

Showrooms upgraded to match high standards of new vehicles

In order to stay up to date with specifications of motor companies and their new vehicle launches, the motor industry continues to build new or refurbish existing showrooms and service centres.



Attie Anderson, Head of
Business Lending at FNB
Commercial Property Finance

This is according to Attie Anderson, head of Business Lending at FNB Commercial Property Finance.

"This is a trend we are seeing across established and private auto dealers in the country. World-renowned manufacturers such as VW and Audi are focused on enhancing their competitive edge while Ford and Mazda have split their showrooms to distinctly position their individual brands.

"We expect the motor sector to sustain the current investment inflows into specialised commercial property due to a number of market factors such as increased competition. More importantly, the development of new Motor Town nodes such as the William Moffett Expressway in Port Elizabeth and Century City in Cape Town is also contributing to the current wave of investment," he said.

Maximum exposure

Anderson believes that the migration to new nodes is influenced by the need to gain maximum exposure, accessibility to customers and pressure to compete or retain the rights to sell certain vehicle models.

"In a market where consumers are under intense economic pressure, industries need to find new ways to attract and retain customers. The motor sector seems to have taken a proactive approach to stimulating customer demand."

Recently, the National Association of Automobile Manufacturers of SA (NAAMSA) remarked that subdued economic activity, electricity supply constraints, higher personal taxation, petrol price inflation, new vehicle price increases and higher interest rates are likely to create a challenging environment for the motor sector.

"Like most industries, the sector is not immune to adverse economic conditions but it is encouraging to see sustained efforts to meet customer needs. Currently, vehicle manufacturers are heavily investing in innovative models and this challenges dealers to match the high standards through state-of-the-art showrooms," concludes Anderson.

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