

CLASSIC CARS, THE  
FALL IN PRICES...

**Market  
Update...**

## CLASSIC CARS, THE FALL IN PRICES...

The market for old cars is soft. Don't let anyone pretend otherwise. Prices are off by 10-30%, depending on the car/buyer.

So why, you ask, do I keep seeing headlines from the auction houses proclaiming new price records being set? That's simple; because the market is so squeezed, the major auction houses are only accepting top-notch blue chip cars such as Ferraris, Porsches, various one-off coach-built specials. That reminds of my old friend's comment about special bodied, one off cars. *"I love them"*, he told me one day. *"Know why?"* I admit that I hadn't a clue. *"No price comparisons"* said Chris happily. *"So no one can say: 'One of those sold last week for such and such,' because it didn't. You can ask as much as you want."*

All this came back to me as I was musing about the tremendous rise in the prices of old cars that we've seen since 2008. Perhaps now is the inevitable 'cooling off' period, a 'market correction', if you will, that we've all been waiting for. It had to happen.

Then I started to wonder by exactly what percentage old car values had really risen since they were new, and a couple of examples came to mind; one is my own 1953 Jaguar XK120, which I dearly love. If I were to sell it today, I believe a good price at auction would be about \$100k. I bought my first XK120 in 1966 and it cost me £125.00GBP, just short of \$180.00USD today. That \$180.00 in 1966 would, taking in inflation over the years, be \$1,317.28 today. Somehow, I can't see anyone being able to buy a good XK120 for that sum today! So an XK120 has gone up by approximately 760%, to put things in round numbers.

This brings up an interesting point, which is, I knew far more about making good investment choices than just about everyone in the financial/banking sectors that I came into contact with back then knew...

Which brings me on to my second example: In 1980, I bought a 1958 Ferrari 250 GT Berlinetta for £14,000.00GBP, the dollar equivalent being around \$23,000.00USD at that time. Today, that Tour de France is worth about \$10,000,000.00. That's an increase of 434,786%, which makes me, in a strange kind of way, the greatest financial genius of today! Of course, I'm not because I needed to sell these cars to buy the next in line, all of which I had a great time doing.

But the overriding fall out from this that I would like to share with you, particularly the younger people, teenagers and early twenties is, don't listen to your jokingly called elders and betters. Make your own decisions in life and, if possible, take the long view. You'll end up, on the whole, a lot better off financially than listening to a bank manager or financial advisor, they just want to keep you paying money to them...

Of course, advice is free. Therefore, it's worthless.

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