

MGBGTV8 market and price review – November 2022

Overview

Although Covid has not gone away and cases are rising again when compared with Autumn 2021, the vaccines are helping us return to normal life. The **major concern has been the large increase in fuel costs and much higher food costs leading to an increased cost of living in the UK** caused by Russia's invasion of Ukraine (which began in late February 2022) and then a **foolish Mini Budget in the UK** at the end of September 2022 which seriously upset the financial markets and made the situation worse, particularly with higher interest rates. Those significant increased costs are hitting UK people causing a real focus for many on managing tighter household budgets. The consequences are reduced discretionary spending, not least on motoring costs. The key question is will those increased costs and domestic budget constraints hit 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 continue to be potential buyers?

Over the last 6 months we have seen:

- **Classic car enthusiasts have been using their classic cars to attend local and national events** like the Club's major annual MGLive! event in June 2022, the Goodwood Revival and MGB-60 at Gaydon. This was very welcome after the period of Covid constraints with much lower usage of classic cars.
- **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 have continued further development of their effective online auctions. But most potential buyers still need to make a thorough physical inspection of a classic car.
- **Classic car press has reported online auction activity has been noticeable** particularly in the sub £20,000 segment of the classic car market - classics from the 1980s and 1990s, like "hot hatchbacks".

MGBGTV8 market activity over the last 6 months

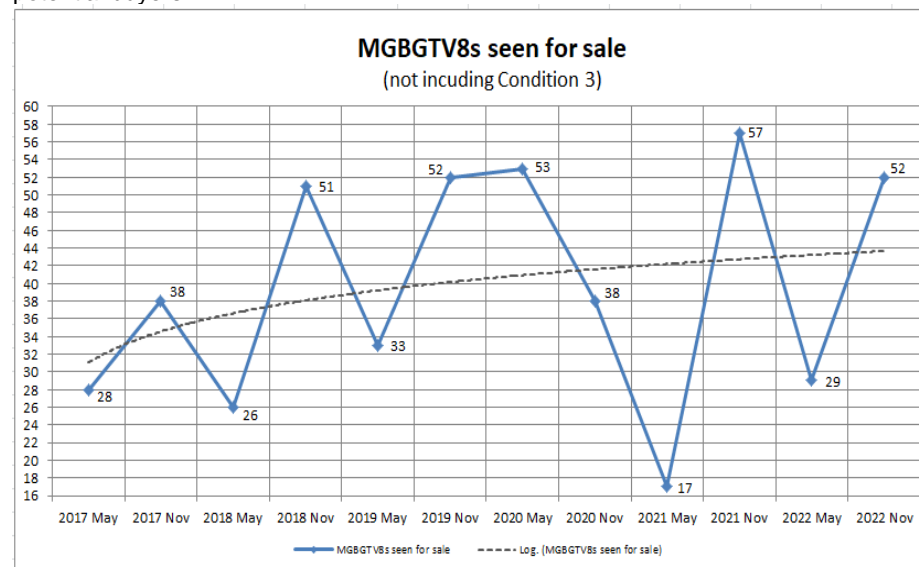
Continued activity has been seen in the UK market and with an **increased flow of MGBGTV8s seen advertised for sale or listed for auction** in the 6 months to November 2022 which has seen the return to the peak levels seen in November 2018 and 2019 (see the chart alongside).

From that chart you can see the impact of Covid on the number of MGBGTV8s offered for sale over several 6 month periods. The number of cars offered for sale is usually higher in the 6 months to the end October covering the "Summer months" and lower over the 6 months to the end of April covering the "Winter months". In May 2022 (29) we saw an encouraging 70% recovery from the low point in May 2021 (17) and now with the 6 months to November 2022 (52) we have seen a continued recovery compared with November 2021 (57). So the recovery seen in the 6 months to November 2022 may possibly be a sign of a continued recovery and a turning point in the level of market activity for MGBGTV8s after the impact of the period of Covid constraints.

However we are now facing a serious cost of living problem with steep rises in fuel and heating costs and also steep rises in food prices, manufactured goods, services

and interest rates. Pressures for increased wages are already seen and with a tight UK labour market most employers are struggling to recruit staff. Measures to try and control those inflationary pressures are likely to be brought in by the UK Government and the Bank of England. The consequences of those cost of living pressures will clearly lead to reduced discretionary spending, not least on motoring costs.

