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Buying Art at Auction: Insider Tips

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Buying art at auction can be intimidating to the uninitiated. But it doesn't have to be if you prepare in advance and break the experience down into three manageable sections. The following tips will prove to be useful to both neophytes and the more experienced.

Before the exhibition

1. Read the auction house's terms and conditions (included in the sale catalog). Know what happens in the case of a dispute over authenticity.
2. Review the cataloging terminology so that you fully understand the meaning of the entries (e.g. a work listed as a "K. Kriehoff" is not necessarily by the artist).
3. Once you have identified artwork of interest to you in the catalog, spend a little time researching the artist. Make sure that you look at a variety of reproduced images. This will help you develop a good sense of relative quality.
4. Talk to people who know the artist's work – auction house specialists, dealers, and curators. Most like to share their knowledge and experience.
5. Try to place the artwork you are interested in into a broad qualitative context – below average, fair, good, or excellent. Don't always rely on additional remarks included in the auction sale catalogue; they are intended to help "sell" the item.
6. Do some comparative market research in published auction sale indices. These are available in reference libraries. Try to go back at least five years. If you have access to auction catalogs, check them and compare.
7. Consider the impact of acquired characteristics of value – provenance (history of ownership), literature citations, and exhibition history. These can boost value.
8. Understand that most lots have a reserve (a confidential minimum sale price). The reserve is usually about 10 – 30% below the low end of the pre-sale estimate. The lower end of the estimate will help you to guess where the reserve might sit.
9. Make your own judgment on the accuracy of the auction house's pre-sale estimate. Sometimes low estimates are used to draw in interest and more bidders. If the estimate seems too low, it probably is.

10. Consider the placement of the item you want to bid on in the catalog's order of sale. Better quality properties usually are placed in the early and middle parts of the auction when attendance is at its best and competition is fierce. Less important pieces go at end of sale and generally sell for lower prices due to diminished attendance and competition.

11. Set yourself a preliminary limit on bidding and think about a bidding approach. You can either bid aggressively from the start, or hold back until just before the hammer falls. Both approaches have advantages.

At the auction exhibition

1. Try not to be overwhelmed by all the art on display. Do have a quick look around but concentrate on the items you want to bid on.
2. Compare the accuracy of the reproduction in the catalog with the real thing; colours are often badly reproduced. If the illustration is in black and white, this will be the first time you to see the true colors.
3. Look closely at the surface of the artwork to check the condition. Ask to look at the back of the artwork for evidence of repairs. Make sure you note condition details in your sale catalog.
4. Don't be put off by a painting that is dirty or badly framed. Art is easily cleaned and re-framed.
5. Bring someone with you to act as a second opinion.
6. After you have finished going through the exhibition, take a break, then come back for a second look. Your opinion may change with some reflection.
7. Make any adjustments to your maximum bid.

At the auction sale

1. Arrive at least 30 minutes before sale to get a good seat.
2. Ensure that you register and obtain a bidding paddle. You will have to provide some ID. Make sure that your name is placed on the mailing list so that you get the prices realized after the sale.
3. Try to sit in the back third of the salesroom. You want to have a clear sight line to the auctioneer and the block. Additionally, you want to be able to watch who is bidding. It is considered rude to turn around to watch bidding behind you.
4. Mark your catalog a few lots prior to the item you are interested in so that you're not taken by surprise.

5. Watch to see how known dealers and collectors are bidding. They often set the tone to the auction sale.
6. Write down the hammer price and the announced paddle number for each lot sold. This will help you to figure out which lots are “bought in” (knocked down to a house number because they have not reached the reserve). With some practice, these “buy ins” can be identified. Some auction houses announce when a lot fails to sell.
7. Try to be aware of how well or poorly the sale is doing.
8. Watch the auctioneer’s style and be prepared to modify your bidding approach if necessary. Some are quick at knocking down lots and others are more leisurely.
9. Remain calm and cool when your lot is approaching. You do not want to bid emotionally.
10. Wave your paddle prominently when you are bidding. If you jump in near the end of the bidding, really wave your paddle.
11. Allow yourself one bid over your established maximum.
12. If you are successful, remember that you will have to pay the buyer’s premium plus applicable taxes on top of hammer price.