



Checkpoint Contents

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Valuation Strategies (WG&L)

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Articles

HOW TO STRATEGIZE LOSS WHEN ART IS DAMAGED □ A VERY TRICKY BUSINESS, Valuation Strategies (WG&L), May/Jun 2005

PERSONAL PROPERTY

HOW TO STRATEGIZE LOSS WHEN ART IS DAMAGED—A VERY TRICKY BUSINESS

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A Picasso print is stolen from a collector's home. A nineteenth century painting by Monet suffers a gash when being unloaded from its wooden crate. During a coast-to-coast trip, an antique George III table falls on a fragile Giacometti sculpture inside a moving company van. The thin bronze sculpture snaps in two and one of the table legs breaks at the knee. An Andy Warhol silkscreen on canvas portrait is rained on for days when a leak in the apartment ceiling above it causes mischief during the owners' absence.

What usually happens next is that a representative from the owners' insurance company arrives to assess damages. This person is usually not informed about paintings or antiques and readily admits this because he or she will be calling in a damage/loss specialist, a professional with the background and experience to assess and determine the loss.

Generalist appraisers, those who appraise all the personal properties in the home, but do not claim expertise in any particular field, lack the qualifications to deal with major works of art that have undergone serious physical problems caused by water, fire, smoke, chemicals, scratches, tears, mold, or vandalism. These generalists, however, may be qualified to offer an opinion in a very minor matter.

A damage/loss specialist should be just that—a specialist in the field, one whose experience enables him or her to understand the seriousness of the problem and know the quality of restoration that is required to return the painting or antique as close as possible to its original state. Selecting the wrong conservator could make a damaged painting or piece of furniture end up looking far worse than if it had been left in its damaged condition.



Because damage/loss is a far more complex field than is generally recognized, both by those within the appraisal profession and by users of appraisals, this article concentrates on how loss in value is determined by damage/loss specialists in dealing with varying levels of artwork. Prints—that is, lithographs, silkscreens, etchings, woodcuts, etc.—provide an interesting example of the loss estimation process. Other categories of art—paintings, sculptures, works on paper, antiques, and decorative art objects—merit their own individual approaches.

Multiples (Prints)

Because at every rising level of art losses generally diminish, it is crucial to establish the chain of value. In other words, the larger the edition and the smaller the value, the greater the proportionate loss in value will be when a print has been damaged. This may sound puzzling, and so here is the explanation.

Example 1. In framing a lithograph by a commercial artist whose work sells regularly at mall galleries, a rip occurs in the margin and into a portion of the image. The print is from an edition of 1,000. The price of the print, unframed, is \$300.

This is certainly not a rare print. There are, after all, 999 more exactly like it. The artist is alive and highly productive. A paper conservator examines it and states that it would cost \$175 to restore the tear but that the repair would probably show slightly afterwards.

The appraiser now has to estimate approximately how much loss the print will have suffered after restoration based on a reasonable discount that a dealer might offer a potential client should the restored print be offered for sale by his gallery. That is often the premise on which loss is based.

Once this concept is grasped, one can readily understand why a lower-level artwork with high levels of duplication will have lost much or most of its value even when the damage is relatively minor. On top of this, many popular prints are

created by living artists who may be producing thousands more of their works, many of them repetitive, driving the price down further. Factoring all of this in, the cost to restore, \$175, plus the diminution of value after damage and restoration, or \$200, brings the loss to \$375, more than the value of the print. The appraiser recommends that the owner be compensated for a total loss, or \$300. At this point, the print belongs to the insurance company, which may decide to offer it for sale, in its damaged condition, for salvage value, or about \$25-30.

Example 2. Up another rung on the value ladder, is a lithograph by Erte (Romain de Tirtoff), from 1980, that is offered at various galleries for \$10,000, while at auction it can generally be found selling for less than \$2,000. Appraisers should use the replacement price, or that of the gallery, to determine pre-damage value because the theory is that the insured is entitled to replace the item immediately after loss or damage at a gallery, without negotiation and at the asking price.

The now-damaged print is one of 400, a fairly average number for Erte print editions, and there are fewer prints available by this artist than the popular print mentioned above. Erte is no longer living and obviously cannot sign any prints produced in the future by his publishers. The market for his prints and sculptures may go up and down, but his artwork has proven to have longevity.

Assuming that the damage to the Erte is the same as that of the first print we discussed, it is reasonable to determine that the loss to the Erte print, after it has been restored, will be less proportionately than the loss to a print that comes in an edition of 1,000. In other words, it may be assumed that the market will be more receptive to a restored Erte print from an edition of 400 than to a restored print by a relatively unknown artist that comes in an edition of 1,000.

