

# I Heard They Bought a Picasso: Prospect Research in the Visual Arts



**CANADA CONFERENCE**  
OCTOBER 17-19, 2018



**Cristina Naccarato**  
**Assistant Manager, Prospect  
Research Strategy & Development**  
AGO - Art Gallery of Ontario

SESSION DATE: Thursday, October 18, 2018

SESSION TIME: 11am – 12pm

# Prospect Research in the Visual Arts

## *Three main differences:*

- **Gifts of art**
  - Acquisitions of high quality work is a priority.
  - Large part of cultivation work is with art collectors around the future of their collections.
  - Tax receipting through CCPERB – more on this later.



The Thomson Collection of Ship Models at the AGO

# Prospect Research in the Visual Arts

## ***Three main differences:***

- **Exhibition support**
  - Support can be both philanthropic and self-serving.
  - Supporters are often collectors of the artist or lenders to the exhibition.
  - Success of an exhibition can factor into the value of the work or overall body of work from the artist.



Title wall for *David Bowie Is* at the AGO

# Prospect Research in the Visual Arts

## *Three main differences:*

- **Corporate Sponsorship**
  - Support comes largely through marketing budgets.
  - Research is primarily looking at who is activating in the market place through brand alignment.



Shiseido x Yayoi Kusama collaboration

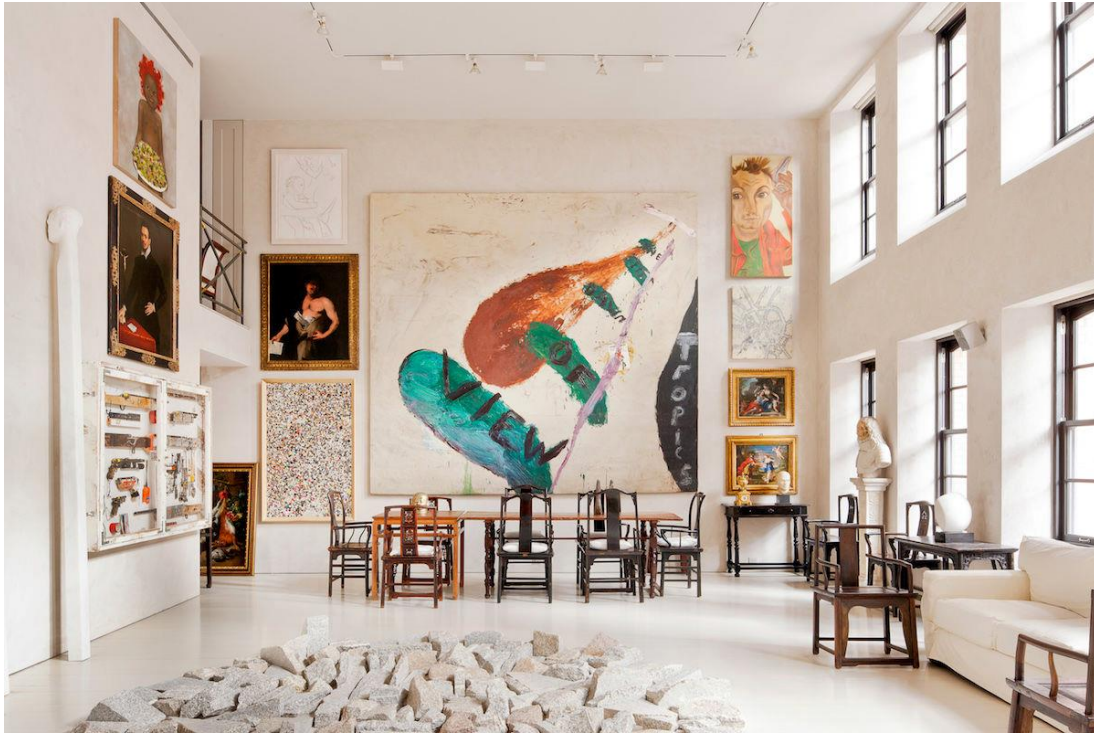
# Prospect Research in the Visual Arts

## Biggest Challenge?

- Building a culture of philanthropy: Why is it important to support art and culture?

# What Motivates Art Collectors

**PASSION**



**VS**



**INVESTMENT**



# The Art Market



# The Art Market

## ***The Art Market report***

- The Art Market report, created by Art Basel & UBS, annually looks at the global fine art market and provides an in depth analysis of all aspects of the international market and highlights the most important developments of the previous year
- Available for free at [www.artbasel.com](http://www.artbasel.com).

## ***2018 Art Market Report – Key Statistics***

- The global art market reached \$63.7B in 2017, with dealers taking a lion's share of the profits. This is up 12% from 2016.
- Top 3 markets: The US, China, and the UK – accounted for 83% of total sales by value. The US was the largest market worldwide, accounting for 42% of sales by value, with China in second place.



