



**FOR IMMEDIATE RELEASE**

Media Contact: Aimee Allen | [Aimee@HaigPartners.com](mailto:Aimee@HaigPartners.com) | (603) 933-2194

***DEALERSHIP BUY-SELL ACTIVITY SURGED 39% IN Q1 2026 AS PRIVATE BUYERS CHASE STRONG FRANCHISES***

**Fort Lauderdale, FL — May 27, 2026** — Haig Partners LLC, a leading buy-sell advisory firm to auto retailers in the U.S., released the [Q1 2026 Haig Report®](#), its quarterly analysis of dealership buy-sell activity, blue sky valuations, franchise performance, and the broader economic forces shaping automotive retail.

Dealership M&A activity accelerated sharply in Q1 even as earnings moderated from historically elevated levels. An estimated 139 rooftops changed hands, a 39% increase over Q1 2025 and 29% above Q1 2019, the last full year before the pandemic permanently reshaped dealership economics. Private buyers accounted for 96% of all acquisitions, a clear signal that independent operators remain highly confident in the long-term value of franchise auto retail. Multi-dealership transactions rose 54% year-over-year, reflecting a market increasingly shaped by larger operators executing deliberate portfolio strategies.

"Dealers still strongly believe in the future of auto retail, but the market is becoming much more selective," said Alan Haig, President of Haig Partners. "Buyers are aggressively pursuing strong franchises with healthy profitability, disciplined inventories and good growth prospects, while weaker franchises are becoming increasingly difficult to sell."

**Dealership Profitability: Normalizing, Not Deteriorating**

Average quarterly dealership profits declined 16% year-over-year to approximately \$824,000 per publicly traded dealership in Q1 2026, a tough comparison given that Q1 2025 was boosted by tariff-driven pull-ahead demand. The more meaningful measure is the trailing twelve-month view: the average publicly owned dealership generated \$4.0 million of adjusted pre-tax income, down just 3% from 2025. Dealership profits also remain 109% above the pre-COVID average of \$394,000, suggesting the post-pandemic normalization has largely run its course and earnings are beginning to stabilize at a structurally higher level.

F&I gross profit per vehicle retailed set a new record in Q1 2026, climbing 4% to \$2,627. Fixed operations gross profit grew 3.6% year-over-year. New vehicle gross profit per vehicle retailed declined 9% to \$2,881 and used vehicle profits were largely flat. The picture is of a dealership model that has adapted well, variable operations under modest pressure, with fixed ops and F&I carrying the load.

**Blue Sky Values: A Modest Pullback from a Strong Base**

Haig Partners estimates the average blue sky value of a publicly traded dealership declined 4% to \$18.2 million in Q1 2026, down from \$19.0 million at year-end 2025. The dip reflects softer profits and a franchise valuation adjustment detailed below — not a structural shift in market confidence. Blue sky values remain roughly double their pre-pandemic average.



"For dealers with the right franchises in the right markets, valuations have never been stronger," said Haig. "Q1 2025 was an unusually elevated baseline, and winter storms across the Eastern U.S. suppressed showroom traffic this quarter. We are not concerned about this pullback."

#### **Franchise Updates: Buick-GMC Upgraded, Volkswagen Downgraded**

Buick-GMC was upgraded by 0.25x on both ends of its multiple range, bringing it in line with Chevrolet at 3.75x–4.75x. The upgrade reflects an improvement in product quality, demand, and front-end gross profits. The Buick Envista and Encore GX are drawing new customers to the brand, while GMC Denali and AT4 models are generating front-end gross profits that can be double that of comparable Chevrolet products at comparable or faster turn rates. Factory-dealer relations have also improved meaningfully: one long-tenured GM dealer told Haig Partners it was the first time in his career he felt the manufacturer was genuinely listening to its dealer body.

