

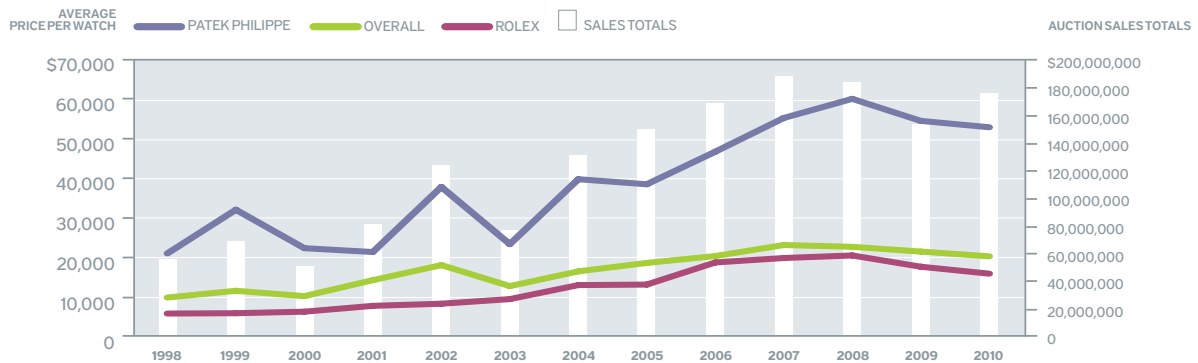


# AN EYE ON THE TIMES

**A rare convergence** of style and technology, fine timepieces attract a wide range of buyers, from connoisseurs seduced by sophisticated mechanisms to the fashion-conscious looking to express their personal tastes or investors seeking something with material as well as aesthetic value. Auction sales in the category, which peaked around \$190 million in 2007, sagged with the rest of the luxury market in 2008 and 2009, then rose to \$175 million in 2010 and are on track for even better numbers in 2011. As demand has escalated for older timepieces in top condition—a crucial factor in determining value, since watches are among the few collectibles that can suffer real wear and tear—supply has shrunk, and prices have risen accordingly. “It’s much, much harder to find vintage watches in pristine condition,” says Jonathan Snellenburg, director of watches and clocks for Bonhams New York. “They used to fall on the ground like fruit, but now they are very scarce.” Values have also been driven by new buyers. Many of these are in Asia, a fact that has made Hong Kong a hub for the category. Below, we analyze the market for watches from 1998 through 2010 based on 91,728 records from 903 auctions at Antiquorum, Artcurial, Bonhams, Christie’s, Cornette de Saint Cyr, Dorotheum, Doyle New York, Freeman’s, Gros & Delettrez, Sotheby’s, and Tajan, which over the course of the period studied generated sales totaling \$1.65 billion. **BY ROMAN KRAEUSSL**

## TOTAL SALES AND AVERAGE PRICES BY BRAND, 1998–2010

Auction sales totals for fine watches more than tripled from 1998 to 2010, with an increase between 2009 and 2010 that indicates a quick recovery from the global financial turbulence. The average price per watch at auction in 2010 was \$20,397, more than double the 2000 average of \$9,937. Last year the average price for a Patek Philippe, long considered the most prestigious mark, was \$53,164, more than triple the \$15,167 average for a Rolex.

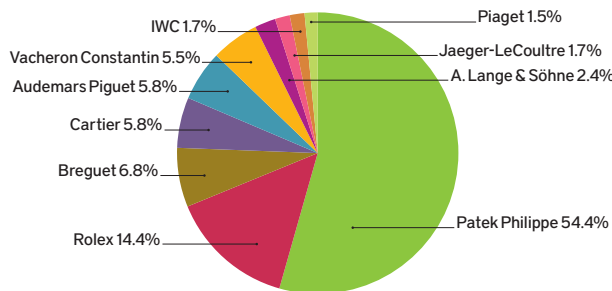


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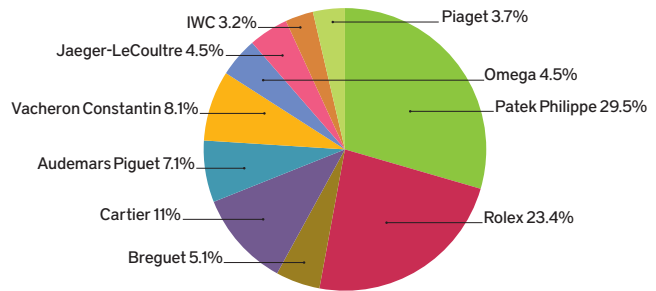
## BREAKDOWN BY BRAND

Between 1998 and 2010, Patek Philippe models claimed around 30 percent of watch sales by number but 54 percent by value, by far the biggest share of the market. Interestingly, boutique names like A. Lange & Söhne and Breguet accounted for a higher percentage of the dollar totals than the number of sales—Lange’s percentage is too small to appear here—while the reverse was true for such heavy hitters as Cartier and Vacheron Constantin.

### Market Shares by Dollar Totals



### Market Shares by Sales Volume





**A story of two Pateks:** This unique 1943 perpetual calendar chronograph wristwatch (right) made \$5.7 million at Christie's Geneva last year, but it couldn't unseat the most expensive watch of all time, the Henry Graves supercomplication pocket watch, which sold for more than \$11 million at Sotheby's New York in 1999.

### TOP 20 AUCTION PRICES, 1998-2010

The 20 most expensive auction lots are all museum-quality pieces with extraordinary complications. The top houses in the field—Antiquorum, Christie's, and Sotheby's—generally reserve such rarities for their biannual sales in Geneva, the historical center of the watch trade. At this level, vintage Patek Philippes are the undisputed market leaders.

RANK	PRICE	MAKE	SALE DATE	AUCTIONEER	LOCATION
1	\$11,002,500	Patek Philippe	12/2/1999	Sotheby's	New York
2	\$5,708,834	Patek Philippe	5/10/2010	Christie's	Geneva
3	\$5,042,176	Patek Philippe	11/14/2009	Antiquorum	Geneva
4	\$5,017,339	Patek Philippe	4/24/2004	Antiquorum	Geneva
5	\$3,961,440	Patek Philippe	4/13/2002	Antiquorum	Geneva
6	\$3,956,159	Patek Philippe	5/12/2008	Christie's	Geneva
7	\$3,067,195	Patek Philippe	5/12/2008	Christie's	Geneva
8	\$2,773,794	Patek Philippe	11/16/2009	Christie's	Geneva
9	\$2,727,651	Patek Philippe	11/15/2010	Christie's	Geneva
10	\$2,512,720	Patek Philippe	6/8/2002	Antiquorum	Hong Kong
11	\$2,410,698	Piguet & Capt	4/13/2002	Antiquorum	Geneva
12	\$2,253,311	Patek Philippe	5/11/2008	Sotheby's	Geneva
13	\$2,253,110	Patek Philippe	5/14/2007	Christie's	Geneva
14	\$2,240,714	Patek Philippe	11/12/2007	Christie's	Geneva
15	\$2,111,223	Patek Philippe	10/19/2002	Antiquorum	Geneva
16	\$1,920,907	Patek Philippe	11/13/2006	Christie's	Geneva
17	\$1,911,663	Patek Philippe	11/14/1999	Antiquorum	Geneva
18	\$1,777,306	Patek Philippe	11/14/2006	Sotheby's	Geneva
19	\$1,759,657	Patek Philippe	5/18/2004	Christie's	Geneva
20	\$1,751,235	Patek Philippe	5/11/2009	Christie's	Geneva

FROM LEFT, SOTHEBY'S; CHRISTIE'S