

## MG RV8 market and price review – November 2024

### Overview

The major concern for most people in the UK and elsewhere continues to be an increased cost of living caused by Russia's invasion of Ukraine and the current tensions and uncertainties in the Middle East. Crude oil prices have eased which have passed through to UK fuel pumps and the concern over a possible increase in fuel duty might be announced in the recent Autumn Budget was eased as the fuel duty freeze continues. The UK economy is recovering with easing of UK domestic inflation and interest rates show signs of falling a little. UK Government debt remains very high with the burden of higher interest costs. Those significant increased costs are hitting people in the UK causing a real focus for many on managing tighter household budgets with reduced discretionary spending, not least on motoring purchases. The key question is "are those increased costs and domestic budget constraints having an impact on the classic car market?" Will some owners decide they need to sell their classic car, possibly leading to an increase in the supply of classics offered for sale, whilst others with deeper pockets might sense an opportunity to buy a classic MG like an MG V8 they have always wanted to own and enjoy? There are signs that even though the high tax increases and public sector spending and borrowing announced in the Labour party's recent Autumn Budget were eye-watering, to some extent the uncertainties ahead of the long pre-Budget period have been reduced. On the demand side there are signs potential buyers see RV8 prices are softening to around £21,000 for Condition 1 examples and that it's time to buy.

### Key features seen over the six months to November 2024

Over the last six months during the "late Spring and Summer" period we have seen:

- **Continuing concerns over the higher cost of living** – although Consumer Price Inflation peaked in the period October 2022 (9.6%) to February 2023 (9.2%), with rates falling to 2.6% in September 2024, the higher cost of living have continued to be a burden for consumers into the 6 months to the end of October 2024.
- **Slow start in classic car use in the UK** – with the very wet conditions earlier in 2024 many owners were not willing to see their car soaked by the exceptionally high rainfall levels in the UK, however the classic car turnout for "Drive it Day" was good plus many local events too. Later in September there was very heavy rain and flooding in parts of England, some described as "biblical rain"!
- **Uncertainties in the UK from a General Election announced in May 2024** and then around 7 weeks of campaigning with the Labour winning the election with a landslide 174 seat majority. Parliament returned on 9th July, so for over two months of what is usually an active time in the year, when classic car enthusiasts are attending various shows and events and those thinking of getting an MG V8 would normally be following up adverts posted by private and trade sellers and also auction listings and results, there were those uncertainties.
- **Post-election concerns** - Labour announced their Autumn Budget would be on Wednesday 30th October 2024 and there then followed a drip feed of leaks and announcements on Labour's likely tax changes and other measures. Again it

created concerns and uncertainties for both businesses and the public. For people in the classic car community, both those owning a classic like an MG V8 and enthusiasts thinking of getting one, they were inevitably feeling concerned over what they were hearing and seeing about significant tax rises. Assessing the possible effects of rumoured tax changes and other rumours was difficult and inevitably created some uncertainty and concerns for MG V8 enthusiasts.

- **Budget Statement announcements** – with eye watering £40 billion of tax hikes, fortunately the fuel duty freeze was extended and standard vehicle excise duty rates were updated in line with the RPI from 1st April 2025. The rise in National Insurance for employers will see additional costs passed on in increased prices across a range of goods and services. [See our Autumn Budget report](#)

