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## Ex-auto dealerships listed for sale in Washtenaw County as dealer networks contract

Topics: [Business Review](#), [Chelsea](#), [News](#), [Ypsilanti](#)

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The national auto dealership [consolidation](#) and fallout from the financial crisis is becoming visible in local commercial real estate as former retail car lots come onto the market.

Regionally, at least four dozen former dealerships were on the market at the end of 2009, with properties from Lansing to Toledo to north of Detroit selling for \$15 per square foot to over \$500 per square foot.

Now, in Washtenaw County, two former dealerships recently were listed for sale:

- The former Carnahan Chevrolet, located at 770 James L. Hart Parkway in Ypsilanti Township's Washtenaw Business Park at I-94 and Huron Street. It's [listed](#) for \$1.8 million, or \$66 per square foot for the 27,277 square foot building on 9.15 acres.
- The former Palmer Ford sales lot in downtown Chelsea, which is listed for \$960,000 for the 1.25 acre parcel on Main Street.

The national climate for auto dealers and the glut of properties on the market mean that [prices are likely to fall further](#), experts said, while investors will be looking for alternative uses for the properties, converting them from dealerships.

Brokers say more listings are possible as manufacturers shrink their retail channels and consolidate product lines into larger locations.

“Most of the dealerships are expanding in size and scope and adding product lines,” said Tony Caprrese of [Swisher Commercial](#). “A small 1-2 label type of dealership isn’t economically viable.”

More local changes are possible, too, given the recent closing of [Prestige Buick](#) and the recent [sale](#) of Jim Bradley Buick-GMC.

At the same time, many used car outlets and smaller dealerships are facing other effects of the economy, with some properties going into foreclosure.

That’s part of the situation at Carnahan Chevrolet, which closed its doors before related dealership Prestige ceased operations in June.

Jay Chavey, co-listing broker with Joe Hamway of Signature Associates, said the building’s location - it’s visible from I-94 - should give it an edge in finding a new user.

“It’s in a multi-use park, so it has great visibility,” Chavey said.

In addition, the nature of the property means there’s plenty of parking.

That, Chavey said, means a prospective buyer has the room to get creative for a new use for the building.

The Chelsea property is a reminder that long-time dealerships often are located in prime locations for redevelopment. Many former car dealerships in urban settings have been sold for new commercial developments - examples in Ann Arbor are Huron Village on Washtenaw; the former Sesi Volvo on West Stadium, now the site of a CVS; and the vacant land on Washtenaw across from Huron Village, which had been cleared to build another shopping center before it stalled and was sold by the lender this year.

Biff Weber, now an agent for the Charles Reinhart Co., owned Palmer Ford when it closed. He’s now [selling the property](#) in downtown Chelsea, across Main Street from the city’s municipal offices.

Car lots, he said, often were in the best locations in a town.

“They’d be ideal property,” he said. “... Some of the locations were worth far more than the dealers would make (selling cars).”

Even with both lending and development stalled, the location is driving interest, Weber said.

“I have a few people interested in it,” he said. “It like to see the city do something with it, but I don’t know if that can happen.”

Caprarese is listing a former used car dealership on Plymouth Road in Livonia on behalf of a bank, and he recently dropped the price after it had been on the market for two years.

The price cut from \$1.4 million to \$990,000 comes as “there’s a lot of big retail that’s empty” nearby in the western Wayne County community, Caprarese said. The bank had been owed \$2.6 million.

Despite the price drop, corner location and some interest from automotive-related business, Caprarese said this property is likely headed toward the fate of many other former dealerships.

“Unless a car dealership wants to move into the area, it’s probably going to be targeted for a change of use,” he said.

Others, he said, “will be taken down. And redeveloped.”

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