

GM closures in B.C. fewer than feared

Only seven of province's 61 dealerships likely to be shuttered

By Brian Morton, Vancouver Sun June 18, 2009



Most General Motors dealerships in B.C. appear to have dodged a bullet, including North Vancouver's Carter GM, which is good news for general manager Jim Mitchell.

Photograph by: Bill Keay, Vancouver Sun

Most General Motors dealerships in B.C. appear to have dodged a bullet, with far fewer closing than was first feared, according to the president and CEO of the New Car Dealers Association of B.C.

“I’ve heard from our members, and the numbers [closing] are a lot smaller than expected,” Blair Qualey said in an interview.

“There’s just seven [closing] that I’ve heard from. I expect by now we would have heard from [all those affected].”

Qualey anticipated last month that up to half of B.C.’s 61 GM dealerships might be shuttered as part of the giant automaker’s restructuring — roughly 10 per cent of the total closures in Canada.

It was originally announced that up to 310 GM dealerships across Canada would close by October 2010, although that number eventually dropped to 240.

Still, that could have resulted in 24 B.C. dealerships closing — far more than the seven Qualey has heard from. “It could have been a much different situation,” he said. “We’re saddened [for those that are closing], but it’s not as bad as it could have been.”

Qualey said the numbers could still rise, although GM has not provided him with a complete list because the company is not identifying which dealerships are shutting down. Qualey would not name the dealers that he knows are closing.

Qualey said that he always believed GM wasn’t “over-dealered” in B.C. and that the numbers now appear to be bearing that out.

He said he expects GM’s remaining dealers will do well, noting that sales of all new vehicles in B.C. rose 4.7 per cent in April from March.

A Vancouver Sun telephone survey last month found that while most Lower Mainland GM dealers were happy to say they were remaining open, eight either refused to comment or said they hadn’t heard from GM. None would say they were closing.

Those dealerships were called again on Wednesday, with receptionists at just two of the eight — Dueck Chevrolet Cadillac Hummer Ltd. in Vancouver, and Barnes Wheaton Chevrolet Ltd. in Surrey — now saying that they are remaining open.

The other six dealerships either said they still hadn’t heard from GM or that a response would have to come from management. None said outright that they are closing.

Those six dealerships are: Gold Key Pontiac Buick Ltd. in Surrey; Flag Chevrolet–Chevrolet Truck Ltd. in Surrey; Barnes Wheaton Pontiac Buick GMC in Coquitlam; Murray Chevrolet Cadillac Pontiac Buick GMC in Abbotsford; Dennison Chevrolet Ltd. in Richmond, and Barnes Wheaton Pontiac Buick GMC Ltd. in Surrey.

The Sun did not hear back from the managers of those dealerships this week.

GM Canada's manager of media relations, Patty Faith, reiterated on Thursday that the names and total number of dealerships closing in B.C. will not be released, because "our dealers are independent businesses."

"We were looking at a 40-per-cent reduction in the dealer network across the country, [and] there was the potential that some areas would see less than a 40-per-cent reduction," she added. "We looked at every market area and determined what the best dealer representation would be for each area, and not just by province.

"We're not releasing the [names] of the individual dealers or the numbers by geographic area."

Of those that close, Qualey has said some will sell the land and move on, some may look for other opportunities with other car companies, and some may become used car dealers.