



In fifty years time this car will be a classic and will be worth five times what you paid for it!

CLASSIC CAR COLLECTING FOR FUN & PROFIT

Finding the right area for you to invest in should be easy. Simply, "Follow your Passion", if you know and love your wines, then invest in wines, are you passionate about the depth and colour of a fine piece of art, then invest in paintings, the list could be endless.

For those of us who love the sound, precision of finely turned engines and long for the period of individually styled pieces of mobile art, there is only one answer. Classic car collecting.

All forms of the so called "Passion Investing" market has its devotees, you know the one bloke who claims that matchbox box collections are worth ten times what they were worth in 1956, after all he was given a box of old matchboxes boxes, which he gave his mate 10cents for, now 60 years later he sold it for \$1.00 and wishes he had more of a collection, because the entire matchbox box collector's club rode over to his place on his Moped to pick up his entire collection and see what else he had.



No we are talking about the Investor's who has seen the returns over the past decade of Classic Cars and are prepared to allocate some of their wealth towards high-value collectibles, after all the correct classic car has come to the attention of astute investors because the returns have been far higher than art, wine and even old matchboxes boxes.

In 2014 a 1962 Ferrari 250 GTO became the most valuable car in the world selling for \$38 million at the Bonham's Auction in California.

The bidding went straight to \$31 million within a minute, but stalled out before reaching the lofty heights that vintage car experts had predicted. The Ferrari GTO is widely considered the most coveted modern automobile.

The GTO is considered especially desirable because of its beautiful styling, its racing pedigree, and the fact that it can be driven both on the road at prestigious rallies like the Mille Miglia and on the track at vintage racing events, such as The Goodwood Revival.



Here's the car that's poised to beat that huge price, you guessed it, It's another 1962 Ferrari 250 GTO.



Only the second of 39 ever made and the first of its kind to enter a race and finished second on its debut in the 1962 Sebring 12 Hour race in the hands of Phil Hill and Olivier Gendebien.

The car was raced through until 1965, even finishing sixth overall in the 1962 Le Mans 24 Hour. Overall it competed in 27 races and scored 17 class podium finishes. It has since passed through several owners one of whom restored it but for the past 19 years has been garaged in Washington and appears to be in stunning condition.

Expected auction price: the asking price is a staggering £45 million, But don't worry if you miss out on that one there's listed on the internet two other 250 GTOs for sale privately at the moment for about £44m, each.

10 or so years ago Classic Cars were looked at as collectibles, by enthusiasts and collectors alike, but now people are recognizing them as an "asset class".

A new phenomenon has been the growth of new car funds, with funds managers joining, classic car collectors and dealers.

Most of these funds are one person or even a group that will come up with a structure and terms and offer the scheme, where an investment collective is when a group of people will come together and as a group will decide collectively on the terms.

So what makes a car collectable, price, rarity, history of past ownership, racing history or its providence?

Well, we're in Australia, so let's look at the Australian market first. Australia recently saw the influence of the baby boomers, when there was a buying bonanza in our own classic car market when the 1960's Australian Muscle cars values spiked to astonishingly high prices. This phase was led more by ownership of a child dream of having a piece of the Australian dream, than to invest in an item that would increase in value over time.

At a recent Shannons Sydney Auction, it became evident that the demand for Australian Muscle cars has waned slightly but is far from dead. Examples of just how fickle the market can be, can be seen in the expected price at a forthcoming Melbourne auction, all the example vehicles are manufactured by Ford and are powered by a high performance V8 engine, '71 XY 351 GT Auto \$100,000-\$120,000, XY Fairmont GS 302, 4 speed factory Manual \$60,000-\$75,000, '78 Ford XC Fairmont GXL 302 Windsor V8 4 door sedan is expected to bring \$20,000 to \$25,000, while a LTD 'P5' 351 sedan seems to be a bargain and a lot of car, at \$8,000 to \$12,000

The same story can be related to Holden with a 1969 Monaro HT GTS 350 recently selling in excess of \$200,000

Such anomalies will some times happen and the reason can be as simple as an upsurge in activity at the auction houses, and it's essential to have the correct vehicle with the correct paper work. Remember replica's abound.

