

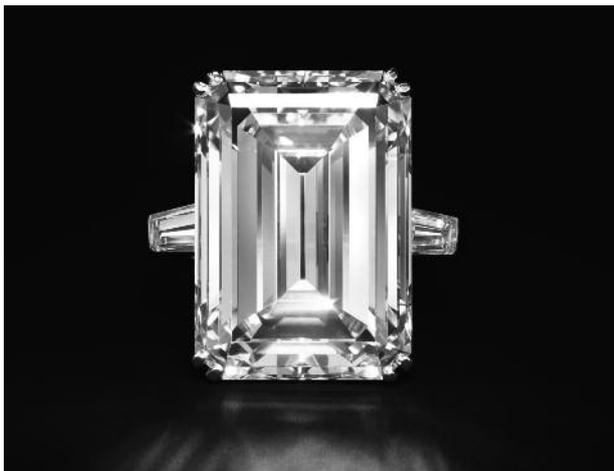
Luxury Corner

Dazzlers: navigating the jewellery market

Ronald Varney

Florence J Gould, the American-born grande dame of France, was considered by many as a social institution of the 20th century. Her spectacular jewels and gracious hospitality were admired by the glittering crowd whose yachts and private planes gathered on the shores of the French Riviera ...

This biographical snippet from a Christie's jewellery catalogue in 2015 heralded the sale of the famous 'Victory' Diamond once owned by Florence Gould. This 31-carat ring, commemorating the Allied victory in World War II, brought a robust \$4.3 million. Its sale, while impressive, seemed mostly about the past, conjuring up a carefree lifestyle from pre-War days.



The Victory Diamond

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It made me wonder: "Who really wears diamonds this big anymore?"

Of course, the jewellery market has always been about fame, flamboyance and nostalgia. Think of all those auctions in recent decades of jewellery owned by Jacqueline Kennedy Onassis, the Duchess of Windsor, Elizabeth Taylor, Doris Duke and countless other renowned ladies. Bidders seem to go mad at these sales, hoping to possess something owned by a celebrity. Hence Marlene Dietrich's ruby and diamond Van Cleef & Arpels *Jarretière* bracelet of 1937 caused a stir at Sotheby's some years ago, fetching \$990,000. It didn't hurt that Dietrich had worn the bracelet in the 1950 Hitchcock thriller *Stage Fright*.

One could say that the jewellery market as

we know it today was inspired, if not created, by famous women.

And yet this market, the very emblem of luxury, poses its own unique opportunities and pitfalls. As in any other field of collecting, tastes and trends in jewellery can change, often suddenly, sending prices on a roller-coaster ride of uncertainty. Retail prices can be daunting, if not terrifying: the term 'sticker-shock' may well have been coined with jewellery from the showrooms of Tiffany, Bulgari and Harry Winston in mind.

Therefore, for anyone interested in navigating the current jewellery market in all its splendour and diversity, it might be helpful to consider it from two different, but complementary, perspectives. So I asked a private dealer and an auction house specialist for their views.

Here's what they said.

"Wear what you like and follow your own taste."

Dana Kraus worked in lifestyle magazines and luxury goods before launching her own jewellery firm, DK Farnum, in 2002. She says, "Advice on jewellery, as with art, is highly subjective, and so I encourage my clients to acquire what they like and not dwell on investment return".

Still, she acknowledges, the pieces that hold their value over time usually share the same qualities: "design, provenance, condition and signature".

Hence rare period jewellery by Cartier and Tiffany is highly-prized, as are more contemporary pieces by such acclaimed 20th-century jewellery designers as Suzanne Belperron and JAR. On the other hand, trendy pieces from the 1970s and 1980s, as well as so-called "artist jewellery" by Alexander Calder and Pablo Picasso, may be attractive but "less enduring in value".

As with art, authenticity is a concern, and often a challenge, with jewellery. Hence research is often necessary, and Ms Kraus finds this part of her work most gratifying. On frequent buying trips to Paris she will consult with experts there in order to find original drawings and documentation on specific pieces for her clients. She adds that, in a market that has grown ever more demanding of paperwork, invoices of sale, certificates of authenticity and other documents are crucial.

Ms Kraus noted the 'concierge' aspect of her

business as a dealer. She has seen an increase in intergenerational buying, for example, with the children of clients seeking her advice on how to buy and collect jewellery. “They are more price-sensitive than their parents”, she says, “and may prefer items made of silver than of gold”. She feels that Hermès, Verdura and other esteemed couture jewellers offer many opportunities for new collectors.

“But you need to mix it up”, she warns, “and not buy too heavily in one area or style. You can’t be chic in head-to-toe Chanel!”

I was curious to know her thoughts on the auction houses. While she agreed they can be intimidating, she also felt their sales offered many opportunities to buy wonderful rings, brooches, bracelets and pearls, many of them signed and at prices often well below retail.

