THE ART BASEL & UBS

ART MARKET REPORT 2025

BY

ARTS ECONOMICS

Art Basel | UBS

Welcome to The Art Basel and UBS Art Market Report 2025 by Arts Economics

Publisher
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Acknowledgements

The Art Market 2025 presents the findings of research on the global art and antiques market in 2024. The information presented in the report is based on data gathered and analyzed by Arts Economics (artseconomics.com) from dealers, auction houses, collectors, art fairs, art and financial databases, industry experts, and others involved in the art trade. (The Appendix offers an outline of the main data sources used in the report.)

To analyze the market, a critical part of the research every year is the survey of art and antiques dealers around the world. I would like to sincerely thank all of the individual dealers who have continued to make this research possible by taking the time to complete the survey. I am very grateful also to the many dealer associations in different regions who distributed the survey to their members and played a vital role in ensuring their support. Thanks to Miho Doi and The Agency For Cultural Affairs for help with promoting the survey in Japan. Many thanks to Erika Bochereau of CINOA (Confédération Internationale des Négociants en Oeuvres d'Art) for her continuing support. I am also very thankful to Art Basel for distributing the survey to exhibitors and to ArtLogic for promoting it within their gallery network. My special thanks also goes to those dealers who shared insights and opinions on the art market directly with me through interviews and discussions by phone and in person during the year.

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Dr. Clare McAndrew
Arts Economics

Foreword by Art Basel

The global art market faced continued headwinds in 2024, with sales declining by 12% to an estimated $57.5 billion. This downturn, now in its second consecutive year, reflects ongoing geopolitical tensions, economic pressures, and shifting buyer behaviors that have reshaped market dynamics in the post-COVID-19 period.

The ninth edition of *The Art Basel and UBS Global Art Market Report,* authored by Dr. Clare McAndrew, Founder of Arts Economics, offers a comprehensive analysis of these complex market conditions while providing crucial insights into emerging patterns and opportunities within the global art ecosystem.

While the headline figures show contraction across both dealer and auction sectors – especially at the high end of the market, which eased further for a second consecutive year, there are notable signs of resilience and adaptation. Despite the fall in aggregate value, the volume of sales grew by 3% in 2024, highlighting increased activity at more accessible price points. Smaller dealers with turnover of under $250,000 experienced significant growth of 17%, and the online segment, though down from pandemic peaks, maintained a stable 18% market share – more than double pre-pandemic levels. Double-digit growth in private sales activity at the major auction houses also bucked the downward trend in the sector and highlights how the public and private sales landscape is currently being remapped.

Art fairs, meanwhile, continued their critical role in market connectivity, with 31% of dealer sales occurring through these channels, and serving as vital hubs for collector engagement and discovery. The increase in the share of fair sales from 2023 underscores their enduring value, particularly for international connections, with the overseas fair share rising by 2%. This resilience highlights the importance of in-person viewing and community-building that fairs foster. Complementing these physical gatherings, online channels continued their evolution as important sales tools, with dealers' own digital platforms driving 17% of sales value and creating a powerful omnichannel approach that expands market reach while preserving the centrality of direct engagement.

Looking ahead to 2025, there is cautious optimism within the market as buyers and sellers calibrate the terrain and reorient themselves to opportunities across the global landscape. Against this backdrop, we remain more committed than ever to providing unparalleled platforms for artistic excellence and market opportunity across our global portfolio of fairs and activities. One particularly exciting new initiative launching this year that speaks directly to this is the Art Basel Awards, which will honor 12 Gold Medalists via a peer-driven review process across the art ecosystem. We look forward to rolling this out in 2025 as we further nurture the future of contemporary art through meaningful recognition and support.

On behalf of Art Basel, I extend my deepest gratitude to Dr. Clare McAndrew for her rigorous research and analysis, to our partners at UBS for their invaluable collaboration, and to the global community of galleries, collectors, and artworld professionals whose participation makes this authoritative study possible.

Noah Horowitz
CEO, Art Basel

Foreword by UBS

The year 2024 saw an evolution in the art market that arguably marks a turning point in the culture of collecting. Wealthy collectors are taking more time to research and reflect, and when they purchase, they do so with specific intentions.

Collecting behaviors parallel broader societal and economic shifts, such as the ongoing Great Wealth Transfer. According to the latest *UBS Global Wealth Report,* an estimated USD 84 trillion is set to change hands over the next two decades. The generational shift is already driving changes in the art market, with younger collectors increasingly driven by personal values and a desire to make meaningful impact. Our 2025 research on next-generation philanthropists identifies future trends driving impact that include a focus on digital, impact returns, a hands-on approach, environment, and social justice, which may play a role in the future art market. Additionally, growth in specific industries, such as technology and industrials, is attracting newcomers.

Economically, 2024 was a year that saw the world's most prosperous nations leave inflationary territory to arrive at balanced growth. Yet markets in 2025 face challenges, notably the rise of economic nationalism and political uncertainty. Trade protectionism, restrictions on labor movement, and barriers to capital flows are potential obstacles to growth, introducing volatility that could erode the foundations of growth, affecting the art market and collectors' confidence.

Despite challenges in certain sectors, the art market remains resilient. Easing inflation, stable stock markets, and lower interest rates, offer welcome developments.

At UBS, we are proud to support the art world through our steadfast collaboration with Art Basel and Dr. Clare McAndrew, Founder of Arts Economics, to co-publish leading research into the art market. Since 2017, we have been at the forefront of co-presenting insights into the evolving dynamics of the art market, aligning our expertise in economic analysis with our passion for art. By fostering a deeper understanding of the trends shaping the art world today, we hope to empower collectors—both seasoned and new—to make art collecting a craft of passion.

Christl Novakovic
Head UBS Global Wealth Management EMEA
Chair of The UBS Art Board
UBS, Global Lead Partner of Art Basel

IMAGE Detail of a work by Vik Muniz, presented by Ben Brown Fine Arts in the Galleries sector at Art Basel Hong Kong 2024

1.
THE GLOBAL ART MARKET 2024

Key Findings

1. Sales in the global art market declined by 12% in 2024 to an estimated $57.5 billion. After a strong post-pandemic recovery up to 2022, this marked the second year of slowing sales, with the main drag on growth being the high end of the market which thinned out significantly in 2023 and 2024, creating lower aggregate values, despite stronger sales in some lower-priced segments.

2. Despite the drop in value, the number of transactions grew by 3% to 40.5 million in 2024. The ongoing expansion of sales in the market in the last two years reflected greater activity in the lower-priced, more affordable segments for both dealers and auction houses, which continued to gain momentum as price records and high-end sales slowed.

3. Both dealer and public auction sales fell in 2024, with values declining by 6% and a sharper 25%, respectively. Private sales by auction houses countered the trend, advancing by 14% year-on-year.

4. The US maintained its position as the leading art market worldwide, accounting for 43% of global sales by value, an increase in share of 1% year-on-year. The UK regained its position as the second-largest market with 18% (up by 1%), while China (including Mainland China and Hong Kong) fell by 4% to third place with 15%.

5. After having one of the strongest recoveries of all markets, sales in the US declined by 9% to $24.8 billion in 2024, as political uncertainty surrounding the contentious presidential elections and other factors contributed to continued slowing at the top of the market. This was its second year of falling values following a 10% decrease in 2023 but remaining 18% above the pandemic-induced low of 2020.

6. Sales in the UK reached $10.4 billion in 2024, down by 5% year-on-year, but reclaiming second position globally due to the poorer performance of sales in China. Like the US, the UK market experienced cooling in the high-priced segments, leaving it 15% below its pre-pandemic size in 2019, though still 5% above 2020 values.

7. After a fall of 14% in 2022 during strict COVID-19-related lockdowns, sales in China rallied against the declining trend in 2023, increasing by 9% to an estimated $12.2 billion. However, this uplift proved temporary, and against a backdrop of slower economic growth, a continuing property market slump, and other economic uncertainties, the art market experienced a sharp drop of 31% to $8.4 billion in 2024, the lowest level since 2009.

8. Most major European markets experienced slowing sales, with France declining by 10% to $4.2 billion, though maintaining a stable 7% share of global sales and its position as the fourth-largest market worldwide. Overall, EU sales fell by 8% year-on-year to $8.3 billion. Asian markets showed varied performance, with South Korea decreasing by 15%, while Japan notably bucked the trend with 2% growth year-on-year.

9. Online sales declined by 11% to $10.5 billion in 2024, lower than the last four years but still 76% above pre-pandemic 2019. The share of e-commerce out of total art market sales was stable year-on-year at 18%, below the peak of 25% in 2020 but double the share of 2019 or any year prior to that.

1.1 Overview of Global Sales

Sales in the global art market fell by 12% year-on-year in 2024 to an estimated $57.5 billion, with declining aggregate values in both the dealer and auction sectors and in all of the largest art markets. After two strong years of growth following the COVID-19 pandemic in 2020, sales in the global art market began to slow in 2023 and continued to decline in 2024, with aggregate values falling despite a stable volume of transactions. The main drag on growth has continued to be the high end of the market which thinned out significantly over the last two years, creating lower aggregate values, despite stronger performance in sales in some lower-priced segments.

2024 presented a year of continuing geopolitical tensions, economic volatility and trade fragmentation. Some markets had stubbornly high inflation, higher-for-longer interest rates, and other region-specific issues that continued to weigh on the sentiment and plans of buyers and sellers. Across all industries, macroeconomic pressures and inflation promoted greater price consciousness among consumers, shifting preferences and spending patterns, even for those whose discretionary spending budgets were less directly affected. In luxury, fashion, and related industries, many consumers focused on value-for-money categories and experiences over high-priced or extravagant nonessential goods, which filtered down into more cautious and lower spending.[1] The art market was not exempt from this, with robust activity at lower levels but more reserved spending at higher price points. Contentious elections in some of the major art markets in 2024, and the uncertainty that prevailed concerning their social and political implications, also led to a wait-and-see approach by some vendors in the secondary market, reducing the number of major works onto the market, with consequential challenges related to supply even where demand was strong.

Looking back over the last few years, sales of art and antiques fell by 22% to $50.3 billion in 2020 in the difficult context of the COVID-19 pandemic, their lowest point since the global financial crisis in 2009, and faring worse than some other consumer industries due to the market's reliance on events and in-person services. However, underlining the market's resilience in these challenging circumstances, sales bounced back quickly in 2021, with a healthy supply of high-end works coming onto the market to feed pent-up demand, and the return of live events and exhibitions. Sales reached $66.1 billion, an increase of 31% year-on-year from 2020, restoring values to beyond their level before the pandemic. Growth continued in 2022, reaching a peak of $68.1 billion, but the trajectory was slower

1 McKinsey (2025) noted a drop of between 5% and 7% in personal luxury spending in China, while Europe and the US were stagnant, ranging between 0% and 3%. See McKinsey (2025) *The State of Luxury: How to Navigate a Slowdown*, available at mckinsey.com. Bank of America (2024) also reported strong durable goods spending in the US, but a reduction in big-ticket purchases over value-based goods and experiences. See Bank of America (2024) *Will Home Equity Make Consumer Spending More Durable?* available at institute.bankofamerica.com.

and more uneven as the market adjusted, and performance began to diverge between different geographical and value segments. While sales continued to expand in the major hubs of the US and the UK, COVID-19-related lockdowns in China throughout the year stalled the market's progress, limiting the uplift in worldwide values. Globally, sales of the highest-priced works were the driver for growth, while other parts of the market were flat or in decline.

In 2023, growth stalled and some of the key trends in the market's recovery changed direction. While there were still multimillion-dollar sales occurring worldwide, supply at the high end was significantly tighter, with more activity and growth in lower-priced segments. As sales at the top of the market slowed, the major hubs where they happen, such as the US and the UK, started to show lower aggregate growth. The newly reopened Chinese market was the only major region to show an uplift, mostly due to the sale of inventories from auctions postponed from the previous year. This mixed performance between regions and segments created flatter changes in aggregate values, with the poorer performance of the high end pushing the market's overall value down by 4% to $65.2 billion. In 2024, the weakness at the top of the market persisted, alongside a wider base of lower-priced transactions. However, without the temporary uplift from China, the effects on the aggregate value of the market were more pronounced and sales fell to just under $57.5 billion, still 14% above 2020, but down by 16% from their recent high point in 2022.

During other market slowdowns such as the global financial crisis in 2009, the double-digit declines in value came alongside a fall in transactions, with lower-value levels of the market bearing much of the weight of the contraction, as risk-averse buyers anchored on the perceived safety of high-end, established works in a 'flight to quality'. However, this has not been the case for the last two years, with the retreat in sales being at the high end where volumes are much thinner, with relatively robust activity at lower levels of the market.

Despite the decrease in value, the number of transactions grew in 2024 by 3% to 40.5 million. The volume of transactions fell by 23% to 31.4 million during the pandemic in 2020, but increased by 19% in 2021, and again marginally by 1% in 2022, and by 4% in 2023 to 39.4 million. The persistent growth in both 2023 and 2024 reflected greater activity in the lower-priced, more affordable segments for both dealers and auction houses, which continued to gain momentum as price records and high-end sales slowed. The four-year period of post-pandemic growth in volumes has also been driven by the acceleration in the digitization of the market, with the expansion of online sales allowing the market to increase the volume of transactions, although most of this activity has remained at relatively lower prices.

Figure 1.1 Sales in the Global Art Market 2009–2024

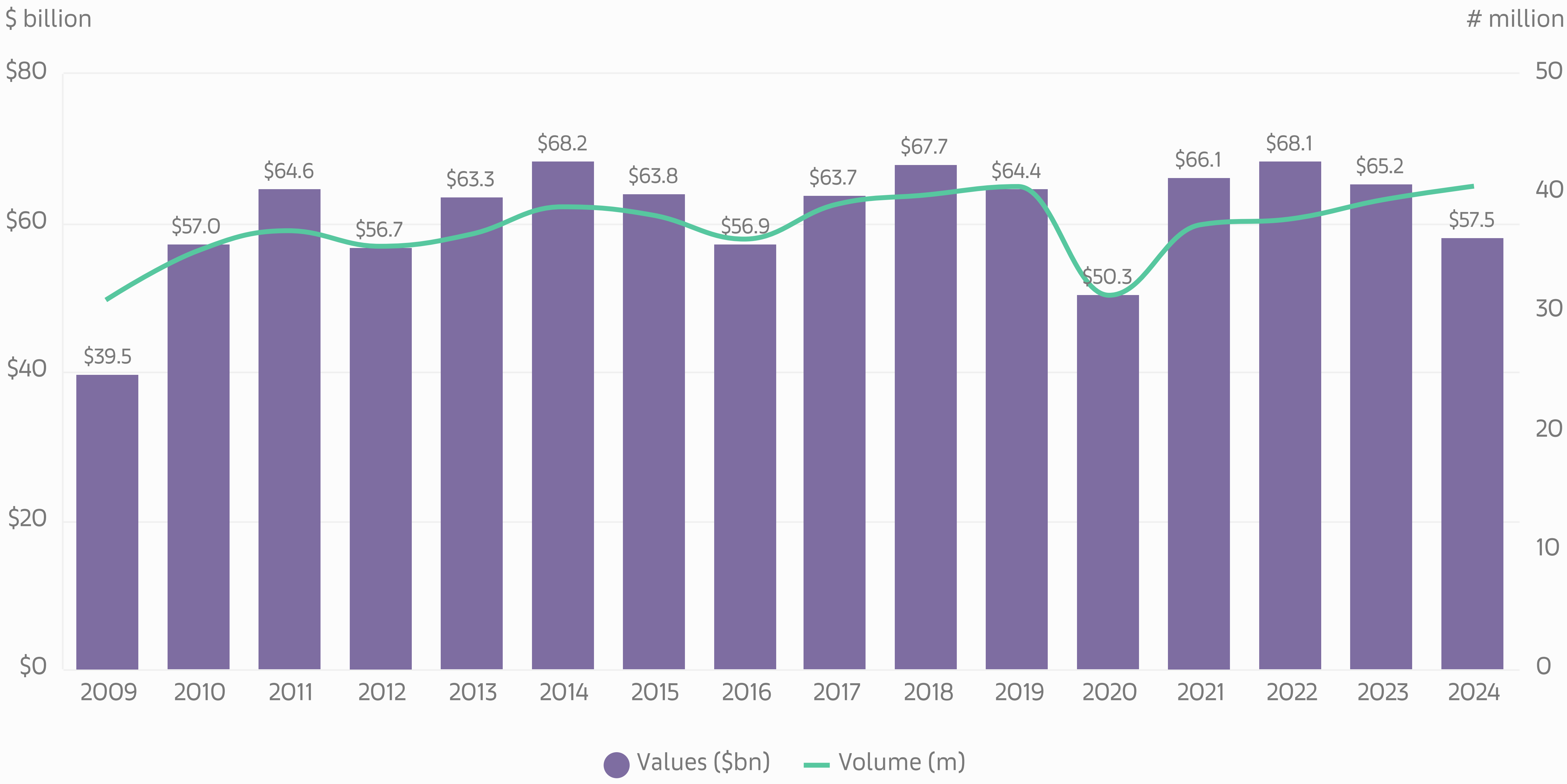

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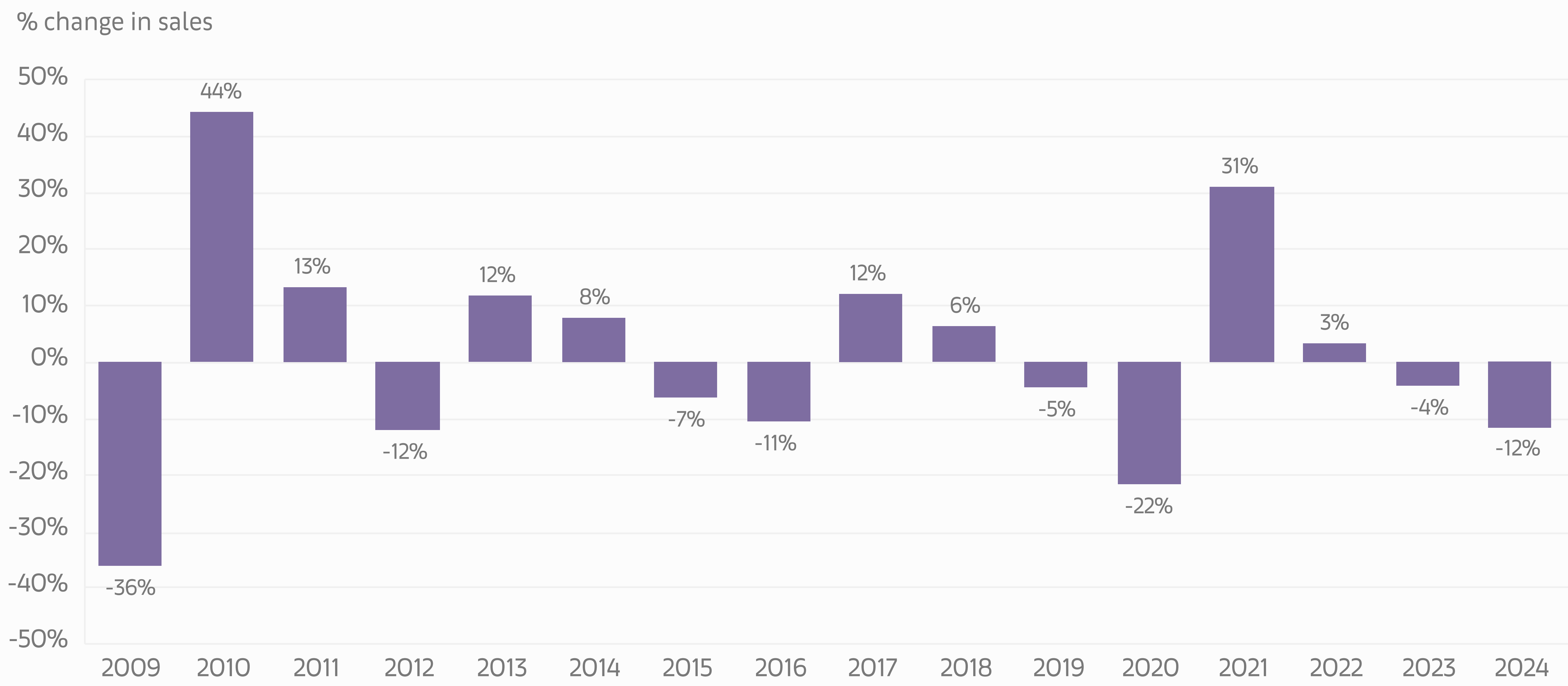
Figure 1.2 Annual Growth in Sales by Value in the Global Art and Antiques Market 2009–2024



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While aggregate sales in the dealer and public auction markets both declined in 2024, one channel that went against this trend was private sales by auction houses, which advanced by 14% year-on-year. Sales growth between the market segments has varied over the last few years, with notable differences between auction houses and dealers (with dealers covering both the primary and secondary markets, and auction houses both public and private sales).

In more volatile or uncertain periods when the market is perceived as being less buoyant, private sales – whether through a dealer or an auction house – have often outperformed public auctions, as sellers opt for private transactions with greater control and flexibility over pricing and schedules, while keeping the details and level of demand out of the public domain. At the top of the market, where value ranges are relatively well established, it is possible for buyers and sellers to agree a fair price privately without needing the price discovery function of the public auction market. When markets are rising or there is a perception of it being a good time to sell, on the other hand, consignors are more easily enticed to sell at public auctions where prices and returns can be higher than normal, with the possibility of better-than-anticipated returns when demand is strong and bidding is more competitive.

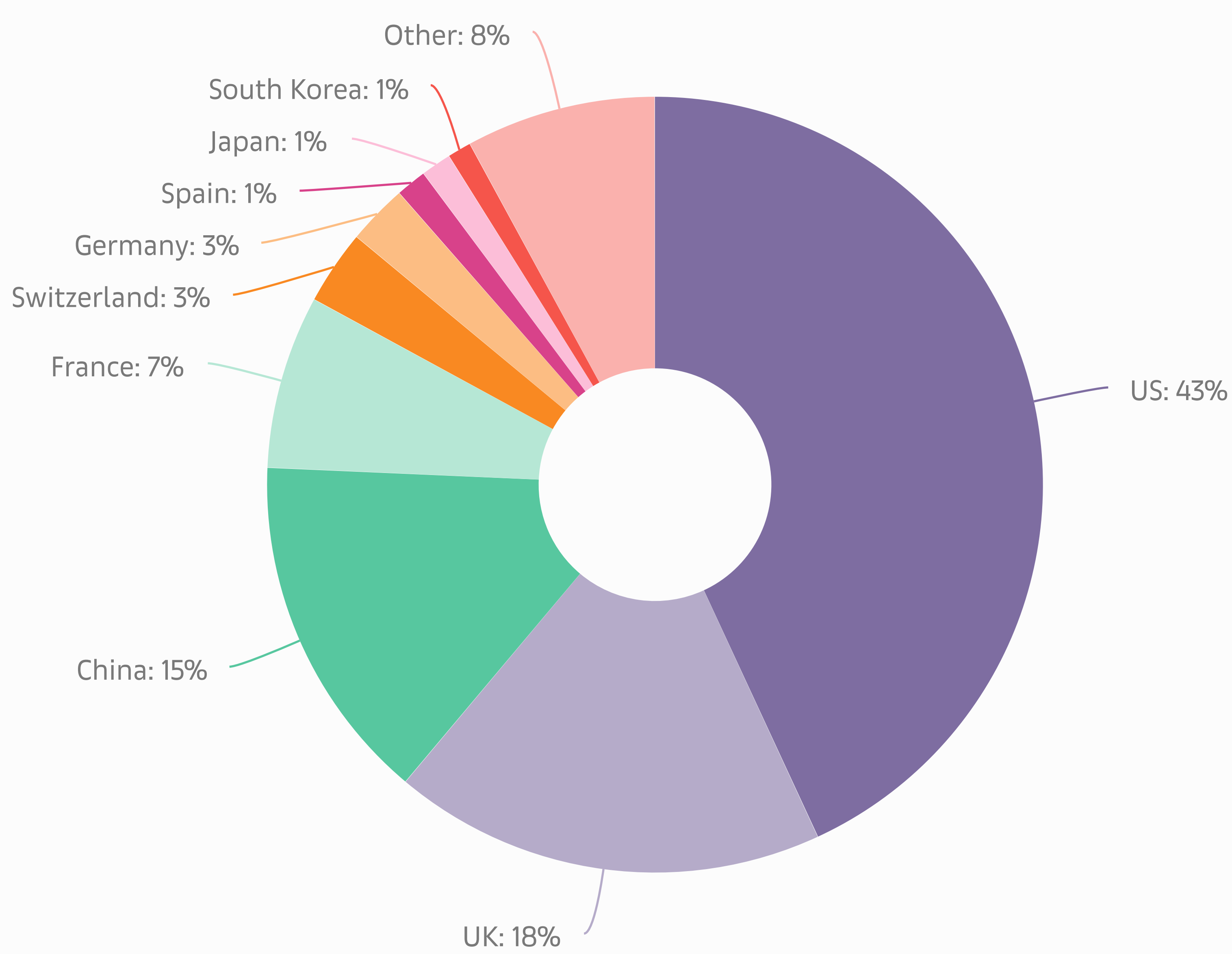
Auction house's private sales have gone against the trend in other years, too. The pandemic created unforeseen challenges for all parts of the market in 2020, and both dealer and public auction sales decreased. However, auction houses were more successful at selling privately, with values rising by over 40%. As the market bounced back in 2021, the more optimistic outlook helped values grow across all channels, with public auction sales showing the strongest uplift year-on-year, increasing by 50% as against 18% for dealers. In 2022, an uncertain political and economic context created a slower public auction market overall, with exceptions at the top of the market as buyers focused on works by low-risk and established artists, while dealers maintained a slower but positive momentum. In 2023 and 2024, both public auction and dealer sales decreased, although the decline in auctions was more pronounced. Auction house private sales, on the other hand, grew in both years, advancing by just 2% in 2023, but with a much higher uplift of 14% in 2024 (see Chapter 3).

Combining all sales of auction houses (both private and public), the auction sector accounted for around 41% of total sales by value in 2024, down by 4% on 2023, while the share of dealers and galleries (including all online and offline retail sales of art and antiques in the primary and secondary markets) was 59%. As always, the division between public and private sales varied widely between different regions and sectors. Chapters 2 discusses the dealer and gallery sector based on surveys and other research, and Chapter 3 provides a detailed analysis of auction sales in 2024.

1.2 Regional Market Performance

Despite the increasing globalization of the art market over the last 30 years, sales by value were still dominated by the three largest markets – the US, the UK, and China – with a combined share of 76% in 2024. Although still a substantial majority, this share fell by 1% year-on-year, and was the lowest in 10 years, as China lost ground and other parts of the market in Asia and elsewhere have continued to expand.

Figure 1.3 Global Art Market Share by Value 2024[2]



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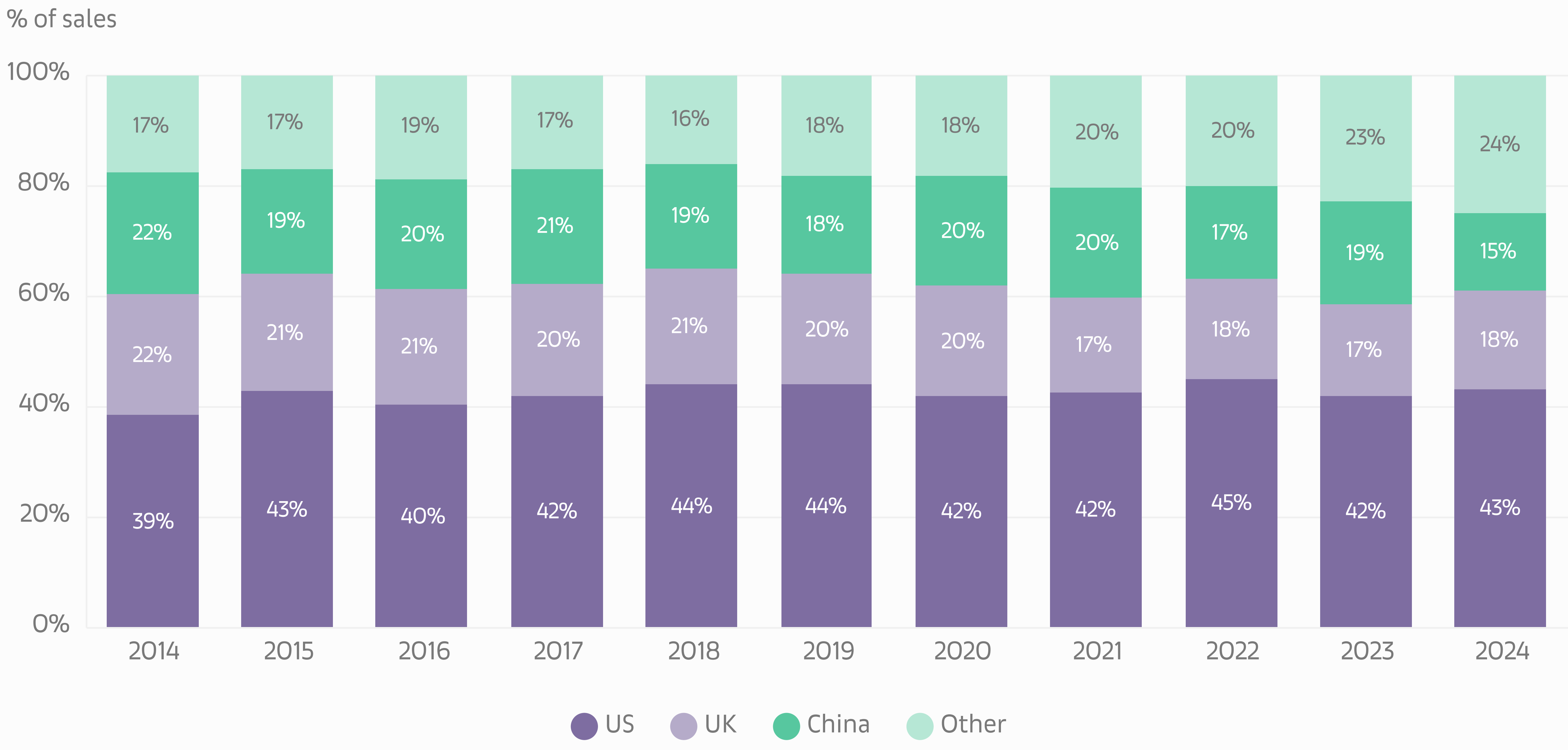
2 Percentages presented throughout the report are rounded and reported to their nearest integer (apart from those less than 0.5%). In some cases, therefore, the integers in charts do not sum to 100% (but sum to 99% or 101%) due to rounding.

Figure 1.4 Global Art Market Share by Value of the US, the UK, and China 2014–2024



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The US remained the leading global art market, accounting for 43% of sales by value, up by 1% in share year-on-year. The market lost one-quarter of its value during the pandemic in 2020, but had one of the strongest recoveries of all the major art markets, with values increasing by 34% over 2021 and a further 8% in 2022 to reach a record high of $30.2 billion. The strength of the high end of the market in these recovery years helped to drive growth, with the US remaining the key center worldwide for sales of the highest-priced works. This included major sales in 2022 such as the $1.6 billion Paul Allen sale at Christie's in New York, with six works of art sold for over $100 million at auction.

However, with fewer of these record-priced works coming onto the market in 2023, sales declined by 10% to $27.2 billion. Against a backdrop of uncertainty surrounding the highly contentious presidential election at the end of 2024 and its economic and social implications, the slowdown at the top of the market continued, with a further fall of 9% overall to $24.8 billion in 2024. While this was still 18% up on the recent low in 2020, sales were 12% down on their 2019 level. While many dealers and auction house experts commented on the negative effects on sales created by the uncertainty prior to the US election, some also noted that, regardless of the outcome, this anxiety had at least been resolved to a certain extent, with signs of recovery at the higher end late in the year, with some wealthy collectors hopeful for more favorable tax positions. However, whether this optimism is justified remains to be seen, given that the new administration has already flagged the closure of certain tax loopholes that might negatively affect the net wealth of some high-net-worth individuals (HNWIs).[3]

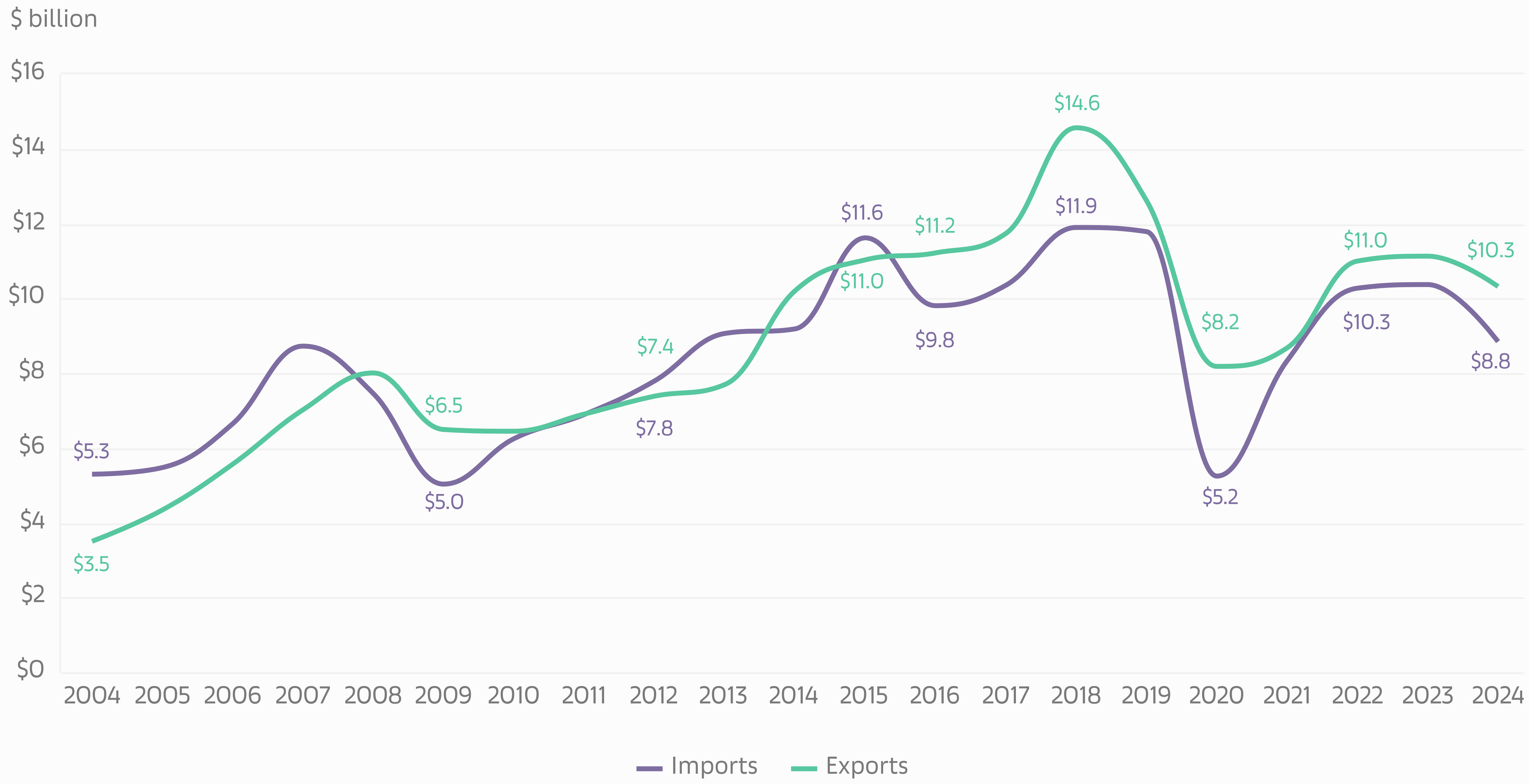
Despite the decline over the last two years, the US has been one of the strongest performing markets of the past 20 years (with sales values up by 61% since 2005) and helped drive the market's recovery both following the pandemic in 2020 and in the contraction during the global financial crisis of 2009. The US remains the largest global hub for the art trade and the center for sales of the highest-priced works to local and international buyers. It therefore depends critically on the relatively unencumbered flow of art and antiques into and out of the market through cross-border trade. Therefore, a new element of concern for the market is the protectionist, anti-trade policies that have been introduced by the incoming government, with a range of tariffs already announced in early 2025.

Like other global market hubs, sales in the US are fueled by imports of art and antiques, and after falling dramatically during the pandemic, these doubled in value from their low point of $5.2 billion in 2020 to $10.3 billion in 2022. However, since then, imports have already seen more subdued growth, advancing by just 1% to $10.4 billion in 2023, before a substantial fall of 15% in 2024 to $8.8 billion, leaving them down by 25% on pre-pandemic 2019 and by 4% on 10 years previous in 2014. Similarly, after a post-pandemic revival in 2021 and 2022, exports were stagnant in 2023 and fell by 7% to $10.3 billion in 2024, also down by 18% on 2019 and roughly at the same level as 2014.

While much of the focus for other industries has been on possible tariffs that might be applied on trade with China, these make up a relatively small share of US imports of art and antiques, accounting for just 1% of total values in 2024. However, China is more important for exports, with a 13% share by value in 2024 (the fourth-largest destination market). The US's largest bilateral trade partners remain the large and mid-sized art markets in Europe, with France, the UK, and Germany accounting for 56% of imports and 41% of exports in 2024, positioning these markets as the most at risk if tariffs are raised. However, any anti-trade policies for imports or exports are potentially damaging to the US art market, which has built its leading position as a key hub for the art trade by relying on both international buyers and sellers of art to complement its sizeable domestic base. (US tariffs and their implications for the art market are discussed in the legal analysis in Exhibit 1.)

3 For example, the Trump administration announced in February 2025 that it planned to end the 'carried interest loophole' which allowed favorable tax treatment of certain compensation received by private equity, venture capital, and hedge-fund managers, which some in the art trade feared might affect collectors and donors. The previous Trump administration also closed the 1031 or like-kind exchanges in 2017 which were widely used by collectors to reduce capital gains tax.

Figure 1.5 US Imports and Exports of Art and Antiques 2004–2024

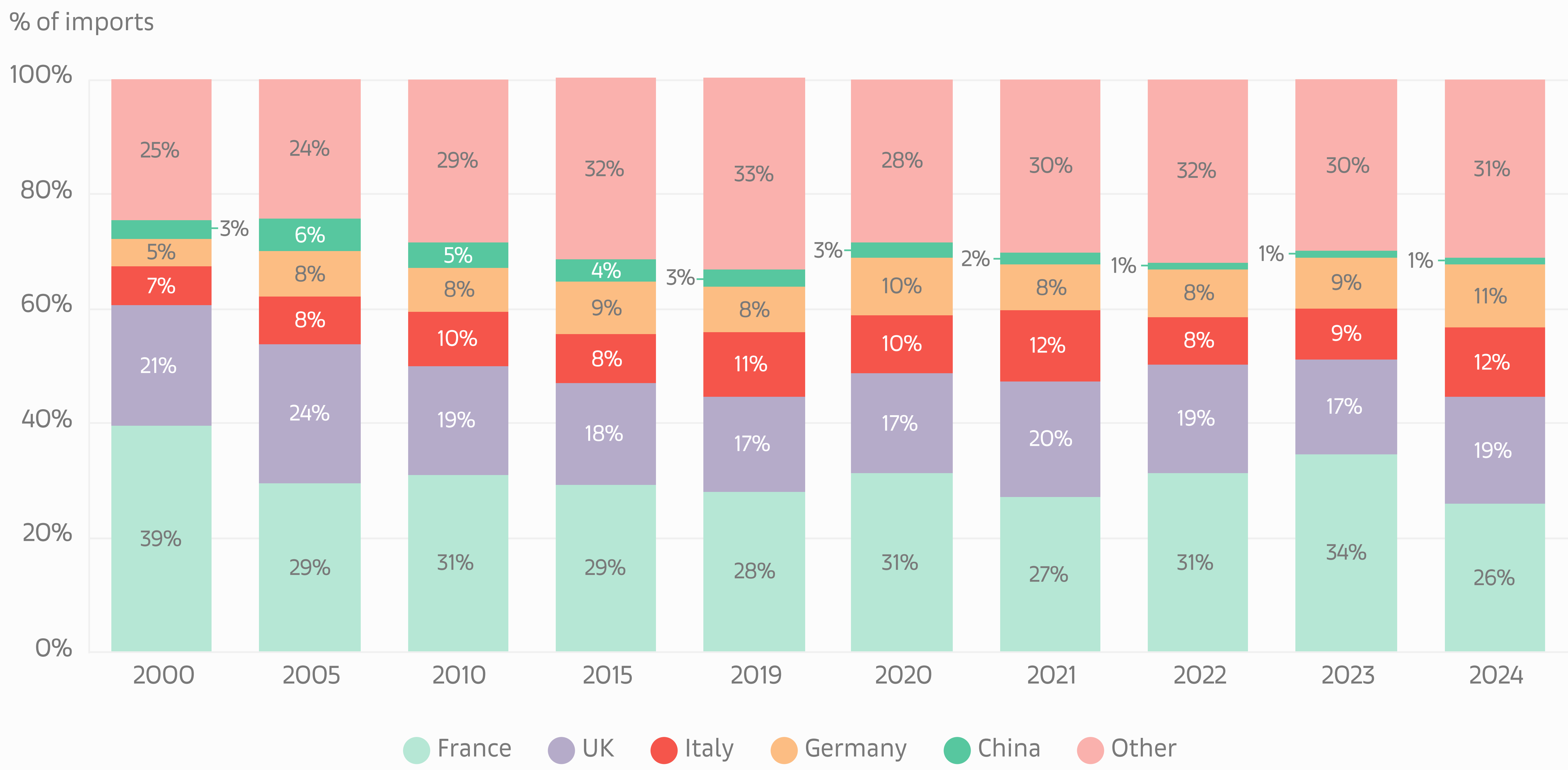


©Arts Economics (2025) with data from USITC

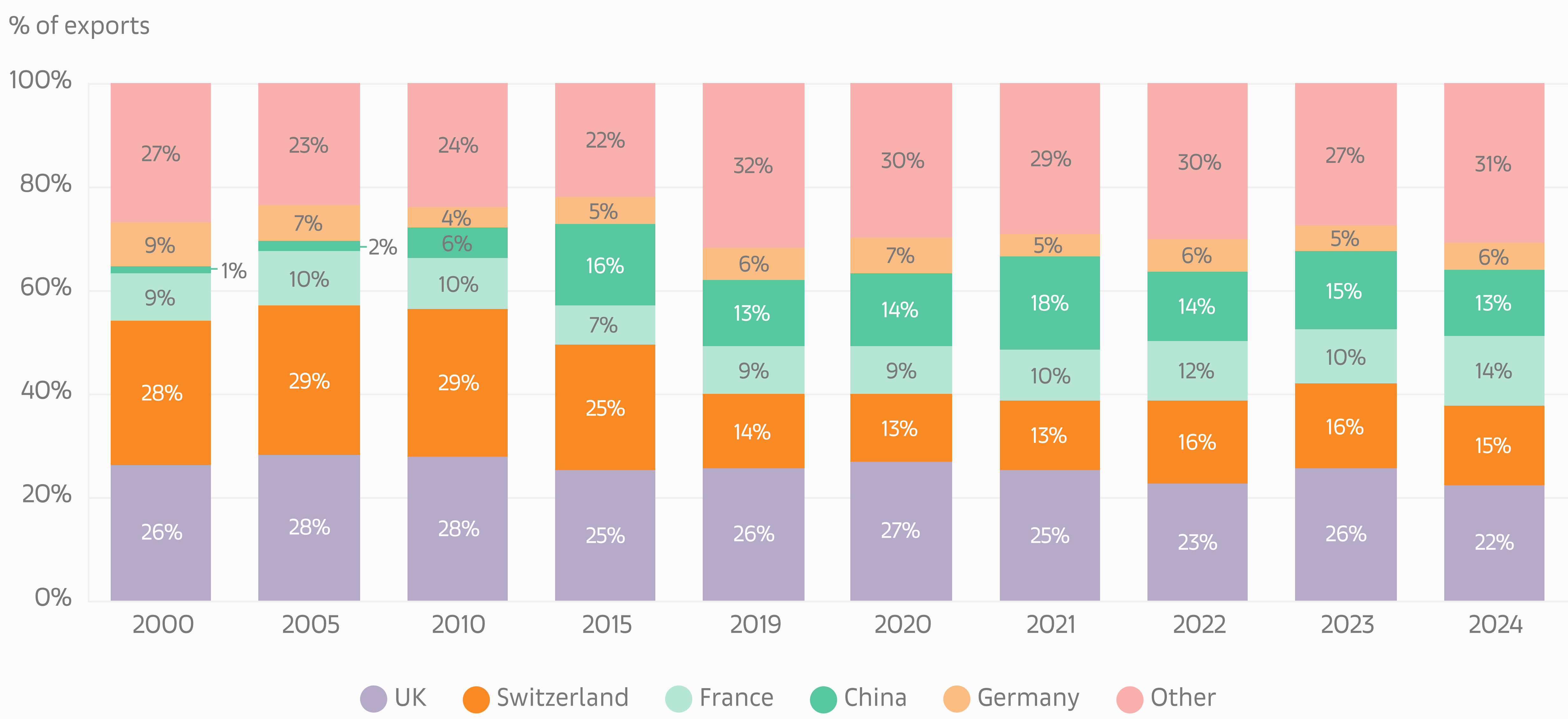
IMAGE Detail of a work by Kathleen Ryan, presented by Josh Lilley in the Galleries sector at Art Basel Hong Kong 2024

Figure 1.6 Share of Value of Imports/Exports of Art and Antiques of US Trade Partners, Selected Years 2000–2024

a) Imports



b) Exports



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The UK is also an important hub for the international art trade and was the world's second-largest art market, a position it regained in 2024, accounting for 18% of global sales by value, up by 1% year-on-year. Sales in the UK reached $10.4 billion, down by 5% year-on-year, but with relatively better performance than China, ensuring its second place in the global ranks.

