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Sparking spending

Atlanta Business Chronicle - by Lisa R. Schoolcraft Staff writer

Businesses hit hardest by the economic downturn are having to dig deep to get customers to part with their hard-earned cash.

Nowhere is that more true than in the case of big-ticket items, like automobiles and homes.

From car dealerships to condominium towers, companies are offering previously unheard-of incentives to get inventory moving. Only time will tell if it is working.

At Candler Grove condominiums, for example, buyers can choose between an elevator or \$45,000 off the purchase price. At Georgetown at Perimeter Walk, buyers can get up to \$10,000 toward closing costs and blinds, plus either a washer/dryer or a refrigerator.

Car dealers are working to move inventory, too, such as **Hyundai Motor America**'s new program to take back a new car within 12 months if the buyer loses his or her job.

"The Hyundai assurance program is one of the best I've seen in the business," said Rick Case, owner of the Rick Case Automotive Group, which owns Rick Case Hyundai of Roswell; Rick Case **Mitsubishi** in Roswell; Rick Case Mazda, Hyundai and Mitsubishi at Gwinnett Auto Mall in Duluth; and Gwinnett Audi in Duluth. "Because of the economy, dealers are having to be more creative. People are concerned about jobs."

Not in the market for a Hyundai? Just wait, said Steve Middlebrooks, chairman of the Georgia Automobile Dealers Association. If the program is successful, he believes other major car manufacturers will follow with similar deals.

Toyota, which traditionally never had incentives on its top models, now does.

"The fact that Toyota is in the incentive market about as deep as Ford and GM should tell you [the down economy] is affecting all of us," said Middlebrooks, who is a **General Motors** and Toyota dealer in Athens. "We're increasing incentives on models that have had little to no incentives at all."

The heaviest incentives for vehicles are on domestics, said Gary Dodson, vice president of variable for **Nalley Automotive Group**.

But when Toyota and Nissan started offering zero percent financing, "those are huge incentives in our business," he said. "To get as aggressive as they have gotten over the past few months is big."

With rebates and dealer incentives, Dodson has seen some trucks sell for essentially 50 percent off.

"A couple of months ago, Nissan had some pretty aggressive tactics," he said.

Nalley was offering Nissan Titan trucks up to 50 percent off.

"I think customers like that," he said, but admits it can only be done on selective vehicles, and right now those vehicles tend to be SUVs and trucks, which are much harder to sell.

The consumer should beware on some incentives, Middlebrooks said. Dealers in the Midwest and Florida

were touting “buy one/get one free” offers for cars, “but anytime there is a deal like that, there is a little bit of a catch.”

Buyers will likely be paying more for the first vehicle, with no other discounts or incentives, before getting the “free” vehicle, he said.

Dodson had not heard of any dealer locally offering a buy one/get one free on vehicles.

Home buyers can find incentives and discounts on homes in certain price points.

The upper end of the market, \$750,000 homes and up, has fewer incentives, said Shaun Rawls, operating partner of **Keller Williams Realty** in Atlanta.

Builders, depending on their financial ability, are still offering incentives, including home theaters and finished basements, plus upgrades to kitchens and bathrooms.

“We’ve seen price adjustments across the board, but buyer incentives are very important,” said Brad Horner, president of Coldwell Banker NRT Development Advisors. “It’s all about making it easy for the buyer to buy.”

Rawls has even heard of a buy one home, get one free gimmick in California.

“Really, we are in a buy one/get one free in Atlanta, too.”

Rawls found 2,000 metro Atlanta homes for sale for less than \$60,000.

“At that price, you can buy a home and then buy another one,” he said.

Get it moving

Here are a few examples of deals being offered in the automotive and real estate industries.

Candler Grove condominiums**Incentives:** Either an elevator or \$45,000 off the purchase price.

Georgetown at Perimeter Walk

Incentives: Up to \$10,000 toward closing costs plus either a washer/dryer or a refrigerator.

Hyundai Motor America

Incentive: Will take back a new car within 12 months if the buyer loses job.

Toyota and GM

Incentive: Zero percent financing.

Nalley Automotive

Incentive on Nissan Titan trucks: 50 percent off.

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