### Buying and selling activity

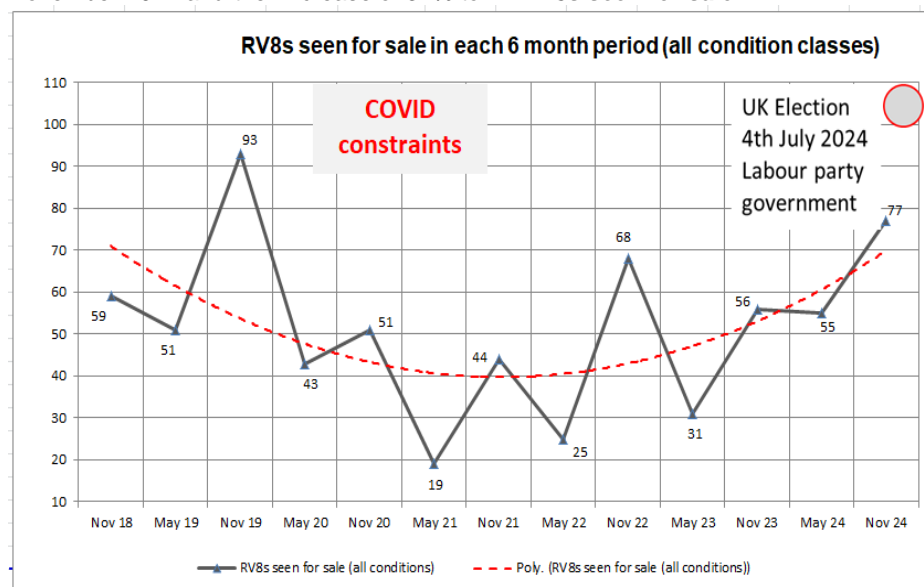
- **Buyer activity in the RV8 market** - for most MG V8 enthusiasts owning an RV8 is a discretionary purchase made using their available funds. The typical RV8 purchaser or owner tends to be someone in their fifties or in retirement, often with a longstanding desire to get an MG V8 for the pleasure of driving it and meeting up at events with fellow MG V8 enthusiasts. The uncertainties created by cost of living pressures on domestic budgets and the rumours over the last 6 months of a number of Labour's unwelcome tax changes created a delay in buyers actively looking for an RV8 or possibly their having to rethink the timing and size of the investment they could use for a purchase.
- **Return of "alternative investor" activity in the classic car market?**  
Also announced in the Autumn Budget was an increase in Capital Gains Tax (CGT) on the sale of assets with the lower rate changing from 10% to 18% and the higher rate increasing from 18% to 24%. With cars for personal use exempt from CGT, as they are seen as 'wasting assets' for CGT purposes, it's likely we will see the return of "alternative investors" in the classic car market with some aiming for the affordable segment of the market like MG V8s?
- **Auctions have been active with both face to face auctions and a continuation of the significant move to online auctions** as both buyers and sellers of classic cars have grown more familiar with them, particularly as many auction houses have continued further development of their effective online auction systems. But from our spots of MG V8s seen for sale only 16% to 19% were listed for auction. With the exceptionally wet months in Spring and late Summer 2024 there are signs some potential buyers have delayed responding to adverts and making inspections of cars offered for sale.
- **Classic car press have reported online auctions continue to be active** particularly in the sub £20,000 segment of the classic car market. Classics from the 1980s and 1990s, like "hot hatchbacks", are increasingly a "key part of classic car life", particularly with younger enthusiasts.

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### RV8 market activity over the last 6 months

Continued activity has been seen in the UK market with a **flow of RV8s advertised for sale or listed for auction**. In the 6 months to November 2024 the RV8s seen for sale (**77**) were **37% higher** than in November 2023 (**56**) when we saw the return to the level seen in 2020 before the Covid disruption - see the chart below.

The number of RV8s offered for sale is usually higher in the 6 months to the end October covering the “Summer and Autumn months” and lower over the 6 months to the end of April covering the “Winter and early Spring months”. In November 2022 we had seen an encouraging 55% recovery to **68** from the low point in November 2021 of **44**. That recovery continued in the 6 months to November 2023 with **56** and to November 2024 a further increase of 37% to **77 RV8s seen for sale**.



RV8s seen for sale in 6 months to November 2024							
			Except	Cond 1	Cond 2	Cond 3	Total
RV8 Woodcote Green			8	18	19	7	52
RV8 Other Colours			8	12	3	2	25
Total		77	16	30	22	9	77
		100%	21%	39%	29%	12%	100%

### RV8 market

The RV8 market has been active in the 6 months to November 2024 with **77 RV8s seen offered for sale** including **16 “Exceptional” condition RV8s** and **30**

“Condition 1” (usually seen as the “marker value” for the model), together accounting for **39%** of RV8s offered for sale. Condition 2 was **29%**.

