

The Anchor is a quarterly newsletter from the Elder Law Practice of Timothy L. Takacs



GUEST COLUMN

Antique Appraising

As seniors and caregivers anticipate smaller spaces and breaking up housekeeping, the need to distribute their possessions fairly among heirs and friends, as well as offering the items for sale requires that a price be set on each piece.

This tedious and often emotional task requires time, space and physical strength. It may seem tempting to use a previous appraisal report and simply raise the value equally on every item.

Using an appraisal written for insurance replacement based on a market over seven years old will contain invalid pricing for current liquidation. It may even offend buyers and prevent owners from profiting on many items.

And we all know the post war American consumer began accumulating without restraint until homes overflowed in the 1990's. Since then we have been moving into the less-is-more mode of decoration. Americans born in the 1920's and 30's experi-

enced scarcity then abundance. But they never forgot scarcity, and faithfully saved everything for the next depression. Now their estates are flooding the secondary market with massive amounts of beautiful decorative items and accessories.

This glut of merchandise has significantly lowered the value on furniture, glassware, and sets of dishes, linens and books made after World War II. Styles and tastes have changed in the last 50 years. Home decorations today are restrained with *open space* often the main feature. The young homeowners' decorating style provides fewer buyers for all that is offered from downsizing and liquidating personal property. A buyers market has resulted from these conditions.

There is good news, though if you have the current 'in' objects. Furniture made in America before 1850 sells quickly and at a strong value.

Pottery made in the USA is increasing in value fast enough to make buying and selling fun again. This includes the everyday florist pottery of the 1950's, '60's, and '70's. As I walk through a home to value EVERYTHING, the disappointment of a low value on a 1940's *Victorian parlor set* for just a few hundred

can be offset by a 1950's black and pink vase for \$65. And disbelief is evident when I spot something like a *Jackie Kennedy Head Vase* (used by florists) worth over \$600!

Family members often disagree on the value of household goods. This can bring more friction to an already tense and emotional family chore of sorting and selling.

Knowledge is the key to proper and profitable liquidation of antiques and personal property. You can conduct your own research to determine value by searching the internet, current price guides, and collectors' magazines. Or compare your items to those offered in antique malls.



"In the midst of winter, I finally learned that there was in me an invincible summer."

- Albert Camus



Antique Appraising *(continued)*

Certainly all these options take time, a computer, or a car.

If you choose to have a current appraisal of estate items prepared, hire a professional appraiser as defined by the *Internal Revenue Service*: A qualified appraiser is an individual who declares on the appraisal summary that he or she:

- Holds himself or herself out to the public as an appraiser or performs appraisals on a regular basis
- Is qualified to make appraisals of the type of property being valued because of his or her qualifications described in the appraisal

The IRS criteria further state:

- Membership in professional appraisal or dealer organizations does not automatically establish the appraiser's competency. Nor does the lack of certificates, memberships, etc., automatically disprove the competency of the appraiser.

A written appraisal should state the date of

the report, the purpose of the appraisal and the market used to collect comparable values. The appraiser's fee should be based upon their time, rather than the value of the items. The appraiser should NOT become involved in buying or selling the items as this would be a conflict of interest. A professional appraiser can advise you of potential markets and selling considerations.

The three values used by appraisers are **replacement value, estate value and fair market value.** Art and antiques appraised for homeowners insurance are valued to be replaced in a secondary market such as a high end antique shop, a gallery, or even an international market on the internet. This **replacement value** is higher than the price you could expect from a quick sale or estate liquidation.

Estate value is often called the 'dump' value. This low value is the thrill for buyers at estate sales, yard sales, and estate liquidations. The sellers need

to sell and the buyers are seizing the opportunity to swoop in on a deal.

The **fair market value (FMV)** is defined by the IRS as "the price a willing, knowledgeable buyer would pay a willing, knowledgeable seller when neither has

to buy or sell." This value is accepted by the IRS as a deduction on your income taxes, if you itemize,

when making a donation to a non-profit organization.

Connie Sue Davenport has been helping people assess the value of their antiques and personal property since 1977. In addition to her work as an educator, seminar leader and estate sale consultant, she performs appraisal reports for insurance companies, estates and museums. She has coached hundreds of clients through the preparation and execution of estate liquidation.

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"Middle age is when your age starts to show around your middle."

- Bob Hope