

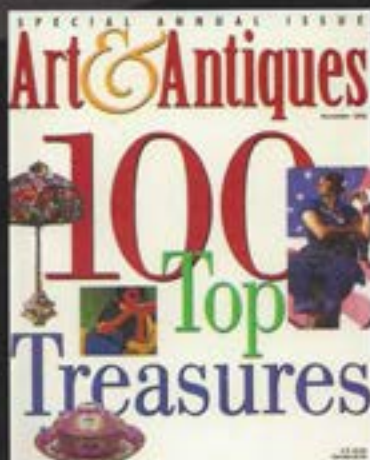
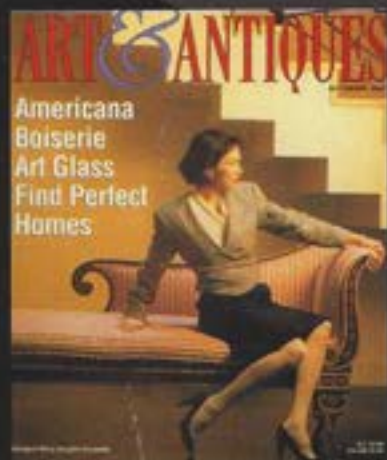
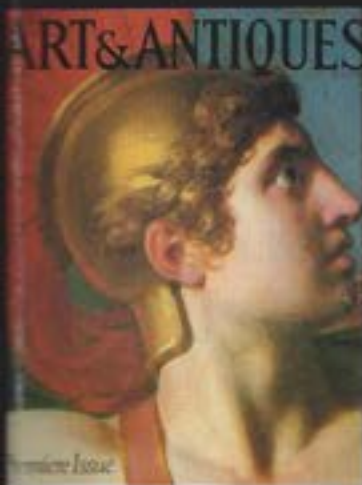
SILVER ANNIVERSARY SPECIAL

# Art & Antiques

www.ArtandAntiques.net  
Summer 2003

# 25

# Year Art Overview





# Value System

How to get the most accurate appraisals.

By Roberta Maneker



**Y**our Rembrandt etching crashes onto your late aunt's

Queen

Anne table and you haven't a clue if either is real. All collectors should know the value of their possessions, because sooner or later that information will prove vital. For a reliable valuation, hire a professional appraiser—preferably before a need arises. Note that your original receipt, while useful, can't be assumed to reflect market value—not at the time of purchase and certainly not at a later date.

## WHEN YOU NEED AN APPRAISAL

### ■ Buying insurance

The possibilities for theft, loss or calamitous damage are limitless.

### ■ Damage claims

If a work is damaged, even if not previously appraised, an appraisal can determine if

restoration is possible; value lost before restoration; and, later, any reduced value after restoration.

### ■ Charitable giving

If you donate property to charity, you must know its "fair market" value to claim a tax deduction.

### ■ Estate planning and gifts of property

Establish values before making bequests of specific pieces, especially if equity is a factor.

### ■ Estate taxes

Estates larger than \$1 million are required to file an estate tax return, usually nine months after the owner's death, accompanied by an appraisal establishing property values on the date of death. Estate taxes will be computed on this documentation. (If the estate contains any single antique or artwork worth more than \$20,000, the estate could be reviewed by the IRS Art Review Panel. If the panel raises the valuation,

the estate will have to pay the difference, plus fines and penalties. The mere possibility of this causes many to hire a certified professional.)

### ■ Divorce

Monetary estimates are crucial for property distribution, equitable or otherwise.

### ■ Curiosity

## KINDS OF APPRAISALS

### ■ Fair market value

Used in most situations, fair market value is defined in basic terms by the IRS as "the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell." These prices most often are derived from public auctions (a free and open marketplace, more or less). Further, as appraiser Sylvia Leonard Wolf explains, fair market value is determined by the price most applicable to who is receiving the appraisal. If you're a dealer, then trade/wholesale is your

Two Audubon-Havell prints from the 19th-century folio *The Birds of America* fetched dramatically different prices. "Snowy Heron, or White Egret" (above, left) sold for \$88,125 at Doyle New York. "Blue-Winged Yellow Warbler" (above) brought just \$1,195.

reference for that damaged Queen Anne table.

### ■ Replacement value

This term is used in your homeowner's policy and assesses the dollar amount necessary to replace an item in the current retail market.

## FINDING AN APPRAISER

### ■ Trade associations

Appraisers' trade associations test and qualify their members, conferring titles that reflect levels of experience and achievement. Most independent professional appraisers belong to major national associations and can be expected to stand behind their work. The largest are the Appraisers Association of

America (AAA), the American Society of Appraisers (ASA) and the International Society of Appraisers (ISA).

### ■ Local Yellow Pages

Confirm their professional affiliations and qualifications.

### ■ Major national auction houses

Auction houses provide appraisals in property categories they handle.

