In-Depth The Patek Philippe 1518 In Steel (Video, Live Photos, History, & Thoughts)

BENJAMIN CLYMER

IN-DEPTH PATEK-PHILLIPE PHILLIPS V

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Ever since I found out that a steel 1518 was to be sold publicly this year, I wondered how best to cover it. We've called so many watches "grails," and several even "the holiest of grails," that you guys probably don't even take us seriously any more. But the steel 1518 is special – I know it, and I wanted to come up with something that transmitted that message to you.

I remember one of the first times I met Aurel Bacs, then head of Christie's watch department, was when he was preparing to sell the platinum Patek Philippe 2499 – of which there are only two, one in the public sphere and the other proudly sitting in the Patek Philippe Museum. It

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was being consigned by Eric Clapton directly, no less. We were sitting there, and I asked him if consigning the 2499 platinum was his crowning achievement. His response, and you can still listen to it here, was: "I know about this watch since 1989, I dream of this watch, I want to touch it, and have it, and sell it – this dream, nearly a quarter century later comes true." I remember thinking, "Wow, this man, clearly at the top of his game (remember the very same sale he had the JB Champion Unique Piece and a platinum 1579!) can still get excited about things."

The next question I asked, one that did not make it into the final cut of the video was "So what else is there that could even come close to selling this?" And without a moment's hesitation, Mr. Bacs replied "1518 steel." Oh right, that. On some level, I could tell that perhaps the 1518 steel, though there are four of them in the public space, meant even more to him than the 2499 in platinum. I wasn't sure why, but now, having gotten to know Aurel much better since, I am confident that I was right.

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We know the 1518 steel is special, being the only perpetual calendar chronograph made in such a metal and indeed, the reference being the first perpetual calendar chronograph, period. It's a dream for many of us, and we know there are four of them. So today, I wanted to examine each of the four watches individually as well as speak to some of the men who have played the largest roles in the lore of the steel 1518. We'll hear from Aurel Bacs down below on what it means to him to sell this incredible piece now. You'll also hear from Alfredo Paramico, the mega collector turned dealer who, at one time, owned the very example coming up for sale. And then you'll get another perspective, from Mr. Davide Parmegiani, arguably the world's most important vintage watch dealer, who not only sold the platinum 2499 twice, but also sold each example of the steel 1518 on at least one occasion.

Let's get to it.

VIDEO: Aurel Bacs, The Auctioneer, On The 1518 Steel

Aurel Bacs is the white knight of the vintage watch world. He has a peerless record in consigning and selling the most important watches, and for record prices, both at Christie's

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and now in association with Phillips. The one watch that has escaped his grip over the past three decades is the 1518 steel. And it has been personal, at that. This weekend, the man who already holds the title for the most expensive wristwatch ever sold will add another notch to his belt.

What IS The 1518 In Steel?

Let's pick up from Aurel and examine the objective truths about this watch. The 1518 from Patek Philippe, introduced in 1941, was Patek's, and indeed all of watchmaking's first perpetual calendar with chronograph, ever. In fact, the 1518 and 2499 (which used the very same caliber) were the only perpetual calendars with chronograph for the better part of half a century. I think this fact is often lost on people. Remember, the only manufacture in the world to make a mid-century perpetual calendar wristwatch was Audemars Piguet, and it did so only in nine examples, and none of them included a chronograph. I know what you're thinking, and

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no, the reference 5503 is not a perpetual calendar at all, just a simple calendar with chronograph. Patek had an entirely family that did this, and you can read all about them here in this *Reference Points* feature.

The watch is 35mm in diameter, manually wound, and powered by a Valjoux *ebauche* modified extensively and expertly finished by Patek Philippe. Of course, one must remember that there was no such thing as a sapphire caseback at the time, so all that beautiful handwork you see below was done simply out of pride by its craftsman – not for the owner to show to his collector buddies at the next get-together. Only 281 reference 1518s were made in all metals – the vast majority in yellow gold, roughly 20% in rose gold, and four examples in steel. So what's the big deal about steel?

To the uninitiated, it seems counter-intuitive. Why would plain old steel be more collectible than any precious metal? Well watch collecting is about rarity and style, and nothing is more rare than a *complicated* watch in a simple metal. In fact, the 1518 is arguably the most complicated wristwatch in such a metal, and with the family of perpetual calendar chronographs being so important to Patek and its fans, it only makes sense that the 1518 would be so desirable. Also, this is a vintage watch! Patek can make limited editions in steel now, and they have, and they do well, but to make a watch like this in what was quite literally in the middle of World War II simply adds to the story.

