

The guide to automotive markets

Appreciating Automobiles



Drive your investments forward.

Knowledge - what we
learnt in 2023

Analyse - the latest trends
and themes

Outlook - what to expect
in 2024

Welcome

- “Cars continue to provide significant value beyond utility. Allowing enthusiasts and investors to draw the line between passion and profits closer and closer”



Harry Edworthy - [Founder of Autofolio](#)

Hello, and welcome to the very first Autofolio ‘Appreciating Automobiles’ report. This year has been quite a whirlwind. We’ve seen a lot happening around the world—some tough times, some uncertainty, but also some pretty amazing things, especially in the world of cars.

Trying to compare the challenges faced by the car market to everything else happening globally is tough. What matters most is that everyone reading this, I hope you are doing well, staying safe, and gearing up for whatever 2024 throws our way - challenges, opportunities, and everything in between.

So, in this report, let’s dive into the world of car investments. We’ll take a close look at the big moments, the surprises that caught us off guard, and the valuable lessons we’ve picked up along the way. Plus, we’ll explore the latest trends and themes in the market right now. We’ll even look ahead and share what to keep an eye on in 2024.

My main aim with this report is to give you a guide that not only helps you understand more about cars and how they could fit into your investment portfolio but also gives you an edge when buying or selling your next car.

I hope this report adds value, increases your insight into automotive markets and helps you drive your investments forward.

Harry

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Knowledge

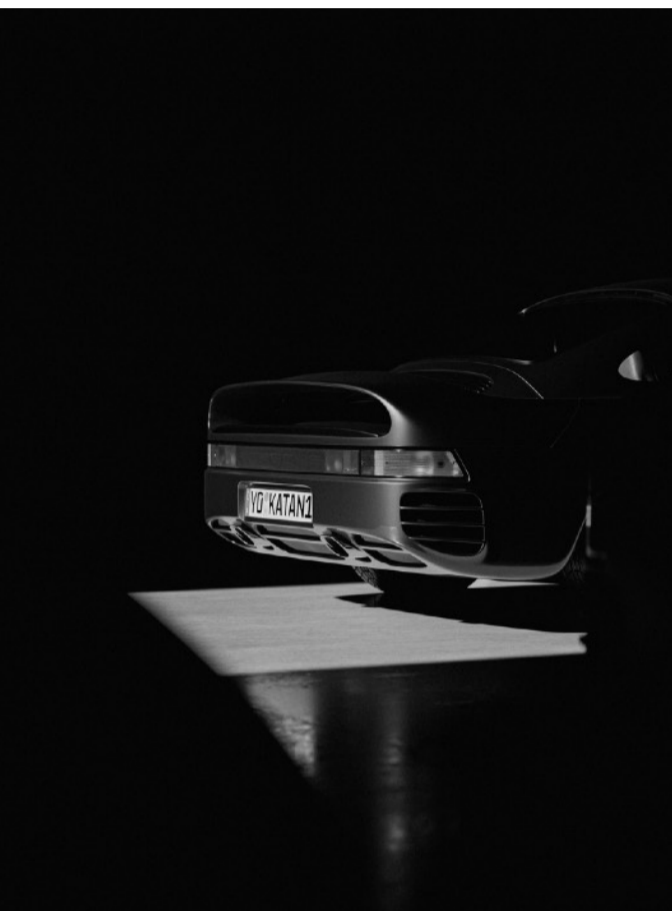
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Knowledge

Market Overview



The automotive market in 2023 weathered its own set of challenges, mirroring the trends across various other asset classes. This year we witnessed a demanding economic backdrop predominantly driven by challenging macroeconomic forces.

Persistent high inflation added layers of complexity to decision-making. Coupled with the trajectory of raising interest rates and a tightening money supply to combat inflationary pressures. These macroeconomic headwinds created a daunting environment for luxury assets, especially high-value investment vehicles.

