

# WHAT TO EXPECT IN WRITTEN APPRAISALS

by Francine Proulx

After watching the *Antiques Roadshow*, it can be a shock to learn that a written appraisal, depending on the number of items, may cost you \$550, \$750, \$1,500, \$2,500 or more!

Keep in mind, inspection alone of a large piece of furniture may take up to an hour. Then it is researched to determine the style, date made, maker if possible. Next is research on the relevant market and comparable sales. All this information is then analyzed to determine an appropriate value. One item may take up to 6 hours to do from inspection to final written valuation.

The report is, at a minimum, 8 to 10 pages long and could be up to 40-50 pages depending on the number of items appraised at one time.

Each report should contain the following:

- Title Page with owner's name and address.
- Table of Contents and the number of pages of the report.
- Executive Summary usually in the form of a transmittal letter.
- Intended use of the appraisal.
- Purpose of the appraisal meaning type of value (fair market, replacement, etc.) to be determined.
- The effective date of the appraisal which is usually the date of the physical inspection or in the case of an estate, the date of death of the owner.
- The date of the appraisal report.
- The method of valuation (Cost, Income, or Market Comparison Approach.)
- Limiting conditions, liabilities and assumptions of the appraiser.
- Signed certification of disinterest, that the appraisal fee is *not* contingent on the appraised value, that the Uniform Standards for Professional Appraisal Practice have been met.
- Full description of the items including date/period made, maker, measurements, physical characteristics, distinguishing marks or inscriptions, condition and provenance.
- Pictures of the appraised item(s). If done for tax deduction, IRS does not accept digital pictures.
- Narrative with identification of the most relevant market and an analysis of that market.

- Analysis of comparables and relevant data.
- Specific value, not just a range of value.
- Exhibits and Glossary if appropriate.
- Sources of research including Bibliography.
- Appraiser's name, address, qualifications, and tax ID number if done for tax deduction.

All major appraisal associations require members to include this information in their reports. These elements also meet the Internal Revenue Service definition of a "qualified appraisal."

IRS also requires that appraisals be done by a "qualified appraiser." This is an individual who does appraisals on a regular basis, is adequately trained and experienced, understands that they are liable for overstatement of value and are not excluded by IRS. They cannot be the donor or donee, employed by, married or related to either. They may not be involved in acquiring of the donated property within certain time period. They must do the majority of their appraisals for other people. (See IRS Publication 561.)

When contracting with an appraiser, request an *estimate* of the final fee. The charge may be by the hour if it is just a couple of items. If you have many items to be appraised, a per item charge or a total project fee may be more cost effective for you. Don't be surprised if the appraiser has a minimum fee in the range of \$300 to \$500 for a written appraisal on a single object. Finally, ask about any extra expenses which are usually found on the appraiser's fee schedule.

Francine Proulx is an independent personal property appraiser. She holds certificates in Appraisal Studies and Connoisseurship in Fine and Decorative Arts from GWU. She is affiliated with Quinn's Auction Galleries. Francine can be reached at 703-395-7015.