MGBGTV8 market and price review – May 2021

Caution

Our UK market review and updated price guide are subject to an important caution as the classic car market has not been able to function as normal over the last 6 months with the various Covid social contact and movement regulations in the UK. Hopefully from 21st June the relaxations set out in the UK Government's "Roadmap" will help the market considerably. So our updated MGBGTV8 price guide for the 6 months to the end of April 2021 and market review are at best an indication rather than a guide.

Overview

Over the last 6 months we have seen:

- **Significant Covid social contact constraints in the UK** with a lockdown when major gatherings were required to cease with tough restrictions in areas with exceptionally high numbers of Covid cases and then Lockdown 3.
- **Continued classic car market activity** in the UK but with a reduced flow of MGV8s advertised for sale and many auction houses nimbly continuing to adapt to the constraints over physical auctions and establishing effective online auctions. Sadly we have seen signs that some MGV8 sales are likely to have been distress sales where the seller may have been suffering financial stress from the Covid constraints on their business or on their employment situation. Generally buyer interest and activity has been lower than in earlier 6 month periods, particularly during a deep winter period.
- **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.
- **Rumours of a resurgence of the alternative investor activity in the classic car market remain** as many people with increased bank balances during lockdown will be looking for alternative places to hold their funds. That could easily stimulate another period of "alternative investor" activity with some deciding to move cash into classic cars. When we last saw alternative investors active in the market there was a tendency for them to buy classic car "cherries" like Astons, Jaguars and Ferraris but there were also clear signs that their buying activity reached more modest segments of the classic car market like MGV8s. Over the next 6 months our Pricewatch team will continue to monitor signs of alternative investor activity.

Market activity over the last 6 months

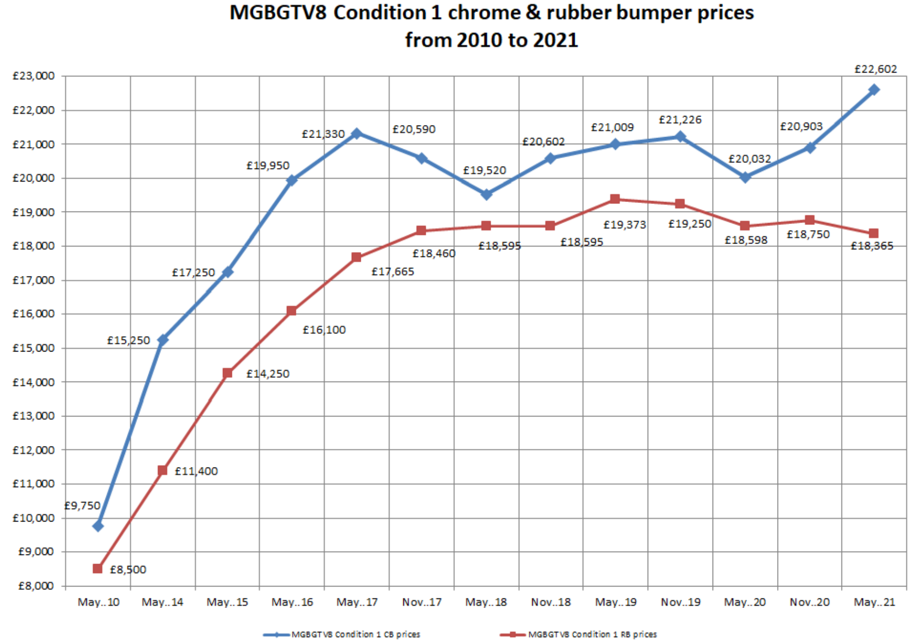
Our data shows the number of MGBGTV8s seen on offer in the 6 months to the start of May 2021 (**28**) was down by 26% compared with the period to November 2020 and down 47% from the 53 seen in the 6 months May 2020. Clearly the extended lockdown measures introduced by the various regions of the UK have had an impact on MGV8 sales activity and 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 the established online auction sites, and many buyers and sellers were gradually adapting to the new online arrangements. With the Lockdown 3 constraints Covid compliant arrangements for showroom visits, inspections and test drives together with sanitising procedures were difficult. With private sales one might have expected a logical step for existing advertisers or those wishing the sell an MGV8 might be to postpone their offer to sell a car and indeed a fall in "private sale" adverts has been seen.

