

How auction buyer's premiums work

The hammer price is never the price you pay. This guide explains the buyer's premium, how tiered schedules work and what else lands on the invoice.

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When the auctioneer calls "sold", the number you hear is the hammer price. It is not the number on your invoice. Almost every auction house adds a buyer's premium - a fee the buyer pays on top of the winning bid - and then taxes and shipping arrive on top of that. Understanding the premium is the difference between a bargain and a bill that surprises you.

What the buyer's premium is

The buyer's premium is a percentage of the hammer price that the auction house keeps. It is written into the conditions of sale, so when you register to bid you have already agreed to it. On AuctionFinder, the premium field on a listing shows the figure only when the house publishes one, with the page it came from.

The published rate changes often. As of the schedules each house published when this guide was checked on 2026-10-21, the big international houses sit in the same band: Christie's charges 28% on the first tier of the hammer price in London and New York, Sotheby's publishes a similar 28% first-tier rate in New York, and Bonhams moved to 30% on the first \$35,000 of a hammer price in the United States in October 2026. Heritage Auctions charges 25% on the first \$1,000,000 with a minimum of \$49 per lot, and a lower rate on several categories.

Tiers: the rate slides as the price climbs

Most big houses do not charge one flat rate. They charge a higher percentage on the first slice of the hammer price and lower percentages on the slices above it. Christie's published schedule, effective September 2026, charges 28% up to the first threshold, 22% on the next band and 15% on anything above it. Bonhams publishes five bands for the United States, falling from 30% to 14%.

This matters when you compare houses. The "first tier" figure shown on a listing is the rate a modest purchase pays. On an expensive lot, the effective rate ends up lower because the upper slices pay less. The auction total-cost calculator on this site lets you enter the hammer price and the rate for your band to see the real number.

Platforms and programs differ

Online platforms work differently. Catawiki does not call its fee a premium; it charges a Buyer Protection fee of 9% of the final bid plus a fixed €3. Government surplus marketplaces such as GovDeals add a buyer's premium only when the selling agency shows one on the auction page - a common published rate is 12.5% - and many government sales charge none at all. Aggregators such as LiveAuctioneers pass through whatever the selling house charges.

What else lands on the invoice

The premium is not the last line. Expect, where they apply:

- Sales tax or VAT on the hammer price, usually also on the premium.
- Artist's resale royalty on some art sales in the UK and EU.
- Shipping, packing and insurance, which the house or a partner carrier quotes per lot.
- In some sales, a per-lot minimum premium - Heritage publishes a \$49 minimum, so a \$100 winning bid still carries a \$49 premium.

Read the terms before every sale

Rates, thresholds and rules change between sales and between locations of the same house. Before you bid, open the conditions of sale for that sale - not the general page - and check the premium, the payment deadline and the collection window. The figure on a directory listing is a signpost, always checked on a named date; the house's own terms are the contract.

Frequently asked questions

Is the buyer's premium negotiable?

No. The premium is part of the house's published conditions of sale and every bidder at a sale pays the same rate. You can only choose which house to bid with.

Do taxes apply to the premium?

Usually yes. In most places sales tax or VAT is charged on the hammer price and the premium together. A few jurisdictions tax the hammer price only. Check the house's terms.

Can a sale have no buyer's premium?

Yes. Many government surplus sales charge none, and some houses sell without one. A blank premium field on a listing means the house does not publish one or an editor has not cited it yet - never assume it means zero.

Sources

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