

FUEL FOR THE MOTORING LIFESTYLE

# HAGERTY



## CORVETTE LT-1 VS. PORSCHE CARRERA RS

TWO EXPERTS SWAP RIDES

THE MCQUEEN MYSTIQUE

MINIATURES: THE ORIGINS OF COLLECTING

THE CLASSIC CAR WORLD, 2011

SPRING 2012 \$4.95 USA | CANADA



# THE CLASSIC CAR WORLD 2011

BY STEFAN LOMBARD

PHOTO: © JAY TEXTER



While the collector car market tends most often to be viewed in terms of auction totals, there is far more to the collector car itself than a selling price. As the old Packard pitch used to say, “Just ask the man who owns one.” Or restores one. Or rallies one. Or shows one. Or ...

## OH, WHAT A YEAR!

Certainly 2011 was a year for the auction record books. Though the January sales in Arizona saw little if any gain from 2010, Mecum made a substantial 55% jump from its 2010 Kissimmee result (\$26.5 million to \$41.2 million). Several notable results followed from all over the globe. Heading into August and the frenzy of Monterey, many pundits wondered whether final figures could trump the \$172 million of 2010. When the hubbub was over, the grand total came to \$199 million. In the process, some incredible machinery changed hands—and set records.

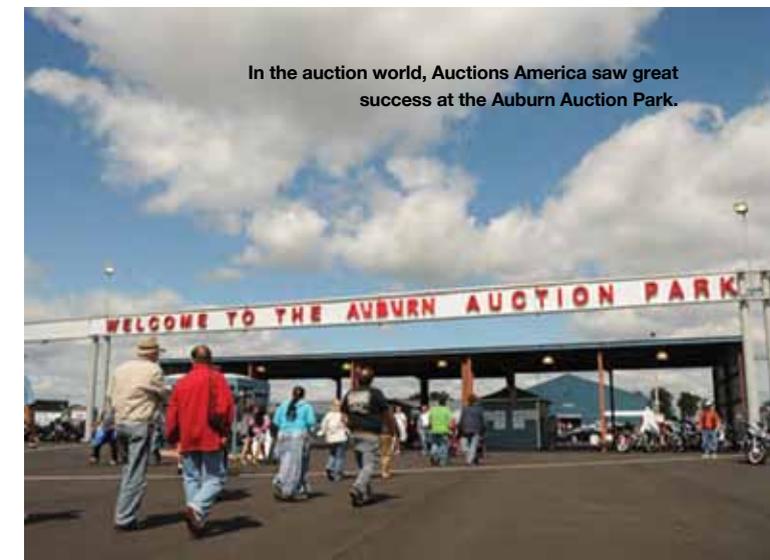
But beyond the market, our hobby had plenty to celebrate. Despite the current financial state, the outlook appears favorable as we settle into 2012.



Rick Carey (top) and Simon Kidston (bottom) are two experts with their fingers on the pulse of the market. Carey regularly reports on auctions all over the U.S., while Kidston's home territory is Europe.



TOP: JAKE WYAM PHOTOGRAPHY / BOTTOM: PHOTO COURTESY KIDSTON SA



In the auction world, Auctions America saw great success at the Auburn Auction Park.

COURTESY OF AUBURN AUCTION PARK

## CLEAR AND PRESENT DANGER

No matter what folks are doing with their cars these days, one question still hangs heavy: “What’s the economy going to do next?” It’s a far-reaching question, and it represents the single biggest threat to the classic car hobby worldwide. “This crisis has stripped out unbelievable amounts of liquidity from the hobby,” says Rick Carey, a veteran writer, editor and analyst who has been covering the collector car market for publications like *Victory Lane*, *Cavallino*, *Ferrari Market Letter* and *sportscardigest.com* for more than 20 years.

And the burden isn’t confined solely to this side of the Atlantic. “Despite what many would like to have you believe, the classic car market is indeed influenced by the world economy.” So says Simon Kidston, president of Kidston SA, a Swiss-based collector car consultancy, and former president of Bonhams Europe.

## WEATHERING THE STORM

Both men agree that for all the gloomy reports from Wall Street, Main Street and elsewhere, the hobby seems to be weathering the storm remarkably well. “Even with all of the economic ups and downs and uncertainty,” says Carey, “hundreds of millions of dollars worth of cars have changed hands, and even more than that in the private market.” Adds Kidston, “I wouldn’t say the classic car market is completely impervious, but at least superficially it has really shaken off most of the troubles the economy has thrown at it.” And if auction results are the barometer to which collectors, investors and marketplace professionals all look, then most people must take heart from the fact that our market has remained relatively strong. “It really is better than anybody could have expected,” says

## MARKET TRENDS

One trend Carey has witnessed on auction blocks around the U.S. is renewed interest among brass era cars. "The availability of events has really encouraged people to buy those cars," he says. The result is that many younger buyers are spending money on such antiques, so their collections are no longer just the cars they longed for as kids.

Meanwhile, Kidston believes the "modern classics"—supercars of the 1980s and '90s—are on the verge of real collectability. "Maybe one day," Kidston says, "somebody will actually wake up to the fact that the Jaguar XJ220 isn't such a bad car."

Still, middle-income collectors still make up the largest segment of the classic car hobby, and they're buying, too. "Particularly in the \$50,000 median price range," says Carey. But even at lower price points, plenty of cars are trading hands; dozens of auction companies around the U.S. sold thousands of classic cars priced well below \$20,000 last year.