Example 3. Another rung up on the ladder of rarity, is a woodcut from 1919 created by German Expressionist artist Christian Rohlf. The



appraiser must have sufficient art history background to know that rare prints often are produced in two or more states, causing various subtle changes in the image (later states are usually more complex than earlier ones), and the expert should also know if any additions, such as hand-coloring, have been added.

In this instance, water damage has stained the vanilla-colored paper and a section of the hand-colored woodcut, of which there are only a very few remaining on the market. The conservator's treatment proposal notes that, in order to get rid of the stain, the entire print must be cleaned. This, the appraiser knows, will make the print look fresh and new, which one might think is a good thing. However, to discerning collectors of German Expressionist prints, the fact that a work that is nearly a hundred years old currently looks brand new means that something has happened to it other than natural aging, making it less attractive to the connoisseur.

The damage/loss appraiser would probably recommend cleaning the \$25,000 print to rid it of blemishes. Although it might deter some serious collectors from purchase, it might be just the thing to attract less demanding collectors who prefer a fresh appearance. Based on that analysis, the loss in value to the Rohlf's after it has been cleaned would be negligible.

Damage to Artworks in Museums

Now that damage assessment in regard to prints has been examined, the article takes a giant leap up the imaginary ladder and considers why important works of art held by museums rarely if ever lose value after damage occurs—even damage of the most severe type.

Although one would possibly never notice, any leisurely stroll through the many museums in the world would reveal that many Old Masters, as well as nineteenth and twentieth century artworks have undergone restoration, some of it extensive.

Oil paintings, for instance, generally require approximately 20 years to dry completely, and

often more if the paint layers are thick. That is just about the same amount of time it takes human beings to mature. At that point the aging process, slow as it might be, sets in for both. Therefore, it is not unreasonable to expect that a 400-year old work of art has needed some help along the way. Around the 100-year mark, the analogy between paintings and people unfortunately ceases. *Ars longa, vita brevis* (art is long, life is short).

Over the centuries great works of art have undergone terrible brutalities by museum marauders, but there has been, to this author's knowledge, no public discussion of how much of a loss, in monetary terms, those artworks have suffered. The following represent instances of vandalism or damage to art that have occurred in some of the great museums of the world.

“The Night Watch,” Rembrandt

In 1911, a disgruntled navy cook slashed the painting at the Rijiks Museum as an act of vengeance. In 1975, the same painting was severely slashed, leaving large pieces of the canvas strewn over the floor. The restoration took six months. In 1990, a psychiatric patient threw acid on the painting. The same man later also severely damaged a Picasso painting in the same museum.

“The Bride Stripped Bare by Her Bachelors Even (Large Glass),” Marcel Duchamp

The 1915-1923 painting/construction was damaged en route from an exhibition of modern art at the Brooklyn Museum, but the problem was not discovered until several years later when the crate in which it had subsequently been kept was opened. It was then repaired by Duchamp himself, who secured the broken pieces between two sheets of plate glass clamped together by a metal frame. Today in its damaged/restored/still damaged condition, it is considered by some to be one of the ten most significant artworks of the twentieth century.



“Pieta,” Michelangelo

An Australian geologist attacked the work in the Vatican in 1972 with a sledgehammer and 15 blows, removing the Virgin's arm at the elbow, knocking off a chunk of her nose, and chipping one of her eyelids. In 1555, Michelangelo himself destroyed part of another work, his Florentine “Pieta,” a massive installation that he intended would adorn his tomb; restoration was attempted, but deemed unsuccessful.

“Guernica,” 1937, Picasso

At the Museum of Modern Art in 1974, an artist (now successful dealer) Tony Shafrazi spray-painted the words “Kill Lies All” on to the mural painting.

“David,” Michelangelo

An accumulation of damages was treated in a well-documented 1997 restoration. Involved were damages and losses to the left forearm, wrist, and hand (1543), reconstruction of the middle finger of the right hand (1819), reconstruction of the twice-damaged right foot and broken second toe

of the left foot, and extensive damage to the patina because the statue had stood outdoors outside the Uffizi, Florence.

The point of these examples is that great works of art can never be replaced and the world has learned to accept that what remains of them still bears the hand of the master.

Condition makes an enormous difference in the value of a work of art when it is offered through a gallery or at auction, but in these instances there is usually another work of related quality, period, and dimension available for purchase. Therefore, the work in good condition, all things being equal, will harvest a higher price than a similar one in restored condition.

Assessing the loss to a work of art or an antique can be very tricky business. Just as a physician diagnoses his patient's ailment and recommends treatment, the damage/loss art appraiser-specialist does the same, except that his or her patients never complain out loud.

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