# The Wealthy & Their Art

- In 2017, the number of millionaires worldwide reached a historical high of 36.1 million, increasing 7% annually. Millionaire wealth rose by 10% to just under \$129M.
  - 3% of millionaires and 1% of billionaires live in Canada.
- In 2017, the top 10% of wealth holders owned 88% of the world's wealth, leaving just 12% of the world's wealth for the remaining 90% of adults.
- A survey of HNWI by UBS and Arts Economics revealed that in 2017, 35% were active in the arts and collectibles market.
- The survey indicated that the most common price range for buying works was less than \$5,000 (79% of respondents), and 93% reported that they most often bought prices less than \$50,000. Only 1% of respondents bought at prices in excess of \$1M.

## What does this tell us?

- Only a 3<sup>rd</sup> of HNWI art active art collectors.
- We often assume that all art collectors are of high net worth – this sometimes the case, but not always.



# The Wealthy & Their Art

- Although it is difficult to establish with any precision the number of HNW art collectors, research has suggested that the majority of billionaires own art, and that many are significant and regular collectors.
- Estimates are that billionaires' holdings of art average 0.5% of their net worth. In reality, this extends up to 10% or more for some major collectors.
- ArtNews annually publishes a global Top 200 Collectors list. Of this list 3 are primarily located in Canada. 101 are primarily located in the US.

## What does this tell us?

- We can make assumptions about prospects who are known to be “major collectors” or who are known to donate large collections to public museums.
- More on this later!

# Composition of the Art Market

## Difference between Primary and Secondary art markets

Primary – sold in a gallery or artist studio. Unregulated and secretive. There are no disclosures and the information you'd be able to get from these sales are anecdotal. You would hear about them directly from gallery owners, artists or prospects. Alternatively you might read about them in newspaper/magazine interviews, etc.

Secondary – 2nd hand and beyond. Sold through auction houses or through dealers. There is information available on these sales. It's slightly regulated and transparent.

The Grey Area – auction houses' private sales – gallery owners act as brokers. This information is sometimes disclosed.

We can only see half of the picture when it comes to the global art market.

# Composition of the Art Market

## **2018 Art Market Report – Sale Statistics**

- Dealer sales in 2017 reached an estimated \$33.7B USD.
  - These are private sales. Information is inaccessible.
- Sales at public auctions of fine and decorative art and antiques reached \$28.5B USD in 2017, up 27% since 2016. Christie's & Sotheby's are the powerhouses - they account for over 35% of the global public auction market. Heffel is the key Canadian player.
  - This information is often publicly available and catalogued.
- Online art sales have reached a new high of \$5.4B USD in 2017. The internet has provided new ways of reaching new clients for traditional brick-and-mortar business via third party online platforms.
  - These prices are often inaccessible.

## **Why this matters?**

- As prospect researchers, we only have access to information provided from sales at public auctions. We're not always able to locate information on the price of work.



# Fine Art Sectors

## ***Post War and Contemporary***

- Defined as artists born after 1910.
- Living artists are analyzed as a sub-set of the Post War and Contemporary by Art Market analysts.

## ***Modern Art***

- Defined as artists born between 1875 and 1910.

## ***Impressionist and Post Impressionist***

- Defined as artists born between 1821 and 1874.

## ***Old Masters & European Old Masters***

- Old Masters are defined as artists born between 1250 and 1821.
- European Old Masters, defined as Old Masters of European origin.



# Fine Art Sectors Statistics

- Within fine art, the Modern and Contemporary sectors have been the most dominant and the largest by value, as well as being where most of the higher priced works of art have been sold at auction and in the dealer sector.
- While the boom in the 1980s auction market was driven by sales of Impressionist work, since the 1990s, Modern and Contemporary art have accounted for the largest values and biggest growth.
- Since 2007, the combined share of Modern and Contemporary in most years has been more than 70%, reaching 73% in 2017.



# Post War and Contemporary

Post War and Contemporary art was the largest sector of the fine art auction market in 2017, accounting for 46% of its value and 45% of the lots sold. Sales reached a total of \$6.2 billion in 2017, increasing 12% year on year.