However, amidst this turbulence, cars remained a resilient investment class. Despite the prevailing negative sentiment shrouding the market, cars showcased an impressive ability to preserve capital, providing a defensive aspect to portfolios. This performance not only defied the downward pull of the market sentiment but also highlighted the intrinsic strength of cars as an asset class, capable of withstanding adverse market conditions.

Moreover, within the market, a closer examination reveals an intriguing narrative. Despite observing an increase in the number of 'Fallers' - (vehicles facing depreciation) - throughout the year, the market displayed a remarkable trajectory of consistent performance. Over the medium term (3-5 years) the car market has outperformed a large proportion of other alternative asset classes.

This turbulent year not only demonstrated the capacity of the market to navigate adversity but also hinted at a promising horizon, teeming with opportunities for investors seeking long-term growth and stability within their portfolios.

Blue Chip Collectables

Risers

Vehicle	£ Oct-22	£ Oct-23	£ Increase	% Increase
Ferrari 250 LM	19,009,600	21,809,500	2,799,900	14.73%
Porsche 959	1,656,800	1,728,300	71,500	4.32%
Ferrari 250 GT	1,308,000	1,399,100	91,100	6.96%
Ferrari Enzo	3,749,600	3,950,400	200,800	5.36%

Fallers

Vehicle	£ Oct-22	£ Oct-23	£ Decrease	% Decrease
Ferrari 250 GTO	42,728,000	41,973,000	-755,000	-1.77%
Ferrari 250 California SWB	14,562,400	14,073,300	-489,100	-3.36%
Ferrari 288 GTO	3,575,200	3,374,300	-200,900	-5.62%
Ferrari F40	2,877,600	2,839,350	-38,250	-1.33%
McLaren F1	20,056,000	19,752,000	-304,000	-1.52%
Ferrari F50	4,447,200	4,361,900	-85,300	-1.92%
Porsche Carrera GT	1,656,800	1,399,100	-257,700	-15.55%
Mercedes 300 SL Gullwing	2,005,600	1,892,900	-112,700	-5.62%
Aston Martin DB4 GT Zagato	9,199,600	8,682,650	-516,950	-5.62%
Lamborghini Muira P400 S	19,184,000	18,929,000	-255,000	-1.33%

Sources: Hagerty *Values based on 'concours' condition cars. Price data convert in GBP from USD

Prestige Collectables

Risers

Vehicle	£ Oct-22	£ Oct-23	£ Increase	% Increase
Porsche 918 Spyder	1,700,400	1,851,750	151,350	8.90%
McLaren P1	1,482,400	1,934,050	451,650	30.47%
Ferrari F12 TDF	1,133,600	1,193,350	59,750	5.27%
Lamborghini Murcielago LP-640	342,696	373,642	30,946	9.03%

Fallers

Vehicle	£ Oct-22	£ Oct-23	£ Decrease	% Decrease
Lexus LFA	861,536	813,124	-48,412	-5.62%
Ferrari La Ferrari	3,706,000	3,621,200	-84,800	-2.29%
Ferrari 458 Speciale Aperta	867,640	785,965	-81,675	-9.41%
Porsche 911 GT3 RS 4.0	784,800	678,975	-105,825	-13.48%
Ferrari 599 GTO	844,968	823,000	-21,968	-2.60%
Alfa Romeo 8C	339,208	304,510	-34,698	-10.23%
BMW Z8	265,960	226,325	-39,635	-14.90%

Sources: Hagerty *Values based on 'concours' condition cars. Price data convert in GBP from USD

Examining the lineup of cars highlighted above proves that the automotive market has encountered a challenging stretch in the past year. This hasn't just affected the cars themselves but has also taken a toll on those investing in cars in the UK due to unfavourable foreign exchange rates between the UK and the US. The value of Sterling dropped compared to the stronger US Dollar over the last 12 months. This change negatively impacted the Sterling values of the cars listed above.

The bigger picture here is how the US market plays a massive role in the automotive investment market. It holds a significant influence on the value of cars worldwide. The decrease in the value of these cars isn't primarily because of the fundamentals of the cars themselves. It's essential to understand that this has been driven by economic factors rather than demand for the cars themselves.



