





# 1. INVESTMENT

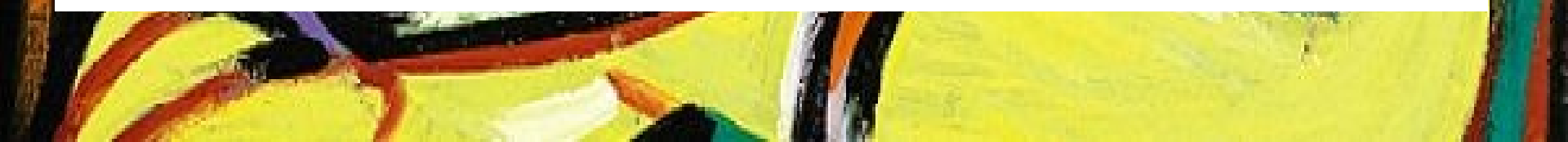






# Investment

## Term investment

- Definitions:
    - „the action or process of investing money for profit “(Oxford dictionary)
    - „the act of putting money, effort, time, etc. into something to make a profit or get an advantage, or the money, effort, time, etc.“ (Cambridge dictionary)
- 



## 2. LIQUIDITY





# Liquidity

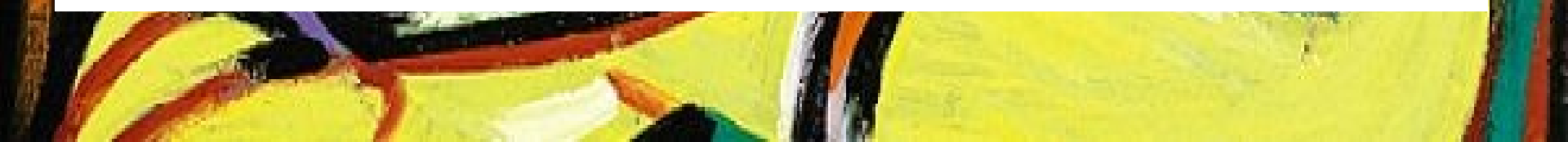
## Term liquidity

- Definitions:
  - „Liquidity refers to the ease with which an asset, or security, can be converted into ready cash without affecting its market price“ (Investopedia)
  - „the fact of being available in the form of money, rather than investments or property, or of being able to be changed into money easily“ (Cambridge dictionary)



# Liquidity

## Liquidity of culture goods

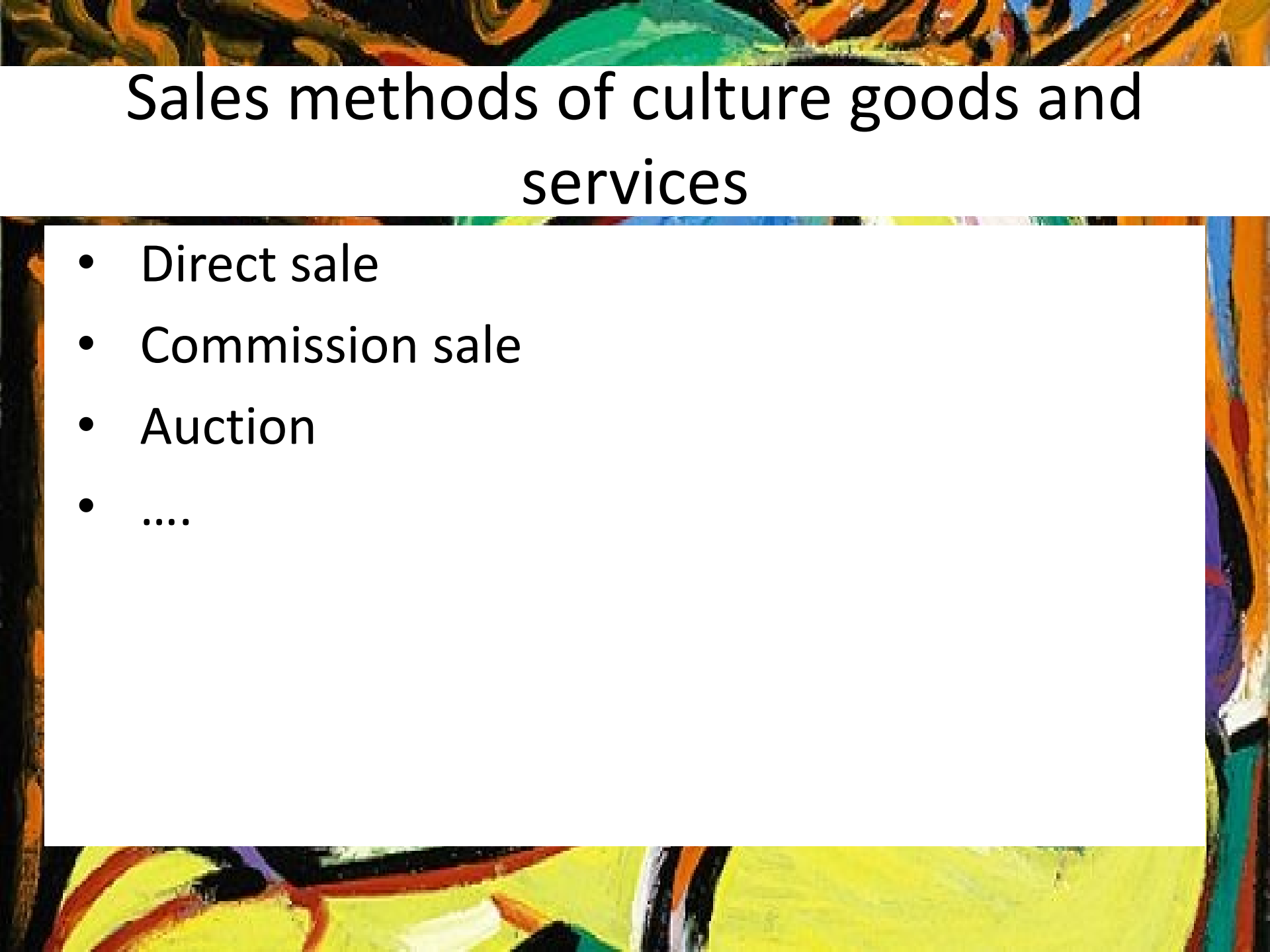
- In general the culture goods has low liquidity
    - The time between the decision of capitalization the culture good and real sell can be affected by:
      - Physical characteristics of culture good (size, weight, material...)
      - Specific market (specific group of buyers)
      - Time to care about the culture good and its valuation by professionals
- 





