

# AT WHAT PRICE?

One of the things which makes people most puzzled and sceptical about modern art is the staggeringly high prices it sometimes fetches. Quality in a work of art has never been a matter only of the apparent technical skill of the artist. However, the modern emphasis on

imagination and originality (subjective qualities which are extremely difficult to put a price to) quite often makes the commercial value of a work seem arbitrary. Below you can find out how the price of a work of art is, in fact, determined.

## Who sets the price?

It is very rare for a modern artist to sell a work of art directly to a customer. Works usually sell through dealers or at auction.

### Art dealers

Dealers take at least one third of the selling price of a work. This is how they cover their costs (rental of gallery space, publicity and so on) and make a living. The higher the price they get for a work, the more money their share represents, so they charge as much as they can.

### Auctions

Experts at an auction house estimate the selling price of an artwork before a sale. However, auctions are notoriously unpredictable. On 15 May 1990, a little-known work by van Gogh called Portrait of Dr Gachet was put up for auction at Christie's, New York (see right). Many people thought that the depression in the art market would prevent it from fetching the price which the experts had predicted. Imagine their surprise when the painting sold for \$82,500,000 - double the predicted price.

## How do they set the price?

Dealers and auction house experts base a work's commercial value on the following factors:

- The artist's reputation. This depends on how many exhibitions his or her work has been included in, particularly solo exhibitions. It also depends on whether the artist has been noticed by art critics who often put exhibitions together themselves, as well as writing critiques of other exhibitions. Later on, the artist's works may have been bought by museums or well-known private collectors, and books may have been written about him or her.

- Fashion. Changes in fashion can lead to the "discovery" of an artist after they have been ignored for years, or even after their death.
- The size of the work, cost of materials used and time taken to produce it (usually only factors when the artist is starting out).
- The rarity value of the work. If the artist is dead, the price of his or her works tends to increase.
- The price the artist's work has fetched before, allowing for inflation.
- The state of the art market.

## Who buys the "masterpieces"?

Sadly, not all works of art are bought purely for love. Although most collectors are initially motivated by an interest in art, very valuable works are sometimes bought as status symbols or for investment. Prices are often beyond the reach of state-funded museums, and only rich individuals or corporations can



afford them. For example, Portrait of Dr Gachet was bought by a Japanese paper manufacturer.

## The rewards of success

Some artists, such as van Gogh, could barely make ends meet when they were alive. This makes the high prices their works fetch today seem ironic. Others made a fortune. When Picasso died in 1973 his estate was worth millions (see right).

### Works of Art

1,876 paintings, rugs, and illustrated books  
7,089 drawings  
149 sketchbooks  
18,095 etchings  
3,181 linocuts  
6,112 lithographs  
1,355 sculptures  
2,880 ceramic works

Value: 1,251,663,200 Ffr

### Real Estate

Farm "Notre-Dame-die-Vie," Mougins  
Villa "La Californie" Cannes  
Chateau at Vauvenargues  
Chateau at Boigeloup

Value: 10,000,000 Ffr

In his will, Picasso bequeathed 39 paintings and 14 drawings by other artists, such as Matisse, to the French government. On top of this, his heirs gave 800 of Picasso's own works to the government instead of inheritance tax.