

 EASTWOOD PRIVATE CLIENTS
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EXCLUSIVE

Valuables hidden in your wardrobe

HIDDEN TREASURES

The whisky market boom

LIQUID GOLD

Synonymous with elegance, style and luxury

TALKING CARTIER

AUTUMN | WINTER 2020

LETTERS



WELCOME

Welcoming you to the Autumn - Winter 2021 edition of Exclusive

I have the pleasure of sharing the latest edition of our newsletter. As always, I hope that you find the articles to be of interest and in some cases, a useful read. It is safe to say it has been a strange and difficult year for us all and it would appear that the last few weeks of December, including Christmas, are going to be just as strange.

At EPC, we have tried to embrace the current situation and taken on many new challenges from working remotely without paper (a very scary concept for some) to directing our keeping in touch video!

The team and I have all missed not being able to visit our clients as it is this in the main which sets us apart from other brokers. We pride ourselves on being extremely visible and we thoroughly enjoy our face to face meetings with you. So again, like most, we have had to adapt and become 'Zoom experts'.

In the insurance industry we always find that 'every day is a school day' however, that has never been truer than this year... surely there isn't a travel scenario out there that we haven't yet encountered!

Whether in the office or working from home, I have been immensely proud of how our team have pulled together and worked very hard to ensure the service we provide to our much valued clients remains seamlessly high.

All that is left is to wish you all a very merry (if not a bit different) Christmas and a happy and healthy New Year. We all look forward to speaking with you and hopefully seeing you all in 2021.

Wayne Johnson, Director

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Liquid gold

It cannot have escaped many that whisky has become a boom market with records being set and broken more often than we can keep track

There have been various reports in the press of the £1,000,000 plus paid for bottles of the legendary Macallan 1926 (the record currently £1,452,000 set in October 2019 by Sotheby's London) and other stand-out prices. So what does this mean for Valuers or clients who have deliberately set out to collect whisky or have even found that they have a small group in the sideboard, cellar or cupboard?

While the million-pound bottles are not likely to be found in the back of cupboards, it does show the trend in values and it has caught many owners unaware. Seemingly simple standard bottles are often worth considerably more than one would expect. Also, it is not just Scottish whisky seeing this boom but world whisky as well, particularly Japanese.

A classic tale which has repeated more often than I can count derives from the late 1980's to early 2000's, with bottlings of the ever popular Macallan 10-year-old. It was a staple on supermarket shelves for years, given in raffles and enjoyed by many. However, with the supply of high-quality

sherry casks largely diminished when the mid 1990's stocks ran dry, it was not issued for many years and when it was re-released it was a very different drink all together.

So, from the supermarket shelves at £30 – £40 per bottle it has now become a sought-after product by collectors and connoisseur drinkers alike. There are various subtle varieties, but this seemingly inexpensive bottle of Macallan now sells for upwards of £250 at auction and can be retailed at £800 plus.

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Seemingly simple standard bottles are often worth considerably more than one would expect.

Although the press is often full of the Macallan prices it is a much wider market. The Rare Malts series, released by Diageo throughout the 1990's, has been a constantly popular collecting area, with prices currently from low hundreds to many thousands of pounds. These short run bottles were in some cases not hugely popular when they

were originally released and even sold discounted in the staff shops. However, many now have cult status among collectors, no more so than the fabled closed Highland distillery Brora.

There have been various different releases from Brora and prices have rocketed in recent years. In 2014, bottles were buyable at £400 and by 2016, this had reached £750. By 2018 most, if not all, were upwards of £1,000. Today, some of the rarest vintages in this series are regularly selling for in excess of £4,500 (with one peaking at over £10,000). It's incredible to think that in only 15 years, this bottle has gone from being sold at discount to £10,000.

It should not be thought that you had to be in the know or even in the industry to buy interesting and now valuable bottles. The popular high street off license, Odd-bins, had some remarkable bottles in its heyday. They even had some exclusively bottled for them, including various 1960's and 1970's vintages of Bowmore which were available nationwide. These vintages are now considered among the peak for Bowmore's production and bottles that were originally, roughly, £80 each, are highly prized

and regularly achieve more than £2,000.

