

APPAREL AND ACCESSORIES

Demand for Herms Birkin grows as resale supply dries up

November 20, 2018



Hermès Himalayan Niloticus Birkin, sold at auction by Christie's. Image credit: Christie's

By SARAH RAMIREZ

With supply of the iconic Birkin bag by French leather goods maker Hermès dwindling on the resale market, demand only continues to grow.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

A new report from handbag consignment platform Baghunter finds a growing gap between demand and supply of Birkin handbags, leading to a "mini-Hermès drought" in the resale market. The booming popularity of Birkins coincides with economic growth in the United States and more visibility as the handbag of choice among celebrities.

"With all indicators showing Hermès have not increased production of the Birkin bag, the value of the Birkin is set to spike soon," said Evelyn Fox, CEO at [Baghunter](#), Beverly Hills.

Birkin boost

Baghunter is one of the largest consignors of Hermès handbags in the U.S.

From January through August 2018, inquiries from consignors have dropped 40 percent year-over-year. Inquiries to purchase, however, grew by more than 25 percent in the same timeframe.

The most coveted Birkin bags are the smaller ones at size 25, according to Baghunter. Sizes range up to 40 centimeters, while travel sets measure 50 to 55 centimeters.



Selection of Birkin handbags available on Baghunter. Image credit: Baghunter

Public figures including Michelle Obama, Sarah Jessica Parker and Kim Kardashian West have all been seen toting Birkins recently.

In the same time frame, the U.S. economy is growing at a record annual rate of 4.1 percent.

Outside of the resale market, Herms saw its reoccurring operating profits reach an "all-time high" at 34.5 percent of sales in the first half of 2018.

Herms saw revenues of 2.8 million euros, or \$3.3 million, an 11 percent growth at constant exchange rates and 5 percent at current exchange. The group's recurring operating income saw 6 percent growth to 985 million euros, or \$1 billion at current exchange ([see story](#)).

Additional insights

In 2017, a report from Baghunter suggested the Birkin was due for another pricing tweak.

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 ([see story](#)).

Since the release of its 2016 "Birkin Values Study," Baghunter found that the Herms Birkin remains on a positive growth trend and has exceeded even the most optimistic expectations in the last 18 months.

Baghunter's original Birkin Values Study found that purchasing an Herms Birkin is a sounder investment than both the S&P 500 and gold markets because the handbags' value has never decreased ([see story](#)).

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.