

But where to buy art?

There are only two options to consider when buying art: the primary art market and secondary art market. The first option (the primary market) is based on the rules of connoisseurship, individual expertise and trust and most often pertains to works of art sold for the first time. The secondary market is almost purely governed by the age old system of supply and demand and mostly involve the trade of artworks that had previously been available on the primary market.

The primary art market is driven by the art seller. Gallerists, fine art consultants, art dealers and artist themselves form part of this group of vendors.

Gallerists constitute that group of dealers who sign a contact with an artists (known or unknown, contemporary or other) and promote and market his or her work. The arrangement between the gallerist and the artist could range from one which is fairly open (the artist would be at liberty to exhibit and sell elsewhere) to one of extreme exclusivity (all artworks by the artist are handled by the gallery). In exchange for the exclusive rights of selling an artist work, the gallery would act as representative for that artist – staging and organizing regular local and international exhibitions, managing the artist's media profile etc.

The art consultant also acts as an agent, but unlike the gallerist, would often not have a gallery of their own. They also tend to act on behalf of a client wanting to source art rather than the artist (who wants to sell her/his art).

Artists themselves sometimes act as their own agents – marketing their art directly to the buying public. Art routes, open studio days and especially the Internet affords them this opportunity.

The last category of art vendors, the art dealer, deals in art – that is, unlike the gallerist who tends not to “own” stock, the art dealer buys and sells art. Even though they might, like the gallerist, represent individual artist, their primary source of income is the identification of artwork that they can make a profit from– adding value with knowledge and market savvy. And even though their sources could include artists and collectors, they often buy from auctions.

Which brings us to the second category: buying art at auction. At an auction, the final price achieved on any item on offer, be it a humble sheep, an important manor house or a piece of art, depend on the rule of supply and demand. If the demand is bigger than the supply, the item on offer will fetch a higher price.

And then there is the Internet. The Internet is essentially a marketing tool that is used by everyone already mentioned. Art dealers and auctioneers alike have websites to entice the potential buyer. Art auction sites abound. According to many this is a field with unimaginable potential.

So where to buy art? Everywhere, I would suggest. But buyer, beware!

Know what you want, how much you can afford to spend, what you are in for when you buy, what the potential risks and costs are and why you want to spend money on this particular commodity, because there are advantages and disadvantages to each and every one of these markets.

The advantage of buying from a vendor is that the art dealer, gallerist or art consultant has already done all the work for you. What you are paying for is an informed opinion - the experienced vendor has a body of knowledge and a superior understanding of the current art market, they have researched the particular piece, they might even have done the required and appropriate work like restoration or re-framing. Secondly, the price you see is the price you pay. Thirdly, buying from a reputable dealer means you have recourse. In cases where a particular work of art is proven not to be what it was presented as, dealers with a known and good reputation will take the artwork back. But there is a premium to pay. Art in galleries are almost always more expensive than art at auction.

Because of the high visibility of dealer-buying at auctions, here is a general perception that buying art at auction means buying art “wholesale”. This is a precarious sort of truth, a dangerous belief if you are not completely versed in the fashions and vagaries of the the art and the auction worlds.

Because, where one wants to believe it or not, the auctions are expert driven – knowing what will sell,

what might become highly saleable, knowing what is good and not merely mediocre of in fact “bad” is what makes for clever decision making in this market. The experienced dealer and avid collector who has had many years exposure to this system would undoubtedly benefit.

So, “Beware the bargain”. This old adage is true. There are normally enough expertise in the market to assure that a fair price is achieved. If something sells for a bargain price, it normally means that there is something wrong with it.

The advantages of buying from an auction is the fact that many works of art will only be available on from an auctioneer (so choice and availability plays a role). And then there is the excitement - there are always a tangible energy of nerves and expectation, adding to the risk of an auction purchase, because the element that makes buying at auction so exciting is the the same element that makes buying at auction so danger.

Another disadvantage of buying from on auction is the fact that there are always extra cost involved. Almost all auction houses charges a buyers premium. This is added to the hammer price. When buying on auction it is important to make sure of any other “hidden” costs. Shipping and insurance costs will add to the final purchase price.

To me, buying art on the Internet is still the most controversial option. Most art buyers will concede: there is no substitute for seeing a work of art in real life. The emotional component in art, that kick in the gut response that some works of art engenders, constitute an important deciding factor when a purchase is considered. This is completely absent when art is bought on the net.

Another factor to consider when buying art of the Internet (or from a distant auction house) is the condition of the piece. In cases where a personal viewing is not possible, requesting or obtaining a condition report is an imperative.

For a well-considered view on the world of art trading, read *How to Buy and Sell Art* by the Australian art dealer and writer, Michael Reid. His frank and write-as-you-speak approach makes for an easy yet informative read.

He even dares to advise prospective buyers when and where NOT to buy art.

He advises against: buying art at night (apparently your psychological defenses are down and feeling like entertaining yourself, you might be inclined to be more impulsive), buying art while on holiday (same principle), buying art when it has a “sale” sticker stuck on it, buying art under pressure and buying art under the “opening night fever”.

Art, the author maintains, is serious business, so be serious about choosing why, when, how and who you buy art from.