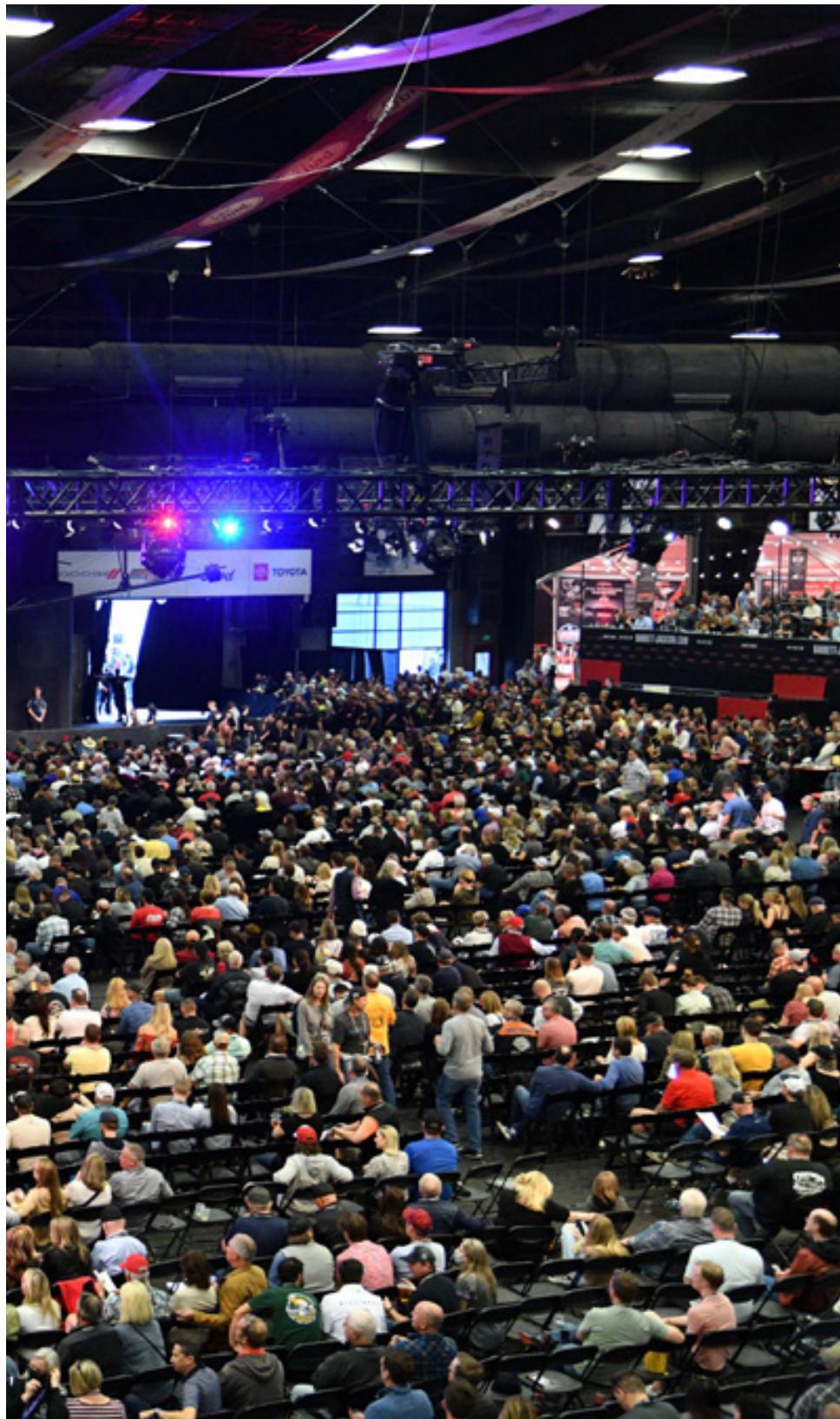


MARKET FOCUS



Courtesy of BARRETT-JACKSON



Barrett-Jackson's Scottsdale event broke 140 records in January — and set a new high-water mark for the event at just under \$200m in cars sold

Fueling Enthusiasm

The glitz and glamour of in-person auctions brought strong pricing in early 2022, but that's only part of the story

by JIM PICKERING

THE FINAL DAYS of 2021 were filled with a flurry of auction news.

First was Mecum, which announced a record-breaking \$578m year in 2021. That set the bar for land auctions in the U.S. and overseas, and it was powered by boosted prices across the board, from middle-market muscle through seven-figure, blue-chip collectibles.

