

## The Pricing of Artworks

The pricing of artworks is one of the first questions that often arise when talking about art. Anyone who has looked at a price list at a prestigious exhibition in South Africa lately - and who has been startled by the five-digit figures for a work by artists like William Kentridge might well wonder what determines the price of an artwork ? The answer to the pricing of an artwork can be found by taking various factors into consideration.

Guidelines to the pricing of artworks from the viewpoint of art dealers, Galleries and artists.

Regarding pricing of artworks by emerging artists the formula is very simple, price it as low as possible without giving it away. This will give collectors the opportunity to buy. Prices can then be gradually increased in future exhibitions to give the market an opportunity to grow, and for the collectors to see a return on their investment. Prices of artworks should also not be increased too quickly as this will scare the potential buyers away. When the demand for work is good, six month intervals should suffice to review prices. One must however bear in mind that the art market like the value of any other investment is driven by supply and demand.

This sometimes doesn't make much sense to the young aspiring artists who go around to galleries for the first time to present their work. Many of the new emerging artists view the process in the same perspective as a regular job where a minimum salary is expected. They calculate the time they spend on a work and rework this into a price for the work of art. Alternatively they base the price on what similar works by other relatively new artists are selling for. These are all incorrect assumptions.

There are a few factors that any artist should keep in mind when establishing prices:

- \* Experience ( How long have they practiced as an artist and how consistently)
- \* How would the work fit in with international trends?
- \* CV or resume ( track-record )
- \* Exhibitions ( How many, and more important WHERE they were held )
- \* Solo-exhibitions ( Here " WHERE " is very important )
- \* Reviews, publications regarding the exhibitions or the work
- \* Collections where the artwork is represented, private and cooperate
- \* Current recognition and level of reputation with dealers and Galleries

Art dealers share a huge responsibility by knowing how to fix prices as well as to know which artists to back.

Regarding artists who have established themselves, art dealers look at the exposure the artist is currently enjoying as well as planned shows and where they are located. An artist exhibiting in New York at a known Gallery can demand higher prices than somebody exhibiting only in their regional venues.

It is still very important for artists to consult with art dealers or Galleries before fixing prices to artworks as it would be in everybody's interest to increase prices slightly than to have to lower them as a result of no sales. Another factor that can play a major part in pricing is the number of works being produced by the artist during a year as well as the quality of the materials used. It is very important for any artist to be prolific and to produce work on a regular basis as this will help establishing a market and make the buyers aware of the work and ensure that there is a selection of work available when there is demand for it. This will also document an artist's growth over a period of time. A work taken up in the right collection is still be the best marketing strategy. Availability has a great impact on the price of an artwork. Works by the now famous South African Artist Maggie Laubser was sold in 1958 for a mere R 250 ( US\$ 40 ), in 1973, when she died it went up to R 4000 ( US\$ 655 ) and is now selling for R 200 000 ( US\$ 32 786 ) for the best examples. The release of a work into the market must thus be well timed and be part of a longterm strategy.

Prices quoted by Galleries in most cases leave room for haggling of about 10%. The dealer must know to whom and when to consider this discount as it will keep regular clients happy and will ensure that a specific work end up in the right collection.

A successful artist is the one who has a long productive career, building steadily in reputation and market value locally and internationally. Alongside the road however one finds more artists who's work once sold for large sums and now can not sell at all. One must never forget that the life of an artist can be as short-lived and brutal as that of an athlete or a movie star.