As the various regions in the UK move out of lockdown, advertising and sales activity is likely to increase and some physical auctions will reappear and it's very likely more MGV8s will be seen on offer through adverts, traders' showrooms and at auctions with greater sales activity, particularly over the May to October 2021 period when seasonal interest in classic cars tends to rise in any case.

In the short term with an increase in MGV8s seen offered for sale enthusiasts keen to get an MGV8 may see good buying opportunities whilst prices continue the general flatline pattern we have seen for some time (see chart below). The supply of MGV8s offered for sale may be restrained initially before that increased buyer activity brings about a rise in prices and then more potential sellers offering their cars.

Market

The sustained recovery in Condition 1 chrome bumper cars from May 2018 reaching £21,226 in the 6 months to November 2019 appeared to have ended in our November 2020 review, but over the last 6 months with only a relatively few **Condition 1 MGBGTV8s offered for sale there has been an 8% rise from £20,903 to £22,602** but with only 7 seen offered for sale the data is thin. There has been little data on rubber bumper Condition 1 MGBGTV8s sales in the 6 months review period – in fact only two Condition 1 rubber bumper example was seen offered for sale, so effectively indicating flatlining continues.



Note: no consistent time scale prior to May 2017 so earlier data & trend indicative only.

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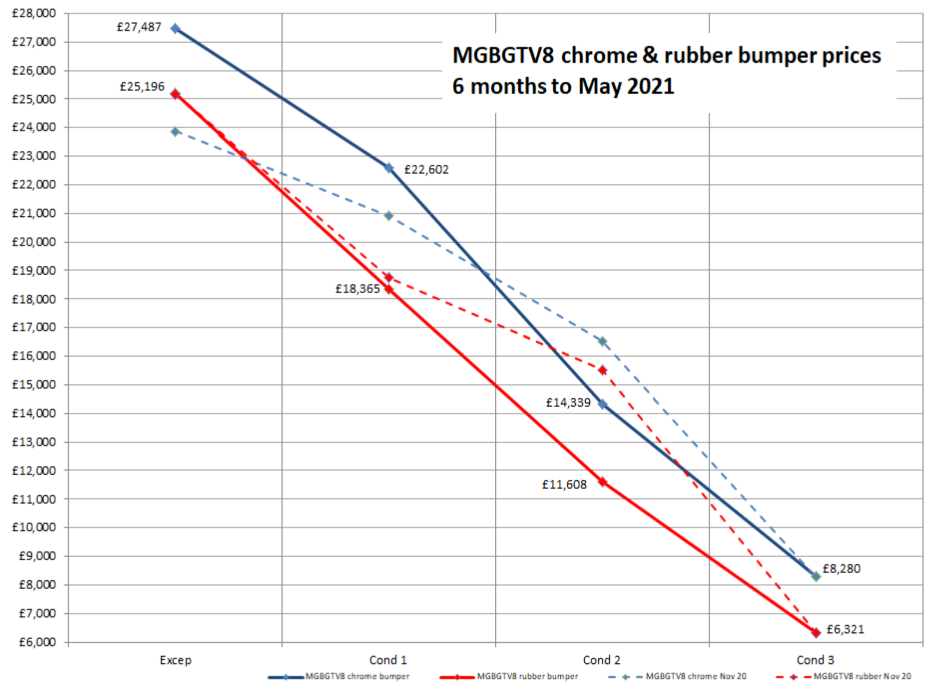
Comparing the prices - 6 months from early November 2020 to May2021

