



---

# River Trading Post

---

River Trading Post  
American Indian Art  
Evaluation Services



No matter how much American Indian Art is appreciated for its aesthetic merits, collectors still need to know the financial value of their collection.

Valuations, appraisals and authentications serve several purposes: they help the collector in making prudent buying & selling decisions, in updating fine art insurance and even in settling tax planning & estate issues. For the treasure hunter, a price estimate from a disinterested, informed source validates, or questions, the skill of her/his collecting eye.

Not all price estimating procedures are the same; they differ in cost and purpose. This short primer explains how to go about finding the value of American Indian Art in a sensible, cost-effective way.

## *First Step: Valuation*

The basic level of price determination, an art valuation provides an estimate of the current market value of a weaving, pot, sculpture, kachina doll or other item. In a valuation, the piece is taken to be what it appears to be. Unless the owner specifically raises the issue, the artwork is presumed authentic and saleable.

Example: A collector bought an Allan Hauser sculpture (circa 1960) from a reputable dealer in 1995. The collector has been lax in keeping abreast of Hauser's prices in galleries and at auction. Hauser died in 1994, and the collector wants to know the current value of his sculpture.

Various art valuation services exist on the Net for this purpose. Such a service is our own River Trading Post Art Valuation Service. Methodologies vary somewhat, but this is how River Trading Post arrives at a price:

The collector submits digital images with basic information on the piece(s) to be evaluated: artist, title, date, size, medium, condition and a brief description. Also receipts of purchase and provenance if possible.

Consulting recent auction manuals, current price databases and other sources, River Trading Post compiles sales information and uses it to arrive at a per-inch price (or other comparability measure) for the comparable pieces. (To novices this sounds scandalous, but price/inch is a standard measure in the art business.) Since art is not entirely fungible, we do not weight all price data equally. Instead, we "scrub" the data for several factors including:

**Size of Artwork.** Outsized artwork typically trades at a discount to more standard size ones.

**Date of Artwork.** Certain periods of an artist's output typically trade at a premium to other periods.

**Condition of Artwork.** Damaged works can never be entirely repaired; therefore they trade at a discount.

**Auction Venue.** Because it has become so easy to collect and transmit auction results, the location of the sale must be considered. Oftentimes prices achieved at provincial, general merchandise auctions (in the US and abroad) are included in the data; prices from such sources can skew the results in a misleading manner.

Example: Auction venue is especially important when the artist is not a household name. Consider the Allan Hauser: Results from an estate auction in western Canada are surely less representative of the sculpture's market value than those of the November Indian art sales at Sotheby's in San Francisco. For auction data to reflect legitimate price discovery, a critical mass of sophisticated buyers must know of the sale.

Based on this amalgam of objective and subjective information, River Trading Post estimates the current retail or auction market price of the sculpture. In this case, the collector would have found that his 1960 Alan

Hauser sculpture acquired for \$8,000 could be expected to trade at auction for approximately \$24,000--3 times the price paid for it a decade ago.

The process of valuing American Indian Art trading in the secondary, i.e. auction, marketplace is much like that used in pricing real estate: sales data are collected then "massaged" to best reflect recent trades in comparable items.

Valuing contemporary American Indian Art where no specific resale data exists is a less transparent procedure. Estimating the price of such works demands knowledge of the principal dealers or galleries representing an artist; also important is an understanding of the general price structure of works by artists of similar standing. The resulting valuation inevitably reflects the artwork's gallery--or retail price--rather than its quick liquidation value.

Valuation is the most basic--and least expensive--of the procedures used to determine the current market price of a painting, sculpture, print or other artwork. (The fee for an art valuation at River Trading Post's is \$25 per item.) In many cases, this is the only procedure needed for valuing an artwork. Typically when the artwork is worth less than \$25,000 and its authenticity is not in question, this simple valuation will suffice for determining current market value. In instances where the exact nature of the work is in question, a valuation is a sensible first step in the attribution process. It is an excellent decision screen before spending the time and money to authenticate an artwork.

In summary, a valuation is suitable for: suggesting a selling price, determining whether insurance values should be altered, and in getting an initial "read" on the authenticity of an artwork. But it will probably NOT suffice for substantiating values on donations of artworks to non-profit organizations nor for making insurance claims.

## *Second Step: Appraisal*

Kicking it up a notch, the next level of art price determination is the fine art appraisal. This is a more complex--and therefore more expensive--procedure than a simple valuation. The appraiser will require that the collector provide good front and back photographs, actual photos not email images, of the artwork. Also, the appraiser will ask to review all available documentation for the work particularly provenance information including sales receipts or transfers of ownership of the artwork in question. Prior appraisals, expert opinions, publication and exhibition histories are also helpful in speeding the appraisal process and in limiting the cost. The appraiser may wish to inspect the artwork, especially if condition or attribution appears to be at issue. Typically, the base price for such an appraisal is \$150-\$200. If the appraisal requires specific research, this is usually billed as an additional hourly fee.

