

The pandemic is yet to dampen demand for luxury goods resales

By: **Claire Jones**



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When professional gambler Vegas Dave spent \$500,000 on the world’s most expensive handbag, a diamond-studded Himalayan Birkin, he viewed it as one of the best marketing tools out there.

“I was watching sports with a female friend of mine, we saw someone in the audience with a Birkin Bag and she thought it was crazy that people spend so much on these items. But I look at it as a piece of art,” he says. “I took it to big events, when I go to a [Los Angeles] Lakers game and sit on the floor, having the bag there with me gives me a lot of marketing. The people who sit courtside, they all know what a Birkin Bag is. They see it and think ‘What does he do, look me up and sign up to one of my gambling packages.’”

With stadia shuttered, will Dave – and those like him who crave the world’s most coveted luxury goods – lose interest now that there are fewer places to flaunt them? Are times for the superrich set to become so tough that they would even consider selling prized possessions? Or will all that time spent at home with time on people’s hands only have heightened desire?

According to Dave, it’s the latter. “People still view it on Instagram, I’ll get 10,000 comments on it. Of course you’ll always have haters, people who say you could buy a house for half a million. But there are lots of houses for half a million, and there are only two of these bags in the world.”

He is not alone in his assessment that the pandemic has done little to dampen demand for the world’s most prized luxury goods. It has, however, led to some interesting trends in the broader luxury market.

Selling electric dreams:

For most of us, staying at home has meant donning leggings and hoodies. It’s different for the 1 per cent.

Eager to impress on Zoom, sales of Statement Jewellery have shot up. The RealReal, an online luxury goods retailer, reported a 40 per cent rise in earnings from Cartier earrings and sales of gold necklaces up 72 per cent month on month. Auction house Sotheby’s, meanwhile, set a new record for a jewellery piece sold online, selling a Cartier bracelet from the 1930s for \$1.34m.

The pandemic is also catalysing a shift towards buying and selling even the most exclusive goods digitally. The auction house has reported strong demand for online sales, with traffic over the course of March increasing by 16 per cent – a trend matched elsewhere.

A run on protective gear has affected the luxury market too: The RealReal saw scarf sales from mid-March to mid-April shoot up 24 per cent year-on-year.



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The closure of physical stores has led to pent-up demand for luxury products. On its first day of re-opening, Hermès' Guangzhou store raked in \$2.7m, believed to be the [highest-ever tally](#) for a single boutique.

It has helped supply sellers in the secondary market too. Cécile Wickmann, chief executive and founder of [Rebelle.com](#), says the website benefited from higher supply from commercial sellers looking for “attractive alternative sale channels.” Karin Dille, head of B2B sales and estates at [The RealReal](#), says: “A big draw

with us is anonymity – [brands] appreciate the option to consign with us privately.”

Jane Angert of [JaneFinds](#), a specialist in sourcing the world's rarest and most collectible bags, says: “With all the Hermès stores closed, there's an increased demand for the latest season's bags. Many auctions have been postponed, meaning there are even fewer exceptionally rare pieces available.”

She adds: “Being a small business, we're still able to ship to people overnight. These are certainly challenging times, but people still want to treat themselves.”

Money bags



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The Birkin, long seen as the quintessential fashion accessory and touted as a better investment than gold or real estate, has also benefited from a gravitation towards classics. “When the economy is uncertain, luxury consumers want to focus their attention and bandwidth on smart collecting, straying from frivolous spending,” says Caitlin Donovan, head of sales for handbags and accessories at [Christie's America](#).

“Our clients gravitate towards the classic pieces and heritage brands which have proven time and again to hold or appreciate in value, brands such as Hermès, Chanel and Louis Vuitton.”

She adds: “As the market becomes more established, prices do too.”

Wickmann echoes this, saying: “Some high-end luxury items of special brands – like Hermès – are proving more resilient in terms of prices than others.”

Dave, meanwhile, says the Birkin benefits not only from its rarity but its practicality – something which harks back to its origins. Named after British actress Jane Birkin, its design came about when trying to place her wicker basket in the overhead locker on a flight between Paris and London – all of her belongings fell out. She complained to the guy sitting next to her that it was so difficult to buy a good-looking travel bag. It turned out the guy was Hermès' then-CEO Jean-Louis Dumas and a legend was born, the original design penned on the back of an Air France sick bag.

“I have a black crocodile Birkin that I use every day - I love it; some girls think I am crazy because I use it for my laptop. But it's spacious, it's big, I wouldn't use anything else.”

We've mentioned that the prices for essential items have shot up since the pandemic began. What counts as essential, though, really does lie in the eye of the beholder.

**The headline of this piece has been changed to reflect that the piece is focused on the market for high-end second-hand luxury goods.*