"These people aren't investment oriented," says Carey. "Though they can justify their expenditure by saying, 'I could put \$50,000 in the stock market, but I don't know where it's going tomorrow."



At around \$50,000, cars like the Ford Thunderbird (top) represent the median of the classic car market, which was strengthened by thousands of transactions in 2011. On the collectibility horizon, modern supercars like the Jaguar XJ220 (bottom) appear to have a bright future.

PHOTOS: © MOTORING PICTURE LIBRARY/ALAMY

I could put \$50,000 in bonds or treasury notes or a money market fund and make two-tenths of one percent on it. So why not put it in a '57 T-Bird?"

There's really no downside. If the economy continues to slide and you need the money, you simply sell your car. If you're able to hang onto it, you put some gas in it and take it out on a sunny afternoon.

## EVENTS HERE AND THERE

Those who populate the hobby do so with gusto, and new events are popping up all over. Kuwait hosted its first concours in 2011, and the Cartier Concours in India shows no signs of slowing. Japan has begun adding events after a long period

of dormancy following the last big crash in the early 1990s. "Globalization of the hobby is a positive trend," says Kidston. "It brings new people into the hobby. Fresh eyes are always a good thing."

Closer to home, the former Meadow Brook Concours changed its name and venue to the Concours d'Elegance of America at the Inn at St. Johns in Plymouth, Michigan. Executive Director Jim McCarter says attendance was up 20 percent, with no additional marketing. "We had the whole golf course, the whole convention center and the whole hotel



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## Time travel at the speed of a 1935 Speedster?

The 1930s brought unprecedented innovation in machine-age technology and materials. Industrial designers from the auto industry translated the principles of aerodynamics and streamlining into everyday objects like radios and toasters. It was also a decade when an unequalled variety of watch cases and movements came into being. In lieu of hands to tell time, one such complication, called a jumping mechanism, utilized numerals on a disc viewed through a window. With its striking resemblance to the dashboard gauges and radio dials of the decade, the jump hour watch was indeed "in tune" with the times!

The Stauer 1930s Dashtronic deftly blends the modern functionality of a 21-jewel automatic movement and 3-ATM water resistance with the distinctive, retro look of a jumping display (not an actual



True to Machine Art esthetics, the sleek brushed stainless steel case is clear on the back, allowing a peek at the inner workings.

jumping complication). The stainless steel 1 1/2" case is complemented with a black alligator-embossed leather band. The band is 9 1/2" long and will fit a 7-8 1/2" wrist.

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While attendance at Hershey was strong, vendor support was even better, with all vendor stalls sold out.



PHOTO: © JAY TEXTER



The Concours d'Elegance of America benefitted from its new location for 2011, and Executive Director Jim McCarter sees no signs of slowing down in the years ahead.

all weekend," he says. With increased sponsorship opportunities, McCarter sees serious growth potential.

Also making news last year was the partnership between Auctions America by RM and Carlisle Events. Auctions America has emerged since its first sale in September 2010 as a powerhouse purveyor of good low- and mid-market classic cars, and Carlisle represents one of the strongest brands in car and motorcycle events. The pairing set the stage for four co-branded weekends—two in Carlisle, Pennsylvania, and two in Auburn, Indiana—and the overall results were very positive, in terms of auction totals, vendor spaces and car corral sales. "Ultimately," says Lance Miller, co-owner of Carlisle Events, "you've got two players who know their fields very well, and it's just a natural fit." Expect more great things from the duo in 2012.

Finally, a major metric of the hobby is the annual Antique Auto Club of America (AACA) Hershey Swap Meet in October. For 2011, AACA Executive Director Steve Moskowicz said attendance may have been down slightly, but the event remained a huge success. "All the 9,000-plus spaces were sold, over 900 car corral spaces sold and 1,250 cars registered for the show on Saturday. We felt good about the year, as it seemed we saw a younger crowd at Hershey, and the crowd seemed serious about finding items."

### FINAL THOUGHTS

The classic car hobby comes down to this: Nobody *needs* a 'Cuda or an MGB or a Ponton Mercedes. Nobody *needs* an eight-figure Ferrari. Nobody *needs* the rallies, concours and rotisserie restorations all aimed at supporting such cars.

### JUST THE FACTS

The results of Hagerty's annual hobby survey are in. More than 23,000 classic car owners weighed in on everything from the value of their cars to how and where they are purchasing—or not purchasing. Not surprisingly, the average age of classic car enthusiasts continues to climb, though nearly 50 percent of parents who own classic cars have kids who own classic cars, so nostalgia of one sort or another is making the leap from generation to generation.

53%

Own more than one vehicle

14%

Own classic trucks

56

Average age of collectors in 2011

52

Average age of collectors in 2006

23%

Of collectors under 35 are in an online car club, nearly twice the number of collectors over 35

51%

Of all collectors belong to no clubs or organizations



But we do *love* these old cars of ours, and that's a currency that can't be measured on any auction block or dealer stand. It's a currency that will hold value in the face of the world's financial woes. And that bodes well for 2012 and beyond.



# GUESS HOW MUCH THIS CAR IS WORTH.



### 1963 CHEVY CORVETTE:

Body Type: Coupe | Engine Specification: 8-cyl. 327cid/360hp FI L84

The average value for this vehicle is: **\$61,832**

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