

Double-barrel investments

When it comes to investments, what could be more beautiful and more practical than a double-barrelled enhancement to your lifestyle?

Words and photographs by Mark Pettipher

Discerning investors are looking beyond financial instruments or even property to an alternative that gracefully holds the value of both antiquity and art, while keeping a firm grip on functionality and growth. Gun collecting – specifically rare acquisitions such as Purdey and Holland & Holland – is a niche that can pay a rich dividend to buyers who have their finger on the trigger. And, as with any specialty investment, finding your trophy means hunting with the experts.

“My most valuable sale was a Holland & Holland heavy calibre deluxe, which I acquired from a private sale in the UK. It sold for R1,7-million,” says Bennie Laubscher, a rifle specialist who has been dealing in fine firearms for more than 25 years.

Born and raised in Paarl, Laubscher has a great eye for value and a passion for getting things right. Concentrating on making custom-made bolt action rifles, he says that, on average, his rifles would sell for about R100 000. Like all new guns, they will appreciate in value as the years go by. The majority of the cost goes into the making of the weapons’ various components, which he makes in his Paarl workshop. Only the billet (the barrel of the gun) is outsourced (from the US) – it’s highly specialised and requires absolute precision to ensure each rifle’s accuracy. It takes anywhere from three to six months just to make the billet; combined with the precision of hand-building components, a rifle can take up to 18 months to complete.

Investing in quality

The Brits set the world benchmark for quality gun manufacturing as a result of know-how and attention to detail that has been passed down through generations.

The London-based J Purdey & Sons was established in 1814 and received a Royal warrant in 1868. Queen Victoria had a pair of Purdey pistols.

Holland & Holland was established in 1835, and the “builders of best guns only”, Boss & Co Gunmakers, was established in 1812.

In 2009, a bespoke Purdey would cost you, with today’s exchange rates, at least R1 225 000 and take two years to make. A Holland & Holland was priced at between R710 000 to R1 170 000. But the cost of 1 000+ man-hours that can go into the masterpiece can be avoided by buying vintage for a fraction of the price.

When the final hammer came down at the end of Holt’s Auctioneers’ December 2010 auction, total sales had hit a record US\$2,72-million (R29,75-million). Among the hot sellers was a pair of Purdey shotguns, sold for R1 435 000, while two guns made by Holland & Holland went for R1 400 000. In the same year, Sotheby’s also enjoyed a healthy December auction, with a buyer paying R1 470 000 for a single Boss & Co 12-gauge shotgun.

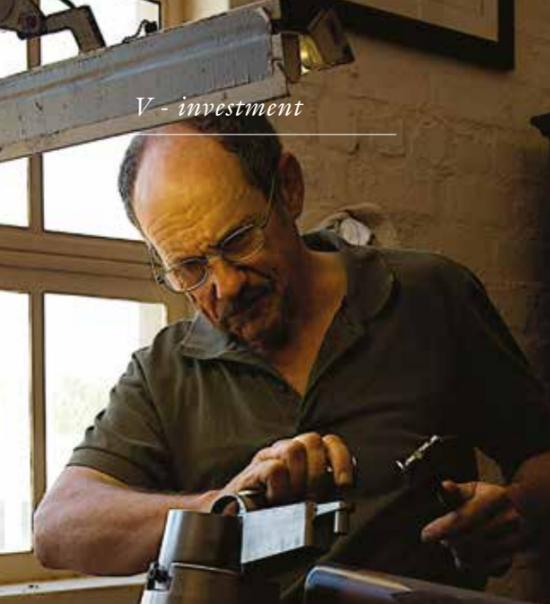
Investors don’t exactly make a killing. Valuations tend to rise by about three to five percent a year. But at least putting money into high-end English shotguns is a safe bet, backed up by Holland & Holland’s 150 years’ worth of sales records. Gun collecting is an “underfed” market where demand will always outstrip supply and push up prices. That’s because very few hand-crafted guns are produced each year. In 2009, for instance, Holland & Holland only delivered 88 guns; and Purdey makes only about 30 “Sporters” per year.

Our double-barrel investment

Guns with a special provenance – those once owned by royalty or a champion shooter, for example – can increase in value at an even greater rate. At the Holt’s auction, a 12-gauge Purdey once owned by champion US shooter Russell B Atkins (with an estimated value of between R262 500 and R350 000) sold for R577 540.



Bennie Laubscher began making gun and rifle stocks as a hobby in the late 1980s, turning his attentions to rifle-making in 1995



Austrian-born master craftsman Armin Winkler carves with precision the delicate tendrils on a custom-made rifle's lock plate. His skill, honed in Ferlach where the acclaimed art of gun-smithing has been practised for more than 500 years, reflects in his meticulous, exquisite work

The Boss gun that was sold for R1 470 000 achieved its record price not because of the quality of the firearm, but because the seller was legendary guitarist Eric Clapton.