Analyse

In recent times, car flipping has been seen as a smart way to trade or own new cars without large expenses. Over the last few years, three brands—Porsche, Ferrari, and Land Rover—emerged as favourites among car flippers. These manufacturers faced a significant imbalance between supply and demand for several of their models. This resulted in these cars being valued significantly higher than their dealership list prices. This imbalance was partly due to a shortage in supply and a surge in demand from people ordering cars during 2020 and 2021, taking advantage of affordable car finance options.

However, considering the rapidly changing dynamics of the automotive market, it's worth questioning whether this trend is fading away. The answer isn't straightforward. On one hand, the traditional method of identifying rare, high-demand vehicles and selling them at a premium is becoming increasingly challenging. Manufacturers are adapting, and altering their strategies to mitigate such imbalances. They're also implementing measures to limit flipping, such as stricter allocation processes and ownership contracts when purchasing cars.

Manufacturers' efforts to ramp up production and address supply shortages are reshaping the market. Supply shortages are now getting closer to becoming a thing of the past. This has been combined with falling demand for new cars, which has led to cars that had been previously trading above list price now being offered at a significant discount directly from the dealership.

Now-shifting consumer preferences are creating new niches for potential car flipping. It might not be the same as before, but the concept of identifying undervalued vehicles and selling them at a profit is likely to evolve rather than disappear entirely.



Vehicle	£ Premium 2022
Porsche 911 Turbo S (992)	20,000
Porsche 911 Carrera GTS (992)	10,000
Porsche 911 GT3 (992)	75,000
Porsche 718 Spyder	10,000

Vehicle	£ Dec-22	£ Dec-23	£ Decrease	% Increase
Porsche 911 Turbo S (992)	200,000	165,000	-35,000	-17.50%
Porsche 911 Carrera GTS (992)	145,000	130,000	-15,000	-10.34%
Porsche 911 GT3 (992)	220,000	190,000	-30,000	-13.64%
Porsche 718 Spyder	95,000	85,000	-10,000	-10.53%

Let's look at the Porsche 911 Turbo S (992) as an example. It's Porsche's top-tier car in the 911 series, known for its power and prestige. In 2022, there weren't enough Porsches available, so cars like the Turbo S were selling for much more than their usual price – sometimes £20,000 higher. People were willing to pay between £200,000 to £230,000, depending on the car's specification. But things changed in 2023. More cars were being delivered, and interest rates for financing were higher. This caused prices to drop by 17.50%, even though the factory had increased prices. Usually, higher factory prices mean higher car prices, but that didn't happen.

Ferrari's Fall



Recent shifts in the automotive market haven't solely impacted Porsche's valuations; they've also begun to affect Ferrari and particularly those involved in 'Ferrari flipping', potentially leaving them in a bind. Ferrari stands as one of the world's most esteemed brands, a status it upholds by placing great emphasis on safeguarding its image. This involves controlling who can purchase their cars, dictating which models are available, and even specifying the configurations buyers can select. Securing allocations for coveted Ferrari models that appeal to car flippers has become exceedingly challenging without, and I don't say this lightly, investing millions of pounds. Despite these hurdles, the premiums attached to these Ferrari models are on a downward trend.

Vehicle	£ Premium Jan 2023	£ Premium Dec 2023
Ferrari 812 Competizione	800,000	500,000
Ferrari 296 GTB	10,000	0
Ferrari 812 GTS	20,000	-15,000
Ferrari Purosangue	/	150,000

Outlook

What to expect in 2024

Here are our key themes for automotive market in 2024:

Deals, deals, deals

1.