A well known Sydney car dealer back in the mid 80's went Appendix J racing in a Jaguar Mk2, to relive some of his earlier glories and triumph's in the same marque. Preparing the vehicle to his normal high standards he paid well over the going price for a concourse example, which instantly set the market off with examples that could have been yours for as little as \$10,000 reaching prices in excess of \$80,000. The irony was that the car was so well finished that he never raced it. To-day a good road usable Mk2 Manual can be yours for \$20,000

Current collector value is pretty much all based around nostalgia, so whatever cars you're into that aren't the brand new cars, you'll undouble have some nostalgic connection with. When you're a kid and your neighbour had a Torana when it was new, and you thought "that thing's awesome, I want to own one someday", and when the day comes and they're \$15,000 and you go buy one, you're partly living the dream. But what if your neighbour owned a '73 Torana GTR XU1 you'd suddenly find yourself in the collector car market and paying around \$85,000, and you are now deeply involved in the collector market.

It makes sense that classic Australian Muscle car prices are going to continue to increase, because we're in Australia and a lot of us had these experiences with these cars when they were new, or our neighbour had one, so that's what is building value, which is why the Australian muscle car collector bubble is happening, a lot of the baby boomers have a disposable income and going out and spending their money.

The European stuff has a pedigree that relates to a larger audience, so that also makes sense. Porsche, continues to lead the way for affordable collectability, pretty much any model from the 356 through the complete but bewildering 911 range .

The 356 has always been popular with the motoring press. Being ranked tenth of top sports cars of the 1960's. Today, the 356 is a highly regarded collector car. The Porsche 356 Carrera (with its special DOHC racing engine), SC, Super 90 and Speedster models are among the most desirable 356 models. Few 356 Carreras were produced and these often bring well over \$250,000 at auction. A fully restored 356 Carrera Speedster (of which only about 140 were made) can sell for around \$300,000 at auction.

The original selling price of a late 1950s 356 was around \$4,000us, if you compare that with a 1950s Holden 48-215 sedans price of approximately \$1,466AU, today FX Holden's regularly bring \$19,000, while 356's are between \$100,000 and well over \$250,000 at auction.

The Japanese thing isn't there yet, but it will come. I think it's also that most of the Japanese car makers, while they made some fantastic hero cars, they also made a lot of mundane economy cars, so there isn't that loyalty to the brand that makes them all collectible like a Porsche. But you are seeing it in cars like the NSX, with low mile Supra Turbo's prices on their way up, but honestly, if you have a low-mileage Supra non-Turbo, what's the point? I mean, it's a well-built Japanese car, but it's going to take some time before a Supra with dropped doors is worth more than the scrap price, so who cares?

The RX-7s are on their way up as well, and especially Series 1's, because they are a bit fragile, they also have a bit of a cult following. So the trophy cars are out there, and they are on their way to getting some more collector value, just we haven't had 50 years of quality Japanese cars in Australia. There are the rare ones, Nissan Silvia CSP311's. only 49 imported into Australia. Nissan 240Z, Subaru's SVX, Honda's NSX and if you are lucky enough to find a Mazda Cosmo Sports under \$250,000 buy it, these all join the Toyota 2000GT, which has already reached the million dollar plus mark, but how many of them are in the country? After all only 289 right hand drives were built over it's 3 year production run, and very few even made it to Australia. All nine are potentially collectable classic cars of the future.

It's just a matter of timing when the people who remember and care have money to spend on that special vehicle, and if the price point still stacks up against other options, such as school fees, health bills and the wife's desire to travel more, then you are in the market, but are you a collector?.

Who can remember the Mitsubishi 3000GT, beautiful looking but even with a turbo, couldn't pull the skin off a rice pudding. I must admit that I thought that car was stunning, but it hasn't aged very well. It's kind of dated, but I'm sure you could correct some of that, after all if you take the cars currently advertised in Australian, the average cost is only \$21,375. I'm sure you could also take a '90s Mitsubishi GTO, which I'd argue is also dated -and put the right wheels on it, change the steering wheel, and really make something special that will appeal to a wider audience, but again is it a classic?

So although it is gladdening to see old muscle and classics being kept for the sake of posterity. There is the concern that the people that are currently collecting these cars and paying the high prices have that "nostalgic connection", having seen the likes of Brock, Moffatt, Jane and Beachy pushing these cars to their limit around Bathurst.

The question has to be asked do these cars mean as much to GenX and GenY? Because if they don't, will they remain collectables?