Price guide table - MGBGTV8				
as at November 2020	Excep	Cond 1	Cond 2	Cond 3
Chrome bumper	£23,871	**£20,903**	£16,533	£8,279
Rubber bumper	£25,175	**£18,750**	£15,532	£6,321
Price guide table - MGBGTV8				
as at May 2021	Excep	Cond 1	Cond 2	Cond 3
Chrome bumper	£27,487	**£22,602**	£14,339	£8,280
Rubber bumper	£25,196	**£18,365**	£11,608	£6,321
Price changes Nov 20 /May 21				
Chrome bumper	15.1%	8.1%	-13.3%	0.0%
Rubber bumper	0.1%	-2.1%	-25.3%	0.0%
Chrome/rubber difference (£)	£2,292	£4,237	£2,731	£1,959
Chrome/rubber difference (%)	9.1%	23.1%	23.5%	31.0%



Price chart for the four MGBGTV8 condition classes with the prices for **May 2021 as a solid line** and those for **November 2020 as a dashed line** alongside. Lines on the chart are: **Chrome bumpered MGV8s (Blue line)** and **Rubber bumpered (Red line)**

Condition 1 prices are often seen as the main guide to the market and over the recent 6 months with a much reduced level of sales data **chrome bumper MGBGTV8s prices have eased up by 8.1%** as in the previous 6 months period and rubber bumper prices have flatlined compared with a rise of **5.6%** in the 6 months to November 2020. But in both 6 months there was very little rubber bumper data.

Exceptional condition prices depend, as always, on what Exceptional cars are on offer and in the recent 6 months eight were on offer with one at the top end of the class at £39,995. The average price in the Exceptional class was **£27,487**.

Condition 2 prices possibly suggest a continuing interest from buyers with tighter budgets buying good examples where in lockdown and as a new owner they can spend time on refurbishment work to take the car closer to Condition 1. Over the last 6 months we have seen Condition 2 chrome bumper prices fall by just over 13%.

Condition 3 prices – we have seen no Condition 3 cars on offer although on various forums we know a number of Condition 3 MGV8s have been undergoing major restorations during the lockdown periods. But the reality is if the buyer's aim is to carry out a rebuild of a Condition 3 car to Condition 1 or 2 or in between, the economics of that project are marginal even if much of the work is undertaken on a DIY basis by the new owner.

Number of MGBGTV8s seen offered for sale in the 6 months to May 2021

At only **28** the number seen for sale was down 26% from the 38 seen in the 6 months to November 2020 and down 47% from the 53 seen in the 6 months May 2020.

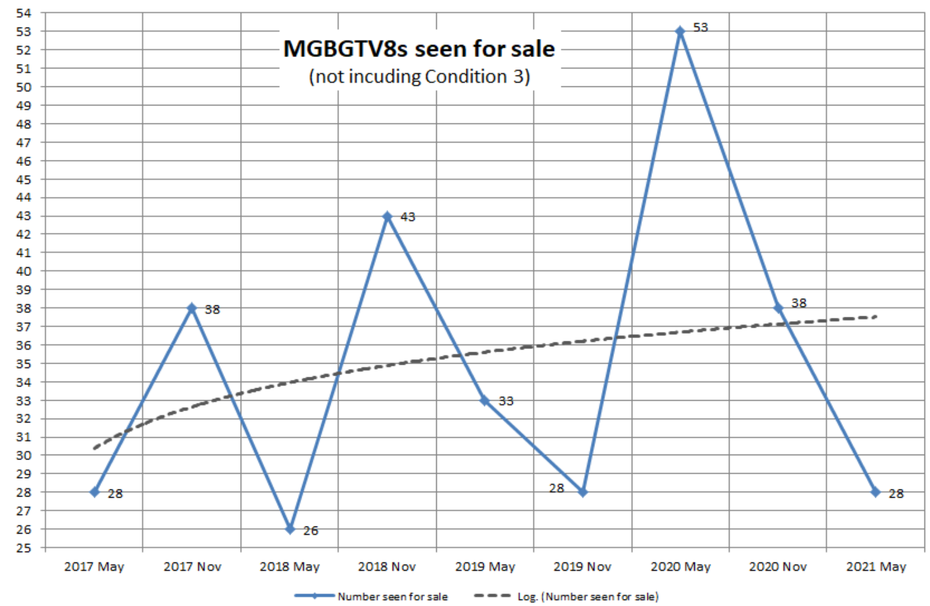


Chart showing the number of MGBGTV8s seen offered for sale during each 6 months period covered by our recent market reviews.