

## **Vehicle Purchase Proposal for Jordan Yarbrough**

### **Revised September 19, 2013**

#### **Summary**

We propose to seek funds in September and October 2013, in the amount of \$70,000 to \$75,000 for Jordan Yarbrough toward the purchase of a new Toyota LC 70 Series and additional essential equipment.

#### **Vehicle and Purchase Details**

The workhorse [LC 70 Series](#) is a simple, sturdy passenger vehicle used extensively for African-style transportation. Among the most common vehicles in every part of Angola, this four-door, ten-passenger utility vehicle is one of the few built with a suspension that can reliably endure the long, treacherous roads of the country. The 4wd LC 70 Series is a basic, barebones diesel work vehicle. The LC 70 Series is a no frills utility vehicle without most onboard sophisticated electronic accessories that come standard on new, luxurious SUVs in America. The vehicle lists from \$58,000 to \$68,000.



The LC 70 Series will be purchased in Luanda, the capital city of Angola. A new vehicle is available from a Toyota dealership, or older but never-owned vehicle, imported from locations like Dubai, may be available on a local “grey market” car lot. Only the former option provides factory warranty and dealership service/maintenance coverage, while the latter option may cost slightly less than the dealer. Based on their experience, the team recommends a purchase from a “grey market” car lot for possible cost savings, while some Angolans advise to purchase from the Toyota dealership for service and warranty support.

#### **Additional Essential Equipment**

Extra equipment is to be added for the practical use planned by Jordan and her team. Additional equipment will be added in the adjoining country of Namibia and includes:

- Bull Bar. This may have saved the lives of the Reeses and Nathan Holland because they plowed through a cowherd one night.
- High beam lights.
- On-board air-compressor. Drivers constantly change the tire pressure depending on the terrain. Flat tires are a common occurrence.
- Upgraded suspension. A fellow missionary (with a Toyota Hilux), who travels a bit and uses a regular suspension, replaces the suspension every 6 months. Upgraded suspension will likely last for the time Jordan owns the vehicle. Teammates’ vehicles also have upgraded suspensions.
- Roof Luggage Rack. Local law prohibits baggage and people in the same area.
- Extended range fuel tank. Many remote areas don't sell gasoline, thus in some places travelers require a double-sized gas tank.
- Miscellaneous: jack, jumper cables, tie downs, tow straps, extra fuel containers and

an additional rack on the roof rack to carry extra water.

### **Rationale for Purchase**

- ✓ Experience suggests on that only a few heavy-duty utility vehicles, like the LC 70 series workhorse, can traverse the poor roads any time of year and especially in the rainy season.
  - Even local destinations require traveling roads are mostly unpaved and often equivalent to “off-roading,” even in the dry season. Most local roads in the rainy season require a heavy, four-wheel drive (4wd) utility vehicle.
  - In addition to local communities, the team also serves regional and nationwide purposes, thus often requiring cross-country travel. (Angola is the size of the entire southeast United States). Roads are mostly unpaved and often equivalent to “off-roading,” even in the dry season. Most national roads in the rainy season require a heavy, four-wheel drive (4wd) utility vehicle.
- ✓ Jordan can aid the team and Angolan partners with a reliable vehicle that carries many people and dependably moves across the countryside. These [pictures](#) illustrate cross-country trip to a weeklong Bible teaching seminar that would not have been possible without a Land Cruiser.
- ✓ Reliable used vehicles at a reasonable price are a rare find in Angola.
- ✓ This vehicle has proven dependability and longevity, ideal for the several years Jordan plans to live in Angola. The LC 70 series was originally designed to traverse the horrible road conditions in countries like Angola.
- ✓ Room for supplies and/or up to ten people is preferred. Jordan may often provide transportation to Angolans or assist the team in transportation needs.
- ✓ A reliable and safe vehicle advances the interest of Jordan’s supporters to insure, to the extent possible, that Jordan has resources that promote her physical safety and well being.