Volkswagen was downgraded from a multiple-of-earnings framework to a dollar-value range of \$0–\$5 million. The shift reflects years of deteriorating franchise fundamentals. Weak U.S.-specific product offerings, the steepest drop of any brand in the NADA Winter 2026 Dealer Attitude Survey, and the brand's decision to bypass its dealer network for Scout direct sales. VW dealerships are now rarely targeted by buyers on a standalone basis and in some cases their inclusion in a platform transaction can reduce overall deal value.

#### **Mercedes-Benz: A Compelling Buy Before the Recovery Is Priced In**

[Mercedes-Benz stands out as one of the most strategically interesting franchise opportunities](#) in luxury auto retail today, and one of the clearest examples of why timing matters in the buy-sell market.

Dealer sentiment has improved dramatically since 2024, driven by a new management team that has emphasized a return to regionalized factory support, increased lease incentives on core ICE models, improving vehicle quality and a more collaborative factory-dealer relationship. Mercedes-Benz posted the largest gain of any brand in the NADA Winter 2026 Dealer Attitude Survey Overall Index Ranking. The brand has also pulled back from EV models that were generating losses for both the manufacturer and its dealers: EV sales are down approximately two-thirds from their 2023 peak, while profitable ICE and hybrid SUV sales are up more than 30% over the same period. Core SUV products — the GLC, GLE and GLS — grew more than 22% in Q1 2026 and accounted for 61% of retail sales.

Mercedes has also broadened its approved buyer pool, becoming more open to non-Mercedes operators acquiring franchises. That policy shift is bringing in new capital and more competitive bidding, pushing blue sky multiples higher. The franchise has reclaimed a position at or slightly above BMW in buyer preference. Haig Partners maintained its multiple range for Mercedes-Benz at 8.0x–9.0x.

"Mercedes-Benz represents the kind of opportunity that doesn't come along often," said Haig. "Buyers who get in now, before the earnings recovery is fully visible in the numbers, are likely to be rewarded."

#### **Buy-Sell Market: Active, Selective and Increasingly Transaction-Driven**

The 139 rooftops sold in Q1 2026 represent activity on par with the record-setting years of 2021–2023. The Southeast accounted for 35% of all rooftops sold, with the Midwest second at 28%. The forces driving sellers include an aging dealer population, rising facility investment requirements, growing pressure on weaker franchises, and mid- to large-sized groups divesting underperforming stores to



concentrate capital in higher-margin operations. Buyers are deploying the strong balance sheets built during the COVID era, targeting scale, Sunbelt and Southeast geography, and proven franchises.

The quarter's most notable transaction was Penske Automotive Group's acquisition of Lexus of Orlando and Lexus of Winter Park, with blue sky and intangible value reportedly at \$538 million and transaction value nearing \$646 million including real estate and fixed assets, illustrated the extraordinary premiums that premier luxury franchises in strong markets command when they rarely come to market.

"The buy-sell market has reached a healthy equilibrium," said Haig. "Sellers are no longer asking for COVID-era multiples, and buyers have accepted that pre-COVID pricing is gone. That common ground is driving volume. For sellers of strong franchises, the timing is excellent. For sellers of weaker franchises, expectations need to be grounded in today's realities."

#### Key Takeaways from the [Q1 2026 Haig Report](#)®:

- **Buy-Sell Activity:** 139 rooftops changed hands, up 39% from Q1 2025 and 29% above Q1 2019. Private buyers accounted for 96% of transactions. Multi-dealership deals rose 54% year-over-year.
- **Blue Sky Values:** Average blue sky value declined modestly to \$18.2 million, down 4% from 2025 but still roughly double pre-pandemic levels.
- **Profitability:** Average quarterly pre-tax income of \$824,000 per dealership is down 16% year-over-year but remains 109% above the 2019 average of \$394,000.
- **F&I:** Gross profit per vehicle retailed hit a new record at \$2,627, up 4% year-over-year.
- **New Vehicle Market:** April 2026 SAAR of 15.9 million units marked the eighth consecutive month of year-over-year declines; NADA projects approximately 16 million full-year sales. Hybrid sales rose 9.2% year-to-date; BEV share fell to 5.1%.
- **Franchise Highlights:** Buick-GMC upgraded to 3.75x–4.75x. Volkswagen downgraded to \$0–\$5 million dollar-value range. Mercedes-Benz posted the largest dealer sentiment gain of any brand and is seeing increased buyer demand. Lexus remains the most coveted franchise in the market, as the Penske transaction underscores.