# Post War and Contemporary

## 2017 Top 3 Prices in Post War and Contemporary Art



Jean Michel Basquiat, *Untitled* 1982.  
\$110.5M at Sotheby's



Andy Warhol, *Sixty Last Suppers*.  
\$63.4M at Christie's



Cy Twombly, *Leda and the Swan*.  
\$52.9M at Christie's



# Post War and Contemporary

## 2017 Top 5 Living Artists in Post War and Contemporary Art

Gerhard Richter, Germany



# Post War and Contemporary

## 2017 Top 5 Living Artists in Post War and Contemporary Art

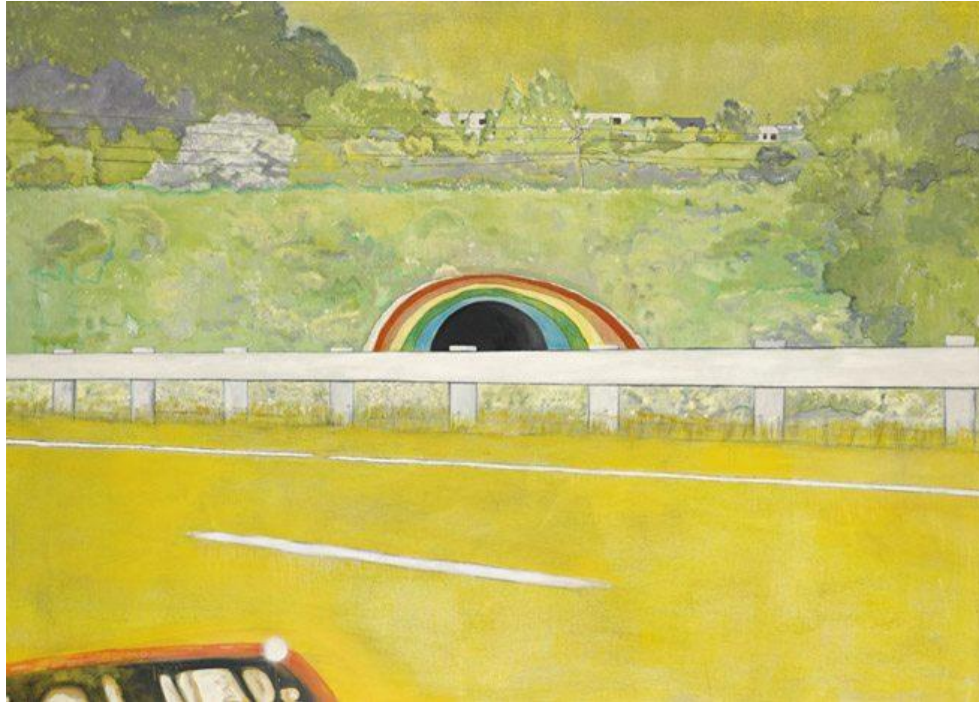
Cui Ruzhuo, China



# Post War and Contemporary

## 2017 Top 5 Living Artists in Post War and Contemporary Art

Peter Doig, Scotland



# Post War and Contemporary

## 2017 Top 5 Living Artists in Post War and Contemporary Art

Yayoi Kusama, Japan



# Post War and Contemporary

## 2017 Top 5 Living Artists in Post War and Contemporary Art

Rudolf Stingel, Italy (Based in NYC)



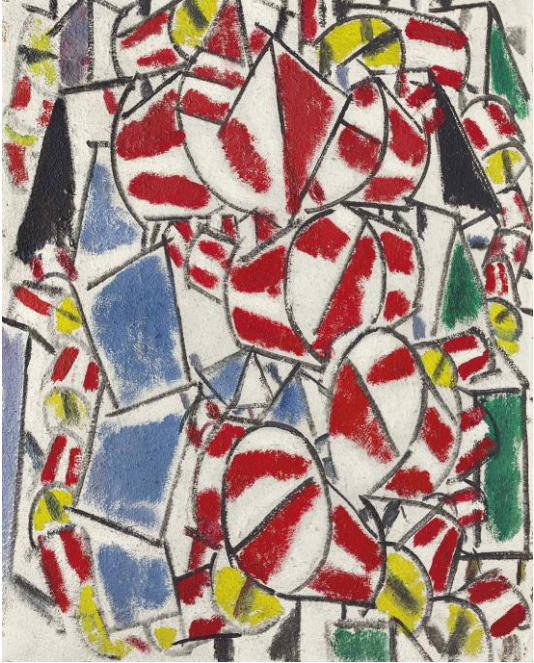
# Modern

The Modern art sector was the second largest in the fine art market in 2017, with an increase in share in both the value and the volume of the sales year-on-year to 27% and 31%, respectively.



