

MARKETS

BOOM, BUT NO BUST

Britain's classic market has been given a clean bill of health by the price experts – but don't expect to be making major profits any time soon

Price experts say that the market for sub-£30k classics is performing well – despite some higher-priced models now struggling to find buyers.

Despite a 1961 E-type 3.8 roadster Series 1 (pictured) setting a price record at RM Sotheby's Lake Como sale last month, market experts are reporting that some traditionally more expensive cars are failing to sell at auction. But that this doesn't point to an impending downturn for the wider market.

Hagerty price expert, John Mayhead, says that some models in the sub-£200k Ferrari market in particular are having a hard time, with recent auctions at Silverstone and Historics failing to sell 365s, 328s and 456s. However, he said that there had not been a knock-on effect on the sub-£30k enthusiast sales and they are still 'pretty vibrant', despite not recording the price rises of previous years.

'We don't see any real bubble and there is nothing we see that suggests that current values of these cars is growing to a level that is unsustainable. There will always be headline cars that make more, for whatever reason, but in general we feel the current growth in this area isn't excessive and unlikely to lead to any sort of crash.'

CCW auction analyst, Richard Hudson-Evans, said that while the classic car market has always been cyclical, the signs do not point to a market-wide slump.

He says: 'The market is correcting, but it's not crashing. Values for Ferrari and Porsche have been down 2.71 and 7.33 per cent respectively,

'The majority of cars aren't seeing price rises'

JUSTIN LAZIC, CLASSICS CENTRAL

but this is due to oversupply in the market.

'Sale rates and the number of no-reserves are good indicators for the health of the market. We're still seeing 90 per cent sale rates at auction and while no-reserves suggest some may be liquidating collections, movement in the market is positive. No reserves boost sale rates and it means there is consumption.'

'When you start to see a rush to sell and none of them selling, that's when you can get into a situation that will grow like an avalanche, but there are no signs of this happening right now.'

Classics Central manager, Justin Lazic, says that the main driver for high prices on mainstream classics is overall condition, but in fact the majority of cars aren't seeing price rises.

He says: 'I'm confident the high prices for those heartland cars will continue to make them the best

investment for the foreseeable future. They will continue to maintain high values because there's such a lack of stock.'

Lazic said that there is a particular lack of stock of cars like Austin-Healey 3000s, Triumph TR2s, TR4s and two-door Range Rovers, the sort of vehicles that are achieving high prices for the best examples.

He said: 'There is still a big gulf between a six out of 10 car and a 10 out of 10 car. There are a lot of everyday driver style cars that aren't the 'best of breed' and they are priced at exactly where they need to be in the market.'

'The knock-on effect of cars like the E-type selling for such a high price is that it will encourage owners to properly invest in restoring their classics when they see the sort of values that can be achieved. That's great for the restoration industry and it gives something for enthusiasts to aim for with their cars.'

Tom Seymour

OPINION

David Simister

The fact that growth in the classic market is slowing down – and in some cases, correcting previously overvalued models – should be seen as good news. It shows that the investment-driven buyers are easing off old cars in search for faster-appreciating assets, but without the enthusiast majority being shaken up by a subsequent tumble in values. While it means I'm unlikely to add any £20k Lamborghinis to my garage any time soon, it is encouraging that people will still think that it's worthwhile restoring classics that years ago might have been left untouched, and that classic cars are enjoying a far higher profile than they used to. My advice to anyone considering buying an old car remains the same – do it because you want to enjoy the purchase, not because you think you'll make a few quid out of it.



HOW THE MARKET'S STARS HAVE FARED SINCE LAST YEAR



STATIC

Triumph TR2
June 2017 £25,000
June 2016 £25,000



STATIC

MGB roadster
June 2017 £12,000
June 2016 £12,000



4%

Jaguar E-type Series I
June 2017 £125,000
June 2016 £120,000



9%

Austin-Healey 3000
June 2017 £46,500
June 2016 £42,500



6%

Range Rover two-door
June 2017 £32,000
June 2016 £30,000