

MG RV8 market and price review – November 2021

Overview

Steadily, over the course of this year, the whole United Kingdom (UK) has seen life return closer to normal. Between March and July this year, the Government's roadmap for England reopened the economy and lifted restrictions in four steps. Scotland, Wales and Northern Ireland have also emerged from lockdown on similar timetables. The country is learning to live with Covid and the main line of defence is now vaccination rather than lockdown. The Test, Trace and Isolate system is reducing the number of positive cases mixing in the community. The UK Government's rules and regulations have mostly been replaced with advice and guidance on the practical steps people can take to help manage the risks to themselves and others.

Over the last 6 months we have seen:

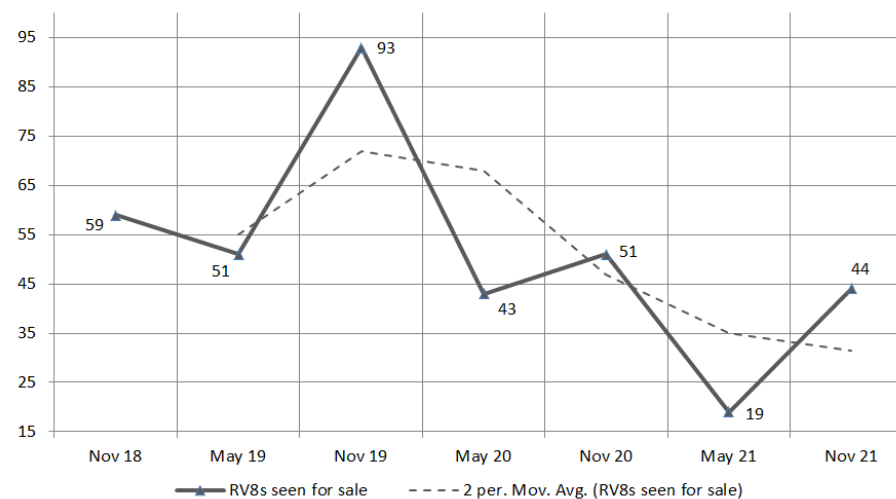
- **Significant release from Covid social contact constraints in the UK** as the country is learning to live with Covid and gradually classic car enthusiasts have been able to attend local and national events like the joint Triumph & MG Weekend meeting at Malvern, the Goodwood Revival, MG Days at Gaydon and the forthcoming NEC Classic Motor Show in early November 2021.
- **Some auctions have returned to face to face events but the significant move to online auctions continues** as both buyers and sellers of classic cars have grown more familiar with them particularly as many auction houses nimbly continue to adapt to the constraints over physical auctions by further developing their effective online auctions. But it remains a puzzle how a buyer would be prepared to close a deal without a thorough physical inspection of a classic car.
- **Continued classic car market activity** in the UK has been seen but with an increased flow of RV8s advertised for sale or listed for auction in the 6 months to November 2021 returning to near the levels seen in November 2018.
- **Continued classic car market activity** in the UK has been seen but with a modest flow of MG V8s advertised for sale or listed for auction even though this 6 month period has covered the late Spring and Summer period when buying and selling activity is usually higher.
- **Classic car press has reported online auction activity has been noticeable** in the sub £20,000 classic car market, particularly with classics from the 1980s and 1990s like "hot hatchbacks".
- **Rumours of a resurgence of the "alternative investor" activity in the classic car market** might be stimulated by people with increased bank balances during lockdown who have been looking for alternative places to hold their funds. That does not appear to have been a factor that has stimulated another period of alternative investor activity when some might have decided to move cash into classic cars. When we last saw them active in the classic car market there was a tendency then for them to buy classic "cherries" like Astons, Jaguars and Ferraris, but over the last 6 to 12 months sub £20,000 classics, particularly from the 1980s and 1990s, have been the hot spot in the classic car market.

