

## Jewelry Appraisals

At Koser we do a great deal of appraisal and estate work for our clients. I often find it helpful to discuss the expectations of an appraisal with a client so that I can make sure their needs are met.

Here are some of the primary reasons that people come to us for appraisals:

1. They want to insure their fine jewelry incase of loss or theft.
2. They found or were given something and they want to know the value.
3. They want to see if they were “ripped off” when they made a vacation or television purchase.
4. They are divorcing, and need to know the current value of their assets.
5. They are considering selling something, and want to know how much they should ask for it.
6. They want to update a past appraisal, because they know that they would be unable to replace it today at the value it was insured for 10 years ago.

Many clients assume that the value of an item is relatively clear- cut. They believe that there is a definitive value at this time of a ruby of a certain size and quality for instance. I know I used to think that myself. Unfortunately, it’s not that easy

There is a dramatic difference in the way that stores mark-up product. Look at the prices for diamonds at Tiffany’s and at your local jewelers and see the difference. If you study appraisal theory, this price difference is taken into account in doing appraisals. Many consumers do not understand why this is the case. In a nutshell, it is because the value of an item is most accurately what someone is willing to pay for it. If people routinely pay 1000\$ for something in NYC that we sell in Mount Joy for 500\$, then what is it really worth? Well, the people spending 1000\$ obviously thought it was worth \$1000, or they wouldn’t have paid it. So, in interviewing the client, if I find they purchased the item in NYC, and paid \$1000, and I research it, and that’s what it sells for there. Then it’s worth \$1000. I would have to assume the client would return to NY to replace it if lost, and gladly pay \$1000 again. There is no *textbook answer*. Truly, valuation appraising is an art and a science. Also, the value of something sold ”on the street” is much lower than something bought from a legitimate store. There is some obvious security related to buying something from an established firm, and that is evidenced in the value of the item.

At Koser we typically do insurance replacement appraisals. I think they are the easiest to do in theory. It is *usually* straightforward to figure out what it would cost to replace something if it were lost today. Obviously, valuation appraisals are more difficult and less accurate because of the previously mentioned issues.

When we do appraisals there are a number of steps that we complete. We have to start with thoroughly cleaning the item. We verify what the gems are and that the gems are *real*. (This can be very time consuming because there are many tests that might need to be completed in our lab.) We evaluate the color, cut, clarity and the carat weight of the gems or diamonds. We test the metal, and weigh it. We photograph the jewelry. This is basically the *what* of appraising, now comes the *how much*. This can also be time

consuming because of the issues stated in previous paragraphs. There are some professional guides that we utilize for this research. Our philosophy at Koser is that we always want to have a scientific reason for our valuations. We pride ourselves on being non-biased; most appraisals ultimately involve two trained team members completing various stages of the work. Our Gem Lab is currently being reviewed as the only Master IJO Jeweler Gem Lab in the county. We are proud of our success, and always working to learn more.

I would be remiss to not mention some of the limitations we face as appraisers.

1. Mountings often times can keep us from doing the tests that we would like to do.
2. Mountings can alter the look, size, and appearance of gems and diamonds.
3. We can't appraise gems or diamonds in sealed containers.
4. It is very difficult to determine the value on a gem that is not "Gem Quality," a.k.a. Very Low Quality.

Just in case you were curious, here are some of our team members involved in appraising, and their credentials:

Betsy Wolgemuth: GIA, Graduate Gemologist; IJO, Master Graduate Gemologist, 20+ years experience

Jill Brenner: GIA, Diamonds and Diamond Grading Certificates; Jewelers Board of Trade Appraisals Course, 12 years experience

Carol Gehron: GIA, Diamonds and Diamond Grading Certificates; GIA Colored Stones and Gem identification, Bowman Tech School, 15+ years experience

Randy Wolgemuth: GIA, Diamonds and Diamond Grading Certificates, 20 years experience