HOW TO BUY

ESTATE JEWELRY

BY VICTORIA GOMELSKY

The provenance of a major piece of jewelry can often add to its allure and its retail value. But be sure you get the story straight before you hand over the cash

It is a matter of some debate as to whether Wallis Simpson, the American-born Duchess of Windsor, and King Edward VIII, the man who abdicated the British throne in her honor, had the greatest love story of the 20th century. But one thing is certain: Nothing rivals its spectacular epilogue, the events of which unfolded on a mild April evening in 1987, when 1,200 people gathered beneath a tent overlooking Lake Geneva to peek inside the duchess's legendary jewel box. Its rare cache of Cartier panther jewels, Van Cleef & Arpels mystery-set bracelets and Harry Winston diamonds represented the ultimate convergence of history and taste.

Sotheby's spared no expense in showcasing the collection to a black-tie crowd that included diamond mogul Laurence Graff, Hollywood divorce lawyer Marvin Mitchelson, 17 television crews, 200 journalists and Elizabeth Taylor, phoning from "poolside in Los Angeles" to place the winning bid on a Prince of Wales feather brooch.

The sale, which earned $50.3 million (about $45 million of which went to the Pasteur Institute), six times the estimate, revolutionized the market for secondhand jewelry, a catchall term that includes antique jewelry, defined as anything more than 100 years old; period jewelry, referring to pieces from distinct design eras; and estate jewelry, a fancy name for pre-owned baubles of any age.

Bidding via phone that day was Calvin Klein, the most high-profile example of the new breed of private buyer. Willing to pay for provenance, the circuitous journey of ownership that can render an ordinary, if beautiful, jewel extraordinary, he spent $733,333 on a single-strand natural pearl and diamond necklace by Cartier that had once belonged to Queen Mary, wife of King George V and the mother of Edward VIII. He also bought a Cartier baroque pearl and diamond pendant, circa 1950, for $300,667.

The pearl strand and pendant resurfaced at Sotheby's in 2007, when they brought $3,625,000 and $505,000, respectively, reflecting an age-old truth about jewelry: "It's the most fluid market in the world," says Francis Norton, a director of S.J. Phillips, an antiques dealer in London.

For most of history, however, jewelry doubled as currency precisely because it could be dismantled and traded. Joyce Jonas, president emeritus of the American Society of Jewelry Historians, recalls watching dealers on New York's 47th Street break apart antique merchandise. "They'd put Georgian chain on a scale," she says. "They had no respect for what they were doing."

Today, secondhand jewels with holy-grail-like connotations—the avant-garde creations of the inimitable Parisian jeweler Suzanne Belperron, for example—fetch prices that, even in the aftermath of the financial crisis, far outweigh their intrinsic value.

"We're like art dealers who count carats," says Max Faerber of Faerber, a fourth-generation jewelry firm with offices in Geneva, Antwerp and New York. "There's subjectivity in what we do."

That helps explain why the market for secondhand jewelry is so difficult to quantify. Ken Gassman, an industry analyst, says it amounted to roughly 2 percent of the $59 billion of jewelry sold in the U.S. in 2009, or $1.2 billion, but "one of the problems we have is getting numbers from the pawnshops—that's where the real action is."

By comparison, world-wide sales of new jewelry reached $145 billion in 2009, according to the Gemological Institute of America.

An obsession with numbers, however, misses the point. "It may not be the biggest value of the jewelry market, but the inclusion of estate jewelry in an auction is what makes the difference between a regular sale and one with sparkle," says François Curiel, Christie's chief jewelry specialist. "Uniqueness is the No. 1 reason."

That's certainly the draw for aficionados like Suzanne Tennenbaum. The California-based collector and author of "The Jeweled Menagerie" has spent the past 25 years buying period jewelry because it fulfills "a desire to be a little different." Speaking over the phone from Hong Kong, she says, "Here, there are brand-name boutiques in multiples. You see the same merchandise everywhere—it gets repetitive. For me, fine estate jewelry is a work of art."