# Modern

## 2017 Top 3 Prices in Modern Art



Fernand Léger, *Contraste de formes*  
\$70.1M at Christie's



Constantin Brâncuși, *La Muse Endormie*  
\$57.4M at Christie's



Max Beckmann, *Hölle der Vögel*.  
\$46.1M at Christie's

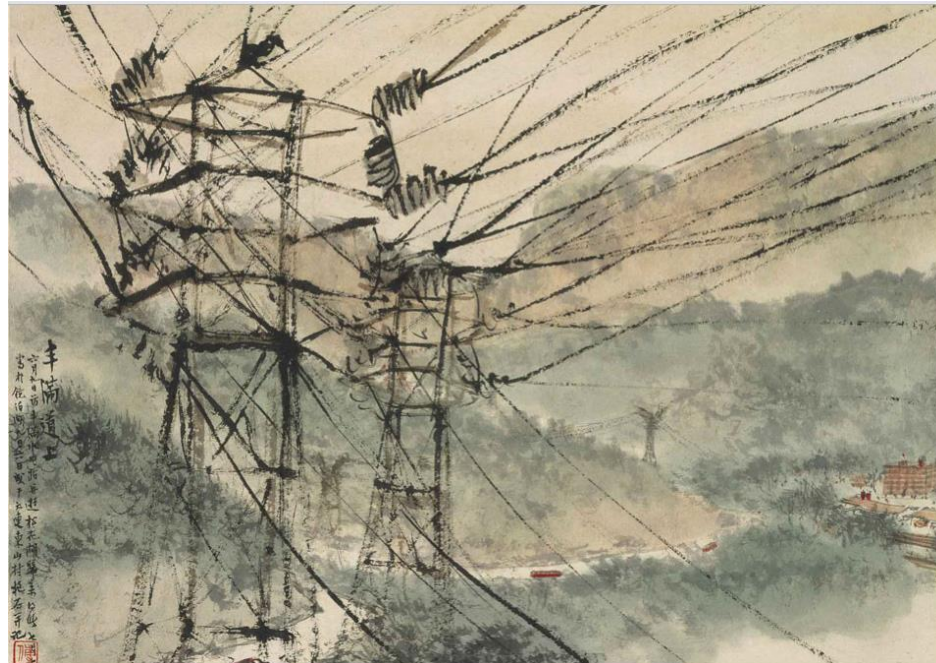
# Modern

## 2017 Top 5 Selling Artists in Modern Art

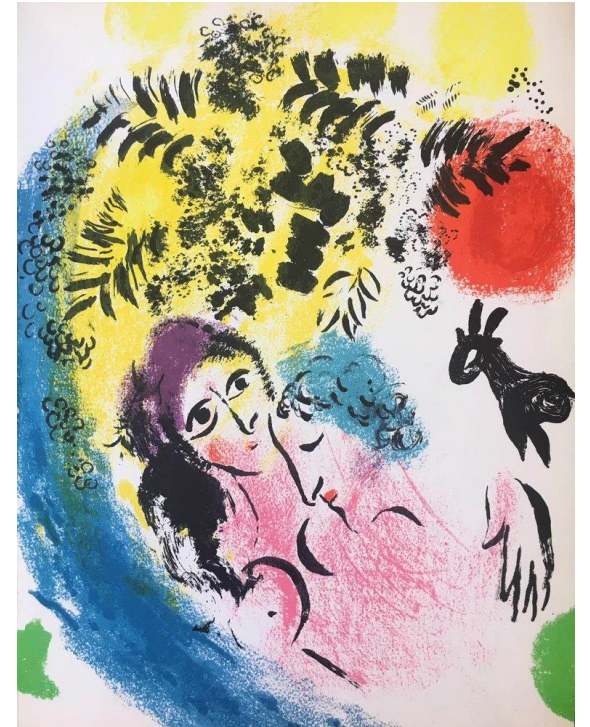
Pablo Picasso, Spain



Fu Baoshi, China



Marc Chagall, Russia/France





# Modern

## 2017 Top 5 Selling Artists in Modern Art

Fernand Léger, France



Zhang Daqian, China



# Impressionist & Post Impressionist

During the late 1990s, the Impressionist and Post Impressionist sector averaged a share of around 30% of the global art market. However, from around 2000, when the Modern art sales began to exceed those in the Impressionist and Post Impressionist sector, that share began to erode as Post War and Contemporary and Modern art became more popular, and by 2005 it had dropped to 20%. In 2017, the sector rose 5% in share by value year-on-year, accounting for 17% of the value of the fine art auction market and 15% of the lots sold (around \$2.3B).



