

Art Agency, Partners

Art Agency, Partners is a bespoke art advisory firm founded in 2014, and built upon decades of combined experience, to provide counsel to many of the world's leading art collectors and institutions on collection assessment and development, estate planning, and innovative approaches to museum giving and growth.

Looking Back...

A 2019 market analysis



Sir Peter Paul Rubens, *Head of a Young Man Wearing Armour* (c. 1614-15)

By  Michael Klein

head of Sotheby's Mei Moses

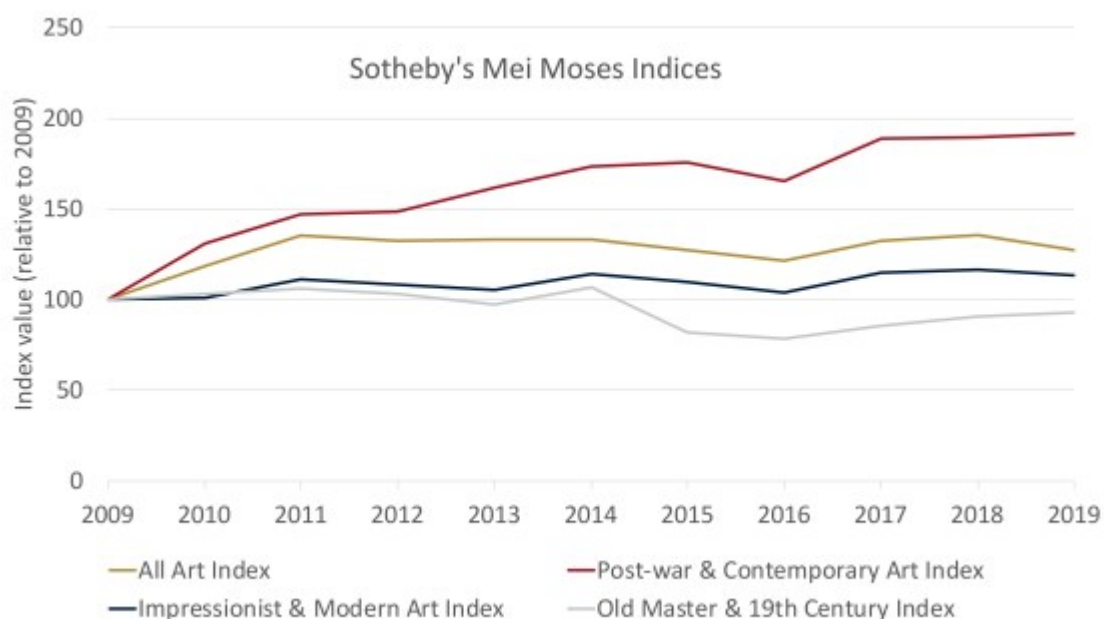
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In times of uncertainty it can be helpful to look back in order to imagine what might lie ahead. We went through repeat sales of individual works of art at auction in 2019 to see what the main recent trends were.

Following a record high in 2018, the [Sotheby's Mei Moses All Art Index](#), which tracks the art market using sales of works that have appeared at auction more than once, was down 5.9% in 2019. Despite this decline, there were areas of real growth, particularly for contemporary and Old Master art (up 1.1% and 4.6% from 2018 respectively). Meanwhile, prices for works by African American and female artists both reached record levels.

Thinner supply at the top

More works of art were sold in 2019 than the previous year, but they collectively sold for less because there were fewer works offered and sold at the higher end. In total, a staggering 40.5 million works were sold in 2019, a 1.8% increase from 2018, according to the recent [Art Basel and UBS Global Art Market Report 2020](#). The overall value of works sold was \$64.1bn, which represented a 5.2% decline from 2018—though it remained 2.4% ahead of the \$62.4bn annual average from 2010-2019.



Graph by Michael Klein showing growth and decline in repeat sale revenue across categories

The simplest explanation for the decline was simply that fewer works sold at the top end, which saw a 35% reduction in the number of works sold for more than \$10m. Last year was not one full of estates, which meant that the auction houses had to put sales together lot-by-lot (so, the results are actually encouraging since they suggest the houses were managing the market well).

Before coronavirus hit, 2020 was set to be a bumper year in terms of supply, with some of the best estates coming to market. All of that is on hold until later in the year while the world remains in lockdown.

Contemporary rules the roost



Georg Baselitz, *Adler (Eagle)* (1982), which sold at Christie's London in October for £2.9m © Georg Baselitz 2020

Nonetheless, the 5.9% decline of the Sotheby's Mei Moses All Art Index suggests that the lack of supply at the top end of the market is not the only culprit, and that demand was also lower in some areas, including traditional Chinese works of Art, American, Latin American, and British paintings. The Sotheby's Mei Moses Impressionist & Modern Art Index was down slightly as well, by 2.8% from its record high in 2018, and in line with 2017.

