



# Which Luxury Watches Hold Their Value Best?

BY CARL BLACKBURN

Last month I spoke about Rolex appraisals and the various factors that go into determining the value of pre-owned luxury watches (condition, year, rarity, complexity, materials, etc). But now the question begs, “How much can you expect that value to depreciate over 5 or 10 years?” and “Which watches hold their value best?”

## Factors That Affect Watch Depreciation

One way to think about the depreciation of a luxury watch is to compare it to a luxury car. We all know that as soon as you buy a brand new car and drive it off the lot, it no longer holds the original value. The depreciation of a Ferrari, however, is going to be vastly different from the depreciation of a Honda. The same goes for watches. And to determine how much or how little a watch will depreciate, we must consider the points I brought up in last month’s article.

One of the biggest factors, of course, is condition. Many clients are unfortunately misled when they do their own internet research and estimate their watch is still worth about \$5,000, and then when they take it to me for an appraisal, I have to inform them that the watch is maybe worth \$2,000. The difference here being condition. Alongside condition is the originality of the watch. Are there any replacement parts or after-market additions? Just like with an antique car, these will hurt the value.

Additionally, we must consider complexity. A luxury Swiss watch with complex movements that underwent a limited production is certainly going to retain more of its value than a watch that was made in minutes by robots on an assembly line. Some watchmakers can take 6-8 months to hand create one single watch movement. Here is a specific example of how a watch’s movement can dictate its value: two solid gold Rolex Day-Dates, the 18038 and 18238, have a \$1,500 difference in value due to the latter’s more desirable dual quickset movement, which was introduced in 1988 and is still used today.

Like with antique cars or fine art, rarity is also a big factor when it comes to a watch’s value. It’s simply supply and demand. In some cases, a rare, coveted watch can actually appreciate in value in value, like the Patek 2526 or maybe a vintage Panerai.

Rarity, however, can be slightly deceiving. The more bizarre watches, those flooded with diamonds or designed with strange shapes and colors, are typically more trendy and can be difficult to sell, lowering their value. If you want a watch to hold as much value as possible, it's smarter to buy a conservative style from a strong, recognizable brand, like Rolex or Patek Philippe.

### **Watches That Hold Their Value Best**

In general, a standard luxury watch will lose anywhere from 20-70% of its original value depending on the factors discussed above. If you want your watch to retain its value, your best bet is to buy pre-owned, thereby eliminating that first big chunk of retail margin that you shell out when you buy brand new. Secondly, choose a strong and recognizable brand that is likely to depreciate less. To get started, here is a recent list of the brands that are found at opposite ends of the depreciation spectrum:

#### Watch Brands That Hold Value Better

- Patek Philippe
- Rolex
- A. Lange & Sohne
- Vacheron Constantin
- Jaeger LeCoultre

#### Watch Brands That Depreciate Faster

- Piaget
- Ebel
- Concord
- Tag Heuer
- Hublot

Although the internet has greatly improved customers' knowledge of the industry, it is always best to consult an expert watch buyer — someone who is well versed on how to evaluate a watch's condition and mechanics, as well as someone who is active and up-to-date with the current market.

If you are thinking of buying or selling a luxury watch or want to learn the value of your current timepiece, please stop by our La Jolla store or call 858-251-3006.



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