

LAP 39—IT'S A MATTER OF VALUE

Owning a Mustang is certainly special and something to be proud of. The MCA does an excellent job maintaining the standard with which cars are judged and providing different classes that create fair competition. This is a good thing because, in the end, it is a market, a mechanism that is useful in determining relative valuations. Your Mustang can represent a great investment. Other than your home, where else can you make an investment that provides the satisfaction received with just the turn of a key? If you're considering taking your Mustang racing, there is another market that's important to understand. One of my racer friends suggested taking a lap to explain a small misunderstood market that is also based upon relative valuation.

The real costs of racing a Mustang is in the operating cost. Consumables like tires, brakes, and fuel are variable costs based directly on the amount of racing done while items related to maintenance like the rear end, transmission, and motor are more periodic but add up quickly. Most competitive racers have several transmissions, rear gear sets, and an engine, changing whatever is needed between events and refreshing motors at least once a year. Competitive engines cost more than \$20,000 but that's what it takes to run up front. Everyone has heard how expensive it is to Vintage Race and this is the reason why. But, you don't have to run up front to have a great time. The average Mustang owner can easily run in the middle of the pack by spending wisely, not having spare transmissions or engines, and electing to miss a race if down for a mechanical reason.

The sales market for racing Mustangs is quite small compared to street cars but the good news is the supply is even smaller. This creates a unique and misunderstood market that keeps values higher than most expect. In the pits, most spectators don't have an idea about the value of the cars they're looking at because the market is so small and unfamiliar. One of my racing friends told me of a spectator conversation he overheard commenting about his BOSS 302 race car. "Too bad it's a race car, because it would be worth a lot more fully restored." Most non-racers don't understand the value of a race car because to them, personally, a restored street car has more value. This is an example of relative valuation. The "race car" they were looking at would sell for more than \$125,000 even though it was never raced "in the day" because it is currently competitive. Nice early Mustangs (1965-'66) that are race ready with a log book from a sanctioning body can easily bring in excess of \$50,000. It's a matter of supply and demand, matched with the value racers place on race cars based on the knowledge of how much time and money it takes to build and tune a competitive ride. It's this

tuning that really drives the value because the operating and maintenance costs are so high. It can literally take years to get a Mustang fully sorted out and competitive which is why a front running car is so valuable.

Most Mustangers know the coveted early Shelbys routinely bring big dollars in restored street condition. Sales of such cars are usually public and sensational, providing publicity for the broker while creating a good market for other less valuable classic cars. In race form, street Shelbys bring a market premium because of two things—performance and rarity. They are so rare that clubs that only allow sanctioned cars to run in B-production sometimes don't have any Ford-powered entrants. Remember, only the Shelby was sanctioned by the SCCA to run in BP in 1965 and 1966, not the fastback Mustang. Given the value of a street Shelby today it's reasonable to ask, "Why would you want to race one?" Racers understand a race car must be raced to maintain its value.

There is no right or wrong when it comes to enjoying our great cars. The value received is an individual thing and relates uniquely to each owner. Some prefer the daily driver while others prefer showing their Mustang at very high levels and maintaining the high standards set by the MCA. But there is another type of value and a unique market for racers. So the next time you're at the track don't

feel sorry for the guys with the race cars and believe they'd be more valuable in street form. If you're the competitive type, why not come on out and join in the fun on the track in your Mustang?

Don't worry, the value is secure.

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Charlie Jones, a.k.a.

Roadracer