Sales in the UK market have been subjected to various challenges over the last few years, with the pandemic intensifying the strain the market was already under in dealing with the new challenges and complexities created by Brexit. Sales fell to $9.9 billion in 2020, but recovered over the next two years, rising by 20% to $11.9 billion by 2022, only around half the uplift of the US and still below their level in 2019. Like the US, the UK market is also an important global base for sales of high-priced works of art, and as this segment cooled in 2023, the market fell by 8% to $10.9 billion. The further decline of 5% in 2024 left sales 15% down on their pre-pandemic level in 2019 (and just 5% above values in 2020).

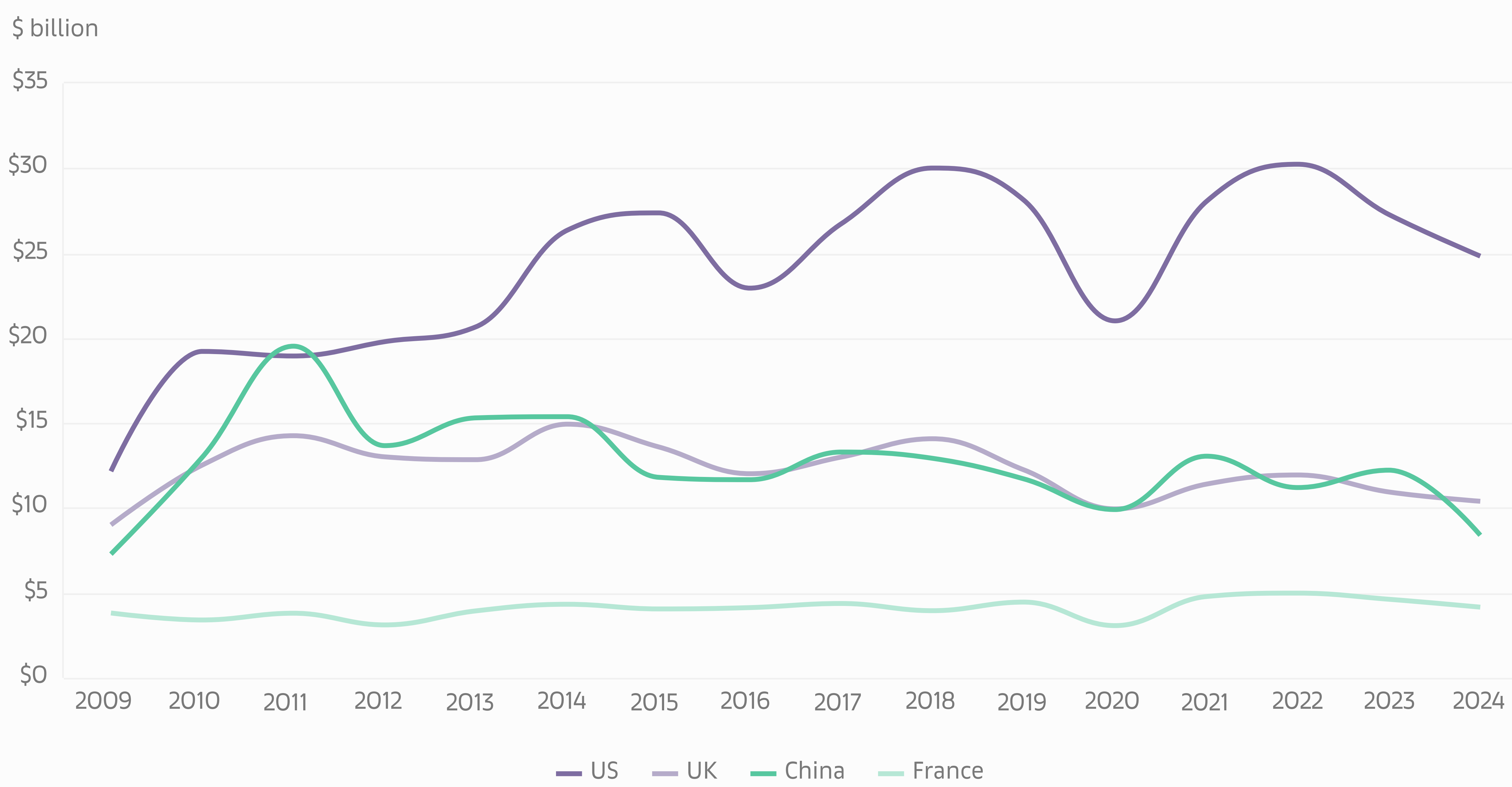
China, including Mainland China and Hong Kong, fell to third place with a share of 15% of global sales by value, down by 4% year-on-year. China's market has followed a slightly different trajectory to its peers; it was one of the fastest growing in the very early 2010s, but this pace slowed considerably around 2015, and it experienced three years of falling values, reaching a low of $9.9 billion in 2020, their lowest level in 10 years. Sales revived well in 2021, advancing by 32%, however, growth stalled in 2022 as strict lockdowns under China's zero-COVID-19 policies meant sales and events were cancelled and the market fell by 14% to $11.2 billion. As the economy reopened in early 2023, there was a spike in activity as postponed inventories from 2022's autumn auctions in Beijing were sold to eager post-lockdown buyers, and major fairs and exhibitions returned to their full schedules. This pent-up supply and demand provided a unique boost in sales that helped China go against the declining trend in the other major art markets, increasing by 9% to $12.2 billion. The uplift was temporary, however, and against a backdrop of slower economic growth, a continuing property market slump, and other economic uncertainties, the art market was already starting to slow by the end of 2023. Sales decreased again in 2024, with a sharp drop of 31% year-on-year to $8.4 billion, their lowest level since 2009. The art market's rise in 2023 paralleled the post-lockdown boom in some other luxury markets, and this drop in value was also aligned with their performance, with reports of personal luxury markets in China down by an estimated 18% to 20%, including declines of over 30% for categories such as jewelry and watches, as consumer confidence continued to fall alongside more overseas spending.[4]

Outside these major hubs, many markets also experienced a more subdued year in terms of sales values. In Europe, sales in France fell by 10% to $4.2 billion, accounting for a stable

4 Lannes, B., Weiwei Xing, W. and Gu, E. (2024) *China Luxury Goods Market: Navigating Turbulent Waters*, available at bain.com.

7% of global sales by value, retaining its position as the fourth-largest market worldwide and the largest in the EU. After declining by 30% in 2020 during the pandemic, the French market experienced an exceptional recovery, with sales growing by over 60% to reach a peak of just under $5.0 billion by 2022. Sales fell by 7% in 2023 and with the further drop in 2024 were just below their 2019 level ($4.4 billion). Most of the other major markets in Europe also experienced slowing sales, including a smaller decline of 4% in Germany, 3% in Switzerland, and 10% in Italy. Sales in the EU as a whole fell by 8% year-on-year to $8.3 billion, and were down by 3% on their pre-pandemic 2019 level (measured without the UK). In some other parts of Asia, growth slowed, with a fall of 15% in South Korea. Japan was one of the few markets to go against the trend, seeing sales rise by 2% year-on-year.

Figure 1.7 **Sales in the Major Art Markets 2009–2024**



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1.3 Online Sales

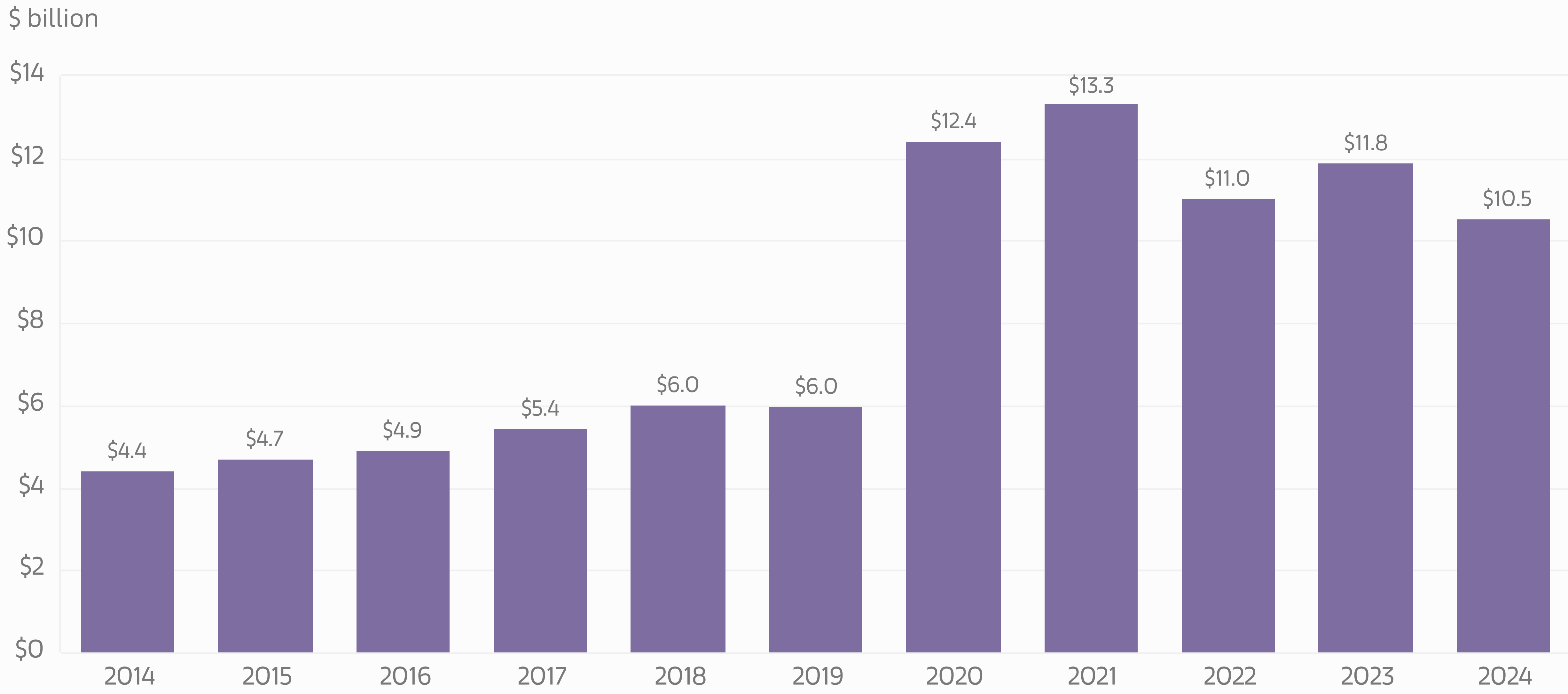
The channels through which sales are made in the art market have continued to expand, along with an increasing number of transactions carried on outside of its traditional structure of dealers and auction houses by artists and various other intermediaries. Dealers and auction houses have maintained both online and offline channels for marketing and sales, with the share of e-commerce now at a stable and higher level after the dramatic uplift induced by the pandemic.

While online sales were already on a gradual but positive path of growth, their value doubled in size in 2020 despite the wider market contraction, being the only access point for transactions during the unique context of the pandemic. After peaking at $13.3 billion in 2021, their growth began to slow, falling by 17% in 2022 (to $11.0 billion), as live sales at the high end outperformed other segments, and dealers and auction houses reported a reduction in their aggregate share of e-commerce. However, as the high end slowed and more activity was focused at the other end of the price spectrum, online sales grew again in 2023 (by 7%) despite the slowdown in the market overall. As the market declined further in 2024, online sales also fell again by 11% to $10.5 billion, lower than the last four years, but still almost 76% above pre-pandemic 2019.[5]

The share of e-commerce accounted for by online-only sales was stable year-on-year at 18% of total art market sales, below the peak of 25% in 2020, but double the share of 2019 or any year prior to that

5 Online sales are defined here as online-only transactions, or those reported as made by galleries, dealers, and auction houses, either through their own websites, online viewing rooms, other platforms, or via email, without an in-person viewing or presale contact. Online-only auction sales are those where a live auction does not take place and do not include online bidding at a live sale. Online sales by dealers and auction houses are also discussed in Chapters 2 and 3.

Figure 1.8 Sales in the Online Art and Antiques Market 2014–2024



©Arts Economics (2025)

The share of e-commerce accounted for by online-only sales was stable year-on-year at 18% of total art market sales, below the peak of 25% in 2020, but double the share of 2019 or any year prior to that.

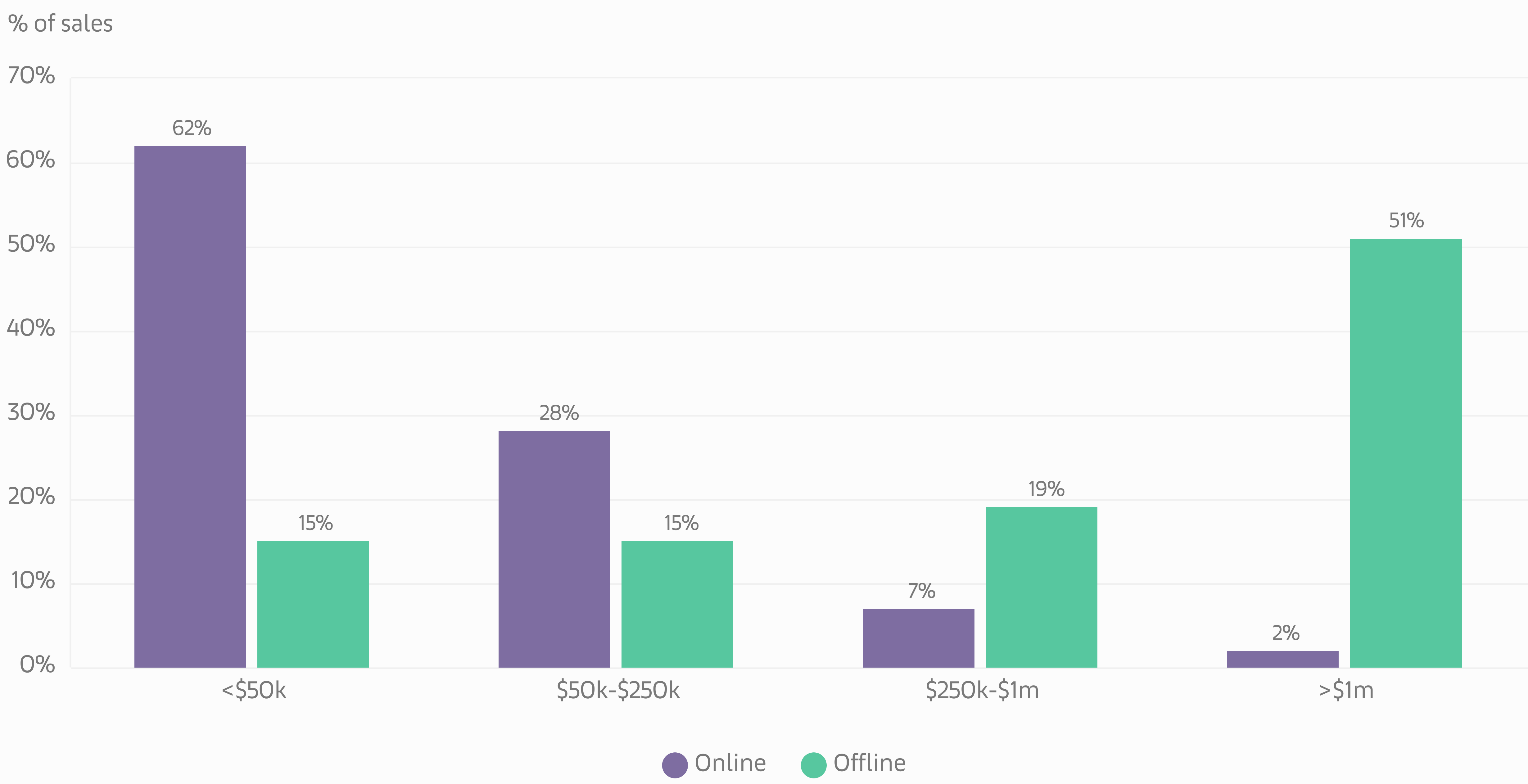
While the art market had a lower share of e-commerce relative to many other retail industries up to 2019, it has become increasingly aligned in the years following the pandemic. The pandemic induced changes in the structure of selling in many industries, with the share of online-only sales in general retail increasing from 14% in 2019 to 18% in 2020, versus a much larger jump from 9% to 25% in the art market, as the art trade extensively developed its digital infrastructure. Global retail e-commerce has been stable for the last two years at around 20% of total retail sales, although estimates of its future growth have been significantly revised down to a more subdued level, with forecasts of it reaching 23% by 2027.[6]

While e-commerce has stabilized at a higher share of sales in the art market, it remains a minority share by value, due to differences in the price points that still dominate in each channel. Anecdotally, both dealers and auction houses noted the increased ease of

6 Statistics on general retail are taken from Insider Intelligence data from E-Marketer, available at emarketer.com. Shares are adjusted (down) according to their latest published estimates in 2024. Previous surveys from this source cited considerably higher forecasts, with other sources such as BCG citing estimates in 2023 of up to 41% by 2027, based on a smaller survey. See Barthel, M, et al. (2023) *Winning Formulas for E-Commerce Growth*, available at bcg.com.

finalizing transactions online, but many still reported that high-end sales were most often preceded by viewing a work in person. In the fine art auction sector where transaction level data is available, the divide between offline and online price levels is clear. In 2024, the vast majority of transactions at auction were for prices of less than $50,000 whether they were offline (94%) or online only (99%). However, while the value of offline auction sales was dominated by $1 million-plus lots, online-only auction values were mainly based around the middle and lower ends of the price spectrum, with 62% of their total value in 2024 from sales of lots priced at less than $50,000 (up from 58% in 2023, and compared to just 15% of the value of offline sales in this segment). Only 9% of the value of online-only sales was from works sold for over $250,000 (down from 11% in 2023), versus 70% of offline. (Sales in different price segments and the changing trends in their distribution are discussed in detail in Chapter 3.)

Figure 1.9 Share of the Value of Online Versus Offline Sales in Fine Art Auctions by Price Segment 2024



©Arts Economics (2025) with data from Artory

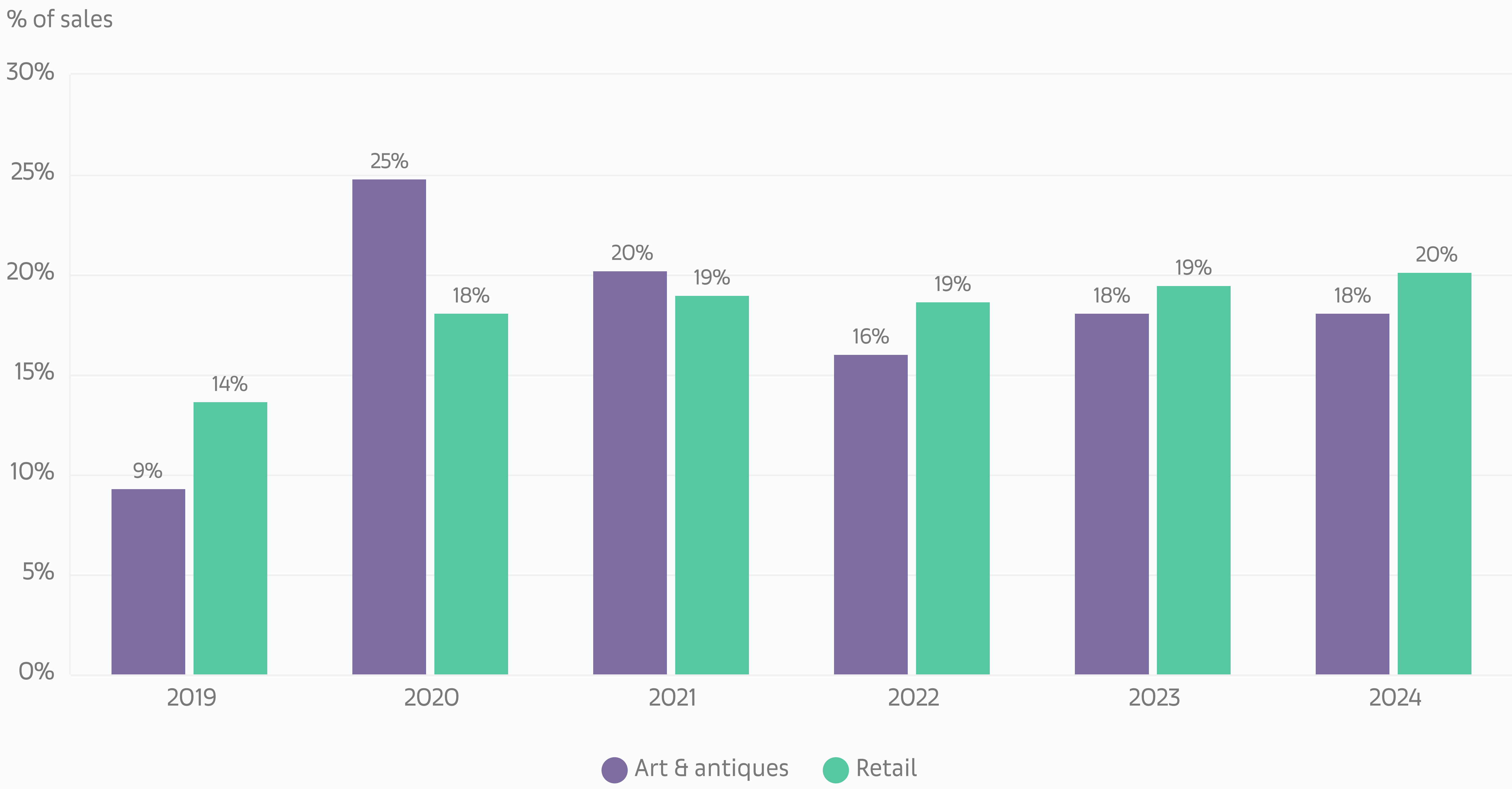
Research on collectors has also shown the increased uptake of e-commerce over the last five years, although buying preferences still varied. Surveys of HNWIs carried out in 2024 by Arts Economics and UBS, with responses from over 3,660 art buyers in 14 global markets, revealed that most respondents preferred to buy from a dealer, but when doing so, just over half (52%) preferred buying via their websites or social media channels and without viewing the work in person (versus only 30% in 2023 and 37% in 2022). This same study showed that the increase in preferences for buying online had come alongside greater art fair attendance and gallery exhibition visits compared to prior to the pandemic. This indicated that while HNWIs still wanted to visit exhibitions and see works in person, when targeting a specific work to purchase, they have become increasingly comfortable with doing so online without a specific visit to the gallery.[7]

These studies and data directly gathered from the art trade continue to suggest that e-commerce is a key entry point to the market for new buyers for dealers and at auction. Online channels have been consistently identified as the main source of new buyers for auction houses, and almost half of the sales dealers made online in 2024 were to new buyers. (Sources of new buyers and online sales in the dealer sector are discussed in greater detail in Chapter 2.) The expansion of the volume of transactions over the last few years has been facilitated by greater reach through e-commerce, despite the fact that the highest-value sales remained offline.

The expansion of the volume of transactions over the last few years has been facilitated by greater reach through e-commerce, despite the fact that the highest-value sales remained offline

7 Arts Economics (2024) *A Survey of Global Collecting in 2024, An Art Basel and UBS Report*, available at theartmarket.artbasel.com.

Figure 1.10 Share of Online Sales in the Art Market versus General Retail 2019–2024



©Arts Economics (2025) with data from eMarketer.com

A significant amount of transacting online continued to take place outside the traditional art market structure of galleries and auction houses in 2024. Art-related sales on nonfungible token (NFT) platforms were not included in the figures for art market sales in 2024, as they occured outside of galleries, dealers, and auction houses, but an analysis of data related to these sales on external platforms has tracked the surge in activity in 2021 and the extensive decline in the years that followed. Exhibit 2 details some of the key trends related to art-based NFT sales, highlighting the critical issue of storage in light of the market's slowdown and closures of some marketplaces in this sector in 2023 and 2024. Exhibit 1 offers a review of the key legal issues that have arisen in 2024.

IMAGE Detail of a work by Jim Lambie, presented by Anton Kern Gallery in the Galleries sector at Art Basel Miami Beach 2024

Exhibit 1. The Art Trade in a 'Zero Sum' World

Till Vere-Hodge and Katalin Andreides

Last year, one of the key concerns that arose when looking at the year ahead was how political uncertainty might adversely affect the art trade. Following a string of significant elections throughout 2024, uncertainty as to their outcomes has given way to an expectation that the art trade, much as the global economy as a whole, may have to operate in a fundamentally different macro-environment. At least for the time being, trade as such (and culture as such, too), has become highly politicized.

As we enter the second quarter of the 21st century, the world appears to have moved from what is known as 'neoliberal institutionalist' statecraft to a 'neo-realist' approach. In broad brush strokes, the former stresses that international cooperation, predictability of behavior, and respect for the supranational rules of the game are paramount to maximize peace, prosperity, and economic activity. Conversely, the latter stresses that nation-states must always maximize power and consider all things as a 'zero-sum game.' If one state wants to win, another has to lose. We cannot all win at the same time.

So what does this shift in political culture mean for cultural policy? And how will the art trade be affected by zero-sum mercantilism?

Tariffs, Trade, and Tax

To answer that question, a look at the recent past is useful: during the first Trump administration, in March 2018, the US imposed tariffs on Chinese imports through Section 301 of the *US Trade Act.* Those measures were then extended in 2019, affecting certain artworks and cultural objects, with tariffs amounting to 10% ad valorem. The administration also imposed tariffs and retaliatory actions during the course of an aircraft dispute involving Airbus and Boeing, which (rather inadvertently) affected US imports of printed books, photography, and lithographs from the UK and Germany, with tariffs amounting to 25% ad valorem.[8] These US tariffs drew various responses in the form of retaliatory tariffs, for example, those imposed by the EU in 2018 on various food and other items, with a further extension in 2020 to items including fittings for furniture.[9]

8 These import tariffs were part of a 15-year-long dispute over subsidies given to the European airplane manufacturer Airbus, with the World Trade Organization (WTO) granting the US permission to tax $7.5 billion of European exports annually to recoup the losses they claimed. The import tariffs applied to a number of goods, but put an extra 25% tax on UK or German lithographs on paper or paperboard, and pictures, designs, and photographs that were printed within the past 20 years. See *The Federal Register,* Vol.84, No. 196, available at ustr.gov.

9 The items covered in the 2018 tarrifs are listed in eur-lex.europa.eu/eli/reg_impl/2018/886, while those in 2020 are available at eur-lex.europa.eu/eli/reg_impl/2020/502.

Turning first to the trade of Chinese works of art in the US: the relevant objects affected by US executive acts included certain Chinese paintings, drawings and pastels, collages, engravings, prints and lithographs, sculptures, and certain other categories of object. Import data indeed shows a drop in imports into the US of artworks and cultural objects from China in 2020. However, that data was also affected by the fallout from the COVID-19 pandemic, making it impossible to determine the precise impact the tariffs had on the trade of those particular objects.

Second, regarding the US trade with Europe, while tariffs relating to the aircraft dispute have been suspended since July 2021, the suspension of punitive tariffs on certain goods, including some prints and photographs, are expected to expire by mid-2026. European art market players, particularly those specializing in photography, prints, and antiques, have faced increased costs stemming directly from the tariffs and indirect costs due to higher costs for transatlantic shipping, compliance, and administration.

Some art market players have reported disruptions to the trade in these particular objects in the US. Anecdotal evidence points further to US-based buyers having become more cautious in acquiring artworks from European sellers due to actual and potential logistical challenges and increased customs costs which came into place in October 2019. Imports of prints into the US from the UK and Germany were somewhat reduced in 2019, and decreased substantially during the pandemic in 2020. The trade appears to have subsequently recovered, but on past evidence may be expected to drop once more if the suspension expires in 2026.

According to some estimates, such policies can reduce trade volumes by up to 20% to 30% for affected categories.[10] There is early evidence that the second Trump administration will continue to maintain or expand tariffs further, particularly in relation to countries perceived to be engaging in unfair trade practices.[11]

There might well be new tariffs on luxury items, including high-value collectibles and artworks, especially on imports from countries with significant trade surpluses with the US. However, even if there are no targeted new tariffs and trade restrictions on art, antiquities, and collectibles, the art trade could still be affected indirectly, as has happened in relation to the China-related policies and the airline dispute. In addition, there may also be equivalent countermeasures from other countries and customs areas that could cause international art market players a headache from multiple angles. Indeed, on 12 March 2025, the EU launched what it called a 'swift and proportionate response' in retaliation to

10 Braun. C. (2021) 'The Art of Economic War: Cultural Property Import Tariffs as Foreign Policy,' *Notre Dame Journal of International and Comparative Law 2021.* Volume 11, Issue 2, available at scholarship.law.nd.edu/ndjicl/vol11/iss2/8.

11 Buchwald, E, and Goldman, D. (2025) 'Trump Orders up a Plan for More Tariffs, Even as Inflation Heats Up', available at edition.cnn.com/2025/02/13/economy/new-us-trump-tariffs/index.html.

US tariffs on EU goods, which is set to include the reimposition of EU measures suspended in 2018 and 2020, as well as 'additional measures'. The EU has proposed to conclude the additional measures by mid-April 2025, which would include paintings, as well as wine, carpets, furniture, and motorcycles.[12] According to figures from UBS, the tariff plans announced since the second Trump administration has come to power (but which have not necessarily come into effect yet) are worth a collective $770 billon, seven times the amount President Trump implemented between 2018 and 2019. As of March 2025, UBS did not expect US tariffs on Canada and Mexico to be sustained, although the bank noted a greater risk that highly aggressive tariffs and retaliatory measures will remain in force long enough to weigh on the global economy, lowering their forecasts for a benign tariff scenario and increasing their odds of a highly aggressive tariff scenario from 25% to 35%.[13]

There are of course always exceptions to the general rule: in an environment where jurisdictions appear openly to be competing with one another to support their national markets (at one another's expense), Italy has decided not to compete with its fellow EU Member States on at least one important measure. *EU Directive 2022/542* allows EU countries to lower their respective VAT regime pertaining to the import of artworks into the Member State and all art transactions within it. However, in February 2025, Italy decided to maintain its standard 22% VAT rate on art transactions. This arguably undermines the Italian art market relative to countries like Germany and France, where VAT rates have been strategically lowered by virtue of the EU Directive, to 7% and 5.5%, respectively, and discussions had already commenced in March 2025 in Italy about the possibility of reversing this decision and reducing VAT to negate these effects.

In addition, there have been no amendments to Italy's low *de minimis* thresholds for objects that require export licences, which may reinforce the perception of Italy as one of the most restrictive export regimes in the EU.

Cultural Heritage Approach

Policies aimed at cultural heritage protection and combating the illicit trade in antiquities will continue. Over the past few years, the US Department of Homeland Security has seized and returned several stolen artefacts to countries such as Cambodia, Greece, and Iraq.[14] In relation to the prevention of the trafficking of cultural heritage objects, current and future bilateral agreements are likely to continue to impact the art market.

12 See European Commission (2025) *EU Countermeasures on US Steel and Aluminium Tariffs* and the list of other affected goods, available at ec.europa.eu/commission/presscorner/detail/en/qanda_25_750.

13 See UBS (2025) *Tariff Scenarios*, available at ubs.com/global/en/wealthmanagement/insights/chief-investment-office/potus-47/articles/tariff-scenarios.html.

14 See US Immigration and Customs Enforcement cases, available at ice.gov/news/releases/federal-agents-national-hellenic-museum-conduct-largest-repatriation-ancient-coins, ice.gov/news/releases/30-looted-antiquities-returned-kingdom-cambodia, and ice.gov/news/releases/us-returns-stolen-ancient-artifacts-iraq-repatriation-ceremony.

With the rise of mercantilism in international affairs, the emphasis here is likely to be on *bilateral,* even though the underlying principles may well be based on the vestiges of supra-nationalism (for example, the *UNESCO 1970 Convention*). It will be interesting to see if a more mercantilist US government will continue to be a leading proponent in the world in enforcement action concerning smuggled antiquities.

Restrictions targeting the import of cultural property from conflict zones, such as Iraq and Syria, will persist, with the aim to cut off funding for terrorist organizations reliant on looted artefacts as a source of income. The trade in Syrian cultural property post-regime collapse will likely depend on the speed and effectiveness of governance transitions, international cooperation, and enforcement of cultural property laws.

A coordinated global effort will be essential to mitigate the exploitation of Syria's cultural heritage. While new governments may attempt to reform laws governing the export of cultural property, enforcement usually lags behind legislative initiatives.

Trade restrictions have been placed on certain countries to limit the movement and sale of cultural goods originating from such nations or regions. During the previous Trump administration, new restrictions were imposed on the trade of cultural objects from Iran as part of a broader 'maximum pressure' campaign.

Cultural policy appears to be liable to becoming part and parcel of 'deal-making' – a process that appears already to have gained traction in some of the *quid pro quo* arguments made by certain claimants and collections alike (for example, there have been reports of somewhat dubious suggestions that the repatriation of European-origin antiquities from the UK could lead to better post-Brexit trade relations[15]). Given the complexities of restitution policy, it seems unlikely that a 'deal-making' approach to restitution policy can add to what ought to be a sensitive area requiring case-by-case analyses that take account of important legal and moral considerations.

More generally, however, policymakers and legislators in more mercantilist-leaning jurisdictions may have less of an appetite to follow through on some of the recently emergent categories of restitution and repatriation claims. These include in particular those categories that go well beyond the scope of the more established claims to World War II and Holocaust-related looted objects. That said, such 'cultural' resistance (in every sense of the word) could of course lead to a doubling down of efforts by claimant groups and activists to be reunited with objects considered by them to be of outstanding cultural significance to their particular group, tribe, people, or nation.

15 Lewis S. (2020) 'Greece may Demand Britain give back Ancient Parthenon Marbles as Part of Brexit Deal', available at cbsnews.com/news/brexit-greece-britain-return-parthenon-elgin-marbles-trade-deal.

AML and Enforcement Action

Over the past few years, provisions have sprung up in many jurisdictions around the world that were designed to deal with the risks of money laundering in the art trade, with various different approaches emerging in how these rules are enforced.[16]

In the UK, His Majesty's Revenue and Customs (HMRC) has been actively enforcing applicable AML regulations within the art market. There have been notable fines imposed on art galleries and dealers and HMRC has been particularly transparent about its enforcement actions (compared to other countries' authorities). Between April and September of 2023, for example, HMRC imposed total fines of £2.3 million on 408 businesses in total, 10 of which were art galleries.[17] Most fines pertaining to the art trade were based on art market participants' failure to apply for AML registration with HMRC within the required timeframe.

France, too, has been actively enforcing AML regulations within the art market to combat financial crimes. In 2023, the Commission Nationale des Sanctions (CNS) levied fines against two art galleries for violating AML regulations.[18] These were the first such penalties in France's art sector, highlighting the increasing regulatory scrutiny.

As of now, there has been limited publicly available information regarding specific fines levied against art galleries or dealers in Italy for violations of the applicable EU AML regulations. However, Italy has taken steps to combat financial crimes within the art sector, including a well-publicized seizure of artworks linked to organized crime in 2024, during the course of which Italian authorities confiscated over 80 artworks, including pieces by Salvador Dalí and Giorgio De Chirico. The recovered artworks were showcased in the 'SalvArti' exhibition in Milan, aiming to raise public awareness about art-related financial crimes.

As of February 2025, the United States has not recorded fines against art market participants for AML violations.

Art-ificial Intelligence

The regulatory framework for AI in the international art market is evolving rapidly as governments and institutions grapple with the implications of AI on intellectual property, copyright, authenticity, and ethics. Consistent with a shift towards a more mercantilist global economy, the US and China in particular appear to be vying for pole position in creating an environment designed to enable innovation in this field.

16 The implementation deadline for the EU's 5th Anti-Money Laundering Directive expired in 2020. It was implemented in all EU Member States and the UK. The US extended its legislation in January 2021 to include antiquities' dealers in its AML regime.

17 HMRC (2025) 'Businesses that have not Complied with the Regulations (2023 to 2024)', available at gov.uk.

18 The 2024 decision is available in 'Publication de Deux Décisions par la Commission Nationale des Sanctions à l'Encontre de Professionnels du Marché de l'Art et d'Antiquités', available at douane.gouv.fr/actualites/publication-de-deux-decisions-par-la-commission-nationale-des-sanctions-lencontre-de.

On January 23, 2025, an early executive order by President Trump called for a policy agenda to *'sustain and enhance America's global AI dominance in order to promote human flourishing, economic competitiveness, and national security.'* To maintain US leadership, the aim is to prioritize AI systems free from *'ideological bias and engineered social agendas.'*[19]

On January 29, 2025, the US Copyright Office also issued the second part of its policy report concerning copyright and AI, which addresses the copyrightability of AI-generated outputs.[20] The Copyright Office reiterated the position that human authorship is an essential requirement for copyright protection in the US, meaning that AI-generated outputs can be protected by copyright only where a human author has determined sufficient expressive elements. The Copyright Office stated that it will determine whether human contributions to AI-generated outputs are sufficient to constitute authorship on a case-by-case basis.

Sufficient contributions include situations where human-authored work remains 'perceptible' and where there are human creative arrangements of or modifications to the output, so long as the human is not restricted to merely giving prompts. The use of AI in the process of creation of AI-generated material does not bar copyrightability.

China's *Next Generation Artificial Intelligence Development Plan,* issued by its State Council, sets out some key steps forward, culminating in Step 3 which by 2030 requires that AI theory, technology, and application are to reach a 'globally advanced level' and China becomes the global AI innovation center.[21] China's plan specifically foresees partnerships between tech companies and cultural institutions to promote AI-generated art.

In November 2023, it was reported that the Beijing Internet Court considered China's first copyright infringement case involving AI-generated images. The court ruled that an AI-generated image was entitled to copyright protection. The dispute in question related to the creation of an image using open-source software which was shared on social media and subsequently used by a third party. The court held that the image constituted intellectual work and the creator was the rightful copyright holder of the image, on the basis of which it awarded damages for copyright infringement. The judgment is likely to incentivize the creation of works using new tools and foster innovation in the AI industry. Nonetheless, the question as to whether specific AI-generated images are capable of copyright protection depends on the specifics of each case. Images created with a single click through AI are much less likely to be acknowledged as original works.

19 *2025 Executive Order,* available at whitehouse.gov/presidential-actions/2025/01/removing-barriers-to-american-leadership-in-artificial-intelligence.

20 US Copyright Office (2025) *Copyright and Artificial Intellifence. Part 2 Copyrightability,* available at copyright.gov/ai/Copyright-and-Artificial-Intelligence-Part-2-Copyrightability-Report.pdf.

21 Department of International Cooperation Ministry of Science and Technology (MOST) (2017) 'Next Generation Artificial Intelligence Development Plan', *China Science and Technology Newsletter,* No. 17, available at fi.china-embassy.gov.cn.

Turning to the use of copyrighted material for the purposes of text and data mining (TDM), on December 17, 2024, the UK government announced a public consultation on copyright and AI by which to seek views on changes to the existing copyright regime.[22] One of the proposals relates to the introduction of an EU-style TDM exception that would apply to training AI models, similar to Article 4 of the *EU TDM Directive.*

The new UK TDM exception would apply to all content unless the rights holder has proactively taken steps to 'opt out' of the exception by expressly reserving their rights. In other words, in the absence of an opt-out, content available on the internet could be reproduced and extracted, including for commercial TDM purposes, such as to train a foundation model.

This would impact the revenue that could be generated from copyright licensing and presents a risk if artists as rights holders are not aware of the exception and fail to expressly opt out. Once the data is extracted from a website, the duration of the TDM exception is unlimited.

The UK Government acknowledged that the opt-out method creates *'uncertainty about how it works in practice and some aspects are still being developed.'* No solution has been proposed and the UK consultation seeks suggestions from respondents as to how these issues might be resolved. The UK Government considers it likely that collective rights management organizations will play a key role in developing licensing solutions in this area.

