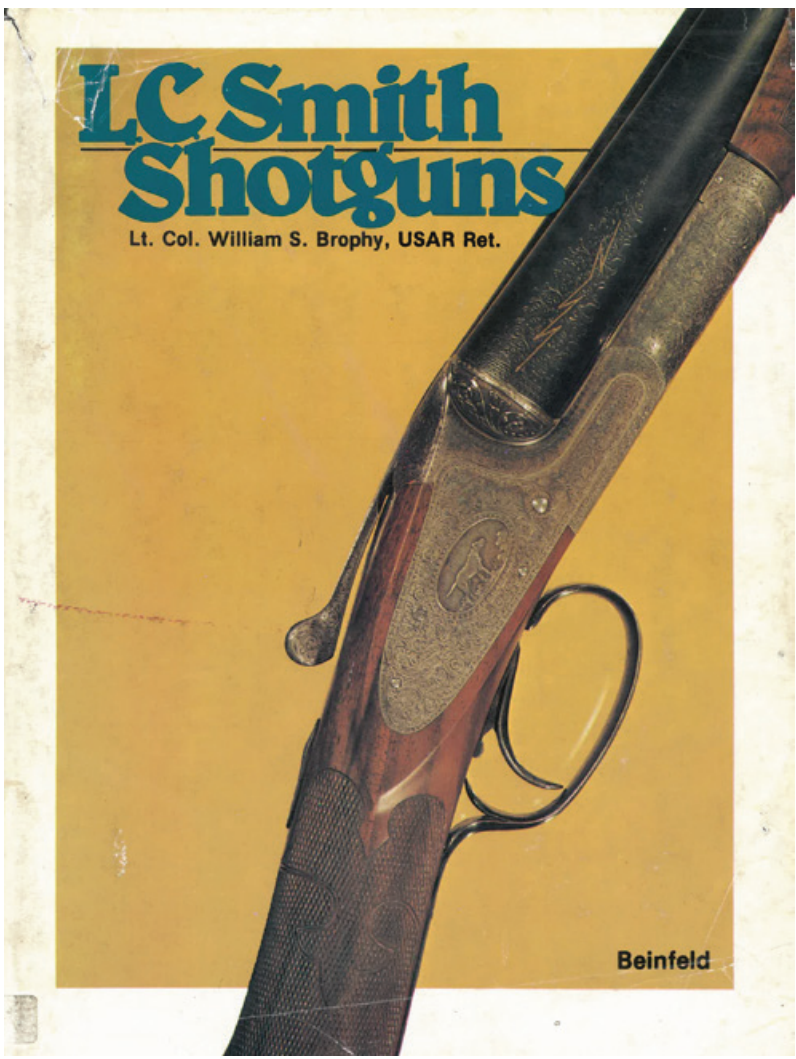


TO THE HIGHEST BIDDER

Understanding what live gun auctions offer
to collectors of fine firearms.

STORY BY OLIVER HARTNER





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Fine guns move through the market in many ways, but of all the means by which they find their new owners, live auctions offer an exceptional thrill. Enthusiasts and collectors choosing to participate in auctions will ogle over the photos of their favorite pieces for several months, marking them among the dog-eared pages of a catalog or the curated browser tabs of their tablet computer. They'll crunch the numbers, ensure the measurements of the gun are a close fit, and imagine themselves nesting it in their display case or taking game with it in the field. On the day of the event, auctioneers goad potential buyers with monotone rhythmic rambling called "the chant," and when the price settles on the highest bid, the gavel raps in tandem—*Sold!*—and one buyer celebrates their victory while another leaves brokenhearted. Auctions blend passion, pride, and competition into a roiling sea of emotion. Some fine-gun enthusiasts avoid auctions out of apprehension while others surf the wave. For those