By way of example she cited her own experience at the sale at Sotheby’s in 2014 of the jewellery collection of Mrs Paul Mellon, one of the great tastemakers of the 20th century. And while Bunny Mellon’s collection included a blue diamond that sold for \$32.6 million, it also included some sleepers, items of modest value overlooked amidst the big stones but still sharing the qualities she had cited as most desirable in jewellery: *design, provenance, condition and signature*.

Lot number six in the Mellon sale fits the bill precisely.

It was a three-diamond engagement ring, circa 1920, made by the old firm of Marcus & Company, with European-cut diamonds of 3.9 carats. Its estimate was \$10,000–15,000, and, as seems often the case in an auction sale, the bidding began and ended in a flash. But Ms Kraus prevailed, buying the ring for \$13,750.

“It had probably descended in Bunny’s family”, she says, “and it was certainly not the engagement ring that Paul Mellon would have given her. But she clearly treasured it – as I now do.”

Online bidding – the way of the future

Surfing the Christie’s website recently I came across many stories on the jewellery market. One piece had the arresting title “10 Jewels that made history – and changed the market”, illustrated with many lush, almost surreal colour photographs that are a hallmark of auction house jewellery marketing.

Here, for example, was a spectacular necklace worn by Mughal emperors; the most expensive blue diamond ever sold (\$57,973,000); ravishing sapphires and ruby rings; and a dazzling JAR ‘Parrot Tulip’ Bangle that had been exhibited at the Metropolitan Museum of Art and “fomented a frenzy” when it came to auction.

Reading this article was just the right preparation for speaking with Daphne Lingon, the longtime senior jewellery specialist at Christie’s. I was intrigued to ask

her why the “10 jewels that made history” included many coloured stones but not a single white diamond.

“There is strong demand across several areas of the jewellery market, notably coloured gemstones such as rubies, sapphires and emeralds as well as pink, blue and yellow diamonds”, she explained.

“This demand is truly global”, she continued. “We are seeing a decline, however, in the value and desirability of white diamonds. The reason is too much inventory, as the trade has been actively buying them for years, often for exceptional prices at auction. And now they have too many.”

Specifically, she quantified this decline in the value of white diamonds in the 20–30% range. And she added glumly, “It may go deeper”.

On a more upbeat note, Ms Lingon mentioned the rise of online jewellery sales, a phenomenon, she explained, that grew out of the historic Elizabeth Taylor Collection sale at Christie’s in 2011. While the most important jewels in this staggering collection were given enormous publicity and brought \$115.9 million in a glitzy evening sale, the auction house still had some 2,000 lesser-valued items left over.

“And so we offered them all in an online-only sale”, Ms Lingon explained. “This was a whole new approach in the auction world. Since then we have expanded to five such online-only sales a year in addition to our three live auctions of jewellery. These sales are enormously attractive to new buyers, as they can browse and bid easily.”

Her comment reminded me of the importance of educating one’s eye, no matter what the field of collecting. Just browsing through an auction catalogue of jewellery can be very enlightening, as often there will be notes and bits of history on this or that piece to pique one’s curiosity.

I had just seen this in my own preparations for speaking with Ms Lingon, for in looking through some recent auction jewellery catalogues I had noticed a four-page spread with the intriguing title *Cartier & Aquamarines*.



Art Deco Aquamarine and Diamond Bracelet, Cartier

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The spread was prefaced with a few paragraphs explaining how aquamarines had played an important role in the designs of Cartier in London during the 1930s. This was especially the case in 1937, at the time of King George VI's coronation, when the firm was flooded with 27 orders for tiaras set with aquamarines. It seems that aquamarines were more economical than diamonds and allowed Cartier to "experiment with the use of large coloured stones to create bold designs".

On the sumptuous pages of the catalogue spread were illustrated three pieces of aquamarine jewellery comprising a collection "that had been in private hands for decades". Featured was an *Art Deco*

Aquamarine and Diamond Bracelet, estimated at \$150,000–250,000, that brought \$269,000. I could barely take my eyes off it, so elegant, so mesmerisingly blue, so dazzling.

It seemed a good way to end my conversation with Ms Lingon by asking what areas of the jewellery market were perhaps overlooked. But while she mentioned that designer pieces from recent decades have continued to do well, she really wanted to reiterate some market wisdom that I had also heard from Dana Kraus: "Buy good pieces of quality and distinction, ones that you love, and you can't go wrong."

It is perhaps a cliché of the jewellery market, but oh so true.

Ronald Varney began his career in the art market at Sotheby's in 1989 and started his own art advisory firm in New York in 2002. He has written widely on the arts for *Esquire*, *Smithsonian*, *Harvard Business Review* and other publications.



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