

NEWSLETTER: JULY 2019

Scottish motor dealers leading the way



CONTACT

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There has been plenty of activity in the automotive sector across the UK in the last twelve months and Scotland is setting the pace. From business acquisitions to site relocations and new build projects, the dealership market is changing and growing.

In the used car market we have seen a second **CarStore** open by Peter Vardy (in Dundee) and a **Motor Store**, by Arnold Clark which has taken the place of a former supermarket in Aberdeen.

Arnold Clark expanded in Edinburgh and Paisley after acquiring Phoenix Car Company representing **Hyundai, Kia, Mitsubishi and Suzuki** in the area. Also in Edinburgh, Synter have constructed a brand new **Porsche** dealership at Newcraighall.

Eastern Western's impact can be seen clearly in Dundee and Stirling in particular, with the acquisition of Barnetts Motor Group. This includes **Volkswagen** and **Mazda** franchises (Dundee), as well as the acquisition of the **Honda** franchise from the Phoenix Motor Group.



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business in 2017 will be an asset to Stirling as they'll no doubt develop a new 'arch' concept facility. In Dundee, they also take on the **Volvo** brand which we understand will be housed in the former **BMW** dealership once that has been successfully relocated to a purpose built facility.



This represents just some of the activity over the last couple of years but is representative of the consolidation in the sector. The drive from manufacturers for improved facilities has inevitably lead to the movement of franchises and some dealer groups disposing of their business.

We suspect that consolidation in the sector will continue over the next 12 months. Dealers will seek even greater efficiencies and the network concentration will remain in the core cities and towns, which will be supported by online sales and regional service centres.

John Clark have also been active in both Dundee and Stirling. The acquisition of the **Morrisons, Land Rover, Jaguar and Seat**

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Customers are traveling further to purchase cars and consequently demand in satellite towns is likely to decline from franchised retailers. However, this will create an opportunity for the used car market, as well as alternative uses, all of which will continue to drive value. For prime sites, these will become more critical for the franchises as they'll continue to have a positive affect on land values. Rapleys have recently brought the former **Volkswagen** dealership in Dumfries to the market and it is already receiving good interest. The interest is not only from the automotive sector, but from other mainstream retailers and trade counter operators.

There continues to be speculation around the impact of online business on the traditional dealership model and clearly this is having a transformational impact on the broader retail economy. In our view however, we are still some way off from the bricks-and-mortar dealership being superseded altogether. Fundamentally customers still want the showroom experience and to kick a tyre or two before making a purchase.

If you require any advice on dealerships or any automotive services in Scotland and beyond, do not hesitate to **get in touch**.

Rapleys' available properties:

528-540 Windmillhill Street Motherwell ML1 2AF



Contact:

Peter Nicholas | 07879 487646

William Seddon | 07786 264490

For sale/to let

Prominent road frontage in busy location

Circa 3,809.02 sq m on 1 hectare (41,000 sq ft on 2.48 acres)

Development opportunity subject to obtaining consent

1 Brasswell Park, Annan Road Dumfries DG1 3JA



Contact:

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For sale/to let

Modern dealership fitted to a high standard

Prominently located with extensive road frontage

994.43 sq m on 0.81 hectare (10,704 sq ft on 1.99 acres)

Suitable for a variety of uses (subject to obtaining consent)