The fabled tale for all collectors who missed out on the chance was the Black Bowmore series released in the mid 1990's for £350 a bottle and at its peak was selling for over £30,000. If these tales tell us anything, it is that what lurks in the back of the sideboard, cellar or cupboard may be something special and need to be looked at by a specialist Valuer. One cautionary tale though – all these prices are based on the absolute guarantee that the bottle is still sealed!

Courtesy of
Doerr Dallas Valuations



Hidden treasures

It is often remarkable that the most closed off part of the house, the wardrobe, is usually the one that hides the biggest mistakes, faux pas, successes, lucky finds – and ultimately valuable items in the property

The humble wardrobe has for years been the item that comes last in a hierarchy of importance throughout the home – after paintings, sculpture and antiques it would almost seem vulgar to add up those collections of cashmere jumpers and boxed sets of Agent Provocateur underwear that you haven't quite found the right time for.

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Clothes have been about style, exclusivity, and quality for centuries and that has created a fairly modern phenomenon – the clothes collector.

So why is the wardrobe often overlooked? One could argue that accumulation

plays a big part in this – if a client spends £2,000 on a coat, would they contact their Broker? Maybe not, but after five years of a new winter warmer every year, that figure starts to rise rapidly... also clothing just being a functional item went out in The Stone Age. Clothes have been about style, exclusivity, and quality for centuries and that has created a fairly modern phenomenon – the clothes collector.

Whilst we all have items in the closet that hardly ever get used, there are some that will spend over £100,000 on seasonal clothing and it will only be worn once or twice – this isn't unusual, and strangely it seems to be becoming more common. Shoes and handbags for many people fall into a similar category of not just simple things that you purchase and wear, but something that is lusted after, desired, and envied.

With all of these things considered, does that mean that every high net worth client

