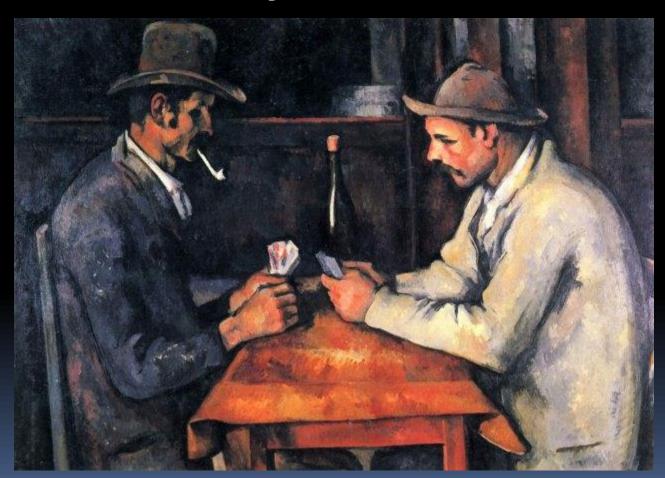
Arco, 14 February 2013

## THE POLARISATION OF THE ART MARKET

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



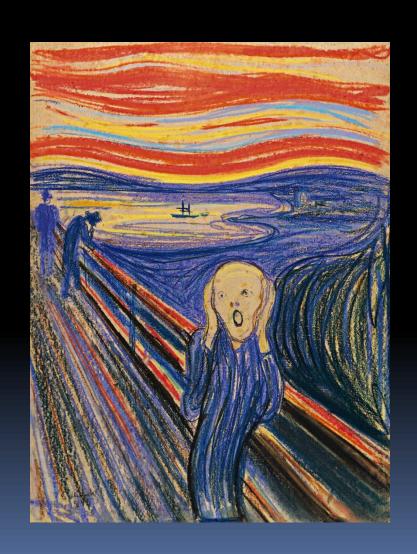
## Growing inequality

- 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

## 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

## 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

### 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