



Review of MGBGV8 prices

Adam Fiander volunteered to carry out a review of current market prices for MGBGV8s and provides a useful update of our online pricing guide together with his views on the factors and trends influencing prices. (March 2015)

General overview

With the continued upsurge of interest in owning and enjoying classic cars, combined with genuine investment potential for certain examples (if chosen correctly and looked after thoroughly), 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 MGBGV8, 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 and the market as a whole over the last 12 months is that good MGBGV8s 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 continuing creeping north over the last 12 months.

Colours

While this will always remain a subjective and emotive subject, colours do affect values to some extent and, in some 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 tend to 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. But they 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 MGBGV8s. For that reason alone they 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. So they 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, 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. That will be 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 MGBGV8s converted to chrome spec are not worth the equivalent value of a Factory built original chrome bumper car on a like-for-like condition basis. 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 a 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 very passionate owners, who may struggle to recoup their considerable 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 and 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 MGBGT V8s. They are not based upon MGBV8 conversions.

The Road Tax Free factor

With the recent VED amendment of 'Historic' road tax status now on a rolling 40 year basis, those cars made or registered prior to 1st January 1975 will now benefit from tax free status from 1st April 2015. A current saving therefore of £225 per year for a full

year's licence (£123.75 for 6 months) based upon an eligible MGBGT V8 can now be expected. Inevitably this seems to have had a positive effect on the value of qualifying cars over the last 12 months.

One way of estimating the likely figure of the tax free benefit is to discount the future stream of road tax 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%.

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 are 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 V8 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, and this 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. 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! A well-attended Anglia Car Auctions sale in January 2015 saw three MGBGT V8s sell very well including a Tundra coloured example (with leather trim and a walnut dashboard modification) at £17,010. That car reappeared on offer from a trader in barely two weeks at £22,500! A quite astonishing mark-up.

Updated price guide

Based on my review and analysis of prices of the three groups of MGBGT V8 – 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 MGBGT V8 values are finally being recognized for what they can achieve at the very top end of the scale. As you can see, I have included an indicative figure at £22,500 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 £22,500 plus, although clearly this is not the norm!

MGBGT V8 (RHD models)	Condition 1	Condition 2	Condition 3
	£	£	£
Chrome bumper MGBGT V8 - 1972/1974	17,250	9,750	5,250
Rubber bumper MGBGT V8 - 1974/1976	14,250	8,000	4,250
Concours winning or total 100 point restoration	22,500	plus	