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## Q & A with Appraiser *Nancy Escher*

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Why are there so many professional associations for appraisers?

There are a number of professional organizations. ASA (American Society of Appraisers) is the only international, multi-discipline organization and includes valuation experts in real estate, business valuation, machinery and equipment, and personal property. All moveable property, both appreciating and depreciating, is considered personal property. The ASA is based in Washington, DC.

There are other personal property appraisal organizations. The two main ones are the AAA (Appraisers Association of America) and the ISA (International Society of Appraisers).

The AAA is based in New York and the majority of their members are dealers who prepare appraisals as a sideline. The ISA is based in the Northwest. Membership in these organizations is less strenuous than the ASA. The ASA offers a series of four level personal property appraisal courses that are very useful and provide a good foundation for someone just starting out.

The ASA was a founding member and provides continued financial support to the Appraisal Foundation in Washington, DC which was founded in the mid 1980's and publishes the Uniform Standards for Professional Appraisal Practice. The other organizations are recognized by the Foundation but do not provide financial support.

I personally was attracted to the ASA because it is multi-disciplined. All the professional disciplines share the same methodologies, the same techniques, and the same standards and ethics. Since I am not interested in buying and selling and I am interested in property economics, the ASA was the best choice for me.

Do appraisers tend to have a background in business or art history or both?

Appraisal practice is both science and art, and personal property appraisers have many different backgrounds. I have a BA. degree in art history. Other appraisers have degrees in science, as well as liberal arts. Many of our members have graduate degrees in art history or literature, library science, museum studies, but few have business degrees. It is one thing to be a good appraiser, it is another thing to be a good business man or woman. It is interesting to note that in Mexico, appraisers must be engineers and in England, a masters degree is required. It is also interesting to note that many of the new members are from the museum field.

The ASA certifies appraisers in the following disciplines: fine art, rare books, photography, antiques and decorative arts, jewelry, ethnic arts, automobiles, musical instruments, textiles, etc.

What is value? What something will get at auction today? How is value determined?

There are many definitions of value. A commonly used value is Fair Market Value which is required for valuation assignments with legal or tax consequences: donation, divorce,

estate. The definition comes from the U.S. Tax code and is defined as, "a willing buyer, willing seller with all parties having full knowledge of the facts, neither party under any pressure to sell" and assumes the appropriate market. Fair Market Value is a hypothetical concept and assumes all of the above to be true, but there is no actual transaction planned.

The common definitions for insurance appraisals is "replacement value- comparable" which assumes that a similar property (like quality and kind) could be replaced for a specific price. This value assumes that it will be replaced in a market that is customary to the insured. If you buy your jewelry at Tiffany's, you replace your jewelry at Tiffany's. But price is not always value.

There are other insurance terms: actual cash value, marketable cash value, market value. Values used for potential purchase or sale prices are market values because they anticipate a transaction.

With damage claims, there is confusion about what is the appropriate definition of value. A lot depends on how your insurance policy is written and that takes an insurance agent to explain because policies can be difficult to understand.

With insurance claims, I have found it is best to provide a road map to the market and describe a variety of scenarios with value ranges, access to the market, market levels and frequency of sales, and sales statistics when available.

We also use "orderly liquidation" and "forced liquidation," but not often.

How much research is required to estimate value?

Part of being a professional is being able to understand the scope of an assignment and the amount of time and energy that is required to complete it. This requires a knowledge and sensitivity toward both the client and the property to be appraised. Does the property merit a lengthy and expensive investigation? Are you qualified to develop a valuation for the type of property, or are there others who are better qualified? Competency is an important consideration. We are often out there on an existential edge.

How important is provenance in the value of a piece?

Provenance can have a major impact on value but it is not something that can be easily calculated. Presale estimates at auction are usually based on the history of sales of similar items and then allow the market to decide how much over the estimate the bidding will go to account for provenance. As appraisers, we can't speculate or project; we don't have a crystal ball, but sometime the provenance is so solid, or so glamorous, that a positive response is a pretty sure bet. But no one was able to anticipate the premium that the public was willing to pay for Andy Warhol's personal items or Jackie Onassis'. Still appraisers must be capable of developing and communicating their opinions. If this can be done using historical precedent, it can be justified. Our best

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shot is usually to formulate a range of value, a high and a low and then adjust according to the strength of the provenance, to refine the range to a single value. There is always a specific value for a specific valuation assignment.

