

# Top end Watches



## Classic Timepieces

Rolex, Patek Philippe, Cartier, Piaget. The names are as familiar to Asian consumers these days as Japan's ubiquitous electronic brands such is the region's growing desire to spend money in expensive and distinctive ways.

From the fake copies hawked on the streets of Hong Kong to the classic timepieces sold in the region's most upmarket boutiques, watches are big business in Asia, as a quick scan of the advertisements scattered through any newspaper will attest.

World-wide, estimates suggest the watch industry makes some one billion watches worth a huge US\$10 billion every year. That includes everything from a cheap quartz model whipped up in China to an intricate, bejeweled mechanical timepiece crafted in Geneva. But it's the pricier pieces that are attracting most interest among Asians with a blossoming taste for the finer things in life. They are also the focus of canny collectors who, experts say, can see their investment in a particularly well-sourced watch double, even triple in value, over time.

For an especially avid collector, that could mean forking out anything up to US\$1m or more for a single timepiece. At a jewelry auction in 1989, one buyer did just that, handing over a cool US\$2.7m for an exclusive Patek Philippe.

Generally, prestige pieces start at a much lower US\$10,000 each, although that's still expensive when you consider the US\$40-\$150 a smart Swatch might set you back. Watchmakers like Swatch have actually helped spawn a band of collectors at the lower to middle end of the market by launching regular limited editions with collectors in mind.

### **A New Breed Of Collectors?**

But experts say the growing interest in expensive watches means collecting, once a pastime of successful business- men, is emerging as a popular hobby in Asia.

'It's becoming a big thing,' says Dr Henry Tay, of Singapore watch house, The Hour Glass. "Throughout Asia there have always been collectors but now we're seeing a resurgence or rather an increased number of younger collectors."

"More and more of the younger generation have started to appreciate mechanical watches, collecting perhaps the lesser known, complicated watches and slowly moving up to a Patek Philippe.

Peter Wong, communication manager at Piaget in Hong Kong says the average age of his brand's customers has fallen from 30 and over to 25 and over. We see a growing trend of people wanting to have something elegant and classic at a very early stage,' he says.

However he points out that Piaget watches, renowned for their jewelry and sometimes called the "Rolls Royce" of watches, do not have the speculative value of a Rolex or Patek Philippe. As such they are not prized as highly by collectors with long-term capital gains in mind.

### **What distinguishes a prestige watch from the rest?**

Most high-end watches are hand- crafted mechanical movements powered by a spring connected to gears and a balance wheel. The movements of less expensive quartz watches are powered by a battery. It's the precision of a watch's movement that attracts the serious collector. Appearance tends to be secondary although Dr Tay says a watch's design can, especially if it is rare, have some value.

The heftiest price tags tend to be put on Swiss-made pieces and those by Rolex, Patek Philippe, Cartier, Tiffany and Raymond Weil. Particular models are also

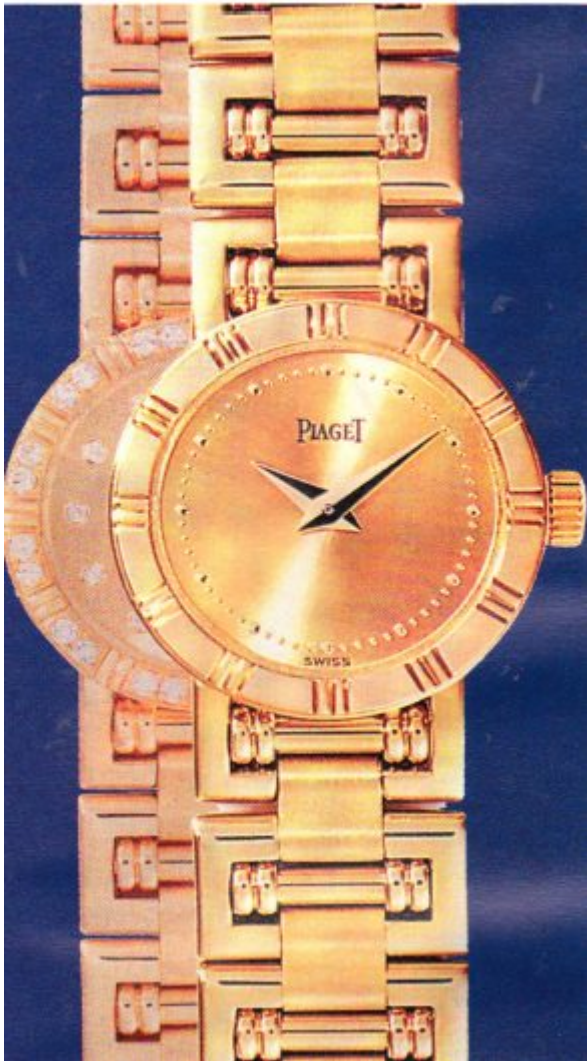
something to look for, as are unusual watch cases and movements and nostalgia pieces such as the Mickey Mouse watches of the 1930's.

Other models with value are the limited edition "gentleman's watch" and the "jumping hours" watches made by Patek Philippe for its anniversary. One of the latter, made in pink gold and platinum, fetched as high as US\$170,000 because of the limited number produced.

### **Moon Phase vs. Chronograph?**

Watch experts say there are six main categories to look for in determining the value of a timepiece.

- Classic manual and automatic watches (a simple 1950's gold Rolex can be priced as high as US\$50,000).
- Moon-phase watches indicating the position of the moon.
- Chronographs which can measure intervals of time down to fractions of a second.



-Perpetual calendars which automatically keep track of days, months and years without adjustment.

-Tourbillons, which are famous for their accuracy

-Minute repeaters, which can be triggered to sound the time. The more complex of these can cost at least US\$300,000.

Dr Tay says a cheap plastic digital watch mass-produced in Asia would never find its way onto a collector's wrist. "They have no value," he says.

That could hardly be said for the watches which raise millions every year at auctions held regularly by houses such as Sothebys and Christies. The reason for this popularity?

Precision watch-making is a dying art, says Dr Tay, as an industry once the domain of long-established family businesses changes in nature. This means many of the old style ways of making watches are in danger of becoming obsolete.

## **Where To Buy It**

So you've decided to hunt for that special watch with investment potential. Expert advise, seeking out an authorized dealer who offers after sales service and support. Dr Tay recommends starting with an old Rolex, a simple one made in the 1950's, moving onto something older and more complicated if the wallet can accommodate it and then onto a Patek Philippe.

'Depending on your budget you should start on watches you like - not too expensive,' he says. And then as you can afford you should start looking into the brand name. Top-end watches can also be bid for at the regular auc- tions held by houses such as Sothebys and Christies, although these tend to be very special watches with pieces to match.

Like any investment, watches require a degree of homework beforehand. Use- ful reading can be found in books on antique watches and in the catalogues published by auction houses before an auction.

'I suggest subscribing to the auction house publications,' Dr Tay says. 'Each time there's an auction, they will send you a catalogue. When the auction is over they will send you the list of prices achieved. That will give you a basic guideline as to the price points you should be looking at.'