



Review of MGBGT V8 prices

Adam Fiander volunteered to carry out a review of current market prices for MGBGT V8s and provides a useful update of our online pricing guide together with his views on the factors and trends influencing prices. (February 2014)

General overview

With the upsurge in interest in owning and enjoying classic cars, combined with genuine investment potential for certain examples (if chosen correctly and looked after thoroughly), then buying a classic has never made better sense than in the last few years, on a number of different levels.

Sad, perhaps, but nonetheless a clear trend, is fewer people are interested in committing the time, or indeed have the skills and tools required, for getting underneath cars on the weekend to carry out their own repairs and general maintenance. So for many enthusiasts seeking a classic car like an MGBGT V8, a 'quality' purchase in terms of the condition of the car has taken on even more significance now than ever before.

Likewise, the popular feeling within the classic car press (certainly at the time of writing this report) and the market as a whole, is that good examples of MGBGT V8s are now finally being recognised as the rare, powerful, practical and desirable classics that we as enthusiasts have always known them to be! Values have correspondingly been seen creeping north.

Colours

While this will always remain a subjective and emotive subject, colours do affect values to some extent and, in certain cases, the ability to sell a car more quickly. I do believe, however, that both buyers and sellers fret over so called 'good or bad' colours far more than is actually necessary!

Understandably, Damask Red, Teal Blue, Glacier White and Black must be regarded as the 'safe' options, with Harvest Gold, Blaze, Tundra, Bracken, various Green colours and Flamenco Red perhaps as being somewhere in the middle. But the main point to bear in mind here, is that some of the more 'interesting' (some would say lurid!) colours of 1970's MGBs are part and parcel of the soul and character of our cars making them stand out from the crowd and placing them squarely 'in period' - a fact which should be viewed as a positive and not seen as a negative.

Just as British Racing Green is immediately identifiable with Jaguar D-Types of the 1950s, then refreshing Citron, Aconite, Mirage and Tahiti Blue are period colours perfectly associated with the 70s and, for that reason alone, should be viewed as potentially good, and certainly not detrimental, colour choices for these lovely cars!

Dealers

It will come as absolutely no surprise that buying a classic from a dealer will, in 90% of cases, command a price premium higher than that of a similar car bought from a

private vendor. Based upon the fact that a dealer's good standing (hopefully!) and reputation within the marketplace is his main salvation; then the benefit of enjoying a nice customer experience, usually in a warm showroom with peace of mind, (by way of buying mainly a good car in the first place), with potentially a warranty or guarantee, or some form of recourse at the very least, is often compensation enough for many buyers to prefer this option and accept they will be paying a price premium as part of the package. Good dealers have many other redeeming features of course, such as, for example, a willingness to search out suitable cars based upon an initial brief and in many (but by no means all) cases, a willingness to relieve you of your existing classic car as a trade-in, subject to agreeable terms of course and, in many cases, other useful benefits such as service and maintenance back-up and support, delivery and storage of cars and much more.

Original, modified or fully restored, what's best?

Like car colours, the question of buying a modified, restored or mostly original car is a personal and subjective matter. Certainly rubber bumper MGBGT V8s converted to chrome spec are not worth the equivalent value of a (like-for-like condition) Factory built original chrome bumper car. Whether the addition of leather seats and walnut dashboards and other non-original "cosmetic" modifications enhance, or even maintain value, is questionable and can only be answered on a case by case basis.

Cars of the very highest values sold at auction, through dealers or as private sales, are nearly always those examples that have originality at the core. These exceptional examples normally have very low recorded mileage, a fully documented history and a low number of previous owners.

Cars that have been fully restored need to have been done so to a high standard of fit and finish to ensure top value. Often the eye watering cost of a full restoration at today's rates is a personal choice undertaken by fanatical or very passionate owners, who may struggle to recoup their initial investment when they come to sell. For buyers appearing at the right time and right place, often a very well sorted car with fresh metal, fresh paint, new engine and refurbished interior can be had for exceptionally good value for money.

Smallish upgrades such as electronic ignition and similar modifications are not going to affect values much either way, and many of these kinds of sensible and practical enhancements are normally



welcomed by buyers. One thing for sure is that wheel choice other than the original Dunlop composite 2-piece black alloy and chrome wheels – a handsome and key signature feature of our cars - will not be regarded as adding value of any kind. An engine replacement on an otherwise original and solid car can rightly be regarded as a bonus in many eyes, yet if the purist buyer is looking for 'matching numbers' originality, then even this will become a point for further consideration.

