

Classic Auto Appraisals 101

by Ed Muth

Grand Erie Classic and Rod have been appraising cars for about ten years now and I can't begin to tell you how neat it is to be working in a hobby that shares the fun and synergy we have. We also belong to ACAAR (Antique & Classic Auto Appraisers' Registry) which is a regulating body that meets regularly to discuss the issues that go with our duties.

The main reason we do appraisals is to document a vehicle for insurance purposes. The key here is the 19A policy which essentially is an "AGREED" value. The value, when received by the insurer is the value they either accept or reject. They accept our documents because we provide a reliable and accurate description of the vehicles they insure.

We also provide them with accurate VIN numbers, condition assessment and description that may help in identifying a vehicle - so you can appreciate how this can be useful if the car is stolen or requires identification when recovered.

You will pay a premium based on the per \$1,000 value of your car so essentially, if your car is more valuable you will a higher premium.

A considerable deviation is the modified class which takes into account risk that the insurer assumes in insuring a car that has been modified from its original state. This can be a very gray area and also of considerable responsibility to the appraiser in outlining enough information to discern if a car is indeed "modified to the extent that a line has been crossed." The insurer usually makes the call from the description given. Putting a small block Ford or Chevy or even a Skyline engine in a Datsun 240Z is indeed a typical example. **Double the horsepower and we get excited but the insurer gets the same vibe!** Usually the premium doubles!! I try to word these discreetly as upgrades. If proper brakes and safety are exercised then there maybe considerations but... not my call. My duty is to document the car, its details, and its condition.

Condition is a real serious input for the process. Nice clean cars with very nice bodies, clean engine bays that are detailed, detailed undercarriages - usually garner a #2 condition and show absolutely no corrosion. A car in number one condition is a trailer queen or show vehicle. Vehicle condition goes all the way down to a #6. Southern rust free history gets special mention and usually a 10% premium. Also, mention of dry,



Ed Muth with his 1971 Datsun 240Z

secure storage is a comforting thought to insurers.

Cars with values over \$50,000 may require conditions of security that include security systems and devices that locate the vehicle 24/7. Again, this may be stipulated by the insurer after the appraisal is complete.

Faux pas include NOS systems, tubbed rear ends, and full cage cars, but we have to include these details in our appraisals. There is a company that insures race cars and we have experience appraising these vehicles.

Show cars usually have details that stray from originality and can either detract or add to value depending on the theme and effect. 57 Chevrolets come to mind; high quality and painted underbodies that are show finish usually show nicer but can lose originality points, but on the auction floor can bring up to \$10,000 more at times simply because buyers like them that way! So, the theme can be very important when a car is presented.

Street rods and hot rods are an accepted genre due to their unique and modified construction. In order to build a car like this there are unwritten rules that are generally followed. In appraising these cars there is generally a rule of build style and quality engineering that apply. These cars are a sum of their many individual parts. Many 69 street Camaros and Mustangs for example, are being built from \$100,000 to \$300,000.

Original cars are most easily valued by their demand. There are many that change hands in order to establish a general value. Here build sheets, and paper work offer intrinsic value. It gets complicated though when a car has all its original components versus ones that have been acquired by way of NOS, or other cars.

Classic cars are often valued by their artistic value, history and pedigree. A pedigree is a file of paper work that supplies informa-

tion about the history, maintenance and factory options that the car was delivered with. Original bill of sale, owner manuals, maintenance manuals, warranty cards, build sheets, tank stickers, protect-plates, warranty recalls, legal documents, magazine articles, personal pictures, are all documents that can add value to individual vehicles.

Notoriety is another issue. Yes, if Elvis drove it or President Roosevelt ordered it new there may be a value of notoriety that goes along. Pierre Trudeau's 1962 Mercedes 300 SL is indeed a car that can have significant value.

Cars should be well presented at appraisal time simply because dirt and grime are detractors and don't allow clear representation of the good that is present.

So there it is. **A good appraisal will be of value to you in many ways.** It will peg your car in time and therefore requires an update (every 3-5 years) that takes any changes into consideration. And if its done properly, it can be a nice history of your car to treasure. So, get it ready for some fine photos, we want it to look its best.

Lets remember that our vehicles have equity, contribute to the economy and have great artistic and aesthetic value. They are **an investment we can proudly drive**, plus they enable us to meet new friends and enjoy the company of others who share similar interests. Classic and special interest vehicles offer unlimited opportunities for research and learning about the history and aura that surround them.

One more thing I'll explain since I get asked about these a lot - **the "Green Sheet"** (titled Motor Vehicle Appraisal Record) are forms required by the Licence Office (MTO) for transfers of vehicles. Yes, this is another hoop to jump through. We do these. We appraise your car and then you pay tax based on the higher value - your original bill of sale versus our valuation. These now have a verification sticker (Dalton has us paying for the stickers) that I attach to the document.

So call me if you need more information about any of the above. Oh and let's remember that 95% of spouses know where the appraisal is.

Ed Muth is a certified auto appraiser with Grand Erie Classic & Rod and a long standing member of OZC. Ed and his wife Marion actively particate in club events. Ed's handle on our forum is Zeded. Z

Ontario Z-Car Owners Association