

AUTOMOTIVE

## Quality, not tastes, should guide car collectors

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Phillips is displaying three rare Bugattis. Image credit: Miller Motorcars

By SARAH RAMIREZ

NEW YORK For luxury collectors to get the most out of their investments, they need to focus on quality and passion, according to a group of industry experts.

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During a panel hosted by auction house Phillips on June 20, speakers emphasized that while each generation may have different tastes, quality is timeless. A collector's admiration for specialty items, however, should not be discounted.

"The most important thing is the love and passion you have for something," said Maurizio Parlatto, chief operating officer of **Bugatti** of the Americas. "With vintage cars, it's the significance of that car for that time for the brand.

"I believe that cars are something special," he said. "It's an object of passion and love."

Innovation and quality

Phillips is collaborating with Bugatti to display three of the French automaker's rarest vehicles at its New York auction house until June 29.

The oldest of three cars on display is a 1938 Type 57C Atalante, which made its debut in New York's 1939 World Fair. The car is one of only 33 Atalantes produced by Bugatti.

Bugatti has a tradition of developing super sport versions of successful models, as is the case with the 2012 Veyron SuperSport available for viewing. It can reach 268mph and is one of less than 50 built worldwide.

The 2018 Chiron is only available by special order, and each is hand assembled at Bugatti's headquarters in Molsheim, France. The Chiron features a two-stage turbocharging system that generates 1,500 horsepower.

Along with Bugatti's showcase at Phillips, the auction house is working with the automaker, AIG Private Client Group and Miller Motor Cars to host a series of panel discussions.

Joining Mr. Parlatto on the premiere panel were representatives from **AIG** and **Phillips'** experts on watches and contemporary art.



*Bugatti's COO, Maurizio Parlatto, second from left, was among the panelists at a presentation at Phillips. Image credit: Miller Motorcars*

While Bugatti continues to push the envelope with its vehicles, the panelists agreed technology is also having an impact on the entire luxury market. For the automotive industry, this means turning to electric engines.

"With cars, we are in the middle of a revolution," Bugatti's Mr. Parlatto said. "We cannot make a combustion engine anymore in a few years."

It remains to be seen what lasting effect technology will have on high-end timepieces.

"So long as we wear time on our wrists and a smartwatch doesn't replace a smartphone, I think there's no real threat to mechanical watches," said Paul Boutros, head of watches for the Americas at Phillips. "I think people will always value the craftsmanship and something that will last an eternity."

The speakers also offered advice to those who are interested in starting their own collections. Jean-Paul Engelen, worldwide co-head of 20th century and contemporary art at Phillips, discouraged collectors from diving into purchasing.

"Don't buy things in your first year [of collecting]," Mr. Engelen said. "That's when you're going to make all of your mistakes. You have no knowledge and don't understand the context."

Phillips' Mr. Boutros encouraged collectors to turn to brands that innovate, rather than those that follow trends.



*Bugatti partnered with watchmaker Parmigiani Fleurier to model a timepiece after the Bugatti Chiron. Image credit: Parmigiani Fleurier*

"Focus on what appeals to your sensibilities, but know what makes a watch great," Mr. Boutros said. "If the value doesn't go up, you still end up with a watch you love."

"When you buy the best quality, you will always find a buyer in the future even when tastes change," he said.

The best collectors, however, must not just look at quality, but also the future of industries.

"People who collect must also understand what is next," Bugatti's Mr. Parlatto said. "I still believe in the experts and the vision of some people who can anticipate what is happening next."

Future car collectors

What is next often depends on the interests of the next generation to accumulate wealth, according to Ron Fiamma, global head of private collections at AIG.

"As the older generation passes away, their children the baby boomers, some even younger inherit their collections," Mr. Fiamma said. "It's an interesting phenomenon that they're not just cashing out the assets, they're just rolling them into a new series of collectibles that they want to collect. It goes from silverware to Bugattis."

Mr. Fiamma also alluded to the growing presence of ride-sharing as potentially influencing future car collectors.

Since early 2017, automakers including Cadillac, Porsche, BMW and Mercedes-Benz have introduced their own subscription ownership models, as affluent consumers are growing more accustomed to sharing goods, including personal vehicles. Unlike traditional purchasing, financing or leasing options, subscription models typically consist of one all-inclusive cost that covers renting vehicles, as well as insurance, taxes and maintenance ([see story](#)).

"It's incumbent on the car industry, and particularly the collectible car industry, to really foster a love of cars in the younger generation so when they grow up they'll have the same passion as older generations," Mr. Fiamma said.

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