

CHRISTIE'S

FOR IMMEDIATE RELEASE | NEW YORK | 4 DECEMBER 2013

Christie's confirms it has delivered a preliminary report on its valuation project at the request of the Emergency Manager of the City of Detroit. This report summarizes the scope of work set by the City, Christie's process for conducting the appraisal, and a preliminary aggregate valuation range based on fair market value.

In addition, Christie's is recommending five options for alternatives to sale that would allow the City to gain value from the collection while keeping it intact. A full report inclusive of the valuation and proposed alternatives to sale will be presented to the Emergency Manager the week of December 16th and made available to the public.

Key points of information in the preliminary report include:

- Christie's remit from the City of Detroit was to conduct a Fair Market Value ("FMV") appraisal of only those works that are classified as City of Detroit purchases ("COD"). COD works were either purchased entirely by the City, or in part with City funds. The total number of COD purchases in the Museum's collection of approximately 66,000 works was anticipated to be about 3,300 works at the start of the appraisal, based on lists of COD purchases provided to Christie's by the Museum. This number has since been adjusted downward to 2,781 works, after accounting for multi-part objects, objects unavailable for inspection, and works deaccessioned by the museum over the years.
- Pursuant to Christie's contract with the City, our work was conducted in three phases, with timelines assigned to each phase. Christie's has completed Phase One and Two of the appraisal within the agreed upon timeframe per our contract with the City. Phase Three will be completed later this month as agreed with the City. As noted in the scope of work, Phase One includes all COD purchases on view in Museum galleries (319 works total); Phase Two includes all COD purchases in storage with perceived values of \$50,000 or greater; and Phase Three includes all COD purchases in storage with perceived values under \$50,000.
- Christie's aggregate fair market value estimate for all three phases of the appraisal – which represents less than 5% of the total DIA collection – is \$452 - \$866 million. Note that eleven "Phase One" works on display in the galleries account for 75% of the total value of the COD purchased objects.
- FMV is the price at which a work would change hands between a willing buyer and a willing seller in the relevant marketplace. It is determined by using the market data approach which compares the subject work to similar works sold in the marketplace, makes appropriate adjustments to allow for any differences between the subject work and the comparables, and reflects the current market place. Christie's has provided both a low and high range for FMV for each appraised work and for the aggregate total. The lower number represents a conservative price, and the higher number represents the most advantageous price at which the property would change hands.
- For the purposes of clarity it should be underscored that the individual values provided are not auction estimates. Auction estimates are the price ranges that Christie's and other auction houses assign to a work at the point of sale in order to attract maximum bidding interest. Actual auction

prices are a reflection of demand and bidder competition for a specific work at the point of sale and do not necessarily reflect fair market value.

“Christie’s has valued only those parts of the collection that the City asked us to, and within the timeframe requested. These city-owned works account for less than 5% of the DIA’s total collection of 66,000 works. The fair market value estimate range is \$452-\$866 million. We have also proposed five possible ways in which the art need not be sold but used as a means to allow the DIA to raise funds to assist the City. As this process moves forward, we trust our findings will provide a useful foundation for the City to engage in further discussion with the creditors and the DIA, and for all parties involved to make informed decisions about best use of the City’s assets,” said Doug Woodham, President, Christie’s Americas.

Though the preliminary figure provided today is not final and inclusive, Christie’s does not believe these figures will change significantly at the conclusion of Phase Three of the appraisal. Per our contract, with the receipt of our final appraisal document, Christie’s will have completed all of its contracted assignment. At this time, there is no plan or agreement in place for additional work for the Emergency Manager.

Appraisal of organizations and individual collections is a regular part of our normal business and Christie’s was asked to assist due to our expertise in this area across all fine art categories and eras. We understand that a valuation of all the City’s assets (extending well beyond the art) is one of many steps that will be necessary for the legal system to reach a conclusion about the best long term solution for the citizens of Detroit.

PRESS CONTACTS: Erin McAndrew | emcandrew@christies.com
Jennifer Ferguson | jferguson@christies.com

###

Visit Christie’s Website at www.christies.com

FOLLOW CHRISTIE’S ON:

