

Factors Behind the High Prices of Paintings at Auction Houses

Pankaj Verma,

Student (MFA),

Teerthanker Mahaveer University

Vaibhav Jha,

Assistant Professor,

Teerthanker Mahaveer University.

Abstract

This research paper explores the reasons that drive the price of a painting at auction houses. After some time in the market, the record for every painting is broken in terms of price and every time a new record is set. It is very important for art collectors, investors and enthusiasts to know the factors that drive the price of paintings so that they can understand them and do better work in the future. This paper examines several key influences, including the artist's reputation, historical significance, rarity, provenance, market trends and buyers' behavior. Firstly, the artist's fame plays a very important role in increasing the price of the painting. The artwork by famous artists such as Picasso and Van Gogh is highly valued because of their cultural importance and recognition. Secondly, The Historical context of a Painting, like the place in art history or relation to a major event, can uplift its price. The painting, which is different from all the other paintings in terms of technique, color or theme, its price automatically increases in the market due to the limited collection of artworks. The trend of the market also influenced the price of a painting when there is a higher demand for an artist or its art style. The price of the painting increases in the market. Along with this, the competition also becomes tough among those who want to buy this painting, such as wealthy people, collectors, museums or investors. Before writing this research paper, the researcher studied the auction houses like Sotheby's and Christie thoroughly. The researcher also found that the painting made by the artist is not just an artwork, and there are efforts, story and emotions behind it, which he wants to show.

Keywords: Factors, Paintings, High Prices, Artist Reputation, Auction Houses, Record, Market Demand, Rarity, Historical significance.

I. INTRODUCTION

Whenever people talk about the options for painting in the world, we hear that some artists' paintings have been sold for millions of dollars. When a painting is sold in an auction, its price is so high, not just because due to its cost of material, but many factors play a role in it, due to which a painting can be worth crores. Whenever a world-famous artist's name comes up, his painting's value automatically goes up to crores. In this essay, we will explore some of the reasons that are responsible for the high cost of the painting, like the artist's reputation, the rarity of their work, the demand from collectors, cultural and historical significance, and the role of the art market. Let's delve into each of these to understand why fame drives up auction prices.

The Power of an Artist's Reputation

An artist's reputation plays a very important role in the price of a painting. When an artist is well-known and famous, people value and trust his work. For example, people buy branded clothes or shoes because they have a brand value, and they know that the product will be of good quality. Similarly, collectors also pay for a painting because they know that the painting is by a famous artist, and his name is a guarantee of value. As an example, whenever Picasso's name comes up, his image gets imprinted in the hearts and minds of people that he was a great artist and people trust his work because he had spent many years of his life in gaining experience.

An artist who knows his fame knows it through his achievements. An artist has a long history of winning awards and achievements. He has done many important works. An Artist won many awards in his life, and many authors write about him in their books, or people invite him to the inauguration of their works. All these things contribute to increasing the reputation of an artist. When an artist's painting is sold, it comes to the eyes of the people, and the higher the value of the painting, the faster the name of the artist spreads, while sending the painting creates a long history. And the artist starts coming to the eyes of more people, so the price of his painting automatically increases more than before. The artist's painting becomes like a trophy, and collectors are ready to pay the price he demands.

A painting that looks very beautiful and people have put a good price on it. But after the artist's name gets associated with the painting, its price automatically goes up, and very few people are ready to buy it due to its high cost.

Old and Rare Paintings

In the world of art auctions, the older and rarer the paintings are, the more special a place they hold. These artworks were created by famous artists centuries ago or are from a significant historical period, which fetch an incredible amount of money at auction houses.

Very old paintings are classified in such a period that paintings were created hundreds of years ago, often from periods like the Renaissance, Baroque, or Medieval times. These paintings may be of a well-known artist like Leonardo da Vinci, Rembrandt, or even lesser-known artist, but an important painter of the historical period. A painting is considered rare when the painting created by an artist and is unmatched by any other painting, in the current time, and the painting depicts a unique subject or technique. For Example, if an artist has done limited work in his time in his entire life, and most of his paintings get lost or destroyed with time, then the price of his remaining paintings becomes very High because people get to see very little work of that famous artist.

Picture 1.1

Painting “Salvator Mundi” by Leonardo Da Vinci



Rarity comes from unique features. A painting created by an artist can also be considered valuable because the style, theme, or technique used in it is not replicated by any other artist. If a painting depicts a specific subject with the artist's unique style and printing technique, which differs from others, its price can significantly increase as it is categorized as a rare painting. This is because the subject style and technique shown in that painting are different from all the other, increasing the cost of the painting more than all the other artworks. For instance, a Portrait created in the 16th century by an artist who captures a famous historical figure might be one of a kind, making it highly sought after. A sense of exclusivity is created by a combination of age and rarity, resulting in driving up the prices at auction. A painting

painted in the 15th century depicts a religious scene or a royal portrait gives us a clue about that time, because they are so old and these paintings are considered cultural treasures. Museums and collectors want to preserve these paintings for future generations, which further increases their value.