# Impressionist & Post Impressionist

## 2017 Top 3 Prices in Impressionist & Post Impressionist art



Qi Baishi, *Twelve Landscape Screens*  
\$141M at Poly China



Vincent Van Gogh, *Laboureur dans un Champ*  
\$83.1M at Christie's

# Impressionist & Post Impressionist

2017 Top 3 Prices in Impressionist & Post Impressionist art



Gustav Klimt, *Bauerngarten*.  
\$59M at Sotheby's

# Impressionist & Post Impressionist

## 2017 Top 5 Selling Artists in Impressionist & Post Impressionist Art

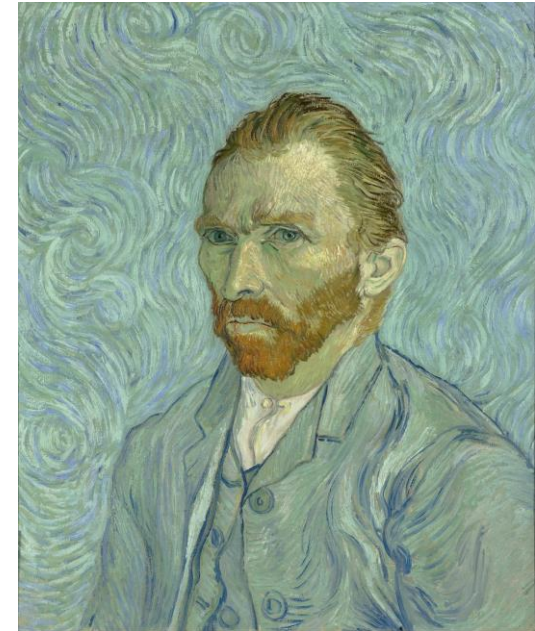
Claude Monet, France



Qi Baishi, China



Vincent Van Gogh, Netherlands



# Impressionist & Post Impressionist

## 2017 Top 5 Selling Artists in Impressionist & Post Impressionist Art

Wassily Kandinsky, Russia



Gustav Klimt, Austria



# Old Masters & European Old Masters

While most of the top selling lots have been in the Post War and Contemporary sector in recent years, Old Masters came firmly into the spotlight in 2017 with the sale of Leonardo da Vinci's *Salvator Mundi* at Christie's in New York for the highest price ever achieved at a public auction of \$450M. The Old Masters sector accounted for 10% of the value of the fine art auction market in 2017, and 9% of transactions. (About \$977M.)



# Old Masters & European Old Masters

## 2017 Top 3 Prices in Old Masters & European Old Masters



Leonardo da Vinci, *Salvator Mundi*  
\$450.3M at Christie's



Chen Rong, *Six Dragons*  
\$49M at Christie's



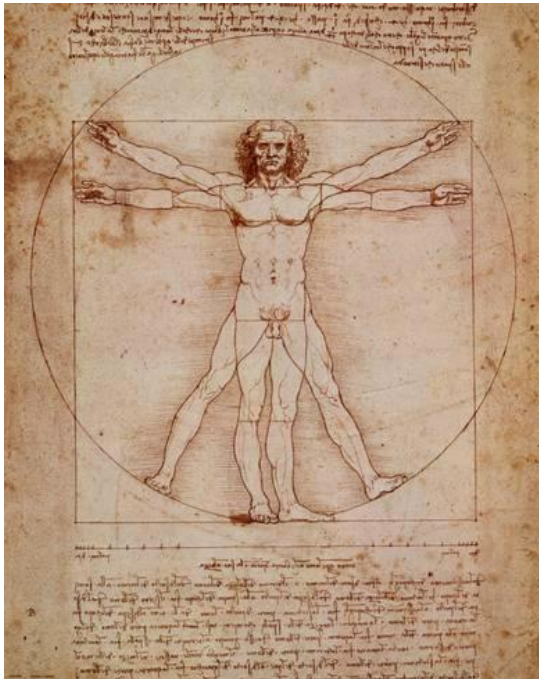
Francesco Guardi, *The Rialto Bridge with the Palazzo dei Camerlenghi*  
\$34M at Christie's



# Old Masters & European Old Masters

## 2017 Top 5 Selling Artists in Old Masters & European Old Masters Art

Leonardo da Vinci, Italy



Francesco Guardi, Italy



J.M.W. Turner, England



# Old Masters & European Old Masters

## 2017 Top 5 Selling Artists in Old Masters & European Old Masters Art

Andre Beauneveu, France



Qui Ying, China



# Canadian Context

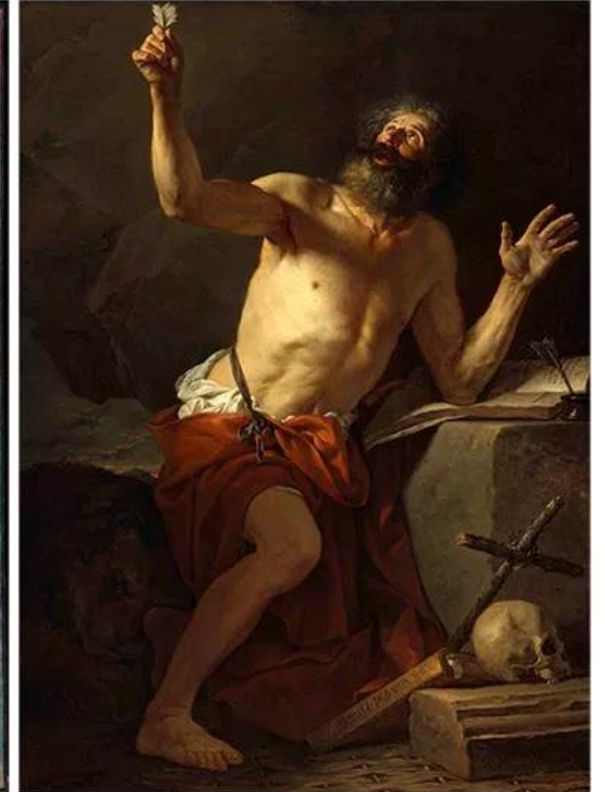
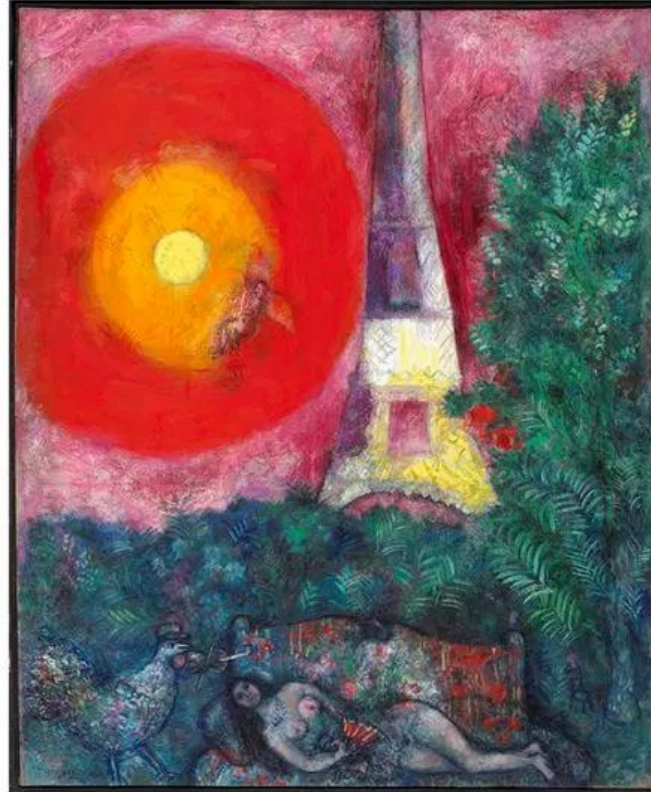
## CCPERB

