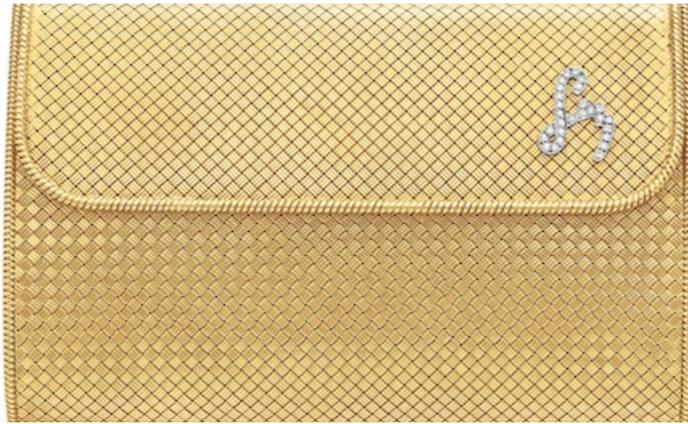


APPAREL AND ACCESSORIES

Herms is star attraction as second-hand luxury handbag auction market takes off

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Elizabeth Taylor evening bag sold for \$218,500. Image courtesy of Art Market Research

By DIANNA DILWORTH

Affluent consumers are investing more in luxury second-hand handbags than in art, classic cars and even rare whiskey.

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In 2019 alone, more than 3,700 designer handbags sold for \$32.6 million at auctions around the world and consumers spent thousands more sold online via luxury resellers, according to The Luxury Handbag Report from Art Market Research.

"While the market is known for second-hand handbags, the condition of the most collectable pieces are excellent, with many bags consigned just one or two years after purchase from the retailer," said Seb Duthy, CEO of Art Market Research, London.

"With bags increasingly expensive to buy and hard to source on the primary market, many are turning to the auctioneers and resellers where bags are readily available," he said.

"The category is also increasingly popular with affluent Gen Z and millennials who are coming to collect looking for luxury and art at affordable prices."

Handbags

Hermès Top 10

A top 10 list of record breaking prices paid at auction

Poly HK	An Extraordinary Himalayan Crocodile Birkin 30 w/18k white gold & diamond hardware (2016)	4 April 2017	£298,800
Christie's HK	An Exceptional Himalayan Niloticus Crocodile Birkin 30 w/18k white gold & diamond hardware (2014)	31 May 2017	£292,200
Christie's HK	An Exceptional Himalayan Crocodile Birkin 30 w/18k white gold & diamond hardware (2011)	29 Nov 2017	£284,500
Christie's LDN	A Rare and Exceptional Himalayan Crocodile Birkin 35 w/18k white gold & diamond hardware (2010)	12 Dec 2018	£236,750
Poly HK	An Extremely Rare Himalayan Crocodile Birkin 30 w/18k white gold & diamond hardware (2013)	2 April 2019	£236,500
Christie's HK	An Exceptional Himalayan Crocodile Birkin 30 w/18k white gold & diamond hardware (2011)	29 May 2019	£201,700
Christie's LDN	An Rare Himalayan Crocodile Diamond Birkin 35 w/palladium hardware (2015)	11 June 2019	£162,500
Christie's LDN	An Exceptional Shiny Bleu Marine Crocodile Birkin 35 w/18k white gold & diamond hardware (2007)	12 June 2017	£155,000
Christie's HK	An Exceptional Shiny Fuchsia Crocodile Birkin 35 w/18k white gold and diamond hardware (2014)	1 June 2015	£145,800
Heritage TX	An Exceptional Shiny Rouge H Crocodile 30cm Birkin w/18K white gold & diamond hardware	7 Dec 2011	£129,600

All prices have been converted to sterling on the day of the sale.

Source: AMR Luxury Handbag Report 2020

AMR Art Market Research

Top 10 list of record breaking prices of handbags paid at auction. Image courtesy of Art Market Research

Best performers

Art Market Research's new index tracks the fair market value of collectible handbags using data from global auction houses to measure the performance of selected Herms Kelly, Herms Birkin bags, Chanel and Louis Vuitton bags. The methodology was created in association with the London School of Economics.

The report found that since 2010, the average values of Louis Vuitton handbags have risen 11 percent with a compound annual growth rate of one percent over the same period. And the average price of a second-hand Noe has increased 58.3 percent since 2015, [the report](#) found.

The crocodile skin Himalaya Birkin by Herms is considered the most collectible handbag in the world, selling for \$123,000 at Christie's London in November 2019.

"Herms handbags are the Holy Grail for collectors and they remain incredibly popular with collectors and auctioneers who hold sales devoted almost entirely to the brand," Mr. Duthy said.

Last year was a record year for rare Herms handbags. The So Black sold at Christie's London in June for \$61,720, a 300 percent increase since it was sold months before.

This year an Herms Ombre Lizard Birkin sold for \$137,000 at a Sotheby's online auction in March 2020, fetching 50 percent more than its previous record in 2018.

Sales of Herms Birkin & Kelly "New bags" handbags purchased in store and resold immediately in near-new condition are generating the highest prices at auction.

Since 2010, the average values of Herms Kelly handbags have risen 129 percent with a compound annual growth rate of 8.6 percent over the same period.

Prices of Herms bags on the secondary reseller market are up to 75 percent from their retail price due to a low supply on the primary market.

"Herms is acutely awarded for their collectable status and ensures that the trend for their bags remains robust by continually reinventing classic styles with new color and leather combinations," Mr. Duthy said.

"Second place is currently taken by Chanel, whose strong heritage is very popular with collectors valuing brand

recognition," he said.

"Chanel's Metiers d'Art clutch bags made each season for the runway are effectively limited-edition pieces and increasing in value."



Chanel, Hermès and Louis Vuitton handbags. Image courtesy of Art Market Research

In the bag

Core customers are women, ranging from younger women looking for their first Chanel bag to older women who have been collecting for decades.

"Auction houses generally curate sales according to the customer they want to attract," Mr. Duthy said. "Poly Auction in Hong Kong had the highest average spend in the world in 2019 followed by Christie's in London."

Christie's now hosts seven global live and online auctions each year and other auction houses are following suit. Bags on the secondary market can range from a few hundred dollars to hundreds of thousands.

Digital auctions are playing a greater role in the secondary handbag market and this will likely accelerate post-pandemic.

"Evolving in parallel with the growth of ecommerce and social media, the secondary market for handbags is probably the most modern marketplace for collecting," Mr. Duthy said.

"Collectors are most comfortable shopping online and use the reach to seek out particular bags from anywhere in the world," he said. "As tastes differ from region to region, auction houses recognize it is essential to provide a platform so collectors and dealers can source bags quickly and easily."

"At the same time, collectors who are considering spending 100,000 on a bag generally want to see it in person and discuss with an expert and, so increasingly, auction houses are investing in specialist handbag departments. Fin Arts in Milan, which launched sales in 2019, and Bonhams in London, which started selling handbags this year, are just two of the most recent to set up handbag departments."



Chanel handbag. Image courtesy of Art Market Research

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