

RESIDUAL VALUES

Insights & Opinions from Automotive Industry Leaders



“It’s all about creating happy memories in cars.”

- **Stephen Serio**
Owner of Aston Martin
of New England

Interview with Steve Serio

What’s your back story, and what sparked your love of cars?

My dad was not a car guy. He treated cars as transportation, and had a knack for buying less than stellar automobiles. He was a beat cop in Watertown, west of Boston, and would pass by toy stores and come home with Matchbox cars for me. My mom was a travel agent, so I was also exposed to Corgi toys, which were the kings of automotive toys. I still have that toy car collection. We would take family trips to Europe, and to this day I remember being at Lake Como in Italy and seeing a yellow Ferrari Dino 246 with a peacock antenna in the middle of the roof. Those toy cars and that exposure to exotic cars at an early age is what shaped my life-long passion. In fact, I ended up owning a yellow Dino many years later.

How did you get started in the car business?

By no means was this car thing planned. I studied photography at Rochester Institute of Technology, then worked at a television station in Boston as a staff photographer. I also opened my own commercial photography studio, and worked at both jobs until I quit TV in 1987. I shot for all the Boston magazines, as well as annual reports for public companies, and portraits for peoples’ portfolios;

in the trenches doing every kind of photo assignment. During that time, I was also trading 50s and 60s Aston Martins as a sideline business.

Then two things happened that redirected my life. The recession hit in 1990, and most of the magazines folded, banks merged, and businesses stopped spending. My photography business died as a result. On the flip side, however, there was a run-up in the classic car market at the same time. From the late 80s into the early 90s, it was like the Internet stock craze 10 years later. I got caught up in that, and had a natural place to jump, from photography to the car world. This was not scripted career planning; it was simply a safety net for me.

Why the interest in Aston Martin?

My initial affinity for the marque was having grown up watching James Bond movies, and having the Aston Martin Corgi toys. More directly, I had traveled to Europe with friends in the mid-80s, and each time had noticed that, because of the exchange rate, there was a big difference between the prices of Aston Martins in the US compared with the UK. When the dollar was at parity with the pound, a lot of Americans had visited England and brought back right-hand drive cars home with them. Then over the years, the currencies shifted to where the pound was almost 2-to-1 compared with the dollar, and there were a lot of used Aston Martins languishing in the US.



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I had always liked the car – DB4s, DB5s and DB6s – so I went around the country collecting cars that no one cared about, and shipped them back to England. I found a guy in London who had a nice service / restoration facility, and he had a handful of clients we sold cars to. For several years my car business was exporting, or rather re-importing, Aston Martins back to the UK. That was the basis for the Aston Martin dealership I have now.

How does one get to be (according to Bloomberg) in the “top tier of an elite network of consultants and experts who buy and sell most of the world’s blue-chip vehicles”?

I started my brokerage business because I loved cars. There was no road map to follow. My membership in that “elite network” is based on two things. First, over the past three decades, I’ve purposely avoided the liars, cheats, thieves and weasels who’ve operated in the car business. Probably 90% of those people don’t exist anymore, so I’ve outlasted them.

The second and more important factor is that I’ve been able to find and align myself, personally and professionally, with around 10 people from across the globe who know where all the dead bodies are buried. They’ve all been in the trade for decades, and some of them operate under the radar. They are bona fide authorities on rare cars; some are the historians who write the books about specific marques. They are a very tight group of guys who can find almost any car in the world in less than 48 hours. You can hand one of them a million dollars in

cash to help build a collection, and a month later they might ask you, “Do you want your million dollars back?” They are knowledgeable and trustworthy, and we talk daily.

Why did you want to join this elite network of experts?

That involved another unplanned event in my life. In 2008, the recession nearly forced me to close the doors of my Aston Martin dealership. I came within 48 hours of having to take on a great deal of debt to remain in business, facing the reality that I would probably never be able to pay that money back. At that point, I realized that I needed to completely change the business paradigm, and to use my Rolodex of well-heeled clients to help them find rare cars.