Car valuations in the recent past were greatly influenced by substantial supply shortages and heightened demand following the COVID-19 pandemic. These dynamics were further intensified by a low-interest rate environment, making purchasing of new cars notably more accessible to a wider market. Consequently, there was a period marked by fixed prices for new cars, with certain models even selling above their listed price due to the scarcity. As we progress into 2024, the landscape of the automotive market has undergone significant shifts. Dealerships are reverting to offering discounts and introducing deposit contribution schemes to stimulate new car sales once more. We anticipate that the enticing deals previously experienced in the new car market will resurface, presenting buyers with opportunities akin to those observed in the recent past.

The best and the rest

2.

The enduring trend within the investment car market, prioritising the ownership of top-tier, high-quality vehicles, has remained consistent over the years. Looking ahead to 2024, we anticipate this trend to persist, with a pronounced focus on acquiring the 'crème de la crème' of automotive models. This pursuit of excellence is poised to grant collectors a distinct advantage, enabling them to surpass market expectations. Recent auction results at the close of this year have reaffirmed this notion, solidifying our belief that cars of the utmost quality will continue to demonstrate superior performance throughout 2024.

Falling finance

3.

The UK's car finance sector has witnessed a steady upward trajectory in rates over the past two years, largely influenced by the Bank of England's measures aimed at reining in inflation and aligning it with the 2% target. However, recent economic indicators hint at an economic slowdown and diminishing inflationary pressures. Anticipation is mounting for potential interest rate reductions projected to occur by mid-2024. Consequently, this imminent shift foretells a decline in APRs for car purchases, which is poised to heighten interest in acquiring cars. This impending reduction in finance costs serves as a favourable tailwind propelling forward all investments within the automotive sphere.

Modern classics

4.

Modern classics... a word that gets thrown around a lot in the investment car market. Modern classics are the gems sought after in the investment car landscape. This niche involves identifying contemporary vehicles poised to become classics. It's about acquiring these cars near their depreciation lows and holding onto them until they attain 'classic' status, potentially appreciating. Yet, despite the excitement around this concept, substantial opportunities remain present within this market segment. As we look ahead to 2024, a majority of our watchlist comprises vehicles from this very sector. These modern classics present enticing opportunities, offering more than just collectability. They promise drivability, lower maintenance costs, and exceptional value propositions, making them some of the most promising assets for high returns in the market.

Discover Autofolio's 2024 watchlist showcasing nine cars that are expected to increase in value, catering to various budgets. In today's ever-changing car market, recent turbulence has created unique opportunities. Our selection helps you navigate these changes, highlighting cars poised for appreciation, whether you're a passionate enthusiast or an investor looking for potential gains.

Watchlist

Porsche 911 GT3 Touring (991)

£175k-£190k

The Porsche 911 GT3 Touring represents a unique iteration of the iconic GT3 series, specifically tailored for touring enthusiasts. Distinguished by its wingless design and exclusively equipped with a manual gearbox, this variant offers a smoother ride compared to its winged counterpart. Notably, its rarity is striking, with merely 47 units delivered in the UK, making the car a gem within the UK automotive market.

What further elevates the allure of this model is its distinct configuration, unlike any other in the GT3 lineup. Unlike the current 992 GT3 Touring, which mirrors the winged version, this earlier iteration boasts its bespoke setup, contributing to its exclusivity and desirability among collectors and enthusiasts.

Moreover, the prestige associated with this model amplifies its investment appeal. Its scarcity, coupled with its unique features and reputation, solidifies its position as a valuable asset within the automotive investment market.



Audi RS4 Avant (B7)

£20k-£35k

Produced by Audi from 2006 to 2008, the Audi RS4 Avant (B7) is a member of Audi's RS lineup, celebrated for their performance, drivability, and practicality. This particular RS4 holds significance in Audi's legacy as the final estate car to boast a manual gearbox paired with a naturally aspirated engine. Notably, this engine also found its place in Audi's iconic supercar, the Audi R8, adding to the RS4's pedigree.

Audi's reputation for crafting high-quality vehicles is underscored by the RS line's exceptional performance and advanced engineering. The RS4 embodies Audi's rallying heritage and performance-centric DNA, further solidifying its desirability. Audi's unwavering dedication to quality and reliability amplifies the investment potential of this model.

