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From Left to Right: Lot 135 - Diamond-set Natural Pearl Earrings; Lot 188 - A pair of Natural Pearl and diamond Pendent earrings; and Lot 125 - Art deco Diamond, Pearl, Onyx Shoulder Brooch, by Cartier

DIAMONDS AND JEWELRY: An Investor's Best Friend

By: Georgina Wilson-Powell

Everyone knows that diamonds are a girl's best friend. But did you know that they should be an investor's best friend too. That's because sparkling diamonds – along with pristine pearls and period or heritage jewelry – are having a renaissance, as auctions are seeing increasing numbers of investors snap them up. These high-value items are easy to transport, store and sell on and, most importantly, they hold stable value in an increasingly unpredictable market.

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Bonhams, the third largest international auction house, sells more jewelry lots per year than any other (over 12,500 last year) and in April 2014 it saw a new auction record in its jewelry department, with sales totalling more than \$7 million. Jean Ghika, Director of Bonhams Jewellery Department talks us through the precious items that are making massive returns.

First up, there are the diamonds. The key when looking to invest in diamonds, says Ghika, is to always remember the three ‘Cs’ – clarity, colour and carat weight. The best possible colour is a D colour – flawlessly white and free from natural inclusions. Carat is also vital and increases in scale. “In general, I would say it is better to go for a slightly smaller stone of better colour and clarity than a larger stone with poorer colour and clarity,” advises Ghika.

Then there are pearls. “The interest and prices for natural pearls has increased dramatically in the last five years, and there does not seem to be any indication of this interest waning,” she says. “Large natural pearls, which are well matched and have a good lustre are scarce. It can often take many years for one single pearl to form and often decades to complete a single strand of well matched pearls – hence the competition to secure the very best.”

The combination of both diamonds and pearls is a guaranteed winner. In the aforementioned record-breaking auction, a pair of pearl and diamond 1960s earrings earned over \$500,000.

“Period jewelry will also continue to perform well going forward,” continues Ghika. “Jewelry from the Art Deco period has always been fashionable

and, as such, prices are already extremely strong and have been for some time. However, it is worth looking at good quality items from the 1960s and 1970s from reputable jewellers such as Cartier, Van Cleef & Arpels and Boucheron. Of equal note, are the small group of British designers from the 1960s and 1970s who viewed jewelry more as an art form, Andrew Grima being the real pioneer of this era. Grima famously said ‘A 50 carat topaz can become art, a 50 carat diamond should be in the bank vault’. His work is increasingly sought after by a growing group of collectors.”

This year pieces by Andrew Grima have doubled or tripled their estimates at auction, further proving the demand for this heritage style colourful jewelry. But what should a first time investor look for?

Ghika advises, “The most sought after are pieces from the art deco period with signatures from the big houses, Cartier, Boucheron, Van Cleef & Arpels, Chaumet, etc. These have in recent years become very popular and command high prices at auction. Also look out for interesting jewellery by more contemporary makers like John Donald and Stuart Devlin. The advantage is this area has yet to reach its potential, making them a good investment buy.”

For those interested in diamond, pearl and heritage jewelry investment, there are a number of auctions coming up soon. Within London, Bonhams has jewelry auctions on August 13 and September 10, and Sotheby’s has a monthly jewelry auction. Doyle’s of New York has regular jewelry auctions, while Christie’s will also have a jewelry auction on September 13 in London. ➤