LUXURY DAILY

The News and Intelligence You Need on Luxury

COLUMNS

Your watch collection is probably worth more than you think and your estate plan doesn't know it exists

February 20, 2026

Matthew Erskine is managing partner of fourth-generation law firm Erskine & Erskine

By A LUXURY DAILY COLUMNIST

If you're under 45 and own a serious watch collection, you probably didn't inherit it you built it.

Maybe through a liquidity event, crypto gains, or a successful exit. What started as rewarding yourself with a Submariner or Royal Oak has likely evolved into something more substantial.

As Jimmy Kim, founder of WatchBox, recently noted, collections that began with what felt like modest five-figure purchases now routinely exceed seven figures.

You know the market, but your estate plan doesn't

Here's the problem: while you've probably optimized your portfolio, structured your entities, and maybe even set up a trust, your watch collection is likely sitting in a planning blind spot.

No proper inventory, possibly underinsured and definitely not integrated with your estate plan. If something happens to you tomorrow, your family will be making high-stakes decisions about six- and seven-figure assets with zero guidance.

This isn't unique to watches. I've written extensively about how collectors of all types art, cars, baseball cards accumulate serious assets faster than their planning infrastructure can keep up.

But watches are particularly vulnerable because they're personal, portable and easy to underestimate.

What has not kept pace is how families plan for these assets. Watches are uniquely vulnerable precisely because they are portable, divisible and familiar.

They do not feel like "estate assets" until a death or incapacity forces decisionsoften under pressure.

Applying proven collector strategies to watches

The good news is that the same principles I have outlined for art and other collectibles apply cleanly to watches, provided someone is responsible for coordinating the process. Documentation and valuation come first.

As with art, accurate inventories, service records, boxes, papers and cost-basis documentation are not administrative detailsthey are value drivers. Missing documentation routinely translates into discounted pricing and fiduciary disputes.

Watches are no exception.

WatchBox's Jimmy Kim emphasizes the importance of timing, particularly around death. A post-death sale may benefit from a step-up in basis under IRC Section 1014, potentially eliminating federal capital gains tax altogetherbut only if qualified appraisals meeting IRS requirements and proper execution procedures are followed.

Consult with tax and estate planning professionals to ensure compliance. Liquidity planning must be intentional, not reactive.

I frequently warn against forced sales driven by estate liquidity needs. Watches may be liquid, but rushed sales still destroy value. Advance planning allows families to decide whether watches are legacy assets, liquidity tools or something in between.

Across collectibles, the most common failure is not valuationit is decision-making authority. Who decides whether to sell?

Who selects dealers? Who resolves disputes among heirs?

Clarity around governance is often more important than the asset itself.

While there are many platforms and professionals that can support different aspects of watch ownership, successful outcomes rarely happen by chance. Families benefit most when there is a trusted agent responsible for carrying out an intentional strategy tailored to each situation.

Without coordination, the families may fall back on reactive actions, which are often not the best actions to take but are expedient. When strategy, execution and professional guidance are aligned, families are more likely to achieve optimal results for both financial and emotional returns.

That is the central lesson of the watch marketand of collectibles more broadly.

A Short Planning Checklist for Watch Collectors
For collectors and advisors, the following questions provide a practical starting point:

1. Inventory: Do you have a current, written inventory of all watches, including reference numbers and locations?

2. Documentation: Are original boxes, papers, service records, and purchase receipts accounted for?

3. Valuation: Do you have credible, defensible valuations prepared by qualified appraisers for estate and tax purposesnot just insurance estimates?

4. Tax Strategy: Have you consulted with a qualified tax advisor to evaluate whether watches are better sold during life or after death, considering factors such as basis step-up, capital gains rates, and estate tax implications?

5. Liquidity Planning: If estate taxes or equalization among heirs are required, are watches part of that planor an afterthought?

6. Governance: Who has authority to decide whether and how watches are sold, and under what standards?

7. Execution: Have you identified qualified advisors or platforms in advance, rather than leaving execution to heirs?

Luxury watches have become serious assets. Treating them accordingly does not diminish their personal meaningit preserves it.

As Mr. Kim notes, watches will continue ticking long after their original owners are gone. The question is whether they will do so as sources of value and continuity, or as sources of confusion and conflict.

The difference is rarely the strategy. It is whether someone was responsible for designingand implementingthe plan.

Watches are one of the clearest examples of why the traditional divide between "financial assets" and "personal property" no longer works for high-net-worth families.

The market has matured faster than the planning infrastructure around it, and until families adopt an integrated, professionally-guided approach with qualified legal, tax, and valuation advisors, value will continue to leak at precisely the moments when it matters most.