

SELLING YOUR DIAMOND - TRUTH IN PRICING

A Special Consumer Information Report

The Diamond Valet

UNDERSTAND HOW MUCH YOUR DIAMOND IS WORTH

Read this short report to understand how your type of diamond is valued in the diamond industry. If you are considering selling your diamond, the information in this report can help you make the right decision.



You Are Considering The Sale Of Your Diamond

If it's unworn, unloved or unwanted, it's time to sell.

If you are thinking about finally selling your diamond ring or diamond jewelry, this report can help you understand how a diamond grader and diamond buyer will evaluate your diamond ring or diamond jewelry for purchase. There are several factors that determine the true value of your diamond jewelry.

You are likely wondering how a diamond jeweler or dealer will evaluate and price your diamond for purchase. You know what your retail price was when you bought your diamond and you probably have a retail appraisal report as well. However, these numbers can be very different from the offer you will receive if you choose to sell your diamond. It helps to understand how a diamond is valued during its journey to the retail store from its beginning as rock buried in the earth.



Your Diamond's Journey - From Mine To Retail Jewelry Store

Hundreds of millions to billions of years old, the diamond is Earth's finest gem.

Your diamond made a significant journey from the depths of the earth to your finger. Starting as a smallish pebble or rock, your diamond was mined out of the earth, typically in places like Africa, India, Australia or Russia. When a diamond is mined from the earth, it is given the name rough. This rough material is then sorted by weight, color and if possible inclusions within the rough diamond. Typically, rough is sorted at the mine or very close to the source mine.

After rough sorting, diamonds are ready for cutting and polishing. The polishing facilities, located in countries like Russia, Israel or Belgium specialize in turning a rough diamond into a finished, faceted diamond. The transformation from rough diamond to a beautiful finished diamond takes extreme precision, skill and experience. Once polished, each diamond is then again sorted by carat weight, color and clarity. Now, the polished diamond is ready for resale to a diamond brokerage or wholesaler.

Diamond trading and wholesaling companies may select certain diamonds to be certified by laboratories like GIA, EGL or IGI. These firms specialize in providing accurate and specific details about each diamond. After sorting and certifying diamonds, a wholesaler can then sell to boutique and large jewelry store chains. Retailers will then select the diamonds they think specifically meet the needs of their clientele. Retail diamonds can be sold loose and then mounted in a ring, or they can be pre-mounted in various styles of ring mountings and jewelry mountings.

Keep in mind that throughout this process, from the mine to the retailer, every company and firm involved along the chain of movement sells the diamond at a higher price to the next entity in order to realize a profit. A diamond might touch 5-10 different entities before it ever reaches your finger! And yes, you guessed it; all of these companies, brokers and wholesalers charge an ever-higher price for the service and value they add to each diamond.

So, a diamond, which might be worth \$1,000 directly out of the mine, might actually retail at \$5,000. Or it could retail at \$10,000 - all according to the diamond's characteristics.



The Price You Can Receive For Your Diamond

Many factors, including diamond trade activity, can affect the price offer.

So how does this all come into play when YOU want to sell your diamond ring?

A diamond buying company, such as The Diamond Valet, has access to the wholesale dealer market. Wholesalers and dealers make their polished diamond inventory available on exclusive price sheets and global pricing exchanges, such as Rapaport's RapNet™ Diamond Trading Market, which is only available to approved cutters, wholesalers and dealers. When your diamond comes in to our office, we first grade your diamond's characteristics. Then we carefully compare these qualities to similar diamonds already being offered by the wholesale market. For example, if you have a GIA graded, round brilliant, 1.05 carat, H color and SI1 clarity, we compare these grades to other diamonds with these same characteristics.

So, the value we provide is based on the wholesale dealer market and the offering price for diamonds nearly identical to your diamond. The Diamond Valet does not retail your diamond ring. We strictly sell into the wholesale dealer market. This is the most efficient and effective way for us to value your diamond so that you receive a competitive offer that is valid for expedited payment to you.

Now you are probably saying - well what about the retail price I paid. If I paid \$8,500 for my ring, why are you only offering \$3,200 for my ring? Well, that is because there is no accounting for what a retailer might have charged you during a retail sale. As we all know, retail jewelry has a substantial mark-up as opposed to the wholesale value of the diamond.



The Bottom Line On Retail Jewelry Appraisals

Appraisals are important, but what is the real value in inflating a retail price?

Appraisals certainly have a place. It is nice to have an informed report of what you have purchased. But, when it comes to price appraisals, particularly diamond ring appraisals, the values are inflated above any realistic dollar figure. Let's be frank, if you just paid \$7,500 for your beautiful diamond ring, why did a jewelry store just give you a document that says the new value is now \$10,750, or doubled to \$15,000? This is just nonsense. There is virtually no retail product sold in the world that suddenly doubles in value after purchase. This is just a retail jewelry sales myth. Do you insure your \$30,000 car for \$45,000? Of course you do not.



How To Sell Your Diamond

Friends? Associates? Online? It doesn't have to be complicated.

So, where does this leave you when you are ready to sell your diamond ring at a competitive price? Well, you can always try to sell to friends or family at a discount to your retail cost. You can also try online options like craigslist.org, ebay.com and other online auction sites. These types of options can take weeks or months and based on feedback from our customers, the results can be very disappointing. Not to mention, there are a host of less than ethical folks out there looking to take advantage of honest online sellers.

This is where The Diamond Valet can help you. If you do not have these options available to you and you do not want to haggle over pricing, let us evaluate your diamond and provide you with a competitive offer. Would you rather have your diamond ring sitting in a box, gathering dust? Or would you rather convert this unused object into financial compensation? And sometimes, the money is secondary. Removing this object of a failed marriage, bad circumstance or an inheritance can be quite relieving!

Experience world-class service from the experts at The Diamond Valet. We handle it all the way!