Price movements - for Condition 1 we have seen a **fall of between 4.0% and 7.1%** (Other Colours & Woodcote Green) and for Condition 2 prices have been up by 4.3% (Other Colours) and virtually static for Woodcote Green.

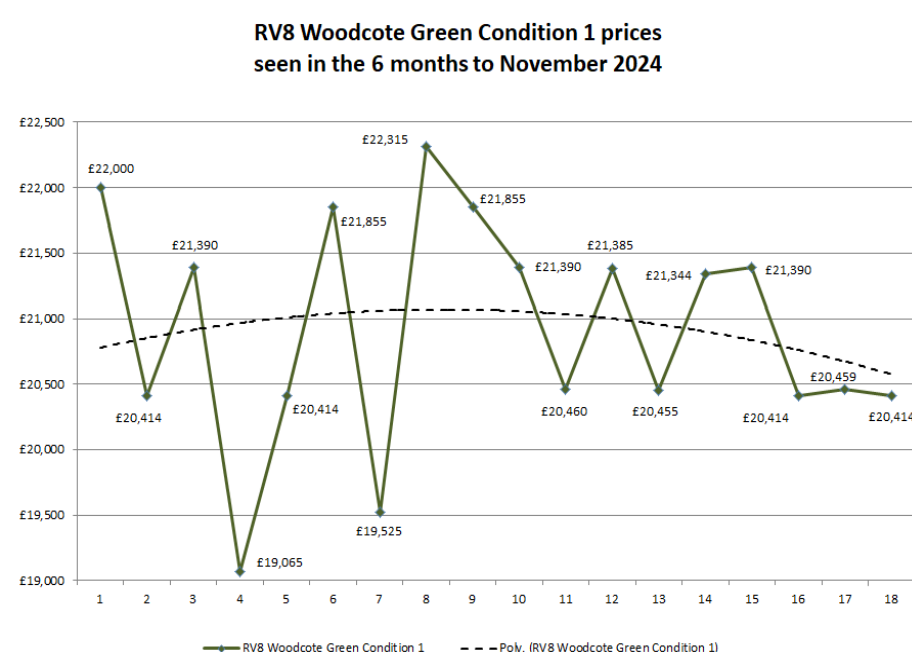
#### Condition 1 price changes May 2024 to November 2024

	May-24	Nov-24	Change
Condition 1			
Other Colours	£22,519	£20,921	-7.1%
Woodcote Green	£21,788	£20,919	-4.0%

#### Condition 2 price changes May 2024 to November 2024

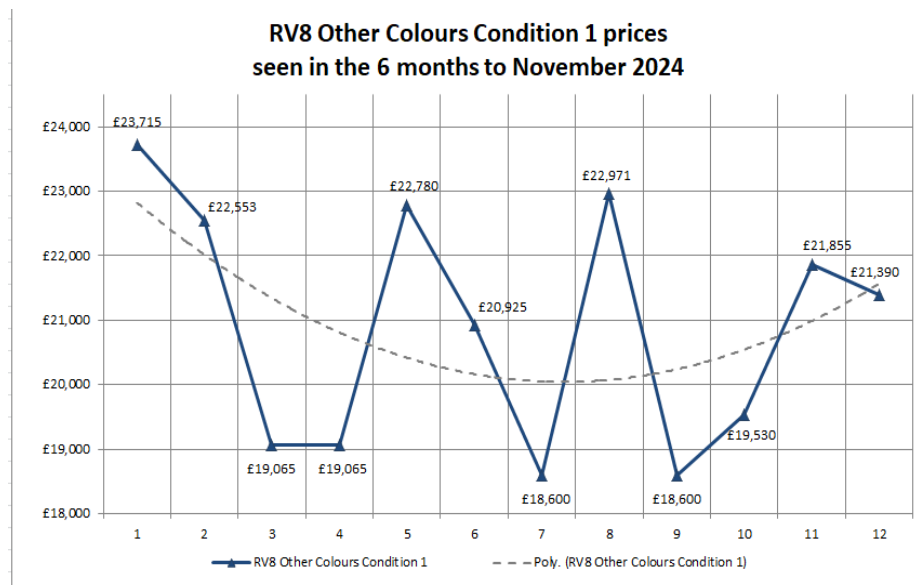
	May-24	Nov-24	Change
Condition 2			
Other Colours	£16,830	£17,548	4.3%
Woodcote Green	£17,876	£17,976	0.6%

#### RV8 Woodcote Green Condition 1 prices seen in the 6 months to November 2024



The Condition 1 prices are usually seen as the “marker price” for the RV8 model.