For instance, A painting such as “Salvator Mundi” made by Leonardo da Vinci was sold in 2017 for 450.3 million dollars. Its historical significance as a Unique or rare work from a famous artist made it priceless to buyers. Paintings that tell a story about a specific time and place are highly sought after, increasing their price. There are fewer than twenty paintings by Leonardo da Vinci that are known to everyone in the world, and when these paintings come to an Auction house, collectors know that they may never get another chance to own them.

Investment

Buying a painting is an exciting way to invest your money to work, just like buying gold, property or stocks. Many people believe that painting can not only add beauty to your home, but can also give a good return as its value increases with time. Painting not only serves the purpose of beautiful decoration, but is also considered a valuable asset like gold stocks, real estate, Etcetera. It is a unique investment that combines financial goals with creativity, cultural and personal enjoyment. Paintings are tangible investments that you can see, touch and display in your office or home, which can bring joy and prestige while potentially growing in value. It is not at all necessary that if you invest in a painting, it will give you a positive output. Sometimes things become very risky, due to which the growth of money is not guaranteed. Given below are some of the reasons why people consider investing in art a good option.

1. Potential for higher returns: The value of some paintings increases over time and increases significantly because if it belongs to a well-known artist and is rare.
2. Enjoyment and beauty: Painting is an investment that you can see daily in your home, can touch and feel it, which adds Royalty, beauty and personality to your space.
3. Cultural Value: If a person wants to buy a painting, it connects them to History, Culture and creativity, which is a good way to know about one's religion, culture and tradition. Some paintings also tell important stories and represent significant moments in time.
4. Diversification: Investing in paintings is different from all other investments, such as the stock market, trading, etc, because its value does not fluctuate over time. Most of the time, it is seen that a painting holds its price, or it keeps on rising more than its price over time, but its price never falls like a stock does, and neither will its price ever go to zero.

5. **Statue and Prestige:** If you put a painting in your home, which is a famous painting made by a famous artist, then it adds to the beauty of your home and makes a person feel proud and respected in social and professional circles.
6. **Hedge Against Inflation:** Spending on paintings can prove to be beneficial for a person because, in this investment, the value of a painting will remain the same, no matter how much inflation occurs. If a painting remains safe during a natural disaster, such as Drought, flood, earthquake or a serious disease like COVID-19, then its value will not change and will keep on increasing with time.

However, investing in paintings is not for everyone, as it requires Knowledge, patience and sometimes a lot of Money.

There are many platforms for investing in paintings where an artist or any other individual can invest. Like Art Galleries is a very good choice for beginners, because here are guides that can explain to you very well about painting, such as its price, artist. Time duration, medium and material. Auction houses such as Sotheby's and Christie's sell high-value or famous paintings. To buy paintings in auction houses, you have to pay some extra fees, which are called as buyer's premium. Auctions can be exciting, but competitive due to high numbers of buyers and high cost of paintings. Online platforms like Artsy, Saatchi, or e-Bay sell paintings at various price points. It is convenient to buy Paintings here, but difficult to verify their authenticity. A lot of people get scammed. Sometimes people mistakenly buy a copy of the painting instead of the original one. To avoid all this, people contact the artist directly to buy paintings. They visit their studio, which is affordable and personal and discover talented new artists even before the artist becomes famous. Art Fairs like Art Basel or Frieze showcases many artworks in one place, which are fun but can be overwhelming for beginners. Private sales are also an option for investing in paintings, where people directly contact dealers and collectors. This acquires trust and knowledge to avoid scams.

Looks Beautiful or unique

Paintings, sculptures and other artworks are sold to the highest bidder at art auctions. The beauty and uniqueness of the painting play a huge Role in increasing the price of the painting at auction houses.

Emotional connection with Bidders

There is a lot of competition in auction houses, and bidders get emotional when they see a painting that they love very much. A beautiful painting attracts bidders and makes them feel excited and inspired, which motivates them to get the highest price for the painting in the auction. For example, a Vibrant color painting or a touching subject, like a portrait of a loved one, can spark a bidding war. The emotional pleasure that people feel when they see a beautiful painting forces them

to bid as high as possible for the painting. For example, Mona Lisa is a famous portrait painting by Leonardo da Vinci, considered to be an iconic masterpiece of the Italian Renaissance. It is very difficult to say which painting is the most beautiful in the world, but according to a study, the Mona Lisa painting is the most admired painting to date. There is a soft and mysterious smile on her face that makes you curious. It feels like Monalisa is hiding some secret that attracts people's attention.

Picture 1.2
Portrait Painting of Mona Lisa by Vincent Van Gogh



Unique painting also plays a very important role in increasing the price of a painting at auction houses. The uniqueness creates a different excitement in the painting because the buyer knows that he will not get this opportunity again to buy it. If a painting is liked by many people, then due to its beauty and uniqueness, people put a higher price on it, which leads to competition, and there are chances of the price of the painting going higher and higher. For example, The Night Painting was created by the famous artist Vincent Van Gogh in 1809. This is a unique painting because the theme shown in it, the pattern of the color, the technique, the selection of the colours, everything looks unique and makes this painting different from all other paintings. What sets it apart are the bold colors and wavy brush strokes that express Van Gogh's Emotions. This painting is unique because no other painting captures the night sky with such vivid, imaginative energy. Some experts believe that the price of this painting is more than \$100 million in today's time, and some sources also suggest that it may be the most expensive painting ever sold. Experts have estimated the value of this painting to be more than 500 million dollars in today's market, based on the Escalating prices of other Van Gogh works, which were sold for 117.2 million dollars.