- The Canadian Cultural Property Export Review Board is an independent, quasi-judicial decision-making body that reports to Parliament through the Minister of Canadian Heritage.
- Established in 1977 by the Cultural Property Export and Import Act, the Review Board determines whether cultural property is of outstanding significance and national importance with a view to protecting and preserving Canada's artistic, historic, and scientific heritage and making it accessible to the public.

# Canadian Context

## CCPERB

- The Process
- Current Issues
  - National Gallery of Canada's Chagall.
  - Blocked export of Caillebotte painting.
  - Review freeze within institutions.



**CANADA CONFERENCE**  
OCTOBER 17-19, 2018

# Deciphering Art Wealth

## How this helps prospect research?

The Economist stated that “no one will spend more than one percent of his total net worth on a single painting.” WealthX compared this statement to UHNWI in their databases and proved it to be true.

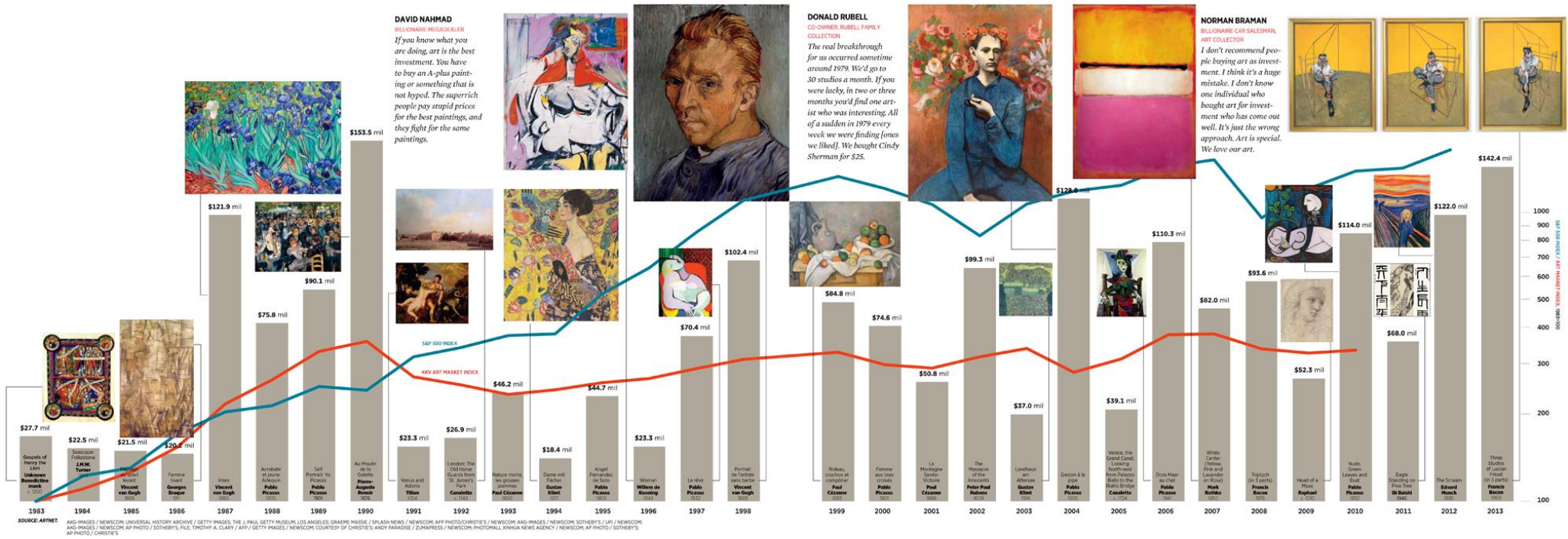
“Major Art Purchase” vs. Major Gift. Using the value of prospects’ art holdings, you can estimate a total networth.