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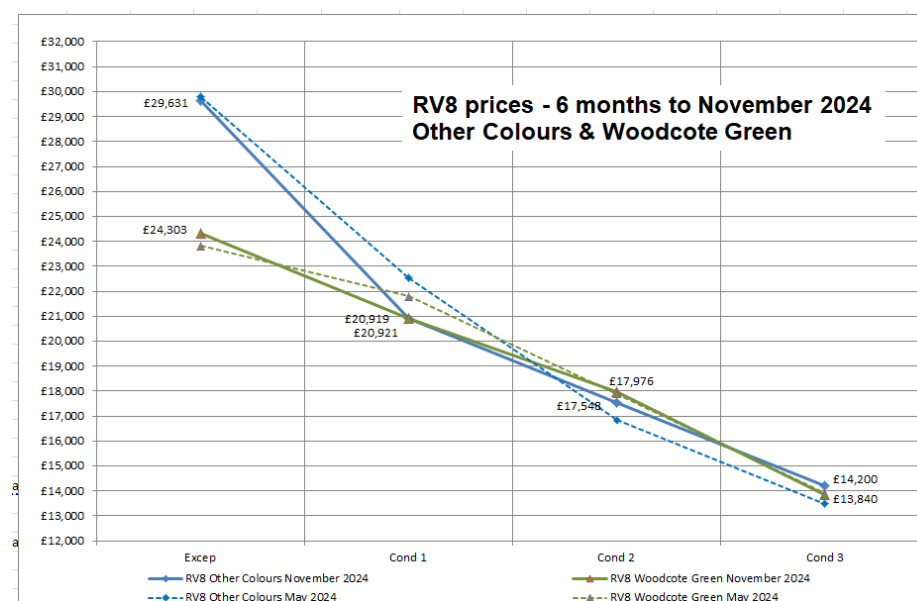


### Impact of significantly increased MGV8 refurbishment and restoration costs

With the higher cost of both replacement parts and refurbishment labour costs, the attraction of buying a Condition 2 or 3 RV8 in need of refurbishment work is reducing considerably because of serious concerns over those costs. It's likely prices of RV8s in need of refurbishment, or more serious restoration, will tend to fall because of those increased costs and buyers may focus more on buying an RV8 in a better condition at a higher price than they might have done before when choosing to buy a car in need of refurbishment. Choosing a Condition 1 RV8 will avoid a serious outlay on refurbishment costs, which in most cases will be greater than the resulting uplift in the value of the car from refurbishment work. That change in choice of condition could see growing interest in Condition 1 cars and a consequent rise in prices driven by that higher level of demand.

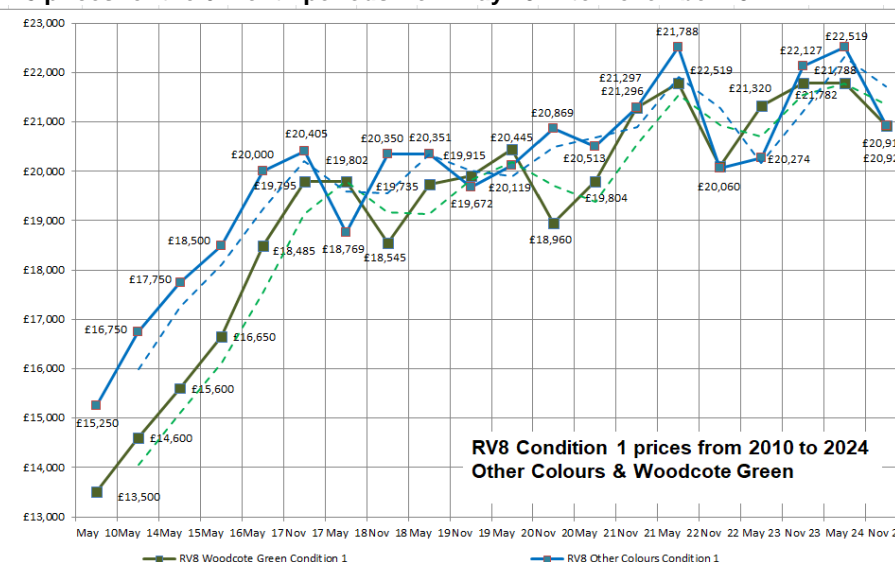
### RV8 prices over the 6 months from May 2024 to November 2024