### 3. SALES METHODS






# Sales methods of culture goods and services

- Direct sale
- Commission sale
- Auction
- ....





# Sales methods of culture goods and services

- Primary market
  - Culture goods are sold by artists
    - » Production for potential buyers
    - » Culture goods and services are created on the basis of current demand
- Secondary market
  - Culture goods are sold by owners
    - » Market with culture goods that have been produced in past and are sold again

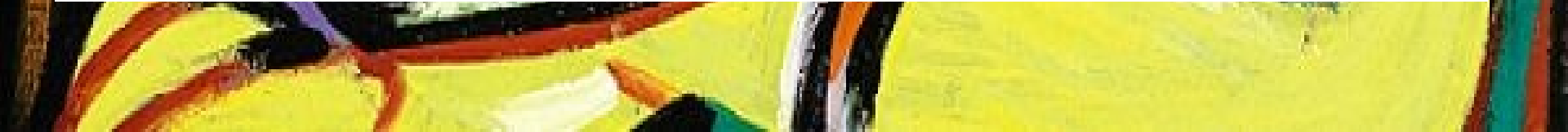


## 4. AUCTIONS





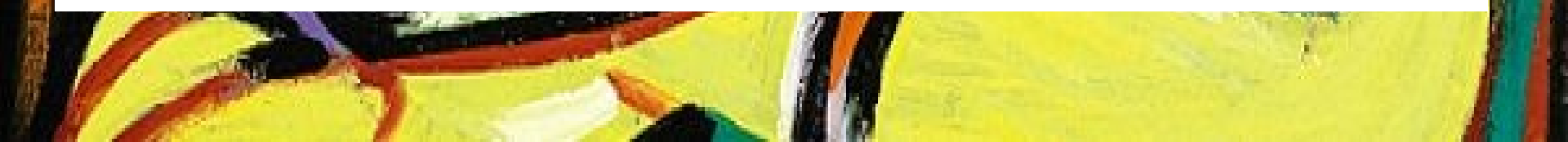
# English auction

- Most common form of auction
  - Price starts low and increases as buyers bid for the item
    - Until one buyer is left willing to pay a certain amount and a higher bid isn't received during the given time period
  - The auction is overseen by an auctioneer who announces prices and makes sure all bidders have the opportunity to increase the price
- 



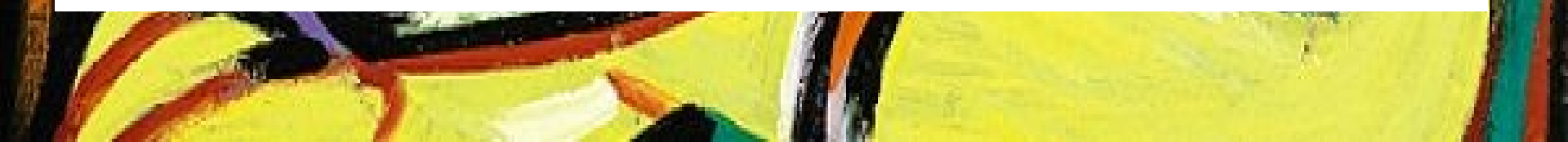


# Dutch auction

- An auction process where the auctioneer or seller starts with a high asking price
  - Type of auction in which the price of an item is lowered until it gets a bid
    - First bit win
  - Relict of auction of tulip in Dutch
    - In general perishable goods
- 

