

**Scope of Work,
Appraisal Narrative
&
Value Conclusion
Data Collection and Reporting**

Disclosure & Disclaimer:

I'm currently working on designing several new section(s) for both **Scope of Work** and the **Appraisal Narrative and Value Conclusion** portion of an Appraisal that can be used and configured within **QLSS/PAS** to help reduce the need for manual insertion of information and text in the body of the appraisal work product.

I am building a series of Pick Lists and Pick Charts so that information can be automatically inserted into your appraisal wherever you may need to place it.

This is a work in progress section(s) but I'm releasing this information and my thought process and methodology so others who use QLSS/PAS can tackle this problem from another angle or direction.

This is **ONLY** a Rough Draft.

This is a work-in-progress

This is all designed to be used and integrated into the QLSS/PAS Jewelry Appraisal Software Program System.

Others may find this useful.

Intended Users:

Intended Use:

Take-In Date:

Inspection / Evaluation Date:

Valuation Date:

Effective Date:

Valuation / Effective Date:

Report Date:

Present During Evaluation:

- Appraiser Only
- Appraiser & Client
- Appraiser & Other
- Appraiser, Client & Others

Location of Evaluation:

- Appraiser's Certified Gem Lab Area
- Off-Site Location with Full Size Lab
- Off-Site Location with Porta-Lab

Off-Site Location with Special Conditions & Limitations:

- Poor Overall Lighting Environment
- Limited, Confining, Congested Work Space Area
- Poor Set-Up / Work Area
- Limited Time / Rushed / Time Constraints
- Noisy, Disruptive Environment
- Noisy, Disruptive, Observers
- Numerous Interruptions from Observers
- Semi-Hostile Work Environment

Approach to Value Methods Used for this Item(s):

- 1-Only Cost Approach Only
- 1-Only Market Comparable Only
- 1-Only Income Approach Only
- 1-Only Market Comparable Only; Cost Approach & Income Approach N/A

- 2-Only Cost Approach & Market Comparable Only; Income Approach N/A
- 2-Only Combination of Cost Approach & Market Comparable Only; Income Approach N/A
- 2-Only Market Comparable & Income Approach Only; Cost Approach is N/A

- All 3 Cost Approach, Market Comparable & Income Approach

Market Placement & Research for this Item(s):

- This is my own version of Markets and Market Levels
- There are other lists, you can decide for yourself what list you want to use
- Known Market Levels and Sub Market Levels
- This area is still being worked on, listing the Various Markets and Sub-Market Levels

MARKETS

Retail Jewelry Market

Pawn Shop

Action Houses

Internet Only Sites

Internet Only Sites

Internet Only Sites

MARKET LEVELS

Ultra Fine, High End, World Renowned Stores & Design House Names

National / Regional Chain Stores – High End

National / Regional Chain Store – Mid-Range

National / Regional Chain Store – Credit / Mid-Range

National / Regional Chain Store – Discounter / Credit

Regional / Local – Established – High End

Regional / Local – Established – Mid-Range

Regional / Local – Established – Credit / Mid-Range

Regional / Local – Small Designer / Artisan

Regional / Local – Discounter / Credit

Regional / Local – Established Antique / Estate Jeweler

Regional / Local – Factory Outlet Mall – Discounter

Regional / Local – Jewelry Marts / Bazaars / Cruise Ship Ports

Local / Regional / National

Internationally Known

Regionally Known

Local – Small / Relatively Unknown

Dealers / Re-Sellers / Retailers

Auction

National / Regional / Local – Public Listing Sites

Something to Seriously Think About:

Human Memory is lacking so I have added these notable listings to aid in taking the entire appraisal work product in full context during the valuation process.

By knowing and being aware of the Market and Economic Conditions at the time of the appraisal will help others understand and convey what was taking place at that specific time, date and place.

Current Economic Market Conditions – Overview:

- (+5) Boom – Inflationary Bubble
- (+4)
- (+3) Strong – Growth Economy
- (+2) Strong – Growth Economy
- (+1)
- (0) Flat / Neutral
- (-1)
- (-2) Weak – Recession
- (-3) Weak – Recession
- (-4)
- (-5) Depression – BUST

Jewelry Fashion comes and goes while other Styles & Designs remain constantly in fashion and in popular demand.

Desirability, Style and Design directly and indirectly affects values. Therefore this has also been added to help the reader understand what is happening within the market at that specific time, date and place in which the appraisal was performed.

Item's Current Market Level of Desirability – Overview:

- (+5) Strong – Very Desirable
- (+4)
- (+3)
- (+2)
- (+1)
- (0) Flat / Neutral
- (-1)
- (-2)
- (-3)
- (-4)
- (-5) Weak – Out of Fashion

Type of Value Expressed for this Item:

Approximate Replacement Value (New)
Approximate Replacement Value (Like, Kind & Quality)
Approximate Replacement Value (Reproduction / Duplicate)
Approximate Replacement Value – Used (Like, Kind & Quality)

Approximate Scrap / Melt Value (Immediate)
Approximate Salvage Value (Immediate)

Approximate Fair Market Value (Like, Kind & Quality)
Approximate Fair Market Value within the Secondary Market (Like, Kind & Quality)

Approximate Marketable Cash Value (Immediate)

Approximate Liquidation Value (Immediate)
Approximate Liquidation Value (Rushed – 0 to 30 Days)
Approximate Liquidation Value (Timely Planned 60 to 120 Days)

There are more but I have not listed each and every one of them.

It also depends on what Appraisal Organization and/or Society you belong to which may or may not restrict the way you list not only values but other words and terms to their own published nomenclature and published definitions within their course material.

