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Is the smart money still in luxury watches?

It's a question that is asked of our specialists by all our high net worth clients who have wristwatch collections.

Whether its a few 'accidental' investments or hardened collectors who purchase an item to open the box and admire the marvel of what they have in front of them... and then hide it away in a safe never to be seen again, the question of whether the smart money is still in luxury watches remains.

That is, until they need it to be valued or to provide proof to their authorised dealer that their name should be top of the list for that new GMT that us mere mortals have to wait more than a decade to get hold of.

As with most things of this nature, it is not an easy answer. If I were to ask one of my extremely learned colleagues "is the smart money still in art?" then the ensuing conversation could probably last hours, would definitely involve strong language, and ultimately would end with everyone having a subjectively correct answer.

Whilst we cannot predict the future, if the last decade has been anything to go by (including 18 months of complete global turbulence) the market has been strong beyond any comprehension that us watch enthusiasts could have possibly thought about 20 years ago.

Rolex, Rolex, Rolex. Without a doubt, the most recognisable brand of luxury watch in the world and probably the one that most people still aspire to own. Their marketing is exemplary, their product line is still world beating in many areas and owning one still makes you feel special... but, the problem is actually owning one.

If you have mustered the courage to enter into one of their boutiques to actually try on some of their timepieces, you will notice that you are being visually credit scored by both the assistant and security guard making sure that you really should be in here.

But when you finally see that 'Submariner' that you have dreamt of since seeing Timothy Dalton in Licence to Kill (Insert Connery & Dr No as required) you know it was all worthwhile, but just as you reach for your wallet, the blood drains from your face and you feel like Patrick Bateman trying to book a table at Dorsia.

You cannot buy a brand new Rolex Submariner. Really. Seriously. We could talk about examples such as the 'Pepsi', 'Coke', 'Kermit', and 'Starbucks' models and show even larger increases in value, however this should give an overview on why your clients need to have their watches valued on a regular basis, and it's not just Rolex – Patek Philippe and Audemars Piguet, many other high end brands command eye watering prices on the secondary market.

For instance, the GMT Master II 'Batman' had a brand new retail price of £7,750 and the secondary market price reached up to £17,000. Likewise, the Submariner (no date 41mm) had a brand new retail price of £6,450 and a secondary market price of up to £12,495. We also saw that the Daytona Cosmograph (40mm Oystersteel) had a brand new retail price of £10,500 and a secondary market price of £25,000... so is the smart money still in luxury watches? We shall leave you to decide!

Courtesy of Doerr Dallas Valuations

Article taken from the 'Exclusive' newsletter of our sister company Eastwood Private Clients, and is provided courtesy of Doerr Dallas Valuations.

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