The “aha moment” for me occurred at Amelia Island. Someone told me that they were looking for a buyer for a single seat 375 Ferrari; when literally 5 minutes earlier, someone else had been asking me for that specific car. I thought someone was playing a practical joke on me, but it was for real, and the coincidence hit me like a lightning bolt. So instead of selling 356 Speedsters, I began to focus on rare cars that were 25 times more valuable, for the same amount of work.

That was an important turning point in my life. Some time ago, when cars were regularly priced above \$1 million, I decided to make that my sweet spot, and I set a personal goal to sell 100 cars above \$1 million. I’m happy and gratified to report that I’ve almost hit that mark. How do ultra high net worth car collectors find you?

Clients find out about me by word of mouth, and it’s generally by referrals from a tight knit group of people I know or do business with. One client, for example, who I’ve helped put together an extensive Porsche collection, was referred to me by a mechanic who’s a longtime friend. A longtime classic car friend, who was someone I met when I was a commercial photographer, had a friend’s son cut his grass, who eventually became successful in private equity, and then he became a very good client as well.

A lot of my business involves being in the right place at the right time, and I would always rather be lucky than good. I might call people in my network, and ask, “Can you help me find a McLaren F1 for this much money,” and they will call me a week later and say, “Didn’t you tell me you were looking for a McLaren F1?” It’s sounds goofy and almost trite, but it’s all about doing business with the people you trust and respect.

Can you provide a short version of your widely read opinion piece on the outlook for collector values in the current economic environment?

The point of the article was that the COVID crisis is not going to create a fire sale in the rare car market. So far, I stand completely by what I wrote. Since the crisis began, I’ve not received a single call from anyone looking to sell a car at a discounted price. At the very top of the food chain, I have seen some \$10 million-dollar cars, that were already overpriced, come down to



what should have been a fair market price in January. A lot of people who were shooting for the moon, are now shooting for retail or close to it.

I've not seen any Grade A collectible cars come down in price. I've seen some people with great Grade B and Grade C cars come down on pricing, because in that market the buyers are far and few between at the moment, but they are there. Bring-a-Trailer, for example, is still going gang-busters, and the three big auction houses are figuring out how to get an online presence. The market has not tanked, and serious collectors are not worried.

Do collectors with 20 or 50 car collections actually drive all those cars?

They may be driving them more lately, because they've had the time to drive them, and the roads have been open. The clients I deal with don't buy things to collect like butterflies. Most of them have the intent to drive them. But they are busy with family obligations, board schedules, business trips, and other things that get in the way. They are hard-working guys who drive them as much as they can. They buy them with the intention of, if not using them now, either driving them on the track or showing them at big shows. On rare occasion, I've sold cars to people who just wanted to add cars to a collection, to pickle them and put them away, and they have some of the biggest collections in the world. Those cars probably suffer from non-use more than anything.

What's with your @therealbondgroup Instagram handle? How much of a real-world impact does being featured in a James Bond movie have on a particular car?

In fact, the name for my car brokerage business - The Real Bond Group - has nothing to do with James Bond. It relates to the bond of friendship with a group of guys who I do business with.

Aston Martin can certainly be most thankful for James Bond, and Lotus can be as well. It's added to great appeal in marketing over the years, as people have gotten older and wanted their own Aston Martin. You have guys my age who have a DB5, a DB9 or a DB11, and some of them have V8 Vantages. In fact, I have a huge poster in my showroom of Sean Connery leaning up against his DB5. I don't think the BMW Z3 or Z8, or the Mustangs and Citroens have benefited from any James Bond knock-off effect. In the new Bond movie, which has been delayed for release until the fall, there is a DB5, a V8 or regular Vantage from the 80s, so Aston Martin should continue to benefit from product placement.

You're a big fan of Paul Newman and Steve McQueen. Who's cooler?

Newman was the tortoise and McQueen was the hare. Ultimately, McQueen is the rogue, but I think that Newman was the more accomplished and the cooler guy. Newman was the more serious car racer. Didn't beat his wife. He was a nicer guy. I

photographed Newman back in my photography days, and it was one of the favorite pictures in my portfolio. Newman just did what he wanted to do. He knew his boundaries and he lived life to the fullest. Right by the exit in my showroom, I have a photo of McQueen from the LeMans movie. Fittingly, he's giving the two-finger salute.

You've said there's a paradigm shift in the collector car world, in terms of what cars are most desirable. Please explain.