Murray Mondschein, aka Fred Leighton, who started out as the owner of a Mexican wedding dress shop in New York's Greenwich Village, understood that better than most. From the late 1960s until his retirement in 2006, he earned a reputation as the finest estate jeweler of his time. His legacy continues to influence the red carpet. At this year's Oscars, 25-year-old best actress nominee Carey Mulligan wore a cascading pair of Fred Leighton 19th-century diamond earrings set in silver-topped gold, a Victorian signature.

Jewelry bearing the hallmarks of the Art Deco movement, which emerged around the mid-1920s—clean-cut lines, all-white surfaces of diamonds on platinum, and exotic, Egyptian motifs inspired by the discovery of King Tutankhamen's tomb in 1922—is the perennial belle of the ball, with the auction records to prove it. If the pieces are signed Cartier Paris, the first and last name from the period, prices are all the more impressive. The same goes for authenticated jewelry by Belperron, who rarely signed her work, or anything from the atelier of her predecessor, René Boivin, whose genre-bending jewels, designed by his wife, Jeanne, following Boivin's death in 1917, influenced the greatest designers of the past century.

The auctions are a natural place to begin the hunt for their elusive work. Not only do the sales offer the strongest possibility of buying vintage jewels freshly unearthed from the most sought-after estates, but the bidding process also "helps level the playing field," says Gail Levine, executive director of the National Association of Jewelry Appraisers.

For buyers reluctant to pay auction premiums, which typically range from 20 percent to 25 percent of the hammer price, the key is finding a trusted dealer. In New York, the specialists are concentrated around Madison and Fifth avenues, chief among them Stephen Russell, Camilla Dietz Bergeron, A La Vieille Russie and Paul Fisher, a respected wholesaler whose period jewels are now available at Bergdorf Goodman.

In Rome, the eternal choice is Carlo Eleuteri, on via dei Condotti, while Los Angeles lays claim to Neil Lane, California's answer to Fred Leighton, and the Kazanjian Bros., who operate out of an elegant Beverly Hills salon, once home to midcentury designer Bill Ruser.

Hong Kong is, unfortunately, a bust for secondhand pieces. The Chinese treasure large, flawless diamonds and jadeite, but their jewelry tastes trend toward contemporary styles.

The polar opposite is true of London. At established firms such as Hancocks and S.J. Phillips, the assortment occasionally reaches back to the Middle Ages, though more often than not it begins with Georgian and Victorian jewels, which have been known to arrive in vintage suitcases hauled by little old ladies.

TOP THREE

1. Art Deco suite of jewelry (c. 1935) by Suzanne Belperron, up to $700,000. **2.** Retro 1940s "gas pipe" necklace by Mauboussin, from $40,000. **3.** Vintage 1970s gold and gemstone clip earrings by Aldo Cipullo for Cartier, from $8,000.

Most estate dealers insist that the finest pieces never go on display. In addition to Deco-era Cartier, the market is perpetually starved for natural (as opposed to cultured) pearls and über-rare gemstones: Kashmir sapphires, "pigeon's blood" Burmese rubies from the fabled tracts of Mogok, Golconda diamonds. Most of the mines that produce these treasured gems have long since closed, making estate jewelry their only reliable source.

"We have about a half-dozen people we call" when something special turns up, says Walter McTeigue, co-founder of high-end jeweler McTeigue & McClelland, citing an oil-shipping magnate, a publishing heiress, and a star hedge-fund manager as clients who make his short list. "I'd be utterly shocked if anything really worthwhile ended up online."

M.S. Rau Antiques Jacques-Charles Mongenot Louis XVI silver candelabra

Then again, 1stDibs.com is helping to rewrite the playbook. Founded by Michael Bruno in 2001 as an online destination for 20th-century collectibles, the site hosts 80 jewelry dealers, including the well-regarded Neil Marrs and Primavera Gallery.

It's true that, online or off, secondhand jewelry is "no longer the bargain it used to be," says Tennenbaum, but opportunities exist at all price levels.

"We have 18th-century rings for $800," says Simon Teakle of Betteridge in Greenwich, Conn. "If somebody had $10,000, they could put together a really lovely jewelry collection."

