

## Much depreciated: the goods that drop most in value

From diamond rings to cars, we show you how to take the sting out of purchases that can become worthless faster than yesterday's wedding dress



Contrary to what the companies say, a diamond is not forever – in terms of material value at least. Photograph: Spencer Platt/Getty Images

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Sat 17 Oct 2015 07.01 BST

Last modified on Tue 21 Feb 2017 17.46 GMT

Diamond rings that collapse in price from £1,000 to £50; cars that plummet by more than two-thirds inside three years; £1,000 wedding dresses that are almost instantly worthless. We look at the things that depreciate dramatically the minute you walk out of the shop – and what, if anything, you can do about it price

### Jewellery

**New diamond ring: £1,000. A day later: £50**

After discovering her husband's affair, Catherine O'Leary\* recently divorced. At least, she thought, her diamond engagement ring would be worth something – after all, it cost £1,000.

But she was horrified when she took it to a jeweller on her local high street. She was initially offered just £30, eventually managing to get the price up to £50. “I was quite insulted, really. It was a lovely ring that had been well looked after. I even had a certificate that verified the diamond’s authenticity,” she says.

It makes something of a mockery of the De Beers ad that ran in the 1990s which marketed diamonds with the strapline: “How else could two months’ salary last forever?”.

Guardian Money carried out its own test: I took my ring, which cost £1,200 and has a .40 carat diamond, and tried to see what I could get hawking it around jewellers in York. I was told it had a “scrap value” for the metal of £85 and, although the diamond was potentially worth £350, in reality it had no value because it was too small.

Sadly, I wouldn’t even realise the value of my ring if I lost it, or if it was stolen, because insurance companies rarely hand over the cash equivalent these days. Many insist on replacing “like for like” directly with the shop.

Jeweller of 38 years Vincent Taylor from York says: “Diamond rings are only worth investing in if you buy them at the right price. Profit margins on the high street are so big that the price you pay is a false price.” His colleague Cavern Gill-Vernon, a trade jeweller of 26 years, says high street jewellers have “profit margins of 300% plus VAT”.

### **Top tip**

Vintage Victorian or art deco rings tend to fare best. “The rarer the piece, the more likely it will hold its value,” says Taylor. Or head to London’s Hatton Garden or Birmingham’s jewellery quarter and buy the diamond separately – and remember to haggle. A “practical” jeweller can make a ring for you at a fraction of the high-street price, either with the diamond you bought or by taking a snap of the ring you like and asking the jeweller to make it. The average spend on an engagement ring is £1,772, but Taylor says he can make the same sort of ring for £975 and still turn a profit.

If buying your own diamond, choose a lower grade colour. Diamonds are graded D to Z but only experts can really tell the difference between a D and a G. Opt for a G or H grade.

\* Not her real name.

## **Wedding dresses**

**New: £1,100. A day later: £100**



It’s a one-way aisle for the value of your wedding dress. Photograph: Stefano Civolani/Alamy

After you say “I do”, that wedding dress is almost worthless. Check eBay for “pre-loved” dresses, and you will see that many are being sold for as little as £30, even though brides on average spend £1,100, according to You&Your Wedding magazine.

“Brides are often very vulnerable and not very sensible. That’s why they will pay over the odds for a dress,” says the founder of Oxfam’s bridal department, Barbara Walmsley, who began selling wedding dresses 30 years ago.

Oxfam relies on donations, but Walmsley says it’s very difficult selling wedding dresses because brides often have their mind set on a particular style and “the chance of her seeing one secondhand is really very small”.

### **Top tip**

Unless you are buying something niche/high end, you are better off shopping on the high street. Last year H&M launched its first wedding dress, which cost £59.99. Specialist charity shops, such as Oxfam or British Red Cross, sell new end-of-season designer dresses at a third of their original price. Currently Oxfam stocks wedding dresses starting at £14.99 for a John Rocha sleeveless number, up to £750 for a Suzanne Ermann Paris size 28” bust wedding dress. Secondhand buyers beware though. Walmsley warns: “If there are deodorant stains under the arms, they will never come out. The only thing you can do is have the stain cut out and have the dress redesigned.”

