

# Problems Arise with Lab-Grown Diamonds

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BOSTON, MA, UNITED STATES, August 14, 2024 /EINPresswire.com/ -- The Jewelers Coin & Loan Co. in Quincy, MA has been a diamond buyer appraising, purchasing and selling custom diamond engagement rings, loose diamonds, estate diamonds, and diamond jewelry for seventeen years. They have never seen such a tragic turn in the industry as the recent explosion of what are called lab-grown or synthetic diamonds.

Lab-grown diamonds are just that. They have almost the same physical attributes as naturally formed diamonds but are manufactured and not mined. That's where the similarity ends. A major problem is that the initial pricing of the synthetic diamonds are materially overpriced relative to their intrinsic value, which is essentially less than 5% of retail purchase price.

As stated by Rapaport USA Inc., Rapaport - Information that Means Business, "Consumers Beware. Synthetic diamond prices are crashing yet some retailers are pricing them high by comparing them to natural diamonds. Consumers think they are getting a good deal, but they are not." The synthetic diamonds trade in the secondary market as low as 2% of a similar natural diamond.

WD Lab Grown Diamonds, the second-largest US producer of man-made diamonds, has recently filed for bankruptcy, per Financial Times, [www.ft.com](http://www.ft.com). Lab-grown diamond prices for a single carat have crashed more than threefold in seven years, as manufacturers continue to flood the market says The Financial Times. The future of lab diamonds does not look good.

"Consumers should be aware that synthetic diamonds are not like real diamonds which are rare and expensive. Synthetic diamonds are not real diamonds. They do not retain value," continues Rapaport.

The low resale value of lab diamonds can really hit home for the consumer. Jeff Venice of The Jewelers Coin & Loan Co. says, "It's heartbreaking when a customer comes in to sell the \$10,000 synthetic diamond engagement ring from a jewelry store. We have to break the news that the ring is only worth a small percentage of retail. It should be criminal."

"The answer is to always buy a natural mined diamond that will retain a higher percentage of retail than lab diamonds, whether is pre-owned, at auction, or from an independent jeweler. Taylor Swift insists on real diamonds! Purchasing a diamond with a G.I.A diamond certificate will ensure transparency and value retention long-term on the type of diamond you own. Try your local pawn shop or same day loan store or search for a "diamond appraiser near me". The

savings can be very significant," says Venice.

Jeff Venice

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