Luxury's hottest market: contemporary, not vintage, watches

By Godfrey Deeny  -  May 3, 2022

Few luxuries have sparked such huge demand in recent years as high-quality watches, the ultimate expression of hard luxury. That’s true whether they are brand new or pre-owned.

Having a high-end watch is now considered investment, the opposite of jewelry, which loses value as soon as you exit the jeweler. Today’s international rich have so much wealth in stocks and property they have begun diversifying into watches. Today, hedge funds, family office and private banks in Switzerland are even acquiring watches – something unheard of a half decade ago.

The pre-owned watch market leader remains Watchfinder.com, however several smart indie companies have also been getting in on the act successfully. From the insider word-of-mouth European dealers at Dreyfuss Mayet; to the established European Watch Company boutique in Boston to the tony gent’s magazine The Rake, led by its loquacious founding editor and man-about-town Wei Koh, a slew of nimble experts have been successfully riding this boom market.

A prime example is Dreyfuss Mayet, a boutique e-tailer targeted at the top, top end of the market.

Legally based in Switzerland, Dreyfuss Mayet’s website lists ski resort Verbier as an office, underlying its target market. It’s the brainchild of Victor Dreyfuss and Camille Mayet, two watch fanatic gents specializing in the purchase and sale of new, or freshly second-hand, high-end modern timepieces.

Capitalizing on a booming market, Dreyfuss Mayet SA has sold more than 1,500 watches around the world since its creation, either via the Chrono 24 site or privately “off-market,” to very personal clients.
Models by the Big Three watchmakers – generally regarded as Audemars Piguet, Rolex and Patek Philippe - represent the majority of their turnover. A notable case in point, an Audemars Piguet Royal Oak Perpetual Calendar Skelet Ceramic 26585CE which they recently sold for $700,000. Their most expensive deal.

The duo met 12 years ago while Dreyfuss was studying at the European Business School in Paris and Mayet had quit biz’ school to start his pet project Autodidact, selling luxury cars. They teamed up, working on consignment with luxury marques like Porsche, Ferrari, Bentley and Audi. Before it dawned on them that luxe watches could be sold for more than luxe cars, and that both of them were very passionate about watches.

“The most expensive car I sold was a Lamborghini Aventador for $500,000. But that is cheaper than our best watches!” explains Mayet.

Starting out as collectors, buying and selling with friends – and always privately – they built the company in cars and watches before they began concentrating on watches.

“Frankly, watches are easier to stock, more valuable and more trendy,” adds Dreyfuss.

But after managing to build real network of clients, they had one major headache – sourcing enough high-end watches. They eventually solved that via three avenues: private and very confidential collectors; other watch dealers and celebrities.

“Sometimes we send stars into shops and the brand will deliver and after they sell to us. Singers, athletes and actress and TV stars, you name it,” reveals Dreyfuss.

Internationally, demand is so great Albert and Joshua Ganjei of the European Watch Company in Boston get wire transfers from people on the other side of the planet they have never met for a million dollar watches.
“Back 29 years ago when I started the market was not like this. Demand has skyrocketed and watches now trade like a commodity. Our average sale now is $40,000. It used to be $300 when I started,” beams father Albert in a transatlantic Zoom.

The Ganjeis are not authorized dealers, yet everyone seems to sell to them. Everything they deal in is pre-owned, un-worn and not brand new, and they sell several hundred luxury watches a month.

Sometimes they buy packages of 10 watches for one million, and the price of watches are internationally known and stable, expect maybe in Moscow.

“Everyone quotes their price from Chrono 24, a German company, so you cannot be far from that,” notes son Joshua.

The father and son now boast annual sales of some 3,000 watches, priced at around $25,000, meaning some $75 million yearly business. Certain watches they have sold over ten times.

“Given the amount of wealth generated over past 10 years there is so much liquidity, so demand is crazy for luxury goods. And for guys that is limited to cars, watches, scotch, wine and cigars. The market in the USA is just waking up. A good watch is very affordable asset, and you can also sell it very easily. What's there not to like,” laughs Albert.

Over in Geneva, there are few greater watch experts and enthusiasts than Wei Koh, whose title The Rake has created limited edition watch series with the likes of Chopard.

“There’s been this explosion of interest of watches. I used to describe the US as the biggest emerging watch market in the world, now it’s the whole world. Every athlete, movie star and influencer wants to have a cool watch on their wrist. Plus, it’s an appreciating asset category if you buy with any degree of wisdom. And, if you walk into a party you cannot bring your car, horse or house. But you can bring a watch. It’s such a great cultural signifier,” enthuses Koh.

That very attention-luring quality does have its downside. Rich owners are increasingly the target of watch thieves, as gendarmes in St Tropez and police in Miami can easily attest.
“European capitals are increasingly dangerous for watch owners. And there was a guy in LA who got shot for his Richard Mille. Half the guys went to St Trop’ last year with a Richard Mille got robbed. They are such distinctive watches and are worth a quarter million, so they become huge targets,” mourns Koh.

Soaring prices have helped fuel rumors that luxury giants like LVMH and Kering; hedge funds or Gulf potentates could be in the market for top-shelf brands that remain family owned like Patek Philippe, Richard Mille or Audemars Piguet, where the CEO is due to quit shortly.

“Would any of them ever sell? Put it this way, there are about 2.5 million luxury watches made a year. But if you look at many top-notch car makers they produce that many in a year, and there are scores of car companies. So, I cannot feel that these watchmakers would want to get rid of a juggernaut that you can never replace,” muses Koh.

In this past decade, top marques like Audemars Piguet, Rolex, Patek Philippe, Vacheron Constantin and Richard Mille have also huge waiting lists.

“Actually, it’s more like a wish list than a waiting list. You can wait years and get nothing!” shrugs Mayet.

Turnover is so brisk in high-end watches, that one Rolex was sold nine times in one year on Watchfinder. That is not the Dreyfuss Mayet approach, who deal in watches that are all “off market,” sold to people who want to keep the watch.

“Frankly if someone like Audemars Piguet found out that you just sold your new watch they can black list you, and they will,” notes Dreyfuss.

And, where prestige autos require an experienced chauffeur to deliver them, most high-end dealers use Ferrari Group Expedition – unrelated to the racecar - to convey watches. Last year, the Dreyfuss Mayet sold about 350 watches, with a turnover of 8 million euros. They expect to grow by over 50% this year.
“The market has gone crazy. If you buy a watch, you are almost better off spending six months in Thailand on a beach and putting your watch in safe. Coz when you come back and sell it you pay for the vacation,” laughs Mayet.

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