Market activity over the last 6 months

Clearly the ending of the lockdown measures in the various regions of the UK had an impact on MG V8 sales activity over a major part of the 6 months to November 2021,

particularly on auctions as "mass public gatherings". What we saw was more classic car auction houses had moved quickly to set up more sophisticated online auctions, alongside other existing online auction sites, and many buyers and sellers were gradually adapting to the new online arrangements. During that period MG V8 traders with showrooms had to provide Covid compliant arrangements for visits by people looking to get an MG V8 and making inspections and test drives. From the chart below you can see the impact of Covid on the number of cars offered for sale with a spike in the period to November 2019 (93) and a **significant drop in the period to May 2021 (19)** compared with May 2019 (51) and May 2020 (43).

Number of RV8s seen for sale



MG RV8 market

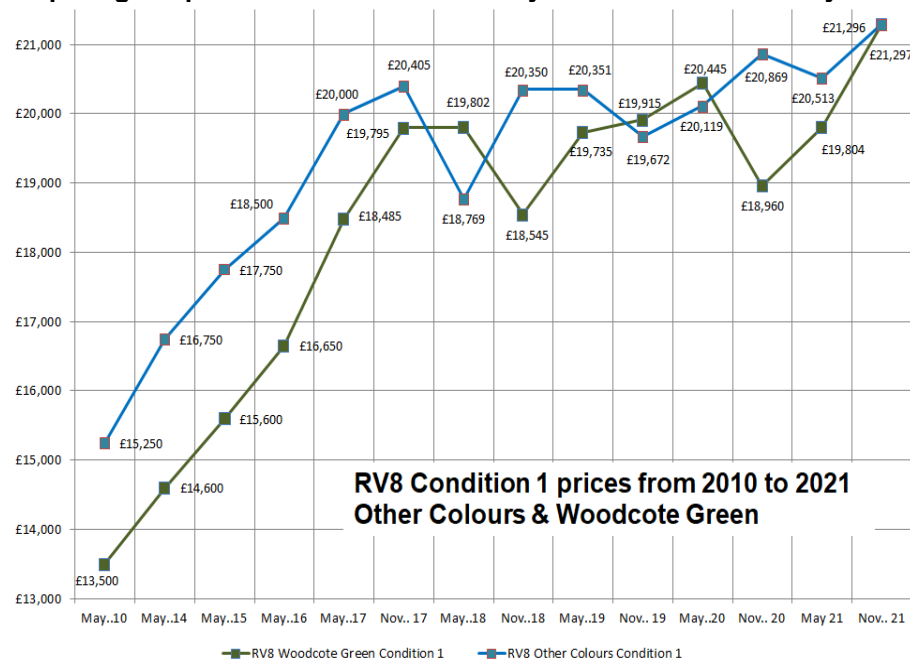
The 6 month periods to the end of October covering the Summer period, when classic car advertising and buying activity, are usually see more cars on offer than in the 6 month periods to the end of April covering Winter and early Spring. That "see saw" pattern continued during the Covid constraints period with sales showing signs of recovering in November 2021 (44) to near the levels seen in November 2018 (59) and 2020 (51). A good flow of 15 "Exceptional" condition RV8s was seen in the last 6 months with a couple of £50,000 RV8s on offer with minimal mileages in Woodcote Green. With 13 cars seen for sale, **Condition 1** was strong with prices rising by 7.5% (WG) and 3.8% (OC). Prices in **Condition 2** were less strong even with 15 cars seen for sale.

On page 2 the chart of **Condition 1** prices from May 2010 to November 2021 indicates that **in the last 6 months prices of both Condition 1 Woodcote Green and Other Colours have risen appreciably** (7.5% and 3.8% respectively) after around 4 years of muddled flatlining. Interestingly the general trend we have seen where the **premium for Other Colours over Woodcote Green has been reducing** has continued, with the Condition 1 premium for "Other Colours" effectively zero over the

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last 6 months. Buyers are far more focused on condition rather than the earlier disdain for the more numerous examples of RV8s in Woodcote Green. Relatively low mileages are still a feature of the RV8 market.

