN. This is required before we place a bid as we are held responsible for that bid, whether or not our client pays the remainder on the vehicle they have committed to. For this reason, we must hold a deposit of \$1000 and if payment is not made in full when a vehicle is won, this deposit is used to cover the fees to re-auction the vehicle.

We have not yet had a client default, but we must have this safety in place for the sake of our reputation which is very important when dealing in Japanese business. If the bid is unsuccessful and no vehicle is purchased, the deposit is 100% refundable, or transferable to the next vehicle you wish to place a bid on.

*Submit a ticket inquiry with a deposit in place, and we will call you*

Once the results are in, we'll contact you and discuss placing a bid on the vehicle. At this point your maximum bid can be adjusted according to the condition of the vehicle or you can choose to PASS on a car if it doesn't meet your needs.

## How much do I bid?

You decide what the maximum budget you wish to pay for the vehicle is, and we calculate your maximum bid from that amount.

### *What if it sells for LESS than my bid?*

If the vehicle sells for less than your budget, the price will be adjusted accordingly and you will pay the lower price!

### *What if it sells for MORE than my bid?*

If the vehicle sells for more than your budget, then you lose out on that vehicle to another bidder and will have to try again on the next vehicle you're interested in.

With our process, you decide the maximum amount you wish to pay for your vehicle, and the price will be that amount or less

## The Purchasing Process

Once a suitable vehicle is found and the bid is successful, or a deal is agreed upon, we require your payment for the **Landed Vehicle Estimate Total**.

- If it is a dealer car, the **Landed Vehicle Estimate Total** will be listed,
- If it is an auction car, your **Landed Vehicle Estimate Total** will be discussed in advance with our associates.

Your **Landed Vehicle Estimate Total** payment is required to cover the purchase price of the car and all exportation & importation costs . These expenses are necessary to get the vehicle in line for shipping as soon as possible.

**We cannot commit to a purchase if your payment isn't made within 3 business days of the purchase.**

## You will save thousands of dollars

This is how we allow you to have access to dealer pricing on all of these vehicles, the same pricing WE would pay if we were to import these exact vehicles.

By acting as the investor through this process, you are providing the funds to allow the importation of this vehicle and you deserve the reward when the value of the vehicle increases once landed.

You are paying the same price we or any other importer would pay for the vehicles, but for this to work, you must provide the investment for that vehicle. By becoming our investor through the process of brokering a vehicle, *you save thousands in mark up* that would have been added to the price of the vehicle had someone else made the investment.

The return on your investment is an amazing price on your dream car, providing you are patient and have the finances available. We are only paid for the importation and registration services we have provided.

## What about a warranty?

We offer a service to assist you to import your own vehicle for a significant cost savings over local Dealership prices. Accordingly, there is no warranty should there be faults with the vehicle that were not included in the description provided by the Japanese supplier of the vehicle. Japanese vehicles are cheap to import because there is some risk involved.

If a warranty is a critical factor to you for the purchase of a vehicle you may need to consider buying something locally.

You need to carefully consider the immediate and large cost savings of direct importing through a broker like Terra2 versus the cost of buying something locally from a dealer.

We offer both options, depending on your level of comfort.

## The Timeline, what to expect and the steps required

The entire process from purchase to delivery takes on average 6-10 weeks. We've completed the process in as little as 14 weeks, and it's taken over 3 months as well, but on average 6-10 weeks is what you should expect for an average importation.

### Step 1

The first step is finding the vehicle. Unfortunately we have no control over what vehicles are sold, and when they are sold, or how much they are sold for. Finding the perfect vehicle can take minutes, hours days or weeks, but rest assured, it is only a matter of time before we find you the perfect vehicle. If you have already found a vehicle, we can provide the services to import whatever vehicle you wish.

### Step 2

Once the purchase is made, it will take on average 4-6 weeks to secure a place on the next available shipment to Canada. We have done this in less than a week, and over 2 months, as we are entirely at the shipping companies mercy and on their schedules.

Actual shipping time to Vancouver from Japan is only 11 days on the boat.

### Step 3

When the vehicle lands, we require 10 days to release the car from customs, have the necessary inspections performed and complete registration of the vehicle. This process can take as little as 3 days, but we plan for 10 days due to the inconsistency we experience when dealing with the government officials involved in this process. When large shipments arrive, the process can be greatly delayed.

On average 6-10 weeks is a good estimate to expect from the time of purchase to the time of delivery.


## Finances and transferring payment for your new vehicle

We require the **Landed Vehicle Estimate Total** within 3 business days of a vehicle purchase. Any deposits placed will be put toward the purchase the vehicle.

### *Bank Transfer is the #1 Option*

Our preferred method of Transfer is wire/telegraphic transfer from your bank account to ours. This provides a solid record of transaction from an unbiased source, our banks. It is the safest, most secure and documented form of money transfer, which is why we prefer it. The cost is between 35-45\$.

Another option is the direct deposit of guaranteed funds only (i.e. Bank Draft, Cashier's check, Cash) into our account with Royal Bank. If you have access to any Royal Bank, all you need is our account information and the funds necessary to make a deposit. The cost of this method is typically \$5 for a cashier's check or bank draft, and no charge for depositing cash.

 **We do not accept:** personal checks, credit card, or PayPal for payments on the purchase of your vehicle under any circumstances.

If for any reason the deposit you placed needs to be refunded at any time, it is always available. We hold your money in our trust account until the vehicle purchase is made, and you may have it refunded, or transfer it toward another vehicle at any time, the choice is yours. The only fees you will be responsible for are any transfer fees involved.

### *A few closing tips..*

- The good deals and good cars usually go very fast so it is a good idea to place a deposit if you are serious about importing a car, so as not to miss out when the perfect car does become available.
- Clients who have shown serious interest by placing a deposit will receive priority service. If you're looking for more information on a vehicle without placing your deposit don't be surprised if the vehicle is already sold to a client with a deposit in place by the time we can get back to you. Don't let this happen to you.
- After placing your deposit, please let us know exactly what it is you are looking for and we will do our best to find you your ideal vehicle. The more specific information you can give us, the better we can do our job.



## What do I do next?

1. Find your dream car,  
<http://www.terra2imports.ca>
2. Place your deposit,  
<http://www.terra2imports.ca/deposit.php>
3. Register an account with our Support System,  
<http://www.terra2imports.ca/suport/>
4. Submit a "Purchase a vehicle" or "Place an Auction Bid" ticket,  
<http://www.terra2imports.ca/suport/>

If we have missed anything, or you have any more questions or concerns please do not hesitate to contact us. We understand this is a new way to purchase vehicles and our clients will have many questions. We appreciate you taking the time to read our detailed guide and look forward to hearing from you!

-Gerry, Colin & Nick

<http://www.terra2imports.ca>

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