The Audi RS4 has emerged as a coveted collector's item, owing to its unique attributes—the rare combination of a manual gearbox, naturally aspirated V8, and Audi's storied rally legacy. As these models become increasingly scarce, well-preserved examples are anticipated to appreciate, presenting a compelling investment opportunity. The RS4's limited availability is poised to elevate its allure, making it an enticing opportunity for investors seeking a piece of automotive history.



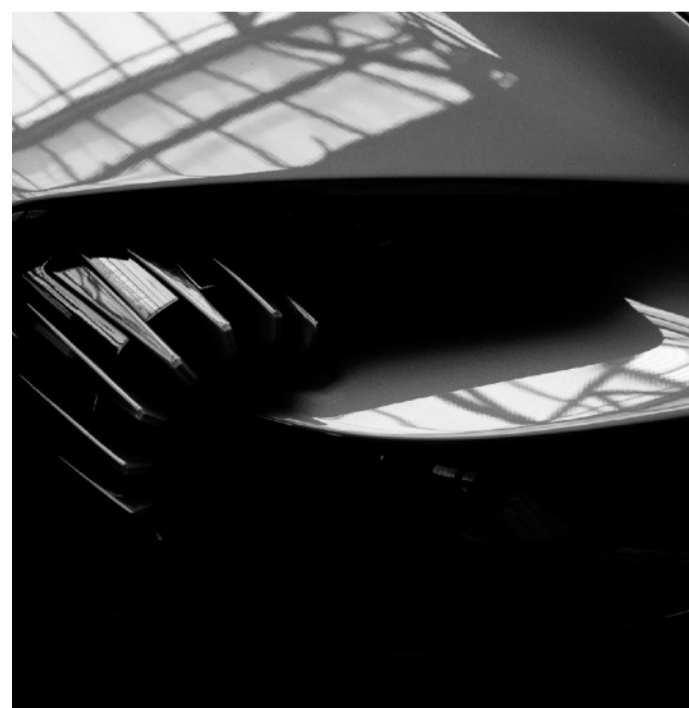
Aston Martin Vanquish Zagato Shooting Brake

£375k-£425k

The Aston Martin Vanquish Zagato Shooting Brake represents the pinnacle of the collaboration between Aston Martin and Zagato, redefining the Vanquish model. Notably, among the four variations born from this partnership, the Shooting Brake stands unique, exclusive solely to this iteration, thus amplifying its rarity and collectibility.

Limited to a production run of just 99 individually numbered vehicles, this model holds immense appeal to collectors seeking exclusivity. During its initial release, demand surged, leading to trading prices exceeding £1,000,000—nearly £400,000 above the list price. While current open-market valuations have experienced a decline, this presents an intriguing opportunity.

At an approximate £400,000 price point, acquiring the Zagato Shooting Brake emerges as a compelling investment prospect. Its exclusivity, unique design, and initial market demand position it as a sought-after collectible asset with the potential for appreciation over time.



Ferrari Testarossa

£125k-£200k

The Ferrari Testarossa stands as a symbol of status within automotive history from the vibrant era of the eighties, not only for the car's pedigree but also for its cultural significance. As a revolutionary supercar, it graced the walls of countless childhood enthusiasts, now grown and affluent enough to seek the nostalgia of owning this automotive legend.

The Testarossa's iconic stature, coupled with its historical significance, positions it as an investment opportunity worthy of consideration. When analysing valuations against other Ferraris from its era, the potential for further appreciation becomes evident, underlining its enduring value and allure in the collector's market.



Jaguar F-type Project 7

£100k-£120k

The Jaguar F-Type Project 7 is a bespoke tribute, initially conceived solely for showcasing at the Festival of Speed in 2013, commemorating Jaguar's seven Le Mans victories. Crafted by a small design team who created this D-Type-inspired masterpiece.

However, the unintended consequence of parading this car at Goodwood was its allure to affluent enthusiasts. The allure was so strong that what was once envisioned as a singular homage quickly turned into an exclusive, high-demand road car.

