

Sotheby's Fee Structure

We're proud to offer the clearest, fairest terms in the industry. Here's everything buyers and sellers need to know.

As a Sotheby's client, you deserve clarity when buying and selling property with us. So we've made the most significant changes to our fee structure in more than 40 years.

Most notably we reduced our Buyer's Premium, which is the amount above the hammer price that is paid as part of the total purchase price. We also introduced a uniform commission rate for sellers across all categories.

It's a streamlined approach to doing business that sets a new industry standard. Here's how it works.

BUYERS PAY

LOT VALUE (HAMMER PRICE)	BUYER'S PREMIUM
Hammer Price up to and including \$6 million, plus	20%
Portion of the Hammer Price exceeding \$6 million	10%

SELLERS PAY

CONSIGNMENT VALUE (LOW ESTIMATE)	SELLER'S COMMISSION
\$5 million or less	10% on the first \$500,000 of Hammer Price per lot, subject to a maximum of \$50,000*
More than \$5 million up to and including \$20 million	Waived
More than \$20 million up to and including \$50 million	Waived, plus 40% of Buyer's Premium remitted to seller
More than \$50 million	Bespoke

ALL LOTS (HAMMER PRICE)	SUCCESS FEE
Hammer Price exceeds high estimate	2% of Hammer Price

* Minimum \$500 Seller's Commission, further applicable to any lot with a low estimate of \$5,000 or less that is unsold.

Seller terms apply for all auction consignments of non-guaranteed property.

Highlights of the new fee structure include:

A reduced Buyer's Premium at every price point.

To remove barriers to entry and to provide buyers with increased spending power, Sotheby's has reduced its Buyer's Premium across all price points, representing a 26% reduction of Buyer's Premium for the vast majority of lots.

The new rate is 20% on purchases of a hammer value up to \$6 million – and 10% of the portion of the hammer price above \$6 million. An object that sells for \$10 million, for example, carries a 20% premium on the first \$6 million and a 10% premium on the remaining \$4 million. (Buyer's Premium rates continue to be subject to local currency exchange rates where applicable.)

The reduction in the Buyer's Premium incentivizes more bidding from buyers. And more bidding results in higher hammer prices for sellers.

To further encourage active bidding, we've eliminated the 1% administrative fee on all sales previously known as an Overhead Premium.

A uniform commission rate for sellers across categories.

Sotheby's now has a uniform seller's commission rate of 10% on the first \$500,000 of the hammer price per lot, across all categories. We do not charge a seller's commission on the portion of the hammer price above \$500,000 per lot. This eliminates the complexity associated with varying rates and, instead, grants every client access to consistent and unambiguous pricing.

Recognizing the need for different terms on high-value consignments, Sotheby's has waived the seller's commission for consignments valued above \$5 million low estimate. The idea is to prioritize transparency and simplicity for our clients, and to fully focus on realizing the highest value based on our unparalleled expertise, vast reach to clients around the world, and global selling strategies.

Lastly, for consignments with a total low estimate in excess of \$20 million and up to and including \$50 million, sellers receive 40% of Sotheby's Buyer's Premium in addition to the hammer price.

Sotheby's has a success fee of 2% on all lots where the hammer price exceeds the high estimate.

All terms outlined above apply to lots that do not have a guarantee, which account for the bulk of Sotheby's auction business. For guaranteed works, Sotheby's has a fixed guarantee commitment fee: 4% of the guarantee amount, chargeable to the seller.

“Since 1979, when Sotheby’s first introduced Buyer’s Premium in our salerooms, the market has largely shifted the transaction burden onto buyers. The result has been high costs for buyers and tiered commission structures that require a calculator to even understand, as well as an entirely opaque fee structure for sellers which distracts from what is most important to them. We are confident our simplified and clarified terms will benefit both buyers and sellers going forward.”

–Charles F. Stewart, Chief Executive Officer, Sotheby’s