



Investors see opportunity as taxi medallion prices 'bottom out'

By Gregory Bresiger

October 14, 2017 | 9:03pm | Updated



Hurry up and buy New York City taxi medallions while [they are still dirt-cheap](#), because a turnaround is likely coming.

That's the contention of some industry observers and investors, who have seen medallion prices crater as ride-hailing apps like Uber and Lyft have come on the scene.

Taxi enthusiasts say now is the time to buy a medallion, since prices have crashed and bargain-hunting hedge funds are already jumping in.

At a recent auction in Queens, 46 medallions were reportedly sold for an average price of \$186,000 each. The winning bidder was a Connecticut-based hedge fund, MGPE, which is expected to lease the medallions to a fleet owner.

The industry is also anticipating city government actions that might help boost the value of medallions.

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“I think the prices for medallions have bottomed out,” said Andrew Murstein, president of the taxi lender Medallion Financial.

“It is just a matter of time before people get confidence in the taxi system. New York City is going to survive,” added Matthew W. Daus, a former longtime commissioner and chairman of New York City Taxi and Limousine Commission. “These hedge fund guys bought because it was a bargain,” he said.

Taxi medallion prices reached an average of \$1 million in 2013, just before Uber and other ride-hailing services started to take away business. Many medallion owners who paid top dollar are now facing dire financial problems.

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Medallion owners are now expected to get help from the New York City Council.

Recently lobbied by a group of medallion owners who complained of overregulation and unfair competition, the City Council is considering surcharges and restrictions on Uber and other nontraditional pickup services.

Murstein said the government can and will likely help, and that taxis can again be a good deal.

“It is a tax-free investment because you can write the purchase off over 15 years, which you can’t do with stocks. This helps shelter income,” he said.

That makes investing in the taxi industry at big discounts attractive to hedge funds, Murstein added.