PUBLISHED PAPERS

Determinants of sales and price at auction for three Australian Indigenous artists: To pool or not to pool?

Lisa Farrell, Jane M. Fry and Tim R.L. Fry

Abstract: Albert Namatjira (1902 – 1959), Emily Kame Kngwarreye (c1910 – 1996) and Rover (Julama) Thomas (c1926 - 1998) are three of Australia's best-known Indigenous artists. Each is known for one style of painting – Namatjira for watercolour on paper, Kngwarreye for acrylic (synthetic polymer) on canvas and Thomas for natural earth pigments on canvas. We estimate a sample selectivity model using data from the Australian Art Sales Digest to study the determinants of sales and the hammer price of artworks offered at auction from these artists. The results show that pre-sale information on the artwork and auction effects are significant and that the three artists studied are very different from each other. Thus, data should not be pooled when estimating these models.

Are they all the same? A case study of three Australian Indigenous artists.

Lisa Farrell, Jane M. Fry and Tim R.L. Fry

Many studies of art auctions assume that a single statistical model using observed characteristics relating to the artwork and the auction can explain the observed variation in the sample of all artworks and artists. We show that such "pooling" is not always appropriate and may lead to erroneous conclusions.

https://economiststalkart.org/2018/01/16/are-they-all-the-same-a-case-study-of-three-australian-indigenous-artists/#more-1514 Blog piece on Journal of Cultural Economics article.

Pre-sale information and hammer prices for Australian Indigenous art

Lisa Farrell and Tim R.L. Fry

Abstract Using sales data from 1987–2011 we investigate the role that pre-sale price information plays in determining hammer prices for Australian Indigenous artworks. Importantly, we control for the degree of market concentration as this might influence buyers' perceptions of fairness in relation to price estimates which are provided by auction houses. Auction houses therefore act as important intermediaries between art sellers and art buyers. The results suggest that pre-sale estimates and market concentration have a differential impact on hammer prices, depending on the point in the conditional realised price distribution under examination.

WORK IN PROGRESS

Heterogeneity in auction price distributions for Australian Indigenous artists

Tim R.L. Fry

Abstract: Studies of auction prices for artworks typically employ regression models that associate the hammer price with either characteristics of the artist, the artwork and the auction or with pre-sale information. Such an approach relates the conditional moments of a single realised price distribution to these other factors. In this paper, we look at alternative ways to understand heterogeneity in auction prices. Our data is taken from the Australian Art Sales Digest for the one hundred top selling Australian Indigenous artists over the period 1987 to 2014. We model this data in two ways. First, we model the determinants of a summary measure of price heterogeneity at the artist level, the Gini index. Second, we use finite mixture (latent class) models to model the data as a combination of realised price distributions. Our analysis of the Gini index finds two sets of factors associated with price distribution: artist characteristics and market conditions. The finite mixture modelling identifies three distinct price distributions with artist characteristics and auction house effects associated with group membership. Our results complement the existing literature by identifying new ways in which factors used in the literature may be related to price heterogeneity.

Keywords: auction prices, heterogeneity, Gini index, finite mixture models.

Gender differences in Australian Indigenous artwork at auction

Lisa Farrell, Jane M. Fry and Tim R.L. Fry

Abstract: This paper uses data on all artworks offered for sale at auction from 1995 to 2014 to examine gender differences in artworks by the top one hundred Australian Indigenous artists. Our analysis shows that male and female artists work in different media and mediums and that both sale price and clearance rate differ by the gender of the artist. Building on a descriptive analysis the statistical analysis of the data using sample selectivity models and a Blinder-Oaxaca decomposition shows clear differences between the price of artwork between the genders. Accounting for differences in the characteristics of artworks and artists our analysis shows that the price of artworks by male Australian Indigenous artists is lower than that of female artists. We further break down this difference into that attributable to differing characteristics, the return on those characteristics and the interaction of those components.

Keywords: art auction, Indigenous art, gender, Blinder-Oaxaca.