Thus, the person who purchased Les Femmes d’Alger by Picasso last year for \$179.4M has an estimated networth of \$5B.

When ranking Major Gifts at the top of someone’s capacity the typical rule of thumb is 1-5% of total net worth. Therefore, if a piece of art is supposedly a maximum 1% of a prospect’s net worth, a prospect researcher can infer that the art purchase price would be in the range of what a prospect would be able to donate as a major gift.

The art purchase capacity  
indicates gift capacity.

# How to Determine the Value of Work



**CANADA CONFERENCE**  
OCTOBER 17-19, 2018

# Artnet – The Price Database

**Artnet** – [www.artnet.com/price-database](http://www.artnet.com/price-database)

- The Price Database is the art market research tool trusted by appraisers and aspiring collectors alike. The Price Database will show historical information related to
- Artnet's Price Database has over 2 million color-illustrated art auction records dating back to 1985. They cover more than 1,800 auction houses and 340,000 artists, and every lot is vetted by their team of multilingual specialists.

## **The Price Database**

- \$450 annually
- \$42.50 monthly
- \$32.50 daily



# Artnet – The Price Database

**FINE ART AND DESIGN** | **DECORATIVE ART**

To begin your search, enter an artist and/or auction house. ? = Roll over for help Clear All

**Artist**  ? Help  
 Include artist collaborations  
 Include modifiers (e.g. "Attributed to")

**Auction House**  ? Help  
+ Add another auction house

**Media**  
 **All Fine Art and Design**  
 Design  Installation  
 Paintings  Photographs  
 Prints and multiples  Sculpture  
 Works on paper

**Specific Medium**  
 ? Help

**Details of Work**  
**Title/Lot Description**  ? Help  
**Year of Work**  
 to   
**Size** in  inches  cm



# Artnet – The Price Database

1



[Full details](#)

1

Title	<b>Pablo Picasso</b> Tete de femme, de profil (from La Suite des Saltimbanques)
Description	**Tete de femme, de profil (from La Suite des Saltimbanques), 1905drypoint on wove paper, one of only a few early artist's proofs, aside from the edition of 28 on Japan paper and the regular edition of 250 on Van Gelder wove paper
Medium	drypoint on wove paper
Year of Work	1905
Size	Height 11.5 in.; Width 9.8 in. / Height 29.3 cm.; Width 25 cm.
Edition	aside ed. 28
Misc.	Signed
Sale of	Matsart Auctioneers and Appraisers: Wednesday, July 18, 2018 [Lot 00007] Impressionist, Modern & Contemporary Art
Estimate	60,000 - 80,000 EUR
Sold For	(69,856 - 93,142 USD) 215,250 EUR Premium (250,611 USD)

2



[Full details](#)

2

Title	<b>Pablo Picasso</b> Femme au corsage à fleurs
Description	PABLO PICASSO(Málaga 1881 - 1973 Mougins)Femme au corsage à fleurs. 1958.Li <b>More ...</b>
Medium	Lithograph
Year of Work	1958
Size	Height 25 in.; Width 19 in. / Height 63.5 cm.; Width 48.3 cm.
Edition	III/III, 36/50
Misc.	Signed
Sale of	Koller Auktionen AG: Saturday, June 30, 2018 [Lot 03625] Prints & Multiples
Estimate	70,000 - 90,000 CHF
Sold For	(70,692 - 90,890 USD) 102,500 CHF Hammer (103,514 USD)

# Blouin Art Sales Index

**Blouin Art Sales Index** - [www.blouinartsalesindex.com](http://www.blouinartsalesindex.com)

- BlouinArtinfo Corp is the preeminent global source for up-to-the-minute information and expert commentary on luxury and art.
- Website has the ability to filter only Canadian information.
- You can view Auction Previews - it will tell you the prices of pieces currently on the market and you can use this info to make assumptions on how much a piece may have cost a prospect. Curator's will also sometimes inform us if a prospect has purchased a piece. If this piece was purchased through a public auction, it's sometimes possible to find the price through these previews.

## Prices

- \$199 annually
- \$39 monthly
- \$30 day pass



# Blouin Art Sales Index

[CLEAR ALL](#)

**Find Artist** Enter an artist's first and/or last name, then click "**FIND**".

Last Name  and/or First Name

**FIND**

Next, choose an artist from the drop-down list below.