That collection might include a $3,000 gold bracelet from the 1940s, a $2,000 pair of Victorian gold earrings and an unsigned Deco diamond bracelet for $6,000. "Obviously, the sky's the limit, but you could get all these things," Teakle says.

The received wisdom is that it always pays to buy quality. "You don't buy estate jewelry to make money, but you or your heirs will do all right," Camilla Bergeron says.

While it's tough to make a killing with pieces from the diamond-studded Art Deco era, or Art Nouveau, a short-lived movement known for its delicate enamel work and naturalistic themes, the consensus is that periods known for gold—from the ornate jewels of the 19th century, to the spare, machine-age designs of the wartime Retro period, to the groovy, semiprecious styles of the 1960s—have room to appreciate.

Among designers of the late 20th century, names worth noting include David Webb, Jean Schlumberger, Tiffany & Co.'s Angela Cummings and Fulco di Verdura. "An awful lot of that is very affordable," says Lisa Hubbard, chairman of the international jewelry department at Sotheby's North and South America. "And when I say affordable at auction at Sotheby's, I mean between $5,000 and $15,000."

Bulgari, a 126-year-old Italian brand known for its snake-shaped bracelet watches, antique coin jewelry and resplendent use of color, is also trending in the secondary market, Bergeron says.

As for contemporary makers destined to figure prominently in estate sales of the coming century, first mention goes to American-in-Paris Joel Arthur Rosenthal, whose JAR workshop at Place Vendôme turns out heirloom pieces that regularly earn two to three times their estimates at auction. Other designers to watch include Munich-based Hemmerle and New York's Taffin, by James de Givenchy, a nephew of the celebrated couturier Hubert de Givenchy.

Signed work consistently fetches a premium—sometimes up to three times the value of a similar but unsigned piece. Greg Kwiat, the new CEO of Fred Leighton, says he recently inspected an important 1930s diamond necklace by Van Cleef & Arpels: "On the strength of that signature, we increased our offer by 50 percent."

Add a well-documented provenance to the mix, and all bets are off. "A Cartier bandeau that was once owned by [American heiress] Doris Duke with a stellar natural pearl in the center was sold back into the Cartier permanent exhibit for dramatically more than it had been purchased for in auction," says Elizabeth Anne Bonanno, a New York–based estate-jewelry consultant. "Provenance matched with a piece that is the finest example of its time, or maison, is worth whatever asked, as far as I'm concerned."

The jewelry trade's somewhat dubious reputation for deception makes such expert guidance critical. Some additional things to keep in mind: Are the diamonds cut in the style of the period to which the piece belongs? Does the jewel show natural signs of wear and tear? Is the gold on the clasp different from the surrounding metal?

"The ultimate is when a piece comes—in French we say *dans son jus*—'in its juice,'" Curiel says, referring to a jewel that shows no signs of tampering or, better yet, arrives in its original fitted case.

But how to know? The jewelry learning curve is steep. Literature is a natural place to begin an education—Gail Levine, the appraiser, recommends "Warman's Jewelry," third edition, by Christie Romero, while Jonas, the historian, suggests "Understanding Jewellery," by David Bennett and Daniela Mascetti—but it's important to experience the marketplace in action.

"Go to the auctions, go to the previews, try on the jewelry, and talk to the specialists," advises Levine, who also publishes a guide to past sales called "Auction Market Resource." "Follow the market for a while and follow your specific interest."

As with all worthwhile pursuits, there is no substitute for knowledge, perseverance and luck, as history's finest jewelers have proven.

"When I came into the business 30 years ago, there was a famous estate dealer named Benny Kozuch," says McTeigue, Harry Winston's estate buyer in the early 1990s. "He was the son of a cattle dealer in Poland. In his teens, when the Germans invaded, somebody said, 'Can you sell this gold for me?' and that was the beginning. He'd come to see me once, sometimes twice, a day and he would say, 'Valter—what do you have to figure? What do you have to buy?' If you're the first guy there, you get the first crack at things." ◆