

2026 JULY PHILLIPS REPORT

*A Regional Perspective for
Greater New England Dealers*



Representing Individual Dealers,
Regional Dealers and Dealer Groups
throughout New England and
New York State.



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DEALERSHIP BUY/SELL MARKET ENTERS A NEW PHASE

Over the last several years, we have seen an extremely competitive market with strong buyer demand and premium valuations. In 2026, we have seen the market become more measured and disciplined. Strong demand continues, but acquisition criteria have become more selective. Buyers are placing greater emphasis on the right franchise, and year over year, franchise risk has increased significantly, with twice as many manufacturers experiencing downgrades.

As a result, buyers are looking at dealerships differently today. Instead of focusing on what a store earned during its strongest years, they're spending more time evaluating what a dealership can realistically and consistently produce over the next five to ten years. Overall, Buyers have become much more discretionary.

BUYERS ARE MORE CAREFULLY ANALYZING:

SUSTAINABILITY OF EARNINGS	FACILITY REQUIREMENTS	MARKET DEMOGRAPHICS	FRANCHISOR RELATIONSHIPS	FIXED OPS	DEALERSHIP MANAGEMENT
Consistent performance and quality earnings that can be maintained into the future.	Impact on investment of facility requirements and resulting business disruption .	Population trends, income levels, dealer density, and market growth potential.	Quality of the manufacturer relationship, and future franchise viability.	Absorption rate, profitability, and opportunities for new growth.	High performing, long term key management and employees.

Uncertainty Is Creating Opportunity

In 2026, we're having just as many conversations with potential sellers as we have in recent years. What's changed isn't the level of interest, it's the approach. Dealers are taking more time to evaluate their options and make decisions that align with their long-term goals.

Many sellers are watching interest rates, the broader economy, and the desirability of their franchise when deciding on the right time to sell. Others are thoughtfully revisiting their succession plans and considering whether the next generation is prepared and interested in leading the business. This more measured environment is creating opportunities on both sides of the market. Buyers are taking more time to evaluate opportunities, focus on the right franchise, and make disciplined investments that support long-term success. At the same time, sellers who prepare early can position their dealerships to maximize value when the timing is right.

For dealers considering a future sale, planning ahead has never been more valuable. Understanding today's market and taking proactive steps now can help owners strengthen their position to achieve the best possible outcome when it is time to transition.

Franchise Sentiment

Buyer demand remains strong for high quality dealership opportunities, but the market has become noticeably more selective. Purchasers are conducting deeper due diligence and placing greater emphasis on long term sustainability, with particular focus on growth potential, brand strength, EV strategy, OEM dealer relationships, and the stability of vehicle allocation environments. As a result, franchises with clear growth trajectories and strong manufacturer support continue to attract the greatest interest and command the strongest valuations.

LOOKING BEYOND NATIONAL AVERAGES



WHY BLUE SKY AVERAGES CAN MISLEAD

Dealership Value Isn't Always Obvious. Two dealerships with similar earnings can trade at dramatically different values. Buyers are no longer purchasing based on past performance. They are investing based on anticipated future potential.

Some stores look average on paper but attract premium buyers because they fill a geographic gap, improve scale, or create strategic opportunities for an existing group. Others appear highly profitable but attract less interest because buyers see operational risk such as facility upgrade requirements, weak management, poor employee retention, and inadequate fixed operations coverage.



EARNINGS DURABILITY

Buyers look beyond today's profit to the sustainability of future earnings.



MARKET SCARCITY

Strong markets with high quality dealerships and limited supply attract more buyers and stronger offers.



OPERATIONAL PLATFORM BEHIND THE NUMBERS

Systems, processes and people give buyers confidence in future performance.



STRATEGIC FIT FOR BUYER

Geographic gaps, brand expansion or synergy, and market share create premium interest.

National Benchmarks vs. Regional Realities

Relying on national blue-sky averages to value a Greater New England dealership is similar to valuing your local home based solely on the national average home price. While the data at a national level provides a useful benchmark, actual value is ultimately driven by local market conditions, buyer demand, demographics, and comparable dealership sales within your specific region.

MYTH

REALITY

1x

Multiples are the same everywhere.

Multiples reflect what buyers are actually willing to pay for your specific market.



Strong buyers will pay any multiple.

Strong buyers will pay more for the right opportunity - not just any store.



Multiples are based solely on profitability.

Facility requirements, growth potential, market position and synergies all influence what a buyer is willing to pay.



Timing doesn't make much difference.

Timing can have a major impact on value depending on market conditions and buyer demand.



SALES | ACQUISITIONS | EVALUATIONS

PROFESSIONAL - PERSISTENT - DISCREET

Value isn't set by a multiple. It's created with a comprehensive strategy.

We help owners to strategically position, market, and time their exit or acquisition to achieve the highest possible value.

HIGHEST DEALERSHIP VALUES ARE TYPICALLY ACHIEVED THROUGH:



WHY NANCY PHILLIPS ASSOCIATES?

In the words of our clients:
attention to detail, honesty, fairness, tenacity

TOP 5 BENEFITS YOU'LL EXPERIENCE

- 01** Our expert determination of the **realistic value of your business** creates an opportunity to document the potential of your dealership and market it accordingly.
- 02** Our deep **knowledge of the Greater New England market** allows us to place your dealership with the right buyer.
- 03** **Regional connections** with franchisors, banks, buyers and more.
- 04** Our **referrals to the best proven professionals** support all your needs from real estate appraisal, environmental site assessment, dealership attorneys, transactional CPAs, parts inventory services and closing support.
- 05** Our **hands-on transaction management** provides guidance from evaluation through closing, with a dedicated Transaction Manager overseeing every aspect of the approval process to keep the transaction on track and contingencies satisfied on time.



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