An EU initiative to gather Member States' views on the relationship between generative AI and copyright led to a summary document issued in December 2024.[23] EU Member States (and the UK) have expressed concerns about the practical application of the opt-out system and the interpretation of 'machine readability.'

Regarding copyrightability of AI-generated outputs, there appears to be a consensus among EU Member States that purely AI-generated works should not be eligible for copyright protection. However, AI-assisted works can obtain copyright protection if they meet the requisite requirements.

Several EU Member States have emphasized the importance of collective management organizations in the licensing and remuneration of AI-related uses.

22 The UK Government announcement is available at gov.uk/government/consultations/copyright-and-artificial-intelligence/copyright-and-artificial-intelligence.

23 Council of the European Union's 2024 summary, available at data.consilium.europa.eu/doc/document/ST-16710-2024-REV-1/en/pdf.

Crypto

In the regulatory landscape for crypto assets, the year ahead will likely see the implementation of regulatory changes around sustainability, environmental harm, and digital asset risk management. This space is of growing importance for the art trade as more and more high-value transactions have involved cryptocurrencies (for example, having successfully bid for Maurizio Cattelan's *Comedian* in November 2024, Justin Sun famously paid for the duct-taped fruit in cryptocurrency before proceeding to devour it).

In the US, Wall Street's securities watchdog has made it easier for banks to expand their cryptocurrency businesses. In one of the first pro-crypto moves of Donald Trump's second presidency, the Securities and Exchange Commission (SEC) reversed guidance known as *SAB 121,* which had called for institutions to treat digital tokens held for customers as liabilities on balance sheets.[24]

The shift underscores expectations that Trump will take a far more 'bullish' approach towards the digital asset sector, undoing the more cautious stance the SEC took during Biden's administration.

By contrast, China has taken a more restrictive approach by implementing a blanket ban on cryptocurrency transactions and mining activities. This has contributed to a global shift as crypto businesses have moved to more crypto-friendly jurisdictions, such as the US and Europe.

Meanwhile, the EU is understood to have focused on migrating crypto-asset offerings and services into its financial regulatory system. *Regulation (EU) 2023/1114* ('MiCAR') came into force at the end of 2024, which allows providers to offer crypto assets and crypto-asset services across all EU Member States by virtue of the so-called EU passport.[25]

Further, pursuant to the EU's *Third-Country Sales Guidelines,* a firm in a third country cannot sell crypto assets into the EU unless the entity has a registered office in an EU Member State and is an EU-authorized financial entity.

However, an EU entity or person can request crypto-asset services from a firm based in a third country provided that that firm only offers the same types of assets or services as were solicited to the same client and does not offer different services or assets.

24 US Securities and Exchange Commission's original *SAB 121,* available at sec.gov/rules-regulations/staff-guidance/staff-accounting-bulletins/staff-accounting-bulletin-121.
25 *Regulation (EU) 2023/1114,* available at eur-lex.europa.eu/eli/reg/2023/1114/oj/eng.

In the UK, there have been updates on the proposed UK crypto-asset regulatory regime that is now intended to take effect in 2026. Under the previous government, the stated intention had been to make the UK a global crypto-asset technology hub. To this end, HM Treasury had set out legislative proposals to be implemented in two phases.[26]

The UK's current Labour government has stated it does intend to implement the Treasury's earlier proposals in full, but without taking the proposed phased approach. The Treasury plans to engage stakeholders on draft provisions for the crypto-asset regulatory regime as soon as possible.

A UK Financial Conduct Authority's road map contemplates that the new crypto-asset regulatory regime will start to apply in 2026, although it is likely that the regime will not be in place until the latter half of the year, as the FCA intends to be publishing final rules and policy statements through early 2026.

Insurance

Recent months have been characterized by losses to collections and collectors from potentially insurable events, such as thefts and burglaries, as well as natural disasters.

In one recent case, a social media influencer was reported to have been the victim of a burglary.[27] There are potential insurance implications in situations where influencers and celebrities have showcased their assets on social media.

If insurers determine that social media activity increases the risk of burglary, they may raise premiums or refuse to cover losses. Policies typically exclude cover for theft if negligence is found. Depending on the wording, this could conceivably include the online publication of assets and valuables with the corresponding location. For example, if an influencer were burgled after tagging a brand or location, insurers might seek to view this as a contributing factor and seek to adjust or deny the insurance benefit. Some insurers have specifically excluded claims on the basis that social media posts have 'enabled' the theft.

Wealthy art collectors and owners of luxury objects may take out separate insurance policies for expensive objects, but some policies require specific security measures, such as safes, security cameras, or alarm systems, for cover to remain valid.

26 HM Treasury (2023) *Future Financial Services Regulatory Regime for Cryptoassets. Response to the Consultation and Call for Evidence*, available at gov.uk.

27 Suciu, P. (2025) 'High-Profile Break-Ins Serve As Reminder To Watch What You Post', available at forbes.com.

Another potentially insurable event that has caused headlines over recent months arises from natural disasters, including the flooding in Spain and the wildfires in Los Angeles, which destroyed artworks in private and public collections, as well as artists' studios, galleries, and homes.[28] As natural disasters become more frequent and severe, insurance companies are likely to raise premiums for homeowners (including private collectors), businesses (including corporate collectors), artists' studios, museums, and cultural institutions in high-risk areas. In some cases, insurers may withdraw coverage altogether from certain regions deemed too risky.

For all the zero-sum instincts that are likely to toss and blow the global economy, including the art trade, there will always be more and less favorable environments for collectors and art dealers. Some of these circumstances cannot and will not be changed by executive order. Just ask insurers for a dispassionate assessment.

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28 Media articles, available at theartnewspaper.com/2024/11/25/after-valencias-devastating-floods-artists-museums-and-churches-assess-the-damage and vanityfair.com/style/story/los-angeles-fires-art-world-true-colors?

Exhibit 2. The NFT Market and Preserving Digital Art

Gauthier Zuppinger, NFT18.com

Many people involved in the art market only really discovered the existence of NFTs and digital art with the record-breaking sale of Beeple's 2021 work *Everydays: The First 5000 Days* for $69.0 million at Christie's, a record for both the artist and a digital artwork at auction.

This sale marked the beginning of a frenzy around these digital assets and brought unprecedented visibility to the already established marketplaces that had enabled this market to emerge. Since then, NFTs and digital art have attracted a great deal of interest, offering the opportunity for artists to emerge on a new market, with wealthy collectors supporting sales, the guarantee of royalties on the resale of their works on the secondary market, and the immutability and traceability of the works they produce, guaranteeing their longevity over time and the prevention of counterfeiting.

As art-related NFT sales boomed in 2021, the focus was largely on their financial value and return on investment, with the technological challenges posed by this new medium less frequently questioned: it was all about catching the train on time. But in 2025, as the aggregate value of sales has stabilized at a considerably lower level, questions are being asked about what has become of all the promises made by the digital art movement, with much focus on the issue of centralization, and more specifically storage, which has progressively become one of the most pressing challenges in the field of digital art.

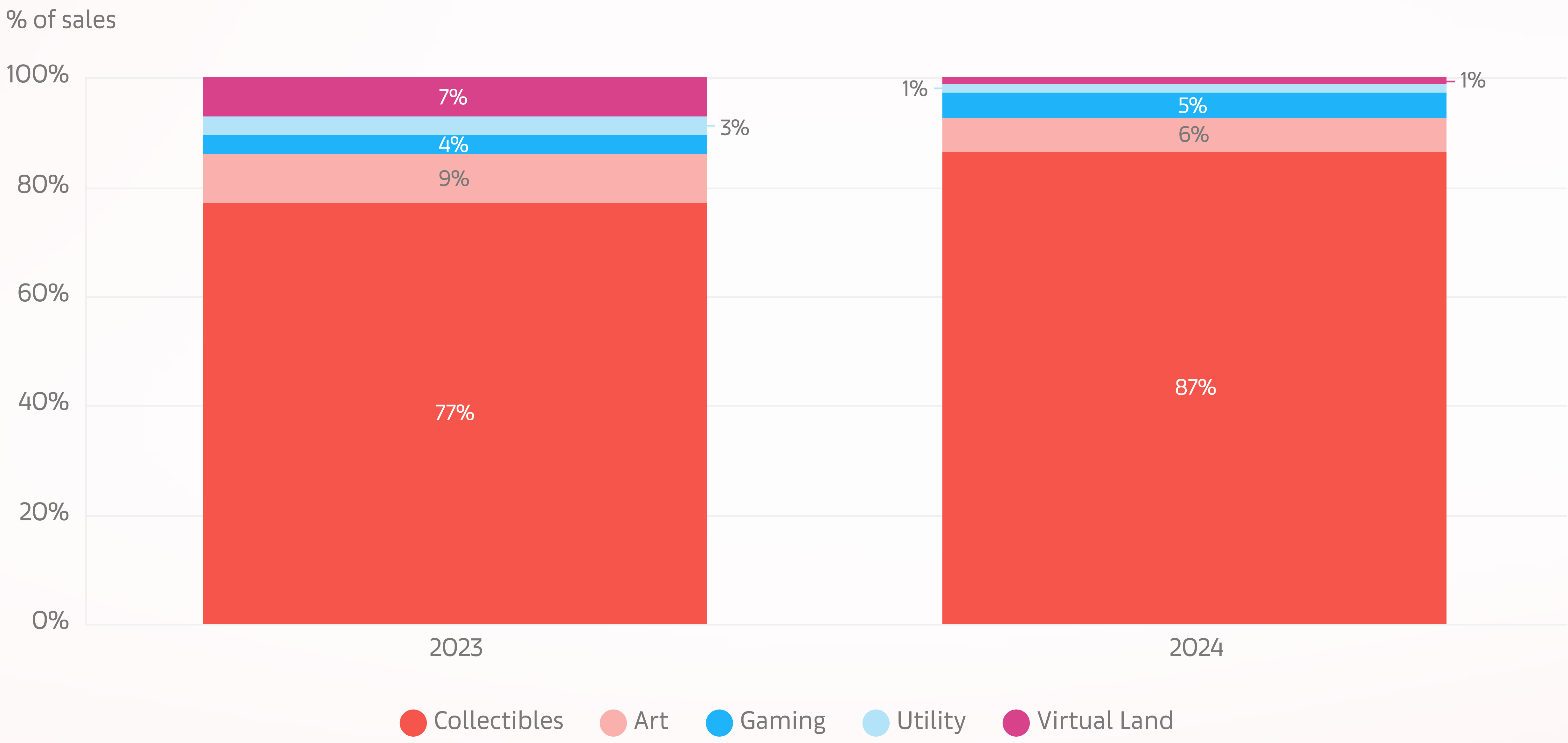
The State of the NFT Market in 2024

Since peaking in 2021, the overall NFT market has been in continuous decline, quarter after quarter. By Q4 of 2024, the market across all NFT assets had more or less returned to the volume levels observed before the peak in 2020.

In 2024, art-related NFTs or crypto-art (that is works of art which are stored digitally on a blockchain) was the second-largest segment behind collectibles/PFPs, representing 6% of the market in value (or $213 million), down from 9% in 2023 ($613 million).
The collectibles/PFP segment accounted for 87% in 2024 and $3.0 billion in sales, down from $5.3 billion in 2023. This segment relates to projects that have created NFTs with the goal of being collected. They may be avatars (PFPs), animals, aliens, or any other type

of digital item, but the underlying drive for creating and purchasing them is to be part of a community. Even within this segment, the market was more concentrated than ever (in terms of value) on a handful of community 'Profile Pictures' collections, which accounted for almost 90% of the NFT market, including *CryptoPunks, Bored Ape Yacht Club, Azuki,* and *Pudgy Penguins.* Although prices have dropped considerably since the NFT boom in 2021, a *CryptoPunks* was still selling for around $120,000 at the end of 2024.

Figure 1. Value of NFT Segments 2023–2024



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2024 saw a significant rise in the value of cryptocurrencies and, more specifically, Bitcoin for a number of macro reasons, the most notable being the new US administration at the end of the year, with Donald Trump being a strongly pro-crypto president. This had the direct impact of driving Bitcoin up from its previous highs of around $50,000 in 2021 to $106,000 at the end of 2024. This sudden rise brought a wind of hope to the NFT ecosystem, that it might be heralding a new bull cycle. However, although this was likely behind the significant increase in sales in the collectibles segment at the end of 2024, in contrast, the art segment had virtually no uplift. This underlines that the art segment displays a form of inertia that is recurrent in different phases of the market: resilient in bear markets, with little rise when the market becomes speculative again.

Despite the late boost in sales in 2024, considering the year, all segments of the NFT market declined in value, with art down by 65% in value year-on-year and collectibles down by 43%. The annualized number of trades taking place also fell by 68% for art and by 57% for collectibles. The average monthly number of unique buyers of art also dropped from about 16,835 in 2023 to 5,620 in 2024. Compared with 2021, despite the fact that the number of trades was up by one-third and the number of unique buyers had doubled, art was down by 75% in value, versus a much more moderate fall of 46% for collectibles.

Figure 2. **Monthly Dollar Values of Trades in Art and Collectibles NFTs 2021–2024**

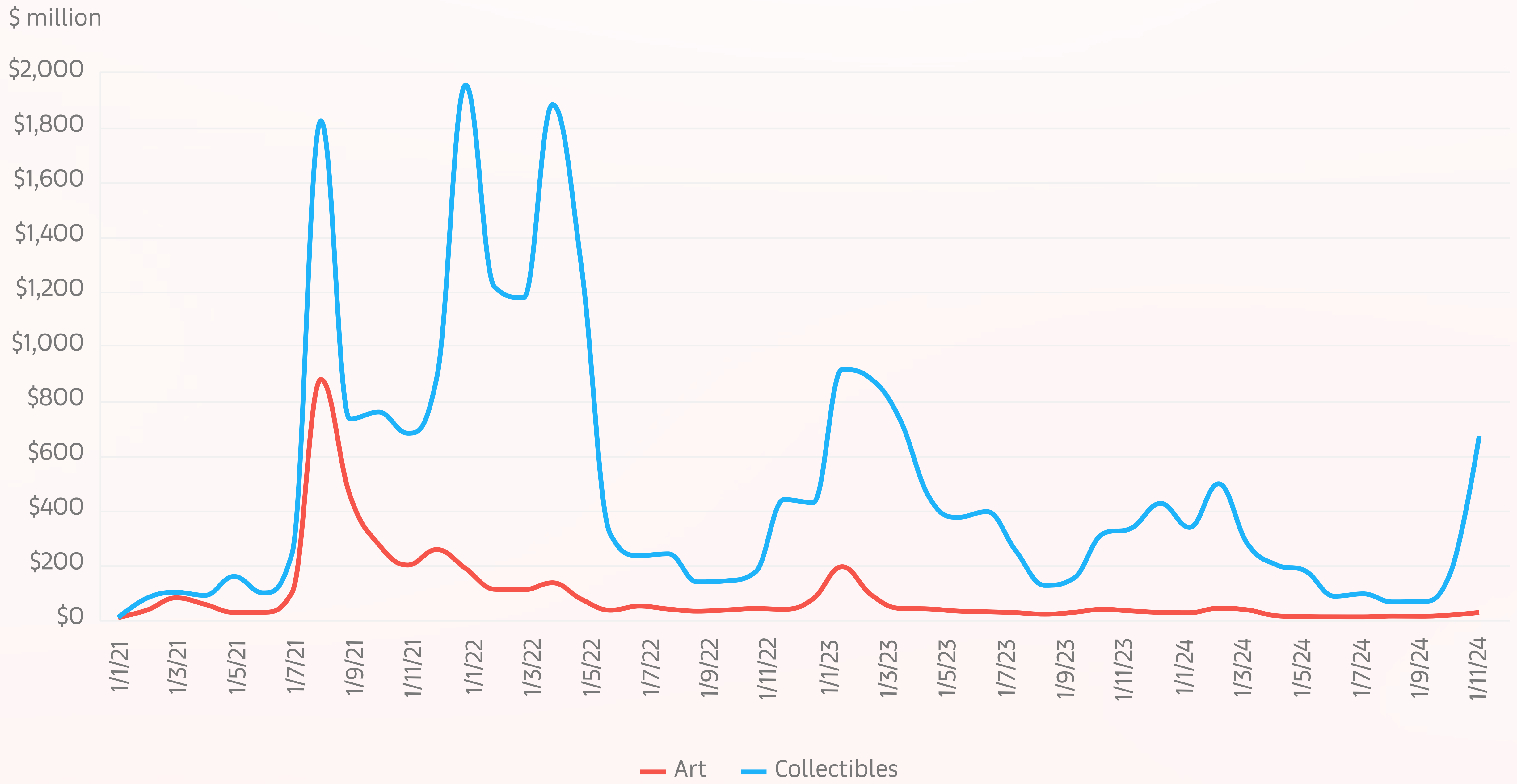

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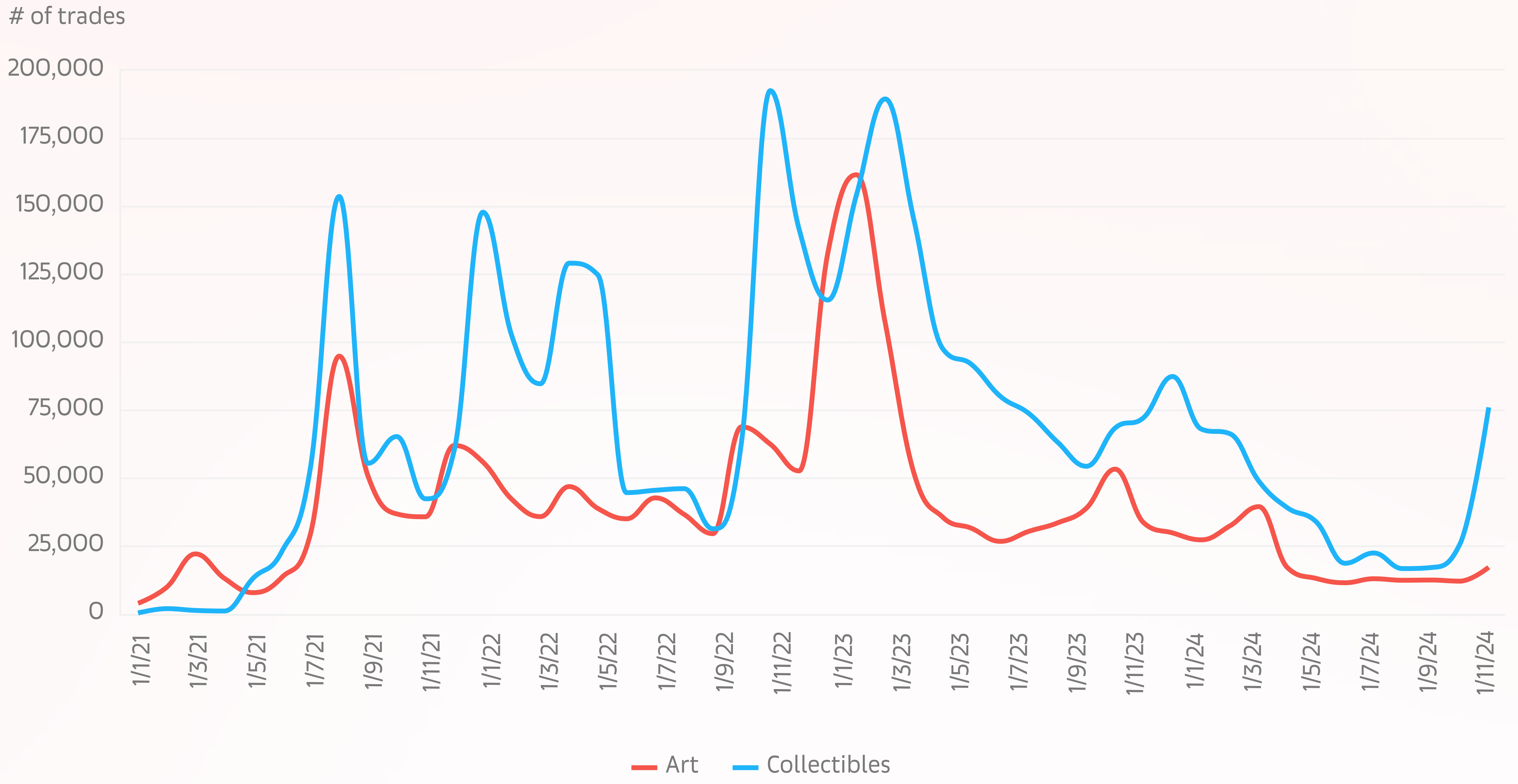
Figure 3. **Monthly Number of Trades in Art and PFP NFTs 2021–2024**



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During this period of decline from the frenzy of 2021, many things have changed, not least the nature of the NFT markets. Alongside the downturn in the markets, with the significant drop in prices and liquidity, key economic players in this ecosystem have come under significant pressure. By late 2023 and 2024, some of the historic platforms that were critical to the development of these markets had begun to announce that they would be closing their doors:

- KnownOrigin, founded in 2020 and acquired by eBay in 2022, announced that it would close in July 2024;
- AsyncArt, which had experienced considerable growth since its launch in February 2020, confirmed its closure in October 2023; and
- MakersPlace, one of the first digital art marketplaces, founded in 2018, also announced that it would cease operations in January 2024.

Each of these marketplaces has, in its own way, left its mark on the history of NFTs and digital art. AsyncArt, for example, hosted the first collaboration between early cryptoartists in 2020: *The First Supper,* a collage from XCopy, Coldie, SHORTCUT, BlackBoxDotArt, MLIBTY, Alotta Money, Vansdesign, Hackatao, Rutger van der Tas, Matt Kane, Josie Bellini, TwistedVacancy, and Connie Digital. The technical aspects and the inscription of Beeple's *Everydays: the First 5000 Days* on the Blockchain in 2021 for the sale at Christie's was handled by MakersPlace.

Storage Issues

The closure of these marketplace also has significant repercussions. The first is in the signal it sends out: the market has shrunk to such an extent that it has become difficult for these key players to make a living from it. But there is another, more technical, complex, and less obvious impact, which has concerned many experts in the sector, but whose reality remains difficult to grasp for a large number of participants. This is the question of the storage of works.

It is generally assumed that NFT art is stored on the blockchain, which makes the work unforgeable and traceable. However, what is actually stored on the blockchain is only part of the work, or the metadata, which corresponds generally to something like this:

```
Creation date: 01/25/2025
Address of creating wallet: 0x000000000
Artwork description: My Second artwork
Artwork name: Artwork #002
Artist name: UnknownArtist
Feature 1: Square
Feature 2: Red
URL where the file is stored: https://...
```

It is in this last line where the main challenge lies. The artwork itself (the JPG, PNG, or other file) is generally not stored on the blockchain, due to reasons related to costs, performance, and certain technical limitations linked to the blockchain (notably the maximum storage size per block). As a result, alternative solutions have been devised, including the most popular decentralized storage solution, the InterPlanetary File System (IPFS). This solution is based on a peer-to-peer (P2P) storage network that enables hundreds of servers to store information in duplicate, ensuring that even if some of the servers crash, no information is lost.

The most commonly used storage for digital art is therefore not based on the blockchain network, but on a parallel peer-to-peer network. This means that they do not benefit directly from the inalterability offered by blockchain and the economic model of these storage systems is an annual subscription fee guaranteeing a ‘pin’ (the storage) of the file on the network. But what happens if the subscription is not renewed? The concerning reality is that the files are no longer stored by the network and disappear.

All of this would have remained mere technical considerations if not for the catalytic role played by art marketplaces. Indeed, these marketplaces were keen to make the user experience (UX) as seamless as possible for artists, thereby erasing any technical or storage cost issues. Hence, it was the marketplaces themselves that took on the cost of hosting the collections and works sold from their sites. Until the day came or comes when they can no longer afford to renew IPFS storage.

So, what is at stake with the closure of the marketplaces mentioned above is not only spaces for exchanging and discovering digital art but also the survival of works already created.

A key lesson to be learnt from this pivotal phase in the history of digital art is undoubtedly that in trying to simplify the user experience as much as possible, by distancing themselves from the technical issues linked to storage, many artists were not even aware that the longevity of their works ultimately depended on the survival of the marketplace they had chosen. The search for a universally accessible UX became a critical risk for the continued existence of digital art, jeopardizing even the initial, fundamental promise of on-chain art.

While the focus has largely been on the changing financial values on these marketplaces, a much more critical factor for the future is the importance of ensuring that works stored on IPFS can be taken over by artists, collectors, or patrons to ensure that their storage is maintained after the disappearance of the marketplaces.

Gauthier Zuppinger is the CEO and Founder of NFT18.com.

IMAGE Detail of a work by Juliette Roche, presented by Pauline Pavec in the Premise sector at Art Basel Paris 2024

2. DEALERS

Key Findings

1. Sales in the dealer sector continued to show mixed results in 2024, with aggregate values declining by 6% to $34.1 billion. Reflecting the wider market trend, dealers at the highest end reported some of the largest declines in value, as transactions continued at a level pace but with most activity concentrated at relatively lower price levels.

2. The smallest dealers with turnover of less than $250,000 reported the largest increase in sales (17%), their second year of growth and a market turnaround for this segment which had seen the weakest recovery in 2021 and 2022. Dealers with turnover of between $1 million and $5 million were also up by 10%, however, the higher turnover segments reported declines, with the $5 million to $10 million segment down by 3%, and the $10 million-plus segment down by 9%, the second year of slowing values for each.

3. The concentration of the largest share of declining sales at the high end of the market negatively affected overall values, with the majority (64%) of dealers with turnover of greater than $10 million reporting lower sales than the previous year, versus only 23% in the more densely populated lowest end of less than $250,000. Looking at the broader five-year picture, 48% of dealers reported higher sales in 2024 than they had in 2019, 21% had stable sales, and 31% had lower values, indicating continued uneven recovery across the sector.

4. Reversing recent trends, sales for dealers in some of the older sectors of the fine art market performed better than Contemporary art (artists born after 1945), with dealers noting that higher prices were concentrated on the most established artists, while newer Contemporary artists were selling well at lower price points. Dealers operating exclusively in Contemporary art experienced an 11% drop in sales in 2024, versus stable or increasing sales for those in the Post-War, Modern, and Old Master sectors. Specialist dealers in some non-fine art sectors also experienced a challenging year, with antiques dealers seeing a reduction in sales of 11%.

5. Dealers' sales became more concentrated around top artists, with 56% of their annual turnover coming from their top three artists, up by 3% year-on-year, and one-third from their single highest-selling artist (stable on 2023). While in previous years the top-heavy distribution of sales was more pronounced for businesses in the primary market, in 2024, the margin narrowed, with the largest increases in the concentration of sales in the secondary market, where the top three artists had substantially larger shares than in 2023 (up by 6%, to 53%). Sales in the primary market became more diversified, with the share accounted for by the single highest-selling artist at 34% in 2024, down by 2% year-on-year, and by 9% since 2019.

6. The representation of female artists among dealers continued to slowly increase, rising by 1% in 2024 to 41%. Primary market galleries showed the strongest representation at 46% (from 42% in 2022), and their share of sales from female artists increased by 3% year-on-year to 42%, continuing substantial growth since 2018. While still a minority, the results indicate that a small number of successful female artists are becoming more important for the aggregate turnover of galleries.

7. With slowing sales and continued inflation in costs, many businesses struggled to maintain their profitability in 2024, with a higher share of businesses less profitable (43%) than more profitable (32%) compared to 2023. The remaining 25% maintained similar levels (down from 31% in 2023), with a widening gap between profitable and unprofitable businesses. Rising costs continued to squeeze profits, with operating costs up by 10% on average in the sector, including payroll, rent or mortgage payments, IT, and other expenses.

8. Some dealers were successful in reaching new buyers, with 44% of the buyers they sold works to being new to their business in 2024. The share of sales to new buyers also increased to 38%, up by 5% from 2023. The share of new buyers was highest for the smallest dealers (50%) and to the extent that some of these may be new to the art market and starting off at lower price points highlights the importance of smaller galleries in expanding the market to a wider audience. After broadening their base of buyers significantly over 2023, dealers with the highest turnovers in excess of $10 million pursued a more focused strategy in 2024, selling the highest-value works to a smaller group of collectors as the market at the high end became more challenging. However, even in this segment, dealers reported that 40% of their buyers were new to their business in 2024.

9. Art fair sales increased slightly to 31% of total dealer sales, up by 2% from 2023 but still below 2022 (35%) and pre-pandemic levels (42% in 2019). This increase was driven by sales at overseas fairs (up by 2%, to 20%), while local fair sales remained stable at 11%. Dealers with turnover of over $10 million reported the highest share of fair sales at 34%, up by 4% year-on-year. The share was stable or dropped for dealers in the smaller segments, with the biggest fall for those turning over less than $250,000, from 26% to 23%.

10. Online sales accounted for 22% of total dealer sales in 2024, down by 1% from 2023 but still significantly higher than pre-pandemic levels (13% in 2019). The main growth area in online sales has been through dealers' own websites and online channels, which have more than doubled in share since 2019, reflecting substantial investments in upgrading internal platforms. The share of online sales to new buyers increased to 46%, from 35% in 2023.

11. Dealers cited their top challenge during 2024 as the prevailing context of political and economic volatility and the effect this had on demand, also the highest ranked in 2023. The second-highest-ranked challenge, on par again with 2023, was maintaining relationships with their existing collectors, which made up the majority of their buyers by number (55% of the total) and sales (62% by value). Managing general costs and overheads such as rent and salaries was in the top five concerns, but the costs to travel and participate in art fairs was ranked above this at three overall, as dealers increasingly struggled with how to balance these expenses against the much-needed sales injection they can provide.

2.1 The Dealer Sector in 2024

Sales in the dealer sector continued to show mixed results in 2024, with aggregate values declining by 6% to $34.1 billion. Reflecting the trend in the wider market, sales by dealers at the highest end showed some of the largest declines in value, as transactions continued at a level pace, but most activity was concentrated at relatively lower price levels.

This was the second year of falling aggregate values, with sales having reached just under $36.2 billion in 2023, down by 3% from the previous year. Global sales by dealers had contracted by an estimated 20% during the pandemic in 2020, but bounced back strongly in the two years that followed as dealers adapted their business models to focus on both online and offline strategies, with sales restored to pre-pandemic levels by 2022. While the switch to a greater share of online sales was proposed as a route towards a more level playing field in the sector, the reality of these recovery years was that businesses at the higher end of the market saw the largest improvements in sales, while those at lower turnovers recovered more slowly. All segments struggled with rocketing inflation in costs, and profitability became the key metric of focus in the sector.

In 2023, changes began to develop in these trends: after two years of intense spending, the market at the top cooled as various external contextual factors negatively affected demand and supply. Geopolitical crises and economic uncertainty added to greater price sensitivity at the top of the market, while specific factors such as higher interest rates in key markets like the US created a more cautious sales environment with less impulse purchasing. This continued in 2024, with dealers noting a lingering lack of confidence in buying at higher levels and some hesitation in consigning in the secondary market as political instability, uncertainty regarding major elections in the US and Europe, and other factors created concerns about the future. Transactions continued at lower price levels though, and some segments of the market grew despite the aggregate downturn.

Sales in the dealer sector continued to show mixed results in 2024, with aggregate values declining by 6% to $34.1 billion

To assess annual trends in the sector, Arts Economics carried out an annual survey of dealers globally in December 2024, covering 58 different regional or national markets, with a total of about 1,600 responses.[29] Dealers and galleries are defined here as businesses trading in fine art, decorative art, antiques, and antiquities, operating in both the primary and secondary markets. Due to the private nature of their sales and limited publicly available data, surveys are the primary method to gather information on annual trends and other changes occurring in the market. The survey sample for this research was primarily made up of dealers that are either members of dealer and gallery associations or those who participate in art fairs, meaning that they are, for the most part, more established businesses due to the entry requirements for fairs and associations. This means that the information presented excludes a large number of small businesses and sole traders, and therefore potentially a large volume of lower-value sales from the roughly 300,000 businesses operating around the world in the sector.

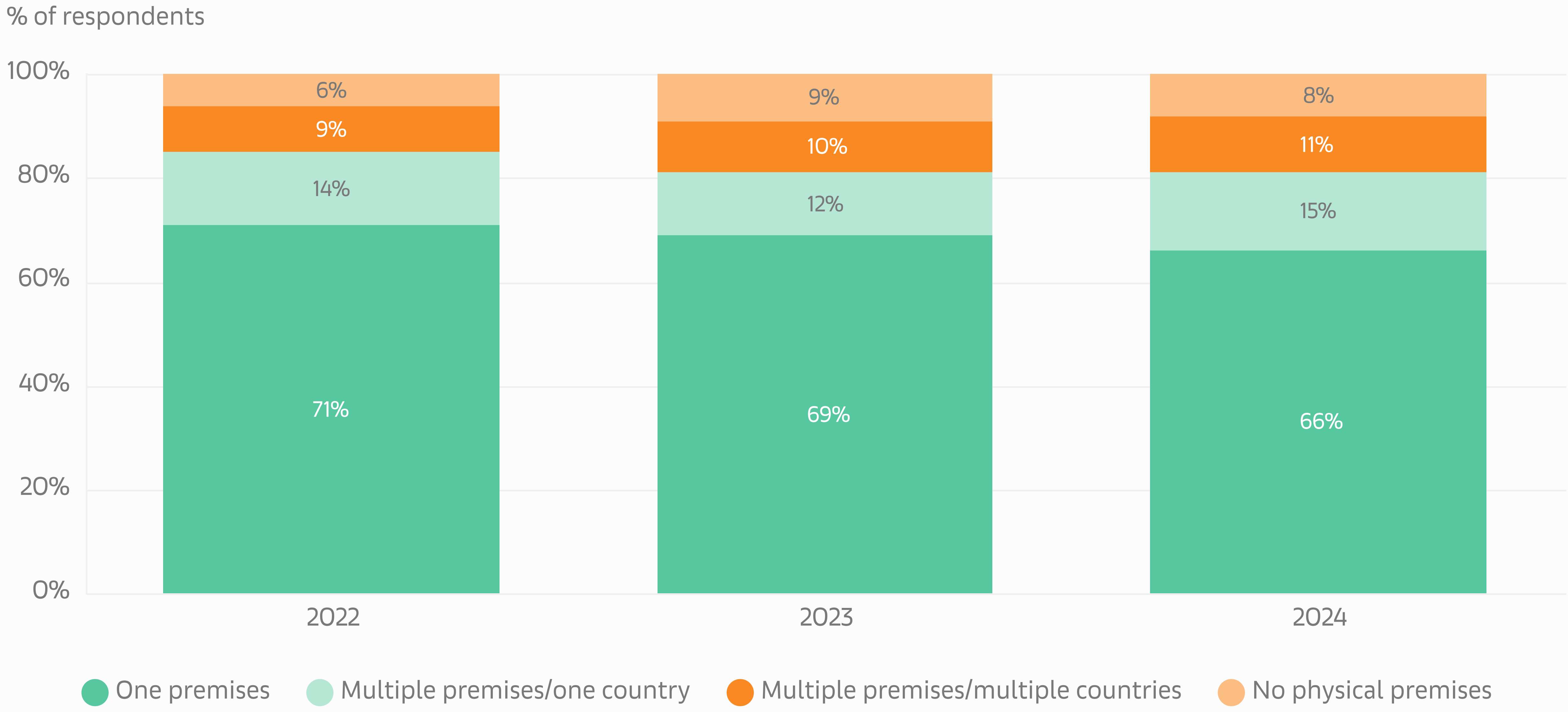
The survey respondents were from a wide distribution of geographical bases, with 43% from Europe, 28% from Asia, and 22% from North America. The remaining 7% were from South and Central America (4%), Oceania, and Africa.

On par with 2023, the majority of dealers (81%) operated from one region or market in 2024. Of those, 66% had just one gallery or premises in one market, and 15% operated more than one premises in that one market, up by 3% year-on-year, indicating some local expansions despite significantly increasing rents and operating costs over the last few years.

Although stable year-on-year, the share of dealers operating from only one market was down from 85% in 2022, as some have continued to expand into global locations to increase the geographical reach of their sales, alongside a small share operating without a physical premises. In this sample, 8% did not have a gallery premises (up by 2% since 2022), operating online-only businesses (3%) or dealing privately or through a home office (5%).

29 More information on the survey and other sources of data is given in the Appendix. These surveys continue longitudinal research of the sector carried out by Arts Economics over more than 15 years, which has enabled tracking of market trends over time. Interviews were also conducted with dealers in different sectors and regions in 2024 and 2025 to provide insights into some key issues uncovered in the surveys.

Figure 2.1 Geographical Distribution of Premises Operated by Dealers 2022–2024



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While there is evidence of continuing global diversification for some galleries, the majority of businesses have continued to be consolidated around a relatively small number of regions over the last two years. Of those dealers with multiple premises in different regions in 2024, 68% focused on just two regions (stable on 2023, but up from 49% in 2022), and a further 16% operated in three markets. The share with premises in four or more regions expanded by 4% year-on-year to 16%, however, this was still lower than the 22% of these larger multinational galleries reported in 2022.

While one of the most highlighted concerns over the past two years has been the rapidly rising operating costs in the sector, some dealers expanded their physical premises, both locally and globally in 2024. Expansions have continued in Asia, including openings by Ceysson & Bénétière Gallery in Tokyo, Massimo de Carlo and Meyer Riegger in Seoul, and Pearl Lam and ShanghART in Shanghai. In Europe, several galleries introduced new spaces in London (including Cadogan Gallery, Upsilon Gallery, and Perrotin Gallery), as well as in other regions such as Italy, notably with Thaddeus Ropac and Lehmann Maupin expanding there in early 2025. Galleries also opened in the US, with most in New York (Marian Goodman Gallery, Blum, D'Lan Contemporary, Polina Berlin Gallery, and others) and Los Angeles (including Perrotin, Michael Werner Gallery, Megan Mulrooney Gallery, and The Brick).

From around 37 publicized openings in 2024 or early 2025, 13 in total were in the US, 15 in Europe, six in Asia, and the remainder in Mexico, Australia, and New Zealand. There were also several notable relocations within regions, showing galleries expanding to new areas or larger spaces, particularly in New York and London.

However, there were several high-profile closures, too, with at least 30 flagged in art-media sources. These included, most notably, Marlborough Gallery, which closed its four galleries in New York Barcelona, Madrid, and London after 80 years in operation, Simone Subal Gallery and David Lewis Gallery in New York, Deli Gallery in New York and Mexico City, and Lévy Gorvy Dayan in Hong Kong. While some businesses ceased operations entirely, others such as Mitchell-Innes & Nash closed their gallery premises but continued to deal and advise through private channels. In total, there were 19 closures in the US (including 10 in New York and six in Los Angeles), six in Europe, three in Mexico, and one in Hong Kong. While the publicized openings and expansions still outweighed these closures, as noted in previous research, closures are often not always as well publicized and therefore some only become known with a considerable lag. Dealers noted their concerns regarding gallery closures in 2024, with some considering it part of a natural cycle of older galleries closing and making way for new and different businesses, but leaving gaps in the market in certain key sectors that were unlikely to be easily filled.

Official statistics also show a stagnant picture in some regions. In the largest market of the US, the number of art galleries and dealers with employees (excluding antique dealers and all non-employee businesses) was relatively stable year-on-year (down slightly by 0.5%). The number of businesses had fallen slightly during the pandemic in 2020 and 2021, but in the second half of 2024, was still almost 5% higher than in 2019.[30] Similarly, in the UK, the number of commercial art galleries and antique-dealing companies with taxable employees was stable year-on-year in 2023, and had risen by almost 14% from 2019 through to 2023, however, this fell by 5% over 2024.[31]

The sample analyzed here covered dealers working in the art, antiques, and antiquities markets in 2024. The majority of respondents operated in the fine art market (90%), with 10% working exclusively in the decorative art, antiques, or antiquities sectors. Among the fine art dealers:

- 50% worked in the primary market;
- 9% worked in the secondary market; and
- 41% worked in both the primary and secondary markets.

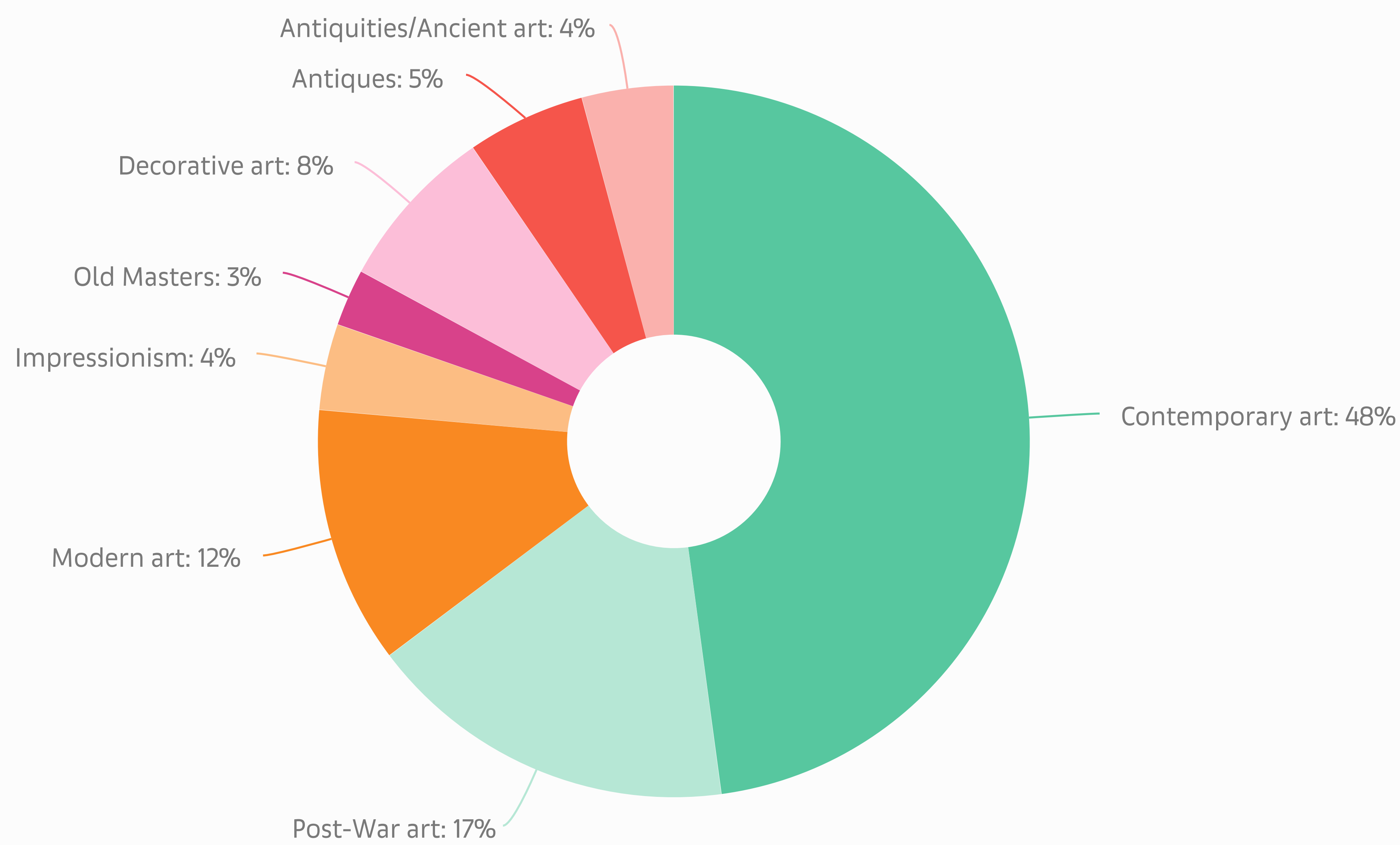
30 Data extracted from the US Bureau of Labor Statistics (2025), available at bls.gov.
31 Data extracted from the UK’s Office of National Statistics (2025), available at ons.gov.uk.