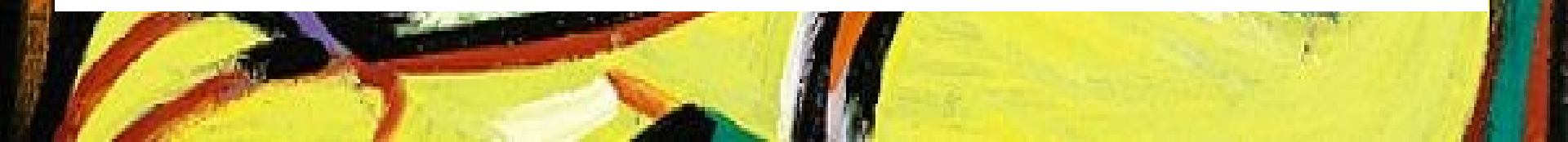


# Envelopment auction

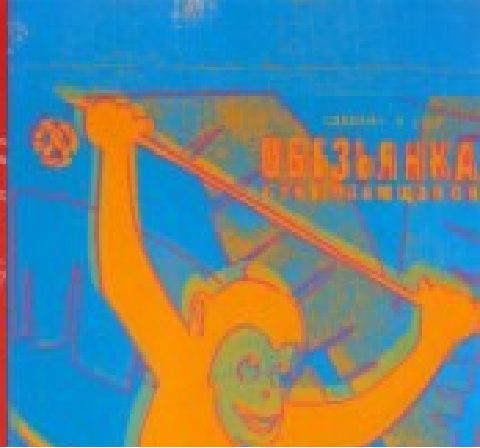
- Bids are submit in envelopments
  - Bids aren't known for others buyers
    - Motivation for giving higher bids
  - Highest bid win
- 



# Vickrey auction

- Bidders submit written bids without knowing the bid of the other people in the auction
  - The highest bidder wins
  - The price paid is the second-highest bid
    - Motivation for giving higher bids
- 





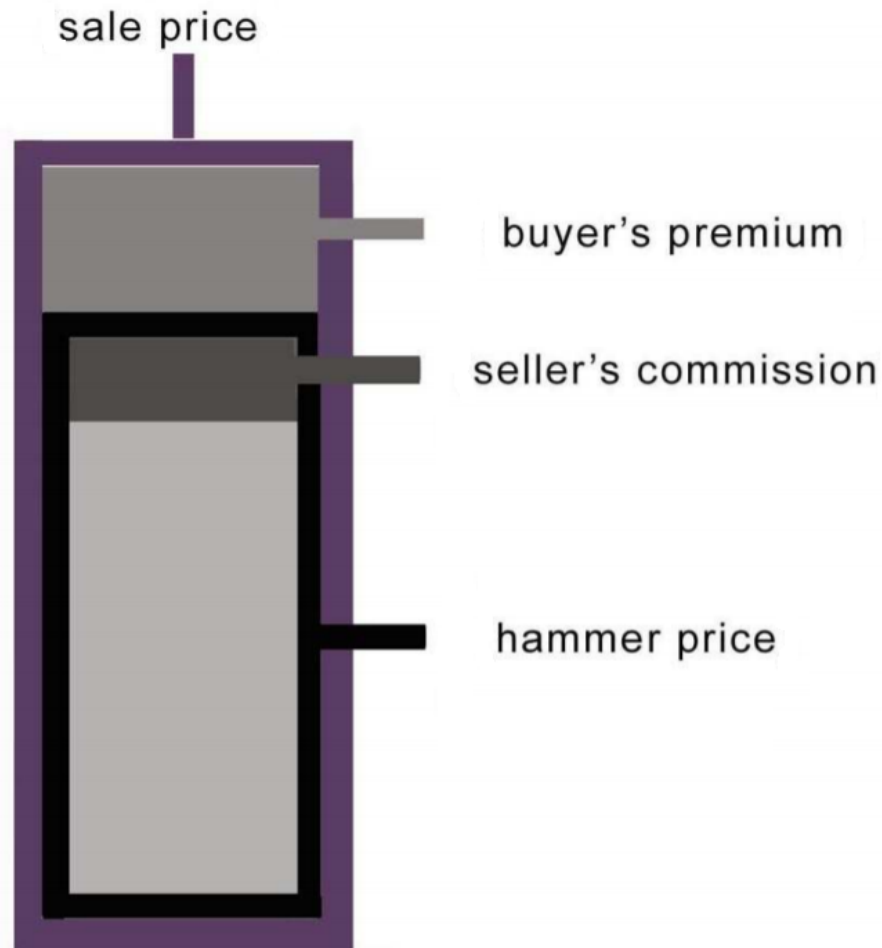
## 5. FINAL AUCTION PRICE



# Final auction price

- Hammer price
  - The winning bid for a lot at auction. It is the price upon which the auctioneer's hammer falls, determining the sale price, but does not include the buyer's premium
- Buyers premium
  - The amount above the hammer price that is paid as part of the total purchase price
  - Often between 5 % -25 % of hammer price
- Sale price
  - Total price which consist hammer price and buyers premium
- Sellers commission
  - A commission paid by the consignor to the auction house, which is deducted from the hammer price

# Final auction price



source: Hasoňová, S.,2010.



