**RESULTS**

**HEDONIC REGRESSION**

We begin by fitting a hedonic regression model to our three datasets in order to construct a measure of artistic value for each piece. For Impressionist art (as in Beggs & Graddy (2009)), though, predictions are fit separately for observations in London and in New York due to currency differences, then recombined for the anchoring regressions. Tables 4-7 below show the results of the hedonic predictions.

Overall, hedonic characteristics such as the painting dimensions, the presence of a signature, medium, and artist and time effects (both omitted for brevity; both highly significant) have a significant impact on the sale price of the painting. It is surprising that a painting’s date of creation is generally not significant, which can be explained by the importance of artist variables. For Impressionist Art and Contemporary Art, much of the variation in price is explained by our regression model, indicated by generally high values. For our new dataset, however, the value is extremely low although variables are significant. This is to be expected: our dataset covers a very large variety of paintings, and so we should see very high variance across prices in our regression model (though far lower bias, as indicated by our highly significant hedonic variables). The F-statistic is extremely significant in all cases, which shows that our regression variables are relevant as a whole. In general, the most impactful variables are those for the art medium and the dimensions. This may be attributed to large pieces and pieces from specialized mediums selling for more, as indicated by large, significant coefficients for certain mediums and not for others. Despite a high value for Impressionist art, the intercept is highly significant. This suggests that non-hedonic factors likely play a large role in determining value for Impressionist pieces, which is understandable given the relatively more pronounced age and renown of those works. Additionally, the presence of a signature specifically, rather than other signs of authenticity such as a monogram, generally seems to be more important to determining hedonic value. As an additional note, regressing on only artist and time dummies corresponds to a reduction in in the Impressionist and Contemporary datasets, as noted in Beggs & Graddy (regressions not included). Overall, it is clear that hedonic factors such as size and medium do play a large role in determine value for the works we examine.

**REPLICATION: ANCHORING EFFECTS (RESALE) IN IMPRESSIONIST AND CONTEMPORARY ART**

Here, we attempt to replicate the original work of Beggs & Graddy (2009), who analyze the Impressionist and Contemporary datasets to test whether the first sale of a painting produces an anchoring effect on its later sales. As noted before, we do

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Table 4: Hedonic predictions, Impressionist Art (London). Half-year time dummies omitted for brevity.

Estimate Std. Error t value Pr(>|t|)

(Intercept) 10.667134 6.703545 1.591 0.112783

DATE\_PTG -0.002122 0.003513 -0.604 0.546317

DIM\_A 0.026975 0.007665 3.519 0.000512 \*\*\*

DIM\_B 0.016575 0.006388 2.595 0.010018 \*

SIGNED1 0.266633 0.350862 0.760 0.447990

SIGNED2 -0.064880 0.434096 -0.149 0.881308

SIGNED3 -0.429974 0.413009 -1.041 0.298822

ART\_MED6 1.779714 0.677907 2.625 0.009178 \*\*

ART\_MED9 0.348789 0.684150 0.510 0.610622

ART\_MED12 2.270866 0.674249 3.368 0.000874 \*\*\*

ART\_MED15 1.473253 0.698082 2.110 0.035791 \*

ART\_MED18 2.952254 0.642515 4.595 6.80e-06 \*\*\*

ART\_MED24 1.457382 0.771532 1.889 0.060030 .

ART\_MED27 1.093956 0.661039 1.655 0.099170 .

ART\_MED30 0.490681 0.658584 0.745 0.456923

ART\_MED33 1.278982 0.846104 1.512 0.131866

ART\_MED39 1.767484 0.660349 2.677 0.007918 \*\*

R^2: 0.8664

Adjusted R^2: 0.8251

F-statistic: 21.01 on 79 and 256 DF, p-value: < 2.2e-16

Table 5: Hedonic predictions, Impressionist Art (NYC). Half-year time dummies omitted for brevity.

Estimate Std. Error t value Pr(>|t|)

(Intercept) 20.536155 5.799675 3.541 0.000458 \*\*\*

DATE\_PTG -0.006033 0.002998 -2.013 0.044995 \*

DIM\_A 0.040589 0.007452 5.447 1.03e-07 \*\*\*

DIM\_B 0.012602 0.007114 1.771 0.077433 .