Including both specialized single-sector businesses and those with diversified programs covering more than one sector, Contemporary art (defined here as artists born after 1945) had the largest coverage (48% of the sectors covered by dealers in the sample, up from 40% in 2023), with a further 17% in Post-War art (artists born between c.1910 and 1945). Reinforcing the dominance of Contemporary art in the dealer market, in terms of the number of dealers, over 80% of businesses included Post-War and Contemporary art in their programs, including those specializing in these areas or including them alongside older fine art sectors, decorative art, or antiques.

As was the case in previous years, the majority of dealers (60%) specialized in a single sector of the market, although this was down slightly year-on-year (by 2%). Some dealers also noted anecdotally that they had increased the diversity of their programs to try to boost sales and reduce risk, given the more difficult market context of the last two years. Of the remaining 40%, over half (26%) diversified only within fine art sectors.

As discussed in previous reports, specialization can be a highly successful strategy for some dealers, capitalizing on their deep expertise and strong vertical networks within specific markets, however, it also entails significant risk depending on supply and demand conditions for a relatively narrower group of artworks or objects versus a more diversified approach. This was evident in the sales results within the sector in 2024. While some dealers specialising in older sectors performed well, those focused exclusively on newer and Contemporary sectors experienced poorer annual performance, reversing the patterns of many previous years. Those who were diversified in older sectors of the fine art market alongside Contemporary did slightly better than Contemporary specialists, and those who mixed older sectors without Contemporary did better again, going against the aggregate declining trend, with significant growth reported by this relatively small group. As in 2023, there was also evidence of relatively stronger performance among the more generalist dealers – the 11% of businesses who operated across both the fine art market as well as decorative art, antiques, or antiquities.

Figure 2.2 **Total Number of Sectors Operated in by Dealers 2024**



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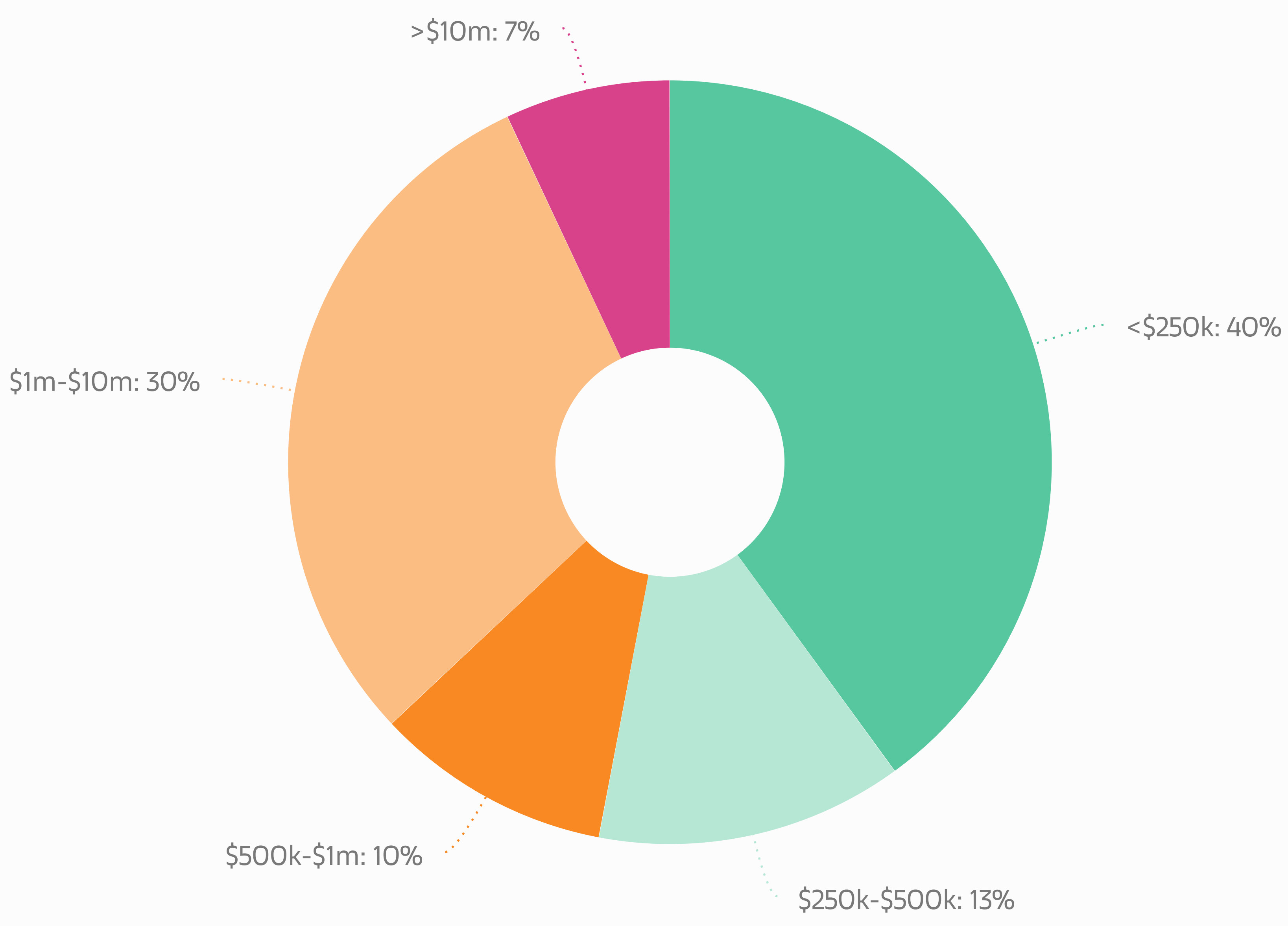
While there are a number of large, multinational galleries, the majority of businesses operating in the dealer market globally are small businesses in terms of turnover and employee numbers. As the survey sample mainly comprised dealers in associations or those who participate in art fairs, a very large number of the smallest, micro-level enterprises, sole traders, and other operators were excluded, and very conservative estimates of their turnover were included to determine the size of the market.

Within the sample, respondents' sales also varied, and the largest segment was dealers with turnover of less than $250,000 (40% in 2024, up from 35% in 2023). Based on their sales for 2024, over half (63%) had annual turnover of less than $1 million (stable year-on-year, but up from 56% in 2022). The remaining 37% included 7% with sales in excess of $10 million, stable on the previous year.

Figure 2.3 Annual Sales Turnover of Dealers 2024



©Arts Economics (2025)

Dealers tended to be more established businesses, with an average period in operation of 27 years.[32] Stable on 2022 and 2023, just over half (52%) were in business for longer than 20 years, up from 42% in 2021. These shares show the considerable longevity for businesses in the sector, remaining higher than many other industry averages, for example, in the US, where just 27% of private enterprises operating in 2024 had been in business for 20 years or more, and only 17% for more than 27 years.[33]

Just under one-quarter of the sample (24%) had been in business for 10 years or less, and of those, 7% had only started their galleries in the last three years. Most of these new businesses (45%) were based in Asia, with 31% in Europe (including 16% in the UK), 20% in the US, and 4% in South and Central America. Most of these newer businesses dealt in Contemporary art, including 68% specializing exclusively and a further 23% including it alongside other sectors.

32 This average was influenced in part by the sampling process, with the survey distributed through national dealer associations, including SLAD, the ADAA, the CPGA, CINOA, and others, as well as to Art Basel exhibitors. These associations and art fairs have vetting and entry criteria, and it is therefore more likely that the dealers surveyed had been open and established for at least one or more years.

33 Data for the US is from the Bureau of Labor Statistics. See *Business Employment Dynamics* statistics, available at bls.gov.

Figure 2.4 Dealers' Number of Years in Business 2024

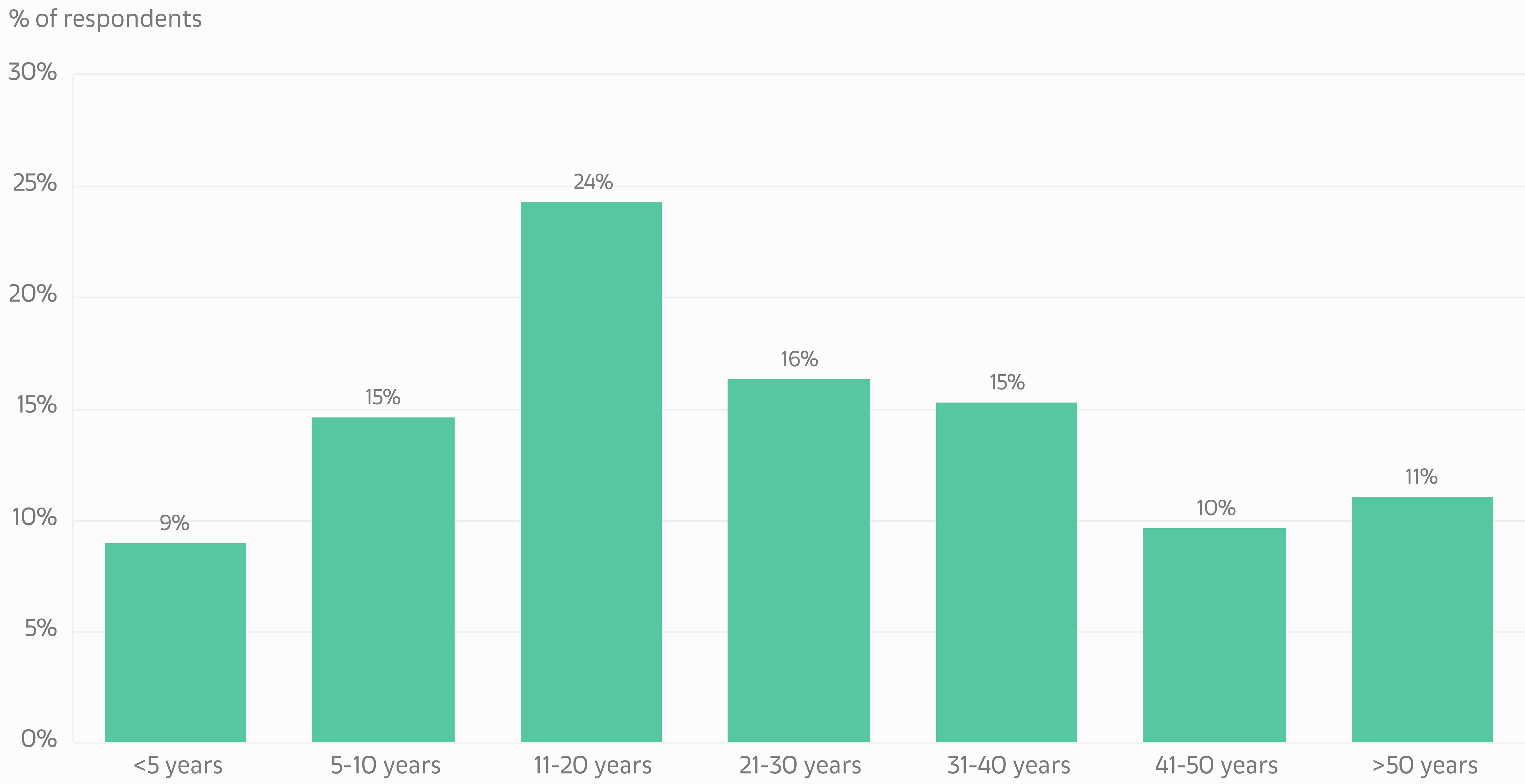


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IMAGE Detail of a work by Jesse Darling, presented by Arcadia Missa, Chapter NY, Galerie Molitor, and Sultana as part of Art Basel Paris' 2024 Public Program

2.2 Dealer Sales

Aggregate sales in the dealer sector slowed for the second year in 2024, as the higher end of the market continued to drag on growth. While the high end had been the driving force of the recovery of sales in 2021 and 2022, there was a noticeable change from 2023, as aggregate sales for the largest dealers showed a more significant annual decline than lower turnover segments. Performance was mixed during 2024 and included strong sales in some areas, but the slower trajectory of growth for the largest dealers negatively affected overall values.

Growth also varied by region in 2024, although on aggregate, dealers in most of the mid-sized and larger art markets reported slowing sales. US dealers reported sales decreasing by 5% while those in the UK fell by 6%, a second year of declining values for both, and with a wide range of performance within each of these major art markets. Over the longer term, the majority of dealers in both markets reported that values had stabilized or grown since 2019, but the recovery has been stronger in the US, where the share with lower sales in 2024 than in 2019 was considerably less (29%) than in the UK (45%).

Sales in Asia were mixed, with the major markets of China (including Mainland China and Hong Kong) and South Korea reporting declines of 19% and 12%, respectively, while dealers in Japan bucked the declining trend with an increase of 7%.

Across EU markets, growth was flat overall, with dealers in the largest market of France down by 4% year-on-year. Despite two years of slowing sales, only 24% of French dealers reported that their sales had not yet recovered to a higher level than in 2019, with the majority stable or improved. Some of the other larger and mid-sized markets also declined, including lower sales in both Germany and Italy, while dealers in Spain and Switzerland continued to counter the trend with positive growth.

In other regions, sales varied widely, with falling sales reported in the larger markets of South America, including Brazil and Mexico. Dealers from markets within Africa had mixed reports, while those in Australia performed relatively well for the second year running, with growth of 11%.

Sales by Turnover Segment

Tracking the progress of dealers globally in terms of their turnover segments over the last five years, smaller galleries experienced less of a fall in sales on aggregate in 2020 than their larger peers, being less reliant on fairs and with price points that were more adaptable to the switch to online selling. However, as events resumed and buyers eagerly returned their focus to the market, the more familiar pattern of the superior performance at the higher end returned, and larger galleries with turnover of greater than $10 million had the highest upturn in aggregate sales in 2022. In 2023, however, the aggregate value of these businesses declined the most year-on-year, with slowing sales at the very top of the market, dealers reporting fewer transactions at the highest price points than in previous years, and buyers being more cautious about spending larger sums, unlike 2021 and 2022. These findings paralleled those in the public auction market where the greatest buoyancy was in the middle and lower ends.

In 2024, the smallest dealers with turnover of less than $250,000 had the largest increase in aggregated sales year-on-year at 17%. This was the second year of growth (including an 11% increase in 2023) and a marked turnaround for this segment which had seen the weakest recovery of all in 2021 and 2022, with a bigger gap to make up compared to larger businesses. Aside from this strong rise in sales, performance was somewhat weaker for their closest peers in the lower-to-middle market. Dealers with turnover of between $250,000 and $500,000 saw a decline in aggregate sales of 6%, having been one of the strongest-growing segments the previous year (with an increase of 12% from 2022 to 2023). The segment between $500,000 to $1 million was also relatively stagnant, with sales only rising marginally by 1% (versus 4% in 2023).

The performance of dealer segments with turnover of over $1 million was also mixed, with the highest-end businesses dragging most on aggregate values. The segment between $1 million and $5 million saw a 10% increase in sales, with some noting strong sales for works at fairs and in their galleries, but focused at five- and lower six-figure levels. However, the two highest segments over $5 million both reported declining aggregated sales, their second year in each case of slowing values, with the largest dealers in the $10 million-plus segment down by 9%.

The trend towards fewer very high-end sales was also evident in collector research over the last two years. In a survey of over 3,660 HNW collectors undertaken by Arts Economics and UBS in 2024, the most commonly used channel for purchasing art was through a gallery or dealer, with nearly all (95%) of respondents buying either at a gallery, online, through social media, or at an art fair. While just over half (53%) revealed that they had bought a work in 2023 or 2024 for more than $100,000, in the first half of 2024, only 4% had spent over

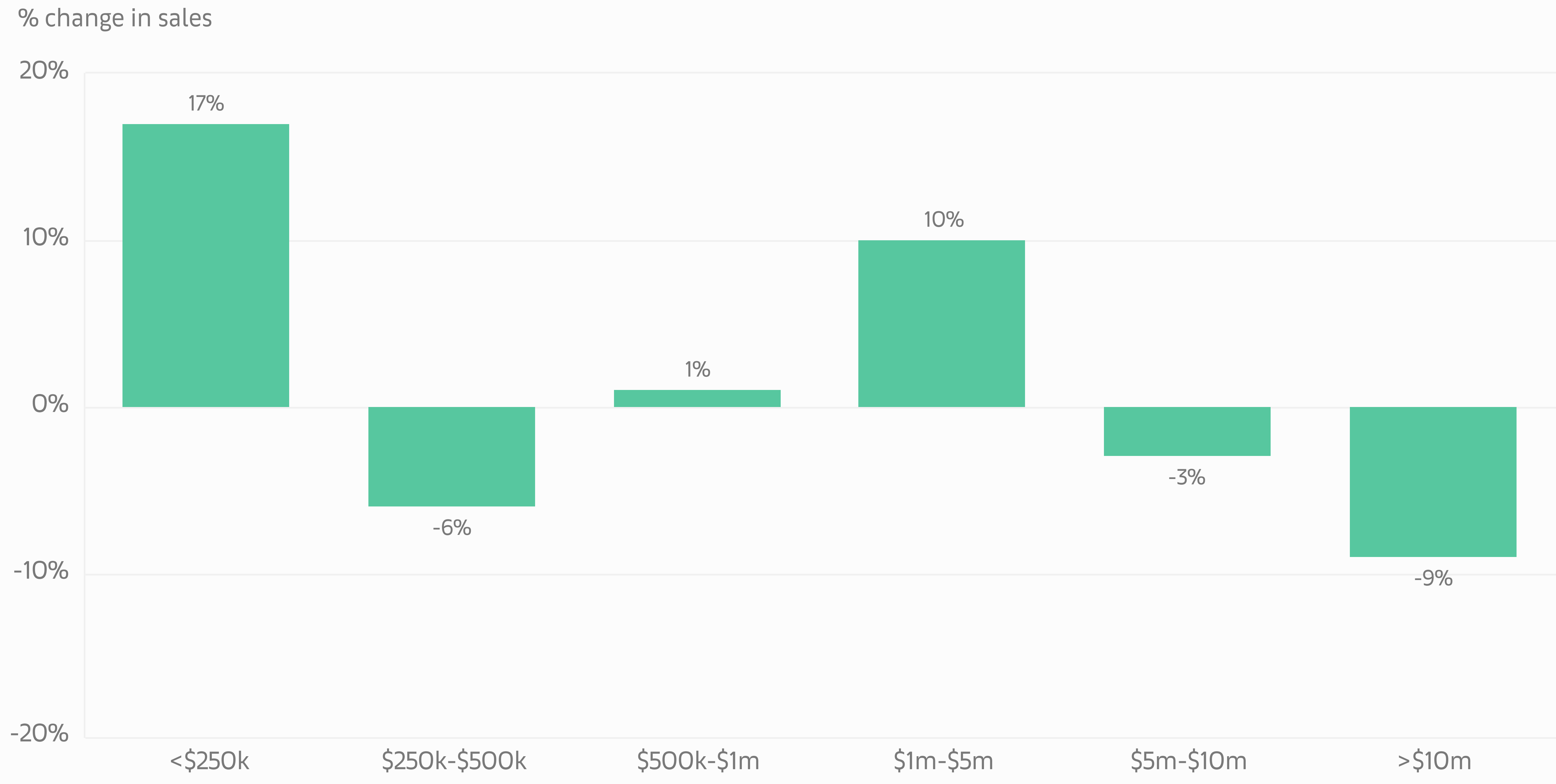
$1 million (versus 7% in the first half of 2023). In contrast, 12% of a similar sample of HNWIs in 2021 reported that they were most commonly focused on buying works of art priced at over $1 million, indicating a pullback at this level over the last few years following strong post-pandemic buying.[34]

IMAGE Detail of a work by Thomas Schütte, presented by Carolina Nitsch in the Edition sector at Art Basel in Basel 2024

34 See Arts Economics (2024) *A Survey of Global Collecting in 2024, An Art Basel and UBS Report*, available at theartmarket.artbasel.com.

Figure 2.5 Change in the Value of Aggregate Sales by Dealer Turnover

a) 2023–2024



b) 2019–2024

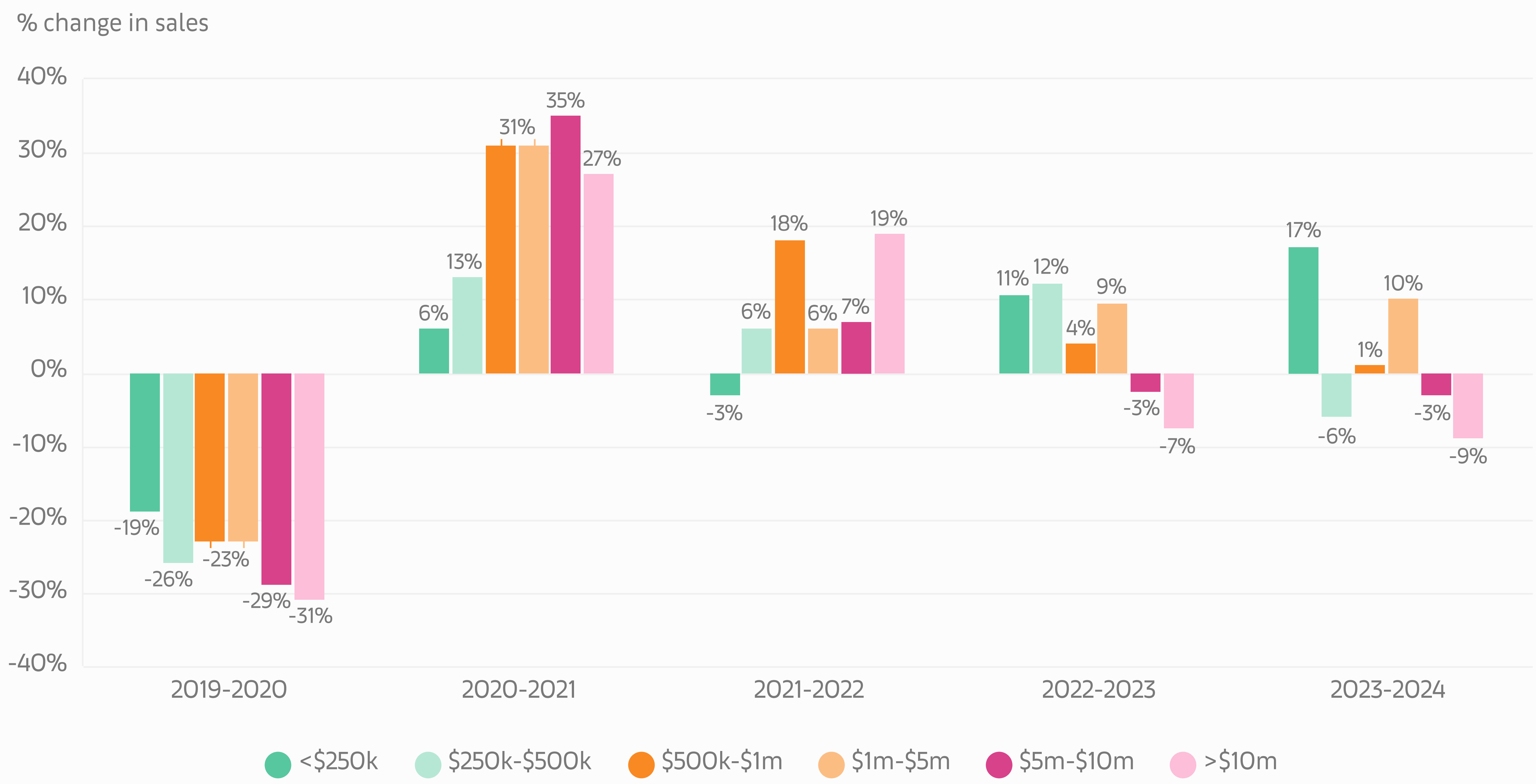


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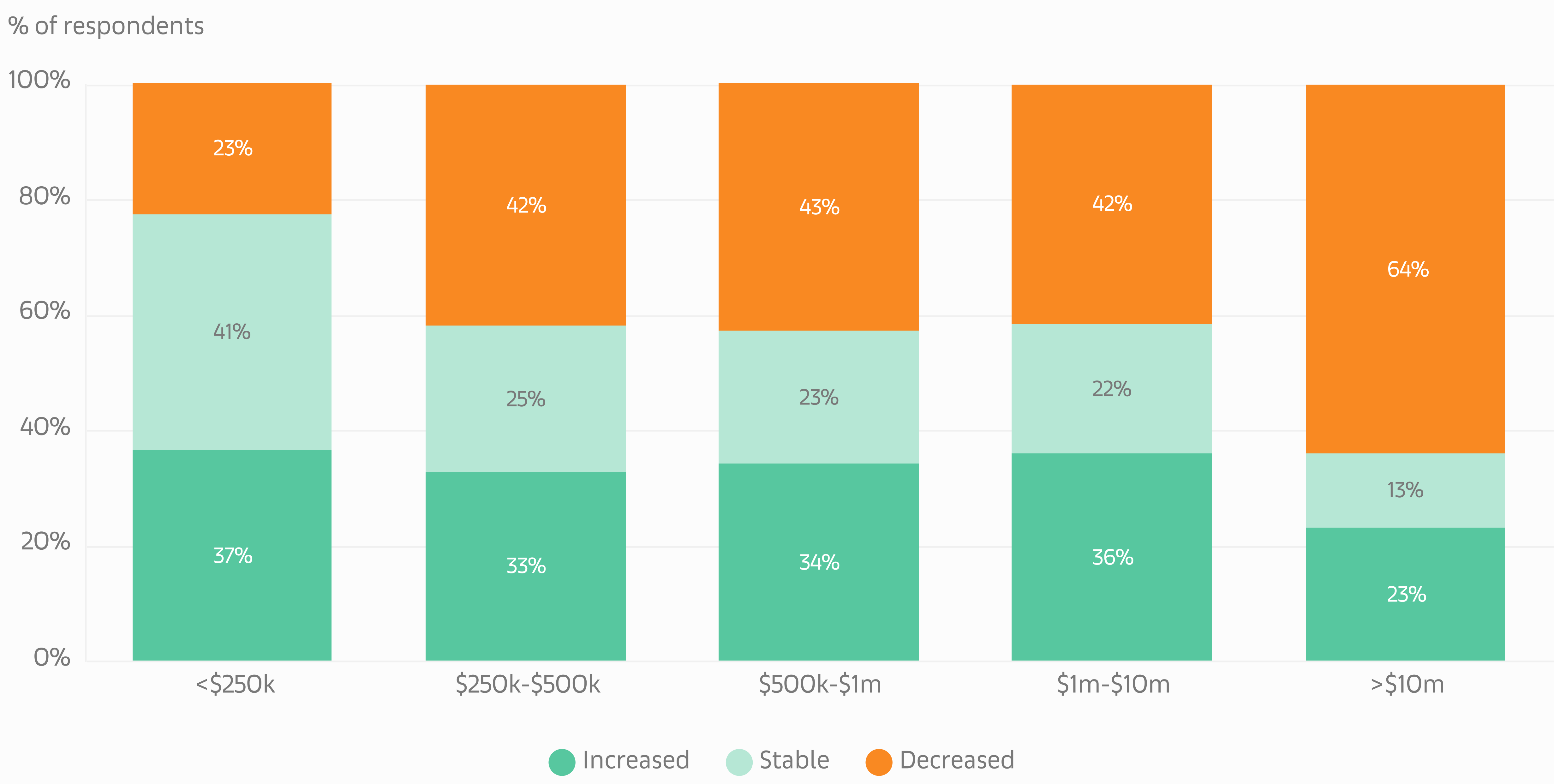
Figure 2.5 shows the changes in the value of aggregate sales by segment, but in terms of individual dealers' sales, performance was also mixed within segments. Despite the aggregate decrease in sales, across all respondents regardless of their turnover, there was a roughly even share of businesses reporting an advance in sales as there was a decline:

- 35% had an increase in sales year-on-year, although this was considerably lower than the 44% in 2023 and the majority of 61% in 2022;
- A similar proportion (36%) had a decline, marginally less than in 2023 (37%) but versus just 24% in 2022; and
- The remaining 30% had stable sales, considerably higher than the 19% in 2023.

However, the concentration of the largest share of declining sales in the higher end of the market negatively affected overall values, with 64% of dealers with turnover of greater than $10 million reporting lower sales than the previous year, versus only 23% in the more densely populated lowest end of the turnover spectrum of less than $250,000.

Figure 2.6 Dealers' Change in Sales by Turnover 2023–2024



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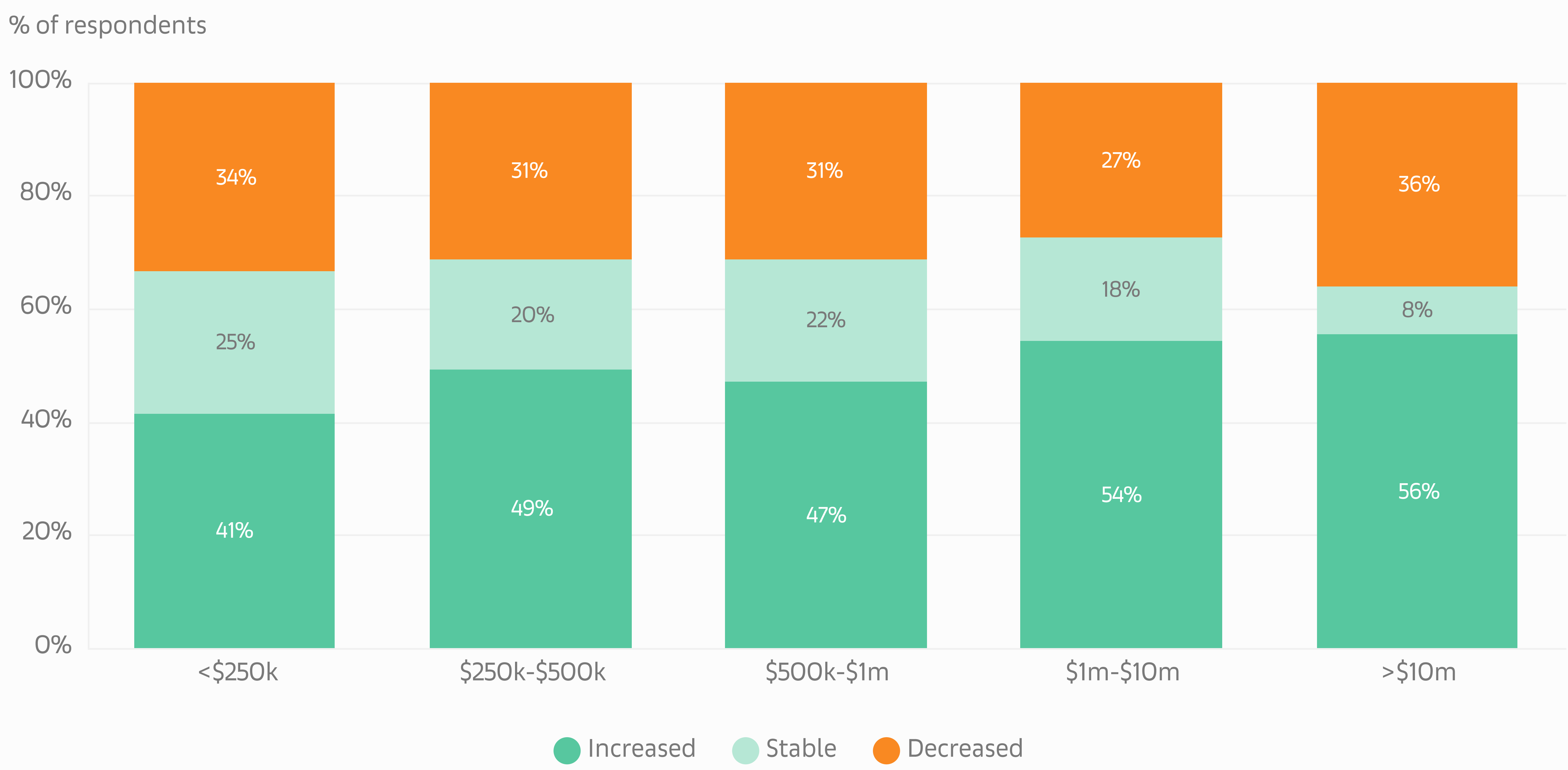
Some of the changes in sales growth at the high end were seen as inevitable given the outsized growth following the pandemic in 2020. Taking a broader view of the market over the last five years, comparing sales in 2024 to 2019, before this unique disruption to the sector, just under half (48%) of dealers reported that their sales were higher in 2024, 21% said they were at the same level, and 31% had lower values.

Taken over this longer period from 2019, despite the slower performance in 2024, there were still more larger dealers that had managed to recover and stabilize their sales after the pandemic compared to some of their smaller peers. 56% of businesses with turnover of greater than $10 million reported higher sales in 2024 versus 2019 levels compared with 41% in the sub-$250,000 turnover segment. The slower sales at the top meant that there were more $10 million-plus dealers with sales below 2019 than the previous year (36% in 2024 versus 20% in 2023). However, the shift upwards in the lower segment was only by 3% (from 38% in 2023), which could indicate that some of the uplift in sales in the last two years has been about continued recovery rather than significant growth from this benchmark year. Just over one-third of the smallest dealers still had lower sales in 2024 than in 2019, versus 37% in 2023.

Figure 2.7 Dealers' Change in Sales by Turnover 2019–2024



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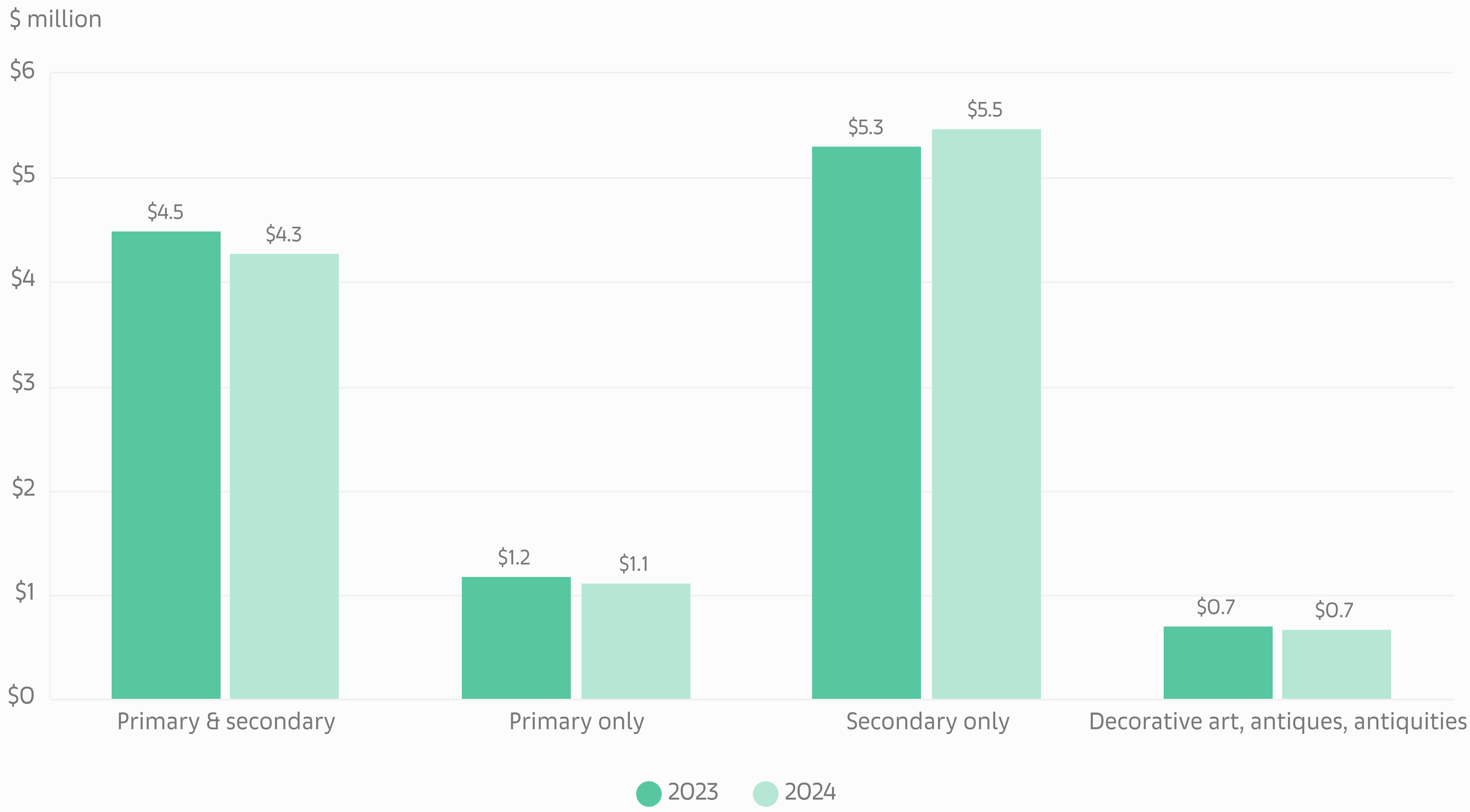
Sales by Sector

As noted above, around 90% of respondents were fine art dealers, and of those, 50% worked in the primary market, 41% combined primary and secondary market sales, and 9% worked only in the secondary market. Dealers working across both markets reported that 40% of their sales by value in 2024 were in the primary market (down by 7% year-on-year) and 60% in the secondary market.

Primary market dealers reported a strong increase in sales of 20% in 2022, driven by strength at the high end, followed by a flatter year in 2023. In 2024, their sales fell by 6% to an average of just over $1.1 million. Dealers working in both the primary and secondary markets saw a similar decline (5%), with a significantly higher average level of sales at $4.3 million. The small number of dealers focused exclusively on the secondary market did relatively better, with their sales expanding for the second consecutive year by 3% to just under $5.5 million in 2024, the highest average of all, driven by the relatively better performance of some non-Contemporary markets.

Dealers working in the markets for decorative art, antiques, and antiquities also saw a more stagnant year overall, with aggregate sales down by 5% to $656,600, but with varied performance by region and segment.

Figure 2.8 Average Turnover of Dealers by Market Sector 2023–2024



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An analysis of the annual sales by specific sectors revealed that one of the drivers of the slowdown in aggregate performance was the relatively poorer performance year-on-year of Contemporary art versus previous years, particularly given its dominance in the sample and the wider market. Reversing recent patterns, dealers operating in older sectors such as Modern art and Old Masters reported significantly better year-on-year progress in 2024 than those in Contemporary art.

Dealers focused exclusively on Post-War art reported stable results year-on-year, with one of the highest average sales levels of all sectors at $9.4 million. In contrast, those working only in Contemporary art had a much lower average (just under $1.8 million) and experienced an 11% drop in sales in 2024. It is notable that the median sales in this segment were relatively stable year-on-year, indicating that the slump was primarily due to performance at the higher end of this sector. These trends signal some continuing risk aversion, with dealers noting that higher prices were concentrated on the most established artists, while newer Contemporary artists were selling well at lower prices.

Dealers in the older fine art sectors continued to have higher average turnovers than those dealing in Contemporary art. Although surveying a relatively small sample compared with the Contemporary cohort, dealers specializing exclusively in Modern art and Old Masters reported double-digit growth year-on-year, while average sales rose by almost 20% for those mixing these sectors along with others such as Impressionism. This was in contrast to the dealers who mixed older sectors with Contemporary art, showing a fall in sales of 7%, again indicating that the slowdown in sales in 2024 was focused more on Contemporary art.

Specialist dealers in some non-fine art sectors also experienced a challenging year, with antiques dealers seeing a drop in sales of 11%. Some noted that declining interest and an aging demographic in areas such as period furniture were having a negative impact on prices and their businesses despite the 'very positive renewable credentials of the sector'. However, diversification appeared to be a successful strategy: while the businesses working exclusively in either antiquities or antiques and decorative art all saw declining average sales year-on-year, dealers that operated across all of these sectors reported increasing sales of 16%, to an average of just under $950,000.