The key questions are how will those increased costs and domestic budget constraints hit the classic car market? Then 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 on the demand side others with deeper pockets might continue to be potential buyers?



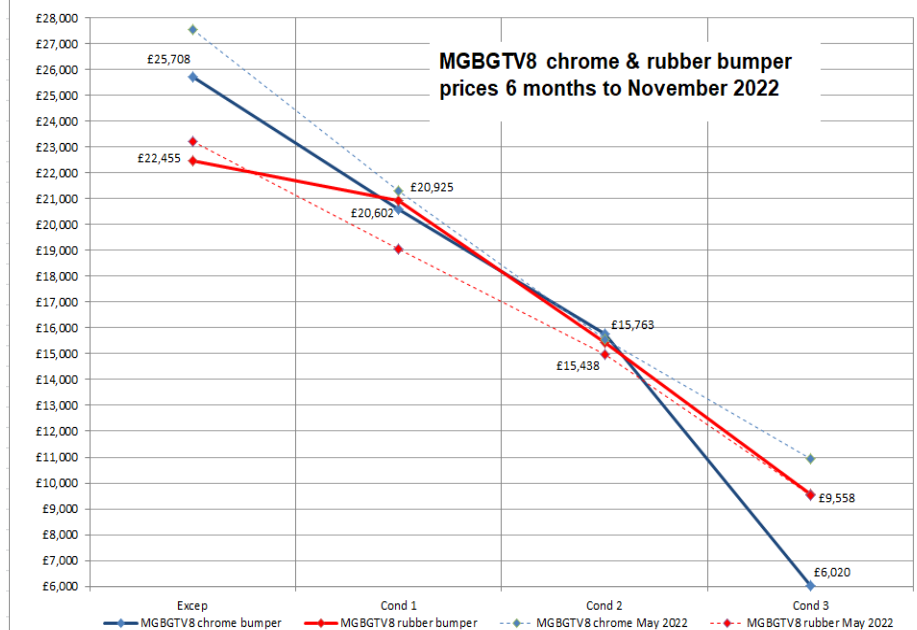
MGBGTV8 market

In the 6 months to November 2022 we saw **11 "Exceptional" condition MGBGTV8 for sale** including one which had seen a major rebuild with many upgrades. It was originally offered at £50,000 and was later reported as sold at auction for £24,000. With a total of **52 MGBGTV8s seen for sale** (excluding Condition 3 cars), **Condition 1 and 2 prices or chrome and rubber cars were near to flat** compared with May 2022.

On page 2 below the chart shows an interesting development over the 6 months to November 2022 with **Condition 1 and 2 MGBGTV8s prices of chrome and rubber bumper cars close together** showing only a small premium for chrome bumper cars. That suggests a significant reduction in the premium previously seen in the last 7 years for chrome over rubber bumper models, typically £1,500 to £2,000. It seems that **buyers of Conditions 1 and 2 MGBGTV8s are far more focused on condition** rather than the earlier disdain for rubber bumper cars.

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MGBGTV8 prices over the 6 months from May 2022 to November 2022



Price chart above is for the four MGBGTV8 condition classes with the prices for **November 2022 as solid lines** and those for **May 2022 as a dashed line** alongside. Lines on the chart are: **Blue line** (chrome bumper) and **Red line** (rubber bumper)

Price guide table - MGBGTV8

as at May 2022	Excep	Cond 1	Cond 2	Cond 3
Chrome bumper	£27,551	£21,309	£15,578	£10,925
Rubber bumper	£23,234	£19,053	£14,971	£9,530

Price guide table - MGBGTV8

as at November 2022	Excep	Cond 1	Cond 2	Cond 3
Chrome bumper	£25,708	£20,602	£15,763	£6,020
Rubber bumper	£22,455	£20,925	£15,438	£9,558

Price changes May 2022/Nov 2022

Chrome bumper	-6.7%	-3.3%	1.2%	-44.9%
Rubber bumper	-3.4%	9.8%	3.1%	0.3%
Chrome Bumper premium (£)	£3,253	-£323	£325	-£3,537
Chrome Bumper premium (%)	14.5%	-1.5%	2.1%	-37.0%

