

Art on the High Seas

Part II: What to Know Before (and after) You Buy



By Anayat Durrani

There you are, lounging in the warm sunshine on the top deck of a luxury cruise liner, contemplating which activity to do next. There's lots to do onboard; the casinos, a dip in the pool, shopping, the gym, pedicure, bingo, art auction. Art auction? It's been advertised so much onboard you decide to check it out. But before you get caught up in the party-like excitement of cruise ship art auctions, there are some things you need to know.

"These type of auctions are quite different to major international fine art auctions," says Stephen P. Sweeting, an Accredited Senior Appraiser with the American Society of Appraisers and one of the principals in Toronto, Canada-based Appraisal Associates Consulting, Inc. He specializes in appraising fine art and is a longtime observer of the auction

scene both in Canada and abroad.

Sweeting says some key differences are that art cruise auctions are not consignment auctions in that the auctioneer may own all or most of the art. He said these auctions tend to be focused on people who do not have a great deal of auction experience.

"They capitalize on the willingness of holiday makers to spend lavishly while on vacation," says Sweeting.

In addition, he said some of the artists whose works are for sale "have markets that are difficult to characterize due to exceedingly high retail asking prices that may not be realized." Cruise ship art auctions tend to focus on works on paper, such as prints of various types, by artists with high general recognition levels like Dali, Picasso and Chagall, he said.

Sometimes these are sold in the form of giclée, (pronounced zhee-

clay), a computerized reproduction of artwork capturing every nuance of the original. They are often officially licensed by the artist, including being signed and numbered, but should never be confused with an original.

Sweeting said much of the artwork for sale at cruise ship art auctions tends to be "over framed." He said artwork of modest value is framed in a large and expensive-looking molding with plenty of gilding and decorative detail.

"Pre-sale estimates tend not to reflect mainstream auction prices realized. Rather, they reflect retail asking prices," said Sweeting. "To my knowledge, prices realized are not published or disseminated after the auction sales. They certainly do not end up in any of the major indices."

Sweeting said because of these key differences, cruise ship

auctions “appear to exist outside the mainstream auction world.” Despite this, Sweeting said they seem to have a seemingly thriving market and many people are more than happy with their onboard purchases.

“Just don’t try to re-sell what you’ve purchased at a cruise auction through a mainstream auction house,” advises Sweeting. “It is doubtful they will have any interest whatsoever.”

Things to Remember:

- Information about the art being auctioned off comes directly from the gallery’s art director and there are no competing galleries. There is no access to independent appraisals and competitive pricing. And some, Park West for example, do their own in-house appraisals.

- Authenticity does not equal value and appreciation. A piece by a more well-known artist does not always mean it has more value, particularly if this artist has produced pieces en masse in the market. The artist who produced the piece, the aesthetic quality, and scarcity of the piece determine its value.

- Buyers pay a “premium” to the auction house – Park West charges 12 1/2% to 15% and Princess charges 10%. There are also shipping and framing costs added onto that.

- Cruise ship art auctions often bank on the customer’s lack of education of art in general. Do

your homework **BEFORE** you buy artwork. The auctioneer should not be the one providing you all the information on the piece. Research, research, research. Remember: the cruise ship does have Internet access. Sweeting encourages potential buyers to do some on-line research before bidding. “Potential buyers should do the same amount of research they would for any major purchase,” says Sweeting. “As with any marketplace, knowledge is a powerful tool.”

- Read the fine print. Art sales at sea are normally final. Certificates of authenticity aren’t worth the paper they are written on and can easily be fakes.

- If you do not understand something, **ASK** before buying. If you are not satisfied with the answer, don’t buy!

Tips for AFTER you buy art:

Kobi Ledor of Ledor Fine Art in Berkeley, Calif., specializes in Picasso and said he does a fair number of appraisals and has come across cases of “art” that was sold on cruise ships. He said he has occasionally encountered an original work of art by Picasso that exchanged hands through the cruise art auctions. But, in his experience, he said the buyer usually ends up with an overpriced print, a fake, or both. Ledor told Fine Art Registry™ that he does not believe it is a good idea to

buy art at auctions on ships. But for those, who have bought art through this venue, he does offer some advice.


“Have your purchases authenticated and appraised,” says Ledor. “If you vastly overpaid and/or if the art is not original yet you were told that you were buying original art, consider whether you’d like to revoke the purchase.”

This would require reviewing the cruise’s return policy and any guarantees the cruise may have expressed. He suggests looking at the terminology of the guarantee carefully “as the words may have been crafted in such a way as to induce the novice to infer a claim of authenticity when in fact no such claim has been explicitly made.”

Ledor said buyers should try to return the art following the terms of the guarantee and return policy. He said, in general, and depending on the price point, “alternatives such as litigation are not likely to be feasible.” He adds, “Bear in mind that price-gouging is not a crime.”

Fine Art Registry™

The attention that cruise ship art auctions has received has given light to the importance of the work of Fine Art Registry (FAR®). If all artwork was registered and tagged at FAR before it was auctioned off, complaints surrounding authenticity and legitimacy that



have come out of ship art auctions would be greatly minimized, particularly in regard to works by contemporary artists.

When an artist tags and registers his or her artwork with FAR, a permanent record is instantly created and archived so that it can be researched and studied. The FAR high tech, unique, patented tagging system for works of art helps establish authenticity as well as prevent art fraud and theft. The tags are placed on the work of art when it is registered in the FAR online secure database with photos and full description, creating a permanent, unique identity and registration for that piece. As a result, FAR provides a means of establishing and permanently recording provenance and ownership of art pieces.

Should artwork be auctioned off – that was tagged and registered with FAR by the artist who created it – any questions that arise about authenticity of the work could be researched in the FAR permanent database. FAR also offers a secure, electronic transfer of ownership of art pieces that creates a permanent record of new ownership that is beneficial for tracing art pieces, establishing authenticity, or for insurance purposes. Fine Art Registry provides all these resources and more and is rapidly moving toward becoming the standard in the industry. 📌

DOs and DON'Ts

1 DO always attend the preview. This is your opportunity to have a look at the artwork, ask the auction staff questions, and verify the info on the Internet if you can. The auctions move fast, you can't always get a good seat and many pieces look better from a distance than they do when you get to a realistic viewing distance equal to your home.

2 DO ask what charges you can expect to see added to the hammer price. Between the buyer's premium, shipping, framing, appraisal and sales tax, your \$500 purchase may come to over \$800.

3 Don't ever, ever, buy artwork only because it's a "great investment". First and foremost, consider that you will have this artwork on your wall, staring back at you for many years. If it doesn't make you feel good, or represent you in some way, find something else.

4 Don't assume anything! Do ask questions. Is the piece you are interested in a limited edition original print (serigraph, lithograph, etching), a giclée (computer generated or enhanced printing), a poster, or an original, unique work of art created by the artist? Is it printed on paper or canvas? Is it signed by the artist's hand, plate signed or unsigned? Is it numbered? What is the edition size? Some artists like Thomas Kinkade release editions in astronomical numbers.

5 Do trust your own feelings. If for any reason: the auctioneer avoids answering your question or makes a statement they are not willing to provide in writing; the auctioneer says "I personally guarantee..."; or if you feel uneasy about the transaction or the auctioneer in any way – you're probably right. Move on!

6 Don't fool yourself into thinking that you might get a piece for a dollar if nobody else bids! All the artwork on all the ships has a reserve price. Set a limit on the amount you are willing to spend on any piece and stick to it.