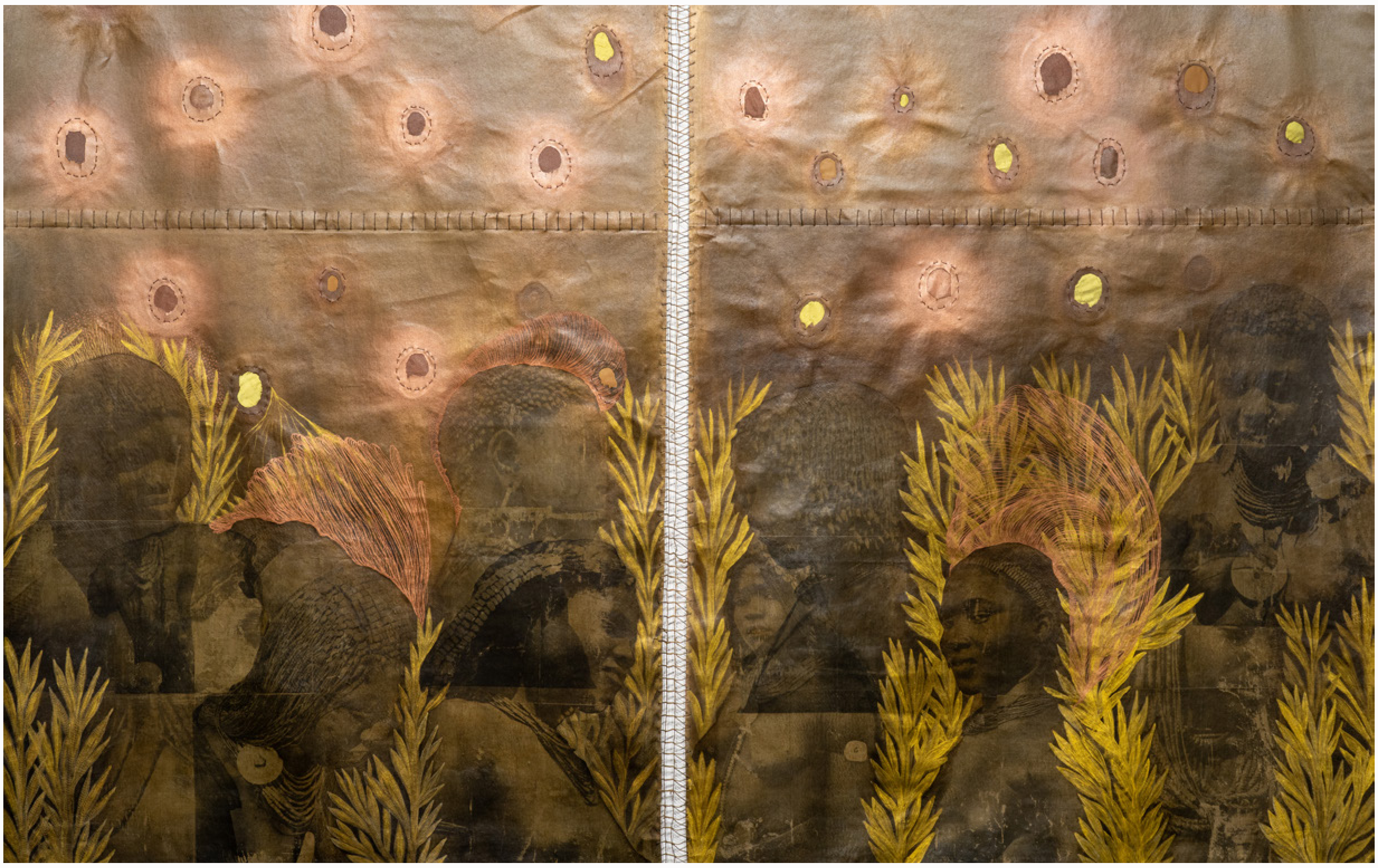

IMAGE Detail of a work by Tuli Mekondjo, presented by Hales Gallery in the Galleries sector at Art Basel Miami Beach 2024

Figure 2.9 Average and Median Sales of Selected Art Sectors 2024

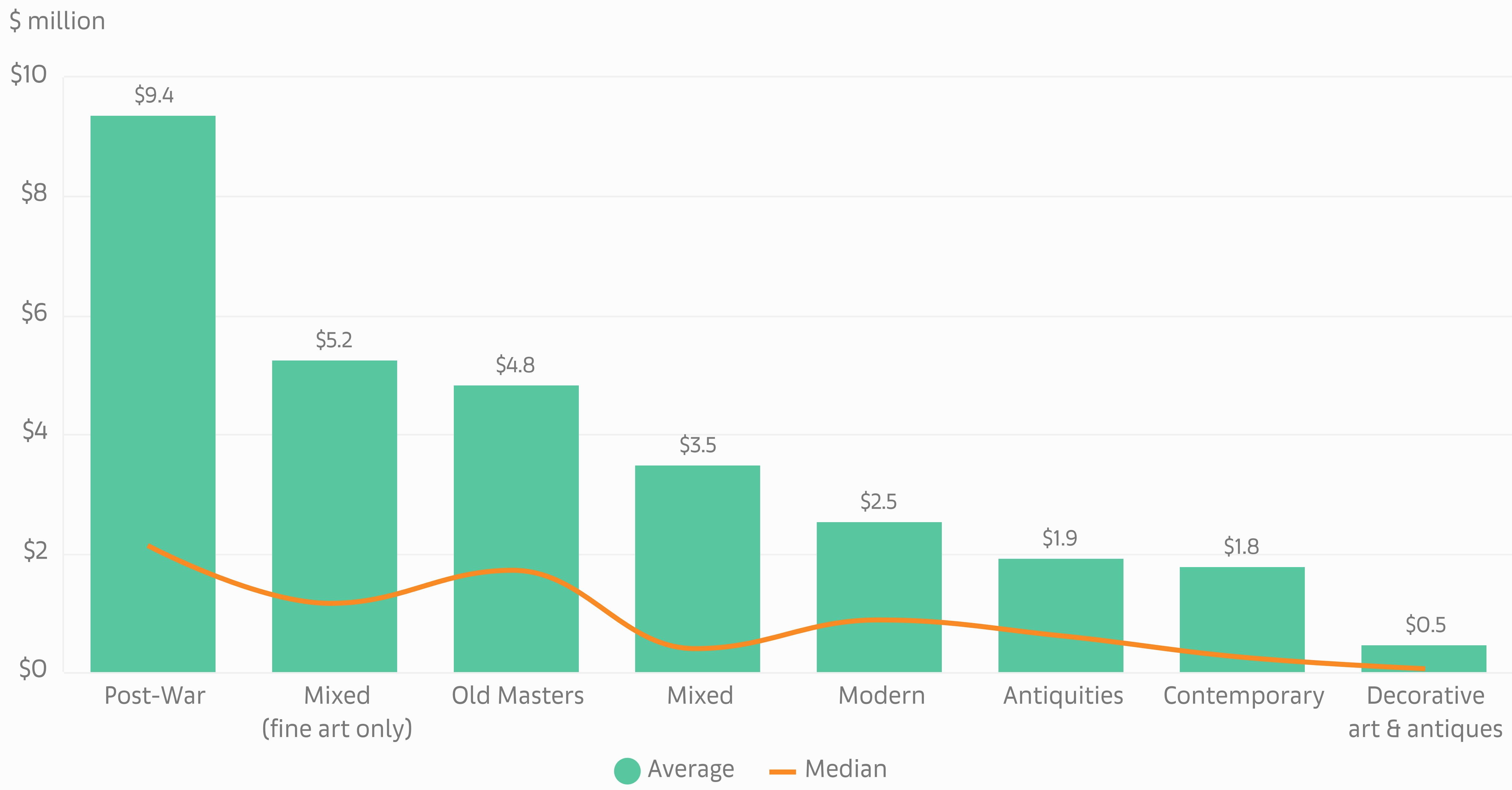

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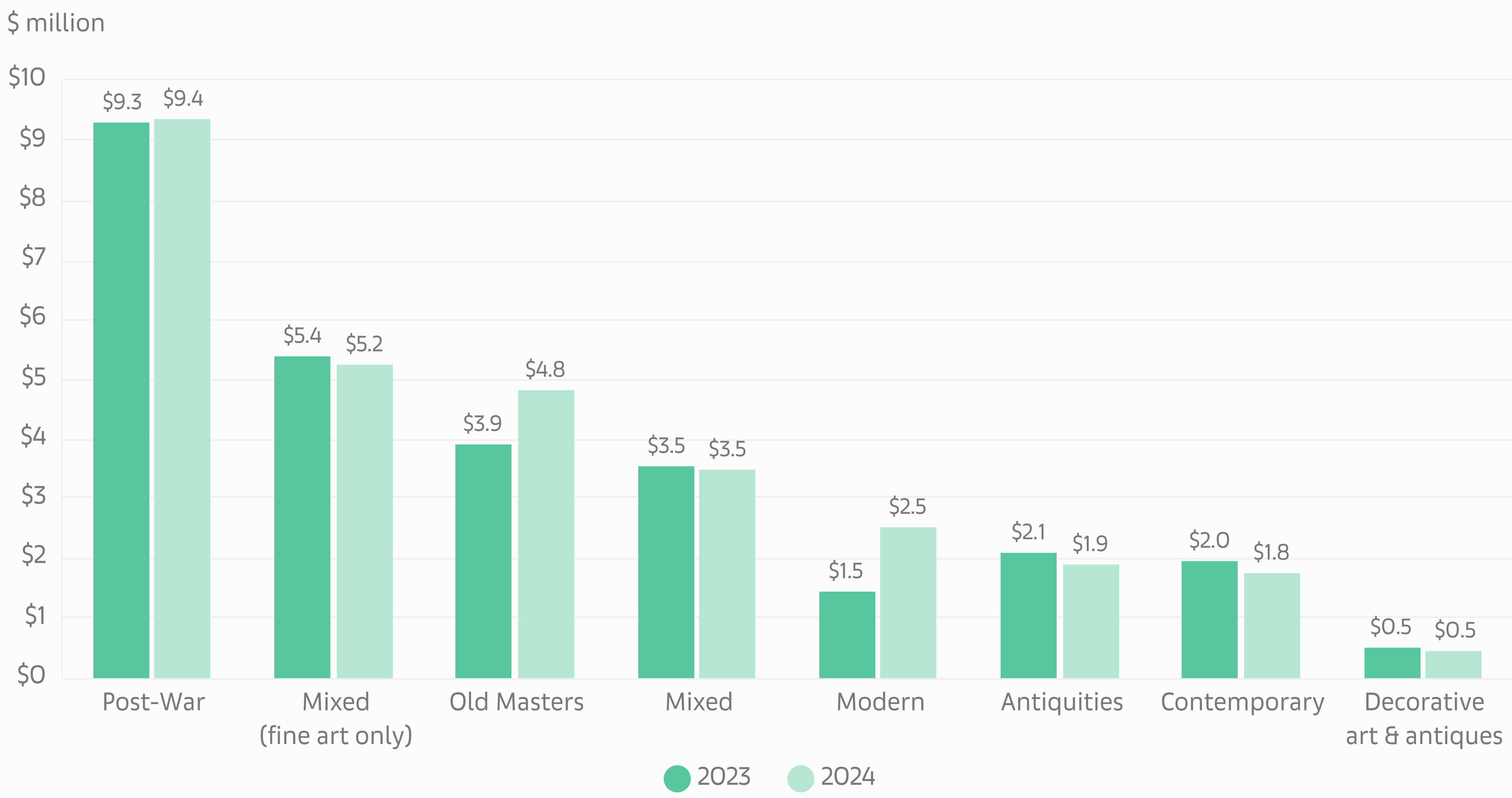
Figure 2.10 Average Sales of Selected Art Sectors 2024 versus 2023



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Sales by Medium

As the market continued on a relatively uncertain path, with dealers noting collectors reverting to traditional or less risky areas of collecting, the value of sales remained dominated by the traditional mediums of paintings, sculptures, and works on paper. The aggregated share of sales in these mediums by fine art dealers operating in both the primary and secondary markets was 85% by value in 2024, on par with 2023 and up by 3% on 2022. Paintings was the largest medium by value, but its share dropped by 5% year-on-year to 59%, with spending on sculptures and works on paper up by 3% and 1%, respectively. Spending on prints and multiples, which are predominantly at lower price points, also saw an increase of 2%, to account for 7%, while photography was stable at 3%.

Sales of digital, film, and video art experienced a significant lift in share in 2022, before declining to 1% in 2023. This share remained low in 2024, comprising a stable 1% of sales overall by fine art dealers, with most (89%) not having sold any art in these mediums. However, even considering only the 11% of fine art dealers who had at least sold some digital or film-based artworks during the year, the portion of sales by value was still just 7%, down from 11% in 2023, indicating again that what dealers have offered or been successful in selling in 2024 has been based on more traditional and less niche areas of collecting.

The findings on sales by medium in this survey also reflect the research on HNWIs in 2024, which revealed increasing participation by collectors in buying works on paper and prints and multiples, while paintings and sculptures fell slightly. This underlined the trend towards greater activity and buoyancy at the lower end of the art market in 2023 and 2024, with more sales at lower prices and less activity at the top. Paintings remained the largest segment of spending by HNWIs, accounting for 49% of total fine art expenditure by value (and around one-third of the number of works purchased), stable on 2023 but down from 58% in 2022. Prints and multiples were the second-largest overall (18%) while works on paper made up 15% (and 30% of the number of works purchased). The share of spending on film, video, and digital art was just 3% of total expenditure in the first half of 2024, and these mediums made up 7% of the content of HNWIs' collections, on par with 2023 but down from 15% in 2022, and with digital artworks accounting for just 3%. There was also a decline in those buying digital art, from 17% in 2022 to 9% in the first half of 2024.[35]

35 See Arts Economics (2024) *A Survey of Global Collecting in 2024, An Art Basel and UBS Report*, available at theartmarket.artbasel.com.

Figure 2.11 Share of the Value of Fine Art Dealers' Sales by Medium 2024

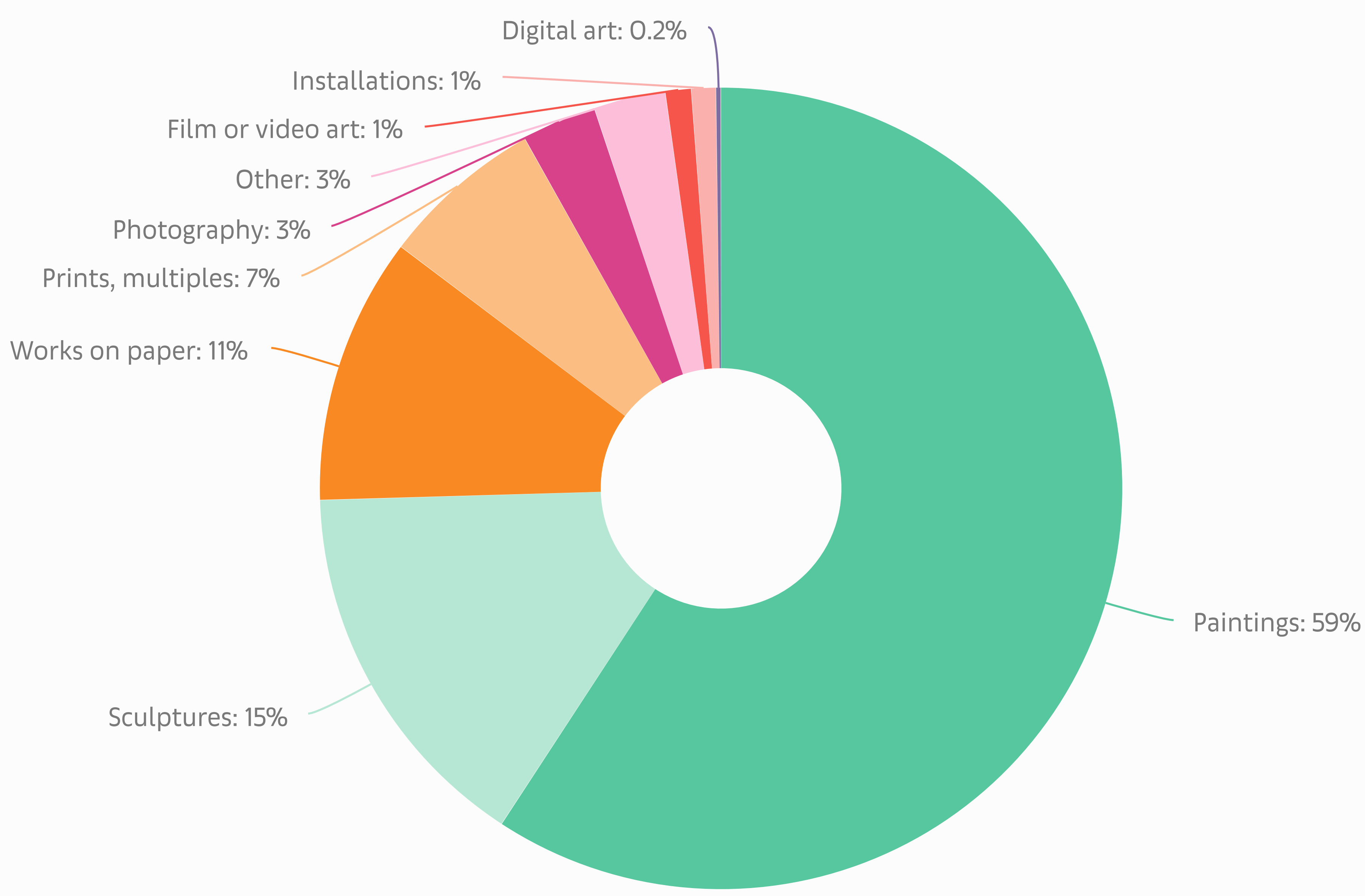

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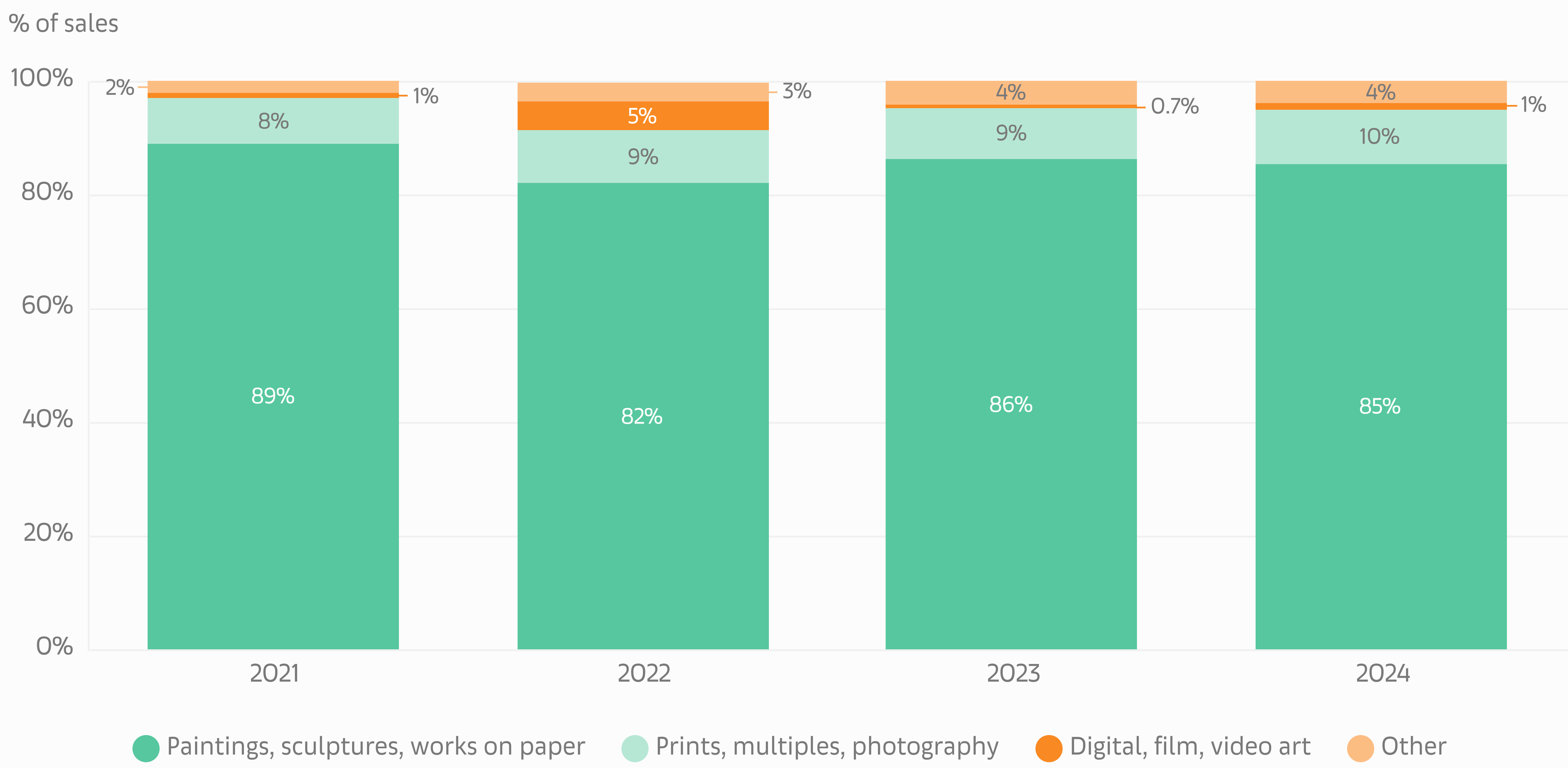
Figure 2.12 Dealer Sales by Medium 2021–2024



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Sales Volumes

Despite the slowdown in values over 2023 and 2024, the average number of works sold by dealers has stayed relatively stable, increasing slightly from 156 to 157. Some dealers reported that the drop in sales values over the last two years was due in part to selling more but lower-priced works, or extending more favorable terms and discounts on some works in the challenging market context.

These averages were skewed upwards by dealers selling very high volumes of objects and multiples, and the median is therefore often more representative of the level of sales for most businesses. The median number of works sold in 2024 was 75, which remained stable year-on-year. The median ranged from 45 for those with turnover of less than $250,000 up to 135 for dealers with turnover of between $1 million and $10 million.

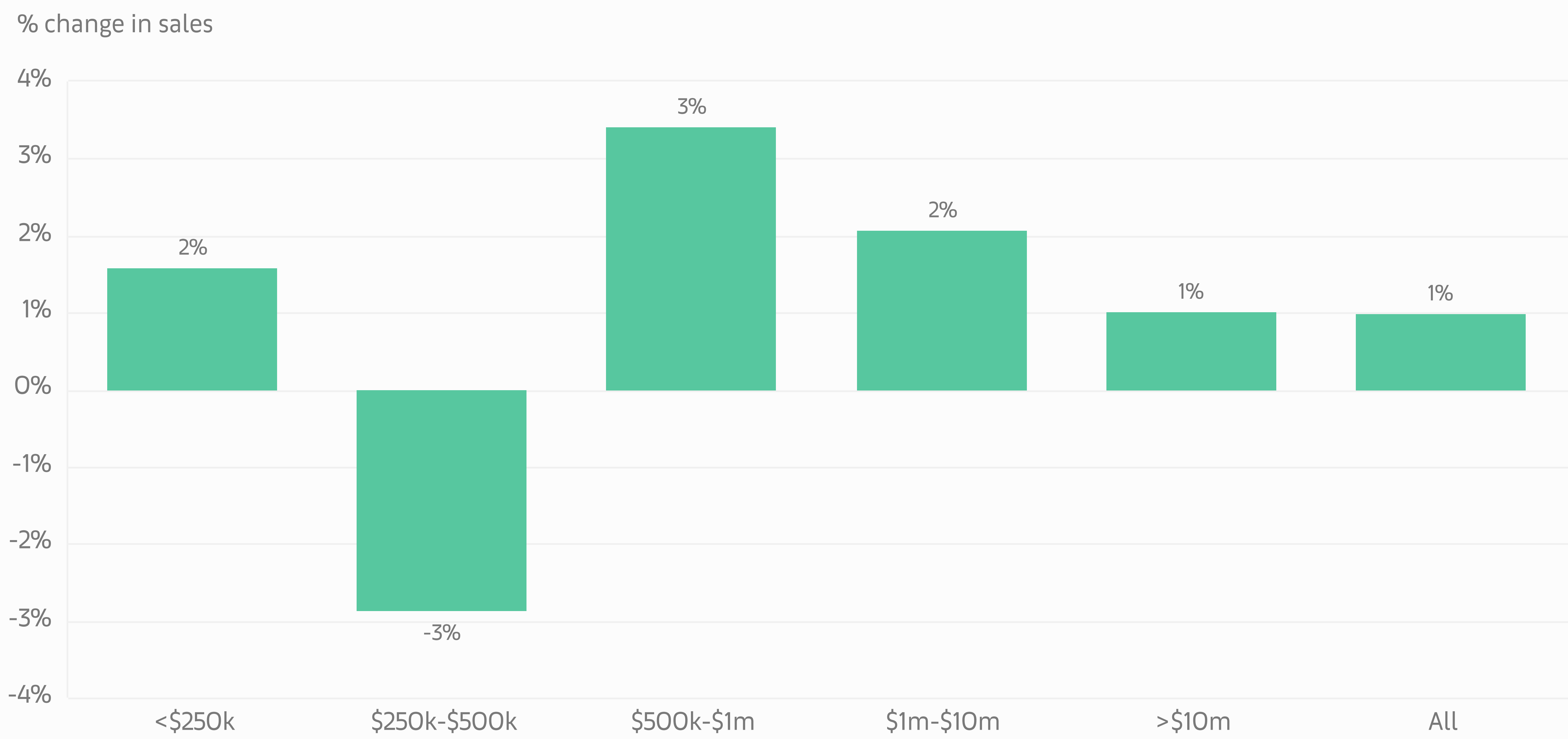
Considering the number of works sold by dealers of different turnover levels, respondents in nearly all segments said there was a slight increase in average numbers, with the exception of those turning over $250,000 to $500,000, who reported a drop of 3%. The largest uptick was for dealers with turnover of between $500,000 and $1 million, with a rise of 3%, from an average of 155 to 160.

IMAGE Detail of a work by Rirkrit Tiravanija, presented by neugerriemschneider in the Parcours sector at Art Basel in Basel 2024

Figure 2.13 Number of Works Sold by Dealers by Turnover 2023–2024

a) Average and Median Number 2024

b) Change in Average Number 2024 versus 2023



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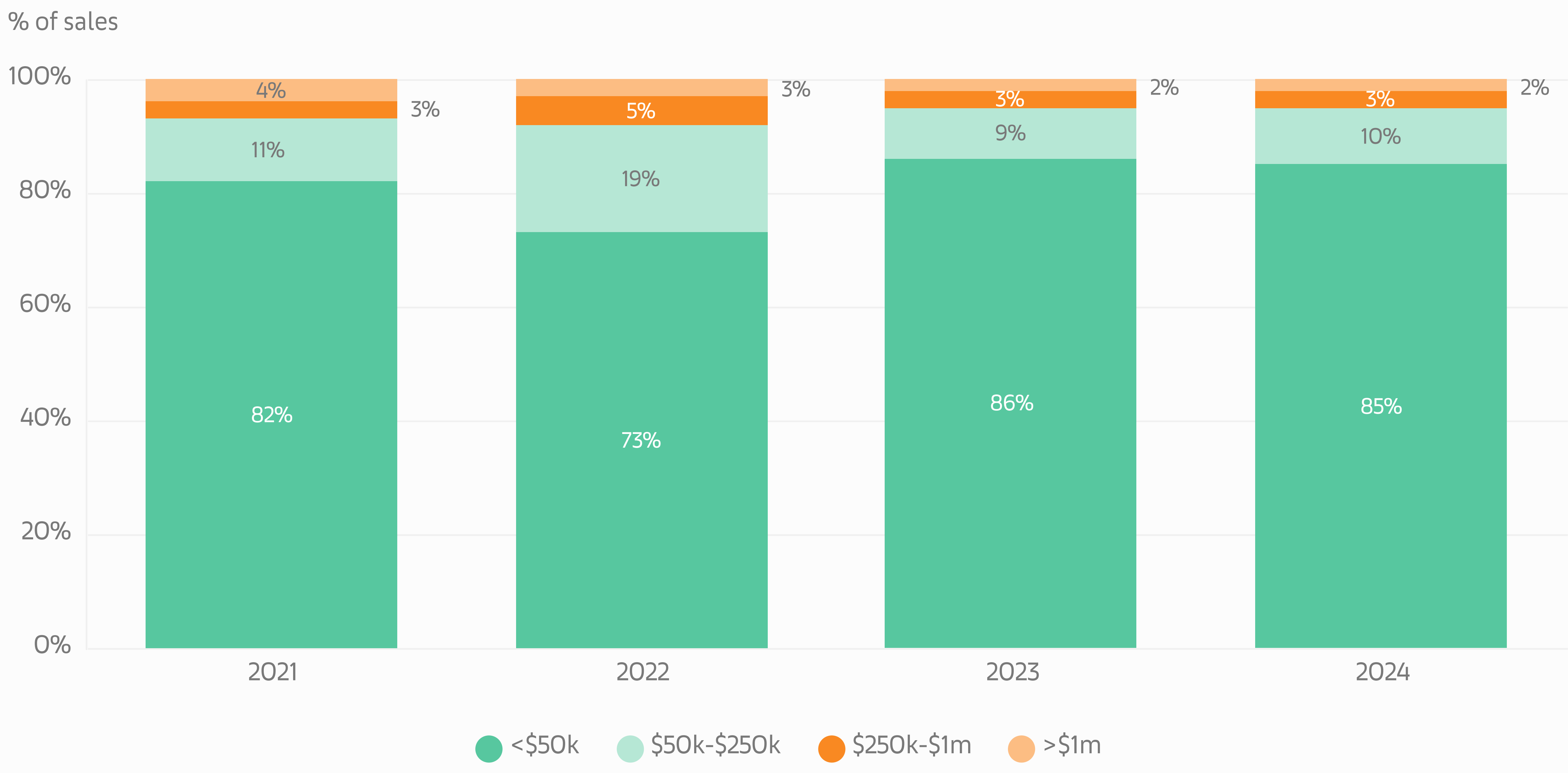
The number of sales taking place in lower price segments across the sector also increased over 2023 and 2024. In 2022, the share of transactions for prices of below $50,000 was reported as 73% and this rose substantially by 13% in 2023, stabilizing at 85% in 2024, as activity was more buoyant at lower levels for many dealers. For all dealers with annual turnover of less than $1 million, the share of works sold at prices of less than $50,000 was 95%, but it was also a majority of 74% for those turning over between $1 million and $10 million, showing that there was not only more activity by lower-value dealers but also more activity at lower price segments for dealers at different levels. Even for the largest dealers with turnover in excess of $10 million, around one-third (34%) of their sales were in the sub-$50,000 segment in 2024 and 60% were for less than $250,000.

Just 2% of transactions took place at over $1 million, from 4% in 2021, and these were concentrated in the largest businesses, accounting for 25% of the number of transactions for dealers in the $10 million-plus segment.

Figure 2.14 **Volume of Sales by Price Segment 2021–2024**



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2.3 Artist Representation

Despite the increasing channels for artists to make direct sales, dealers still play a critical role in promoting and developing artists' careers. In the primary market, they are responsible for establishing initial price levels for artists, and subsequently using supply to help increase liquidity and broaden the market. They also often directly support the production of artists' work and act as important gatekeepers, administrators, and promoters. Although dealers are commercial operations and these costs are part of their business expenses, they also carry out a significant amount of unpaid work in helping artists and assisting institutions to promote their work. Just over half (51%) of the dealers surveyed noted that they had made a charitable donation (either financially, in kind, or with hours) to artists, arts institutions, or arts projects over the last year, and this was as high as 65% of those dealers working in the primary and secondary markets. Financial donations ranged from under $100 to several hundred thousand dollars, with an average ratio to turnover of 4%, significantly higher than in other industries.[36] The amount of time given also ranged widely and depended on the size and number of employees at the gallery, but it averaged over 200 hours per employee for the year or four hours (a half-day) per employee per week, which is substantial for small businesses.

As costs have escalated, dealers have had to balance the potential revenue benefits from representing more artists with the higher costs that this entails, meaning that the number of artists a gallery represents is not necessarily proportional to their profitability. There was some evidence in previous years that dealers had consolidated around a smaller number of artists to focus their time and financial resources, with the average number represented by dealers in the primary market falling from 25 in 2017 to 19 in 2022. However, this trend reversed in 2023, with the numbers increasing again to 23 for primary market dealers and 39 for those in both the primary and secondary markets, as the more challenging market context encouraged some dealers to diversify their programs to try to generate sales and appeal to a wider range of buyers. In 2024, the number of artists represented in the primary market was stable at 23, and fell back to 35 for dealers working across both markets, although it was still above the level in 2022 (at 31).

36 As a point of comparison, based on figures for US business sales from the Federal Reserve Bank (fred.stlouisfed.org) and corporate charitable giving in the US from 2023 (from the National Philanthropic Trust, nptrust.org), the average ratio is just 0.2%.

Considering all galleries operating exclusively in the primary market or across the primary and secondary markets, the number of artists represented and how that has developed over the last few years varied by level of turnover. Smaller galleries represented fewer artists on average than larger ones, from 23 artists for those turning over less than $250,000 per year up to the highest average of 38 artists for those with $1 million to $10 million in sales. However, smaller galleries were more likely to have increased artist representation in 2024, with some noting anecdotally that they had widened their programs in an effort to bring in new and different collectors.

As in 2023, the average number of artists levelled off once the dealers' turnover reached over $1 million. Both segments of dealers turning over more than $1 million saw a significant fall in the average number of artists represented, with dealers in the $10 million-plus segment seeing the most substantial drop of eight artists on average to 35, also below the level in 2022. Some dealers in this segment noted that they have sought to pursue a more focused strategy with their artists, to control the often substantial costs required to support and promote artists adequately, and to channel resources towards ensuring more stability and better markets for their core programs.

Dealers voiced concerns about a trend they described as a lack of curiosity by collectors in discovering new artists and works. Galleries showing newer and emerging artists noted that it was increasingly difficult to get people in to see shows for new artists, while those for more established artists would sell out easily, in some cases without people visiting exhibitions at all. Some dealers at very high-end galleries noted a similar trend, with less interest in new artists and challenging works, and more people buying based on what their peers were doing or established tastes.

> *'There has been a big fall in the number of adventurous collectors – those that are belligerently curious and would be fighting to get to see works in artists' studios even before us. People are not looking for something different or challenging – whether it is new or established artists, they want to have heard of them before they see them, and even then, what a work looks like is even secondary to its gossip value.'*

Figure 2.15 Average Number of Artists Represented by Dealer Turnover 2022–2024

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Due to the changes in representation, sales per artist for smaller galleries have declined over two years, while those for larger galleries have increased year-on-year, but were still below 2022. Although the number of artists a gallery represents can affect sales, and some smaller galleries have done better over the last two years in terms of sales advances, there is no linear link to better results in either sales or profitability, particularly given the rise in costs to represent artists. Importantly also, in many cases, only a small number of artists that a dealer represents are commercially successful, and their profitable sales are used to invest in the careers of others that are not yet viable, as a form of cross-subsidization within their programs.

This is particularly the case for dealers working in the primary market, which is made up of a range of artists at different career stages, including those who may not yet have an established base of buyers or commercial success. Dealers often therefore rely heavily on a small number of artists for the bulk of their sales, which also brings considerable risks should one or more artist's market deteriorate or if artists leave the gallery to work with competitors or pursue their own sales. Clearly, this can directly affect the gallery's profitability through the loss of sales after substantial investment has been made, and through the reliance on a network of artists, possibly also reducing their ability to subsidize the careers of other less successful artists, which they were able to do through the profits from their top sellers.

Dealers reported that one-third of their sales in 2024 came from their single highest-selling artist, stable on 2023, and having increased from 31% in 2022. This is, however, considerably less concentrated than in 2019, when the share of sales from one top seller was 43%. Sales were more concentrated on their top three artists year-on-year, with the share rising three percentage points to 56%, its second annual increase from 51% in 2022. This was back to roughly on par with 2019, showing that although there has been some diversification away from the very top artists, over half the sales made by galleries were still based on a very small share of their artists: given the average number of artists, implying that 11% of artists generated 56% of sales.

While in previous years, the top-heavy distribution of sales was more pronounced for businesses operating in the primary market, in 2024, the margin narrowed, with the largest increases in the concentration of sales in the secondary market, where the top three artists had substantially larger shares than in 2023 (up by 6% to 53%), while those working in the primary market became more diversified. The share of sales accounted for by their single highest-selling artist was 34% for primary market dealers, down by 2% year-on-year, while the share for the top three fell by 1%, to 57%. These shares were down significantly over the longer term also, with the top artists' sales down by 9% since 2019, while the top threes' sales have fallen by 6% since a peak at 63% in 2018. This suggests that primary market galleries have diversified their base of artists, with digital channels potentially allowing for a wider range of exhibitions and sales.

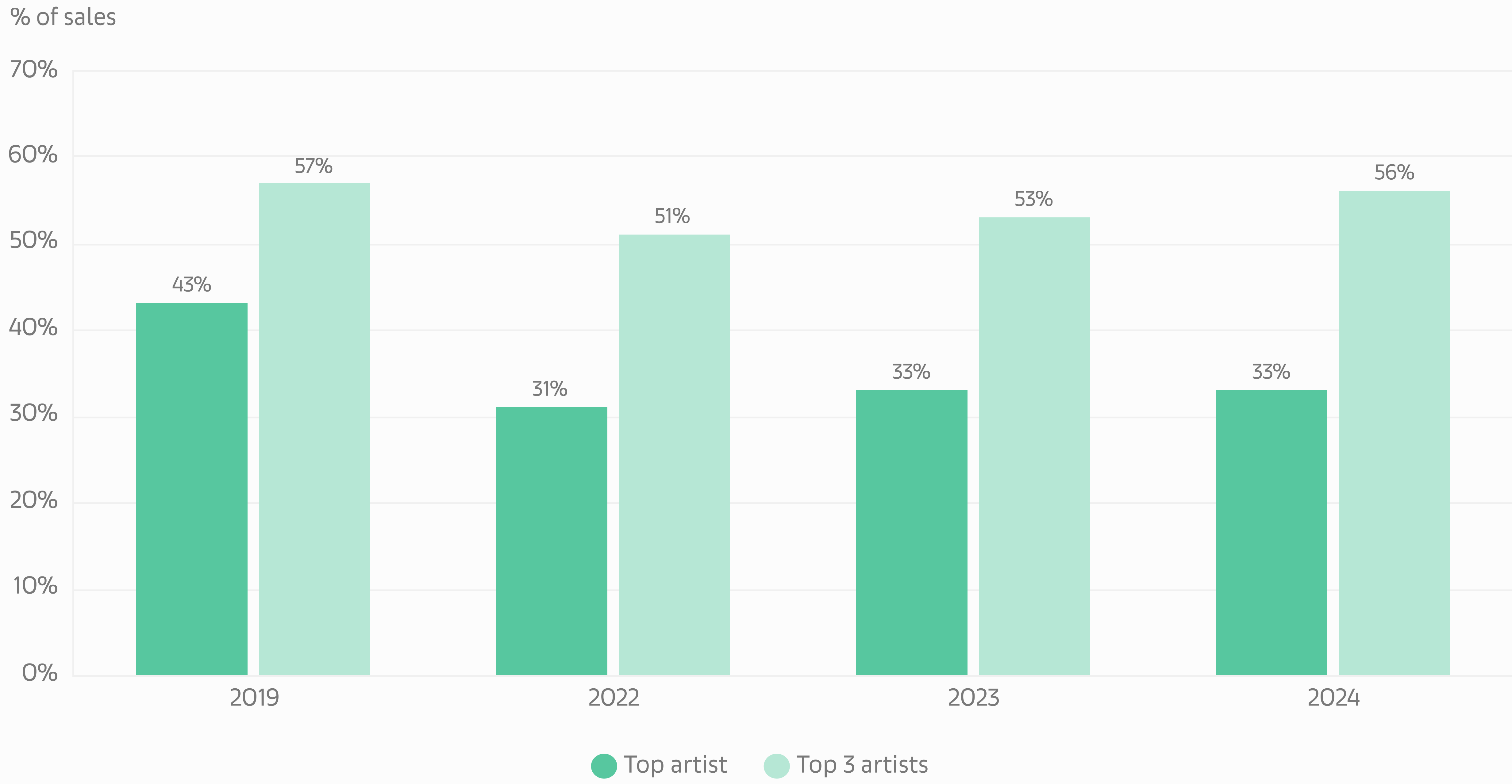
Some dealers noted that competitive pressures regarding supply for certain artists had forced greater diversification:

> *'We have focused more on other artists to diversify our artist offering after seeing a huge increase in competition in our core artists – with new players entering our market around the COVID-19 bubble as they saw it as easy money.'*

The opposite trend was evident for those working in the secondary market alongside primary sales, where the share rose for both the top artist (up by 4% year-on-year in 2024 to 33%) and the top three (up by 7%) to 56%, suggesting more focus and a heavier reliance on fewer artists for sales or more selective buying by collectors. The share accounted for by the top three artists of those exclusively working in the secondary market also increased from 47% in 2023 to 53% in 2024.