# Final auction price

## COMPLETE BUYER'S PREMIUM SCHEDULE FOR VARIOUS CURRENCIES (Effective 11 September 2017)

### Christie's Buyer's Premium Schedule for All Collecting Categories Except Wine

*For online sales, the New York Buyer's Premium rate will apply for USD sales, the London rate for GBP sales, and the Hong Kong rate for HKD sales.*

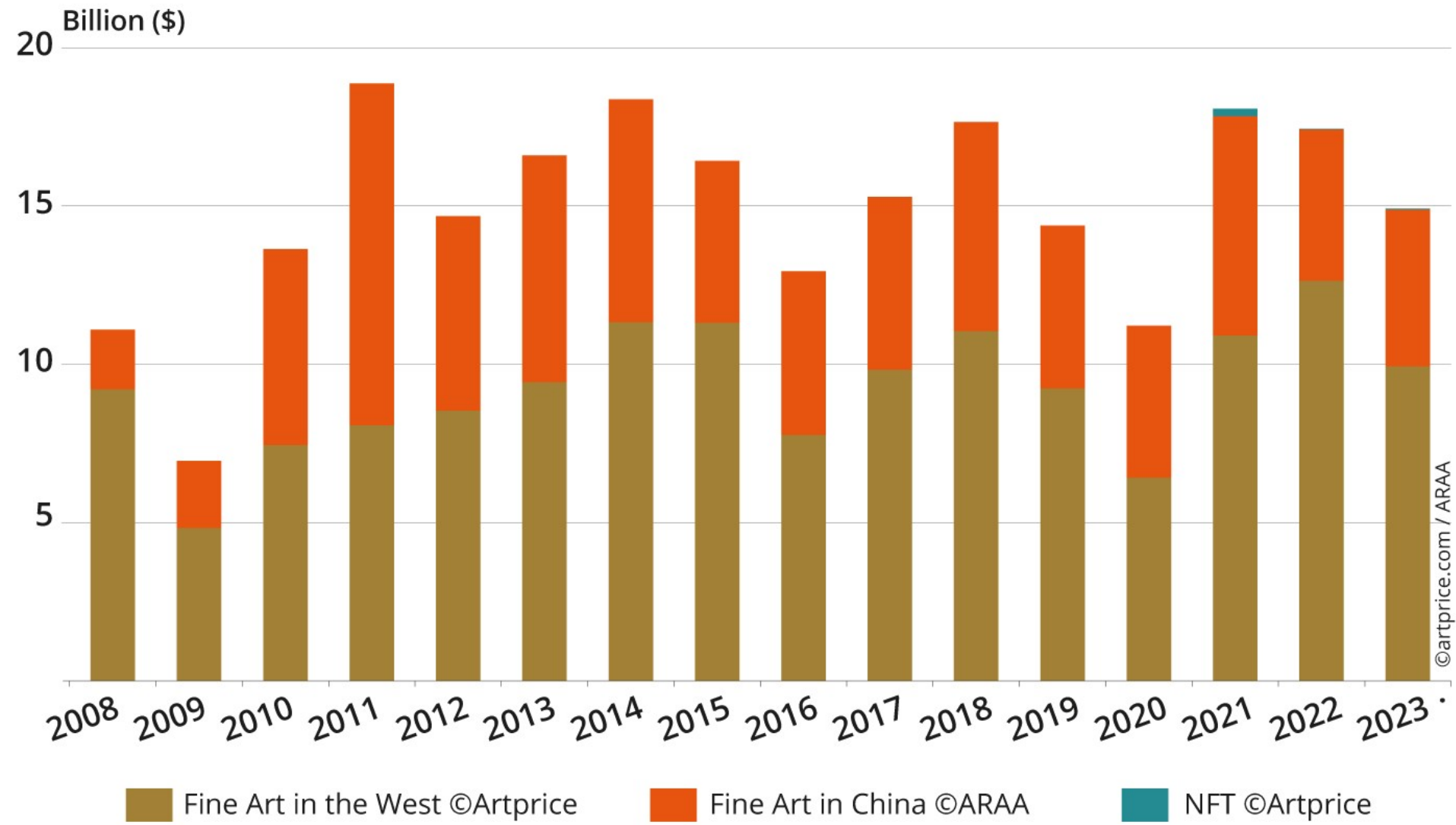
Sale Site	Rate	Threshold
London	25.0% 20.0% 12.5%	Up to £175,000 £175,001 to £3,000,000 £3,000,001 and Above
New York	25.0% 20.0% 12.5%	Up to \$250,000 \$250,001 to \$4,000,000 \$4,000,001 and Above
Dubai	25.0% 20.0% 12.5%	Up to \$250,000 \$250,001 to \$4,000,000 \$4,000,001 and Above
Hong Kong	25.0% 20.0% 12.5%	Up to HK\$2,000,000 HK\$2,000,001 to HK\$30,000,000 HK\$ 30,000,001 and Above
Shanghai	20.0%	No Threshold



