

Valuation Matters

*"Knowledge is of two kinds.
We know a subject ourselves,
Or we know where we can find
information upon it."*

by Sally Thornton

Samuel Johnson

One of the questions I get asked on a regular basis is "what is it worth" so this month in Village Connect I shall write about the fascinating and often misunderstood subject of valuations.

What is a valuation? A valuation is an opinion given in good faith and based on commercial knowledge and experience of the value of goods for a certain purpose and at a particular date.

I have used the words "certain purpose" as this is a common area of misunderstanding so please let me explain. The most common but by no means the only type of valuation is for the purpose of *Insurance Replacement*. This is a valuation to assist you in deciding the level of insurance cover you may wish to take out. Later, if anything should happen to your jewellery then this valuation can be used to support your claim. Such a valuation is based on replacement cost, that is the ordinary retail price including vat.

If, however, you were thinking about selling some of your jewellery, then you may consider a *Valuation for Private Sale* as this reflects what the customer would be likely to receive on selling the items to another private person. This is very different from a *Valuation for Insurance* and the confusion between the two is an area where misunderstanding followed by disappointment can arise.

There are other types of valuation including a *Valuation for Probate* which is used by the executors when winding up the affairs of a deceased, *Valuation for the Purpose of Family Division and Divorce* and even *Valuation for Security on a Loan*. What I am trying to say is that a valuation has a specific purpose and if you try to use it for another it could be misleading.

When preparing a valuation a Valuer will take into account many factors. These include the intrinsic value and quality of the component materials including hallmarks, design, quality of craftsmanship and signature or maker's marks, condition and provenance.

Please let me dwell for a few moments to consider *Provenance*. It is always difficult to put an exact price on "a piece of history" or celebrity status. What is certain is that pieces with such provenance will always be avidly sought after, increasing interest and so price. An excellent example is without provenance, the diamond eternity ring given to Marilyn Munroe by Joe Di Maggio in 1954 would have been worth approximately \$3000. Celebrity ownership, however, ensured a price of \$772,000 at auction in New York in 1999.



It takes many years of training and experience to qualify as an NAG Registered Valuer with most starting in the retail side of the business and move into Valuations after years of studying and successful examinations. It does not end there, however, to maintain membership to the Institute of Registered Valuers they must maintain ongoing education and participation in events in their field, whilst complying to ongoing monitoring by the NAG as to ensure their valuations attain certain standards and within certain boundaries. The valuer needs historical knowledge of jewellery along with information on modern trends. Jewellery is a great mirror of society and the people of a particular culture, and reflects the taste and attitudes of a period. There is a lot more than just assessing jewellery and putting a value on the item.

You may have noticed the quote from Samuel Johnson at the beginning of this article so let me now explain. Even with all this training and experience there will be times when a valuer will want a second opinion. A recent example of this is when we were asked to value a ruby ring of quite exceptional quality. It was decided that it should be taken to a work colleague of mine when I used to work at the Gemmological Association and one of the foremost gemmologists in the country. He confirmed that the ruby was untreated and most likely Burmese and for those of you who have read my article on Rubies will recall that this significantly increased the stone's value.

But why you may ask is this relevant to you? In this current financial climate and, in particular, with the rapid rise in Gold prices it is perhaps even more important to know more about your jewellery and what it might be worth. If you are unfortunate enough to experience a loss without an up to date valuation then you are in danger of under insuring and receiving a settlement well below the current replacement value.



Having read so far and you have decided that you may need a valuation how do you go about it? Here at AA Thornton we attend to almost all our valuations on site with the exceptions being larger collections when the Valuer will come to you by arrangement.

You will need to know what type or purpose of valuation you require and we will fill in a simple form with you. We would ask you to bring any previous valuations and receipts along with you particularly if any items have recently been purchased abroad as this is necessary under the registered valuers' code of practice.

In general, we attend to valuations on a Monday and once the items have been appraised then they can be collected although the valuation report which includes pictures will not be ready for a few days.

My Father who was one of the key instigators of the registered valuers' scheme had an immense wealth of experience and knowledge although he did not possess all the paper qualifications now expected for a valuer. I remember saying to him many years ago: "Dad, I wish I had just a quarter of your knowledge" to which he replied that I would only gain this through the experience of handling jewellery over many years.

Although with the passing of time I would like to think that I have now exceeded my wish of obtaining one quarter of my father's knowledge I am not a registered valuer. To be honest, I simply don't have the time. So, all our valuations are undertaken by Jackie who I work closely with and have a great deal of respect for.

I do hope you have enjoyed this short article on what is a vast subject and it will help you understand that skills and expertise needed in the complex task of jewellery valuing.