The story behind it

A painting is more than just colors on a canvas. The value of a painting comes from the story behind it. the story of a painting can makes people feel connected to the artwork, and this connection can hike up its price. In simple terms,

a painting with a fascinating story – about painting, its artist, the time when it was painted, or its journey through history- can become much more valuable than one without.

Why stories matter in Art?

Humans love stories a lot, from books to movies to gossip. Stories captured the attention of human beings and make things memorable. This is how a story works in painting. A story gives meaning to artwork, making it seem much better than a pretty picture. When people are very keen to buy a painting, it is not just buying a canvas-they're buying the emotions, history and prestige. A painting with an interesting story can make a painting feel special, rare, or even legendary, which makes people willing to spend more. A story has so much power that it can focus anyone's attention, whether it is a story of someone's personal life, a scene of a movie, a part of history, the script of a drama, etc. for example – Imagine in an Auction two paintings are hanging on the wall that are very beautiful and unique. One of the paintings has no story made by an unknown artist, while the Other has a dramatic story like a War scene or a personal struggle and is made by a famous artist. Chances are that the second painting will sell faster and because it has a story inside it, and people may like it. The story has given value to the painting, which may also fetch a higher price at auction. The stories in the painting can create a sense of connection. Buyers like wealthy collectors and museums like to buy paintings that have a history inside them. They put the painting in their homes or galleries and tell visitors about the stories. This storytelling adds to their pride and status, which increases the price of a painting.

Picture 1.3

Pablo Picasso Painting Titled “Guernica”



For Example, Guernica is a large painting created in 1937 by the famous artist Pablo Picasso. In this painting, we can see the war scenes, inspired by the bombing of a small Spanish town called Guernica during the Spanish Civil War. The painting is painted in black, white and grey colors, with no bright colors, which show sadness and chaos. We can see animals like a bull, a horse, and other figures that look twisted and sacred, screaming in pain. In this painting, Pablo shows everything broken like broken objects, swords and buildings, showing destruction. To make this

painting scene feel confusing and emotional, Picasso used strange shapes and a mix of forms to create a style called cubism. This painting is huge, about 11 feet tall and 25 feet wide, making it feel strong. Guernica is not limited to art, but it's a strong message against violence and war. This painting is famous worldwide and is now in a museum in Madrid, Spain.

Real and Good condition of the Painting

Authenticity and good condition of a painting are two major factors that add value to a painting and increase its value. A Painting proven to be Authentic and in good physical shape is much more valuable than one that is damaged or Questionable. The authenticity of a painting is extremely important in the auction. Museums, investors, and Collectors spend millions of dollars on the work of famous artists. Before a painting is sold at auction houses (like Sotheby's and Christie's), experts, historians and scientists examine it to confirm whether the painting is true to the artist and the time.

Market Demand

When a painting is sold in an auction house, the demand of the market has a huge impact on it. The demand of people for a particular painting matters for buying that painting. When a painting is very rare or it is made by a famous artist like Picasso or Van Gogh, then everyone wants to buy it, and the rarity of the painting makes it special. All these things increase the competition in the market among people to buy the Paintings, and the price of the paintings starts skyrocketing.

Economic actor also plays a big role in this. If the economy of a country is strong and people have surplus money, then they spend on luxurious items like artworks. There are many countries where it is difficult for people to fulfill even the basic necessities, due to which the demand for painting is low in particular areas.

Research Methodology

The researcher wrote this paper by collecting information from secondary sources, including YouTube, web articles, websites, etc.

Objective of the Study

The main objective of this research paper is to examine the Main factors behind the high prices of Paintings at Auction Houses.

II.CONCLUSION

Auctioning artworks in auction houses can be a good way to spread knowledge about art. The researcher believes that paintings sold in auction houses are a good way to do this.

In earlier times, when technology was not widespread, very few people knew about auctions of artworks, but since technology has become widespread, people

buy many artworks online. The country, like America, is fully developed, and People are fond of buying paintings, which increases the prestige of the house. People who buy paintings nowadays not only as a work, but also as a good investment whose value can increase in the future. Because of today's cutting-edge technology, whenever a painting is sold in an auction house, it becomes famous all over the world within a few seconds. Through the auction of a painting, people get information about the painting like its price, theme, medium, colour, and period. Since the time of the auction of the painting, people have slowly started showing their interest in buying paintings. Earlier, people had money only to fulfil their basic needs in buying the painting. But today's time has changed, and people want to move from a simple to a luxurious life. Buying a painting by a world-famous artist is an expensive hobby, and not everyone can afford it. Through this research paper, the researcher has gained a lot of knowledge regarding the Auction of paintings. The researcher found out which factors are most important in increasing the price of a painting, and the famous auction houses of the world, where paintings of world-famous artists are sold.

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