

asalah newsletter

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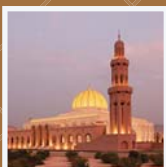
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Courtesy of Rally Royale



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CLASSIC CARS

Classic cars are new investment vehicle



As soon as you drive a new car out of the showroom it immediately starts to depreciate, according to the old adage. However, the same is not necessarily true of a classic car, one of which fetched a record OMR 13.3 million at an auction in 2014. It's easy to see why the 1962 Ferrari 250 GTO sold for so much: only 36 of these race cars that dominated the 1960s were made.

So what kind of investment is a classic car? Generally, truly "classic" models appreciate over time. For example, the 1976 Lotus Europa Twin Cam might have originally cost you approximately OMR 1,560; but today, it could fetch as much as OMR 22,000.

In fact, classic cars overtook art and antiques as long-term investments according to 2014 statistics, gaining

111% over five years and 469% over 10 years. However, collectibles are highly volatile and illiquid; meaning that classic cars in particular are typically collected by true enthusiasts rather than purchased as general investments.

Cars such as the 1960s Ferrari previously mentioned (along with Porsche and Mercedes models) have tended to drive the market – almost becoming their own market according to a 2014 CNBC report.

However, the rate of return needs to be considered carefully when investing in a classic car. If you're purchasing a car that needs a lot of work or renovation, it can turn into a "money pit" project that eats up capital.

OMAN'S CLASSIC CAR TREASURE TROVE

The collection of classic cars in Oman is a relatively new phenomenon, with the Oman Classic Car Club (OCCC) launching in March 2012 to cater to owners and enthusiasts. Speaking to the Muscat Daily upon the launch, the club's chairman Ahmed Al Saqri stated that Oman's garages could be full of hidden classic car treasures, as owners are sometimes unaware of the value of their vehicles.



"The owners might not even remember that they have cars of real value lying around as junk," he said. "If we go around garages in Wadi Kabir or Ghala, we could find real beauties lying forgotten under a heap of dirt."

A year after its formation, the OCCC organised its first classic car festival in Muscat, showcasing 50 vintage cars dating back to the 1940s until the 1970s and attracting 3,000 visitors over a weekend. Cars such as a 1949 Dodge Fargo, a 1963 Cadillac Eldorado, a 1958 Fiat, a 1965 Ford Mustang and a 1954 Buick Riviera made an appearance.

As regulations surrounding driving classic cars on Oman's roads are relatively strict, seeing any of these models out and about is a rarity. This is something that will change in November 2015 when Oman hosts its first rally – organised by Rally Royale from November 28th to December 17th 2015.

"There's clearly a passion for cars in Oman," Ruba Jurdi, founder and CEO of Rally Royale, said. "We've negotiated special arrangements to drive up to 26 vintage cars throughout the country," she added.

'OMAN GRAND TOUR'

Slated as the first long-distance classic car rally to be held on the Arabian Peninsula, the Oman Grand Tour hopes to attract both local and international pre-1970s car owners.

The tour will start in Salalah, venturing through the

Wahiba Sands and the Green mountains before reaching the capital Muscat. From there the tour ventures on to Musandam and concludes in Dubai, UAE, over 20 days and 3,000 kilometres.

"I chose Oman for many reasons, the wonderful landscape that varies from mountains to wadis, coastal roads, the heritage and culture, and above all its welcoming friendly people," Jurdi continued.

"I think there are a lot of people who I met in Oman, some I am close friends with now, who are really looking forward to seeing the cars on the roads. The group of drivers who are joining us is growing and we hope we can achieve our ambition and bring along the participants to 26 classic cars," she said of the event that is officially being supported by the Oman Ministry of Tourism, the Oman Automobile Association, the Middle East Association (MEA), the British Embassy and the United Kingdom Trade & Investment (UKTI) in Oman.

"Oman is building a network of beautiful roads and complementing these with some of the best hotels in the world in places that are unique to the region. As such, the tour has been particularly well received by everyone we met. Many of the cars we plan to bring are iconic marques from an age where a grand tour was a 'gentleman's' thing," added Jurdi.

"The tour will bring this exotic sport into villages and through rugged landscapes and cars will be exhibited for Omanis to enjoy," she concluded.