And then came January, where Mecum's 11-day Kissimmee sale set another world record for a single auction with a final tally of \$217m in cars and automobilia.

A few weeks later, Barrett-Jackson followed that up with a \$203.2m Scottsdale blowout — the largest overall total in the company's 50-year history, and a sound \$100m bump over what they achieved in Scottsdale just ten months earlier.



LEFT AND BELOW At Gooding & Company's Geared Online Scottsdale auction, a very original 1963 Corvette 327/340 coupe sold for a stout \$335,500 against a \$200k to \$250k estimate, while a 1961 Maserati 5000 GT with body by Touring brought \$924,000 – the high sale of the online event

Across town, RM Sotheby's annual Phoenix auction totaled \$43.3m, while Bonhams brought in \$11.3m, Gooding & Company totaled \$6.9m, and Worldwide Auctioneers totaled \$9.7m.

Add that all up and you have a \$491.3m January auction total. Whew.

Live and Online

Of course, that total only applies to land auctions, and that's just a small section of the overall market — and an even smaller piece of the pie than it used to be.

Back in late December, Bloomberg ran a story on Bring a Trailer and its overall auction take from 2021: \$829m in total for the year, which dwarfed all other auctions — online or on-site.

That total reflected a 108% boost in sales from what the company achieved in 2020. That same story pointed out that for the first time ever, more online auction cars sold than in-person auction cars, which makes sense in the



Photos by MIKE MAEZ. All images copyright and courtesy of Gooding & Company.

midst of a pandemic. COVID pushed people online, and that push sparked results for the companies that had positioned themselves to take advantage of that online shift.

The most interesting metric out of BaT's total, at least to me, isn't the massive overall number. It's the average price per car: \$46,435. Yes, the company makes news for selling things such as a

1957 Mercedes-Benz 300SL Roadster with Rudge wheels for \$1.8m — which used to be land auction territory — but the key here isn't so much flash as it is volume. That \$829m in 2021 came from nearly 18,000 lots sold, each for about the price of a new F-150, at least on average.

Something big is going on. At Mecum and Barrett-Jackson, which both sold big

in 2021 and throughout the beginning of 2022, it was much the same story in January, but on a larger dollar scale. At both auction houses, million-dollar-plus lots were newsmakers, but the numbers makers were mid-market cars in the \$100k to \$500k range, all following a boost in values within the market that drove up each company's bottom line.

Again, the key was volume

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and enthusiasm, both of which grew. You'll see reports on both sales in the pages that follow.

The boutique auction houses also did very well with their high-level sales in Arizona, with new records for specific lots set nearly everywhere, from Gooding & Company to RM Sotheby's to Worldwide Auctioneers and Bonhams.

At RM Sotheby's, 94% of the lots sold — impressive for a sale that included reserve lots — and 24% of bidders were new to the auction house.

An alloy Mercedes-Benz 300SL Gullwing topped the charts at \$6.8m, which used to be Ferrari 250 SWB money, and a 1931 Duesenberg Model J brought \$3.4m, highlighting that Full Classics are still as strong as ever. Worldwide's \$2.26m Duesenberg Model J Berline and \$940k Chrysler CH (covered on p. 110) supported that as well.

That said, while many of the headline lots at the smaller, targeted boutique auctions did very well, the overall growth over previous years wasn't quite as stark. The difference? Volume.

Supply and Demand

Of course, none of this exists in a vacuum. These numbers come during a major shift in the U.S. auto scene. When's the last time you went to a dealership — any new car dealership — and saw a full lot of new cars for sale? Labor issues and component availability are keeping many

The talk of Arizona was this alloy 300SL, which stunned at \$6,825,000 at RM Sotheby's

dealers awash in empty parking spaces, and because of that, their sales models have changed.

These days, dealers have been forced to push people to place orders, much like they did in the 1960s, for their new cars. Sitting inventory isn't as prevalent as it used to be — and neither are the discounts that you might have found on a unit that's taking up space at the end of a month.

Add to that the state of the economy in general, which grew more in 2021 than it did in any year since 1984. And don't forget the U.S. personal savings rate, which shot up to higher-than-ever levels in 2020 and 2021.

In short, buyers had more money to spend and fewer places to spend it. And where they did spend, they've been paying more than they used to due either to inflation or to simple supply and demand.

But, hey, Mecum's on TV, and BaT is listing new lots every day.

