

Got the Hemi Pneumonia and the Big Block Flu

Figure a slide of 10%–20% from late 2006 prices across the board and you're not far off; the better the car, the less the correction



1970 Hemi 'Cuda sold for \$216,000 in 2004

The drag chutes are out for the Mopar Hemi muscle car market. Unquestionably the most visible and talked-about phenomenon in the last five years of stratospheric price increases, the Hemi 'Cuda and its corporate cousins gained value at an incredible rate.

Almost overnight, anything with a 426 Hemi literally doubled or tripled in price. The cars became poster children for the muscle car boom, and led the way for many others, including an entire industry that popped up to build Hemi car “continuations,” “tributes,” “resto-mods,” and “clones.”

Now what? Hemi car values are adjusting to a more intelligent level—much higher than where they started, but down from their peak value, which I feel was reached late in 2006.

Case studies: In 2000, I sold one of the best original, unrestored '70 Hemi 'Cuda hard tops for a world record \$75,000 at a time when ordinary examples were bringing \$40,000. It was a car deserving of the price; to this day, I haven't seen a better original-paint Hemi car, and this one was black with single-digit miles. As the market continued to rise, I ended up buying this same car back for \$95,000 and selling it for \$105,000, only to buy it back yet again in 2002, with the third sales price at my hands of \$135,000. By this time, ordinary cars were up to \$75,000, plus or minus. In 2003, I unearthed a one-owner, 9,000-mile '70 Hemi 'Cuda hard top in a barn and dragged it home for a restoration. I consigned it to Barrett-Jackson's 2004 Scottsdale auction at no reserve. It was a stunning car, albeit with a replacement block, and I anticipated

a sales price of \$100,000–\$125,000. It ultimately sold for \$147,500 “all in,” but even more telling was the '70 Hemi 'Cuda that sold about an hour later for \$200,000. The race was on. In the next two years, Hemi 'Cudas doubled in price, and other Mopar Hemi cars followed. A \$75,000 Hemi Road Runner became \$150,000, and right down the line anything that said “Hemi” on it was *the* muscle car to have.

Hemi cars WERE undervalued

The way I see it, the low production numbers and instant name recognition (no doubt helped by the famous “Does that thing got a Hemi?” commercials) exposed the fact that Hemi cars were undervalued. An iconic car like a Hemi 'Cuda with triple-digit production numbers should be worth some large multiple of a one-of-20,000 Barracuda with a 4-barrel, 440-ci engine—not just a 20% premium for the Hemi motor, which is what they were in 2000.

But as values adjusted, they overshot. Not helping this trend was the influx of terrible cars not previously

deemed worth restoration, which were quickly dragged out and given “auction restorations” to cash in. Good cars were (and still are) hard to find, leaving buyers to fight over the not-so-good cars. And we won’t even discuss the silly money made by multi-million-dollar Hemi E-body (’Cuda and Challenger) convertibles that led the prices for the solid roof cars.

As prices doubled and tripled for Hemi cars, and the quality of cars suffered, buyers began to look elsewhere for value, as what was once undervalued was now anything but. Big horsepower muscle cars from other manufacturers with similar production numbers suddenly looked cheap by comparison—and they are. Ram Air IV Pontiacs, Stage 1 Buicks, even Mopar’s own 440 6-Pack cars all offered Hemi performance and rarity at logical price increases from their pre-2000 values.

For example, a 1970 Pontiac GTO Judge hard top with the Ram Air IV engine—a car with almost identical production numbers to the 1970 Hemi ’Cuda—went from a \$45,000 car in 2000 to a \$125,000 car in 2006, versus a ’Cuda at \$350,000. How about a 1970 440 6-Pack ’Cuda hard top—\$30,000 in 2000, with the world’s best examples bringing \$150,000 in 2006. Again, very similar production numbers and arguably better performance than the Hemi, and almost identical visually. This is where the Hemi cars got out of round, costing twice the price of similar cars and charging ahead using a formula seemingly devised from thinking: “If a Hemi ’Cuda convertible is \$2,000,000, then

my hard top should be \$500,000.” Not so.

Further leading this charge was well-known Mopar muscle dealer Fred Englehart, who for several years had a hand in just about every high-dollar Hemi transaction. Unfortunately, about six months ago, Englehart dealt a shattering blow to the market he helped create when he admitted owing millions of dollars to sellers, and titles to buyers. Some Hemi cars are tied up in court, sellers never got paid, and buyers have possession but no titles. Mopar Collector’s Guide magazine ran the headline: “Mopar Empire Falls... Millions Lost.” For a market already on edge with overvalued cars and hesitant buyers, it was a bitter blow. Hemi prices were officially wounded.

Back to late-2005 pricing

As a tabloid TV show would ask: Where are they now? The easiest answer is late-2005 pricing for all Hemi cars. Great 4-speed Hemi B-bodies (Road Runner, Super Bee, GTX, etc.) are \$90,000–\$125,000; great 1970 Hemi ’Cuda hard tops are \$175,000–\$275,000, depending on options and transmission. And while the Mopar Hemi market adjusts and seeks its level between the bargain prices of five years ago and the crazy numbers of one year ago, predictably, this adjustment has affected all Mopar muscle cars, although not nearly to the extent of anything with a Hemi in it.

Figure a correction factor of 10%–20% down from late-2006 prices across the board, and you will be right. As with anything, the better the car, the lesser the correction. Demand continues to be high for very special cars such as excellent unrestored examples, or cars with unique options or special history.

But the best way to sum it up is that collectors who bought great Hemi cars in 2005 or before are safe, and buyers who jumped in to buy anything Hemi in the last 24 months—regardless of condition or history—are due for a well-earned haircut.

Looking forward, I expect values for great cars to return to logical numbers and stay strong, which will in turn get more collectors and enthusiasts back into the fold. This will displace the collector car speculators who have been so prevalent. The next five years should be at least as interesting as the previous five have been. ♦



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