Now let's start looking at numbers. If there are over 200 examples of the 1518 in yellow gold, and they trade in the $250,000 to $500,000 range. If the remainder are essentially rose gold, and they trade between $450,000 and $1,500,000. When it was first sold, the stainless steel 1518 retailed for $2,265. Your impulse might be to think that after accounting for inflation that would make the watch insanely expensive, but the opposite is true. In today's money, that would only be about $38,000, a fraction of what a Patek Philippe perpetual calendar with chronograph would cost you today.

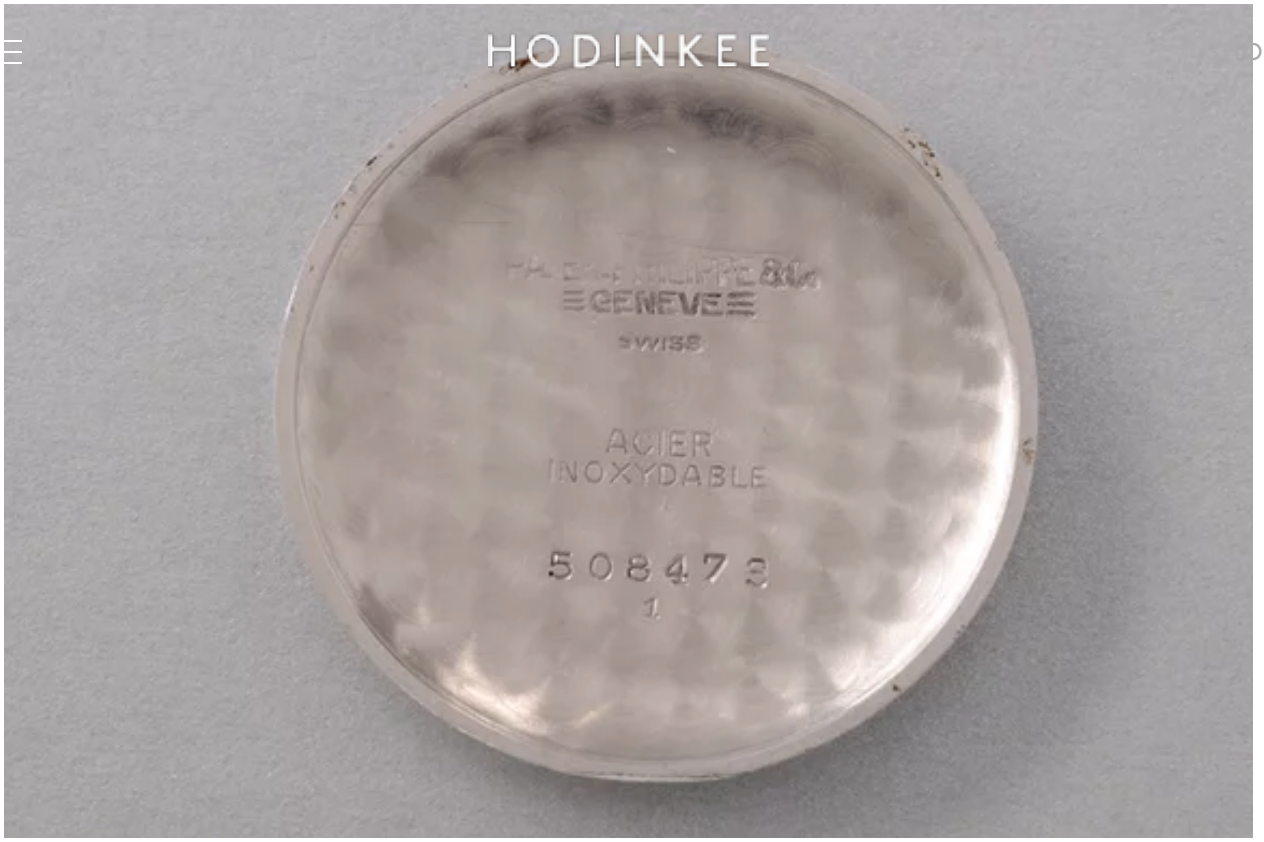
But what are those vintage steel examples worth in 2016? Well, let's look at each example of the steel 1518, where it came from, and how much it has sold for historically. First, let's talk to the man who has sold all four of these watches.

