

The Buying And Selling Operations At Christie

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Introduction

Christie's buying and selling operations connect owners of art and luxury objects with collectors through live auctions, online auctions, private sales, and specialist advisory services. The original essay correctly emphasizes passion, quality, condition, provenance, rarity, and the long horizon often required for collecting. Its claim that eighty percent of transactions fall below five thousand dollars is not supported by Christie's current public materials and should not be repeated as fact. The auction market includes accessible objects as well as exceptional works, but price alone does not determine suitability. A responsible analysis must explain the operational process, total transaction costs, legal checks, market risk, and the difference between collecting for enjoyment and treating art as an investment. (Christie's, "How to Buy at Christie's"; Christie's, "Selling Guide"; McAndrew, 2025)

Christie's as an Intermediary

An auction house does not normally purchase every object it offers. It acts as an intermediary that researches property, advises a seller, markets the lot, administers bidding, receives payment, and transfers possession after contractual conditions are satisfied. Christie's also brokers private sales when a public auction is unsuitable because of timing, confidentiality, price expectations, or the identity of potential buyers. The company's value lies in specialist knowledge, international reach, client relationships, and the credibility of its cataloguing process. That credibility is not a guarantee that every attribution or estimate will remain unchanged. Buyers and sellers enter contracts governed by published conditions, and both sides retain responsibilities that extend beyond the auctioneer's promotional presentation. (Christie's, "How to Buy at Christie's"; Christie's, "Selling Guide")

Beginning the Selling Process

A potential seller usually begins by requesting an auction estimate and submitting photographs, dimensions, artist or maker information, ownership history, and relevant documents. A specialist then decides whether the property fits Christie's categories, quality thresholds, timing, and expected demand. If the object is accepted, the parties negotiate a seller's agreement covering the estimate, reserve, commission, insurance, transport, photography, restoration, withdrawal, and other possible charges. The reserve is the confidential minimum price below which the lot ordinarily will not be sold. It cannot exceed the low estimate under standard auction practice. The agreement should be read

carefully because a strong headline result does not reveal the seller's net proceeds after fees and expenses. (Christie's, "Selling Guide")

Research, Attribution, and Provenance

Before sale, specialists examine authorship, date, medium, dimensions, inscriptions, literature, exhibition history, condition, and provenance. Provenance is the documented chain of ownership, and it matters for authenticity, legal title, cultural-property restrictions, sanctions, theft databases, and claims connected with wartime looting or unlawful excavation. A gap in provenance does not automatically prove wrongdoing, but it increases uncertainty and may affect marketability. Cataloguing language also carries graded meanings: "by," "attributed to," "studio of," and "circle of" are not interchangeable. Sellers must disclose information that could affect title or authenticity, while buyers should review the catalogue entry, condition report, and relevant databases rather than relying only on an attractive image or famous name. (Christie's, "Selling Guide"; International Council of Museums, *Code of Ethics for Museums*)

Estimates, Reserves, and Market Positioning

The presale estimate is a specialist judgment about the range in which a lot may sell, not a promise of value. It draws on comparable sales, rarity, condition, provenance, current taste, the strength of the artist's market, and the intended auction context. An estimate that is too high can discourage bidding and produce an unsold lot, while an estimate that is too low may create excitement but can disappoint a consignor unless the reserve protects the minimum outcome. Auction houses also select the sale, lot order, catalogue emphasis, and promotional narrative. These choices influence attention but cannot eliminate market uncertainty. Bidding depends on the people present at a particular moment and the limits they have set. (Christie's, "Selling Guide"; Thompson, 2008)

Registration and Identity Verification

Buyers create an account, verify identity, and register for the relevant auction before bidding. Christie's states that identity checks help it comply with anti-money-laundering, sanctions, and fraud-prevention obligations. Individuals may be asked for government identification and proof of address, while business, trust, or organizational accounts require ownership and authorization information. High-value or unusual activity can trigger additional financial checks. These controls are important because art can move across borders, ownership structures can be opaque, and objects can carry legal restrictions. Privacy remains important, but confidentiality does not mean anonymity from the auction house. A bidder who refuses required verification may be denied registration even when willing to pay immediately. (Christie's, "How to Buy at Christie's")

Inspection and Buyer Due Diligence

Christie's provides catalogue information and condition reports, and it often offers public viewing before a sale. A condition report describes observable state at the time of examination, but it may not identify every defect, restoration, structural weakness, or change visible only through scientific testing. Buyers should inspect personally or hire an adviser when condition is material. They should also consider scale, display requirements, conservation, insurance, storage, and export restrictions. Digital photographs can distort color and surface. For archaeological material, wildlife products, or protected cultural objects, legal movement may require permits or may be prohibited. Due diligence therefore includes the practical and legal future of ownership, not merely the probability of winning the lot. (Christie's, "How to Buy at Christie's"; International Council of Museums, *Code of Ethics for Museums*)

Bidding and Price Formation

Live auctions may accept bids in the room, by telephone, through an absentee instruction, or through Christie's online platform. Online-only sales remain open for a defined period and may extend when late bids arrive. The auctioneer usually begins below the low estimate and advances through customary increments, subject to discretion and the conditions of sale. The hammer price is the final accepted bid, but it is not the buyer's total cost. Competitive bidding can create urgency and social pressure, making a pre-established ceiling essential. A rational bidder should calculate the all-in price before bidding and stop when that amount exceeds personal value, expected investment value, or the cost of comparable alternatives. (Christie's, "How to Buy at Christie's"; Thompson, 2008)