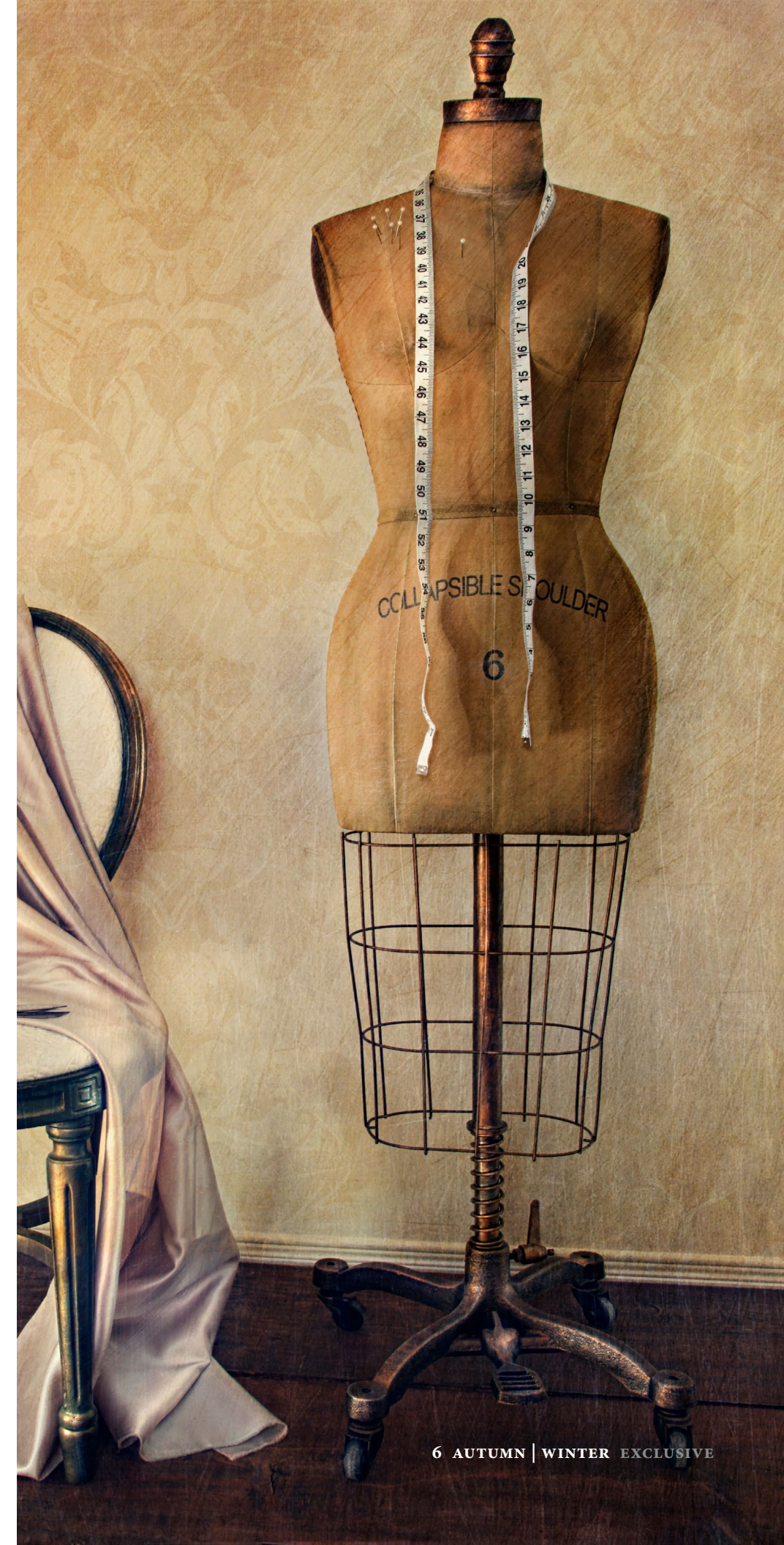
has £1,000,000 of clothing – no, but what it does mean is that a lot of these clients have not considered that the suit they had made at Henry Poole will no longer cost them £2,000, and those pair of Ferragamo's may have even doubled since they bought them before that cruise. Even a simple pair of jeans is almost £100 these days, and I wonder how many people have factored in swimwear or scarves?

What is very clear is that today's collectibles can be displayed, or worn and they all can still change value at an astonishing rate and need to be reviewed regularly. A current favourite trend is the astonishing market for rare basketball sneakers (that's trainers in English) where the secondary market surpasses even Rolex for the biggest increase in value as soon as they walk, or at least are carried out of the shop.

Whilst a Valuer cannot go through every drawer in a dressing room, it's important to

establish the clients taste and style, getting to know the client and their spending habits is vital to an accurate valuation – that and a keen eye for a pair of Gucci loafers.

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**Courtesy of
Doerr Dallas Valuations**





The marketplace

The jewellery market over the past few years has been unusually volatile for several reasons – some directly due to the general ‘woes of the world’ and some caused by some quite dramatic fluctuations in commodity, material and gem prices

In 2007, the price per ounce of gold was around the \$750 mark – it peaked late in 2012 at \$1,890 – and fell back to just over \$1,000 in 2014 although it's edging up to the \$1,910/oz mark today. However, in pieces of gem set jewellery the gold value factor is not huge – the gem prices, manufacturing costs and retail profits are larger factors.

Diamonds, despite what De Beers say in their advertisements, are not rare. Huge deposits of good quality stones are regularly being found in mid-Africa and now Botswana has pretty well become the diamond centre of the world, with De Beers moving their headquarters there from London.

Mining techniques are better and more efficient, so there are more than enough stones to go around. Slackening demand from the Middle and Far East for many of the slightly lower grade stones and sizes have seen noticeable drops in market prices. De Beers and their fellow core suppliers have had to do a lot of juggling and adjustment to try and keep things on an even keel.

However, if the stone is exceptional in all of the 3 main quality criteria i.e. size, colour and clarity, it will still be very expensive. The trade price of a one carat flawless D colour (the best) stone, is well over twice the price of a one carat H colour and VVS2 clarity (both acceptable commercial qualities) stone.