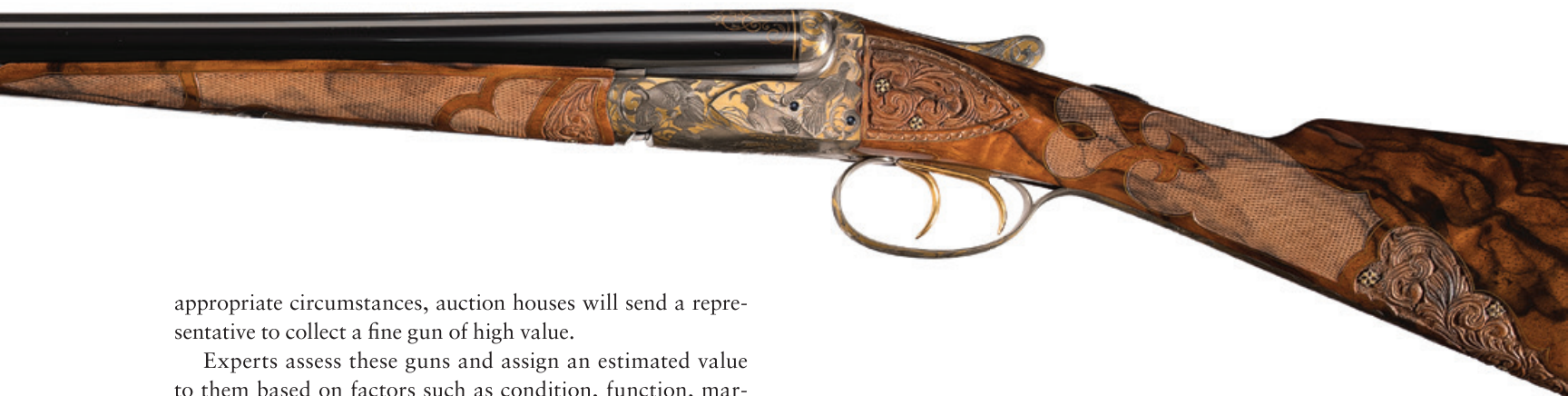
choosing to watch from a safe distance, their trepidation is not unwarranted; not all auction houses have the best of intentions. Some will leave buyers holding the bag when they deliberately or accidentally misrepresent an auctioned gun, or they offer less value to a consignor by cutting their costs. Nevertheless, collectors and consignors armed with knowledge and discipline often find extraordinary opportunities by participating in gun auctions.

HOW AUCTIONS WORK

Auction houses gather their inventory in several ways. Some guns arrive at an auction house through estate settlement, while others might find their way into the catalog when well-reputed collections are pared down. Jeremy Hatch, firearms consultant for Morphy Auctions, said, "Some of the best sources of inventory are among collector groups. Members of these groups own some of the finest guns in circulation, and staying in contact with them helps us tremendously." Under



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appropriate circumstances, auction houses will send a representative to collect a fine gun of high value.

Experts assess these guns and assign an estimated value to them based on factors such as condition, function, market research, and other documentation related to a particular piece. These factors weigh heavily on how a gun is valued at auction compared with how it might be sold by a dealer. Whereas a dealer may overprice or undersell a fine gun, auction houses dedicate more resources to researching its value. Kevin Hogan, CEO of Rock Island Auction Company, said, “We’re here to call balls and strikes, and we don’t try to make a gun something it isn’t just to sell it. Blue-book estimates can miss the mark when it comes to estimated valuation, so we rely heavily on several sources when coming up with a fair and accurate figure, including data we’ve been collecting since 1991. And when it comes to fine guns and pieces with historical significance, the more documentation related to the gun, the better.” Auction houses such as Rock Island Auction Company and Morphy

Auctions often rely upon both in-house and outsourced expertise during value assessments.

Once an auction house assigns an estimated value to a piece—often called a “field estimate”—the gun is cataloged and inventoried. Cataloging the gun involves going through it with a fine-tooth comb to ensure functionality of the ejectors, triggers, safeties, and all other moving parts. Experts take measurements related to barrel wall thickness, choke, chamber length, drop, cast, and length of pull. After accounting for functionality and recording its measurements, extensive research is conducted to determine an “assigned value.” Hatch said, “There are occasions where an assigned value is greater than or less than the field estimate. But about 80 percent of the time, the field estimate and assigned value stay consistent.” The

gun enters inventory where it receives a lot number and insurance policy before being properly stored for safekeeping.

The information for each cataloged gun is then wedded with photography and becomes part of the auction house’s marketing plan for an event. Auction houses specializing in firearms often hold several auctions per year, and each auction has a specific catalog associated with its inventory. Hogan said, “We have several tiered auctions to meet the market at different price points, and all of our catalogs have an online presence. For our Premier Auctions, we produce a traditional three-volume printed catalog with rich photography that helps potential buyers and longtime clients develop a full appreciation for the fine guns we have available.”

