

Estate Planning for investments of Passion

Help Your Loved Ones Get The Best Value.



Over the last couple of years I have posted a few articles about the growing value of collections, and how they could form part of your estate, from [Investments of Passion](#) to [Non-Fungible Tokens](#) and the slightly more whimsical article about [Old UK Car Paper Tax Discs](#).

However, the reality is that no one else in your family might have the slightest interest in the collection that you have accumulated, or have even a remote idea about its value. And therein lies a problem. It is essential that you plan for the day when your collection needs to be handed over to your beneficiaries.

Memorabilia collections, by their nature, are specialised and unique, because they are as I said before, typically investments of passion.

When considering your estate planning, it is important to think about what you require of your beneficiaries. If you're not planning to sell your collection whilst you are still alive, how you can make that process as easy as possible for your family. Basically, what will your partner or children have to deal with as they dispose of the items?



For many collectors, it's a passion that is focused on the past.

Whether it's sports memorabilia or stamps or vintage cars, collections often carry more than a whiff of nostalgia.

But what about the future?

Are you looking at the collection as an investment which you plan to sell one day, and perhaps counting on the proceeds to fund your retirement? Or are you planning to keep the collection for the rest of your life?

If it's the latter, then you'll need a succession plan for what will happen to the collection after you die. And that's especially true if no one else in your family has the remotest interest in the collection that you've accumulated.

An Estate Plan Should Include an Inventory of the Collection



The first step? Know what you have.

A thorough and updated inventory will help your beneficiaries understand the scale of the collection and where the items are located.

This doesn't have to be a high-tech operation, using an Excel spreadsheet or similar is perfectly adequate.

The key is to make sure that the inventory stays up to date and contains detailed information about every item in order to maximize its value. For example, if it's a piece of sports memorabilia, is it signed, or was it game-used?

To the extent possible, it's also a good idea to include valuations along with the items' descriptions.

Also, try to remain aware of prices when comparable items sell at auction, and follow industry publications to keep any valuations as current as possible.

Every sector of collectible is different, and some items see their valuations fluctuate more than others, but it's always helpful to have at least a general idea of the total value of the collection.

At some point, it might be worth engaging an experienced appraiser to give you a formal valuation of the collection.



Also, regarding authentication, many items need supporting paperwork to verify they are legitimate.

For example, a pair of boxing gloves used by Muhammad Ali in a fight would be worth as much (or as little) as any other pair of boxing gloves without a certificate of authenticity.

This is different from signed sports trading cards, which include their certificate of authenticity when sold. Game-worn apparel like Ali's trunks must be independently authenticated by an accredited expert and documented.

As you plan for your beneficiaries to handle the sale of your items, they'll need to know that those documents are an essential part of the collection and where they are located. So, you will need to walk your partner or children through your inventory system, point out where the items are identified as having separate certificates of authenticity, and make sure they know where to find them.

Where to Go When It's Time to Sell?

Now your loved ones know what's in your collection, where it's located, how much it might be worth and where to find the authenticating documents, but when it is time to sell, where do they go?

Whether it is sports memorabilia, coins, stamps or just about anything else, there are dealers willing to take the collection off your hands. But if you go into a collectibles shop which only buys items they plan to resell, you can expect to receive only a fraction of a collections actual value.



This is where you, the expert, can help your loved ones out. Make connections with auction houses that would be interested in bringing your collection up for sale.

This can be a highly specialised area, so you'll be protecting your beneficiaries from a big headache if you give them information about where they can go to get a fair price.

Finally, a word on valuations. Collectibles can be subject to the same market forces as any other investment, which means that some times are better for sellers than others.

For instance, amid the economic chaos of the financial crisis in late 2008, it was a buyer's market. At that time, if you or any of your beneficiaries had tried to sell a collection, you may very well have received only 50% of the collections real value.

So again, if you plan on leaving the collection for your loved ones, it might be worthwhile to provide contact details of a consultant with expertise in that specific area, to advise on whether market conditions are suitable for an immediate sale or if it might be prudent to wait.

In the meantime, happy collecting!