Figure 2.16 Sales of Works by Top-Selling Artists Represented by Dealers

a) All Galleries, Selected Years 2019–2024



b) 2024 by Sector

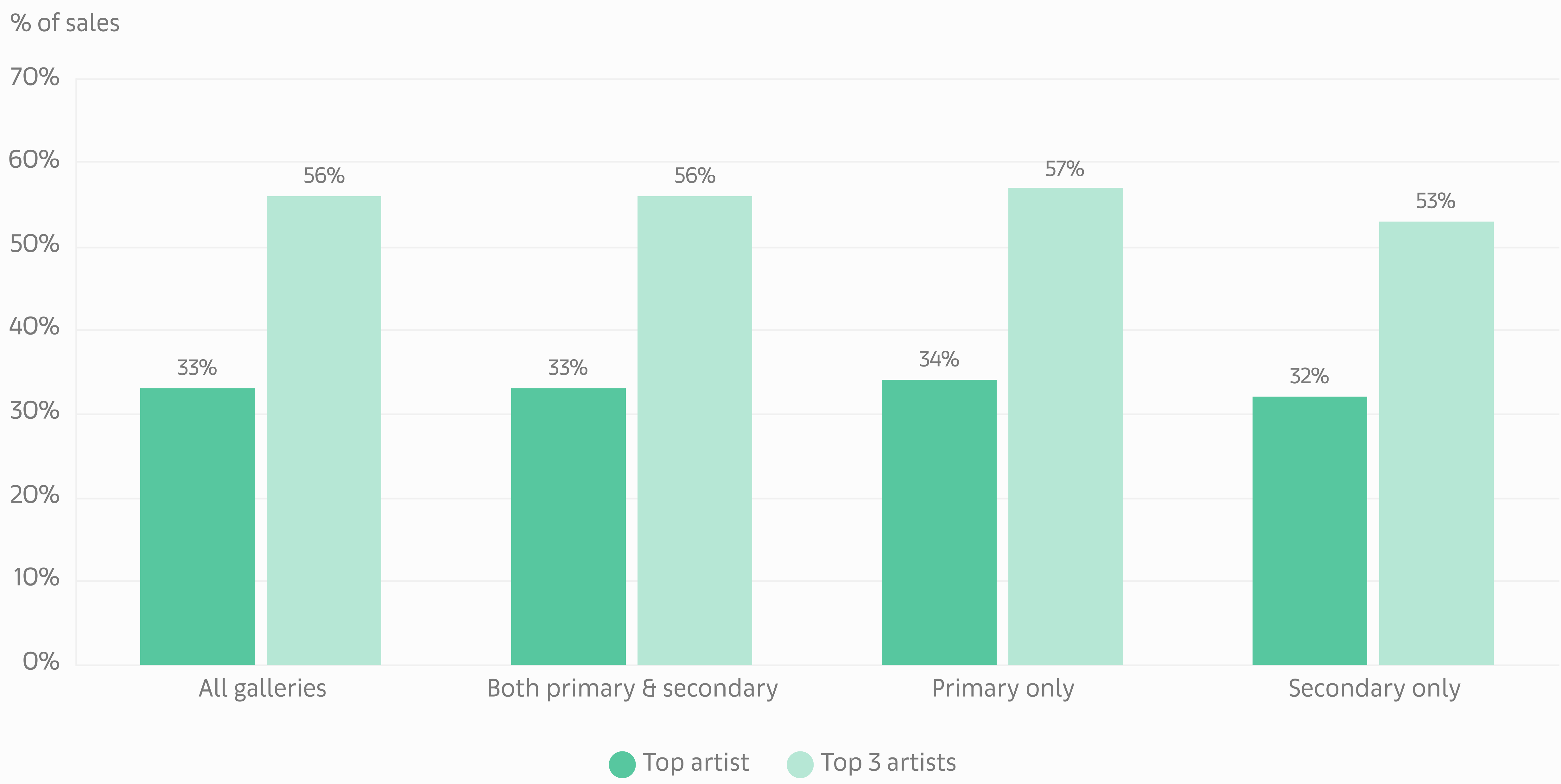


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Figure 2.16 Sales of Works by Top-Selling Artists Represented by Dealers

c) Primary Market Dealers, Selected Years 2018–2024

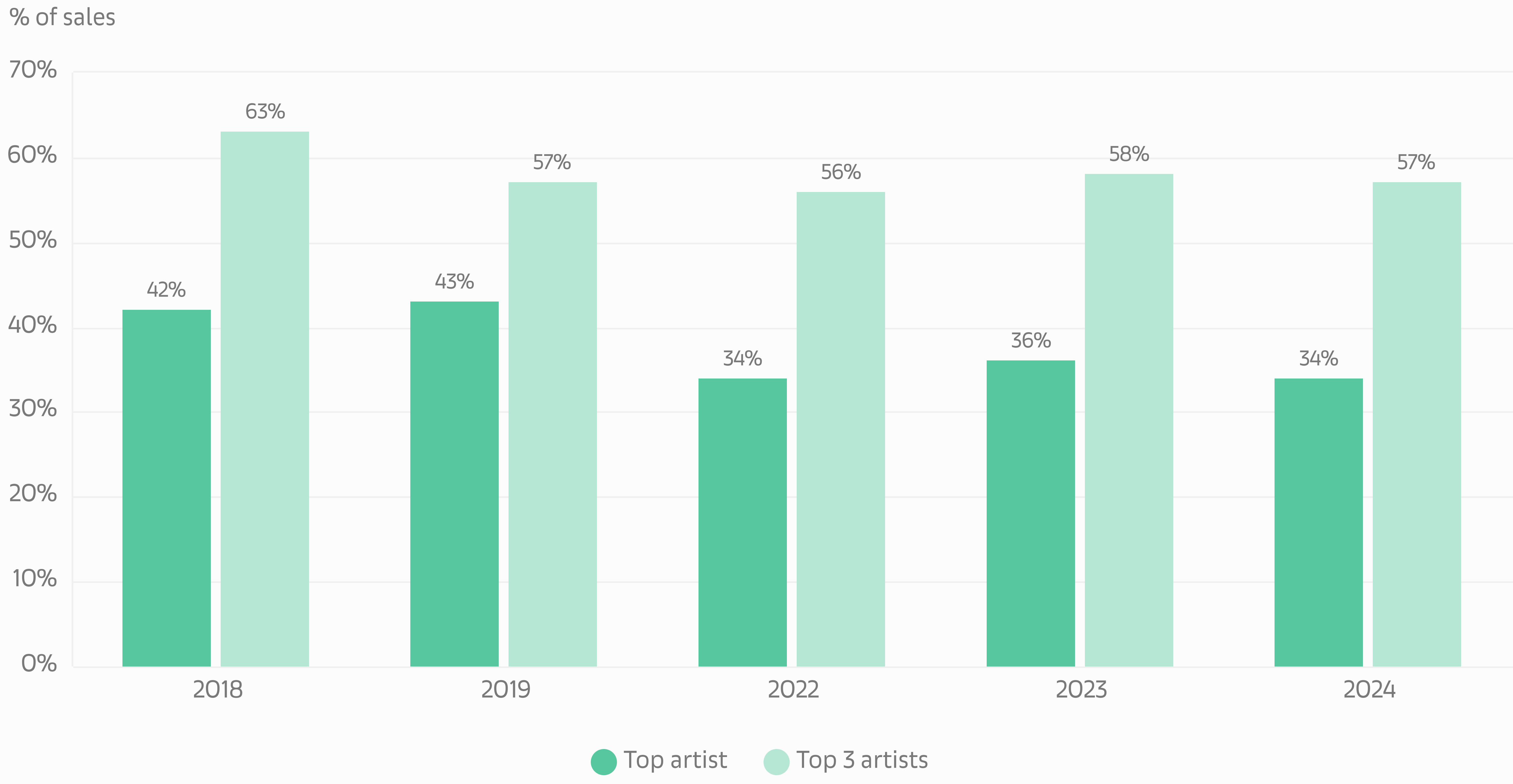

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IMAGE Detail of a work by Tara Donovan, presented by Pace Gallery in the Galleries sector at Art Basel Miami Beach 2024

Representation and Gender

Research of the gender distribution of artists represented by galleries has revealed imbalances in the market, with a persistent underrepresentation of female artists. However, small but positive progress was apparent in the last two years, with the share of female artists represented continuing to inch up in 2024. Across dealers working in the primary market and in both the primary and secondary markets, the share of female artists represented increased by 1%, to 41%, having risen by a similar amount in 2023, but 6% higher than in 2018 when it was 35%. Galleries operating in the primary market drove this increase in 2023, with a substantial rise in share to 46% where it remained in 2024. This was the highest level recorded to date, up from 42% in 2022 and surpassing 44% in 2019.

Surveys of HNWIs conducted by Arts Economics and UBS in 2024 that researched gender diversity also revealed small but positive progress in the representation of female artists' works in collections, from 33% in 2018 to 44% in 2024. Research in the sector has often shown that many collectors may not be biased in their choice of artists, and gender may play a minor role in purchasing decisions. However, the availability of artists' works through dealers and other channels ultimately determines a large part of the composition of collections, and hence the minority of female artists represented at galleries has undoubtedly affected these ratios and the changes over time.

While representation was relatively stable, there is growing evidence that female artists that do enter the commercial market are getting a greater proportion of sales. The share of sales that galleries made from female artists' works increased by 3% for primary market galleries to 42%, and 31% for galleries operating in both markets. These shares have risen substantially since 2018, when they were 32% and 23%, respectively. While still a minority, they indicate that a small number of successful female artists are becoming more important for the aggregate turnover of galleries. As noted in previous reports, some research has shown that while fewer works by women reach the market, the minority that do often sell at a premium rather than at a discount when they can be compared to artists at similar levels, indicating that some of the lack of parity in the market may be more related to aspects of their career trajectories and institutional engagement rather than simply the market discounting by gender.[37]

The shares of sales dealers made from female artists' works varied between regions, with those in the US among the highest, with 46% on average in 2024 (up by 10% year-on-year), along with Germany and Spain (both averaging 42%). There was a lower share reported by galleries in China (25%) and the UK (29%, although this was up by 5% on 2023). There are again interesting parallels with the collector research. The share of expenditure on female artists' works by HNWIs in 2024 was 44% versus 56% on works by male artists.

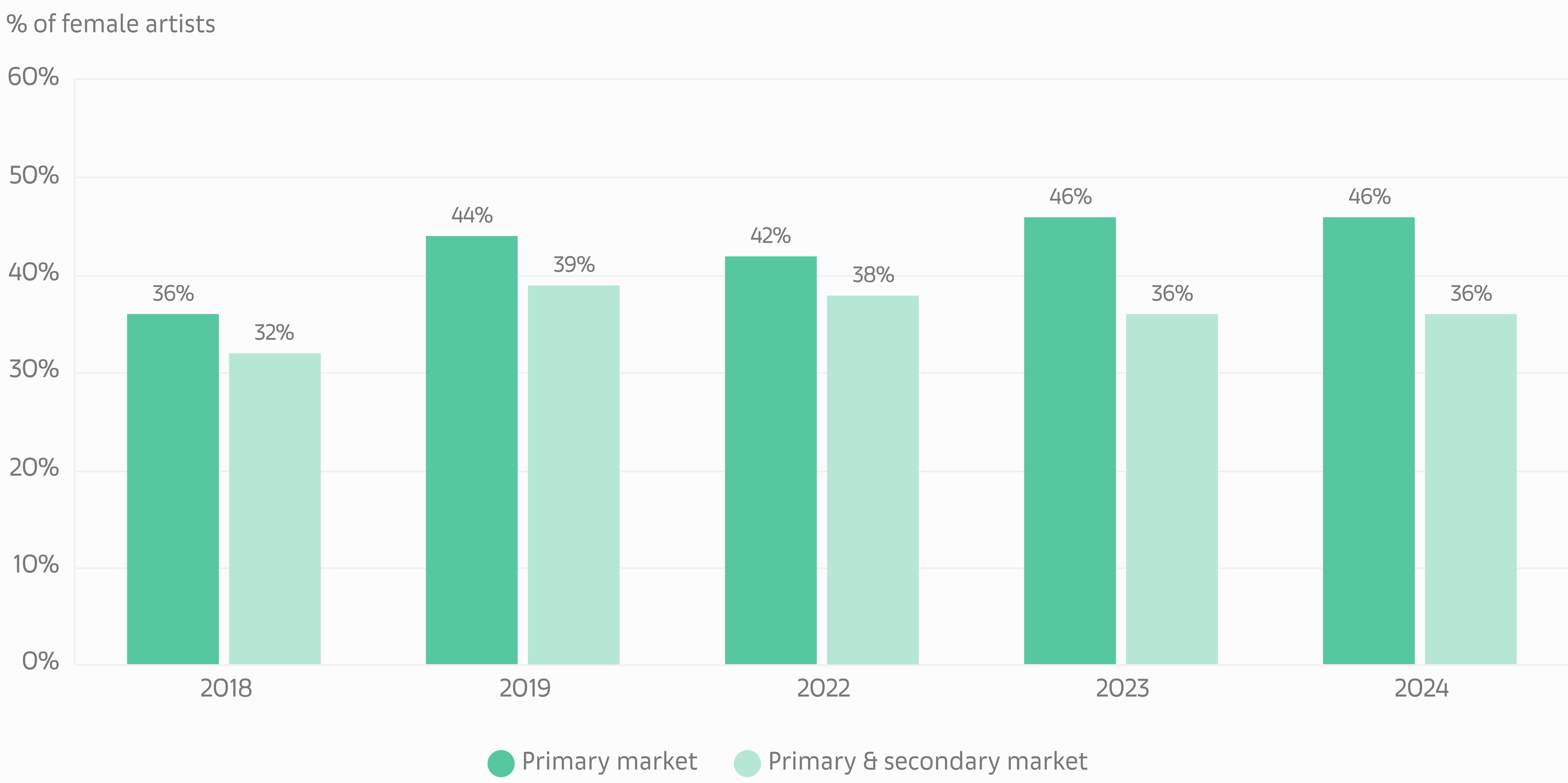
37 Goetzman, W., Cameron, L., and Nozari, M. (2019) 'Art and Gender: Market Bias or Selection Bias?' *Journal of Cultural Economics. Volume 43: 279–307.*

While still a minority, this was up by 5% on the level in similar surveys in 2023 (39%). Also, HNWIs spending over $10 million in 2024 had devoted a larger share to female artists' works (52%) and those spending between $1 million and $10 million were 50:50 (versus 44% on female artists' works in the lower spending segments). These findings implied that it was likely that some of the expenditure at the very highest levels was on works by female artists.

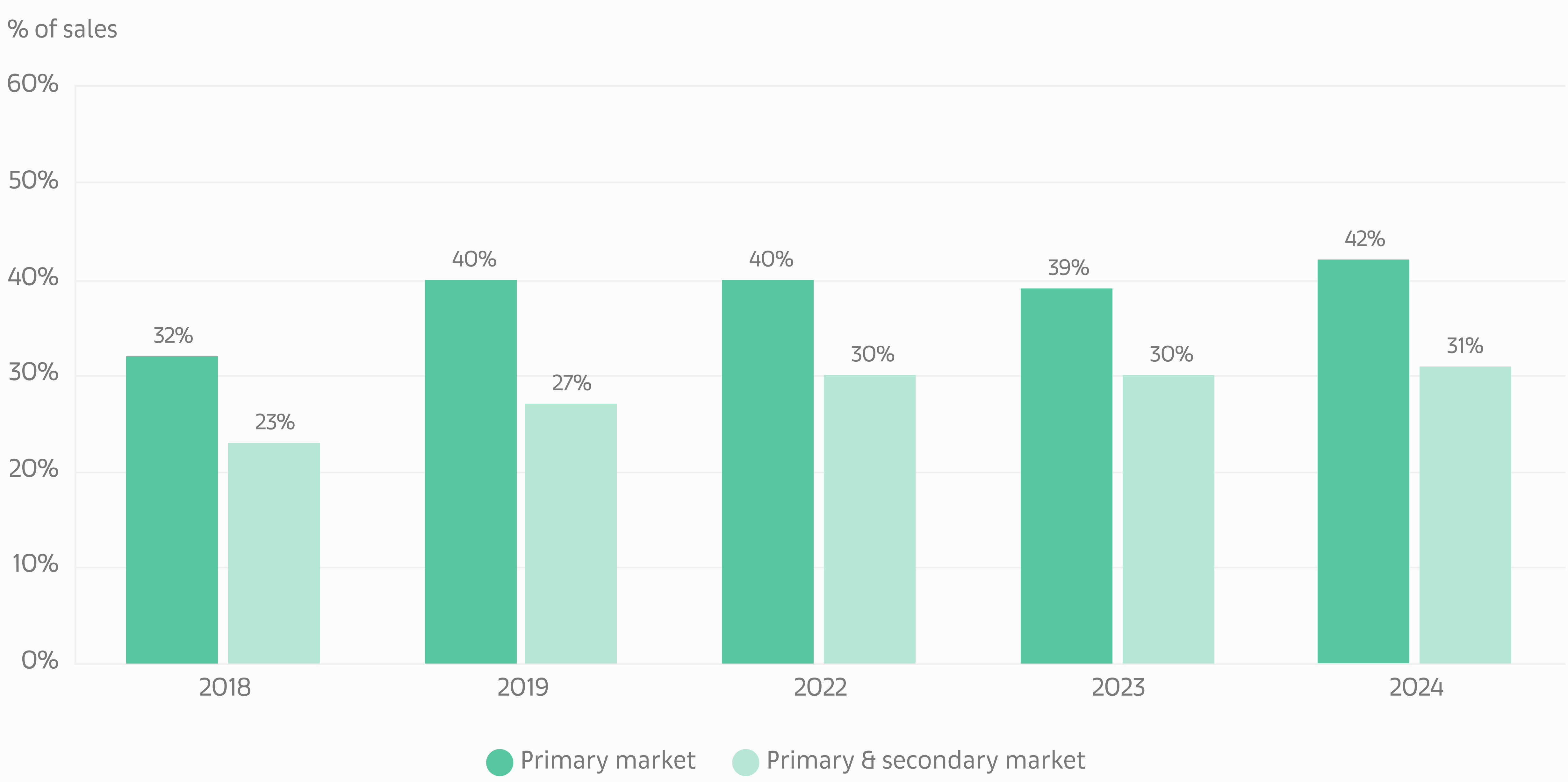
IMAGE Detail of a work by Iris Touliatou, presented by Sylvia Kouvali in the Parcours sector at Art Basel in Basel 2024

Figure 2.17 Female Artist Representation and Sales, Selected Years 2018–2024

a) Share of Female Artists Represented



b) Share of Total Sales by Female Artists



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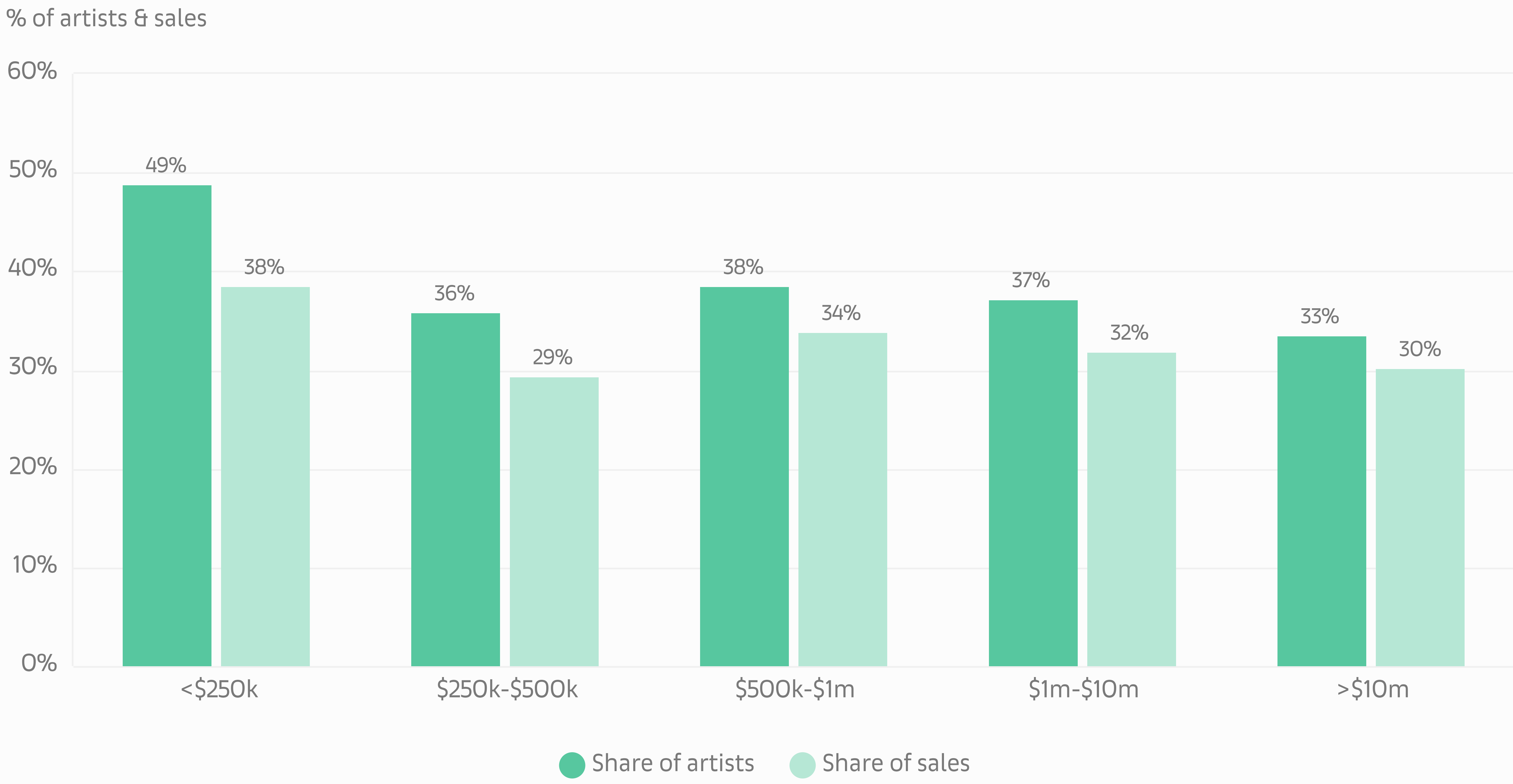
Although some female artists' works may have achieved a greater share of sales and a minority have also made significantly higher prices, the lack of career progression appeared to still be an issue, with fewer female artists getting to the stage of being represented by larger galleries, alongside a lower share of sales in galleries with the highest-value sales.

For galleries turning over more than $10 million, the share of female artists was 33%, down by 2% year-on-year, and sales of their works represented 30% of turnover in this segment in 2024 (from 28% in 2023). This was significantly less than smaller dealers, with those turning over less than $250,000 close to parity in terms of representation (49%) and with a sales share of 38%.

Previous years' research of the sector has tried to ascertain the link between the representation of female artists and overall sales performance. In 2022, segments of dealers with lower shares of female artists underperformed those with higher shares: dealers with 20% of female artists in their programs experienced stagnant and declining sales year-on-year, while those with over 80% grew by more than 20%. In 2023, dealers with less than 50% of female artists showed a drop in sales of 4% versus relatively stable performance year-on-year for those with three-quarters or more. Similarly, in 2024, having more than 50% female artist representation was associated with positive changes in sales (4%), while those with less than 50% declined (-4%). These results are undoubtedly connected to the fact that some of the smallest galleries had the highest levels of representation and performed better in 2024 for a number of reasons, making it difficult to show any direct causal relationship, but still underlining the fact that there have been links over the last five years to representing a higher share of women and better individual annual sales performance.

Figure 2.18 **Female Artist Representation and Sales by Dealer Turnover 2024**



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2.4 Dealer Costs and Margins

While sales have been volatile for many businesses over the last five years, escalating inflation in external and internal operating costs has been a consistent issue flagged by dealers in 2023 and 2024. Finding ways to maintain their bottom line in the face of these rising costs has been a key focus for many businesses, with an increasing share struggling to maintain or boost profitability.

During the pandemic in 2020, although sales declined significantly, many galleries remained viable because costs also fell without travel and art fair attendance, as well as many actively working towards cutting costs where possible, including employee layoffs. Most businesses increased their level of profitability coming out of the pandemic in 2021, continuing to attend fewer events and fairs compared to 2019, and maintaining some leaner cost strategies. Inflation escalated rapidly in 2022 alongside a fuller restoration of events, which started to put pressure on businesses, although resilient sales ensured that there was still a larger share becoming more profitable than seeing declines. As the market cooled and inflation advanced in 2023, the share of businesses struggling to maintain their profitability rose, with more being less profitable (40%) than more profitable (29%). In 2024, this trend continued with less stability and a widening gap between profitable and unprofitable businesses:

- 43% were less profitable than in 2023 (up by 3% year-on-year, and by 11% since 2022);
- 25% were around the same (versus 31% in both 2022 and 2023); and
- 32% were more profitable than in 2023 (up by 3%).

In the years immediately after the pandemic, more larger dealers regained profitability than smaller businesses. In 2021, 69% of dealers with turnover of greater than $10 million had higher profitability than the previous year, and they remained the largest segment of increasing profitability in 2022, although dropping to a share of 49%. This fell substantially in 2023, however, with only 15% of dealers seeing a rise in profitability and just over half (56%) being less profitable year-on-year. Although still a minority of the segment, this share more than doubled in 2024, with 35% of dealers reporting greater profitability, but remained significantly less than those with lower profits year-on-year (45% of the dealers in this segment).

At the other end of the spectrum, smaller dealers with turnover of less than $250,000 were the slowest to regain profitability immediately after the pandemic (48% increased profitability in 2021, the lowest share of all segments). They remained under considerable pressure in 2022, with more losing than gaining, although the share of those showing lower profitability moderated to 31% in 2023. In 2024, despite the uplift in aggregate sales in this segment, these smallest dealers had the lowest share reporting increasing profitability (27%), with 44% less profitable, implying that the costs for achieving this higher level of sales could have been high for these small businesses or that the uplift in sales was not spread evenly throughout the segment (as evidenced in Figure 2.6, with only 37% of respondents showing a rise in sales). Some dealers in these lowest segments described a 'catastrophic situation in small discovery galleries' which, they argue, bear the brunt of costs to develop new and young artists, while often not sharing in their success at later career stages when they move to larger galleries.

The dealers in the mid-tiers between these two extremes saw mixed results. The share of dealers with turnover of between $500,000 and $1 million reporting lower profits increased substantially, while there were slightly fewer dealers with higher profits (31%, down by 2% from 2023). There was an improvement in the lower middle tier of $250,000 to $500,000, with a third of dealers more profitable, which was on par with the share reporting rising sales year-on-year. The patterns of changing profitability in many segments reinforced anecdotal reports that the changes in sales were not even across all dealers, whereas the rising costs tended to be.

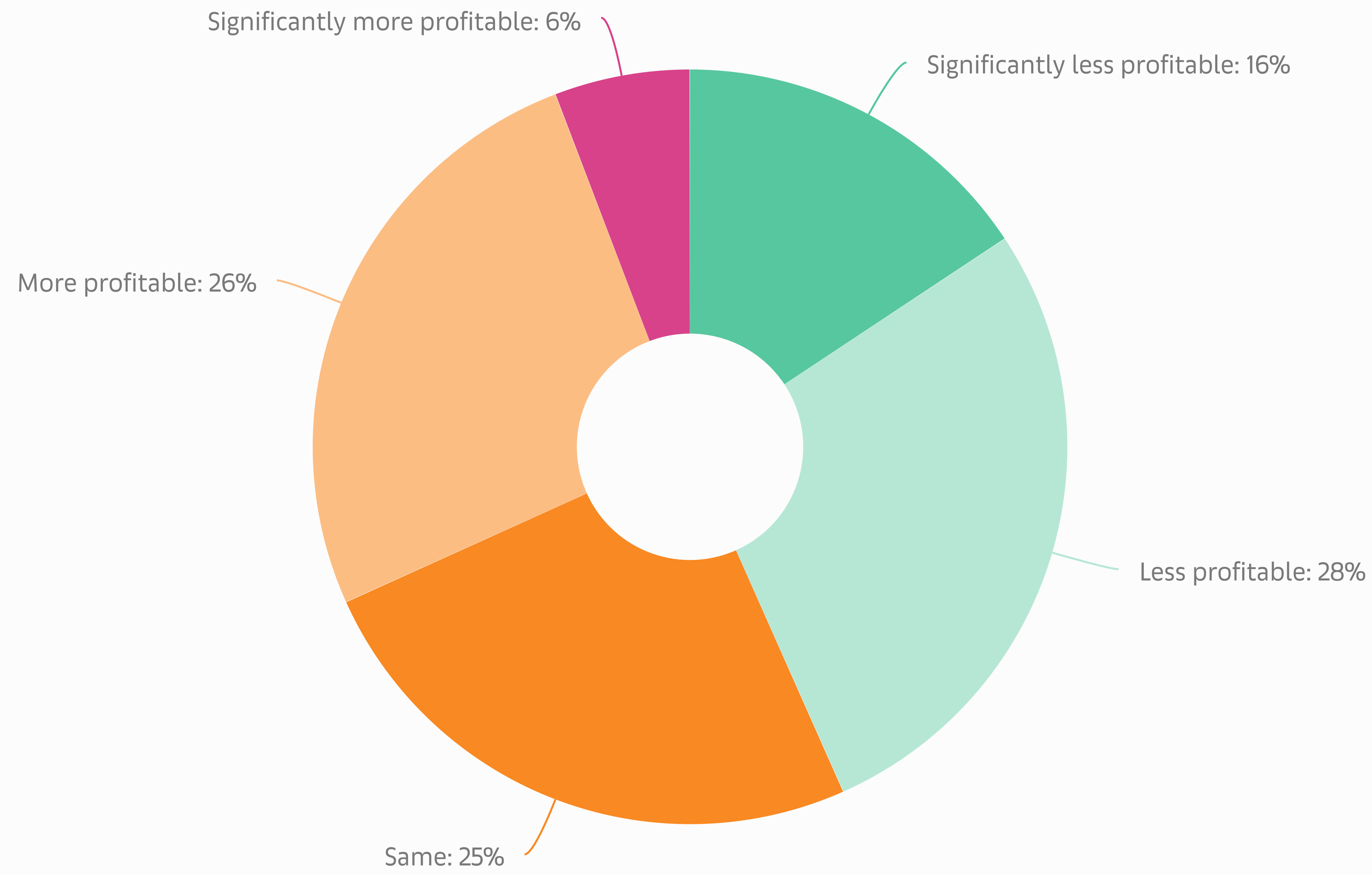
While sales have been volatile over the last five years, escalating inflation in external and internal operating costs has been a consistent issue flagged by dealers in 2023 and 2024

There were also differences in outcomes by region. In the largest market of the US, after a strong recovery in 2021, with 71% of dealers reporting higher profits, the share declined to 32% in 2024. There was also a significant rise in those with declining profits (48% in 2024 from 36% in 2023 and 29% in 2022).

In the UK, dealers with higher annual profits fell from 40% in 2022 to 31% in 2024, although this was better than some other European markets such as France, Italy (both 26% more profitable), and Germany (just 7%). Only 22% of dealers reporting from China were more profitable year-on-year, although there was a substantial improvement in Japan (from 24% in 2023 to 35% in 2024).

Figure 2.19 Change in Dealer Profitability

a) All Dealers 2024 versus 2023



b) By Turnover 2024 versus 2023

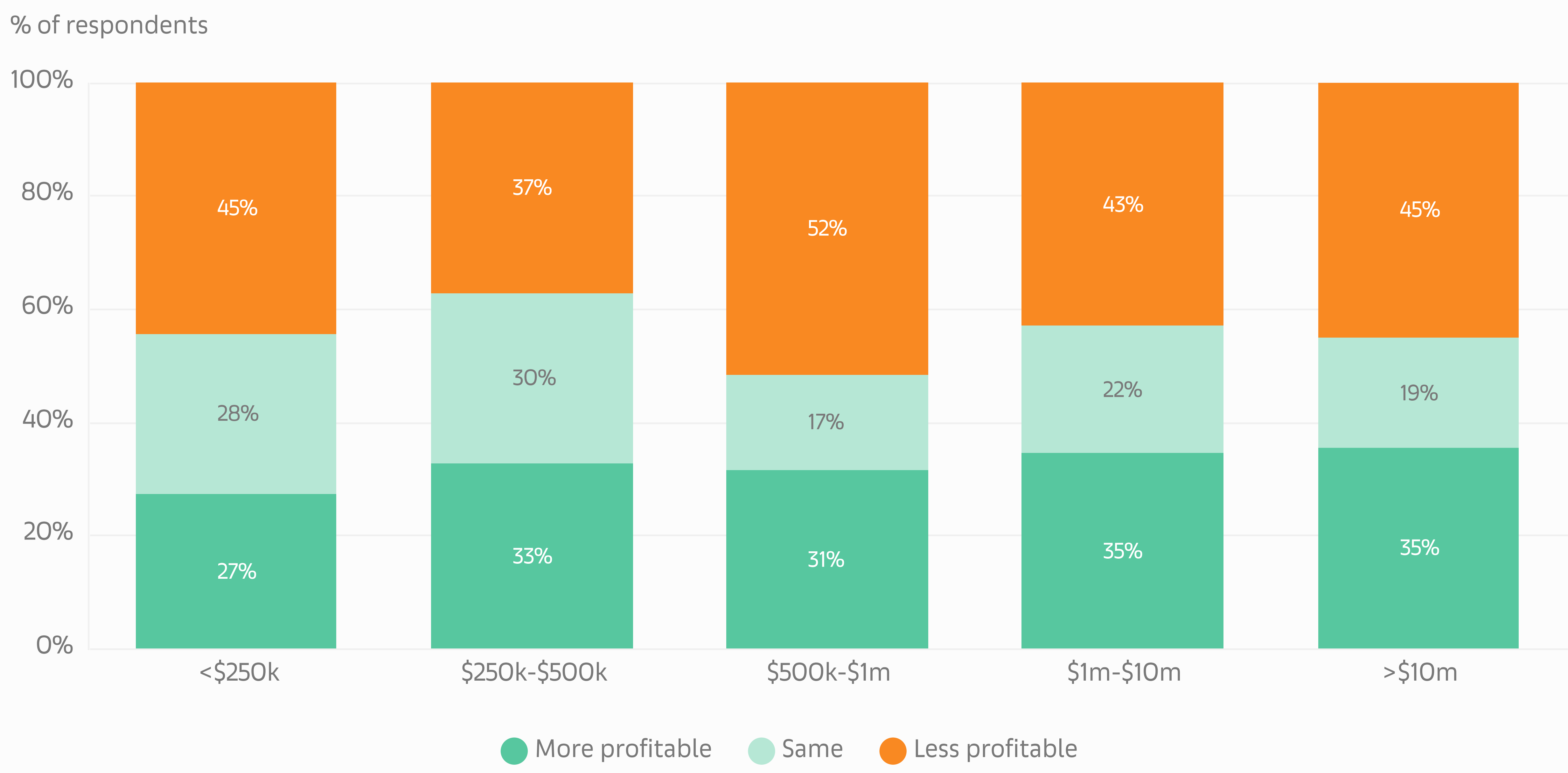


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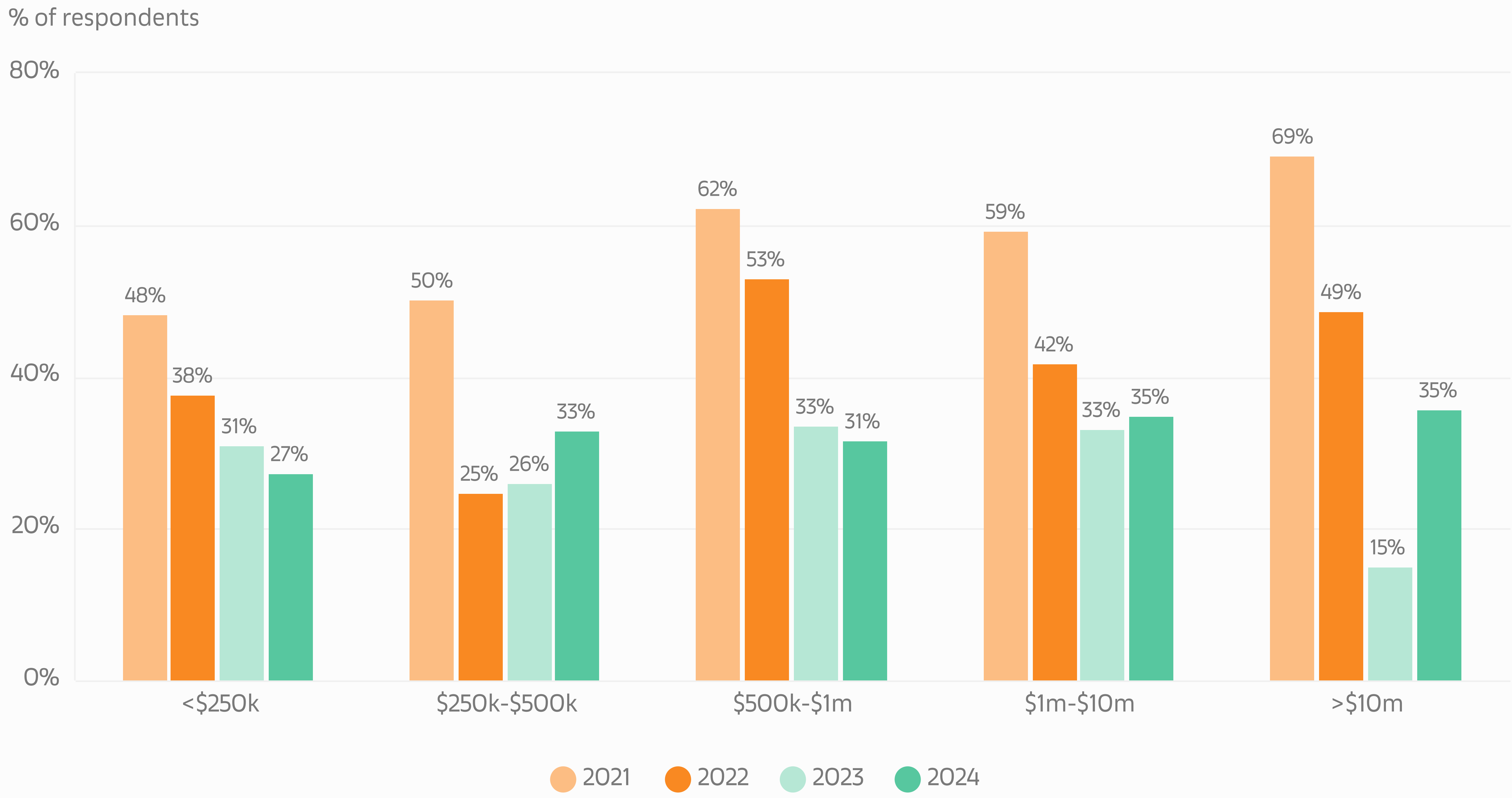
Figure 2.19 Change in Dealer Profitability

c) Dealers More Profitable Annually by Turnover 2021–2024



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The squeeze in profits for dealers across many segments is due to the rapidly rising cost base for many businesses, with inflation escalating in several areas over the last two years. The aggregated breakdown in operating costs within businesses has remained relatively stable in recent years, with payroll and rent or mortgage payments accounting for 61% of costs in 2024, and salaries the larger element at 33%, up by 3% in share year-on-year.[38] Costs for IT, software, and digital tools were relatively stable at 8% of the total. The share of costs varied by the size of business, with rent ranging from as low as 21% in galleries with turnover of between $1 million and $10 million to 36% for mid-market dealers with sales of $500,000 to $1 million. Payroll costs were highest for the next, lower tier of dealers with turnover of between $250,000 and $500,000 (38%), while ‘other’ costs were highest for the largest dealers with sales of over $10 million, at 43%, many of which related to travel, art fairs, and other expenses that dealers noted had escalated very significantly in 2023 and 2024 (discussed in Section 2.6). It was notable that payroll costs as a percentage of total costs did not vary greatly by the level of employees, with the smallest businesses of less than three people reporting a share of 33% versus 35% for companies with more than 10. However, rent accounted for the largest share for the smallest businesses (30% for those with less than three people).

38 These shares include some responses that reported a nil share for salaries, including sole traders and partnerships that may not have accounted for their remuneration as a salary. Removing these businesses, the share of salaries is higher at 36%, with rent 27%, IT 7%, and other at 30%, all again relatively stable on the same benchmark in 2023.