VIDEO: Davide Parmegiani, The Power Dealer, On The 1518 Steel

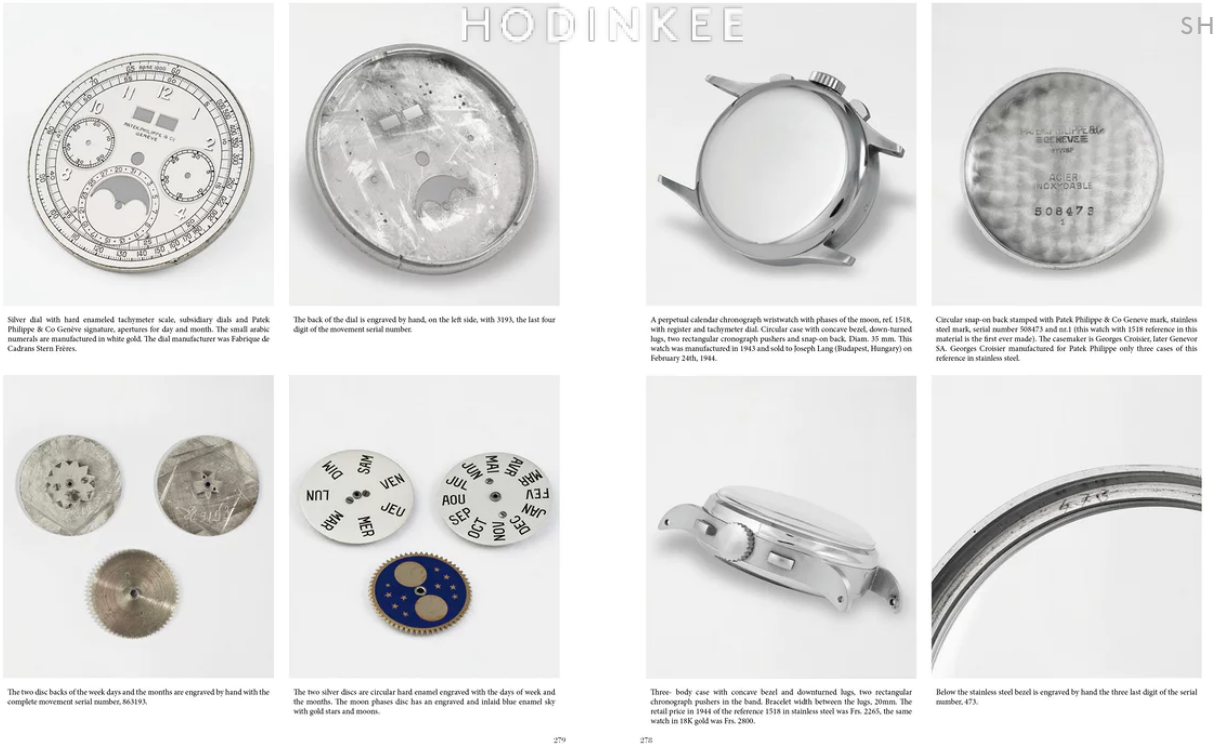
Davide Parmegiani is perhaps not a name that many outside the inner circle of high-end collecting and dealing might know – but he is almost, without any debate, the most important vintage watch dealer in the world. He is a market-maker if there ever was one – referred to by many as "big boss," his scale of inventory and control over the vintage market is unparalleled. Davide, for example, sold the platinum 2499 twice, including famously to one Mr. Eric Clapton. He also has, without debate, been the most influential man in the modern history of steel 1518s, selling all four examples, and in the case of three watches, selling them more than once.