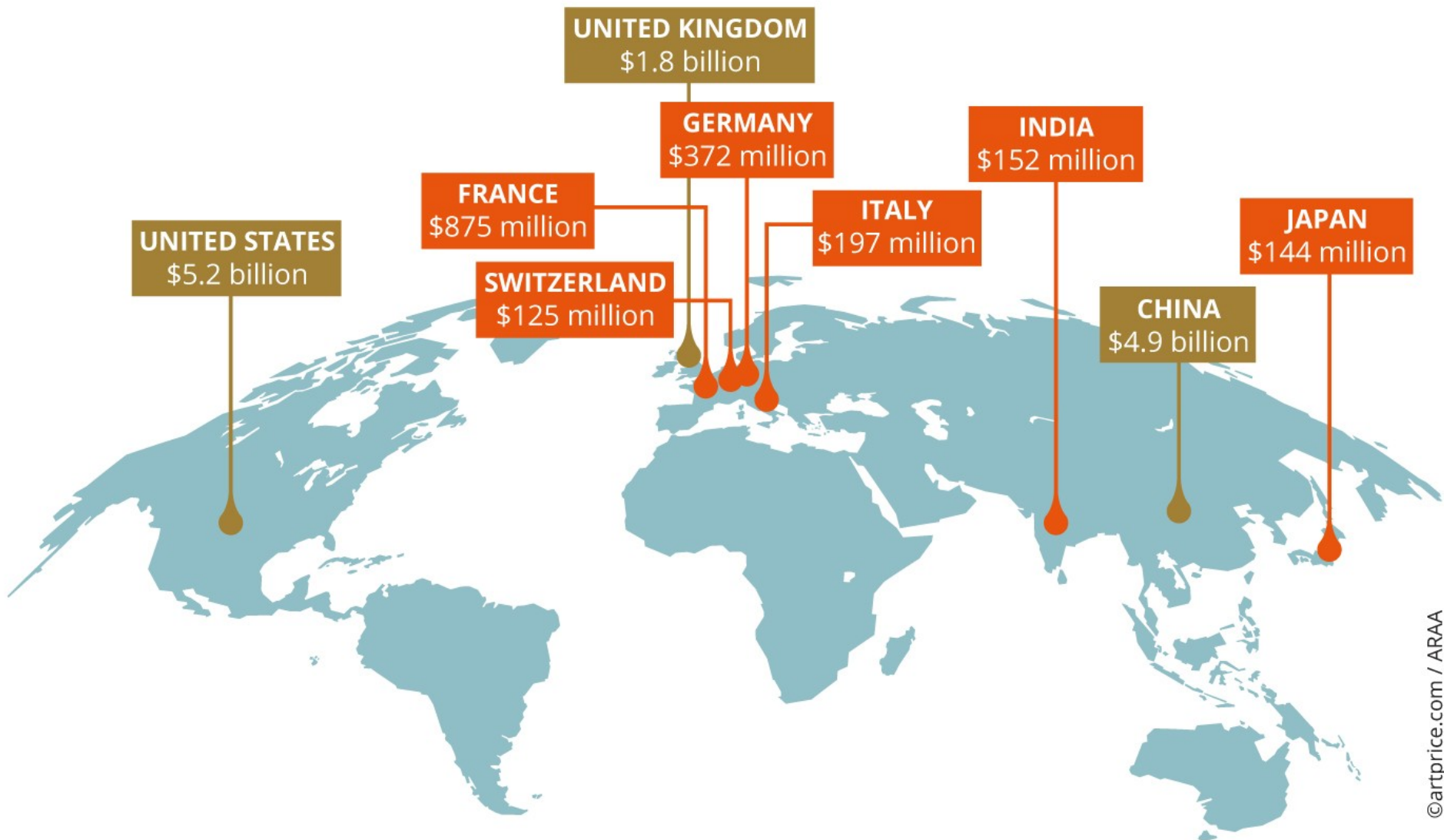
## 6. AUCTION IN THE WORLD



# Turnover and sales (in billion \$)



