

## “Ins Market”

Weekly Times Column

By Warren Joel

A lot of my time as a professional fine art valuer is spent explaining the different terms used in valuations. There are two main types of valuation that are available to any antique or collectable: insurance and market. It is important that you understand the difference between the two and what each is used for.

**Insurance:** Insurance is our estimate of the cost to replace that item on the Australian market, allowing for condition, age and rarity, inclusive of GST. Or in simple terms, the new cost of that item in a shop. Now some of you will say: “but my collectable is unique and can’t be replaced”, and that may be true, but we can still put a value on the collectable for insurance. If we can value Ned Kelly armour we can value the portrait of your great grandfather hanging in the dining room.

Insurance valuations are used as part of your insurance policy to tell the insurance company what collectables you have. It is worth remembering that most insurance policies will not insure antiques or collectables over \$1,000 unless you tell them.

**Market:** Market is the price your item would sell for on the open market. The price quoted will be gross price, or the price without any costs of sale.

This is the valuation that you would use when you wanted to sell your collectable. This is also the valuation you would use when you are doing your will planning. If, like most of us, you are trying to divide your estate up as evenly as possible you would use market not insurance.

There is one valuation that we can’t do and that is sentimental value. That old pocket watch left to you by grandad is priceless to you but to us it is just another watch.

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