

INVESTING IN PHOTOGRAPHY

Fiona Lake produces limited edition fine-art quality photographic prints, postcards and is the author of "A Million Acre Masterpiece"

How investible are "photographs" as an asset class?

There is such a wide range available that everyone can find a photographer who specialises in a subject and with a style that appeals to them.

It is important to buy quality, so it is necessary to research and/or seek the advice of experts in the field. Like most visual art, photographs have particular storage requirements. To make sure a photograph stays in good condition it is essential to ensure it has been printed using archival quality materials and methods, and then framed or stored correctly (using acid-free materials and kept within a moderate temperature and humidity range, with minimum exposure to damaging ultra violet rays).

"In February 2006, Sotheby's achieved the highest-ever single-photograph sale price in history, selling Edward Steichen's "The Pond-Moonlight" for USD 2,928,000." Do you believe photography has finally come of age... and people are beginning to better understand and appreciate it? Or do you think it is driven by hype?

These large sales are unusual and as they are dramatic they attract media attention. The "creative industry" is full of hype and is tied to fashion cycles. These big sales do help scale up prices right down to the lower end of the market. However there is always a risk associated with art that achieved record prices as it could be on the crest of a fashion wave. If it is not backed by solid creativity and quality then the only way the price will go is down. Photographs are similar to other forms of investments: if you buy conservatively you may not make dramatic profits but you're unlikely to lose money.

Perceptive people realise that producing quality images involves more than just "pointing and shooting." I think the quality end of the market is seeing prices rise whereas the lower end is experiencing the opposite.

Like any collectible "photography" too can command a "scarcity price." Do you think this price differs because of the medium - i.e. the "risk" that other copies can be made; or that digital photography or modern technology could alter works of photography?

It is natural that a "one-off" will be more valuable than something that has multiple copies. Investors should ensure they know exactly how many copies of the photograph there will be. Prices for limitless or high (1000 or more) editions should be much cheaper compared to the prices payable for a low (10 - 25) edition - however this is not always the case. You don't always get what you pay for. I am sure the prices paid for good quality, low edition photographs have remained lower than they logically should be. There are many photographers producing very large or endless editions that charge low edition prices - this unfortunately undermines public confidence. Investors should be able to sort out which is which by doing some research - ask the photographer exactly how many prints will be made, and make sure it is in writing. Make sure they have a track record and integrity. Signed and numbered certificates of authenticity are often provided by photographers serious about instilling confidence in limited edition runs.

Investors should also determine whether the image they are buying is a straight photograph or one that has been digitally altered in some way, as this may have some bearing on its resale price. In future, it is likely that straight photographs will be viewed as more valuable (particularly if the image is of historical significance) than those that have been digitally manipulated.

If someone were to start a photography collection for "pay sake" (as an investment) how would you recommend they choose their collection?

First and foremost, buy what you like. Do your research - buy the work of photographers who have been around for a while. Speculate on some emerging photographers whose work will cost less - but entails higher risk. Spread the risk by purchasing a variety. Always make sure the printing is of top quality and store it correctly. Fanatics store visual art in stringent climate controlled conditions - in the dark, out of public view; but this denies a daily enjoyment of the work.

How important is provenance in the context of photography?

When it comes to selling photographs, provenance is probably even more important than for other visual art forms such as painting, because of the extra need to inspire buyer's confidence in the originality and authenticity of the photographic print. Signed certificates of authenticity are valuable - when buying, ask if the photographer provides them.

"Australian photographs are a good buy"... please elaborate.

There are around 20 million people living in Australia and as there has only been 220 years of European settlement - the conventional art market is relatively young. There are a lot of very creative, original artists who are slightly removed from the mainstream. But since it is a small market that is isolated from other outlets - it has been a buyer's market.

How do you identify "top quality selling at below comparable prices"?

Art quality has two aspects. Technical quality can be measured fairly easily using objective means. With regard to photography the obvious questions are - is the photographer producing images that have the appropriate lighting, grain, sharpness, composition etc. The second aspect is creativity - how original, how interesting is the image? Does it affect you? This is largely subjective, but overall most art can be classified as being very good or ordinary.

What differs most, when it comes to opinions, is what people like and what they don't. Someone used to assessing art can decide an image is technically good and very creative - but they might not personally like it. If they were purchasing it purely as an investment, they may want to buy it anyway.

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It is fairly easy to compare images worldwide by applying the same basic criteria. It is then obvious if prices in one region are below the average in another.

What sort of photography is currently fetching a fortune ... will it continue to do so in the near future? Why? Why not?

I suspect the highest prices would be fetched by historical photographs, particularly of celebrities. I would expect that prices would endure for those up the top of the tree, but for 'stars' that may fade in people's memories, the price of photographs is likely to slip.

In Australia there are many landscape photographers and for personal reasons it's a field I have avoided. To me it's far more interesting to photograph a combination of a cultural aspect (rural work) and the landscape, so that the images have historical significance and are impossible to replicate in years to come. Many landscapes will remain the same for decades if not hundreds of years, so the probability of obtaining similar photographs exists. Images that are just pretty pictures without any layers of deeper significance or meaning, are less likely to gain in value. I believe truly successful images are timeless - they don't lose their power as they age.

Comments, remarks...

Framed paintings have been around for hundreds of years. There is a well established industry built around paintings that inspires confidence among investors. In contrast, photography is a relatively new medium and hence people have tended to be reluctant to voice their opinion on what most appeals to them, what they think is 'good' and how they should assess its value. This has been encouraged by those in the art world who perceive a visual art pecking-order, with oil painting at the pinnacle. This "pecking-order view" is denying the attribute that non-digitally manipulated photography has – "believability", which a painting does not.

Photography is still emerging as an investment area. Investors who buy early are better poised to make the highest profits in the long term. It is certain that photographs produced before the era of digital manipulation and/or produced by photographers who do not digitally manipulate their images, will rise more rapidly in value. The only unknowns are by how much prices will rise, and how rapidly.