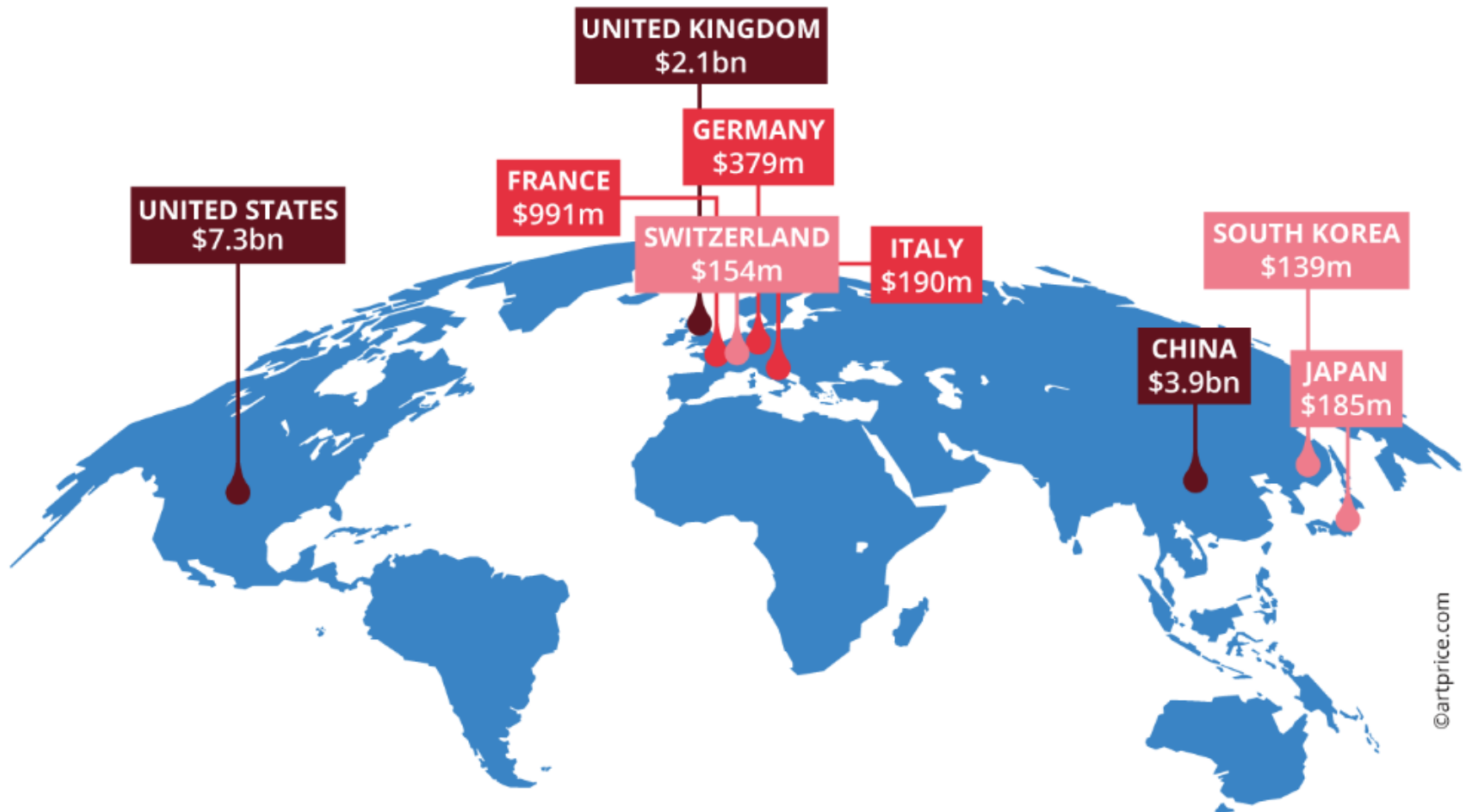
# Turnover and market share in auctions



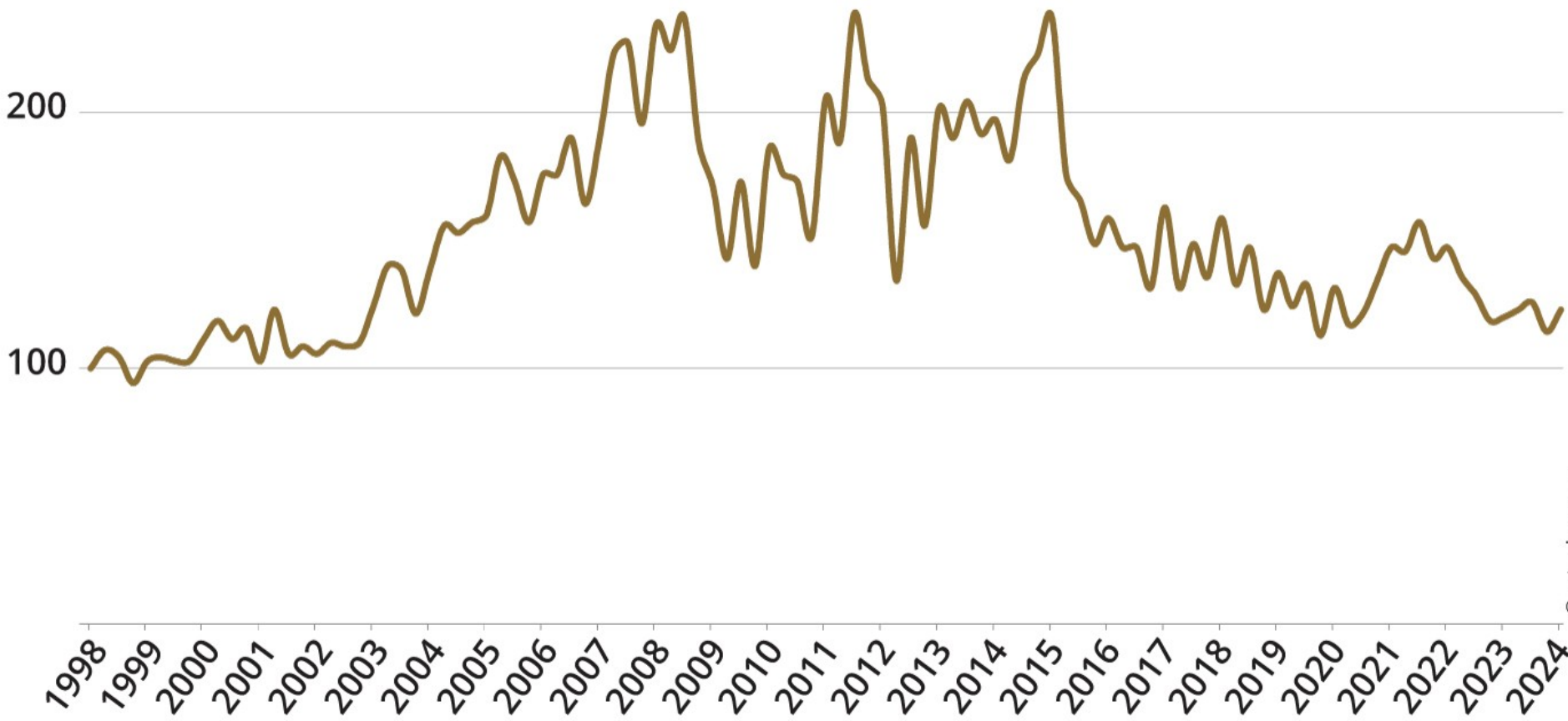


