

Classic Cars Outperform Property Despite Pullback

Car investment providing average returns of 404% over a ten year period, compared with 97% for housing.

The ten-year rolling average of collectible car prices has fallen from 457% to 404%, according to the latest report from Knight Frank.

Despite the market slowdown, collectible cars continue to outpace property as an investment by a factor of four-to-one. Over the past decade Melbourne house prices have increased by less than 100%.

"To put that into perspective, had you bought a collectable car for the same price as a house in 2007, your investment would now be worth \$1.69m. Your house would only be worth less than half that," says Benjamin Zachariah, editor of car investment advisory Harris & Silverman.

Even with the decline in the market average, hammer prices for modern classic cars from the 1980s and '90s have been exploding across European auction houses. "People who grew up in that era now find themselves with the disposable income to allow them to acquire the hero cars of their youth," says Zachariah.

Locally, prices for Australian muscle cars continue to see significant increases, with a Holden HK Monaro GTS 327 selling for \$210,000 at Shannons and a Torana SS A9X selling for \$260,000 at Lloyd's. Racing cars with significant histories have also been on a vertical trendline.

Notes

<https://harrissilverman.com.au/>

<http://www.knightfrank.com.au/research/knight-frank-luxury-investment-index-q1-2017-4749.aspx>

<http://www.abc.net.au/news/2007-07-28/melbournes-average-house-price-now-420000/2515676>

<http://www.abc.net.au/news/2017-04-20/median-house-prices-in-melbourne-the-highest-ever-at-826k/8457456>

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