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Keeping watch of the roulette wheel

The link between luxury time-pieces and the planned casinos may be more intricate than one thinks

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THE Singapore luxury watch industry is ticking with excitement while waiting for the day when the two integrated resorts (IR) with casinos are fully operational in Singapore by 2009.

Countries with casinos tend to have a vibrant watch trading industry because time-pieces are easy to pawn when gamblers wish to have more cash, observed Mr Jonathan Tee, the managing director of Passions, a regional trader of luxury watches.

"I know a lot of them (gamblers) do pawn their watches. In Macau, there are a lot of pawn shops. There are also a lot of retailers there selling watches," said the purveyor of fine watches.

Similarly in Las Vegas, big watch retailers stocking the latest models jostle for the big gambler.

"Singapore has some of the best collections but Las Vegas has even more, and people are happy to show off different models, priced from US\$10,000 (\$16,600) to US\$500,000 dollars," said Mr Tee.

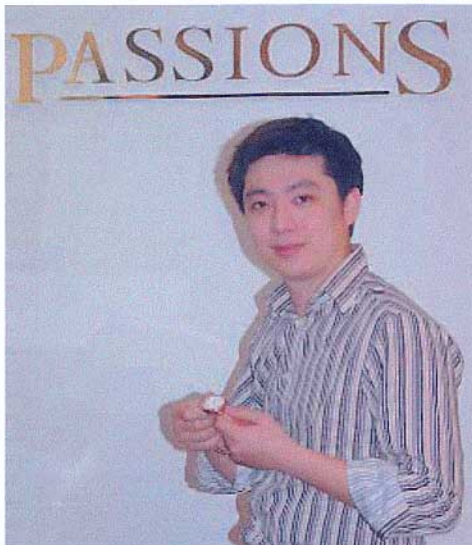
Singapore's IRs may just give the right boost to the luxury watch industry, which already boasts a reputation of producing the top few "watch connoisseurs" in the world, he said.

For Mr Tee, the investment ingredient is best stated in his company's name.

"You need a lot of passion to stay in this business. I see a lot of shops come and go," said Mr Tee, who started Passions in 1991.

The good news: A luxury watch will always provide both tangible and intangible value to its investor.

"Stocks can become zero (in value) overnight, but not good watches," Mr Tee said. A vintage watch, or a watch that is more than 30 years old, has the potential to



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appreciate 10 times its initial value.

"Ten years ago, a vintage watch may have cost \$200. Today, it can cost about \$2,000," he said.

Mr Tee's knowledge of these time-pieces started when he bought his first collectors' watch at the age of 16. Although that piece did not appreciate significantly in price, it marked the start of better watch investments the following year, when he bought an Omega watch for only \$250.

"Today, it's at least \$1,000 based on market estimates. I've not seen the same model for the past few years," he said.

Since then, he has travelled far and wide in his pursuit of the finest time-pieces.

Every year, he visits Swiss watch exhibitions and trade shows such as Baselworld.

To him, the number one rule to investing is studying the company and manufacturer of the watch.

"The history, principle, people and the vision of the company affects the quality of the watches they produce and ultimately, their value," said the 31-year old hobbyist and trader.

Although there is currently no formal association for watch collectors, Mr Tee said that Internet forums such as thepurist.com and timezone.com offer good information for trading watches. However, he advised buyers to be aware of bad pricing and fraudulent pieces offered on the Internet.

"Some overseas sellers may think a particular watch is rather valuable, but in reality it may be a very common model in the market," he said.

The second rule is to look to auction houses for the market value of watches but investors should take note that not all houses give accurate pricing. To get a more accurate market price, one can look to watch dealers, Mr Tee said.

In the marketplace, a high-end watch is defined as one associated with its retail price, rather than by its brand.

"We're talking of prices in the five-figure range or at least \$5,000 and above. Not a

\$2,000 or \$3,000 model," said the veteran with clients in more than 45 countries.

The most expensive watch sold in an auction was a US\$4-million watch paid for a Circa 1950s Patek Philippe, Worldtime in Platinum in 2003, said Mr Tee.

"Most such high-end watches are usually in low production and partially or completely hand-made. The companies usually have a huge and long history of at least a hundred years, such as Patek Philippe, Vacheron Constantin, Audemars Piguet, *et cetera*."

Buyers are now opting for big and loud watches, with the "bling bling" watches — typically those that are diamond- or gem-studded — gaining popularity, especially in the United States.

Singapore collectors are also getting more fashion-oriented, although most of them are conservative and prefer to stick to traditional collectors' items.

Pocket watches have not caught here as Singaporeans have yet to acquire a taste for "fine art" pieces. Instead, they are more popular in countries with a different time-zone from Singapore.

"We are more the 'fashion follower' than the trend setter. Pocket watches have always been strong collectors' items for Europeans and Americans. You need to appreciate them like fine art, but Singaporeans, unfortunately, haven't acquired the taste yet. The market for pocket watches is very, very small here," said Mr Tee.

Pocket watches have a history of about 350 years, while wrist watches have a history of 100 years.

"A lot of them (pocket watches) have very unusual technical features that are not even possible to produce today due to the tools being lost along the way. And because they are hand-made, they are not mass-produced."