



Arco, 14 February 2013


# THE POLARISATION OF THE ART MARKET

Art prices boom : Cezanne,  
*The Card Players*, \$250 m






# Growing inequality

- Age of the super rich
  - Forbes: 1,226 billionaires from 58 countries
  - Liquid wealth
  - New to collecting
  - Move in to art buying at top level, directly
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# Top is booming

- >\$1 million, median prices for Old masters, American, Latin American, Imp/Mod and contemporary - **+21% since 2011**
  - Driven by a few billionaires, new art spaces, new economies entering the market
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# Munch *The Scream* \$120m!



# But what about the middle?


- Overall market is growing. But the top is disguising weakness lower down:
- Median prices for middle market down 10.5% in the same period
- Disappearance of the “doctors and lawyers” who used to support

# What is happening?

- As in the wider economy, polarisation:
- A few major “branded” galleries which have gone global
- Gagosian, Hauser and Wirth, White Cube, Pace and Zwirner
- They handle “branded” artists such as Hirst, Murakami, Prince and Koons



# Transformation of “art”

- What is “art”?
  - Consumer good
  - Overproduction
  - Branded works
  - Asset class
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# Art fairs, auction houses...

- Creation of groups (Art Basel, Frieze) also with global reach
- Difficulty for smaller galleries to finance doing many fairs – shipping etc
- Encroachment of auction houses into dealer territory (private treaty, financing, selling direct from artists' studios)
- Focus on high-end art by auction houses



# Increasing disquiet

- Commentaries in press: Hickey, Thornton, Lindemann, Saatchi etc
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