Affect vs. Effect

Buyers in 2022 have more entry points into collector car buying than ever before, thanks to those televised auctions, online auctions such as Bring a Trailer, PCarMarket, GuysWithRides, Sonicbidder, and Cars & Bids — as well as the boutique auctions and private high-end dealers that drive the blue-chip area of the market. For them, 2020 and 2021 provided captive audience



KARISSA HOSEK ©2021 Courtesy of RM Sotheby's



MARKET FOCUS

At Bonhams in Scottsdale, this 1958 AC Ace roadster soared well above its \$375k high estimate, becoming the high sale of the event at \$516,500

attention — as well as a rethink of what people value — and that's helped to change the game and drive some pretty big gains overall.

Those numerous entry points are bringing more people into the market, too, which has been really interesting to watch. BaT selling \$829m in cars didn't take away from Mecum's year in 2021, for example. Both set records. The enthusiasm, it seems, is universal — and growing.

The one thing, however, that I think is important to note about all this excitement in the market is the notion of exclusivity. It used to be, back in the days pre-pandemic and even pre-housing crash, that market analysts would look at a high sale from somewhere such as Barrett-Jackson and chalk it up to the "Barrett-Jackson Effect."

In a nutshell, because a car was where it was, and how it was broadcast in a certain way — with a certain level of social participation — it brought a price that it could only possibly bring at that auction. Oh, a Pontiac GTO made \$150k at Barrett-Jackson? Well, that's just the Barrett-Jackson Effect in action. TV cameras, big crowds, fast-moving action and the lot. It couldn't possibly be repeated elsewhere, right?

I've heard the same "effect" descriptor applied to Bring a Trailer lately, and Mecum as well. In fact, every auction has its own reputation, and that reputation helps to power expectations as well as results. It's easy to assign a lot of value there, especially when numbers



Photos courtesy of BONHAMS



That social component has become a lot more valuable since the pandemic started, and I think it was a prime driver of a lot of prices at the beginning of the year — and it's not as hard to find these days. That social hit is, I think, more powerful today than any one company behind any one sale. Buying is fun — and bidding in front of a cheering audience is addictive.

Enthusiasm reigned supreme everywhere, and the auction houses didn't affect that change. They reflected it, each in their own way. And buyers? They were there for the experience, both of buying the car and owning the car — and if it cost more to do so in 2022 than 2021, many just didn't seem to mind.

The power that had over our near-\$500m month of January is significant.

Onward to Amelia

So where does that leave us as we roll into Amelia Island in March? Well, the on-site auction houses have already consigned a host of high-level cars as of this writing, including a bunch of current market sweetheart Porsches. Those have, traditionally, done very well in Florida, and with January's events now behind us but still fresh in mind, I think we're going to see more enthusiasm yet again. The Paris auctions, also upon us now, will also be telling, as that kicks off the international year, which will face its own challenges as COVID continues to linger.

One thing's for sure, though — the era of strong results, from TR6s on BaT to 911s on PCarMarket and muscle and customs at Mecum and Barrett-Jackson isn't over yet.

In fact, I think it's only just getting started. ☙

are climbing to levels we haven't seen before, just like they did in Scottsdale.

But again, the key here is volume.

I don't discount the excitement that comes with a high-profile moment on an auction block — or as a top commenter and bidder in an active online setting. But enthusiastic pricing nearly across the board suggests that the market is a new place in 2022. Clearly, high prices are dependent on a great car with great condition, options, paperwork and the like — which has always been the case — but they're also dependent on a social component as well, be it from a return to an exciting in-person experience or from a robust community interface.

Experts Pick

Sales that Mattered



A DIFFERENT YELLOWSTONE Park Model 706 than the one that Mecum sold for \$1,430,000 in Kissimmee was a \$150k no-sale in 2016. That bus had a pre-auction advertised price one old truck expert called "...a pipe dream \$395,000." More recently, another example, upgraded with a modern chassis and V8 — and properly yellow — sold last September for \$550,000. The new market or overly nostalgic? — Michael Leven, American auction analyst



THE JAPANESE '90S segment is booming. A 1992 Acura Integra GS-R sold on Cars & Bids on January 28 for \$18,810 all-in with premium with 168,000 miles on the clock. Unmodified examples of these are increasingly rare, and as millennials achieve the means, they are now seeking well-kept nostalgic cars from their youth. — Tyson Hugie, automotive journalist and blogger ☙