# Turnover and market share in auctions

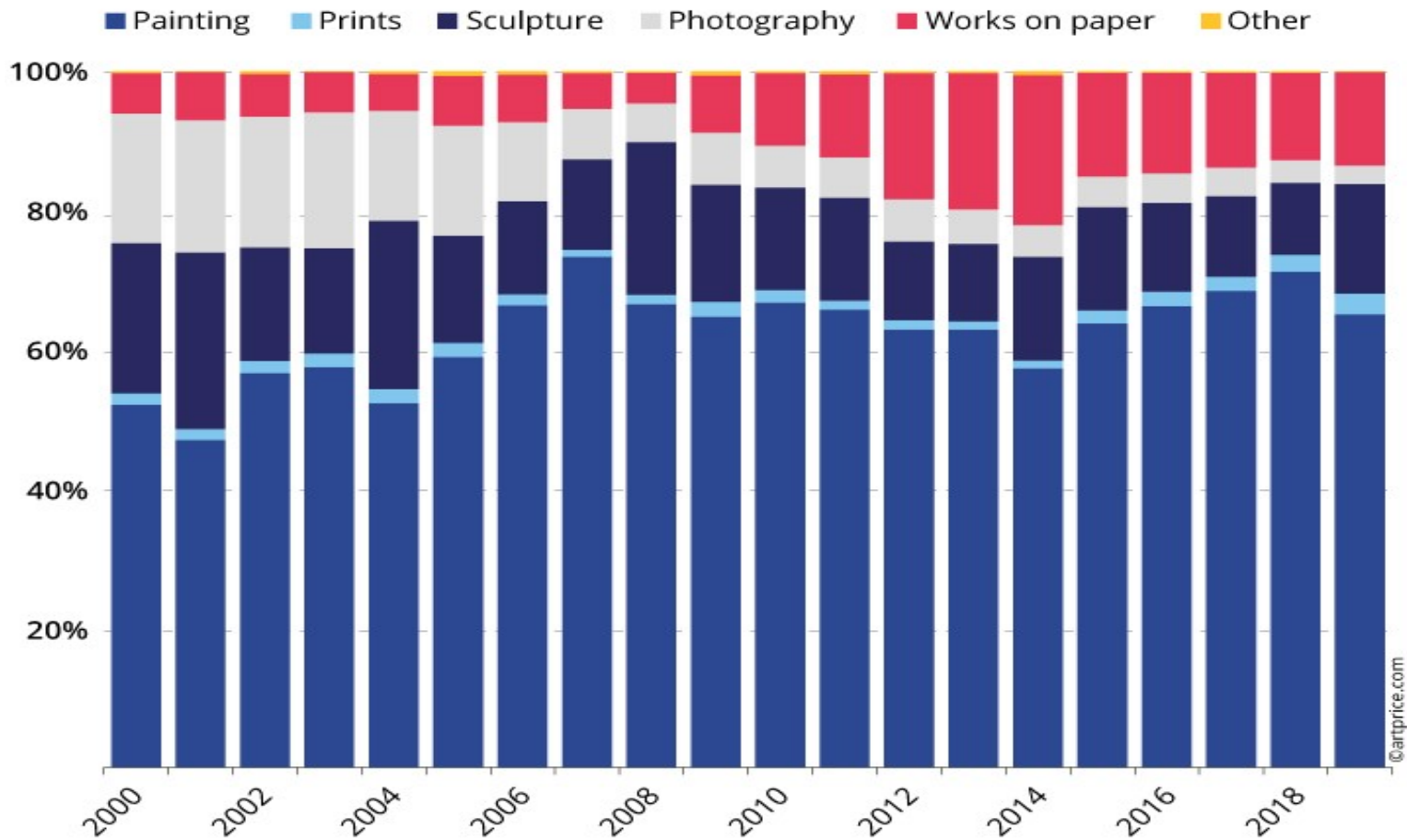
*Top countries by Fine Art and NFT auction turnover (2022)*