Figure 2.20 Breakdown of Dealer Operating Costs 2021–2024

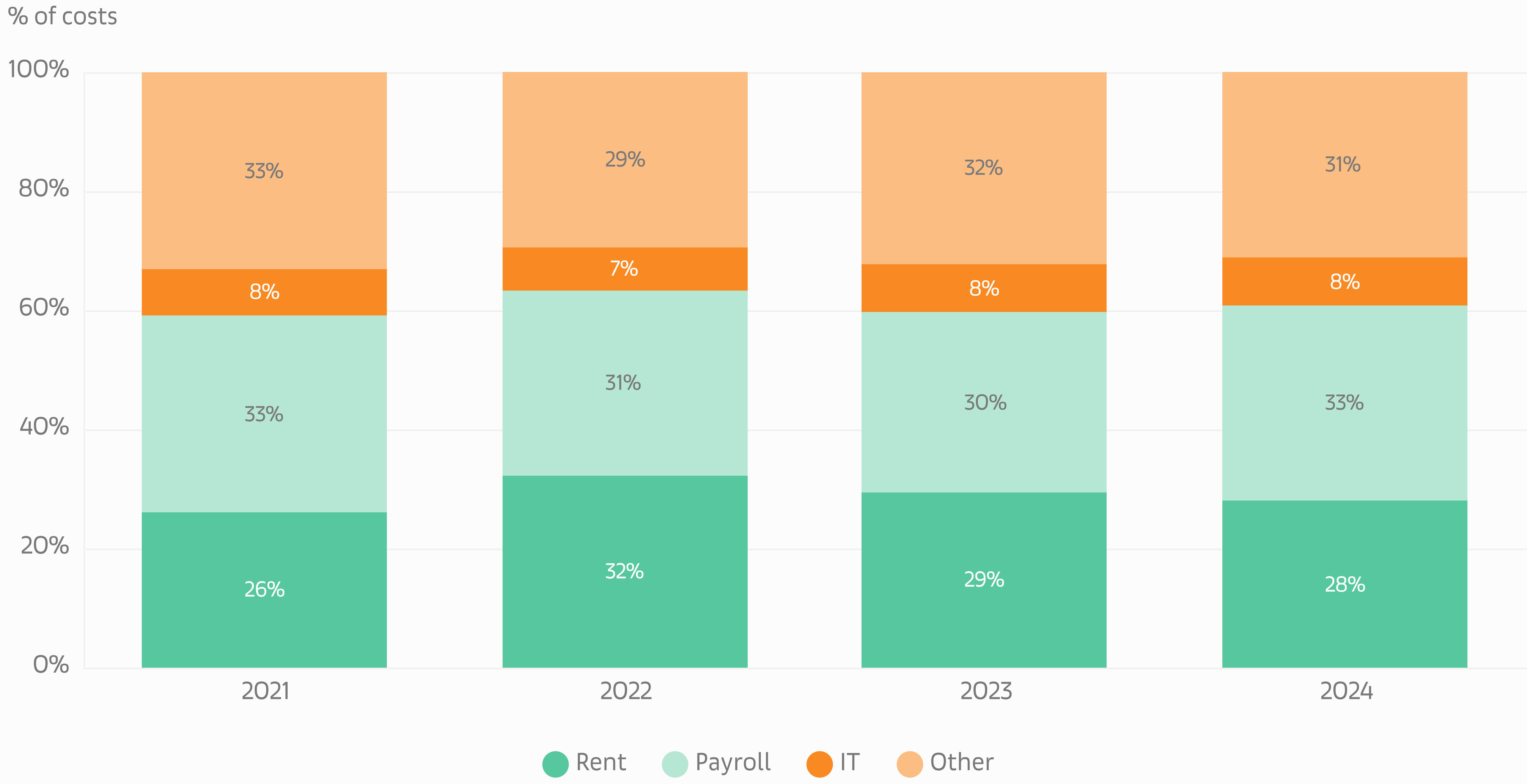

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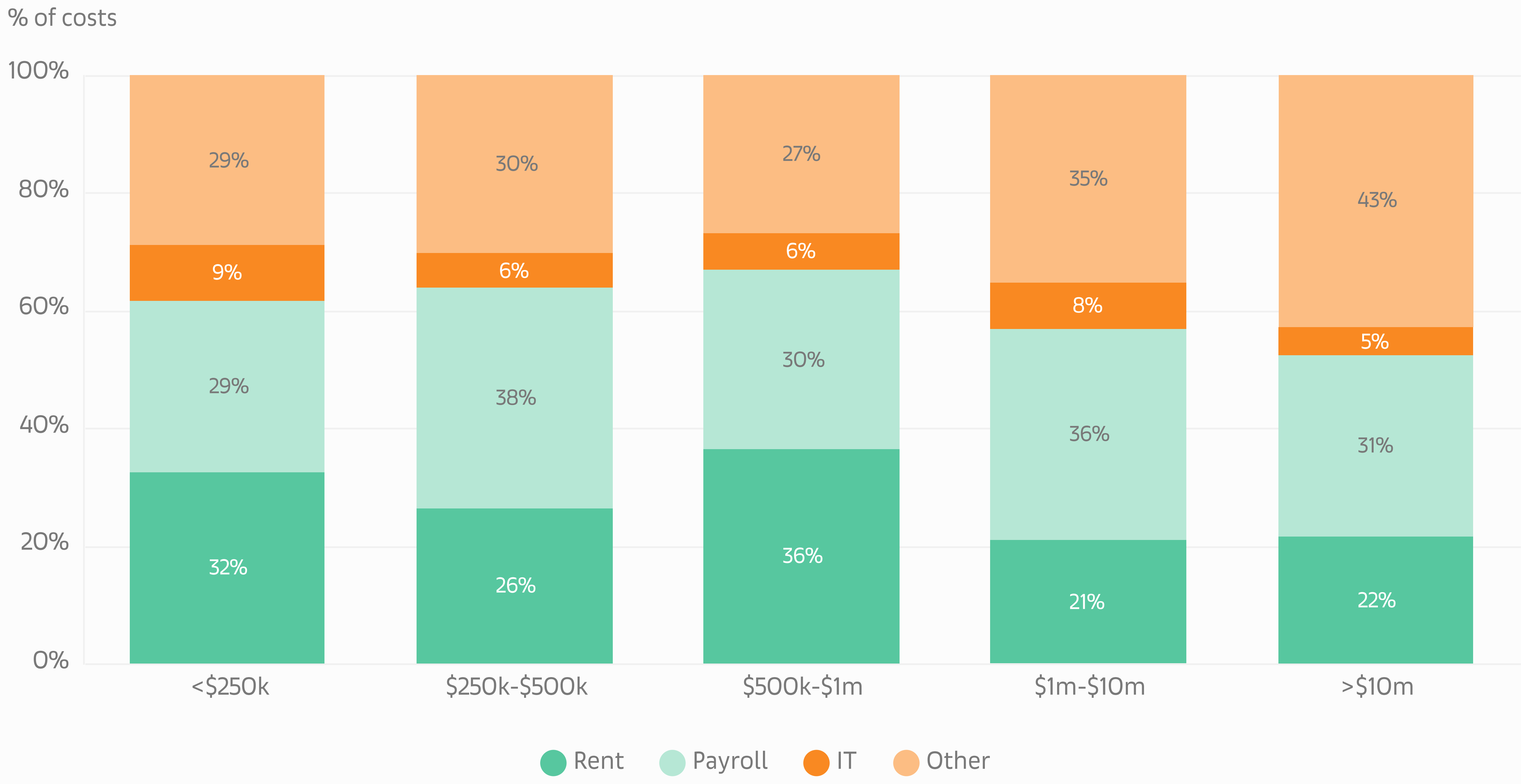
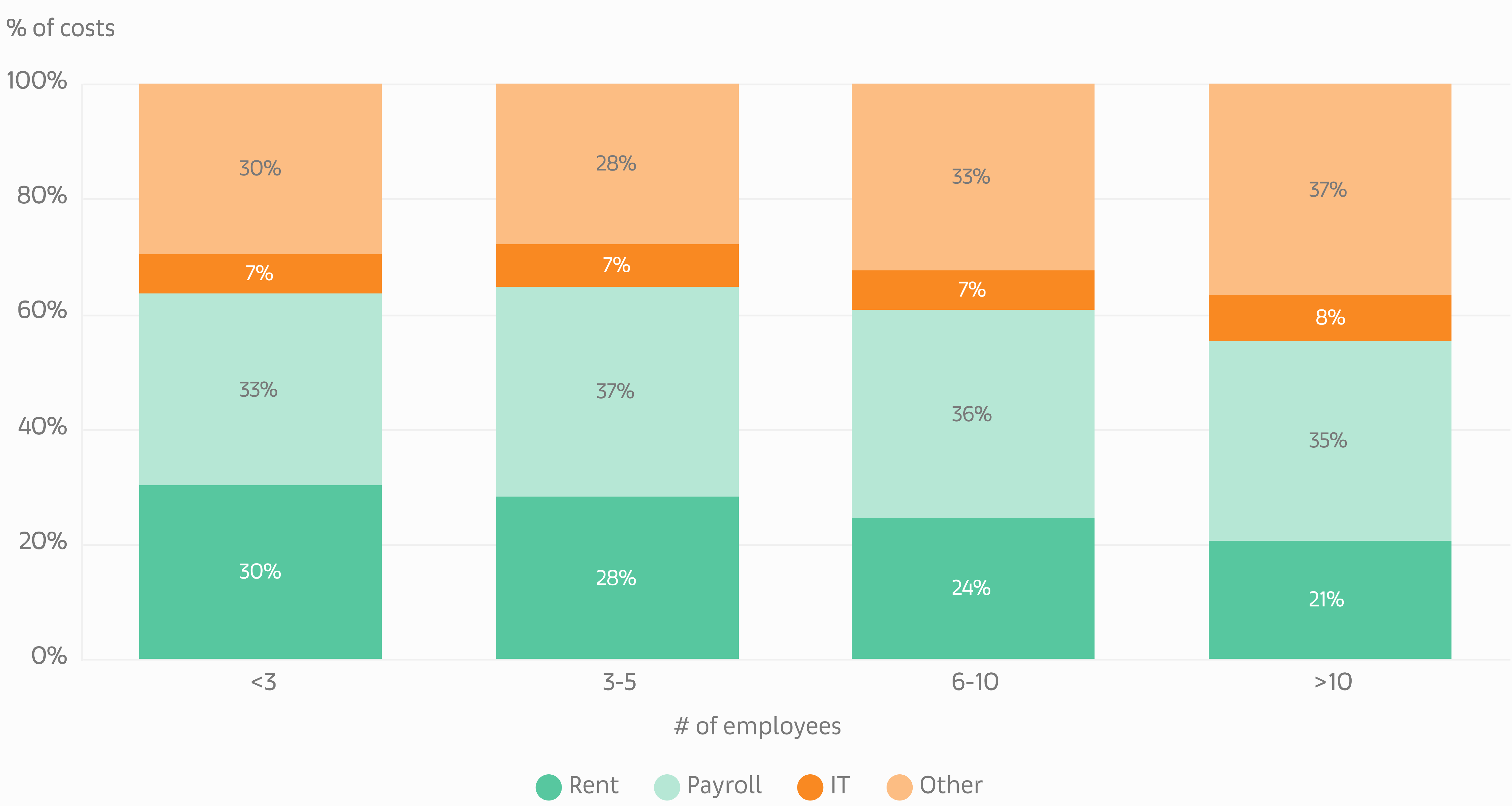
IMAGE Detail of a work by Wolfgang Laib, presented by Konrad Fischer Galerie and Lia Rumma in the Unlimited sector at Art Basel in Basel 2024

Figure 2.21 Breakdown of Dealer Operating Costs by Turnover and Employee Numbers 2024

a) By Turnover



b) By Employee Numbers



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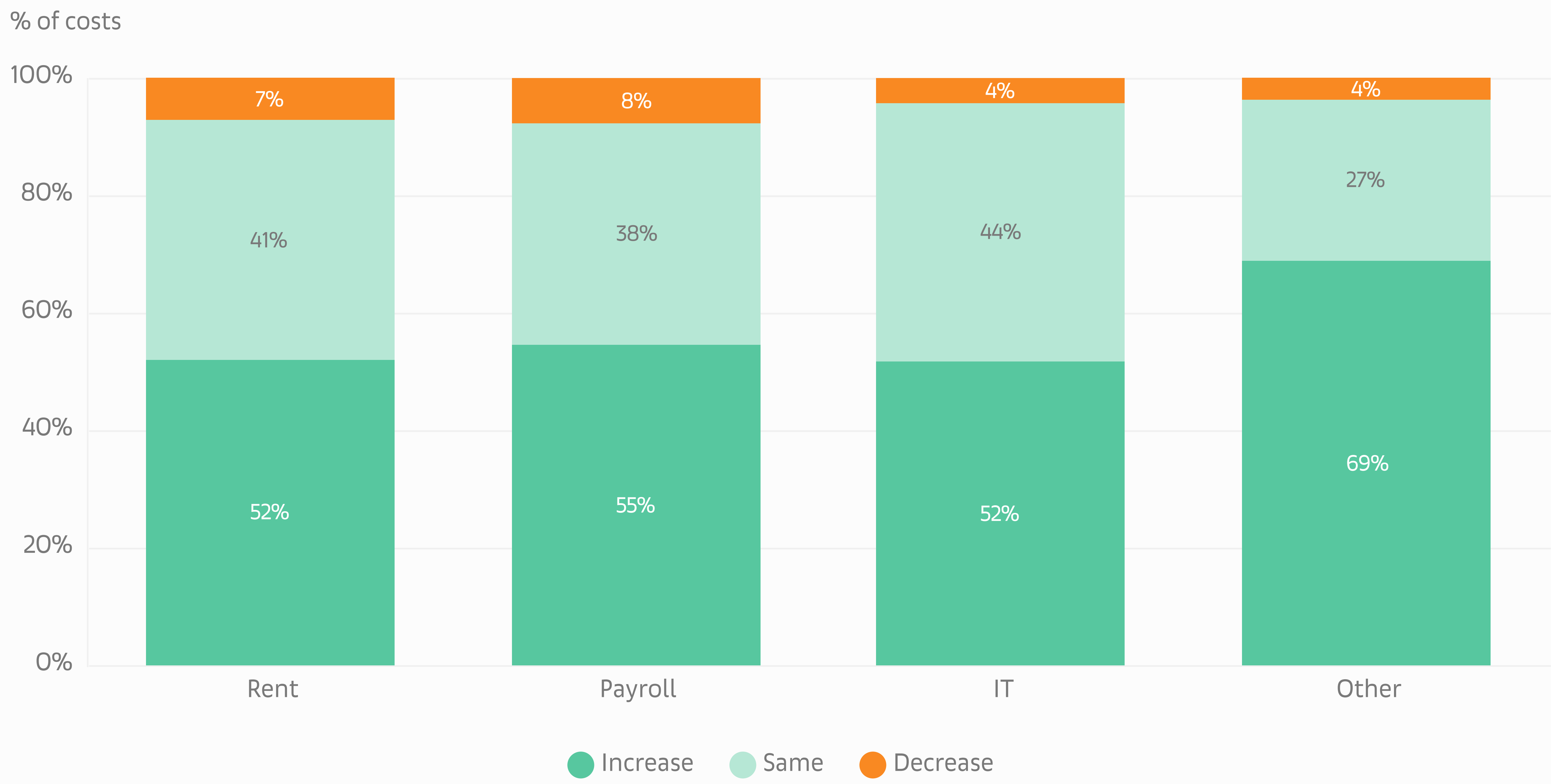
Across all businesses, only a small minority saw any of these cost elements go down in 2024. While some had stable costs year-on-year, over half the sample saw them increase, with the highest share (69%) seeing ‘other’ costs rise. The average change in operating costs year-on-year across all dealers included:

- 8% increase in rent or mortgage payments;
- 8% increase in payroll;
- 7% rise in IT and digital costs; and
- 14% increase in other costs.

Based on the combined effects of these changes and their average share of costs, dealer operating costs rose by just under 10% on average year-on-year.

Figure 2.22 Change in Dealer Operating Costs 2023–2024



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Just over half (54%) of the sample reported that their wages and salaries made up a larger share of costs than rent or mortgage payments. Issues related to employment and remuneration of employees have been central in the sector for the last few years. During the 2020 pandemic, 28% of businesses downsized their employment, however, the majority (59%) stabilized again in 2021 and 29% increased their numbers.[39] Employment was also relatively stable in 2022 and 2023, with most dealers keeping numbers stable and less than 10% reporting declines in either year. While 2024 was another steady year for most businesses, there was an uptick in those seeing declines. Over all businesses:

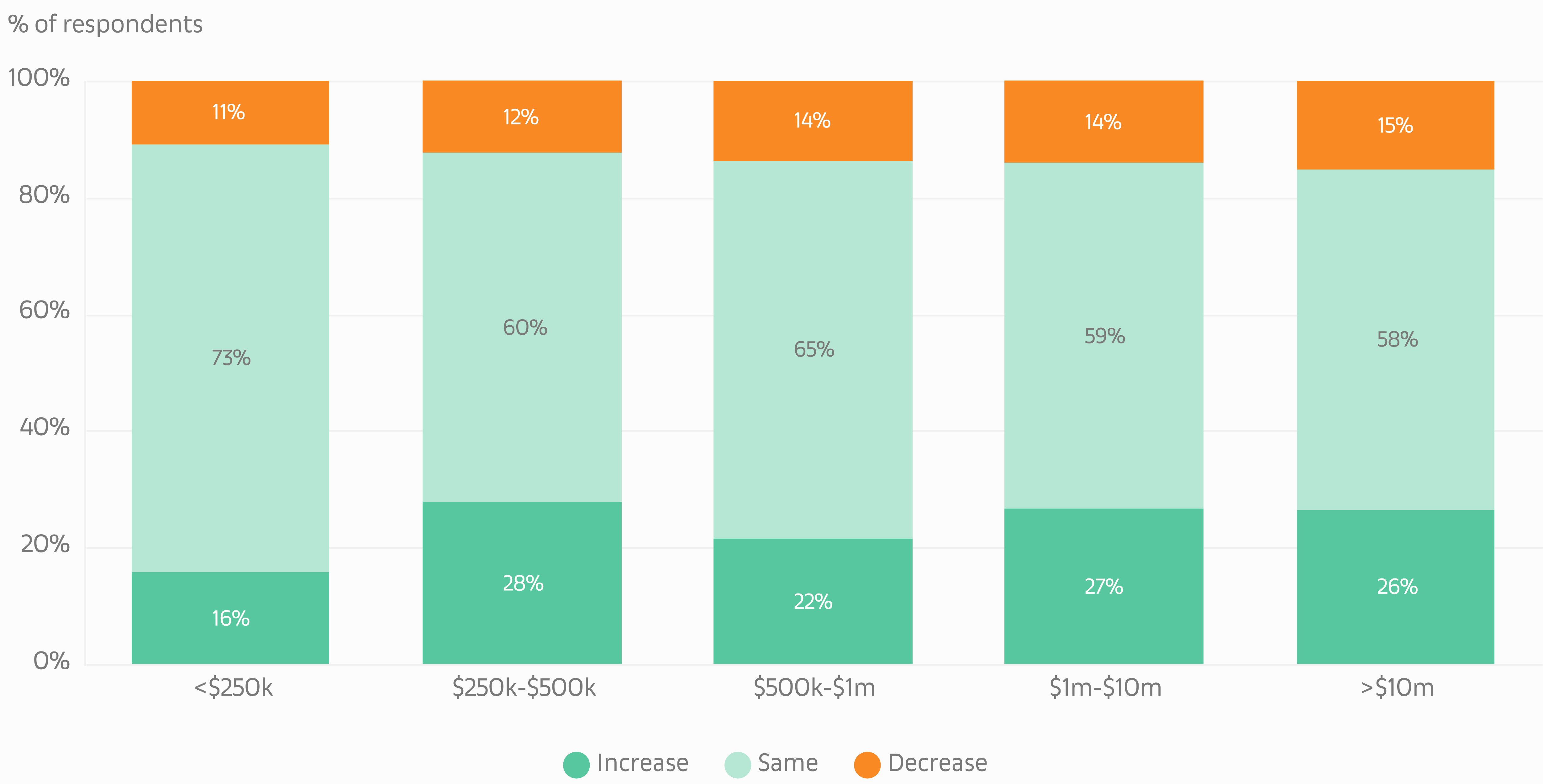
- 64% maintained a stable level of employees (down by 3% year-on-year);
- 23% increased the number of employees (by an average of three people); and
- 14% reduced employment (up by 5% from 2023) by an average of three people.

The smallest businesses were the least likely to increase their employment, with only 16% of those with turnover of under $250,000 per annum expanding during the year, on par with 2023, although the majority maintained stable numbers. This compared with 26% of the largest businesses in the $10 million-plus segment that took on new hires in 2023, although 15% reported losing staff, compared to 10% in 2023 and only 3% in 2022. The biggest rises in payroll costs were for these largest businesses, which saw them increase by an average of 14%, while there was also a significant jump of 12% for the lower-middle tier of dealers with turnover of between $250,000 and $500,000, where 28% enhanced their employee numbers. The lowest increases in payroll costs were in the middle tier of dealers between $500,000 and $1 million (up by 3%), and the smallest dealers whose costs rose by 9%.

Dealer operating costs rose by just under 10% on average year-on-year

39 Arts Economics (2021) *Resilience in the Dealer Sector, A Mid-Year Review 2021*, available at: artbasel.com/about/initiatives/the-art-market.

Figure 2.23 Change in Employment by Dealer Turnover 2023–2024



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Ancillary Expenditure

Apart from paying their own employees, dealers supported a range of employment in other industries through spending made outside their businesses. Dealers reported that they spent an average of 28% of their gross sales in 2024 on a range of goods and services purchased or contracted from individuals and companies outside their businesses.

The biggest components of spending were art fairs, packing and shipping, and travel-related expenses, with these three areas also seeing the most inflation year-on-year. As in previous years, art fairs were the largest component of this external expenditure at 27% (including only booth and exhibition costs), up by 2% in share year-on-year.[40] Art fair costs were reported as rising annually by 10% on average in nominal terms, although when filtered for the dealers attending more than one fair annually, the rise was 16%. Packing and shipping accounted for 15%, also increasing in share (by 3%), with dealers noting it as a key area for cost inflation over the last three years, as costs rose by 15% year-on-year. The share of work-related travel and accommodation was stable at 13%, although has also seen significant inflation, with a rise in cost of 11%.

40 This share includes all dealers including those who may not have attended fairs in 2024. Including only those who attended art fairs, the share was higher at 39%.

Hospitality and entertaining comprised 8% of external spending, up by 1% year-on-year, with some dealers citing conscious efforts to reduce their spending on these costs, particularly around fairs and other events, as budgets came under further pressure and costs in this area saw substantial inflation.

The share of spending on advertising and marketing fell slightly to 11%, while IT (including websites, IT contractors, hardware, software, and fees for online third-party platforms) accounted for a 6% share, down by 3% year-on-year. Each of these areas were reported as rising in cost by 5% on average.

Conservation and restoration costs made up 4% of the total, down by 2% year-on-year, which may be due to the larger share of Contemporary galleries in the sample. Although it is not the largest element of costs, some dealers voiced concerns over the dangers of dwindling expertise in these and other niche specialties as the art trade's costs have come under pressure and demand in some sectors has declined. As noted by one dealer:

> *'The art and antiques trade needs to foster restoration services or pursue a policy of lobbying governments to foster restoration courses so that the trade will be sustainable in the future. Without restoration services, certain parts of the trade will not be able to survive in the future. The retail public require objects in good restored (with sympathy) condition. Young people need to be trained and fostered in the learning of restoration. Many restorers are between 60 and 90 years of age. Once they die, there will be simply nobody left to restore objects.'*

Figure 2.24 Share of Dealers' Externally Contracted Expenditure 2024

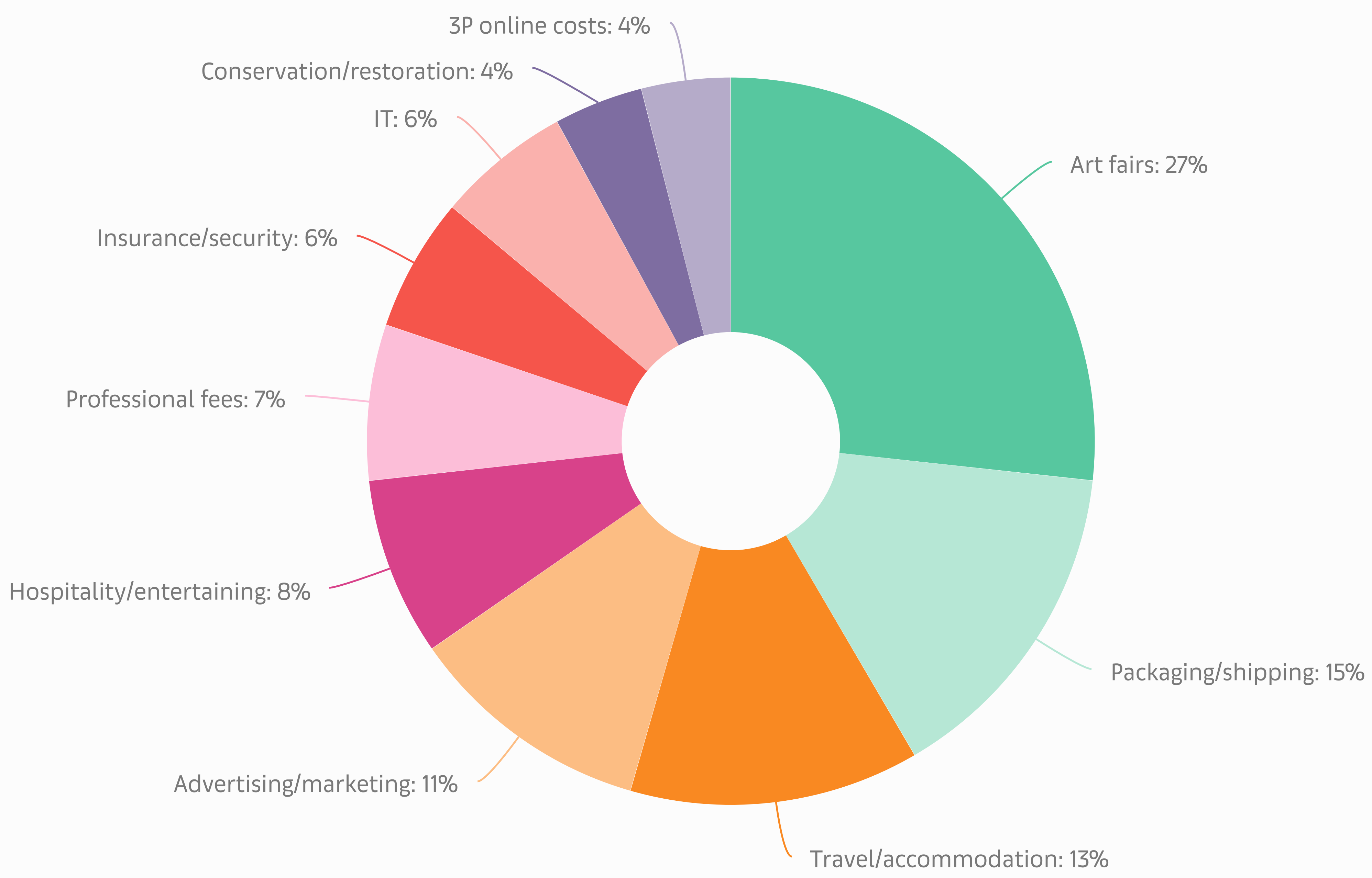

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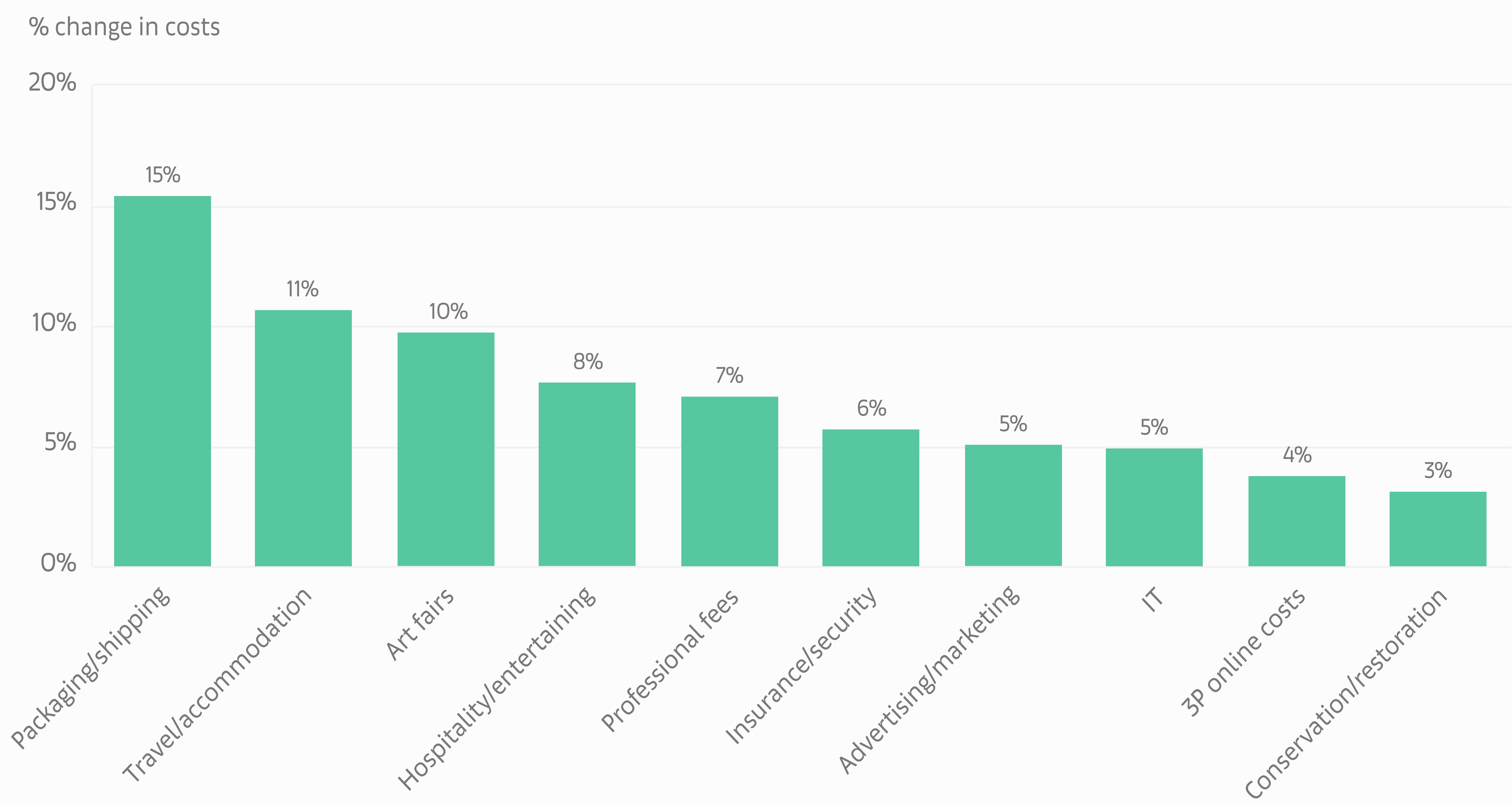
Figure 2.25 Change in Dealers' Externally Contracted Expenditure 2023–2024



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Inventory Cycles

While inflation has been an issue for all industries, rising costs are compounded for dealers by the slow-moving nature of their sales. The inventory cycle for dealers is much slower than many other retail sectors, putting dealers under financial pressure as their operating costs have escalated, along with the substantial upfront resources needed to produce, promote, and exhibit artists' works. The slow and variable nature of sales means that the timing of these costs is often disconnected to the final sales, which can make it difficult for dealers to manage their revenues during slower sales periods and without easy access to external financing. Even the dealers who saw sales increase in 2024 noted that it was the volatility of these sales that made it hard for them to balance their budgets, with spikes and lulls in activity alongside a steady upward path of outgoings.

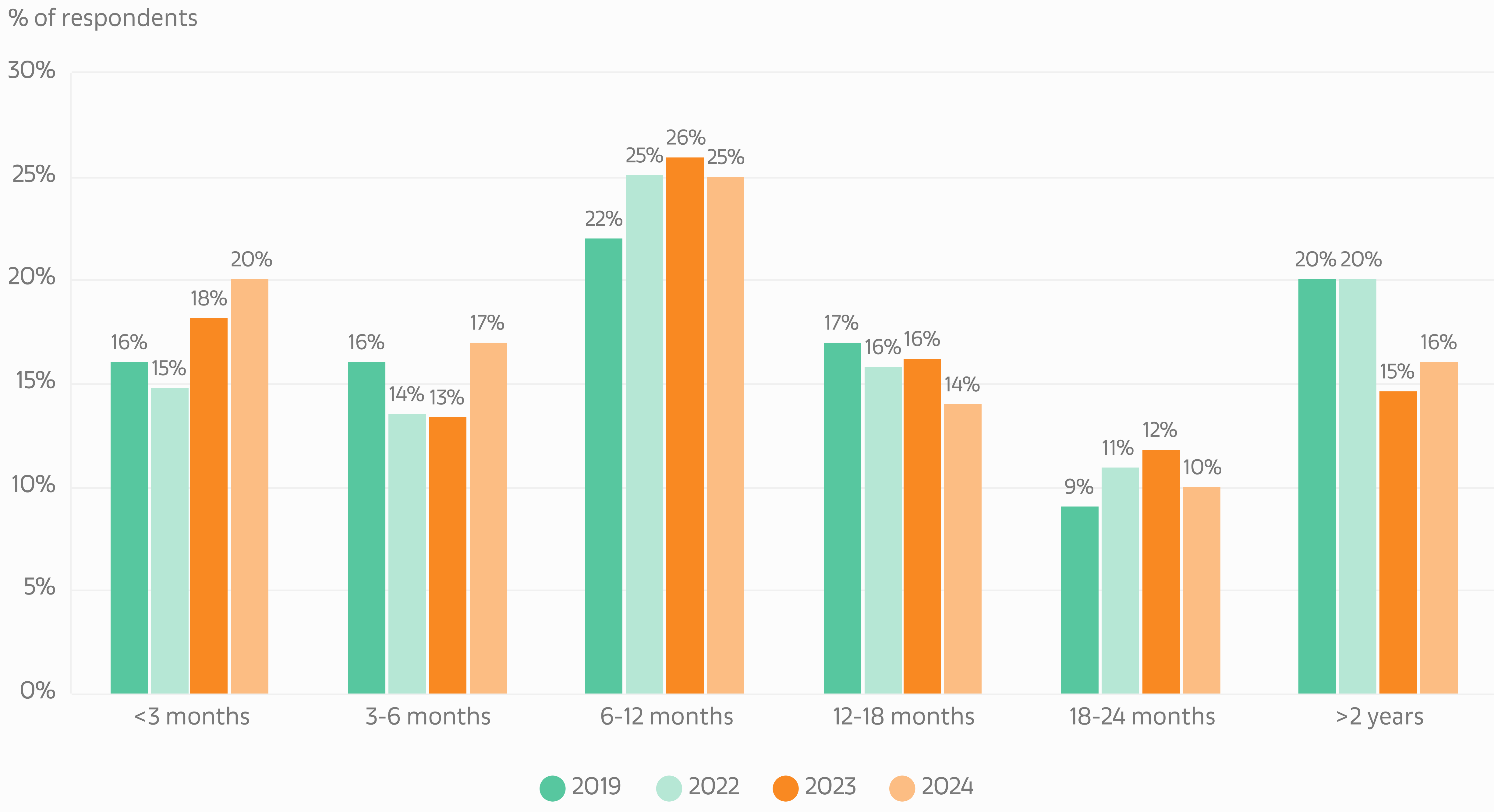
There was some evidence that certain dealers were transacting faster in 2024. The average inventory cycle (the length of time between works entering their inventory to the final sale) across all respondents was 11 months, which was down by one month year-on-year from 2023 and from an average of 13 months in 2022. The fall in averages was likely due in part to the higher activity levels at lower prices which can tend to move faster through inventory than mid- to higher-priced works, which dealers noted anecdotally were taking longer to sell. The lower average in 2024 was driven by an increase in those reporting the fastest transactions of less than three months, which rose by 2% year-on-year to 20%, while those in the three-to-six-month bracket also expanded by 4%, to 17%.

Smaller dealers had a shorter inventory cycle, but the difference between smaller and larger dealers' averages was relatively minimal in 2024, with those turning over less than $250,000 having only one month faster cycle on average (11 months) than those turning over more than $10 million (12 months). For these larger dealers, this cycle shortened considerably from 2023, when it was 15 months. They noted that there was a hesitancy or lack of urgency by both private collectors and institutions in making purchases at the very highest level, with more indecision and time taken to finalize a sale, however, their increasing share of sales made at lower price levels were quicker and easier to finalize.

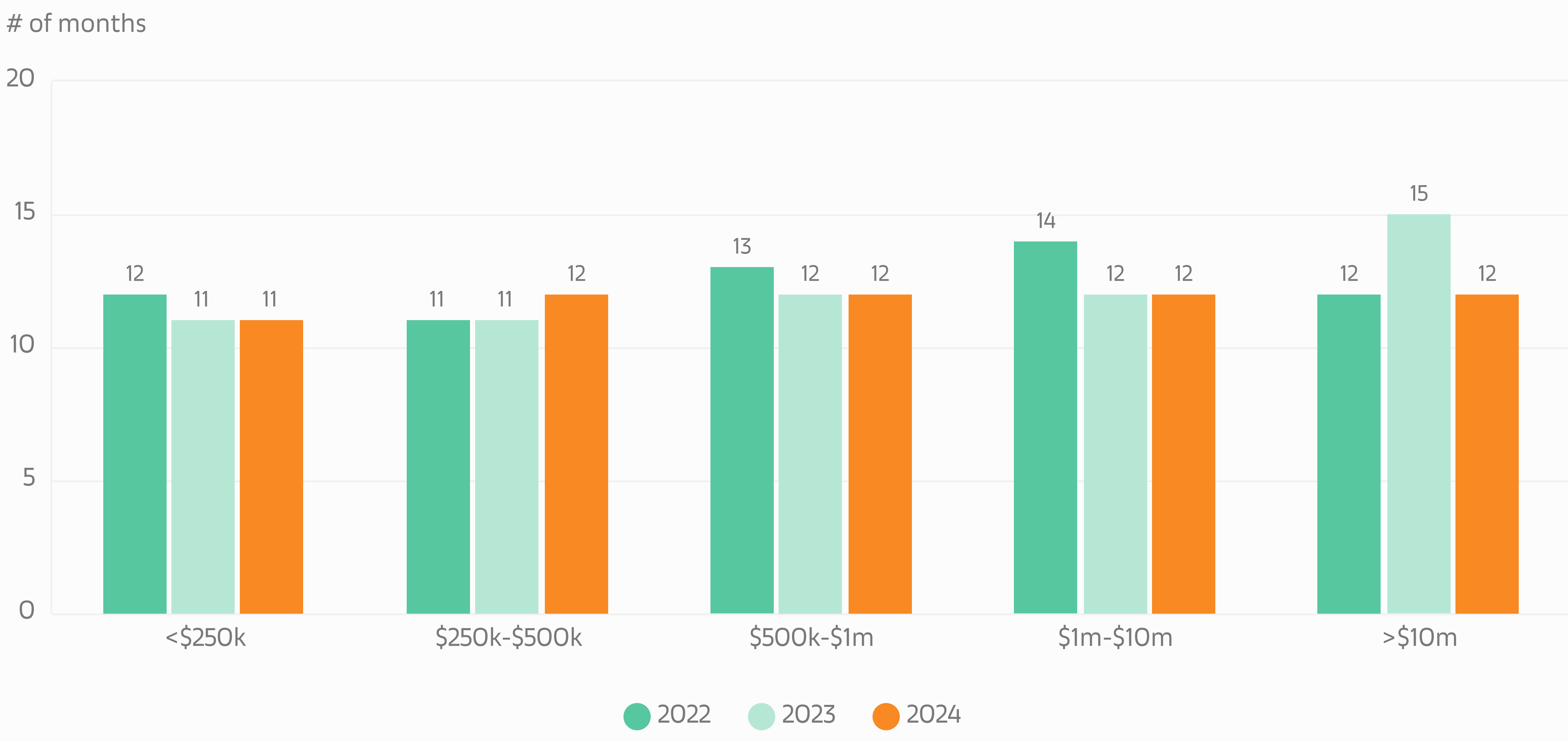
Inventory cycles ranged between sectors, too, with the shortest average reported by dealers working in the primary market, where inventory took 10 months to sell, one month slower than in 2023. Dealers working exclusively in the secondary market revealed a higher average of 14 months, while those operating in both were in between at 12 months (down from 13 in 2023). Dealers in decorative art and antiques also described a longer average of 14 months, stable on 2023.

Figure 2.26 Dealers' Inventory-to-Sale Cycle

a) All Dealers, Selected Years 2019–2024



b) Average Inventory-to-Sale Cycle by Turnover 2022–2024



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The pressures of selling slow-moving goods such as art and a lack of external trade financing can be compounded by slow payment cycles. While many dealers noted anecdotally that they had extended flexible terms to buyers during the pandemic to ensure sales were finalized, there was evidence that payment cycles were slightly tighter for the sector as a whole, possibly connected to increased budget constraints and the higher share of lower-value trades. The average time from invoicing to payment across the sample was five weeks, and this was consistent across most markets, with a slightly longer period of six weeks in the primary market, and for those turning over more than $10 million.

Around half (52%) of the dealers surveyed reported that they usually got paid within one month of invoicing, with 82% paid within two months (up from 75% in 2019 and as low as 61% in 2016). The share taking longer than three months shifted from 10% in 2019 to 5% in 2024. While the reduction of very slow payment cycles is a positive trend for the sector, some dealers noted that the shift had been related more to cost pressures and their reluctance to offer more extended terms due to the uncertain sales context. Some felt that it had been an added value to their clients to have been able to allow them the time to make thoughtful and less pressured decisions with flexible terms, distinguishing them from other channels such as buying at auction.

IMAGE Detail of a work by Manuel Pardo, presented by P·P·O·W in the Kabinett sector at Art Basel Miami Beach 2024

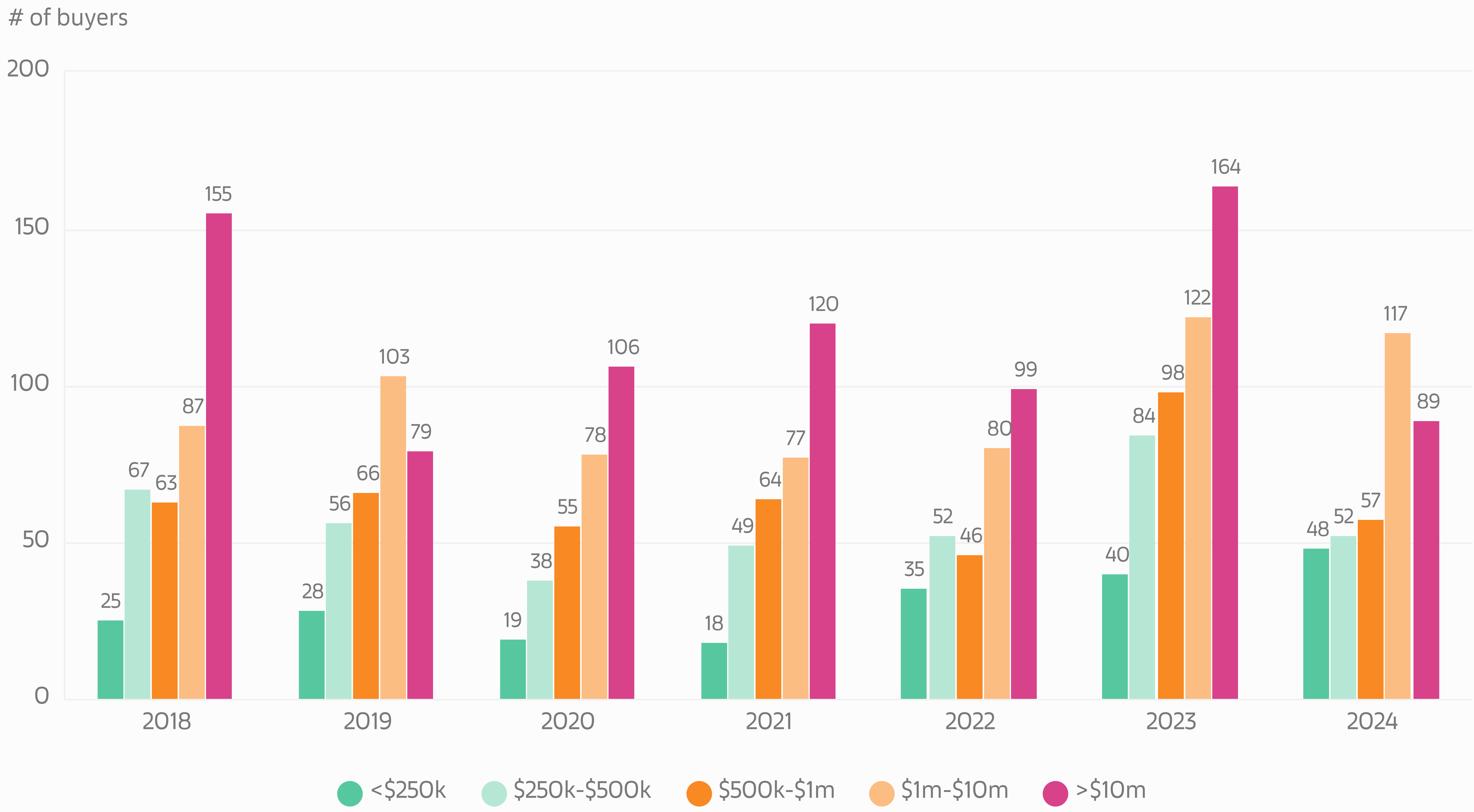
2.5 Buyers

As in previous years, maintaining relationships with existing clients and finding new buyers were in the top five challenges that dealers were focused on both currently and for the next five years. During the pandemic, reaching new clients became more challenging and the average number of individual buyers dealers sold to declined to 50 in 2021 from 55 in 2020 and 64 in 2019. However, over the next two years, as art fairs and events resumed alongside digital programs to attract new buyers, their buyer bases widened again, reaching a high of 83 by 2023 (with the median also rising from 25 in 2022 to 35). In 2024, the average narrowed to 72, a decline year-on-year but still above pre-pandemic 2019 levels, and with the median stable at 35.

The biggest fall in numbers, and one of the drivers of the declining average overall, was the significant drop in the number of buyers that the largest dealers sold to in 2024. As in other years, the average number of buyers tended to increase proportionally with the dealers' level of turnover, however, only up to a certain point, and the dealers with the highest turnovers tended to deal with fewer clients than their closest peers. After broadening their base of buyers considerably over 2023, dealers with the highest turnovers in excess of $10 million pursued a more focused strategy in 2024, selling the highest-value works to a relatively small group of collectors and cultivating stronger relationships as the market at the high end became more challenging (from 164 in 2023, which had been its highest level in six years, to 89 in 2024).

Dealers at most levels adopted a more focused strategy in terms of buyers, concentrating on a smaller number of buyers to make individual or multiple sales than in 2023. While this was an intentional strategy for some, others explained that certain transactions were just taking longer to complete with some of their buyers requiring more 'face time' and a longer finalization process than previous years. The exception was those with the lowest turnovers of less than $250,000, where averages increased by 18% (to 48 buyers), with some trying a more diversified strategy or finding it more difficult to repeat sales to the same buyers during the year and instead made more sales to a larger number of buyers. As set out in Figure 2.27, both these smallest dealers and those at the higher ends of the turnover spectrum have all seen the number of buyers they sell to annually increase since 2019, while the dealers in the mid-tiers between $250,000 and $1 million have seen a contraction in their buyer base.

