

APPAREL AND ACCESSORIES

Herms' Birkin may see price hike after secondary market shows movement: Baghunter

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Herms' Himalaya Birkin, a rare version of the handbag broke records when sold at auction

By BRIELLE JAEKEL

French leather goods maker Herms significantly increased the price of its iconic Birkin bag more than 12 months ago, but a new report from Baghunter suggests the handbag is due for another pricing tweak by year's end.

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A price increase on the Birkin will keep the handbag's status as a wealth symbol and beneficial financial investment. The expected price hike will come after the Birkin had a record-breaking sales year in 2016.

"The expected rise in the value of Herms Birkin bags this year continues the trend of positive growth for the Birkin and maintains the bag's status as the ultimate investment piece," said Evelyn Fox, CEO of Baghunter. "The increased movement in the secondary market over the past few weeks points to an imminent price increase and makes now the ideal time to invest in a Birkin bag, before the growth occurs, or to make a quick sale while the market is extremely active."

Birkin and Baghunter

Baghunter has been looking at secondary market data, which is revealing that a price hike might be in the cards for the Birkin sometime in the upcoming year.



Hermes Birkin from Baghunter

Hermes' Birkin has only ever seen positive growth since the handbag's launch in 1984. Many times before a price increase, keen investors will begin to put more stock into the product.

That is what Baghunter is seeing now with Birkin, alluding to an upcoming price hike. A high number of Birkins have been sold in the secondary market in a short span of time.

A price hike would greatly benefit investors, making their acquired purchases worth more in the long run.

Baghunter estimates that a Birkin on the secondary market in excellent or pristine condition can sell for more than 120 percent of its original cost. The bag has had an annual return of 14.2 percent on average.



Hermes record-breaking sales Birkin

Black has been the most valuable bag color of the Birkin while Porosus and Niloticus Crocodile skin bags are the most precious materials.

Birkin insights

Hermes' tight distribution of its iconic Birkin handbag has laid the groundwork for a booming resale market, but it has also created opportunities for counterfeit sellers online.

According to another report from Baghunter, eBay is a popular alternative to long waiting lists for the coveted accessory, but among its sellers are also some of the worst offenders when it comes to authenticity. As

counterfeiters become more sophisticated, it is becoming more challenging for prospective buyers to tell real from fake ([see more](#)).

The Birkin bag has been boding really well for investors, as twice this year the purse style broke its previous record for most-expensive handbag sold, according to Baghunter.

Other insight from Baghunter is detailing how 2017 might be a smart year for investors of the Birkin bag, as 2016 saw an average annual return of 14.2 percent compared to the Standard & Poor 500 of a nominal 11.66 percent. The fashion house will be scaling back production of the bag to preserve its second-hand value and exclusivity through 2017 ([see more](#)).

"Although the Birkin's continued rise in value is not surprising due to past trends, the flurry of activity over the last few weeks has taken us by surprise," Ms. Fox said. "Our record-breaking number of sales during this period suggests that a significant price hike is set to be announced in the coming months as many seasoned investors have contacted us to seek out Birkin bags urgently.

"While we usually witness a spike in activity during the weeks before a price increase, this unusually high level of activity suggests a significant price hike is on the way," she said.

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