

The fine art of appraisal in Central Oregon



Shelley Hall, a Bend art appraiser, holds up a loupe, or a high-powered magnifying lens, she often uses for her job. Hall's specialty is fine art, which includes helping clients identify pieces they have purchased or inherited. The painting behind her is a portrait of a client's grandmother.

Before Shelley Hall, the region's only accredited fine art appraiser, people would have to go as far as Seattle

By Andrew Moore
The Bulletin

Besides its obvious aesthetic values, art also can be a lucrative investment, a fortuitous windfall or a white elephant.

Helping Central Oregonians determine what they own and what it's worth is Shelley Hall, the region's only accredited fine art appraiser. From insurance companies who need to determine the replacement cost of their clients' artwork to individuals wishing to cash in heirlooms, Hall is a go-to resource.

She also provides advice to clients brave enough to invest in art, a risky but emerging wealth-management tool.

UBS, a Switzerland-based financial services company with a branch office in Bend, has a dedicated art banking division that specializes in buying and selling works of art.

Central Oregon is no New York City, however, and most locally produced art isn't likely to make the auction block at Sotheby's or Christie's anytime soon. Nevertheless, there is valuable art in

the region, and Hall helps fix its value.

Some of the higher profile artists she has encountered in the homes of Central Oregon collectors include glass artist Dale Chihuly and minimalist Canadian painter Agnes

Martin. One collection she worked with featured paintings totaling more than a \$1 million in value.

Insurance work

Hall, 38, is an accredited member of the International Society of Appraisers, one of the three prominent appraisal organizations in the country. The others are the American Society of Appraisers and the Appraisers Association of America.

Although there are a few local art and antique appraisers in the phone book, none are listed in the member rosters of the three groups.

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Art

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Hall is the first in the region and has been a boon to Selena Zertuche, a Bend-based personal lines specialist with Lumbermans Insurance.

Zertuche insures clients' personal possessions, items that are not real estate and often include art.

Before Hall, Zertuche had to send her clients out of the area, which often presented a burden to those with large or unwieldy pieces of art. That's no longer the case.

"I was sending (clients) anywhere I could because it's important to have items appraised correctly, and I didn't know where else to go until Shelley came along," Zertuche said.

"People had to take art to Seattle, and here in Central Oregon, there's lots of money and lots of fine art. It's amazing how much is out there."

Hall earned her accreditation last year. She attended classes at the University of Maryland and was drilled in the International Society of Appraisers' standards, with ethics being a top concern, Hall said. She also took classes to strengthen her chosen appraisal specialty, fine art.

Hall, a native of California, earned a bachelor's degree in fine art from the University of San Francisco in 1992.

She originally hoped an appraiser certification would bolster her gallery business, the former Shelley Hall Gallery in downtown Bend. However, Hall decided to close the gallery in August and focus on appraising, partly to spend more time with her children. Hall and her husband, Andy, a metal fabricator, have two children, ages 9 and 6. But Hall also closed the gallery because her appraisal work has boomed.

"I'm busier than ever," she said.

The majority of her work is for insurance companies who need to set a replacement value for their clients' artwork. To do that, Hall hits the books. She has a database from her appraisal society she can leaf through in order to learn how much the work previously sold for or if the sale was long ago, to compare it against recent sales of comparable work by the artist.

If that doesn't work, either because the artist is emerging and doesn't have a record of sales or because the work is one of a kind, Hall must judge it against three comparable items. And that means more research.

Hall charges an hourly rate for her research, saying only that it's more than \$100.

Upon completion of her research, Hall compiles a report. Because she is accredited, the report holds a lot of weight, both with the insurance company as well as with legal bodies.

"You don't need to be a certified appraiser for insurance work, but it's more likely to be challenged if not," said Hall.

Hall also finds work with art donors. Per Internal Revenue Service regulations, any donated

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— Selena Zertuche,
Lumbermans Insurance

art valued at more than \$5,000 and any donated household item valued at more than \$500 must include an appraisal by a certified appraiser.

'Antiques Roadshow'

Another segment of her business is the "Antiques Roadshow" stuff," said Hall. The hit show on PBS highlights the value of old heirlooms, thanks to televised conventions that pair unwitting owners with antique and art experts.

Hall said she receives numerous calls from individuals trying to figure out what a piece of art they own or have inherited might be worth. Sometimes it's worth something. Other times it's not.

"Everyone wants that piece that's worth a lot of money but just because it's old doesn't mean it's valuable," she said.

Hall charges the same hourly rate to appraise such work but said she's often not hired, primarily because people are leery about spending money for something that could be worthless. Hall said she sympathizes with such callers, but she's also surprised people think she works for free.

Often, Hall said, people will attempt to sell an art item on the online auction site eBay. This can be risky, she said, as it's not likely to fetch its full market value. The site is full of art dealers and shrewd collectors, she said, looking to take advantage of uneducated sellers.

Instead, Hall recommends individuals with potentially valuable works of art to get in touch with art dealers or galleries that specialize in the artist's work. Also worth considering, Hall said, is the nature of the work. Maritime paintings, for example, have a bigger market on the East Coast,

Hall also will refer people with unknown items to Christie's and Sotheby's, the big auction houses. Both companies have free appraisal services on their Web sites.

For those wishing to go it alone, it can be frustrating, Hall said. It can be hard to find a buyer and items might take a long time to sell. If hired to appraise such items, Hall doesn't ever sell the item, but she works to put owners in touch with dealers and galleries that might be interested in purchasing it.

Investing in art

Hall also helps clients purchase art, whether to help build

Hall said contemporary art is big right now, surpassing even the demand for Impressionist art in the early 1990s. The next big draw, Hall believes, will be pre-Colombian and American Indian artifacts.

D.J. Kerr, a Bend financial adviser with Merrill Lynch, said he doesn't refer clients to art, partly because of its "unliquid" nature.

"From what I see, it's more a hobby," said Kerr. "It's like buying an empty lot, you're not getting any cash from it but hoping it goes up in value."

Hall said that although money might be tied up in art and not earn any annual returns, it's something people can live with, she said, rather than a stock certificate hidden away in a file somewhere.

But, said Hall, people "should never buy something you don't love."

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TO LEARN MORE

For more about Bend art appraiser Shelley Hall, visit www.shelleyhallfineart.com.

a collection or for investment purposes. Although it is done — more often by the wealthy — investing in art can be risky.

Hall said with emerging arts, it is "a total roll of the dice." With more established artists, it's a more calculated risk, but the trade-off is the art generally becomes too expensive for the average investor.

As an example, an Andy Warhol painting sold for \$71.7 million this year in an auction at Christie's. A painting by Jackson Pollock sold for \$140 million in 2006.