RV8 price guide - Nov 2024	Excep	Cond 1	Cond 2	Cond 3
MG RV8 Woodcote Green	£24,303	£20,919	£17,976	£13,840
MG RV8 Other Colours	£29,631	£20,921	£17,548	£14,200
<b>Price change May 24 - Nov 24</b>				
Woodcote Green	2.0%	-4.0%	0.6%	-0.4%
Other Colours	-0.5%	-7.1%	4.3%	5.3%
Other Colours premium (£)	£5,328	£2	-£428	£360
Other Colours premium (%)	21.9%	0.0%	-2.4%	2.6%



Price chart above is for the four RV8 condition classes with the prices for **November 2024** as solid lines and those for **May 2024** as dashed lines alongside. **Blue line** (Other Colours) and **Green line** (Woodcote Green).

### RV8 prices for the 6 month periods from May 2017 to November 2024



## MG RV8 market and price review – November 2024

Lines on the chart above are: **Blue line** (Other Colours) and **Green line** (Woodcote Green). Prior to May 2017 the data and trends are indicative only.

The chart above indicates that from November 2017 the **prices of RV8s in Other Colours and Woodcote Green have risen a little from around £20,000 to £22,000 in May 2024 and back a little to £20,000 over the last 6 months**. As a classic car with a fuel injected V8 engine and a Connolly leather trim RV8s are seen as good value and an attractive purchase.

### What might we see in the RV8 market over the next 6 and 12 months?

The current uncertainties and international tensions from the Russian invasion of Ukraine and the hostilities in the Middle East have created serious cost of living burdens for most people and increased costs for businesses. With inflation rates reducing and clarification of the Budget uncertainties there are signs that demand is growing.

On the **demand side** there are signs potential buyers see current RV8 prices are attractive, particularly for good condition examples, and feel that it's time to buy. Useful upgrades are seen as attractive features on an RV8 like electric power steering (EPAS) which reduces the effort needed to steer the car at low speeds because of the improved grip of modern tyres and the conditioning drivers have today of the convenience and comfort of EPAS on their daily-drive car. Also the Hoyle independent rear suspension upgrade is welcomed by many buyers and the Spax shock absorber upgrade too.

#### Change of attitude to low RV8 mileages

A feature of the RV8 market is buyers seem to expect RV8s to have a low mileage because so many have been reimported from Japan where many arrive with mileages of typically 20,000 to 40,000 miles which for a car of only 30 years from manufacture is a very modest average of only 650 to 1,400 miles a year. The consequence is there appears to be a lower interest in RV8s with mileages over 40,000 or even 50,000 which is strange because a classic car does need regular use to help maintain the car. Also a buyer of an RV8 advertised as a "low mileage Exceptional condition car", may be faced in some cases with the unexpected substantial **expense of recommissioning the car**.

#### Return of "alternative investors"?

A demand factor seen in the classic car market for a decade before Covid arrived in Europe was the activity of **"alternative investors"**. That was a period with low interest rates and a buoyant classic car market when some investors saw buying a classic car as an attractive asset with the prospect of growth in value with the added benefit of no capital gains tax as cars are seen as a depreciating asset of tax purposes. With the rise in interest rates there was then a cooling of "alternative investor" activity in the mainstream classic car market, but following the significant capital gains tax changes announced in the recent Autumn Budget and the hint of slightly lower interest rates,

**observers feel alternative investors may well move back into the classic car market.**

The market activity over next two 6 month periods will be interesting to follow.