

Taking Issue with Chicken Little

Baby Boomers may not know Ferraris, but they do know Mustangs, Chevelles, and 'Cudas, and they remember when their buddy's dad bought that GT500



A 450-hp two-tire fire

In January's SCM, Editor Martin and Contributing Editor Mike Sheehan both offered opinions on the muscle car market. They raised valid points, but I take issue with the "sky is falling" predictions.

As somebody immersed in the muscle car market, I feel I'm well qualified to address the issues raised by Martin and Sheehan. I'm writing this before the Arizona auctions and you're reading it afterwards, so you'll know if my crystal ball is accurate.

Arizona auction results notwithstanding, I believe there will always be buyers for muscle cars like the LS6 Chevelle hard top, which will maintain the current six-figure value for a "right" car. A good LS6 hard top (4,475 built) for \$100,000 is still the highest-rated horsepower GM muscle car ever built. And LS6 convertibles (20 built) currently trade at \$500,000 and up.

EXHIBITING INHERENT VALUE

They exhibit inherent value, and if you're able to give up a convertible top and limited production for a fixed roof and less rarity, you get an 80% discount. That can be the difference between owning a car or not, or owning four or five cars rather than one. There are more buyers for documented LS6s than there are cars. Of the 4,475 LS6 coupes produced, I bet less than 200 truly great examples remain.

I haven't met any buyers with \$80,000 Z/28s dying to get \$60,000 back, either. The only guys dying to dump cars right now are the ones who didn't know what they were buying and got stung. With about 35,000 survivors of the original 20,000 Z/28s built (!), it's even harder to find a real, documented car—which ensures the values of those cars are protected.

Martin uses the example of a 1970 Hemi 'Cuda convertible as a solid investment, with 14 being built. I don't like this example. I feel Hemi 'Cuda convertibles are overvalued with sales in excess of \$2 million—their true value, in my opinion, is around \$1 million. Sheehan wrote that Hemi 'Cuda hard tops are selling for \$1.5 million, but the average price for a 1970 hard top is around \$275,000, with the much rarer 1971 versions at \$750,000. Sheehan calls a Ferrari Daytona, a "gift from the gods" at \$225,000,

with 1,273 produced. Surely this measure applies to one of 652 Hemi 'Cuda coupes at \$275,000?

"ALMOST" CARS TAKING HUGE HITS

I believe there is great strength in certain areas of the market. The "almost" cars are taking huge hits in value and it's about time. But when good cars come up for sale, they often set records.

I don't believe that any car produced in numbers higher than 500 is ready for a 35% or better hit in the next twelve months, as Martin states. Production numbers aren't always the keystone of a car's true value.

I predict that cars with "stories" will become nearly sale-proof. Educated buyers I know are disciplined enough to keep their hands in their pockets until they find the right car. The wrong cars will go home with their tails between their legs, and the really good cars will become more valuable.

Mike Sheehan's economic overview relates to the collector car market in general, not just muscle cars. Sheehan may think the muscle car market is restricted to "small town boys made good" Baby Boomers, but last I checked, this was pretty much the same demographic buying Ferraris.

REAL, PASSIONATE BUYERS

Unlike the Ferrari madness in the late-1980s, we do have real, end-user, truly passionate buyers today—in all segments. Muscle cars have not gone up 500% in twelve

months, as Ferraris did before the “very ugly” correction Sheehan experienced in the last Ferrari bust.

Sheehan’s key criticism of muscle cars seems to be that the number of buyers can’t support the prices and that there is no inherent value to the cars. Whether or not Sheehan sees an inherent value, muscle car buyers clearly do.

Baby Boomers may not know what a Ferrari is, but they sure as hell know what a Mustang or a Chevelle or a ’Cuda is. And most were happy when the guy dating their older sister parked his ground-pounder in the driveway. Or when their buddy’s dad brought home a new GT500 and took the kids for that first eye-opening ride. These cars were viewed as an obtainable dream.

These buyers don’t want the slant-six versions, they want the best examples—the Six Packs, the Hemis, the LS6 cars. Their dreams have driven the market. Sheehan grew up in Canada, so perhaps his view is different. I grew up in the U.S., where we all wanted to be that cool guy in the muscle car. We weren’t concerned about what movie stars were driving in Monte Carlo, or if a muscle car was ever raced in a “romantic location.” In fact, our idea of a romantic location was either the back row of a drive-in or watching the submarine races while parked at Passion Point.

DON’T FORGET DRAG RACING, TRANS AM

And world-famous race wins? Sheehan overlooked one key, truly American sport that nearly every muscle car competed in: drag racing. We respected race drivers like Phil Hill and Fangio, but we watched Ronnie Sox rip

down the quarter-mile in his Hemi ’Cuda and identified with it. We could squint real hard and see our names on the door and our hand on the shifter, if only we could get that \$4,000, go to the Plymouth dealership, and drive one home.

We watched guys like Parnelli Jones and Dan Gurney take glorified muscle cars and rule the Trans Am series. Fifteen grand for a Ferrari that pulled a 15-second quarter-mile time that nobody knew how to fix or even find parts for? Uh, no thanks, I’ll take a twelve-second Road Runner Six Pack for \$3,700, please.

There’s no question some values are out of whack, but the market will fix itself. Prices on great cars will remain strong and return to more traditional appreciation, while other cars will take a well-deserved bullet.

Last year’s \$4 million GM show bus sale at Barrett-Jackson has no more bearing on the muscle car market than it does on the Ferrari market. Does the Ferrari 412S that RM sold for \$5.6 million against an expected \$8 million mean that the Ferrari market is crashing? Does it mean that a guy with the 365 GTB/4 Daytona is in trouble because a 1950s sports racer didn’t meet expectations? I don’t think so.

CORE OF THE MARKET THRIVING

The core of the muscle car market is thriving—the 10% of cars that have 80% of the buyers looking for them. Looking at the collector car market as a whole, three distinct categories of cars stand out: Full Classics, Sports and Racing cars, and Muscle Cars.

What do the prime movers have in common? Performance. The most valuable examples have the highest horsepower and lowest production, whether it’s a Duesenberg SJ, a Ferrari 250 GTO, or an LS6 Chevelle.

Ferrari collectors and muscle car collectors seek different thrills. Some guys gladly trade sophistication and international recognition for smoking tires and Burger World Cruise Night wow-factor. It’s as simple as that. Muscle cars are coming of age. I regard them as the last great American cars that will ever have collectible value. ♦

COLIN COMER is founder and president of Colin’s Classic Autos and an avid collector and enthusiast.

USRRRC SHELBY 289 COBRA

1:12 SCALE PART NO. G1202608
DIMENSIONS: 12.75L X 5.5W
MSRP: \$499.95

gmp
THE LEADER IN DIECAST REPLICAS

TO ORDER CALL: 1.800.536.1637 OR LOG ON TO: WWW.GMPDIECAST.COM

G Shelby and Cobra are trademarks and intellectual property of Carroll Shelby and Carroll Shelby Licensing, Inc. Used in model under license to GMP, 2006.