## **Cars**

**New Chevrolet Spark: £9,885.**

**After three years: £2,800**



This Chevrolet loses its Spark quicker than any other car in Britain. Photograph: Alamy

Car valuation expert CAP names the humble Chevrolet Spark, a small city car, as the worst depreciating model in Britain. Not that there are many of them, as Chevrolet (the Korean arm of GM, once known as Daewoo) has abandoned sales in the UK. It drops by 70% after three years doing 12,000 miles a year. Next worst is the Fiat Qubo diesel. It drops by 69% after three years, or £9.70 a day.

But eco-friendly electric cars take the wooden spoon – notably the Nissan Leaf. One-year-old models fetch as little as £8,500, compared with £21,000 new (although you may have to pay for battery leasing). Rapid technological advancement means the current electric car models are being usurped by newcomers, with those with a 100-mile charge range at risk of becoming obsolete. CAP’s retail and consumer expert Philip Nothard says: “Why would anyone buy a car that can only do 100 miles on a full charge when you can buy one that does more than double?”

### Top tip

German cars used to depreciate least and French cars the most, but VW’s problems may knock that. Some cars actually appreciate, with the Honda S2000 cited by some as a future classic. Last year a 2008 model with 38,000 miles on the clock sold for £11,000 at auction. When it returned to auction a year later it fetched £13,500. Buy a white car if you want it to retain value, as they depreciate least says Nothard. Green, gold and purple cars fall fastest.

## Computer games

**Fifa 16 new: £56. After Fifa 17 launches: around £10**



Things could get Messi if you try to sell the Fifa 16 game after 17 comes out.

Football games depreciate faster than the £35m Liverpool paid for Andy Carroll. As new games are released, older versions rapidly drop in value.

Fifa 16, launched in September ahead of the Christmas shopping frenzy, is £56 for PlayStation users or £47 for Xbox.

But Fifa 15, which cost £40-plus and is, some say, practically the same to play as Fifa 16, is being sold for £10. And the longer you hold on, the more they depreciate. You can get Fifa 14 for a fiver, while a new copy of its predecessor, Fifa 13, can be picked up on Amazon for as little as £1.20. Fifa 12 is worth 75p, Fifa 11, 35p, and

so on. The new games remain popular with fans who want the latest players in the correct kits, says Jonathan Cronin from CeX, the secondhand technology and entertainment store.

### Top tip

The trick is to sell last year’s copy a few weeks before the new one comes out. Don’t sell your old game just as the new one comes out, says Cronin, because “it’s just like stocks and shares – if everybody else is selling, its value and desirability go down”.

Vintage games are making a comeback among older players reliving their youth. For example, mint condition copies of Mario Kart 64 from 1997 fetch up to £200 on eBay.

## Smartphones

**New BlackBerry Passport: £399. Used £125**



Unpopular smartphones are a tough call to sell. Photograph: Alamy

The BlackBerry Passport sells at Carphone Warehouse for £399.99, but on Gumtree there are unused, still-in-the-box models for £260, while barely used models can be picked up for £125.

Olly Tagg, director of secondhand mobile site SmartFoneStore.com, says: “BlackBerry is somewhat dead and buried in terms of consumer perception. When the Passport is resold, nobody really wants to buy it.”

Next in line is Samsung’s S5. Originally £369.99, its average resale price is £130. Tagg, who has been reselling mobile phones for the last 12 years, puts the drop down to the bad press when it launched. He says: “People thought it was tacky, cheap and plasticky. It was not a patch on the iPhone 5s, and there was a huge disparity in terms of build quality and brand perception. The residual value of the S5, which is supposed to be Samsung’s top product, is poor.”

### **Top tip**

Apple phones are most likely to hold their value, says Tagg. Apple accounts for 70% of his website’s resale products. Best value among older Apple iPhone models is the 5 handset. Buyers can pick up refurbished versions for around £150.