There have been some exceptional auction prices in 2017 for coloured diamonds, specifically for pink and blue stones. Sotheby's set a new world record in 2017 in Hong Kong, when the Pink Star, a 59.60-carat oval mixed-cut Fancy Vivid Pink internally flawless diamond, sold for HK\$553 million / US\$71.2 million (£57.3 million) including buyer's premium.

Other spikes in the market include the pearl market, specifically the natural saltwater pearl market. Cultured pearls are natural beads ‘farmed’ in seawater by introducing man made beads in to the soft tissue of an

oyster. The oyster's reaction to these ‘irritations’ is to cover them in ‘nacre’, which is the lustrous shell like covering that we see on the pearl necklaces in most shops.

The beads can be 4 or 5 mm in diameter so the thickness of the nacre coating can be pretty thin and lacking in lustre depth. In a natural seawater pearl the oyster takes in the occasional tiny grain of sand around which it builds up the layers of nacre, so in an 8 mm diameter natural pearl you may have 7 mm depth of nacre rather than 3 or 4 mm in a cultured pearl. If you put one of each of these pearls together the wonderful depth of lustre of the natural pearl is very apparent.

jewellery continually changing, seeking professional advice and having your jewellery reviewed annually is extremely important.

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**Courtesy of
Doerr Dallas Valuations**

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The market for ‘big name’ pieces with good style and quality is as strong as ever.

Again, a laboratory certificate and an up to date valuation is a must. But the main problem for the pearl market is the arrival of freshwater pearls from China. These are farmed in rivers and lakes and not in oysters but in mussels. A mussel can produce more pearls, more often, but they can be of poor lustre and are prone to being misshapen. However, they are much more inexpensive and can be seen up to 15 mm in diameter.

Whilst auction prices for fairly modern ‘ordinary’ jewellery can very modest indeed – and a small fraction of its retail replacement price – the market for ‘big name’ pieces with good style and quality is as strong as ever. Cartier, early Tiffany, Boucheron, Bulgari, Buccellati, and Lalique all sell strongly. From the previous century there is a strong collectors’ market for work by Castellani and Giuliano and anything with an interesting historical or royal background will generally fare well.

So, with the price of gold, diamonds and



Talking Cartier

Cartier, the jewellery brand synonymous with elegance, style and luxury, is arguably the most respected in the world. As can be expected, Cartier's history is as rich and illustrious as its jewellery

Q ueen Elizabeth II, Grace Kelly, Elizabeth Taylor and The Duchess of Cambridge – from royalty to celebrities, many have enjoyed and continue to enjoy Cartier's designs. But where did their story begin?

In 1847, Louis Francois Cartier took over the workshop he had been employed at and founded the Cartier business. It was a very turbulent time in French history amidst a wave of Bourgeois revolutions. Despite this, the business gradually grew and the first small Cartier boutique was opened in

1859. His son, Alfred, then took over the business and brought Cartier to Paris to the prestigious Rue de la Paix in the Jewellery Quarter.

Alfred's sons Louis, Pierre and Jacques went on to establish Cartier as a world famous brand. Jacques took the company to London and in 1904 received the Royal Warrant. He began to supply King Edward VII and British high society with the finest of jewels, becoming known as 'The Jeweller of Kings and King of Jewellers'.

Pierre took the brand to New York and in 1917, he apparently acquired the store

in Fifth Avenue in exchange for 2 strands of very fine pearls.

Louis stayed in Paris and introduced revolutionary ideas such as using platinum in jewellery, a much harder metal that was difficult to work with, yet permitted such fine delicate designs to be created which gave the appearance of diamond set lace.

A stunning example of this is the Halo Tiara worn by The Duchess of Cambridge on her wedding day in 2011. It was commissioned by King George VI for The Queen Mother in 1936. It comprises of 888 brilliant and baguette cut diamonds.