[Clear Artist Name](#)

Excluding Qualifiers (e.g. attributed to, school of)

---

**Artwork Information**

Categories

<input type="checkbox"/> Paintings	<input type="checkbox"/> Works on Paper	<input type="checkbox"/> Prints	<input type="checkbox"/> Photographs
<input type="checkbox"/> Sculpture	<input type="checkbox"/> Miniatures	<input type="checkbox"/> Lighting	<input type="checkbox"/> Glass
<input type="checkbox"/> Textile	<input type="checkbox"/> Furniture	<input type="checkbox"/> Ceramics	<input type="checkbox"/> Jewelry
<input type="checkbox"/> Metalware	<input type="checkbox"/> Other		

Medium



# Blouin ArtInfo

## Action Previews and Results

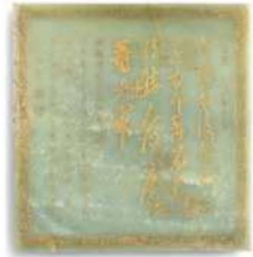


### Chinese Art from the Collection of Sir Quo-Wei Lee

BY BLOUIN ARTINFO | SEPTEMBER 15, 2018

What: Important Chinese Art from the Collection of Sir Quo-Wei Lee  
Where: Sotheby's, 5/F One Pacific Place, 88 Queensway, Hong Kong  
When...

[View Slideshow](#)



### Qianlong – Scholar and Calligrapher at Sotheby's

BY BLOUIN ARTINFO | SEPTEMBER 15, 2018

What: Qianlong – Scholar and Calligrapher  
Where: Sotheby's, 5/F, One Pacific Place, 88 Queensway, Admiralty Hong Kong, Hong Kong  
When...

[View Slideshow](#)



### Prints and Multiples at Sotheby's, London, Sep 26

BY BLOUIN ARTINFO | SEPTEMBER 14, 2018

What: Prints and Multiples  
Where: Sotheby's, 34 - 35 New Bond Street, London, W1A 2AA  
When: September 26; 10.00 am BST  
Top lots of the...

## Top Artists and Artworks: October 2017 (Paintings Category)

BY BLOUIN ARTINFO

[View Slideshow](#)



### Top Auctions and Artworks: October 2017 Analysis

BY BLOUIN ARTINFO | SEPTEMBER 14, 2018

The auctions (249) held in October 2017 recorded total sales of \$1.04 billion (including buyer's premium). While the top three...

[View Slideshow](#)



### Top Artists in October 2017

BY BLOUIN ARTINFO | SEPTEMBER 14, 2018

All auctions (total no: 249) held in October 2017, recorded a total sale of \$1.04 billion (inclusive of buyer's premium) where...

[View Slideshow](#)

# Larry's List

**Larry's List** – [www.larryslist.com](http://www.larryslist.com)

- Larry's List is the world's leading guide on the international art collector scene. Larry's List contains over 3,400 of the world's most prominent and also less known art collectors, providing information on them that you will hardly find elsewhere.

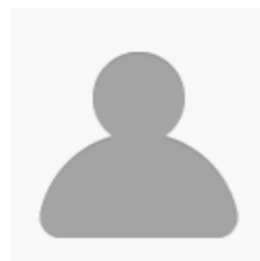
## Prices

- \$79 1 week trial
- \$189 3 months
- \$589 1 year

# Larry's List

Displaying **197** Search Results For **Pablo Picasso (Artist)**  
**149** contain contact details

Collector ↕	Ranking ↕	Contact ↕	Collection ↕	
<b>Richard Gray</b> Chicago, United States	203(2772)	✓	✓	>
<b>Leslie H. Wexner</b> Aspen, United States	516(1141)	✓	✓	>
<b>Abigail Wexner</b> New Albany, United States	516(1141)	✓	✓	>



**Richard Gray**  
Chicago, United States

**Ranking** 203 (2772)  
**Contact** ✓  
**Collections** ✓

**Category, Genre or Stylistic period:**

Abstract Expressionism & Art Informel, Cubism, Expressionism, Impressionism, 19th Century, Old Masters, Neo-Impressionism & Pointillism, Modern & 20th Century, Post-War & Contemporary Art, Post-Impressionism, Figurative Art

**Last update** 11/2014



**CANADA CONFERENCE**  
OCTOBER 17-19, 2018

# Working with Gift Officers

**Now that you understand a bit about the art market, encourage your gift officers to share collection information with you!**

- Encourage your gift officers to note art work when visiting a prospects house.
  - Try to find out:
    - Their collecting areas
    - The artist's name
    - The art work's provenance
  - Have them note:
    - Quantity
    - Quality



# Key Indicators

**Now that you're working closely with your gift officers to understand your prospect's art collections, what key indicators should you look at?**

- Deceased established artists.
  - Their work has already value attached to it.
- Mid-level living artists.
  - If these artists are being actively exhibited, this is an indication that their work will appreciate.
- Emerging Artists
  - Not a high capacity indicator.
  - If a prospect indicates that they invest in emerging artists, this is more of a passion project. The barrier to entry is so high that many emerging artists end their careers prematurely, not allowing their body of work to appreciate within the market.



# Questions?



# Thank you!

Cristina Naccarato

Assistant Manager, Prospect Research Strategy & Development

AGO - Art Gallery of Ontario

[Cristina.Naccarato@ago.ca](mailto:Cristina.Naccarato@ago.ca)