

Tesla to Offer Auto Leases

By [LEE HAWKINS](#)

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Electric car maker Tesla Motors Inc. said Wednesday that it will offer a lease option on its flagship Roadster and Roadster sport models, in a move intended to help ease the pricey vehicle into the mainstream.

Starting Wednesday, the 2010 Roadster, which competes against exotic sport cars like the Porsche 911, will be available on a three-year, 30,000-mile lease based on the manufacturer's price of \$111,005, Tesla said. A lease requires an up front \$12,453 payment, which includes a \$1,658 first monthly payment, a \$9,900 down payment and an \$895 acquisition fee, company said. In the past, the Roadsters were only available for an outright purchase.

"This will help us with the customers who have some trepidation about changing the paradigm from gasoline to electric," said Elon Musk, Tesla's chairman and chief executive. "They can dip their toe in the water without making a big commitment of a purchase."

The move comes as Tesla, the only auto manufacturer currently selling an all-electric car across the U.S., pushes to jump start sales and build awareness for the Tesla brand and demystify electric cars for mainstream consumers. Tesla said in a recent securities filing that it is planning an initial public offering.

But one analyst said the high price of the Roadster's lease may not add dramatically to Tesla's sales. "I suspect it will provide somewhat of a boost," said Mike Omotoso, senior manager of power train forecasting for J.D. Power. "But because it requires a large down payment and a large monthly payment bigger than a lot of people's mortgages, the lease option will probably only be attractive to a small amount of people."

Mr. Musk said the Roadster is priced comparably to other low-production, hand built sports cars, minus the savings on operating costs. "For people who are in the sports car market, it's the same lease cost as the sports car that they're using with a comparable sticker price, but the operating cost is about 10% less because of the savings from electricity versus gasoline," he said.

The Roadster is charged not with gas but with a 240-volt house plug which powers a battery pack in the trunk. Tesla estimates the cost savings compared to a similar gas power car is \$85 per month, based on Environmental Protection Agency fuel economy tests and an estimate 833 miles driven a month. The Roadster, which produces zero tailpipe emissions, doesn't need regular oil changes or exhaust system repairs.

There are about 900 Roadsters on the road now. The company is marketing its latest model, the Tesla Roadster Sport, which starts at about \$130,000 and is slightly faster than the base model, accelerating from zero to 60 miles an hour in 3.7 seconds.

J.D. Power expects Tesla to sell about 1,000 vehicles this year, up from about 800 in 2009. Tesla hopes to see a sales surge in 2011 when it rolls out the Tesla Model S, a sedan that costs \$50,000 after rebates, which will also include a leasing option.

Several additional electric cars and plug-in hybrids will be released by other manufacturers before 2011. They include the Nissan Leaf, which has a 100-mile driving range and hits the market in December; it will be priced at between \$25,000 and \$30,000, Mr. Omotoso projects. General Motors Co.'s Chevy Volt, an extended range electric vehicle, will launch by December and will likely cost about \$32,500 after a federal tax rebate, he said.

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