

How to Price Artwork

A guide on how to price work so you earn a fair amount whilst understanding what the buyer is looking for.

Pricing work is about finding a balance between the value of your work and understanding how much people are willing to pay for it. To sell your work, you must demonstrate and convince the buyer that your prices are fair and reasonable. This makes it difficult as it is not an exact science.

For the Open exhibition, all adult category artworks are to be on sale and for the Young People competition, it is optional. Sale of artworks supports the exhibiting artists and allows visitors to buy artwork to enjoy at home.

It is customary for museums and galleries to take commission from artwork that they sell. All artworks sold through Leicester Museum & Art Gallery are subject to commission and VAT on commission (for rates, please see below). All funds raised through the Open support the running of Leicester Museums & Galleries.

What values do I need to provide?

You only need to give us one value. This is the **Gallery Price**.

From this, we will work out the **insurance value** of the work and the **final amount payable to artist**.

What are each of those for?

The **Gallery Price** is the sale price of the artwork while it is displayed in the gallery. It is what the buyer pays for the work; it includes the museum commission and the VAT.

We need an **insurance value** too. This is the maximum amount paid to you in the unlikely event of the work being damaged.

The **final amount payable to artist** is the amount that you receive, if your work has sold, once the commission and the VAT are removed by the museum.

The Open application form calculates the insurance value and the final amount from the Gallery Price. All three values are displayed on the application form to help you understand how much you make if your work sells.

What charges are included in the Gallery Price for the Open adult (19+) entries?

For the adult competition, the Gallery Price includes 40% commission and 20% VAT** of the commission.

We've had to increase our adult commission rate this year to reflect the rise in our costs, and to bring them into line with our other fees and charges. All funds raised support the running of the museums.

What charges are included in the Gallery Price for the Open: Young People (5 - 18) entries?

For the young people's competition, the Gallery Price includes 20% commission and 20% VAT** of the commission. Commission costs for Young People have not increased this year.

How do I price my work?

Start with the Gallery Price and work backwards from that to find out how much you make.

For example, a painting is for sale at £100 in the Open exhibition. To work out how much the (adult) artist receives, we remove the commission and the VAT on the commission from the Gallery Price.

In this example, the Gallery Price is set as £100.00. The final amount payable to the artist is calculated as follows*:

Calculating the commission (40%) = £40.00

The VAT (20%**) on the commission = £8.00

Then, subtract the commission and VAT on commission from the Gallery Price:

Gallery Price minus commission minus VAT

£100 - £40 - £8 = £52.00

Final amount payable to artist = £52.00 – this is the amount given to the artist when the work has been sold.

Once you have the final amount consider if it reflects the value of the work. If you have not sold much art, try to have the final amount cover the cost of materials, the size of the work and the frame, if you choose. Try not to be too attached to the artwork as this can lead to overcharging.

If you are a professional artist, make sure that your prices are comparable to other similar work on the art market. If you are VAT registered, the final gallery price should include this as well as the gallery charges.

If the resulting amount does not reflect the value of the work, start with a higher Gallery Price and work backwards again. Our application form helps you work out the final amount as it is calculated automatically.

Bear in mind to be reasonable with the price that you sell at. People who buy artwork shop like people do in supermarkets; they look for good value.

From research of previous Open exhibition sales, we've found that artworks priced between £50-£200, sell more frequently than artworks valued higher than £200.

Insurance

We require an insurance value, even if the artwork is not for sale. It is the maximum amount paid out to you in the unlikely event that the artwork suffers damage in our care. It is the same as the final amount paid to the artist. It should reflect a reasonable market value.

In the event of minor damage to work and/or its frame, you may be liable for an insurance payment of less than the full amount, as appropriate.

To calculate the insurance value, we use the Gallery Price less the commission and the VAT on commission*. For example, the insurance value of an artwork with a Gallery Price of £100 is worked out as:

£100.00 deducting commission (40%) of £40.00 and VAT (20%) on the commission of £8.00 gives a final insurance value of **£52.00**. This is the maximum insurance amount owed to the artist in the event of any damage.

If you need any help pricing work, please get in touch on: openexhibition@leicester.gov.uk

**The values used to calculate commission are based on selling work in the adult category.*

*** VAT is subject to change. VAT at the time of sale will be used.*