SIGNED1 1.059125 0.156739 6.757 6.69e-11 \*\*\*

SIGNED2 0.301338 0.245387 1.228 0.220348

SIGNED3 0.203128 0.217131 0.936 0.350234

ART\_MED6 -0.364772 0.687000 -0.531 0.595814

ART\_MED9 -0.060186 0.642117 -0.094 0.925382

ART\_MED12 1.014323 0.618434 1.640 0.101960

ART\_MED15 -0.131242 0.665053 -0.197 0.843687

ART\_MED18 1.248101 0.615153 2.029 0.043296 \*

ART\_MED21 0.773179 0.877041 0.882 0.378669

ART\_MED24 0.361094 0.661262 0.546 0.585401

ART\_MED27 -0.342484 0.656519 -0.522 0.602264

ART\_MED30 -0.075431 0.646362 -0.117 0.907170

ART\_MED38 -0.404069 0.807695 -0.500 0.617227

ART\_MED39 0.645365 0.630585 1.023 0.306876

R^2: 0.8377

Adjusted R^2: 0.8

F-statistic: 22.24 on 74 and 319 DF, p-value: < 2.2e-16

Table 6: Hedonic predictions, Contemporary Art. Half-year time dummies omitted for brevity.

Estimate Std. Error t value Pr(>|t|)

(Intercept) -1.54229 1.91849 -0.804 0.422029

log(date\_ptg) -0.67160 0.42660 -1.574 0.116371

log(len) 0.59158 0.11574 5.111 5.42e-07 \*\*\*

log(wid) 0.61585 0.11764 5.235 2.94e-07 \*\*\*

mediuma 0.37892 0.36754 1.031 0.303314

mediumbr -1.00407 0.47045 -2.134 0.033555 \*

mediumchk -0.51240 0.50577 -1.013 0.311749

mediumcol -2.01051 0.54342 -3.700 0.000253 \*\*\*

mediumcr -0.85626 0.37571 -2.279 0.023304 \*

mediumf -1.19646 0.49004 -2.442 0.015148 \*

mediumg -0.92343 0.40669 -2.271 0.023817 \*

mediumik -0.66618 0.38336 -1.738 0.083193 .

mediumo 0.33903 0.31500 1.076 0.282582

mediumpas -0.76427 0.55061 -1.388 0.166063

mediumpg 3.84267 0.64429 5.964 6.33e-09 \*\*\*

mediumph -2.97383 0.71974 -4.132 4.57e-05 \*\*\*

mediumpl 1.43608 0.66003 2.176 0.030281 \*

mediumpn 0.73305 0.79588 0.921 0.357696

mediums -0.30325 0.49084 -0.618 0.537122

mediumsk 2.78109 0.57888 4.804 2.36e-06 \*\*\*

mediumt -0.77276 0.39024 -1.980 0.048510 \*

mediumtp 0.25322 0.55431 0.457 0.648099

mediumw -0.41915 0.36663 -1.143 0.253758

R^2 0.9232

Adjusted R^2 0.8892

F-statistic: 27.17 on 146 and 330 DF, p-value: < 2.2e-16

Table 7: Hedonic predictions, assorted art. Half-year time dummies omitted for brevity. Artist and medium were omitted due to computational constraints.

Estimate Std. Error t value Pr(>|t|)

(Intercept) 6.224144 0.018000 345.782 <2e-16 \*\*\*

log(height) 0.614017 0.008031 76.454 <2e-16 \*\*\*

log(width) 0.230060 0.008092 28.431 <2e-16 \*\*\*

signed -0.634735 0.008009 -79.255 <2e-16 \*\*\*

monogrammed -0.203214 0.022359 -9.089 <2e-16 \*\*\*

stamped 0.086423 0.016030 5.391 7e-08 \*\*\*

R^2 0.1006

Adjusted R^2 0.1006

F-statistic: 5907 on 5 and 264109 DF, p-value: < 2.2e-16