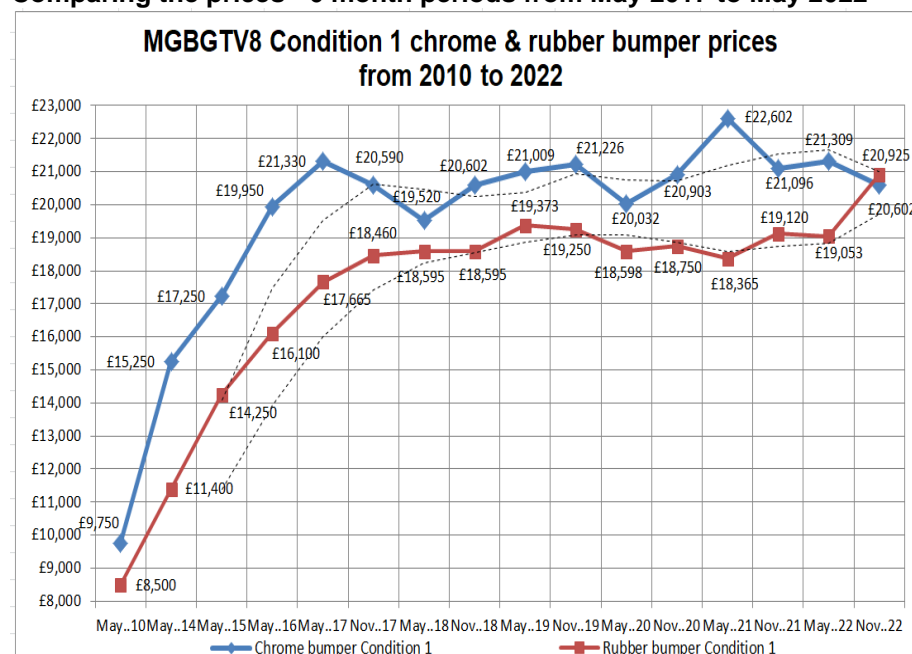
It's noticeable that Condition 1 & 2 prices for both chrome and rubber bumper cars have become closer over the last 6 months.

MGBGTV8s seen for sale in the 6 months to November 2022

	Exceptn'l	Cond 1	Cond 2	Cond 3	Total
Chrome bumper	10	18	15	4	43
Rubber bumper	1	1	7	2	9
Total	11	19	22	6	58

Only one rubber bumper car was seen for sale in each of the "Exceptional" and "Condition 1" classes compared with 10 and 18 chrome bumper cars.

Comparing the prices - 6 month periods from May 2017 to May 2022



Lines on the chart are: **Blue line** (chrome bumpered) and **Red line** (rubber bumpered) Prior to May 2017 the data & trends are indicative only.

The chart above indicates that the **prices of both chrome and rubber bumper Condition 1 MGBGTV8s (usually regarded as the marker price for the model) from November 2017 have very nearly flatlined**, if you ignore the rubber bumper jump in November 2022 from a single Condition 1 Plus rubber bumper car spotted on offer at £20,925. **It's likely the Condition 1 guide price for a rubber bumper MGBGTV8 is nearer £19,980 or even £19,500 so effectively close to flatlining from November 2021.** Prior to 2017 prices had risen considerably from May 2010 – Condition 1 chrome bumper cars were up by **111%** and rubber bumper by **117%**.

MGBGV8 market and price review – November 2022

Likely effect of rising energy, labour costs, interest rates and other costs on specialist restorations and replacement parts could be less rebuilds and restorations

With the steep rises in fuel, heating, labour costs, higher interest rates on business loans, increases in the cost of manufactured goods (like replacement body panels and parts for classic cars) and specialist services (like restorations and rebuilds of classic cars), **it's likely that fewer enthusiasts will decide to undertake major restoration work** because of the higher costs from restoration specialists. Even restorations carried out on a DIY basis will be more expensive from increased prices of replacement parts, so the likely consequence will be a **lower demand for Condition 3 cars** and consequently lower prices for Condition 3 cars offered for sale. The chart and table alongside have indications of that trend may be emerging already. Sadly in some cases Condition 3 MGBGV8s may become worth more broken for spares.

We are **also seeing less new "rubber bumper conversions"** as the rubber bumper model has become more popular after years with a preference for chrome cars. Also the cost of a chrome bumper conversion will increase with the current cost increases mentioned above.

What might we see in the market for MGBGV8s over the next 6 and 12 months?