History Of Case Number 508473(1) – First Discovered In Germany In The Mid 90s

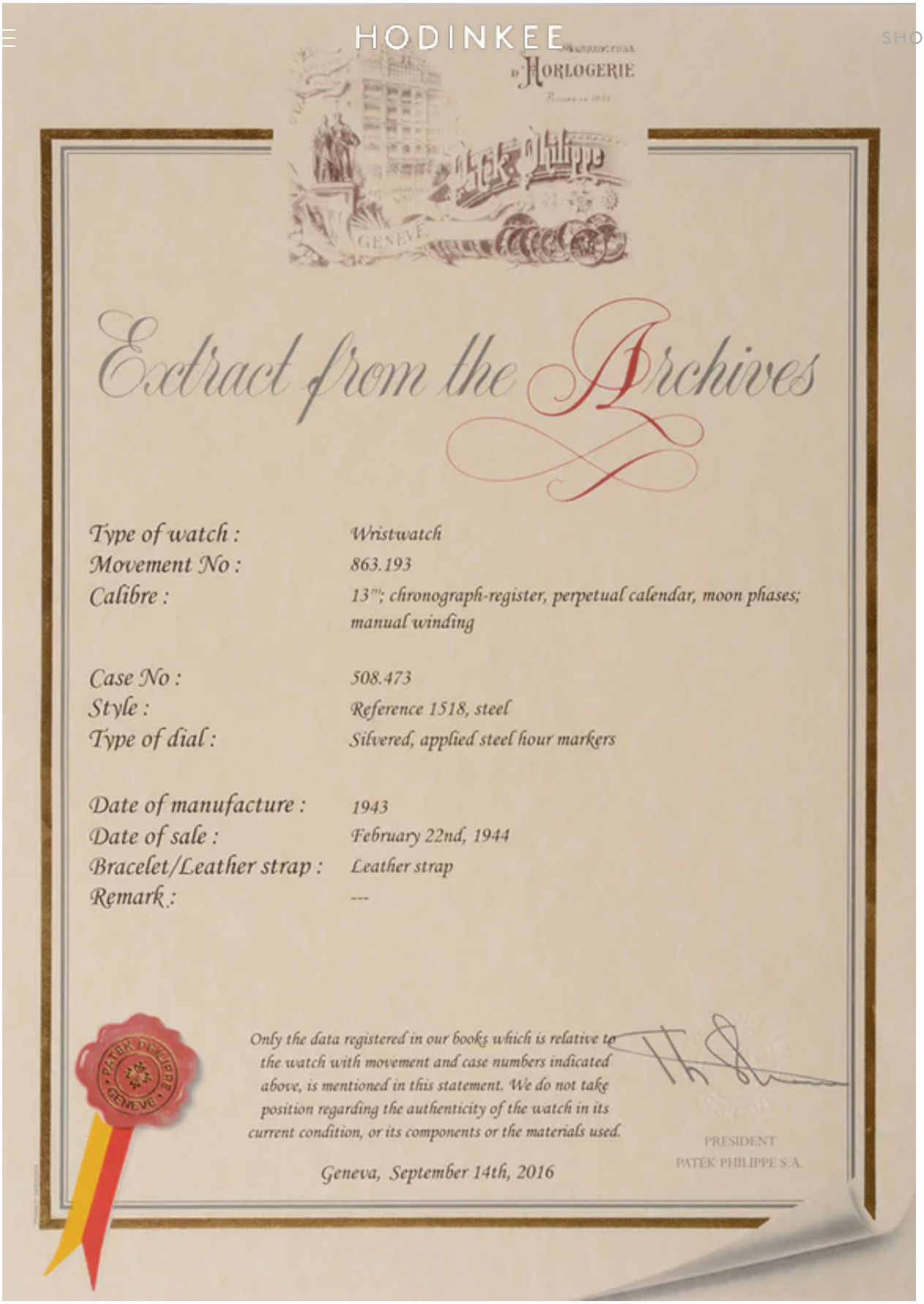
There are four known examples of a steel 1518, three of them feature identical cases made by Genevor SA. They feature pierced lugs, and they are in fact sequential cases. The first, the watch coming up for sale at Phillips, is the only example of the steel 1518 that has not been sold at auction – though it is arguably the best known thanks to its ownership by Alfredo Paramico (who was a guest on *Talking Watches* and who you'll hear from later). The watch is case number 508473 and is marked "1" inside the caseback, indicating it is indeed the very first 1518 steel produced.



As you can see thanks two the two scans from John Goldberger's book *Patek Philippe Steel Watches*, each example features a bezel with the last three digits of the case number engraved into it, and also each disc even has a movement number engraved on the underside. There is no question about correctness here.



The watch was made in 1943 and sold in 1944 at Hungarian retailer Joseph Lang. The second example of the steel 1518 was delivered to the same retailer the very same day – if only they knew. Also, again, this is Hungary in 1944 – not exactly where one would expect a high-complication to be delivered.