# Quarterly evolution of the overall auction price index (TA)



# Goods sold in auction according categories





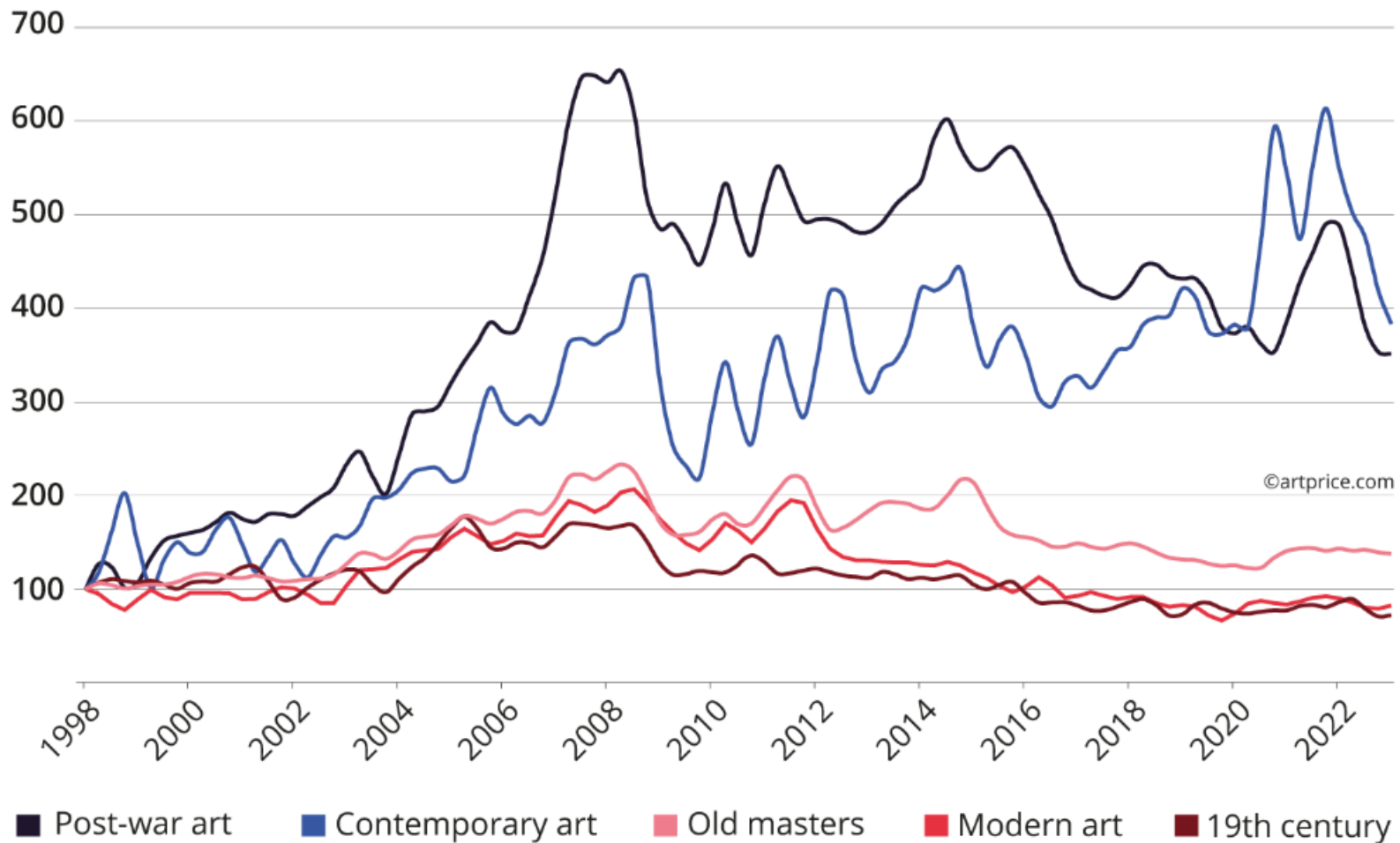
## 7. Investment in culture





# Investment in culture goods in USA

*Evolution of price indices for each period of creation*





# CONCLUSION



# Conclusion

- Investment in culture goods is specific kind of investment
  - In general it is long term investment
- Profitability of investment depend on the characteristics of culture good
  - Durability of culture goods (material, age, condition,...)
- Culture goods has low liquidity
  - Because of
    - Specific of objects
    - Specifics of market
    - Specific of sales method
- Auction is popular kind of sales method of culture goods
  - It exists several types of auctions
  - In auction is not the hammer price the final price for buyers and sellers

# Use full links

– <https://www.artprice.com/>