

Two Fremont auto dealerships calling quits, hitting the road

Analysts blame the recession for nationwide wave of dealer transfers

By Dave Berkowitz
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The exodus of longtime new-car magnates from the East Bay continues as two more area auto dealers have decided to call it quits and sell their showrooms.

Deals have been cut to sell both Fremont Mazda-Volkswagen and Di Giulio Pontiac-GMC sometime this month, according to employees and Alameda County files.

The dealerships are on Fremont's auto row, which stretches along Peralta and Fremont Boulevard.

Owners of the two dealerships refused comment, saying discussion is premature because the

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Auto: Too much competition drives dealers out of town

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sales have not been finalized.

County records indicate the Mazda dealership, owned by Frank Meads, will be sold Dec. 13 to Joseph Putnam, who operates several car showrooms in Burlingame.

Meads was among six dealers who bought land in Fremont's planned auto mall, and the sale

leaves uncertain the site of the franchise's future home.

The Di Giulio dealership is being sold to a Sacramento group, although the Di Giulio family will retain ownership of the Peralta land it sits on, said Dennis Miles, a former manager at the dealership.

Neither Di Giulio nor Meads would say why they are selling, but analysts noted the recession has brought a nationwide wave of such dealership transfers.

"I speak to a lot of dealers, and what I am finding out is the intan-

gible: It's not fun for them anymore," said Robert Fitzharris, a researcher with the J.D. Power & Associates automotive consultancy in Agoura Hills, near Los Angeles.

Analysts said the root problem for many dealers is too much competition.

During the 1980s, when the economy seemed to have a hard coat of wax, many new makes of vehicles hit the market. And they sold well.

But now, with auto sales running on empty, the oversupply of

dealerships is making itself felt, said Fitzharris.

In addition to Meads and Di Giulio, other East Bay car dealers to sell out or shut down this year include:

➤ Hank Pierotti, who sold his Fremont Nissan-Volvo-Hyundai-Suzuki franchises this fall.

➤ Lew Doty, who sold his Dublin Cadillac-Oldsmobile dealership to his general manager.

➤ S&K Toyota in Hayward, which closed suddenly this year, then reopened as Hayward Toyota.