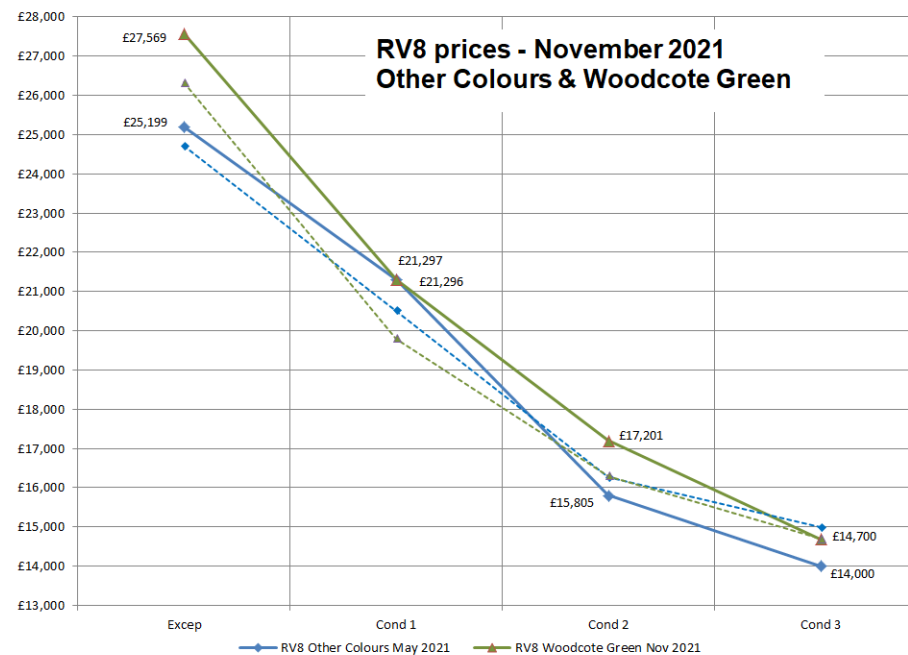
Comparing the prices - 6 months from early November 2020 to May 2021



Comparing the prices - 6 months from early May 2021 to November 2021

Price guide - May 2021	Excep	Cond 1	Cond 2	Cond 3
MG RV8 Woodcote Green	£26,318	£19,804	£16,304	£14,700
MG RV8 Other Colours	£24,718	£20,513	£16,273	£14,992
RV8 price guide - Nov 2021	Excep	Cond 1	Cond 2	Cond 3
MG RV8 Woodcote Green	£27,569	£21,296	£17,201	£14,700
MG RV8 Other Colours	£25,199	£21,297	£15,805	£14,000
Price change May 21/Nov 21				
Woodcote Green	4.8%	7.5%	5.5%	0.0%
Other Colours	1.9%	3.8%	-2.9%	-3.8%
Other Colours premium (£)	£-2,370	£1	£-1,395	£-700
Other Colours premium (%)	-8.6%	0.0%	-8.1%	-4.8%

Woodcote Green & Other Colours prices over 6 months to Nov 2021



Price chart for the four MG RV8 condition classes with the prices for **November 2021** as a solid line and those for **May 2021** as a dashed line alongside. Lines on the chart are: **Other Colours (Blue line)** and **Woodcote Green (Green line)**

Condition 1 prices are often seen as the main guide to the market and the chart above indicates **how both Woodcote Green and Other Colours have risen strongly in the 6 months from May 2021** by 7.5% (Woodcote Green) and 3.8% (Other Colours).

Exceptional condition prices depend, as always, on what Exceptional cars are on offer and the availability of willing buyers to pay the higher prices, but the average price in the Exceptional class was around **£25,000 to £26,000**. Recently two exceptionally low mileage RV8s in Woodcote Green appeared priced at an eye watering £50,000. Their inclusion in our data analysis has added a slight distortion to the price indication for Exceptional condition RV8s in Woodcote Green. The combination of **recommissioning costs** (to get a very low mileage car ready for safe use on the roads again) together with **heavy depreciation** in the car's value if it is used even moderately, can be a serious cost for a buyer. Often a car with a reasonable mileage and a good service record in Condition 1 or Condition 1 Plus is a far better buy unless a high priced car is bought as a **"museum piece" or "trophy car"**!

Condition 2 prices – Woodcote Green prices held up well with a 5.5% growth but Other Colours fell back by 2.9%.