Appraisers are considered part of a self-regulated profession. Legally it's unclear where the appraiser's liability, if any, falls. A person who is qualified to do general estate appraisals can be utterly inadequate at valuing works of art; an appraisal from such a source is of limited use. Even an art appraiser who knows 19th century European paintings is unlikely to be expert in Chinese scrolls. Finding a suitable appraiser takes some effort, but the energy is well spent if the artwork is believed to be of significant value. River Trading Post does not make appraisals, but our Art Valuation Service can sometimes suggest an appropriate appraiser as part of a valuation report. Art museums and historical societies may be willing to suggest reputable local appraisers. Trade groups such as the ***Antique Tribal Art Dealers Association*** can be useful resources, as well.

If the appraisal is needed for a specific reason, such as a donation to a museum, ask the museum whose valuation they will accept and also inquire of the IRS if the appraiser is qualified. (Strange though it may seem, the IRS maintains a list of "disqualified" appraisers; so, the appraiser needs to be absent from the "disqualified" list.) Similarly, if insurance coverage is the purpose, inquire of the insurer about specific requirements for appraisers and appraisals.

Reproduced below is a checklist from the Appraisers Association of America for a proper appraisal. Note that this outline applies to general items and is not tailored to American Indian Art. For works of art, exhibition history, publication history and condition are key factors. The older the piece, the more important

the role documentation plays in determining its market value. Particularly important are ownership records covering certain problem periods: e.g. any pre-Columbian pottery without a clear provenance is not saleable.

#### **Appraisers Association of America's Elements of a Correctly Prepared Appraisal:**

- \* Name and Address of Client
- \* Purpose of the Appraisal--Intended use: Donation, Estate, Equitable Distribution, Insurance, etc.
- \* Type of Valuation Used--Replacement value, fair market value, marketable cash value, etc. and Definition.
- \* Valuation Approach Used--Cost estimate approach, income approach, market data comparison approach, etc.
- \* Market in which valuation is applied: most common market (place).
- \* Market Analysis--Generic market History and possible projections for future activity.
- \* How objects were acquired, especially for IRS purposes.
- \* Statement of Professional Qualifications of Appraisers including curriculum vitae.
- \* Date of Preparation of Appraisal and date on which objects were viewed and effective date of Appraisal.
- \* Statement of physical inspection or method used in determining value. Any qualifications?
- \* Statement of "disinterest" on the part of the Appraiser.
- \* Statement that the Appraiser has not been "disqualified" by the IRS (for IRS Appraisals).
- \* Statement of Assumptions and Limiting Conditions.
- \* Statement of Fee Structure--Statement that the Appraisers fee is not contingent on appraised value of objects.
- \* Statement of belief in authenticity that the appraised object(s) correspond to description(s) listed in the Appraisal.
- \* Clear division of appraisal when one or more than one appraiser is involved. Who did what? Inclusion of curriculum vitae of consulting appraiser.
- \* Thorough Description of Appraised Objects--Measurements and weights when applicable.
- \* Brief biography of the artist when necessary.
- \* Provenance (if available).
- \* Exhibition and Publication History (if any).
- \* Statement of Condition of Appraised Objects.
- \* Comparables and related analysis, when necessary.
- \* Firm Statement of Value--Not estimates, except when followed by detailed explanations of qualifications.
- \* Signature of Appraiser(s) and Tax ID number(s) when appraisal is prepared for IRS purposes.
- \* Statement of number of pages in appraisal.

In summary, an appraisal respecting these criteria compiled by a suitable art appraiser should suffice to: substantiate charitable donations, settle estate issues and justify the asking price for a painting, sculpture, print or other American Indian Art to be offered for sale in private or at auction.

### *Third Step: Authentication*

Happily, few artworks need to be exposed to the rigors of full expert authentication. In general, such works are of great value but lack the proper provenance to allow them easy acceptance in the art marketplace.

## *How to Obtain an Estimation of Value*

If you are interested in a valuation, please follow the instructions below. Our fee for an evaluation, including a report, is \$30.00 per item. (Additional charges will apply if photo services, including conversion to digital images, and or travel are required.)

- E-Mail very high clarity JPG images to us. Include images of the front and back, and close up images of the signature. Images should be 460 pixels wide.
- Provide any information you may have regarding the history of ownership of the art work, and purchase/price history.
- Describe any labels or notations that are attached to the back of the work.
- Note if the work is damaged or has been repaired.
- Provide precise dimensions of the work.

Note: We do not do valuations of paintings, prints or other two dimensional art.