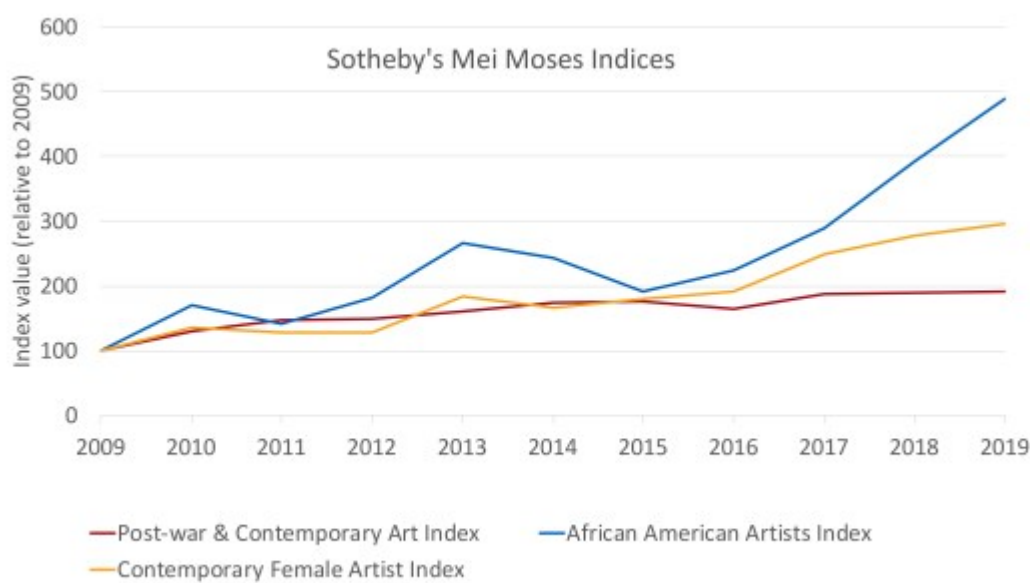
Contemporary—the largest selling category by value—continued its trend of positive price growth. The Sotheby's Mei Moses Post-war & Contemporary Art Index grew 1.1% from 2018, continuing a nearly uninterrupted expansion, with prices increasing almost every year since 2009.

There were examples of substantial price growth, including [Jean-Michel Basquiat's *Pyro*](#) (1984) which sold at Sotheby's London in October for £9.9m (\$12.1m), which represented an 18% compound annual return (44.7 x growth) since its last public auction in 1996, when it sold for £221,000 (\$353,000), also at Sotheby's London. An example of quicker price appreciation was the sale of [Georg Baselitz's *Adler \(Eagle\)*](#) (1982) which sold at [Christie's](#) London in October for £2.9m (\$3.6m, est. £2.2m-£2.8m/\$2.7m-\$3.5m), a 25.3% compound annual return (2.2 x price growth) since its most recent sale in 2016.

Diversity dividend

One of the most notable developments in the art market in recent years has been the increasing demand for art created by artists who had been historically overlooked, especially female artists and African American artists.

Prices for works by female artists reappearing at auction have grown far more rapidly than those for works by men, as we documented in *In Other Words* last year in the edition “[The Market for Female Artists—Where do They Outperform Men?](#)”. We found that in the half-century before 2012 prices for art by men and women increased in value roughly in tandem. But between 2012 and 2018 work by female artists rose in value by an average of 72.9%, while art by male artists rose in value by only 8.3%. Possible explanations include changing preferences, market recontextualizations, the dwindling supply of “superstar” lots, and the fact that the pool of female artists is smaller, so the stats look different.



Graph by Michael Klein showing the “diversity dividend”

And, despite the decline of the overall art market in 2019, the Sotheby’s Mei Moses Female Artist Index was up 13.5% year on-year. There was more growth for non-contemporary female artists (18.6%) than contemporary (6.7%), though notable exceptions included the sale of [Ruth Asawa’s *Untitled \(S.387, Hanging Three Separate Layers of Three-Lobed Forms\)*](#) (c. 1955), which sold at Christie’s New York in November for \$4.1m (est. \$700,000-\$900,000), realizing a 51.5% compound annual return (27 x growth) since its previous auction in 2011.

Meanwhile, the market for African American artists has grown even more rapidly. Bearing in mind that repeat auction sale data is limited—most work by African American artists to come to auction was appearing for the first time, a fact that points to how overlooked these artists have been for so long—the Sotheby’s Mei Moses African American Artist Index was up 24.7% year-on-year. One notable repeat auction sale was [Barkley L Hendricks’s *Yocks \(1975\)*](#), which sold at Sotheby’s New York in May for \$3.7m (est. \$900,000-\$1.2m) and set a new record for the artist after selling two years previously for \$900,000 (est. \$300,000-\$400,000) and a 3 x growth multiple.

Old Masters pile on the pounds

At the other end of the history books, the Sotheby’s Mei Moses Old Master & 19th-Century Art Index was up 4.6% in 2019 from 2018, as the category completed a third consecutive year of price appreciation. One of the most significant repeat auction sales was [Rubens’s *Head of a Young Man Wearing Armour*](#) (c. 1614-15), which sold for £3.1m (\$3.9m, est. £2.5m-£3m/\$3.1m-\$4.4m), realizing an 11.9% compound annual return (10.8 x growth) since it was last auctioned in 1997. As with everything in the market, quality sells and supply is (almost) everything.

Faring less well, the largest decline of the Sotheby’s Mei Moses category indices in 2019 was for the Sotheby’s Mei Moses Traditional Chinese Works of Art Index, which was down 19.8% year on-year. This took place against the backdrop of the US-China trade war and the lowest growth rate of the Chinese economy since 1990 (6.1% of GDP).