I didn't think the next group of guys coming up would be as rabid and enthusiastic about cars as my generation. What I neglected to consider, perhaps because I was being a bit snotty, is that there is a big world of serious collector car people out there; they just don't happen to be driving cars that I care about. The cars from the 50s, 60s and early 70s - that I have built my career selling - are going to have to take a back seat to cars from the 80s, 90s and early 2000s, that the younger guys are buying now. They want to buy the cars of their youth. As this happens, I honestly believe that I am aging out of the business.

This paradigm shift is leaving me in the dust, which is why I need to constantly reinvent how to remain relevant in the business. For example, I'm getting involved with Porsche race cars through Cam Ingram at Road Scholars. But the big shift that's taking place involves guys in their 40s, who are putting hypercar collections together. That's not me. You don't call me to get a Koenigsegg, a Bugatti Chiron or



an FXX Ferrari, because I have no passion for those cars. I can't talk the language, and I don't know the small nuances in the marketplace or the models. I can accept that. I don't understand why someone wants a Mitsubishi, or would pay \$100k for a Toyota Supra, but there's a whole generation of enthusiasts who would, because that's what they grew up on.

A Financial Times article changed your role from a car expert to a financial advisor. Why are you uncomfortable with that role?

In 2012, FT published an article that ranked classic cars highly as an alternative asset class for investment. That sparked a false run-up in prices similar to the late 80 and early 90s. People were buying cars like they were selecting a stock, and investment firms were consulting with me in hopes of putting together a \$50 or \$100 million car fund. It's like the old adage, that when your dentist is giving you stock advice, it's time to sell that stock.

People were buying cars just to own them as potential investments, which is the wrong reason. When you buy a

car, it should either raise your blood pressure when you are driving it, or lower your blood pressure when you are in your garage having a drink and looking at it. What's most important to me, whether I'm driving my Land Rover, VW Thing or Porsche 911, is that those cars provide a fun way to take my kids to the beach, to go for an ice cream, or take them to an event. It's all about creating happy memories in cars.

How much has the COVID crisis affected your business?

The virus has curtailed the air travel part of my business 100 percent. I went to Europe 14 times in 2014. Last year I went to Europe 4 times in the last 2 months of the year alone. By now, I would have been there at least another 5 times. You can't buy a multi-million dollar car for a client without seeing it. This has been really hard for everybody, and put everything on pause... but certainly not on eject. In fact, I think there's going to be a great quick snapback. When some of these captains of industry return to work, after working out of their houses for 3 months, things are going to go nuts. In the past few weeks, I've already seen and participated in several \$1 million - \$10 million cars that have changed hands.

You're not a big fan of electric cars. Why is that?

I have no interest in driving an iPad. I've yet to see an electric car design or something visceral that would make me want to buy one. I've not driven the Porsche Taycan, which everybody says is remarkable, but the lack of engine noise, and lack of the internal combustion engine has not won me over. Every time I see a Tesla on the road, I think "How can that absolutely hideous thing be desired by anybody?" I just don't get it.

Any insights into your personal life, other than cars?

My oldest son Jack, who is 24, just got his license last year. I thought he was going to be a car guy because we did Karting for a couple of summers, and he went to Gokart camp twice. But I have high hopes for my 13 year-old twin boys, Enzo and Rocco. My wife is a serious car person. She grew up driving her family's shared VW Beetle and learned how to drive a stick at an early age. She has a 2014 Porsche Anniversary 911 and a 1967 Porsche 912. Other than family and cars, I do play golf when I have the time.

Stephen Serio Biography

Stephen Serio is recognized around the globe as one of the most respected authorities on classic European automobiles. He is one of a very small group of professional brokers who are engaged and trusted by serious automotive enthusiasts to locate, evaluate and purchase rare and highly valued cars for their personal collections.

Steve began his career as a professional photographer in Boston, and as a sideline business imported vintage Aston Martins from the United States back to the UK, where they were in high demand at the time. That side venture led to Steve's ownership over the past 34 years of Aston Martin of New England, a dealership located in Waltham, Mass. He is a graduate of Rochester Institute of Technology, and is frequently featured and quoted in business and automotive publications for his expertise across a broad range of historic marques.

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