



Obtaining the Right Jewelry Appraisal

BY CARL BLACKBURN

If you've ever watched a show like American Pickers or Storage Wars, no doubt you know the scene: a fortunate individual stumbles across an old jewelry box with a diamond ring, and eyes light up. They can't wait to get the diamond ring appraised by an expert to see just how big their score was. After the commercial, we see the expert tell them that the replacement value of the ring is \$20,000, and everyone watching says, "Jackpot! Wow, what a find!" Unfortunately, that jewelry appraisal is extremely misleading to viewers.

Two Types of Jewelry Appraisals

The problem lies in the difference between replacement value and resale value, or market value. Replacement value means the cost of the item if a person were to walk into a jewelry store today and buy that item brand new. Resale value is the price that item would fetch if the owner were to sell it.

Taking into account factors such as condition of the item, fashion trends, market demand, and most importantly the mark-ups that the item has undergone to go from low wholesale all the way up to high retail (or replacement value), the resale value is clearly going to be much lower than that of the replacement value. So in reality, if our reality show star were to try to actually sell that diamond ring, they might only get around \$5,000 for it.

Why do jewelry appraisers on TV give such misleading quotes? Well, for the show's purpose, it simply makes for more interesting television. But when this happens in the real world, it can be crushing to the person who thinks they have something worth tens of thousands of dollars only to find out their jewelry really is worth a fraction of that on the resale market.

The truth is that upwards of 90% of jewelry appraisals are for insurance purposes. When jewelry appraisers are giving their appraisals for homeowner's insurance, for instance, they are always going to use replacement value. The insurance companies need to know how much that piece of jewelry will cost to replace if there was a robbery, a fire, etc.

Finding the Right Jewelry Appraiser

It's important to understand the difference between these two very different types of [jewelry appraisals](#), but it's also important to know how to go about getting an

There are basically two types of qualified gemologists: the first is someone who has graduated from the Gemological Institute of America (GIA), referred to as a “Graduate Gemologist”, or “G.G.”, and has been actively working in this profession long enough to develop a high level of proficiency.

The second is a well-experienced jewelry professional who has acquired the same knowledge through many years of hands-on experience as a dealer of diamonds, gemstones, and fine jewelry. Besides these credentials, you also want to check their experience, their reputation, etc. to be certain that they have a mastery of not only diamonds, precious gemstones, and fine jewelry, but also of the current resale market.

Once you have found a jewelry appraiser whom you trust, it is critical that you communicate very clearly your intentions and expectations regarding the jewelry appraisal. As mentioned, insurance appraisals dominate the field, so you might be getting a replacement value appraisal when your actual intentions are to try and sell your jewelry. That communication can make all difference in understanding exactly your item’s worth.

If you are interested in selling your estate jewelry or obtaining a fine jewelry appraisal, please utilize our decades of experience by stopping by our La Jolla store or calling 858-251-3006.



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Diamond Estate Jewelry

C. Blackburn Jewelers