### **Vehicle Comparisons (examples below are 4wd)**

\$150,000	<a href="#">Nissan Patrol</a> - comparable to typical full-sized, luxurious SUV in USA
\$148,051	<a href="#">Toyota Land Cruiser 200 Series</a> - comparable to typical full-sized, luxurious SUV in USA
\$84,652	<a href="#">Toyota Prado</a> - comparable to smaller 4Runner in USA; designed for city driving and performs poorly in off-road, poor road conditions
\$55,187	<a href="#">Toyota Land Cruiser 70 Series 4-door pick up</a> – same body style as LC 70 Series Passenger vehicle Jordan seeks to purchase but a 4-door pick up. At nearly the same price as the utility vehicle, this truck can squeeze in six people with cargo unprotected in the rear bed.
\$42,173	<a href="#">Toyota Hilux</a> 4-Door Canopy Truck - comparable to 4-door Tacoma in USA; not a utility vehicle, but designed for city driving and cannot traverse Angolan roads in the rainy season

### **Expected Timeline**

We hope Jordan can make her purchase by early November. We aim for gifts and pledges to be secured by late October. Jordan’s current vehicle, now 22 years old, is no longer

reliable and presently not operational. Since Jordan plans to soon repair and sell her current vehicle, transportation will become much more difficult after October.

### **Frequently Asked Questions**

*Isn't this a luxurious vehicle?*

No. The 4wd LC 70 Series is a basic, barebones diesel work vehicle. The LC 70 Series is a no frills utility vehicle without most onboard, sophisticated electronic accessories that come standard on new, luxurious SUVs in America. The LC 70 Series is a simple, sturdy passenger vehicle used extensively for African-style transportation. Among the most common vehicles in every part of Angola, this four-door, ten-passenger utility is one of the few built with a suspension that can reliably endure the long, treacherous roads of the country

*Why can't Jordan buy a used vehicle?*

Few reliable used vehicles are available. The team has watched the vehicle market for two years, seeing very few dependable, reasonably priced vehicles available. Unlike the USA, where there is a large, competitive and relatively regulated used vehicle market, Angolans who own a vehicle don't sell them. Used vehicles, therefore, hold surprising value almost regardless of the condition. Also, used cars that are available have suffered debilitating treatment on the terrible Angolan roads, were poorly cared, and likely hide many problems undisclosed to the buyer. Team members who have found a rare chance to purchase a 4wd used vehicle paid a high purchase price, made costly repairs, and found the vehicles were not reliable.

*Is it important that each Angola team member or family have their own vehicle?*

Yes. Upon their arrival in Angola, the team discussed and rejected the idea of sharing vehicles. Nearly two years of life there has proven their decision to be effective and productive. Each family or member needs their own reliable transportation to accomplish their individual functions. Team members live in separate parts of Huambo, the second largest city in Angola. They often build relationships and "do ministry" in different neighborhoods. Commonly, they attend different church assemblies on Sundays. And, team members sometimes go in different directions on long cross-country trips to encourage partner churches.

And, fitting with their mission of Angolan partnerships, team members usually attempt to transport Angolans with them to assemblies, ministry events or special meetings (locally or in out-of-town locales).

All other team members have invested in a vehicle. The Reese and Meyers families, for example, have both purchased vehicles. At times their vehicles have carried other team members and proven essential resources in partnering with churches across Angola and connecting with fellow missionary partners in other locations.

*Won't the new vehicle depreciate significantly in value?*

No. In fact, due to limited supply, vehicles in Angola – those in good or poor condition – hold remarkably high value. The team projects that Jordan may receive as much as 50-65%

return on her purchase in the first five or so years. Upgrades add further value since these items are both desirable and hard to find on many work vehicles in Angola. For another example, one team member recently owned a “cheaper” version of the 2008 Toyota Prado, which retailed new at \$45,000. He purchased it in 2012 with 13,000km at a price of \$42,000. Earlier this year, his Prado, now with 70,000km, received several serious offers between \$31,000-\$33,000.

In another example, the Reeses recently sold their previous Land Cruiser at 5 years old, with accessories (roof rack, bull bars, etc.) for \$37,000. It had quite a history of mechanical trouble and major accidents, but looked in good condition. Angolans were interested in how it looked. The Reeses think it would have been possible to sell it for \$40,000, had they waited longer for the “right” buyer.

Of course, resale value may fluctuate based on the prices of new vehicles. For example, the price for a Land Cruiser from the Luanda Toyota dealer jumped from \$52,500 in 2008 to \$68,000 in 2011. That also increased the resale value of second-hand vehicles, since new vehicles were out of range for more buyers. The opposite could also potentially happen in the future, for example, if Angola eventually lowers their import taxes. If the price of new imported vehicles drops significantly, then the resale value of used vehicles will drop concomitantly.

*Can Jordan sell her current 22-year old vehicle?*

Yes. In October 2011 Jordan purchased a very worn twenty-year old Nissan Pathfinder for \$4,500. The previous owners, a American missionary couple departing for the States, gave Jordan a very good and rare deal. In the next few weeks Jordan hopes to sell this 22-year old vehicle for \$5,000-\$7,000.