It's a question of pedigree

Why are English shotguns, particularly those made by Purdey, Holland & Holland and Boss, so well regarded? Because game-bird hunting and "shooting" in the UK has, since the mid-19th century, come to be seen as a particularly upper-class English sport. UK manufacturers have grown with the sport, developing teams of craftsmen and honing the techniques necessary to produce world-beating guns. The finished products are essentially works of art, featuring hand-etched, detailed engravings on the steel lock plates, and stocks of highly polished and oiled walnut.

As a result, the guns enjoy the same sort of cachet as those other super-expensive, royalty-approved English products, Rolls-Royce and Bentley cars. Ironically, just as both the car manufacturers are German-owned, Purdey is now owned by South African billionaire Johann Rupert, chairman of Swiss luxury-goods company Richemont and South African Remgro, among others; while Holland & Holland is part of French luxury-goods conglomerate Chanel. Most buyers of classic shotguns are British or European, though approximately 25% of Holt's buyers are from the US. Auctioneers are also seeing more Russian customers. However, most buyers from developing economies tend to buy new guns rather than classic models.

The pros of investing in guns

A gun is an investment you can use. While it's not recommended to regularly take unique, antique or collectible guns to the firing range, a gun will not lose its value as long as it is well maintained.

Some weapons are a solid bet. British shotguns created by makers such as Holland & Holland increase in value by three to five percent a year. The value can also improve depending on who previously owned the gun.

The cons of investing in guns

There's no guarantee that value will increase. When something is relatively simple to make, supply will ultimately meet demand.

Traditional investment vehicles can offer tax deductions. As with other collectibles, there's no tax advantage to investing in guns.

Finally, you've got to spend a significant amount of money on the correct, safe and secure storage.

How to invest in collectible guns

If you want to get into this type of investment, be prepared to do the research, so you can jump on an opportunity when it comes. You also have to have decades' worth of patience.

Don't lose sight of the fact that old and rare guns were once new, and were bought to be used. Take a careful look at guns being built today and decide which of them will be a rare jewel tomorrow.

An article in *Outdoor Life* about investing in shotguns offered these three tips, which are echoed by Laubscher:

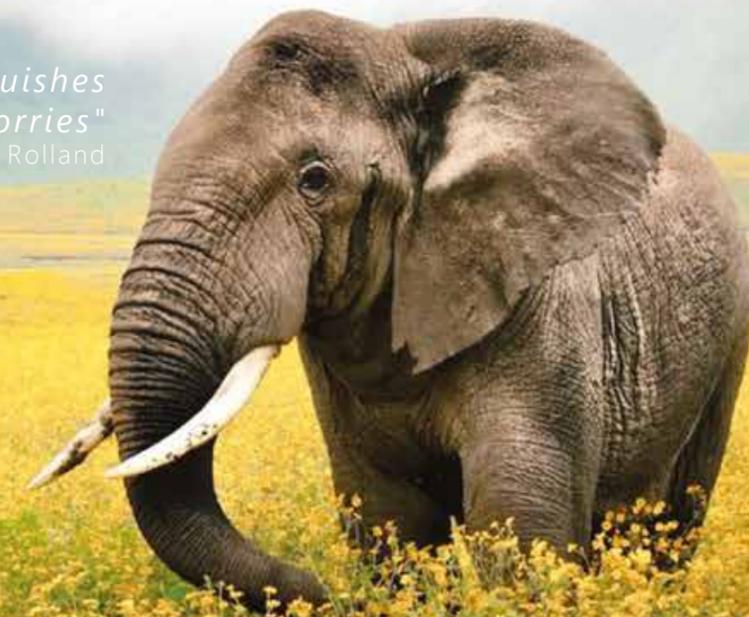
● **Trust your sense of style and taste.** Article author Jim Carmichel says if you do, you'll still enjoy owning the gun even if it proves to be a lousy investment.

● **Buy guns that have a proven track record of value.** Take the Winchester Model 21, says Carmichel: nowadays you're lucky to find a good used 12-gauge for less than R38 000. Parker Brothers doubles in 12-gauge DH Grade now sell for upwards of R45 000, whereas you can expect a 28-gauge in the same grade to fetch half as much again. An indicator of the increasing demand for good doubles has been the value escalation of Winchester Model 21s. If you had bought the same gun new 10 or 20 years ago, you would have made a solid 10% per annum on your investment, in addition to owning and using a shotgun that says a lot about who you are.

● **Buy the best you can afford – plus a little more.** Higher-grade guns appreciate at a faster rate because there are fewer of them available. Research the value index of Belgian-made Browning Superposed shotguns in the various grades and you'll get an example of the incredible return on high-grade guns.

When investing in used guns, buy only the most pristine examples. (Laubscher recommends and favours the British manufactures – Holland & Holland, Purdey, Boss and William Evens – and looks for bolt actions.) This will ensure that, when you choose to sell or upgrade the gun, the buyer won't have anything to complain about ... except your price.

"I know at last what distinguishes man from animals; financial worries"
- Romain Rolland



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Werner Swanepoel
Marketing Director



Marinus Lourens
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