### WHAT TO LOOK FOR

#### ■ Accreditation or certification by a trade association

Trade certification or accreditation is reassuring. Not all auction-house specialists are members, but they may still provide accurate valuations. "You have the right to know the appraiser's expertise, what the bill will be and when the report will be available," says appraiser and author Helaine Fendelman. "A qualified appraiser will belong to one of the professional organizations. Get references and be sure you're

hiring someone experienced in appraising *your* objects."

### ■ Experience

The knowledge accumulated

from handling lots of property is the best assurance of a good appraisal. Ask how long the appraiser, either independent or auction-house specialist,

has estimated in the category. (With varied property, such as a household or estate, you'll probably deal with a generalist.)



*An 18th-century breakfast table (right) sold at Boston-based Skinner for \$266,500. Another example (far right) fetched just \$6,462. A rare Queen Anne chest (above, left) brought \$57,500, while a similar piece (above, right) sold for \$24,673. Quality, rarity, condition and provenance were among the key differences.*



### ■ Avoid private dealers.

Even when they're licensed appraisers, objectivity and detachment can be deeply compromised if dealers want to buy your property. (Surprise! "Your property hasn't much value, but I'll take it off your hands.") And if your items aren't what the dealer handles, you may get an inaccurate, uninformed appraisal.

### WHAT YOU SHOULD GET

#### ■ A detailed, written report

A little history here: The Appraisal Foundation's Appraisal Standards Board created the Uniform Standards of Professional Appraisal Practice (USPAP), which cites a minimum of 17 components to a proper appraisal: executive summary, report's purpose and intended use, definitions of value, literal description, narrative, photographs, glossary, bibliography, appraiser's credentials, among others. This format is adhered to by most appraisers. Ask for it.

### PAYMENT ISSUES

Prices for appraisals may vary by geographic region.

#### ■ Appraisers can charge a flat fee or by the hour/day/person.

"You might expect a fee of, say, \$800 to \$2,000 to appraise an average apartment's household contents," Leonard Wolf notes. "But fees get higher for valuable works that may require more expertise, research and responsibility, not to mention additional specialists." According to Libby Alexander, a

former director of Sotheby's Appraisals Company. "Sotheby's usual starting point is \$3,000 per day, per specialist, plus a processing fee of \$500." But other factors may lower the rates, such as minimal items, a previous appraisal, etc. The auction houses rebate the fee, prorated, if you consign the property within a year. Fran Zeman, chair of the ASA's Personal Property Committee, Long Island Chapter, says clients should expect a retainer/assignment agreement that stipulates terms and fee structure, and specifies all additional charges including research, disbursements, fees for other experts, etc.

#### ■ Avoid fees that are a percent of appraised value.

The ASA and the AAA prohibit their members from charging a percentage fee based on value, which inherently contains a conflict of interest.

#### ■ You can negotiate.

Negotiate fees especially for large or high-value collections.

#### ■ Free verbal appraisals

Optimistically called "preliminary auction estimates," these appraisals are available from major auction houses. Send a photo or show up with a picture or the object (an appointment assures the appropriate specialist will be there when you are). Write your name, address, phone number and all relevant information (see "relevant

*This 1940's lithographed tin toy fireman's pump is worth \$350. A client of appraiser Helaine Fendelman had planned to sell it for a paltry \$18.*



information" at right) on the photo's reverse. If mailing, include a self-addressed stamped envelope. Sotheby's will make a free house call in the greater New York City area if quantity or quality look promising.

### AND FURTHERMORE...

#### ■ Keep receipts.

#### ■ Preserve a digital or paper copy.

Keep valuable documents relating to the collection and store them off-site.

#### ■ Consider comprehensive video or photographic records.

These could cost more.

#### ■ Investigate an insurance floater.

Sometimes called a "schedule," insurance floaters are additional coverage for specifically itemized pieces of valuable personal property, usually without a deductible and at fully declared value for all or part of your collection.

Jewelry and silver floaters are costly, porcelain, pictures and furniture less so.

#### ■ Provide your appraiser with all relevant information:

purchase price or receipts, dates, medium, provenance (history of prior ownership), dimensions, repairs, etc. You should update your appraisal, in general, every three to

five years. □

### SOURCES:

- American Society of Appraisers, Herndon, Va. (703) 478-2228.
- Appraisers Association of America Inc., New York City. (212) 889-5404.
- Christie's Estates & Appraisals, New York City. (212) 636-2400.
- Doyle New York Estate and Appraisal Services, New York City. (212) 427-2730.
- Helaine Fendelman, New York City. (212) 228-6440.
- International Society of Appraisers, Seattle. (206) 241-0359.
- Skinner Appraisal Services, Bolton, Mass. (978) 779-6241.
- Sotheby's Appraisal Company, New York City. (212) 894-1126.
- Sylvia Leonard Wolf, New York City. (212) 799-8009.
- Fran Zeman, Brooklyn, N.Y. (212) 432-6530.