

# RAWLING REPORT

WINTER 2011/2012 • BROUGHT TO YOU



BY RAWLING FINANCIAL INC.

HELPING CLIENTS MAKE WISE DECISIONS REGARDING THEIR WEALTH

## Happy New Year!



*On top of a small mountain, Lake Placid,  
New York, Summer 2011*

## Financial planning: *Rent or own your Ferrari?*

In my opinion, it is a good idea to rent a house in the area a few times before you commit to buying that vacation property on your “bucket list”. My financial planning approach is to apply that philosophy to all big purchases. Find out what you like and don’t like before you fully commit. For many years, it has been my goal to own a Ferrari. My interest in research inspired me to apply my “rent first” approach to the car, seeing if it was really worth being on my “bucket list”. I want to share what I learned this past October.

It started by my wanting a Ferrari 1984 308 GTSi Quattrovalvole, one of three Ferraris Magnum, P.I. drove in the CBS TV series of the same name that

lasted eight seasons starting in December 1980. Since you can’t just test drive a Ferrari at a local dealership, I wanted to find a way to get to drive one, see what it was like and determine if it would be worthy of staying on my list. I decided I had to rent one. I had looked into this before and beyond the daily rental cost that was expensive, I couldn’t trust the insurance coverage that was offered. I read an internet blog about a Lamborghini that had the bumper damaged by someone backing into it, and a \$3,500 insurance bill that wasn’t covered.

I was planning this year’s Las Vegas golf trip to Las Vegas and I read about “Exotics Racing” <http://www.exoticsracing.com>. I also read reviews by those who had been there at [http://www.tripadvisor.ca/Attraction\\_Review-g45963-d1628624-Reviews-Exotics\\_Racing-Las\\_Vegas\\_Nevada.html](http://www.tripadvisor.ca/Attraction_Review-g45963-d1628624-Reviews-Exotics_Racing-Las_Vegas_Nevada.html). Comments on the site confirmed that they allowed you to drive the cars at a speed on the race track that would make you unpopular with the police patrolling our roadways. They are based at the Las Vegas Motor Speedway, at the north end of the city. I could pay \$299 for 5 laps on the race course. All costs included and no extra insurance to buy. I was covered, which was nice to know when I was about to drive a \$225,000 Ferrari F430 F1.

I spoke with Jim Switzer, head of marketing and sales at Exotics Racing. The company originated in France and opened in Las Vegas in November 2009. Since then, their fleet of exotic cars has grown from 5 to 20. They have several models of Ferraris, Lamborghinis, Audi R8, Aston Martin Vantage, Porsche 997 and Nissan GTR.

I asked about the costs of owning the Ferrari I was driving on the track. The Pirelli P Zero tires last one week or about 300 miles, and cost \$400 (wholesale) each. If your gear box (transmission) needs replacing,



*Hugh checks out the Ferrari 458 Italia at Exotics Racing, Las Vegas, Nevada, October 2011*

with paddles for the first time and thinking this car is amazing when it gets pushed, it really wants to go fast. This car belongs on a race track. A staff member at the track mentioned they have customers who own their own Ferrari, but come to Exotics Racing to pay them to drive their cars hard on the race track.

So, maybe I stumbled onto a great idea; rather than own a Ferrari, I can visit Exotics Racing to rent theirs. I'll be back in 2012, happy to test the theory by driving the new Ferrari 458 Italia.

that will set you back \$30,000 to \$40,000. A replacement windshield costs \$5,000. It was good to know on that day it wouldn't be my worry. These possible costs, in these tougher economic times, provide a stronger case for renting.

On my drive day, we started in the classroom learning the basics. Our instructor drove us around the course in a Porsche Cayenne to show us what he had talked about in class. Then, I climbed into the Ferrari and drove it onto the track. The rumble of the 490 horsepower engine was exhilarating. I had a big smile but was shocked at how fast the car could accelerate (0 - 60 mph in 3.9 seconds). I remember shifting

### RSP deadlines and limits

Wednesday, Feb. 29, 2012 is the deadline for registered retirement savings plan (RRSP) contributions to use against 2011 earned income.

### RRSP contribution limits

Year	Limit
2011	\$22,450
2012	\$22,970



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