How do you determine if something is what it purports to be? You've said that you aren't experts in any one area but are experts in valuation.

Expertise and connoisseurship in most fields of personal property are available among the "pool of experts": scholars, dealers, curators, librarians, conservators, and authors. It is the responsibility of the appraiser to identify the accepted experts and then decide if the quality and value of the property merits the time and cost that it takes to engage the additional expertise. Many experts are not experienced or interested in the market. We don't just consult with trade experts but also those people who can assist in the accurate identification and description of a property especially with an eye towards quality i.e., period, style, size, subject matter, provenance.

With this knowledge and understanding, we can then develop an opinion of value. If we know how to describe it, we can value it. It is one thing to ask a qualified expert from the trade to suggest an opinion of value, but it is another thing to ask them to support it with data, an actual transaction. We are always asking ourselves, "is this a reliable source?" We also must cite our sources in the report, so if I discuss the valuation with a New York dealer, I always ask if it is okay to refer to him or her in the list of sources.

How does condition affect the value of a piece?

Condition, like provenance can have a major impact on value. It is my experience that the greater the quality and value, the higher the threshold for condition problems. A first tier painting by Ellsworth Kelly with condition problems or restoration will retain more value than a damaged second or third tier picture by the artist. The lesser the work, the greater the diminution of value.

The quality of the restoration also impacts value. Is the repair visible in ambient light, in raking light; where is the damage located? If it is a portrait, damage to the face is a greater assault than to the background.

Appraisers frequently work with conservators. It is important that appraisers understand the basics of conservation. If there is an insurance claim that involves restoration that might result in a loss of value, it is always best that the appraiser see the damage before treatment and after treatment.

I don't know why collectors, dealers, and curators don't take condition and treatment reports more seriously. I can't tell you how many times I find out that an important or valuable painting has been damaged and restored and no one knows where the treatment report is. Can't conservators attach a dated tag or a label? Even if it is just a cleaning, no repairs, it helps us to understand the standard of care.

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– We share the frustration that our meticulously prepared reports so often get separated from the object. Labels are a good idea and have been used (see WAAC Newsletter January 1997, 19/1, pg. 3) however they can be removed. It is really the responsibility of the owner to maintain records of treatment. (Providing it isn't too long, I put the treatment report on the invoice to increase the chance that it will be kept. Ed.)

How important is the original framing/glazing/backing board? Does retaining the materials (but not re-using them) count? With a framed piece original glass can break and damage the piece and does not filter UV light, but it is original, after all.

Original frames can be very important with artists like Georgia O'Keeffe. Original glazing has never been an issue during my 25 years of practice. There are so many superior products that are available that protect the art work that preserving the original glass for vintage or originality issues seems almost counterproductive. Personally, I would favor protection over originality, but I would refer this question to a framer or a conservation expert.

What would be the price range of appraising a 19th-c European or American painting by a known artist?

Most appraisers have a minimum of \$350/500 for a single item. Things go faster and smoother when the client shares all information about the identification, description, history, condition reports and treatments, and previous valuations of a property. The cost includes the inspection, description, photograph, collating data, organizing a file, and then all the research and report preparation. It is not a quick process. We are able to provide consultative advice, without a report, which is a departure from the USPAP standards (see Appraisers.org and Appraisalfoundation.org), but we still have to keep all the components in the file, so that is quicker but not that quick.

Are there degrees of confidence in an appraiser's valuation? Will an appraiser do a "quickie" appraisal with less of a guarantee than a fully researched appraisal?

There are no quickies, no drive bys. We can provide consultative advice prior to agreeing on a complete summary appraisal report but there requirements: an inspection, a fee, and a file that documents the valuation problems, the nature of the visit, suggestions and provisional estimates or opinions. It is important to note we do not do "preliminaries." "Provisional" is a better term and protects the appraiser.

Also, we can't give casual advice, we are professionals and we charge for our services. I can't tell you how many phone calls we get where the caller wants to give a clumsy description of an object and expect us to give a value...over the phone. In such cases, I usually ask them to hold the object closer to the receiver. Sometimes, however, I do we find myself suggesting that the cost of the appraisal might exceed the value of the property and to check E-bay.