

# State of the Market

Industry experts confirm the health of the collector-car market

*How would you assess the health of the collector-car market so far this year? Is the hobby growing or shrinking? What do you expect from the next six months? Will values trend up or down?*



**M. PETER NEUMANN**  
Principal, Chrome Strategies Management

Whether employing qualitative or quantitative analysis, the collector-car market has been healthy

in 2021. This is almost certainly due to the pandemic-induced mentality of, “I’ve always wanted a collector car, and what better way to be socially distanced than to ride around in a classic convertible?” Demand has been strong, and that is reflected in values.

If measured by the number of participants in the hobby, we think that the size of the hobby is stable. The older demographic that is exiting the hobby is being offset by younger newcomers entering the hobby, albeit in different segments of the market. If measured by financing, the storage industry, online participation and other metrics, the hobby is certainly growing.

Given that the collector-car market is global, so much depends on what happens around the world as we attempt to return to “normal.” Participation in the collector-car market will be uneven as socially interactive versus socially distanced events open up on different schedules in different countries.

If we look beyond the pandemic effect, where prices rose as demand outpaced supply, longer-term trends will come back into play. In the short term, however, we expect that values across most of the collector-car market will tend to correct, which will result in values more reflective of those prevailing pre-pandemic.



**EDWARD LOVETT**  
Founder and CEO, Collecting Cars

There is definitely a lot of momentum in the market at the moment. Cars priced well are selling fast and, as always, the best examples are fetching a premium. It’s true that some cars have seen value gains over the last six or 12 months, but if it escalates to another bubble, there will be very few winners.

Global interest in collector cars shows no sign of waning, and in large part that is down to many enthusiasts rediscovering the joys of modern classics. Many supercar owners are



Ferrari 550 Maranello

snapping up great examples of cars that they might have owned in their 20s, or that they coveted when they were in their teens.

Well-maintained examples of the Porsche 964 or 993 look like a great value compared to some of the latest performance cars, while those with more to spend might be looking at the likes of the 550 Maranello. A low-mileage Ferrari GT car with a V12 and a manual gearbox for less than the cost of a new Porsche 911 Carrera is a no-brainer for certain collectors.

More than anything, I expect the price gap between the best and worst examples of any model to spread further apart over the next six months. The devil is in the details with most collector cars, and people will always pay for quality. Buyers need to remain vigilant — not just to avoid buying a lemon, but also to ensure they don’t miss a fantastic opportunity when it crosses their path.



**DON WILLIAMS**  
Owner, Blackhawk Collection

The collector-car market is very healthy this year and continues to grow. We are also seeing more first-time collector-

car buyers than ever before, which is great for the hobby overall. These new buyers are more sophisticated, have studied the market and know exactly what they want: specific types and models of cars of very high quality.

Customers are demanding higher quality, and rightfully so. I always advise people to buy the best possible example they can find. Restoration costs are huge, can take years to

complete and often exceed the value of the finished car. Another benefit of purchasing a high-quality car is that it can be enjoyed right away. Most buyers would like the fun to start now and don’t want to do a restoration with all the headaches it entails. It may cost a lot more in the beginning, but they will be happier in the long run — especially when it comes time to sell. Rare, correctly restored cars will always be sought after and worth a premium.

Values are on an upward trajectory now and will be for at least the next six months and into 2022. The trend is steady and solid. Sharp upswings in values many times lead to a drop when the bubble breaks, but that is not the case now. With COVID-19 winding down and car events resuming, there is a feeling of optimism in the air and a pent-up desire to acquire and enjoy classic cars that shows no signs of slowing. I’m excited for the future of the hobby.



**TERRY SHEA**  
Director of Auction Operations, Hemmings Auctions

With all live events shut down for a big chunk of last year, we saw significant and rapid

growth starting last spring. Fortunately, that growth has been sustained well into this year. I do believe the hobby is growing, in two ways.

First of all, we are seeing a new generation of dedicated enthusiasts entering the phases of their lives where they can afford to play with collector cars, something beyond their reach until recently. When you think about it, we now have Millennials in their 40s. Many have

now reached the age where they have access to the capital required to spend on a collector car.

Secondly, you have a notable, if smaller, slice of new people entering the market who are attracted by the investment potential of collector cars. We have seen plenty of articles in the mainstream financial press that have explored the performance of, say, vintage sports cars, against major indexes, and those articles have painted a rather positive impression of collector cars as an investment tool. Add in the lifestyle news from those same outlets when it comes to certain vehicles, like vintage Land Rovers, Broncos or 1990s cars, and you get a whole new group of people interested in the hobby.

Surprisingly, we have also seen a steady stream of what might be called “traditional” collectors who have kept the market strong, with plenty of bidding outperforming reserves on the likes of Model As, Thunderbirds, Corvettes and certain muscle cars. I think it’s safe to say that the market has been strong across nearly all segments. We expect values to maintain in these traditional segments, with plenty of growth for the best-prepared, lowest-mileage cars with proper documentation. People have shown they are willing to pay top dollar for quality vehicles.



**CRAIG JACKSON**  
Chairman and CEO, Barrett-Jackson

While the pandemic challenged everyone in different ways, this year’s Scottsdale Auction

propelled the collector-car community back into motion, demonstrating that this market remains vibrant and healthy. Not only did we enjoy a 100% sell-through rate in March with a completely no-reserve docket, we also hit more than 90 world-record auction sales. We followed that in June at our Las Vegas auction with another 100% no-reserve docket that set another 65 world-record auction sales.

The hobby is definitely growing because we continue to evolve and meet the demands of each generation of collectors. For example, there has been a noticeable increase in the number of Millennial and Gen X buyers at our auctions. These younger generations who are jumping in the market are fueling the demand for resto-mods, as well as domestic and import vehicles built between the late 1970s to early 1990s. We’re also seeing a growing interest in EV versions of classic muscle cars, which is creating a new market for this style of resto-



1994 Toyota Supra featured in the first two “Fast and Furious” films

mod. Popular films also help drive interest in the collector-car community. During this year’s Las Vegas auction, we offered the 1994 Toyota Supra featured in the first two “Fast and Furious” films and driven by Paul Walker. The Supra attracted attention from enthusiasts around the globe and sold for an incredible \$550,000.

Coming out of the pandemic, I think a lot of people are eager to re-engage with the hobby and attend collector-car events. The wonderful thing about Barrett-Jackson is that we provide an authentic automotive lifestyle event full of action and excitement. Most importantly, 100% of this year’s Scottsdale and Las Vegas auction dockets sold at no reserve, further showcasing the demand for quality collector cars. ♦

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