

— Exclusive

Pandemic revs up Aussie demand for classic cars

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British auction platform Collecting Cars will ramp up its presence in the Australian market after it facilitated \$1.5 million in rare automobile sales in a soft launch, including a world record for a 1975 Porsche 930 Turbo.

The 18-month-old tech start-up oversaw sales of more than 1300 vehicles worth a collective £46 million (\$82.7 million) in the 2020 calendar year, which it claimed was the highest volume of any British auction house or online platform.

Richard Fowler, the platform's Australian head, said customer feedback indicated the record was a function of many investors seeking an alternative to wild sharemarkets during the pandemic, including Millennial collectors gaining exposure to the asset class for the first time.





A 1975 Porsche 930 Turbo sold for \$420,000 on the Collecting Cars Australia platform. **Daniel Pullen/Future Publishing via Getty Images**

“What we have noticed in the Australian market since launching Collecting Cars is that the ages of buyers have been extremely varied,” the former Formula Ford racer told *The Australian Financial Review*.

“Whilst a majority have been aged between 40 and 50, what we are noticing is that there is a fast-growing skew of younger bidders emerging.”

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“With the stock market so volatile at the moment, what we are hearing is the youth market are looking for safer investment options where they can still enjoy the asset.”

‘Exceeded expectations’

The HAGI Top Index, which measures performance in the market for “exceptional historical automobiles”, offered an annualised return of 12 per cent over the period 2010 to 2020, [according to Credit Suisse](#).

Since Collecting Cars commenced its Australian soft launch in January, local investors have generated \$1.5 million in sales via the platform. They included

\$420,000 for a right-hand drive 1975 Porsche 930 Turbo, which Mr Fowler said was a “world record” for the model.

The platform is also attracting sellers under the age of 30 as sports cars from the 1990s and early 2000s make the transition from “enthusiast” vehicle to valuable collectable sought after by experienced investors.

“Only recently we sold a 2004 Subaru WRX for \$86,000,” Mr Fowler said.

Sellers are able to retain 100 per cent of the highest bid while the buyer’s premium on Collecting Cars is 6 per cent, capped at \$10,000 in Australia, which the start-up says undercuts the economics of the traditional automobile auction market. Lots are typically levied at 12 per cent or more.

“After disrupting the European car auction market, our team is working hard to replicate that same success here in Australia,” he said. “The response so far has already exceeded expectations.”

A [Credit Suisse research paper published in December](#) argued investors should consider collectables including classic cars, alongside fine art, wine, jewellery and antiques, as an “integral part of wealth”.



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However, it also warned collectable markets can be plagued by almost as much volatility as sharemarkets. The HAGI Top Index, for example, had annualised volatility of 10.1 per cent over the 10-year period.

Lex Pedersen, a co-founder of collapsed retailer SurfStitch, [launched a private equity fund](#) late last year giving wholesale investors exposure to luxury cars.

The fund promises returns of between 8 and 10 per cent per annum and has a minimum buy-in north of \$100,000.