After months of preparation, auction day arrives, and depending upon the price point of items up for bid, major auction houses will make much ado before and after the event for their longtime clients and potential buyers. “We don’t simply host an *auction*. We host an *event*, and that’s exactly what we call them. The social element of what we do is important, especially when it comes to getting fine-gun collectors and enthusiasts in a room together,” Hogan said. Preregistration is generally required for being present at an auction, whether it is conducted online or in person. Attendees place their bids in several ways, but the most common methods are online, call-in, or if attending in person, by lifting or waving a paddle. Buyers might also place absentee bids on items, or they might vote by proxy. Absentee bidding allows the buyer to place a bid up to a certain price, and if the price goes higher, they automatically forfeit the item. Proxy bidding allows the buyer to participate in the auction through representation by a third party, and this third party attempts to secure the item for less than or equal to a price point predetermined by the buyer. At the conclusion of the auction, buyers pay for their purchases and claim their guns in person, or have them shipped in accordance with local, state, and federal firearms laws.

BUY WITH CONFIDENCE

When the emotional rollercoaster of an auction fails to intimidate fine-gun collectors and enthusiasts, the idea of buying an item “as is” might make wallflowers of them. Perhaps they know someone who purchased an auctioned gun and wound up disappointed. These potential buyers want assurances that the catalog accurately reflects the function, condition, and authenticity of the gun, and that any discrepancies will be addressed in a fair manner. Fortunately, most reputable auction houses offer recourse to account for any mistakes they make, and on a situational basis, address any purchase-related misgivings a buyer might have after an auction. “Our North Star at Rock Island Auctions is to do the right thing. We check the functionality, soundness, and any available history related to the guns we sell. When we do make a mistake, we do our best to make it right,” Hogan said. Hatch of Morphy Auctions agreed, saying, “Auction houses make mistakes, and when they do, it’s how they choose to handle those mistakes that makes a difference. We don’t *warranty* our firearms, but we *guarantee* the accuracy of our



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description. If something contrary to the description of the gun is discovered, that’s a returnable item so far as we’re concerned.” Many auction houses, including Rock Island Auction Company and Morphy Auctions, publish their terms and conditions, and both Hogan and Hatch encouraged reading these documents carefully before participating in an auction.

For any first-time buyers looking to launch their fine-gun collection, Hogan added, “Before buying a gun, buy a book and educate yourself. And go for original high-condition pieces. Do these things, and you can rarely go wrong.”

KNOW WHERE AND WHEN TO SELL

When it comes time to move pieces or entire collections of fine guns, auctions often deliver collectors or their estates the fullest potential value. Hatch said, “Rare guns or pieces with documented high provenance should be sold at auction. The

reason being is that the core constituencies of collector groups pay attention to these auctions, and they compete to get the best pieces on the market. When they compete, the consignor realizes more value.” For high-condition pieces, an auction house might recommend minor repairs or paying to procure documentation that might increase the value of a fine gun. “Our goal is to get the most money for a consignor. If getting a factory letter or refreshing the stock work adds 10 percent of value or more, I advise making the investment.”

Auction houses incur a fixed cost for every gun they bring to market, and when they negotiate a rate of consignment, they must factor these costs into their calculations. As such, lower rates of consignment are charged for guns of higher value, so it rarely makes financial sense to consign common or low-condition pieces unless they are part of a larger estate with finer guns in the mix.

Potential consignors should research auction houses,

choose the best option for their situation, and establish a personal relationship with them. Doing this increases the likelihood that the goals and expectations of the consignor are met. Hogan said, “Consigning fine guns shouldn’t feel like a business pitch or like something that a consignor is being talked into. That personal relationship is important to us. And some consignors might not be ready to sell even after meeting with us. We’d rather them come back when they’re ready than try to talk them into something.”

MARKET TRENDS AT FINE-GUN AUCTIONS

The demographics of potential buyers and consignors have changed as the previous generation pares down their collections. Fewer members of the younger generations had sporting-life opportunities available to them, and as those opportunities dwindled, so did an interest in fine guns. However, those who do have an interest in fine guns are buying and collecting them, but they acquire pieces for their collections with less face-to-face interaction or involvement in collector groups. “The Internet has changed the game. We source more inventory and hold more auctions through our website than ever before. As the market has changed, we’ve adapted our business to the benefit of our clients,” Hogan said; while Hatch added, “In both our online and in-person auctions, we see more interest in Italian- and Belgian-made over-and-unders than side-by-sides. So, in the years to come, there will be some amazing deals out there for younger buyers interested in side-by-side game guns.”

That’s music to the ears of this millennial. 🎵