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Online car firm moves to old tank factory

Quarter-of-a-mile shed will store thousands of vehicles

Lizzie Murphy

A FORMER tank factory, which closed with the loss of 450 jobs in the late 1990s, is enjoying a new lease of life after a car dealership decided to expand its operations.

Online used-car firm Autoquake, which employs 90 people across the UK, is moving into the former Vickers tank factory, at Radial Park, in Leeds.

The 250,000 sq ft shed, which is a quarter-of-a-mile long, has the capacity to store 1,000 cars at a time, about 10,000 a year.

The move from its Bradford site on Knowles Street will enable it to store most of the cars in the building and protect them from the weather – unlike its previous base which had no indoor space.

The Leeds facility, which will employ up to 30 people, will form a core part of Autoquake.com's ecommerce distribution network and complements the existing site in Birmingham. The next site is planned in London and is scheduled for opening towards the middle of 2009.

Autoquake, which was founded in 2005, operates all its business online, dispensing with traditional showrooms and the associated costs.

The firm claims that this enables them to offer discounts

of 10 per cent over car supermarkets and 20 per cent over main dealers.

It is enjoying dramatic growth with 5,000 cars sold in 2008 compared with 700 in 2007. This year it expects to sell more than 15,000 cars.

Fredrik Scantze, founder of Autoquake, said: "While the new and used car market has gone down, the online segment is growing."

Autoquake's chief executive Garry Hobson added: "We are absolutely delighted to take over the historic Vickers factory here in Leeds for our new distribution and handover centre in the North of England. The new Leeds facility will play an integral part of the business as we upscale throughout this year and the years to come."

"We have seen a rapid expansion of our business since launch proving that consumers have taken to the idea of buying vehicles online. No haggling, no salesman, straightforward, honest and simple – it takes the stress out of buying a used car. We have seen a sevenfold increase in our sales between 2007 and 2008, and we're expecting sales to exceed 15,000 cars this year".

Autoquake has taken a five-year lease with owners Threadneedle Property Investments.

Rupert Visick, of letting agents



BIG SHED: Autoquake's new site at the former Vickers tank factory in Leeds. Rupert Visick, area manager for Autoquake, with Rupert Visick, of letting agents Gent V



Gent Visick, said the deal highlights changes taking place within the commercial property market as a result of the recession.

As buyers become more cost-conscious, businesses such as Autoquake, which offer a lower-priced product, are picking up a

greater share of the market, he said.

Particular conditions created by removal of empty rates relief have also had an effect, with the client advised to do a deal at an economical rental to clear their rating liability.

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BIG SHED: Autoquake's new site at the former Vickers tank factory in Leeds can store 1,000 cars at any one time. Below, Chris Mathewman, left, area manager for Autoquake, with Rupert Visick, of letting agents Gent Visick, outside the former Vickers factory at Radial Park.



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empty property relief rate last April, forcing companies to pay even if a property is not in use.

"We are pleased to have secured Autoquake as tenants for Radial Park," Mr Visick said. "We have had to adapt our strategy in line with market changes, to identify new sectors in which to target potential occupiers. This letting demonstrates the value of that approach."

He added: "People aren't buying new cars at the moment but if a company is able to offer a cheaper deal on cars, then that's the place people are going to go to."

Autoquake.com sells used vehicles that are ex-fleet, generally two to three years old, with full history. Customers can search the website and see up to 50 photographs of each vehicle, including detailed reports of any damage. The chosen car can then be bought online and can either be delivered to home or collected from one of the hand-over sites.

FROM TANKS TO CARS

The factory, a mainstay of the Leeds economy since the First World War, had been used by Vickers Defence Systems for the manufacture of Challenger II tanks before operations ceased in 1999.

Dwindling orders meant Vickers had to concentrate manufacturing on one site and, after great deliberation, chose Newcastle with the loss of 450 jobs in Leeds.

It was claimed in some quarters that the decision had been taken to spare Prime Minister Tony Blair the embarrassment of job losses in the North-East, home to his Sedgefield constituency.

In addition, workers' ages were lower at the Newcastle site, while employees in West Yorkshire enjoyed a more generous benefits package.