#### Featured: Senator Bernie Moreno on Protecting the American Dealer Network

The [Q1 2026 Haig Report](#)® features [remarks from U.S. Senator Bernie Moreno](#) (R-OH) on the Connected Vehicle Security Act, legislation that would ban Chinese-manufactured vehicles and connected vehicle components from the U.S. market, and that carries direct implications for every franchise dealer in America.

Chinese-manufactured connected vehicles collect and transmit data on driver locations, driving patterns and surrounding infrastructure to the Chinese government, creating national security risks that include the potential for remote vehicle takeover. [Senator Moreno's position is clear](#). China has heavily subsidized its auto industry as a predatory strategy to dismantle Western competition, and no single American company can compete against a nation-state acting as a market participant. The American auto industry represents nearly 10% of U.S. GDP. Congress must be proactive. In Canada, Mexico and across Europe, unchecked Chinese vehicle growth is already costing jobs, American franchise dealers have a direct stake in whether Washington acts decisively or waits.



Senator Moreno expressed confidence the legislation, which has broad support among industry leaders and labor groups, could reach President Trump's desk before Labor Day.

[Watch Senator Moreno's full remarks here.](#)

Dealers who sold dealerships in 2021 - 2023 did so at the best period. The market data suggests a similar window exists today, but it is franchise-specific and will not last indefinitely. If you own a strong franchise and have ever considered your options, we encourage you to reach out to [Haig Partners](#) and have a confidential, no-obligation conversation.

---

### **About The Haig Report®**

The [Haig Report®](#), the longest-published quarterly report tracking trends in auto retail and their impact on dealership values, includes data and analysis on the performance of auto dealerships, discusses noteworthy events impacting the automotive retail industry, identifies trends in the M&A market for dealerships, provides guidance on estimated value ranges for different franchises and shares an outlook for the automotive retail buy-sell market. The Haig Report® is based on data gathered from reputable public sources and interviews with leading dealer groups and dealers, bankers, lawyers and accountants who specialize in auto retail.

### **About Haig Partners**

Haig Partners is a leading buy-sell advisory firm that helps owners of higher-value dealerships maximize the value of their businesses when they are ready to sell. The team at Haig Partners has advised on the [purchase or sale of 590+ dealerships](#) and has represented 32 dealership groups that qualify for the Top 150 Dealership Groups list published by Automotive News, more than any other firm. Clients of Haig Partners benefit from the group's collective experience as previous executives with leading companies such as AutoNation, Bank of America, Credit Suisse, Deloitte, FORVIS, J.P. Morgan, Lexus, Porsche and Toyota Financial Services. Leveraging its unmatched expertise and extensive relationships, Haig Partners guides clients to successful outcomes through a confidential and customized sales process. The firm authors the [Haig Report®](#), the leading industry quarterly report that tracks trends in auto retail and their impact on dealership values, and co-authors NADA's Guide, "Buying and Selling a Dealership." Haig Partners team members are frequent speakers at industry conferences and are regularly quoted in reputable media outlets, including Reuters, Forbes, The Wall Street Journal, The New York Times, CNBC, BBC, Automotive News, Wards and CarDealershipGuy. Haig Partners also hosts Maximizing Value Conferences that provide dealers with proprietary research into the auto retail industry and insights into dealership buy-sell trends, as well as content about how auto dealers can improve their operational performance. For more information, <https://www.haigpartners.com>.