*Is this vehicle-purchase a part of the original plan for Jordan, or is this a new idea?*

The vehicle purchase was planned. In 2010, Jordan and her support team chose to not budget funds for the purchase of a new vehicle. Instead, they agreed that she would postpone soliciting funds for a vehicle until a couple of years into her ministry. The decision to purchase a vehicle now fits well with the plan made by her support team in 2010.

*Besides the money Jordan will receive for the sale of her old vehicle, are existing funds available in her account that may apply to the purchase?*

No. Jordan and her support team chose to not budget funds for the purchase of a new vehicle. Instead, they agreed that she would postpone soliciting funds for a vehicle until a couple of years into her ministry.

*Can we import a vehicle into Angola?*

No. Angolan government levies a 40% tax on imported 4wd vehicles regardless of the point of origin, making an imported vehicle at least equal in financial cost and more expensive when factoring for time and effort. The team knows of reliable sources for vehicle purchases outside Angola, but they calculate that even a modest financial savings doesn't justify the costs realized in the three weeks of paper work, a week or two of travel,

and the unpredictable risks of customs. Additionally, nearby countries like South Africa typically sell right-hand (European) vehicles, while Angola requires left-hand vehicles.

*Isn't theft a huge issue in Angola?*

No, apparently not. The team is surprised at the lack of vehicle theft where they live in Angola. Team members installed anti-theft devices for added security; like anywhere, theft of vehicles can and does happen. Thieves, however, are more likely to target easier, less noticeable items like motorcycles. Even theft of motorcycles is rare in Angola.

*Can Jordan purchase insurance to cover accident damage or theft?*

Yes, she may purchase insurance from an Angolan-based company. Depending on the coverage selected, annual insurance costs range from \$400 to \$3700. One Angolan insurance company recently provided Jordan the following recent quote: annual premium of \$3,758.85. Coverage includes:

- Civil responsibility (liability) - \$374.24/yr
- Damages Incurred - \$3,209.62/yr – includes:
  - shock, collision and rollovers
  - fire, lightning bolts and explosions
  - theft or robbery
  - strikes, riots and civil disturbances
  - Natural phenomenon/disasters
- Passenger Insurance - cost \$175/yr – includes:
  - treatment for injuries passengers receive while in you car
  - coverage for funeral costs necessitated by riding in your car
  - and/or permanent disability caused while riding with you in your car
- Total coverage - \$3759.
- The insurance company covers 98% with deductible of 2% of the cost.

Team member Robert Meyer writes: “The unanimous counsel of our Angolan and expats friends here is that the insurance rarely pays when it should, and if it does the payment comes months after the incident. So we all chose to buy liability-only.”

We are not aware of any US-based companies that will insure a vehicle in Angola.

*Are parts and service support available?*

Yes, generally. A warranty and service agreement may apply if the vehicle is purchased at the Toyota dealership. If the vehicle is purchased at the “grey market” car lot, shops and parts are often available since this is a common work vehicle. Dealerships charge more for parts and service on vehicles not purchased through them. Parts not available in Angola may be purchased in Namibia or South Africa. Mechanics can be found both at the in-country dealership and local repair shops.

*Will a new vehicle increase operating costs?*

No, not likely. Operating costs may go down. Jordan has spent considerable time, energy, and money to keep her 22-year-old Pathfinder functional. A new vehicle will likely require fewer costs in all three areas. Though the team reports that specific maintenance costs for a

larger vehicle may rise compared to her current smaller vehicle, overall maintenance and repair costs should go down in the first years of ownership compared to operating a much older vehicle. If she can buy a diesel vehicle, fuel costs may also go down.

*From what sources will funds be sought for the purchase of Jordan's vehicle?*

We plan to help Jordan solicit funds from individuals and churches in her current support base, including the folks of Little Rock Church, her family and friends in Calico Rock, Arkansas, and elsewhere. We are also open to considering other sources of funding.

*How long does Jordan plan to live in Angola and who will own the vehicle when she returns to the States?*

These two concerns remain undecided. Initially, Jordan made a five-year commitment to live in Angola that concludes in 2016, but she continues to prayerfully assess her interest to reside in Angola beyond her early time commitment.

Prior to the purchase of the vehicle, at a later date this fall, the Little Rock Church Support Team and congregation leadership will explore with Jordan the question of long-term vehicle ownership and what will happen to the proceeds of the vehicle when it may be sold.