Extract from the Archives

Type of watch :	Wristwatch
Movement No :	863.193
Calibre :	13‴; chronograph-register, perpetual calendar, moon phases; manual winding
Case No :	508.473
Style :	Reference 1518, steel
Type of dial :	Silvered, applied steel hour markers
Date of manufacture :	1943
Date of sale :	February 22nd, 1944
Bracelet/Leather strap :	Leather strap
Remark :	---

Only the data registered in our books which is relative to the watch with movement and case numbers indicated above, is mentioned in this statement. We do not take position regarding the authenticity of the watch in its current condition, or its components or the materials used.

Geneva, September 14th, 2016

PRESIDENT
PATEK PHILIPPE S.A.

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So we know that this watch was originally delivered in 1944, and by 2007, Alfredo Paramico owned it. What happened in between and since? I'll do my best to suss that out below based on conversations with several of the players involved.

While this watch is the example that has never before appeared at auction, I would venture to say it is the one that has changed hands the most times. The watch was discovered by the market in the mid 1990s – say 1994 or '95 – at a trade show in Germany. It was purchased there from a Hungarian woman by a German collector/dealer for what I am told was the equivalent of $200,000. He did not keep it long, and quickly sold the watch to an enterprising young Milan-based dealer named Davide Parmegiani.

Upon purchasing the watch from the German gentleman, Davide sold it to a then-prominent Italian collector. The watch again traded hands via Davide, and when the piece went to Alfredo, it was Davide who connected him to the seller originally. When Paramico sold the watch, Davide tried to buy the watch back but it was sold to Christie's and then to the current consignor, an Australian gentleman via private treaty, and now we see it at Phillips in Geneva. Again, this is the first example of the steel 1518 produced, and while the watch has been

serviced and cleaned by Patek, Alfredo, Davide, and Aurel all state that they believe this is the one example to own out of the four.

VIDEO: Alfredo Paramico, The Collector, On The 1518 Steel

Alfredo Paramico is no stranger to HODINKEE – the Italian collector/dealer appeared in a fantastic episode of *Talking Watches* in May 2014. That video was filmed in a year that would come after Paramico's reign as a top-five collector in the world – during which he owned a handful of Patek Philippes in stainless steel, white gold, and platinum that could be described as the best in the world. The pinnacle of his collection for some time was indeed the 1518 steel that will sell this weekend. Have a look at the video above as he describes the feeling he had when he took ownership of the piece (he paid €2.2 million, by the way).

History Of Case Number 508474(2) – Sold By Dr. Crott In 2004

The very next watch, case number 508474(2), is all but identical to the watch being offered this weekend. It was the last piece of the four to be discovered, and it has been sold the fewest number of times. The watch was originally sold to Joseph Lang on the very same day as the first piece back in 1944. I was able to speak with Dr. Helmut Crott about this watch. He said "The watch came from a Hungarian private. The family did not know what they had and were offered at a few thousand dollars from a few dealers. The second time they showed the watch, they were offered $50,000 and became suspicious."

The Hungarian family then asked the former auction house owner and expert to help sell the watch, and help he did. Case case number 508474(2) was sold in November of 2004 for €1.3

million, or roughly $1,682,314. The buyer? Davide Parmegiani on behalf of his Italian client who still holds the watch to this day.

History Of Case Number 508475(3) – Found on 47th Street In The Early 1980s

The third and final example of the steel 1518 with the original case type might in fact be the most interesting in terms of its financial and physical path. Case 508475(3) was the first steel 1518 discovered by the collectible market. Both Dr. Crott and Davide told me the watch was available on 47th Street, the famed diamond district in New York, in the early 80s. It was offered for sale at $4,500 and had no takers. For perspective, Dr. Crott tells us a yellow gold 1518 at the time would have cost you $7,500.

The first 1518 steel discovered by the market was available on 47th Street in the early 1980s. The price? $4,500.

– DR. HELMUT CROTT

The watch, we believe, ended up in the hands of an Italian dealer by the middle of the 1980s. Then, on November 12, 1989, we saw the very first public sale of a 1518 steel. It happened at a now-defunct auction house called Orion, and the sale took place in Monaco. Dr. Crott told me of the excitement that day – he was in the room – and how the watch sold for 1,600,000 French Francs (approximately $281,600 at the time).

This was the only known example of the steel 1518 at the time, and the market would not see another until 1994 when the first piece (the piece to be sold this weekend) was discovered in Germany. In 1995, the owner of watch number three, in hopes of capitalizing on the success of a private sale of that first watch by Davide Parmegiani, listed his piece at Antiquorum in its October 21st sale of 1995. The listing is hardly the encyclopedia of scholarship we find today with such important watches and very little attention is given to the fact that it is just one of two known examples of such a watch at the time. The watch failed to make its reserve and passes.