The current economic uncertainties driven by the disruption to gas and oil supplies from the international tensions created by the Russian invasion of Ukraine and the continued hostilities there have created difficulties with increased cost of living burdens for most people and for businesses. Inflationary pressures have already developed and are adding to the economic problems. It's likely that many owners of classic cars like MG V8s will feel less willing to drive their classic car on long trips and a relatively few may feel their cost of living pressures might see them decide to sell their MG V8.

The classic car market for a model like an MG V8 is volume sensitive to an **increase in supply of cars for sale**. Over the recent six month periods to May 2022 and November 2022 we have seen from the "spots" of cars for sale reported by our Pricewatch volunteers, the numbers of MG V8s seen for sale (excluding Condition 3 cars) have been 29 and 52 for those periods – see the chart on page 1. Over the last four years from May 2018 to November 2022 the average for those periods has been 35.3 and 50.6, ignoring an exceptional low figure of 17 for the six months to May 2021 during the Covid constraints period.

On the demand side the same cost of living and economic issues are likely to be concerns for many enthusiasts who could be potential buyers as they would tend to reduce their willingness to buy a classic car over the next 6 to 12 months. With a reduced demand from buyers and a possible slight increase in the supply of cars offered for sale by some current owners, the likely consequence would be reduced prices. However there will be some potential buyers with deep pockets who may see those market conditions as an opportunity to buy a good MG V8 at an attractive price.

The next six month period for our MGRV8 price guide and market review will cover the period from the start of November 2022 to the end of May 2023. It covers what usually tends to be the less active "Winter" months for sales (typically around 40% to 50% lower than the "Summer" months to May), so our Pricewatch volunteer team will be following the market reports closely to try and see what market trends may be emerging.

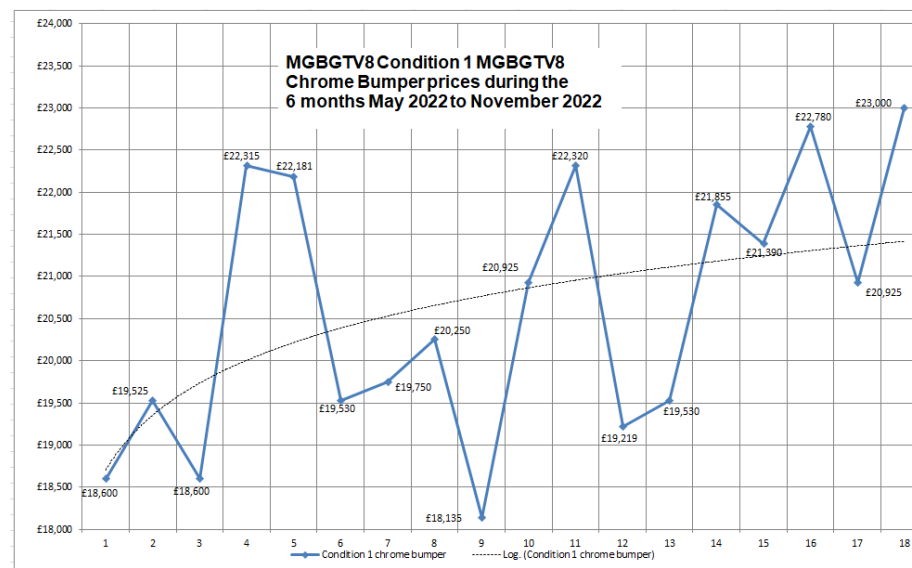
Auction activity

The auction reports seen over recent months in the popular weekly classic car papers like Classic Car Buyer and Classic Car Weekly have indicated a relatively high level of cars sold at auction, often 70% of those up for sale at the auction or higher, and recent comments by their auction gurus indicate a trend to lower reserve prices on classics under £30,000 listed for auction. It will be interesting to follow one of the last classic car auctions of the year – the ACA auction near Kings Lynn on Saturday 5th and Sunday 6th November - to see what cars are listed for auction with any reserve prices and then the auction results. Currently there are over 600 cars listed for that auction including 21 MGs, but so far no MG V8s are on the list.

<https://classic.angliacarauctions.co.uk/auctions/8348/anglia1-10041>

MGBGV8 chrome bumper Condition 1 prices been over the last 6 months

(From the start of April 2022 to the end of October 2022)



From the price guide table on page 2 the average price for a Condition 1 chrome bumper MGBGV8 for the 6 months to the end of October 2022 was **£20,602**.