Critical Assumptions:

None
WORK-in-Progress

Critical Limitations:

None
WORK-in-Progress

Special Conditions & Considerations:

None
Work-in-Progress

See Following Pages

Special Conditions & Considerations:

This is something EVERY Appraiser should be fully aware of.

There is a growing number of Jewelry Design Companies which have “Patented, Copyright ©” or Trademark “™” Stamps on their jewelry related items and in some case even Diamonds and Colored Gemstones can also be Copyrighted and/or Trademarked due to a Patented, Copyrighted or Trademarked Cutting / Faceting Pattern, Style and/or Design.

Therefore all appraisers should list and disclose these special features / attributes clearly and prominently within the appraisal report.

Another special condition that must also be addressed and noted clearly within the appraisal report is that more and more Companies are now regulating and in some cases Strictly Enforcing Retail Pricing to protect their Specialty product(s) from being discounted and therefore being diminished from a Perceived Value standpoint.

In some cases some Companies actually employ Secret / Mystery Shopper to try to get retail jewelers carrying those Restricted Non-Negotiable Retail Price Regulated items to give a discount. Those that do give in and give a discount are then in most cases immediately dropped as a Registered Re-Seller of those items.

An example of those companies are, Heart On Fire, Tacori, Mark Schneider, the list goes on and on.

There is nothing wrong, nor illegal about these types of Vendor/Re-Seller relationships. In fact, it actually helps build a better business model and better business relationship where both parties can benefit from such a business agreement and relationship to strengthen a Brand Name and also build a stronger Branded following with a Better Perceived Value.

Discounters are just that, Discounters. Branding, Name Recognition and Exclusivity are not in line of the discounter's market model because all it does in the long run is cheapen the brand name to the point where a certain price point is all that really matters to a discounter and their discount-hunting clients.

Discount Shoppers are only in search of a sale and nothing more than a sale whether it is truly a sale or not. Price and Price Alone is the dominate factor and attribute that takes precedence above all other factors and attributes.

Special Conditions & Considerations:

Critical Information & Disclosure: **Price Restrictions**

The mounting is from a Known Designer and/or Design Studio that **DOES NOT** discount their products and forbids their dealers from discounting their products.

Therefore the value listed reflects full retail replacement cost with NO DISCOUNTS due to the Designer's Strict Business Practices.

Critical Information & Disclosure: **Copyright / Trademark Restrictions**

The mounting is from a known designer and/or Design Studio and this mounting has a copyright stamp. This is a copyrighted and trademarked piece by this designer. These are protected designs.

Critical Information & Disclosure: **Designer Diamonds / Copyright & Trademark Restrictions**

The diamond listed is from a known Copyrighted & Trademarked Protected Diamond Cutter and this diamond can be readily identified by the facet design and/or placement and/or laser inscription of the Cutter's Logo and/or serial number on this diamond.

Critical Information & Disclosure: **Designer Diamonds / Price Restrictions**

The diamond listed is from a known Copyrighted & Trademarked Diamond Cutter that **DOES NOT** discount their products and forbids their dealers from discounting their products.

Therefore the value listed reflects full retail replacement cost with NO DISCOUNTS due to the Diamond Cutter's strict business practices.

This is just the beginning, more will be added later.

Scope of Work:

Restricted – Work-in-Progress

The Scope of Work can ONLY be Fully Appreciated and Fully Understood by joining and becoming an active member of a Nationally and/or Internationally Recognized and Respected Appraisal Organization and/or Society as each Appraisal Organization has their own distinctive layout and methodology as to how to properly and professionally draft and present a Scope of Work Statement.

One must also be aware that **THERE IS NO ONE SIZE FITS ALL** Scope of Work Statement.

Once you learn the basic key pieces that need to be in the Scope of Work Statement and learn the basic layout and methodology of how to assemble the required information needed into the statement it becomes easier and easier as you repeat the process over and over.

One must also be aware that Appraising is a constantly changing and evolving science that can change every couple of years. Therefore one must be constantly updating and upgrading not only their knowledge and skill sets but they must also change and adapt their appraisal reports to match the various changes that take place over a given period of time.

Please join not just one but several Appraisal Societies and/or Organizations and become an Active Member in each organization.

Support & Protect YOUR Profession and Livelihood by Educating the Consumer

Appraisal Narrative:

Restricted – Work-in-Progress

The Appraisal Narrative can ONLY be Fully Appreciated and Fully Understood by joining and becoming an active member of a Nationally and/or Internationally Recognized and Respected Appraisal Organization and/or Society as each Appraisal Organization has their own distinctive layout and methodology as to how to properly and professionally draft and present an Appraisal Narrative Statement.

One must also be aware that **THERE IS NO ONE SIZE FITS ALL** Appraisal Narrative Statement.

An Appraisal Narrative is YOUR written argument defending and validating YOUR Value Conclusion. It tells a short abbreviated story of what you did, how you did it and most importantly why you did it.

Once you learn the basic key pieces that need to be in the Appraisal Narrative Statement and learn the basic layout and methodology of how to assemble the required information needed into the statement it becomes easier and easier as you repeat the process over and over.

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Respectable and Recognized Appraisal Organization / Societies in the USA

Work in progress – Not finished

*** Special Notice***

Not all appraisal organizations are the same or equal.

Some require more classroom hours and higher requirements to attain Full Accreditation and/or Certification.

Others are very lacks and allow open book, non-supervised, testing for competency.

Some Organizations require Mandatory Re-Certification every 3 to 5 years no matter what your title and ranking is, while other organizations require no up-dating and no re-certification of any kind.

Some require USPAP Testing and All Reports must meet USPAP Standards and Guidelines while others don't even recognize USPAP.

AAA

APPA / AGS

APPA / Independent

ASA

ISA

NAJA

RMVP