However, it was not just these visionary and entrepreneurial men that contributed to the rise of Cartier. In 1933, the formidable designer Jeanne Toussaint became Director of the luxury jewellery department, quite a pioneering feat for a woman at that time. Her fierce creativity and contemporary vision gave birth to the iconic 3D Cartier Panther design. The Panther print was originally featured on a ladies watch in 1914.

However, Jeanne took the Panther design to another level when she created the first Panther Jewel for Wallace Simpson, Duchess of Windsor in 1948, which was a sleek brooch of gold and enamel.

From that, a Panther inspired jewellery range was born using diamonds and gems – this was incredibly popular with the British and American elite. This alluring design represents empowerment, courage and elegant femininity and it has been an enduring symbol for Cartier for over 100 years and it continues to be a popular part of their range today.

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The House of Cartier are without doubt masters of their craft. It is worth noting that Cartier pieces are so sought after that they not only hold their value but they sometimes even appreciate.

Another design that has stood the test of time is The Trinity range designed in 1924 by Jean Cocteau. The three interlocking rings symbolise friendship, fidelity and love. A simple design that has become a classic. Another of the most popular collections is Cartier Love.

First introduced in the 1970's by Aldo Cipullo, the Love bracelet comes in 2 sections that are fixed in place by a Cartier screwdriver and should never be removed. It is marketed with the slogan: 'How far would you go for love'. Many of these bracelets were purchased 10 or more years ago and the valuations have not been updated. Or, they have been received as gifts and never added to valuation documentation.


Over the years, the price for these iconic bracelets has continued to rise. The Love Bracelet with 10 diamonds currently retails at £13,000 and the small Love Bracelet Diamond Paved is £22,300. Are these prices reflected in your current valuation, or would there be a shortfall in compensation should these precious pieces be lost, damaged or stolen?

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masters of their craft. It is worth noting that Cartier pieces are so sought after that they not only hold their value but they sometimes even appreciate. This is especially true of mid-20th century pieces. Yet another pressing reason to ensure your valuations are up to date.

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**Courtesy of
 Doerr Dallas Valuations**





Gentlemen prefer cufflinks

When considering insurance valuations, cufflinks, dress sets, hip flasks and pocket watches can easily be overlooked. Although they are not usually at the forefront when considering jewellery valuations, they should be

This, of course, is not helped by the fact that they so often dwell in a down-at-heel stud box or the dark recesses of the sock drawer. Also, in the current climate of casual workplace attire, where ties are often discarded, it may be counter-intuitive to learn that the popularity of cufflinks remains as solid as ever.

Gold prices are at a year high and up over 30% on this time last year. Whilst the increased price of gold may not directly affect many of the lady's gem-set jewellery, this is not the case with gentlemen's accessories where the gold content is significant. Clients are often surprised to learn that although the price of the pocket watch they have inherited may have remained relatively stable, the accompanying watch chain (frequently the more valuable item) has increased in value significantly over the last year or two. This is often due to the increased gold price.

This strong demand for cufflinks is especially fierce with vintage, high-end brands such as Cartier, Boucheron, Van Clef & Arples and Tiffany. A search of auction results will show that branded cufflinks and dress sets often significantly exceed pre-sale estimates, even where the materials involved are not of intrinsically high value. For instance, a pair of Lalique green glass cufflinks with 3 accompanying dress studs sold in 2017 for £2,900. This is working against a pre-sale estimate of £200-£300, even given that all three of the dress studs were crack

These sort of auction results suggest that many people may be significantly under-insured if they own vintage or antique pieces or indeed gold cufflinks bought when the gold price was lower and the market less volatile than it is currently.

It is also important to consider the value of unbranded cufflinks where gold is not the principle material. Although gem-set cufflinks and dress sets more readily suggest that insurance is needed, rock crystal, enamels in both gold and silver, crystal intaglios, onyx, jade and even semi-precious stones such as agates and amethyst all need to be considered as appropriate for insurance.

It is possible that one might not replace certain items of jewellery on a like for like basis, but most men would want to replace cufflinks in the event of loss, so an accurate and up to date insurance valuation is crucial

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