

Buying smart at auction

Major works sold at auction by top artists can and invariably do offer a better deal than at private sales. While incredible records are sometimes achieved in auctions for the biggest names in the international art market, for the rest of the field, the benchmark prices are more modest. In this second and final article on art auction bidding, we offer an insight of what to expect. **BY Sarah Abu Bakar**

Major works by top Malaysian artists such as Datuk Ibrahim Hussein and Latiff Mohidin generally hover in the RM300,000 to RM500,000 range at local as well as international auctions.

In the Asian 20th Century Art auction by Christie's Hong Kong on Nov 27, Ibrahim's oil on canvas painting, *Embracing*, which had a presale estimate of HK\$400,000 to HK\$600,000, eventually sold for HK\$687,500 (RM394,531), including the buyer's premium. Dated 2001 and sourced from Germany, the 126cm by 126cm artwork depicts a nude couple in the act of embracing, executed in Ibrahim's hallmark lines and in blue palette. That auction was part of the *Autumn* sale series from Nov 25 to 30 in celebration of Christie's 250th anniversary. Overall, the sales totalled RM60 million (HK\$104,725,000), including the buyer's premium.

As a comparison, top modernist Latiff Mohidin's oil on canvas *Debris* 1968 (89cm by 69.5cm) sold for RM330,741.96 (HK\$575,000 with the buyer's premium) at Sotheby's Modern & Contemporary Southeast Asian Art on Oct 5, 2015. It had a presale estimate of HK\$400,000 to HK\$600,000 (RM230,000 to RM345,000). Subsequently, the same painting was offered at another auction in Kuala Lumpur in April this year with an estimate of RM420,000 to RM550,000. The painting sold for RM541,056, including the buyer's premium.

Auction houses provide collectors the opportunity to buy artworks kept in private collections for years. In our previous article, we covered the preliminary steps to adopt before buying at auction, such as identifying the type of art desired, gaining better knowledge of such works, determining a budget and attending the preview. Now, we will delve into how to acquire an artwork at auction and understanding auction etiquette.

Ways to bid

Traditionally, the general public is physically present to attend and bid at auction. This is the best way to experience the excitement of bidding. By being there, bidders will not only be enthralled by the energy in the salesroom, but also gain insights from fellow attendees.

Auction-goers comprise seasoned and new collectors, art enthusiasts, gallerists, dealers and curious individuals. For many, auctions are merely social events but for some, it is an opportunity to keep track of the art market — to be in the know about hammer prices and bidders as well as the buyers of certain artworks.

Alternatively, for the convenience of those who wish to place their bids on an artwork or two but are unable to attend due to travel or prior engagements, auction houses provide other methods to submit their bids — by telephone or absentee. These options are also being used by bidders who wish to bid anonymously.

For telephone bids, an agent will be assigned to represent a bidder. The agent — a mediator for both auctioneer and bidder



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Datuk Ibrahim Hussein's *Embracing* (2001) sold for RM394,531 at Christie's Hong Kong recently

— will provide a live description of the lot, informing the bidder exactly how much the bids are on the floor and to encourage prospective buyers to place a bid.

Because the auction is happening in real time, telephone bidders are at a disadvantage. Among the risks are dropped calls, poor reception or delayed communication due to long-distance calls or even language barriers.

Absentee bids are usually placed by those who are unable to be there in person or take telephone calls. Bidders with a strict budget also prefer to use this facility.

With the advent of eBay, auction houses have incorporated live online bidding into their sales through collaborations with online platforms such as Invaluable, Paddle8, Artnet, Auctionata or Artsy. This mode of bidding mainly attracts clients abroad as well as a younger audience. Live online bidding is also ideal for those who want to participate in the comfort of their home, primarily because of different time zones. However, this privilege comes with a surcharge. The online platforms will charge an additional percentage as commission, for example 5%, on top of the buyer's premium charged by the auction house.

Auction day

Bidding increments vary among auctioneers but generally, increments will differ according to a set of price brackets. For instance, artworks ranging from RM1,000 to RM4,999 are increased by RM100; RM5,000 to RM9,999 by RM200; RM10,000 to RM24,999 by RM500; RM25,000 to RM49,999 by RM1,000; RM50,000 to RM99,999 by RM2,500; RM100,000 to RM199,999 by RM5,000; RM200,000 to RM499,999 by RM10,000; RM500,000 to RM999,999 by RM25,000 and so on.

Auction etiquette that needs to be observed include ensuring paddles are raised high enough for the auctioneer to see and accept a bid; refraining from slowing down the auction by "cutting the bid"; and taking too long to decide whether or not to place a higher bid.

Bid spotters are deployed in the salesroom to ensure that no buyer goes unnoticed. They stand to the side of the rostrum as well as in the aisles and constantly scan the room.

In Malaysia, the normal speed for an auctioneer is 30 to 40 lots per hour, but in Europe and America, an auctioneer may complete 60 to 100 lots per hour.

Winning a bid

The indication that a bid has been successfully won is when the auctioneer hammers the rostrum and announces "sold". The auctioneer will then ask to see the bidder's paddle number and write it down in his or her catalogue.

Moments later, an auction house employee will approach the bidder with an acknowledgement form and an invoice. It is the norm for the bidder to immediately sign the form and make payment for the lot sold.

For those who have won through telephone or as an absentee, the auction house will notify them in writing and make arrangements for payment within a certain period. As for online bidding, the amount will be charged directly to the bidder's credit card as required during registration.

Underbidder

The role of an underbidder is important at auction in the sense that his or her final bid will determine the hammer price of an artwork as well as the buyer. In the event that the reserve price is not met during auction, the auction house may contact the final bidder and underbidders to sell an artwork in a post-auction sale at a price agreeable to both buyer and seller.

Finally, it is important to learn the auction glossary and terms of sales, which are normally published in an auction catalogue. **E**

The writer is assistant manager at The Edge Galerie. For more information, visit www.theedgegalerie.com. The Edge Auction of Southeast Asian art will be held in March 2017.