I am told by Dr. Crott that after the sale failed, he purchased the watch on behalf of a client for $531,869 via Antiquorum private treaty. From there, Davide purchased and sold the watch at least two times further. This is the example that I believe Davide held in his collection for some time. It is now with one of Davide's clients in Italy.

History Of Case Number 6335561 – Found In Turkey In 2000 By Davide Parmegiani

So this watch is an interesting one. The case is completely different from the other three, having been produced by Wenger. The lugs here are wider and solid with no pierced lug holes. This watch is on the market as a direct result of, you guessed it, Davide Parmegiani.

Davide, in the mid to late '90s, sent one of the steel 1518s (my belief is case number three) to Patek in Geneva for service, archiving, and overhaul. While the value of such a piece was not yet realized in the way it would be today, those in the service department certainly took note. Then, some years later, when another steel 1518 arrived for service in Geneva, this time from the original owner's family in Turkey, a call was placed to Mr. Parmegiani.

Times were different back then, it's hard to imagine such a tip being provided to a dealer like that today. Davide was able to receive the contact information of the owner of the 1518 steel in Turkey and due to some personal tragedy about which there is no need to mention here, the owner's family was convinced to sell the piece to Davide. Again, in a scene hardly imaginable today, Davide arrived in Geneva from Milan and the owner' family arrived from Istanbul. The two parties met at the Patek Salon on the Rue du Rhone – the watch was still in the possession of Patek Philippe – and after inspection, Davide handed the owner a large certified check, and Patek Philippe handed the watch over to Davide.

From there, Davide offered the watch to another of his largest clients, who at the time (year 2000) expressed interest but could not justify the 1,000,000 CHF price tag. Davide consigned the watch at Antiquorum in its October 15th, 2000 sale and it was sold for 1,433,500 CHF, or a shade over $1 million.

The watch remains in Italy, indeed with a client of Davide Parmegiani. What else did you expect?

Are There More Than Four Steel 1518s? Sort Of.

It's hard to call a watch of which there are four examples the *ne plus ultra* of collecting, but I believe it is. Why? Well, according to Davide at least, this watch coming up at Phillips is likely to be the only example offered on the market any time soon. He believes the other three watches, all with longtime clients of his, all old industrial families of Italy, will remain in those families to be passed down to the next generation. There is no way to know this for sure, and any auctioneer will certainly be doing his damnedest to ensure we see another one soon, especially if Phillips & Co. see this example fly.

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Finally, Mr. Goldberger, who has never owned a steel 1518 but is intimately familiar with all four examples, tells me that while four cases were ordered from Genevor SA, the fourth case was not used. Are there more 1518s in a Wenger case? It is doubtful, but possible. He also mentions of a two-tone steel and pink gold 1518 in the books of Patek Philippe – the same watch Alfredo Paramico made mention of in his video – and while no one in the modern era has yet to lay eyes on it with any great detail, the watch is very real.

Above is a picture taken from Wikipedia of King Michael of Romania, and in it you can see a watch. If you zoom in and lighten things up, you can see with almost complete certainty that indeed on his wrist you find a Patek Philippe 1518. Now an old friend of ours – Mr. Eric Wind – took it upon himself after we published the Paramico video to get in touch with the Romanian Royal Family back in 2014. And, indeed, the king's assistant confirmed the watch to be very much real, though he stated it was his prized possession and would likely never sell it. But, it just goes to show you what's still out there.

Will another 1518 steel show up in the market? It's possible, but not probable. And with the three other examples firmly placed in historic Italian collections, and the man closest to all of them stating he doesn't think another will leave any time soon, the watch to be offered by Phillips – which also happens to be the earliest example – offers a momentous opportunity for the most serious of collectors. The estimate is simply "North of 3,000,000 CHF," and no one really has any idea what it's worth. All I know is that the watch is very special – arguably the most special Patek Philippe in the world – and I will be watching with excitement to see how the market reacts to its appearance on the market. For more details on this special watch, click here.

Special Thanks

I would like to thank Aurel Bacs, John Goldberger, Davide Parmegiani, Helmut Crott, and Alfredo Paramico for their assistance in shining a little bit of light on the world's most exclusive wristwatch.

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