

ART AND ENTERTAINMENT

## Global art market up 12pc after several years of decline

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*The global art market has seen significant growth thanks to record-breaking auctions. Image credit: Art Basel*

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By DANNY PARISI

While the United States retains its position as the largest art market in the world, China has just narrowly overtaken the United Kingdom for second place.

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The Art Basel and UBS Global Art Market Report takes a look at global spending on fine art and analyzes which markets are currently showing the most potential. The report reaffirms what much of the luxury business has already known: China is here to stay.

"The performance of today's growing and globalized art market is a fascinating reflection of wider economic trends and highly correlated with GDP and high-net-worth populations," said Paul Donovan, chief economist of global wealth management at **UBS**, New York.

Global art market

After two years of declining sales, the global art market is up 12 percent to an estimated \$63.7 billion, according to the report.

The report, which was authored by cultural economist Dr. Clare McAndrews, found that much of this growth was concentrated in the top-end of the art market. The report attributes this to a series of record-breaking auctions including the \$450 million sale of Leonardo da Vinci's "Salvator Mundi."

While the U.S. still accounts for about 42 percent of the global art market, China just beat out the U.K. to come in second, with 21 percent to 20 percent respectively.



*Pablo Picasso's "La Dormeuse" was recently sold for \$57.8 million. Image credit: Phillips*

This narrow edge means that China's continued growth in all areas of luxury consumption, from fashion to other hard luxury goods categories, is also happening in art sales as well.

China's growth has also been extremely rapid. Chinese buyers were up to 10 percent globally from just 4 percent the year before.

Fine art is a favored pastime and investment for the world's wealthy, with UBS finding that 35 percent of high-net-worth individuals in the U.S. actively collect fine art.

Of those collectors, the majority said that they prefer to buy their art through a gallery or directly at an art fair.

Record-breaking auctions

Auction houses around the world have seen record sales over the last year.

Phillips' latest sale totaled \$135 million, marking a record for the auction house.

The company's London Evening Sale of 20th Century and Contemporary Art on March 8 included works by Pablo Picasso and Henri Matisse. Art sales are on the rise, with a newly released Knight Frank report pointing to art pieces as the collector's item with the strongest return on investment in 2017 ([see story](#)).

Similarly, auction house Christie's is leading the global art market with total sales in 2017 totaling \$6.6 billion, an increase of 26 percent compared to 2016.



*Leonardo da Vinci's "Salvator Mundi." Image credit: Christie's*

Christie's total global sales increase of more than 25 percent was led by the record-breaking sale of Leonardo da Vinci's *Salvator Mundi*, which sold for \$450.3 million in November. An increased supply of masterpiece-level art met continued demand, leading auction sales at Christie's to increase by 33 percent to \$5.9 billion ([see story](#)).

The online space continues to be fruitful ground for high-end auction houses as Sotheby's just recorded its largest-ever digital sale.

Sotheby's sale came from works of contemporary and impressionist art valued at more than \$2 million. The auction included a number of artists, and more than 500 registrants showed up to bid ([see story](#)).

These records show that the global art market is strong and growing thanks in large part to both online sales and the continued growth of luxury consumption out of China.

"Collecting is a passion that we share with many of our clients and alongside our own exclusive art services,"UBS's Mr. Donovan said. "This collaboration with Dr. Clare McAndrew and Art Basel is a natural fit for our ongoing commitment to the research and analysis of markets and economic data for our clients."

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