The value of a car converted from say a standard 1800 MGB to a V8 is harder to assess because the standard of conversion and work undertaken varies enormously. A good number of differences such as prop-shaft, brakes, dashboard existed between the two models, not just the engine unit itself, so how they have been included in the conversion in terms of specification of the parts and workmanship will be a key part of a buyer's assessment of the car.

Note, the values in the updated price guide table have been based upon average prices of cars offered as private sales of both original and restored original Factory MGBGV8s, but they are not based upon conversions.

The Road Tax Free factor

With the recent VED amendment of 'historic' status pushed forward by one calendar year, those cars made or registered prior to 1st January 1974 will now benefit from tax free status from 1st April 2014. A current saving therefore of £225 per year for a full year's licence (£123.75 for 6 months) based upon an eligible 1973

MGBGV8 can now be expected. Inevitably this will have a positive effect on the value of qualifying cars, but by how much? At present we have no hard and fast proof of what that price uplift might be, so an 'as good as' estimation needs to be made.

One way of estimating the likely figure is to discount the future stream of VED savings on a VED exempt car and then generate a net present value (NPV) of the aggregate of those discounted sums. The choice of discount rate at present might be for example 4%. Another approach is based upon nothing more scientific than 'gut feel', using the former pre '73 tax free status as a rough guide to how that VED exemption status benefit affected the value of tax-free cars. Until we have actual figures for tax free cars sold post April 2014, then that is about all we can realistically expect for now.

Where to look for a good car?

Your first option is of course the 'cars for sale' section on the V8 Register's website, where photos and a description of the car for sale is given in good faith, normally by genuine enthusiasts offering their car for sale to genuine enthusiasts. A history of past sales, as recorded on the website, provides a useful additional reference for assessing model types and values and approximately how long they took to sell. The 'actual' sale figure will very likely differ from the original 'asking' price which, of course, must be borne in mind when assessing values at all times.

Besides the various classic car press, the best websites that are good sources of both private and dealer cars for sale and to purchase are those below - and unlike Ebay, these sites offer a free service for private sellers to advertise their cars.
www.classiccarsforsale.co.uk
www.carandclassic.co.uk
www.pistonheads.com

For buyers and sellers looking to take advantage of the strength of the pound versus euro equation and looking to widen their field abroad, then the www.mobile.de and www.autoscout24.com websites offer a healthy choice of cars (mainly LHD) from Mainland European countries outside the UK.

Classic Car auctions, of which there are many held up and down the country throughout the year, should not be

overlooked either. Once mainly the preserve of the classic car trade, more and more private buyers are attending and indeed buying good cars there. But just as in all other acquisition scenarios, there are plus and minus points to be considered and probably none more than at auctions, so be sure to read thoroughly the buyer and seller terms applicable to each auction before proceeding!

Updated price guide

Based on my review and analysis of prices of the three groups of MGBGV8 – the VED exempt chrome bumper cars, 1974 chrome bumper cars and rubber bumper cars – in each of the three condition classes, I have prepared a price guide chart.

Looking back at the earlier price guide prepared several years ago, there is no doubt that attitudes towards the market in general have moved-on quite a bit in recent years and I think buyers now favour 'quality' cars that are pretty much up to scratch from the word go, and far more than ever before. Therefore, the most significant differences between my new price guide table and the old table are the value differences between Condition 1 and Condition 2 cars. These have widened to reflect what I feel is the changing attitude of prospective buyers, so more are seeking a good quality car than before. This change is also supported by the cost of restoration and maintenance, which has crept up significantly (restorations more so than general maintenance) and if people can avoid this cost of having a great deal of work done, then they will generally try and do so by buying a better quality car right from the outset. I feel an additional factor is most people have less time to devote to maintenance.

Although they represent only a tiny percentage of the marketplace, I have included in my analysis an indication of concours values as well, so that fellow members can see that MGBGV8 values are finally being recognized for what they can achieve at the very top end of the scale. As you can see, I have set these all at £20,000 plus, mainly because this is a very special segment of the market and very much taken on a case-by-case basis. But the fact is, very top end chrome and rubber bumper V8s are selling for £20,000 plus, although clearly this is not the norm!

MGBGV8 type (RHD models)	Condition 1	Condition 2	Condition 3
	£	£	£
Chrome bumper V8s pre-1974 VED exempt	15,250	8,700	4,500
Chrome bumper V8s 1974	13,300	7,750	4,000
Rubber bumper V8s 1975/1976	11,400	6,500	3,500
Concours winning or total 100 point restoration	20,000	plus	