Buyer's Premium and Other Costs

Christie's buyer's premium is added to the hammer price. Under the schedule effective September 1, 2025 for most collecting categories, the rate begins at twenty-seven percent on the first price band, then declines on portions above higher thresholds; wine and Gooding Christie's use different schedules. Taxes, resale royalties, credit-card administration charges in some locations, shipping, storage, insurance, customs duties, and permits may add further cost. These expenses create a large gap between hammer price and total acquisition cost. An investor must later overcome both buying and selling costs before realizing a gain. Comparing only the earlier hammer price with a later headline sale price exaggerates return unless every fee, tax, conservation expense, and holding period is included. (Christie's, "Financial Information: Buyer's Premium"; Christie's, "Understanding Auction Fees")

Seller's Commission and Net Proceeds

The seller's commission is negotiated and may vary with value, category, demand, and the relationship between the consignor and auction house. Sellers may also incur expenses for transport, insurance, illustration, restoration, storage, scientific analysis, or withdrawal, depending on the agreement. In some major consignments, an auction house may offer a guarantee or arrange third-party financing that provides a minimum return while transferring some risk and potential upside. Such structures can affect how the sale is marketed and how financial interests are disclosed. The meaningful figure for the consignor is net proceeds after commission, expenses, taxes, debt, and any shared upside, not the public hammer price repeated in news coverage. (Christie's, "Selling Guide"; Christie's, "Understanding Auction Fees")

Payment, Transfer, and Shipping

After a successful bid, Christie's issues an invoice showing the hammer price, premium, taxes, and other applicable charges. Payment deadlines differ between live and online sales, and the auction house generally requires payment from an account connected with the registered buyer. Property is released only after funds and compliance checks are complete. Shipping may require specialist packing, climate control, customs documents, export licenses, or permits under the Convention on International Trade in Endangered Species. Risk can shift according to the conditions of sale, so insurance arrangements must be understood. A buyer who focuses only on the auction room may discover that transport and legal movement are among the most difficult parts of the transaction. (Christie's, "How to Buy at Christie's")

Art as an Investment

Art can preserve or increase value, but it differs from a listed security. Individual works trade infrequently, prices are difficult to observe between sales, quality varies, and indices may exclude unsold objects and private transactions. Art produces no ordinary dividend, and maintenance, insurance, advisory, and transaction costs reduce return. Fashion can change quickly, while attribution or authenticity disputes can destroy marketability. A famous example of appreciation, such as a Picasso acquired decades before a major sale, does not show the probability faced by an average buyer. Survivorship bias highlights successful works while forgotten or unsold purchases disappear from the story. Investment analysis should therefore use ranges, long horizons, and realistic exit assumptions. (McAndrew, 2025; Thompson, 2008)

Passion, Discipline, and Collection Strategy

The strongest point in the original essay is that passion and investment can interact without becoming identical. A collector receives aesthetic, intellectual, social, and historical value while owning the object, even if the market price does not rise. Discipline still matters. A coherent collection may focus on a period, material, region, artist, or theme, allowing knowledge to deepen and mistakes to become less frequent. Quality, condition, provenance, rarity, and significance should be assessed within that chosen field. Buying many inexpensive objects is not automatically safer than buying one important work, and concentration in one artist can be risky. The appropriate strategy depends on knowledge, purpose, budget, storage, and willingness to hold through weak markets. (McAndrew, 2025; Thompson, 2008)

Ethics and Transparency

Auction operations raise ethical questions about conflicts of interest, guarantees, third-party bids, restitution, colonial collecting, endangered materials, and the privacy of buyers and sellers. Transparency does not require public disclosure of every client identity, but bidders need clear information about financial interests that can affect competition. Auction houses also have a duty to investigate title and respond responsibly to credible claims from heirs, source countries, or communities. Buyers should avoid assuming that legal possession settles every moral question. The market's legitimacy depends on research, documentation, fair dealing, and mechanisms for correction when new evidence appears. Ethical collecting protects both cultural heritage and the long-term value of the collection. (International Council of Museums, *Code of Ethics for Museums*; Christie's, "Selling Guide")

Conclusion

Christie's buying and selling operations are a coordinated system of valuation, consignment, research, marketing, bidding, payment, compliance, and transfer. The auction house provides expertise and access, but estimates are not guarantees and cataloguing does not eliminate buyer responsibility. Sellers must understand reserves, commissions, expenses, and net proceeds, while buyers must calculate the premium, taxes, transport, conservation, and legal restrictions beyond the hammer price. Art may appreciate, but it is illiquid, costly, and vulnerable to fashion and attribution risk. The most sustainable approach combines passion with disciplined due diligence. A collection becomes valuable through knowledge and coherent judgment, not merely through the hope that every object will become the next celebrated auction record. (Christie's, "How to Buy at Christie's"; Christie's, "Selling Guide"; McAndrew, 2025)

References

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2. Christie's. "Financial Information: Buyer's Premium." Effective 1 Sept. 2025.
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5. McAndrew, Clare. *The Art Market 2025*. Art Basel and UBS, 2025.
6. International Council of Museums. *Code of Ethics for Museums*.
7. Thompson, Don. *The \$12 Million Stuffed Shark*. Palgrave Macmillan, 2008.