Jaguar surprised many by announcing a production run of 250 units, all of which were promptly snapped up. Initially commanding prices around £500,000 on the open market, valuations have fallen significantly from this point with cars now trading below list price. Considering their rarity, the enduring prestige associated with the Jaguar marque, and the current market dynamics, the potential for appreciation in the future seems undeniable for these exclusive cars.



Porsche 911 GT2 (996)

£110k-£135k

The Porsche 911 GT2 (996) fits into the iconic GT2 legacy crafted by Porsche. Renowned as the most extreme iteration of the 911, this model emerges from the turbo variant of the 911, meticulously redefined and reinvigorated by Porsche's GT division. Undergoing a thorough transformation within the GT division, this car underwent a rigorous weight reduction program and received a 10% power boost, tailor-made the car track bias.

The GT2 variant of the 911 boasts an impressive track record, setting a precedent for stellar performance. The 997 GT2 commands a market value of around £180,000, while the 993 GT2 trades at close to £1,000,000. Positioned as the most accessible option within multiple 911 generations, the 996 GT2 currently represents the most affordable entry point. This trend suggests a promising trajectory for the continued appreciation of this GT2 iteration.



Porsche 918 Spyder

£1.2m-£1.75m

The Porsche 918 Spyder stands among the esteemed 'Holy Trinity' of hypercars, representing the pinnacle of Porsche's engineering. It holds a unique position in the lineage of Porsche's 'hypercar' series, succeeding renowned models like the 959 and Carrera GT.

Evidencing its allure as an investment, a recent standout moment occurred during the 'White Collection' sale—an assembly of predominantly white Porsches alongside an assortment of automotive collectables. At the RM Sotheby's auction, a pristine Porsche 918 Spyder with Weissach package, finished in White with a striking dark blue interior and delivery mileage, set a new benchmark by commanding a remarkable \$3.938 million. This staggering sale not only underscored the model's desirability but also established a fresh record for its market value.

Further strengthening its investment potential, similar models have been exchanging hands in the UK market for approximately £1.75 million, indicating an enticing opportunity for investors seeking vehicles with potential appreciable valuations.



Ferrari F12 Berlinetta

£160k-£180k

The Ferrari F12 Berlinetta stands as a pivotal model within Ferrari's lineage of front-engine V12 road cars. Upon its 2012 debut, the F12 broke new ground by introducing Ferrari's acclaimed dual-clutch transmission, marking a significant leap forward in the brand's technological prowess. Notably, this car holds historical significance as the final front-engine V12 Ferrari crafted by the Pininfarina design house, renowned for creating Ferrari icons like the 250 GT and 275 GTB.

With production numbers in the UK being low with just over 300 units still on the road, the F12 Berlinetta presents a compelling investment opportunity. Its unique pedigree and limited production contribute to its allure as a sought-after collector's item. We hold firm in our belief that the F12's valuation trajectory will surpass that of its successor, the 812 Superfast, in the foreseeable future.



Volkswagen Golf GTI Clubsport S (mk7)

£30k-£40k

The impending discontinuation of the Volkswagen Golf, to commence in 2024, marks a significant moment in automotive history. Citing a prevailing trend favouring SUVs over traditional hatchbacks like the Golf. Volkswagen has made the difficult decision to cease production of the model. This announcement has deeply resonated with petrolheads worldwide, as the Golf has long been a symbol of innovation and driving pleasure.

While the end of the Golf era may evoke a sense of nostalgia and sadness among enthusiasts, this transition also signals an opportunity for automotive investors. Amidst the diverse lineup of Golf models, one particular model stands out—the GTI Clubsport S. Renowned for its racing-inspired design, two-seater configuration, and performance, this variant holds a cherished place in the hearts of Volkswagen collectors.

What sets the GTI Clubsport S apart is not just its engineering and driving dynamics but also its exclusivity. With a production limited to a mere 400 numbered units, the rarity and prestige associated with this model is high.





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