Figure 2.27 Number of Unique Buyers by Dealer Turnover 2018–2024



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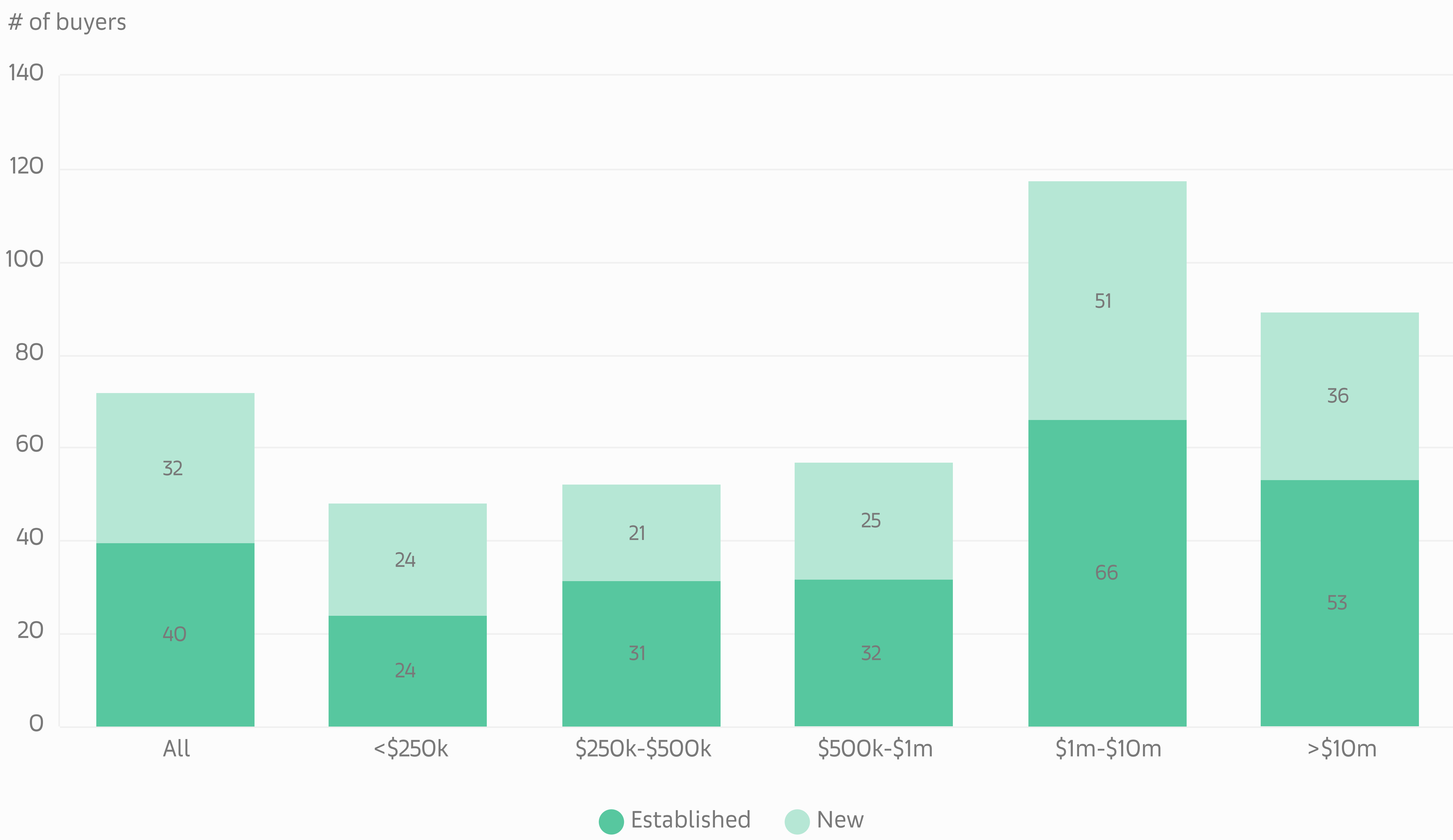
Regardless of the number of buyers that dealers sold to, finding new buyers remained a priority for many businesses, particularly as buying in some segments slowed. Some dealers noted that in the last couple of years, in the more challenging art market conditions, they had been relying on established collectors, but had concerns about the future of their sales given that their buying bases were not being renewed:

> *'The domestic art scene as a whole seems to be cooling down, and existing young collectors are no longer buying paintings. With the bursting of the Contemporary art bubble, there is a high reliance on older collectors who prefer Modern and Post-War art...(but) many of these collectors are in their 60s and 70s, so I am worried about what the art scene will look like 10 years from now. On the other hand, we know that there is a high proportion of wealthy people who have no experience in purchasing art, and the challenge for dealers is how to reach them, rather than focusing on existing art collectors.'*

Faced with these challenges, some dealers appear to have been relatively successful over 2024 in reaching new buyers, with 44% of the buyers they sold works to being new to their business. The share of new buyers was highest for the smallest dealers (50%) and to the extent that some of these buyers may be new to the art market and starting off at lower price points highlights the importance of smaller galleries in expanding the market to a wider audience. As noted above, after broadening their base of buyers in 2023, dealers with the highest turnovers in excess of $10 million focused on a smaller group of collectors in 2024 as the market at the high end became more challenging. However, even in this segment, dealers reported that 40% of their buyers were new to their business in 2024.

Figure 2.28 Number of New versus Established Buyers by Dealer Turnover 2024



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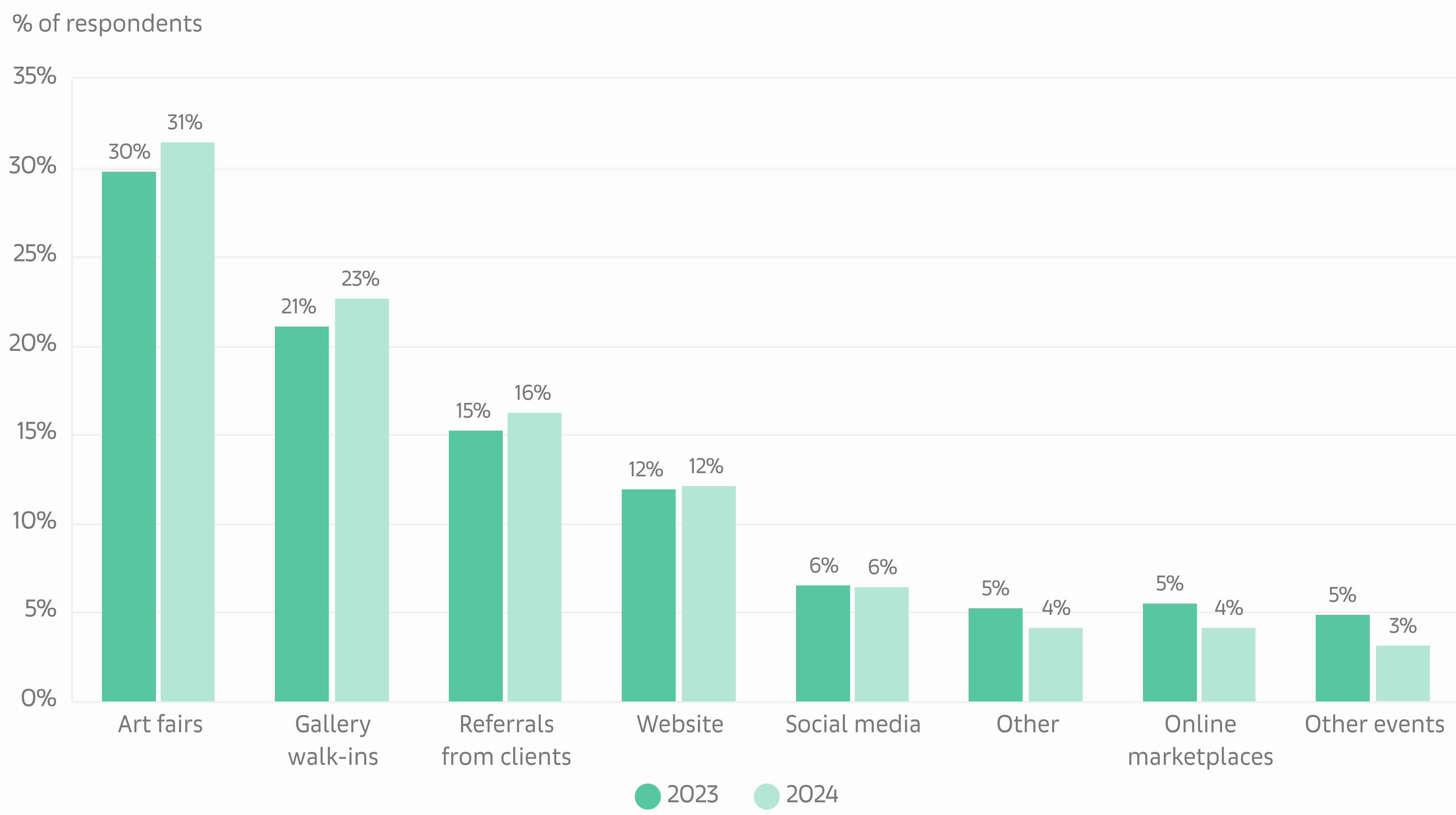
Dealers were also asked where they sourced new buyers from in 2024. As in 2023, art fairs were the most frequently chosen channel for new buyers (31%), followed by walk-ins at the gallery (23%), stressing the continued importance of in-person experiences for expanding sales. The importance of these sources varied significantly between larger and smaller galleries, with the former much more reliant on art fairs, a primary source of new buyers for 57% of dealers in this segment, while for smaller galleries turning over less than $250,000, gallery walk-ins were more important than art fairs.

Referrals from existing clients were important, too, with 16% of dealers citing these as the main source of new buyers in 2024, underlining the importance of dealers' relationships and reputations. In terms of online outreach, a greater share of dealers reported their own websites as the main source of new buyer interest, ahead of their social media and online marketplaces. 'Other' sources of new buyers suggested by dealers included artists, and the efforts they made to promote sales or introduce buyers to the gallery, as well as colleagues from other galleries, advisors, museums, and auction houses.

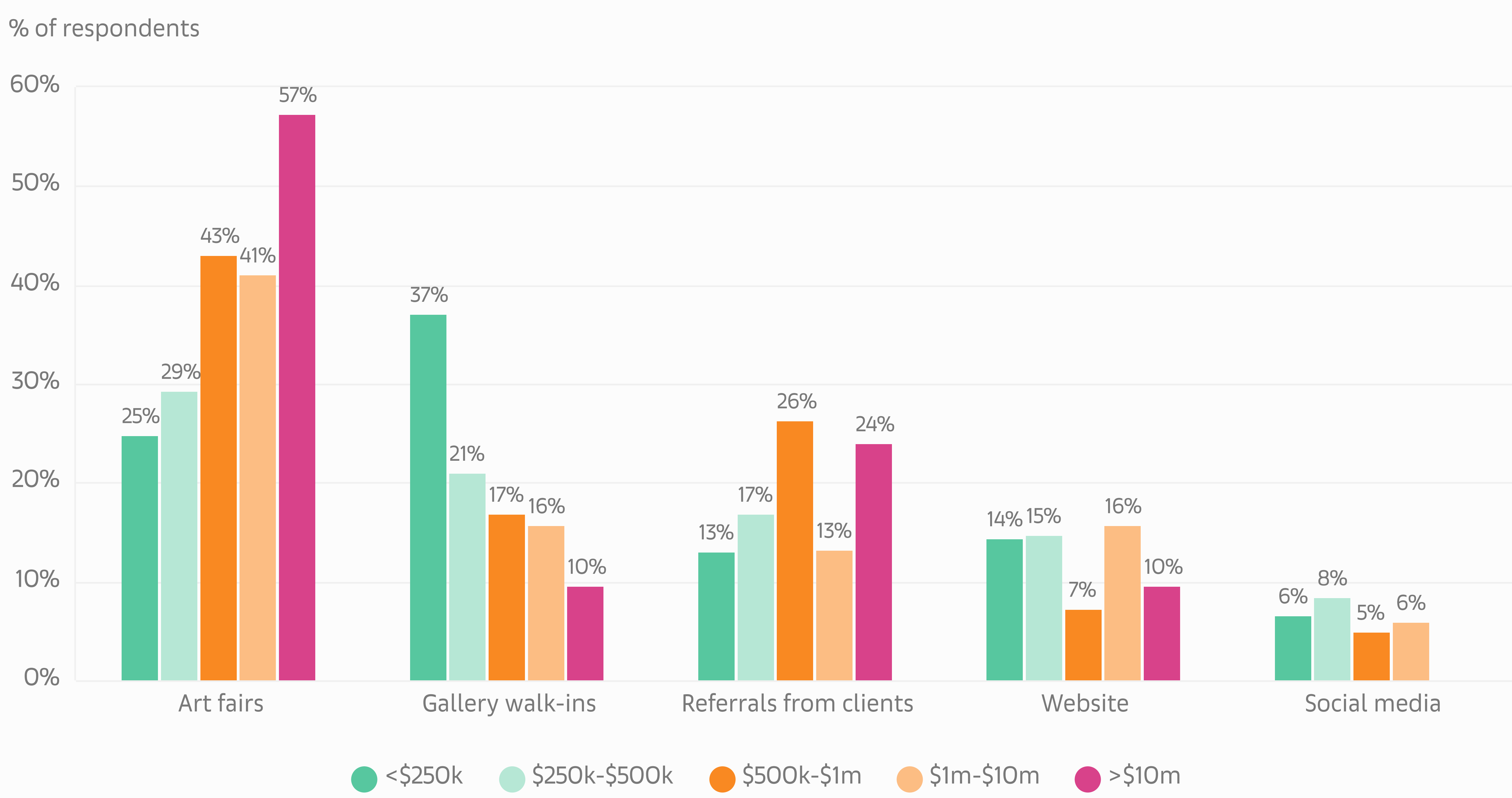
IMAGE Detail of a work by Kapwani Kiwanga, presented by Galerie Jérôme Poggi in the Galeries sector at Art Basel Paris 2024

Figure 2.29 Main Source of New Buyers for Dealers 2023–2024

a) All Dealers



b) Top 4 Sources by Dealer Turnover 2024



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Although more buyers often equates to greater sales, the impact of new buyers on the turnover of galleries depends on the share of sales by value distributed between new and existing clients. As in most years, the majority of sales by value made by dealers during the year were to their existing base of medium- and long-term clients, however, the share to new buyers also increased. Dealers reported that of their sales in 2024:

- 38% were new buyers that were purchasing from them for the first time in 2024 (up by 5% on 2023);
- 31% were buyers they had dealt with for one to five years (down by 2%); and
- 31% were buyers they had dealt with for more than five years (down by 3%).

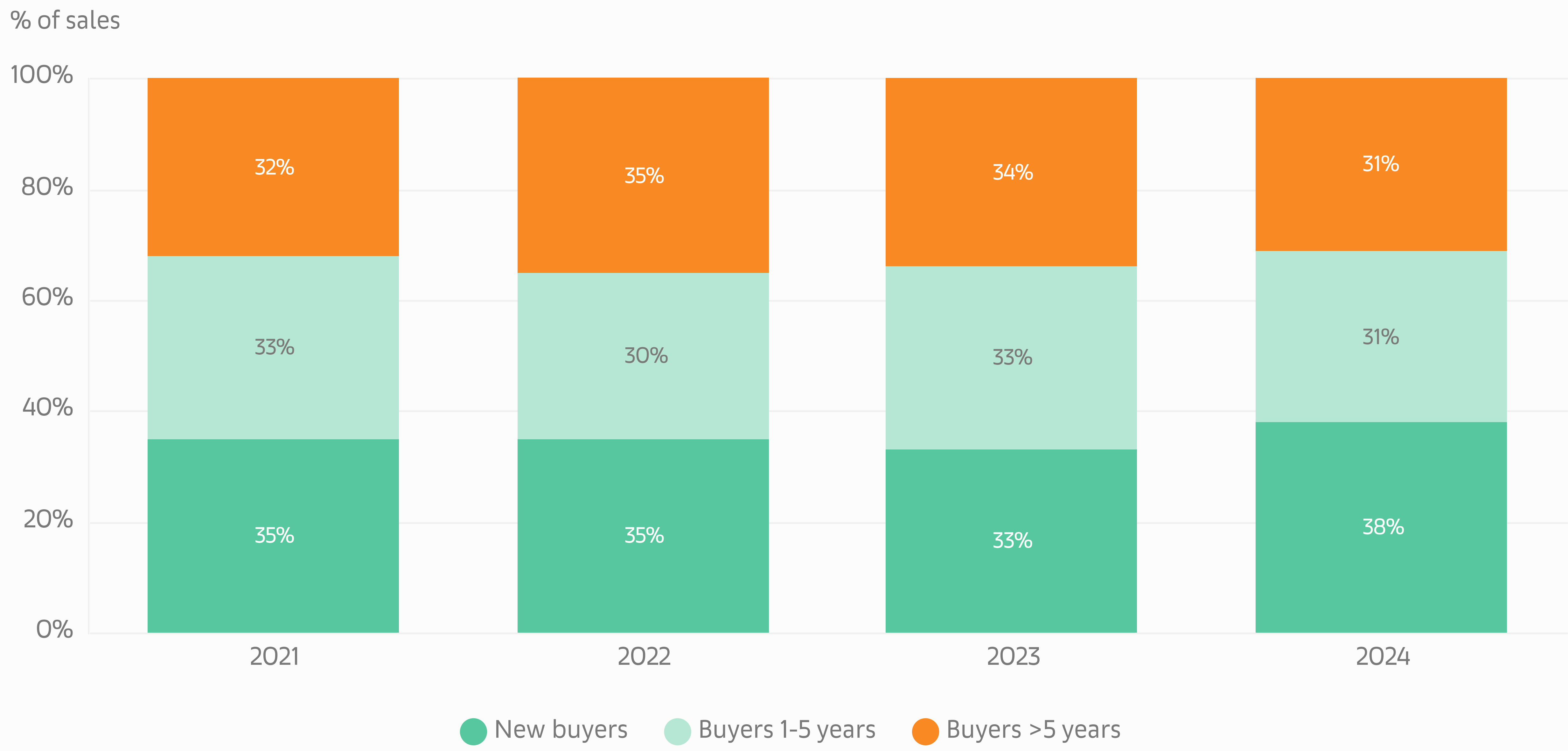
These figures imply that 44% of dealers' buyers (the new buyers in 2024) accounted for 38% of their sales. The smallest dealers continued to have the highest share of sales to new buyers, including 45% for those with turnover of less than $250,000, the highest proportion of all segments, and up by 10% year-on-year. This increasing share of value was linked to the large share of new buyers gained by this segment, with around half of the clients they sold to being new to their company in 2024. The long-term value of these new buyers, however, depends also on their success in converting one-off sales into returning and established collectors, with the continued higher share of new buyer sales indicative of the difficulties some dealers in this segment have at generating repeat business. Some dealers noted that while it was possible to reach new buyers, there was a tendency for many to be less loyal to specific galleries, making it more competitive to generate repeat business, which required new strategies and approaches:

> *'The classic collectors are dying out. There are more and more buyers and consumers with significantly less loyalty to artists and galleries. We must respond to these developments inventively and adapt our offering. If we can't keep it interesting through the sheer power of money, the only way to keep it interesting is through high levels of specialization and personalization.'*

The share of sales to new buyers at the highest end was stable at 28%, and down significantly from 36% in 2021, despite these buyers accounting for 40% of their total buyers by number. The strongest segment of sales for these largest dealers was to clients they had for more than five years (39%).

Figure 2.30 Dealer Sales by Buyer Purchase History

a) All Dealers 2021–2024



b) By Turnover 2024

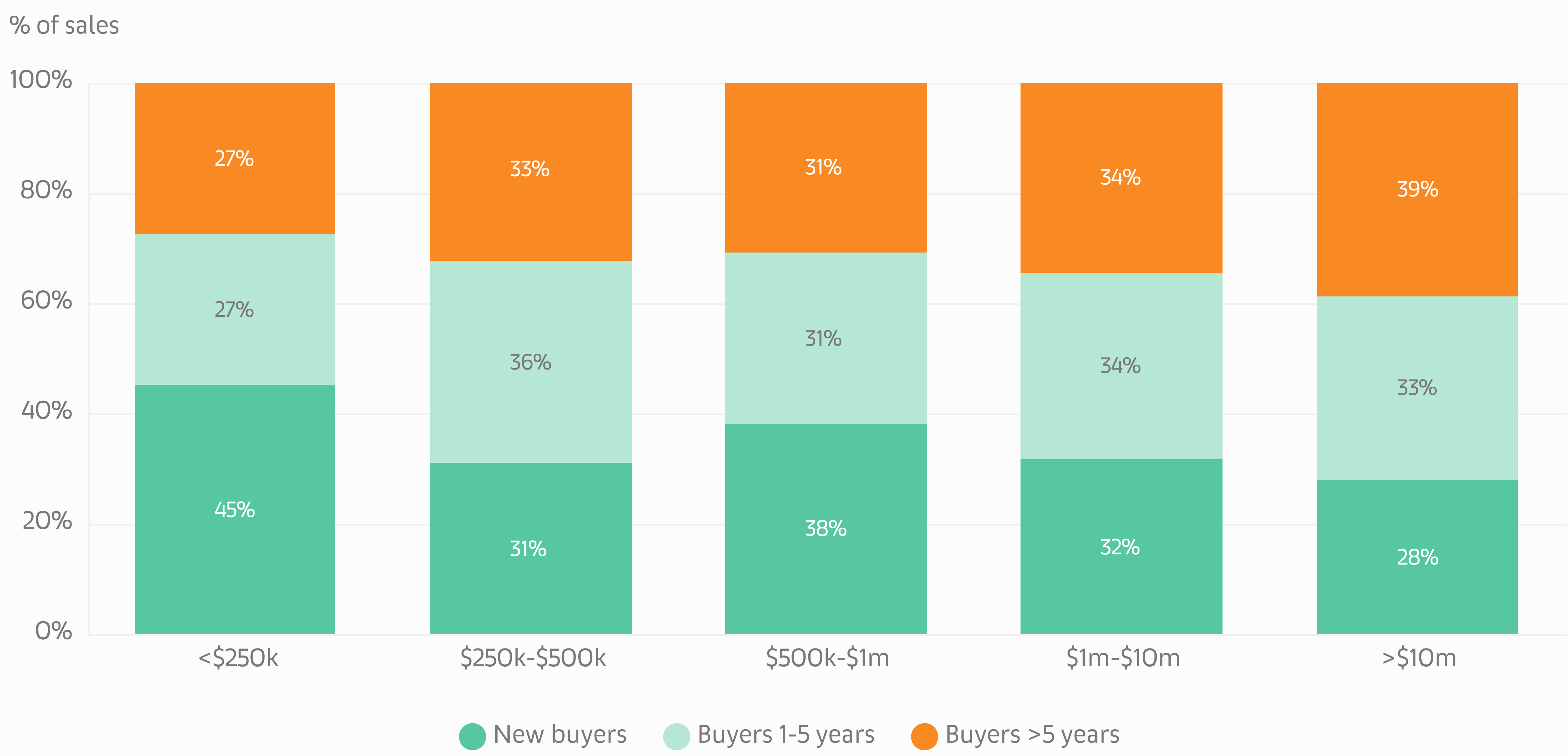


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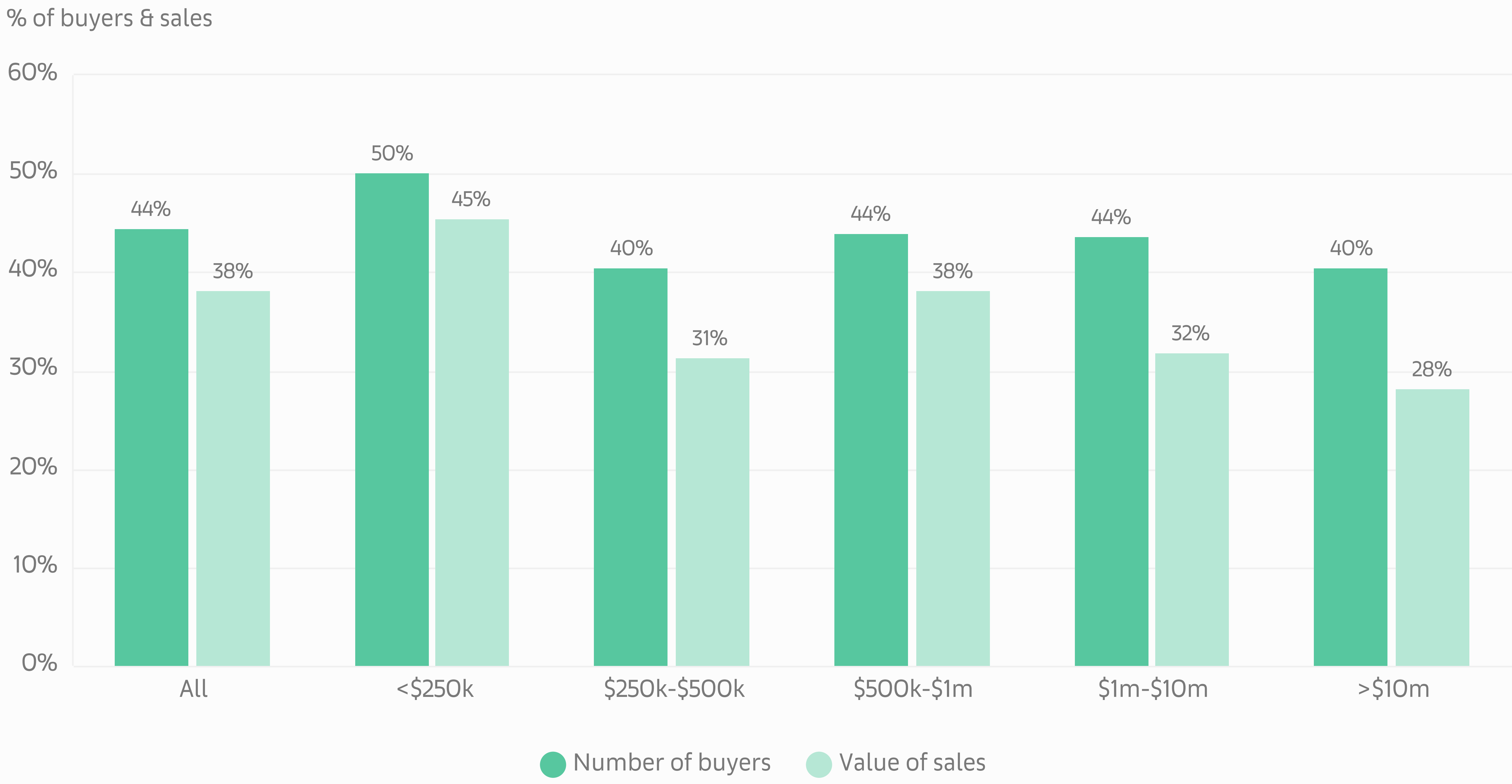
Figure 2.31 **New Buyers and Sales to New Buyers by Dealer Turnover 2024**



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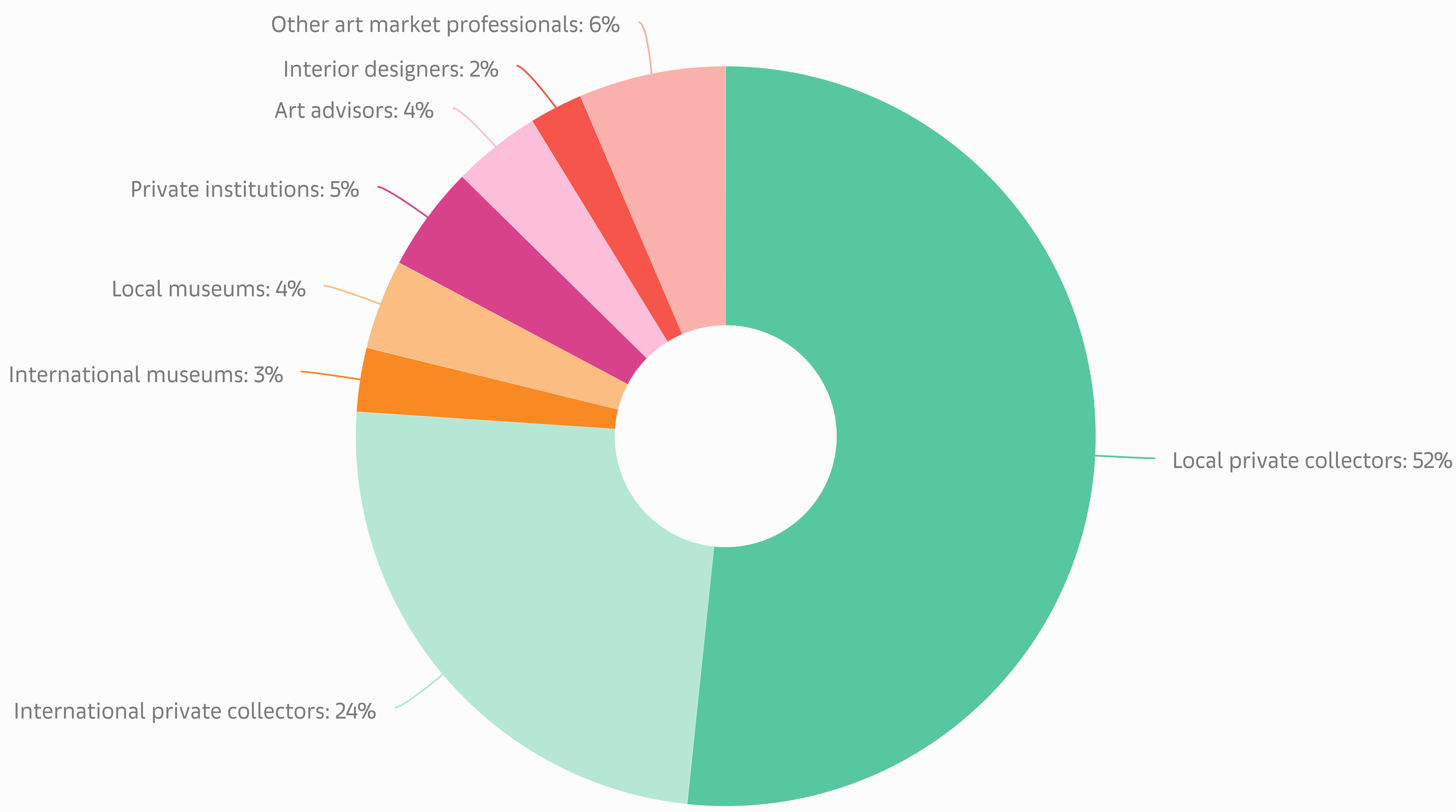
In line with previous years, most sales by value were to private collectors, which accounted for a slightly higher share of 76%, up by 4% year-on-year due to an increase in sales to international private collectors to 24% (from 20% in 2023). Private collectors made up the majority share of sales for dealers at all levels, ranging from 82% for those with turnover of less than $250,000 to 69% for the largest dealers at the $10 million-plus level, due to a greater proportion of sales having been made to museums and art advisors.

Another 6% was made to interior designers and art advisors (both predominantly working for private clients), implying that up to 82% of the value of sales made by dealers in 2024 was to, or on behalf of, private individuals. Although still a small share by value, sales to art advisors doubled year-on-year to 4%, and this was as high as 8% for the largest dealers with turnover of greater than $10 million. As noted in previous years, this share may understate their role in sales, as some collectors work with advisors prior to a sale, researching the market and sourcing works from galleries before making a final purchase directly from a dealer. (Exhibit 3 discusses the role of art advisors in the current market in more detail, particularly in relation to art fairs.)

Sales to other members of the art trade declined from 13% in 2023 to 6% in 2024, although this was connected to the greater share of Contemporary dealers in the sample. Dealers in the antiques and decorative art sectors made 17% of their sales to trade buyers in 2024, and they also accounted for 14% of the sales of fine art dealers operating only in the secondary market versus a stable 2% for those working in the primary market, where 80% of sales were to private collectors.

The share of sales to museums was stable year-on-year and highest for secondary market dealers (9%). Private institutions were stable year-on-year, too, with a 5% share overall, although this ranged from 1% for secondary market dealers to the highest share of 6% for those exclusively in the primary market. It also varied proportionally by turnover, from 4% for dealers with sales of less than $250,000 up to 16% for those with sales in excess of $10 million.

Figure 2.32 **Dealer Sales by Buyer Type 2024**



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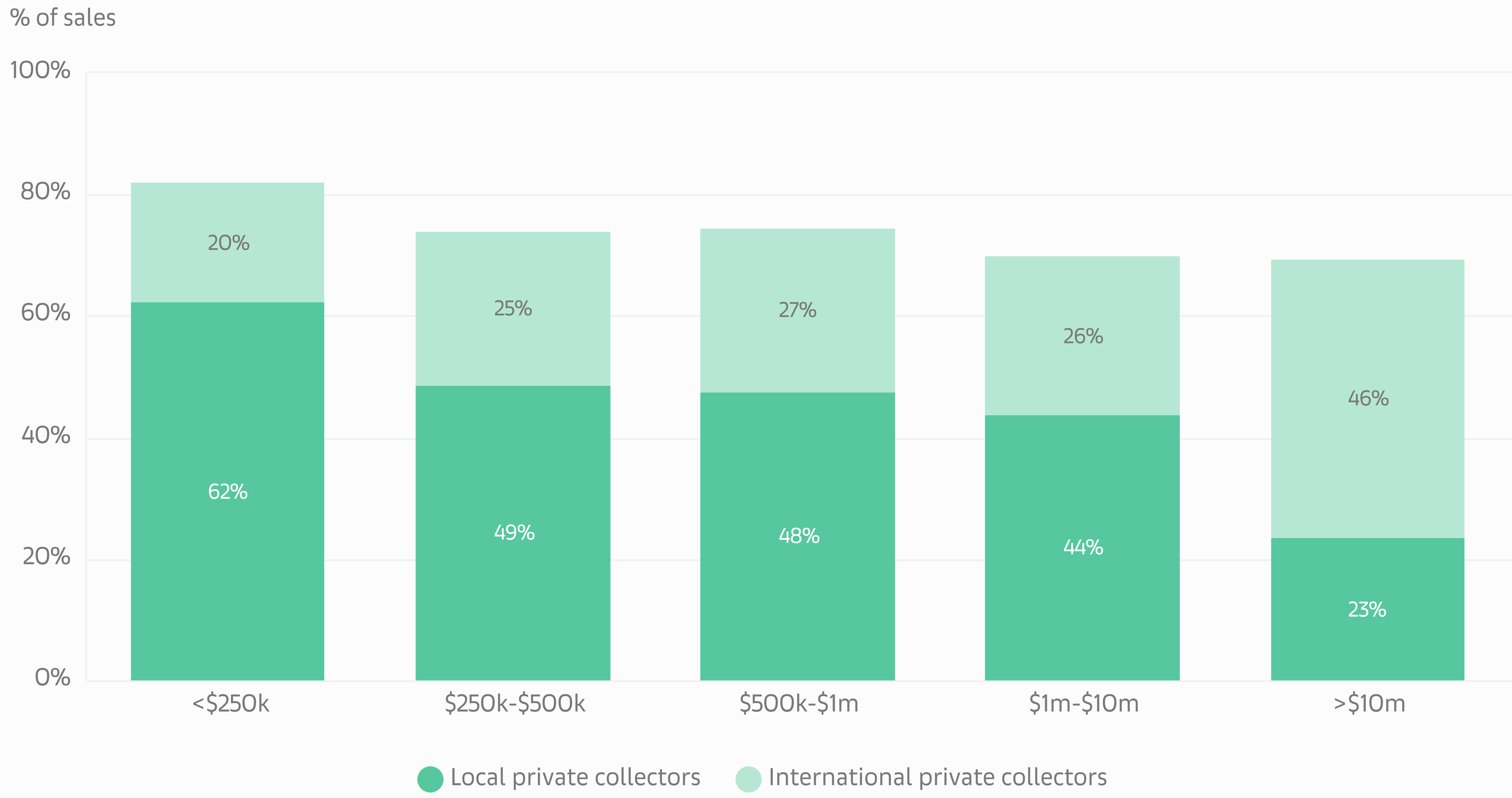
While the share of sales to local private collectors accounted for over two-thirds of the total sales to private individuals for dealers across the board, there was some indication of a shift to more international selling by larger galleries. The share of sales to local buyers tended to decline as turnover rose, as was the case in previous years. But while local collectors made up the majority value for all segments in 2023, in 2024, international buyers were stronger for the largest dealers turning over more than $10 million, constituting 67% of their sales to private buyers (and 46% of their sales overall).

Sales to local museums outweighed those to overseas institutions, accounting for 57% of museum sales overall. However, again, the largest dealers had the highest share of sales to museums, doubling in value from 8% to 16% year-on-year, as well as the highest share of sales to international museums, which made up a majority of 62% of their museum sales (versus 38% in 2023, when local museums dominated).

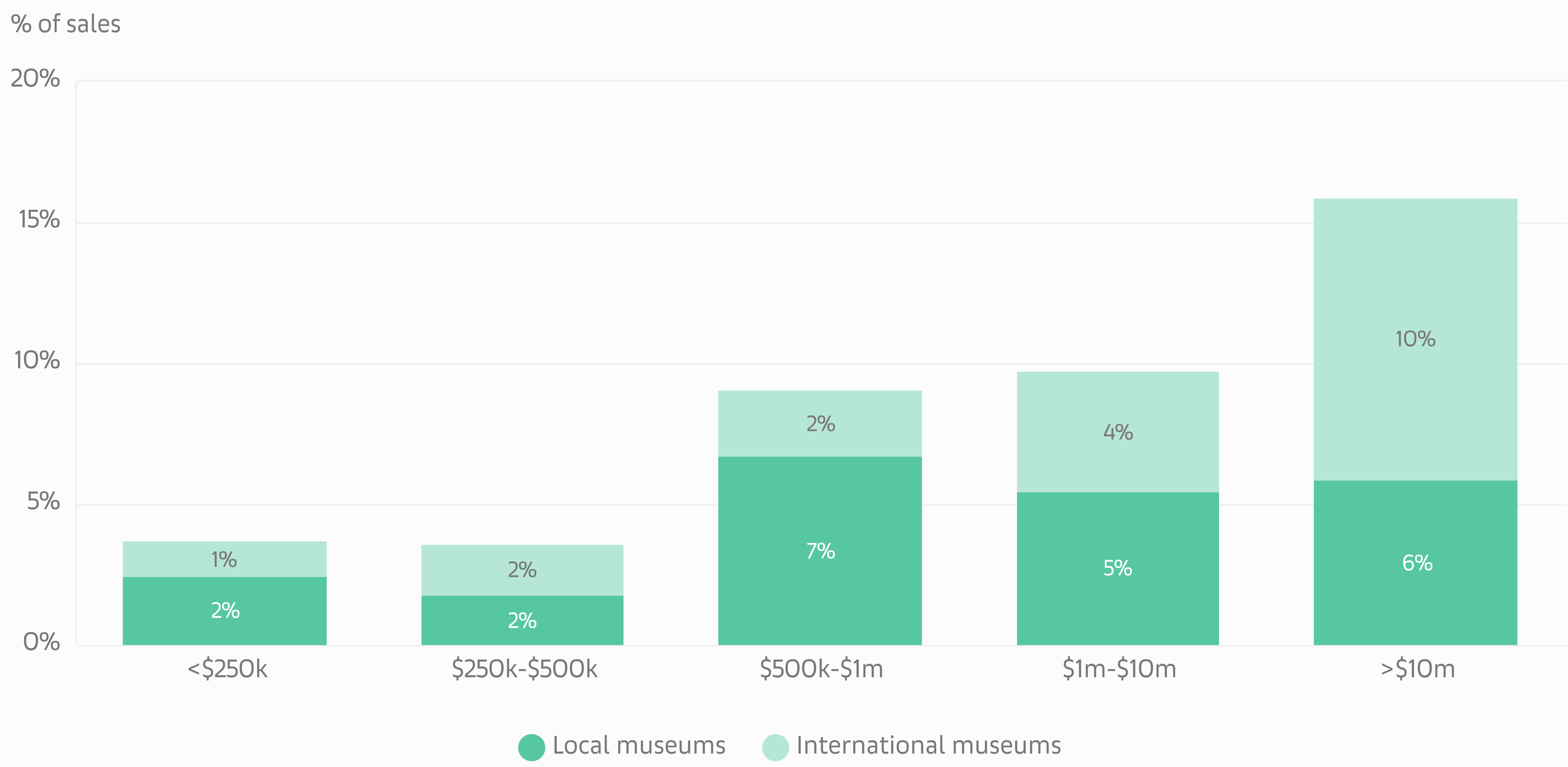
IMAGE Detail of a work by César Domela, presented by Galerie Le Minotaure in the Feature sector at Art Basel in Basel 2024

Figure 2.33 Sales to Local and International Buyers by Dealer Turnover 2024

a) Private Collectors



b) Museums



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When asked in more detail about where their buyers were from, local markets still dominated. In the largest market of the US, the majority of sales (80%) were to buyers in North America, although the share tended to decline as dealer turnover rose. Sales to EU buyers dominated for dealers in the bigger markets in Europe such as France (61%) and Germany (84%), while the majority of sales in larger Asian markets such as China and Japan were to their home markets along with regional neighbors in Asia. British dealers continued to provide an exception, with a majority of sales outside their home market. In 2024, dealers from the UK reported that 39% of their sales were to UK-based buyers, with a further 18% to the EU, and 31% to the US.

IMAGE Detail of a work by Ángela de la Cruz, presented by Travesía Cuatro in the Galleries sector at Art Basel Miami Beach 2024

2.6 Sales Channels and Art Fairs

The relative importance of different channels for sales continued to evolve in 2024, with a more subtle shift in the way sales were being made after the major upheavals in this area during the pandemic. Art fairs remained a central channel for recruiting new buyers and achieving sales, but this has come alongside rapidly escalating costs, both for exhibiting at fairs, as well as in related travel, packaging and shipping, hospitality, and other expenses connected to events. The costs to travel to and exhibit at art fairs was in the top three challenges dealers described for both 2024 and 2025 and the next five years. Assessing the benefits and costs of these events has been one of the most discussed subjects by dealers in the research for the last two years, with debates over their return on investment, quality, schedules, attendance, opportunity costs in time and financial outlays, and a range of other issues.

To assess the trends in how dealers are making sales over time, they were asked to report on the share of their sales by value through different channels in 2024, based on the following options:

- *Gallery sales* (transactions that were from or facilitated by an in-person visit to their gallery or premises);
- *Online-only gallery sales* (sales carried out online-only without viewing in person through the dealers' website, social media channels, OVR, or email);
- *Overseas fairs* (sales made at or directly connected to in-person art fairs outside of the reporting dealers' primary country of business);
- *Local fairs* (sales made at or directly connected to in-person art fairs within the reporting dealers' primary country of business);
- *Online art fairs* (sales carried out or originating from a fair's OVR or other online fair platform without any physical viewing);
- *Other third-party online sales* (sales carried out entirely online facilitated by a third-party or '3P' company or platform, other than an art fair); and
- *Other* (sales carried out through any other means).

Gallery sales, or transactions made at a gallery or dealers' premises, accounted for the largest share of sales by value at 44%, stable on 2023, but down slightly on 2021 and 2022 (both at 47%). Aside from these in-person transactions, dealers also made 17% of the value of their sales through their websites and other internal digital channels. This was down by 3% year-on-year from 20% in 2023, but still a significant advance over the last few years, from a low of just 8% in 2019. Smaller dealers in segments with turnover below $1 million showed an increasing share of in-person gallery sales in 2024, while their website sales shares contracted. However, for larger dealers, these shares were more stable, with a slight contraction in both for the largest dealers turning over more than $10 million in favor of more overseas art fair sales.

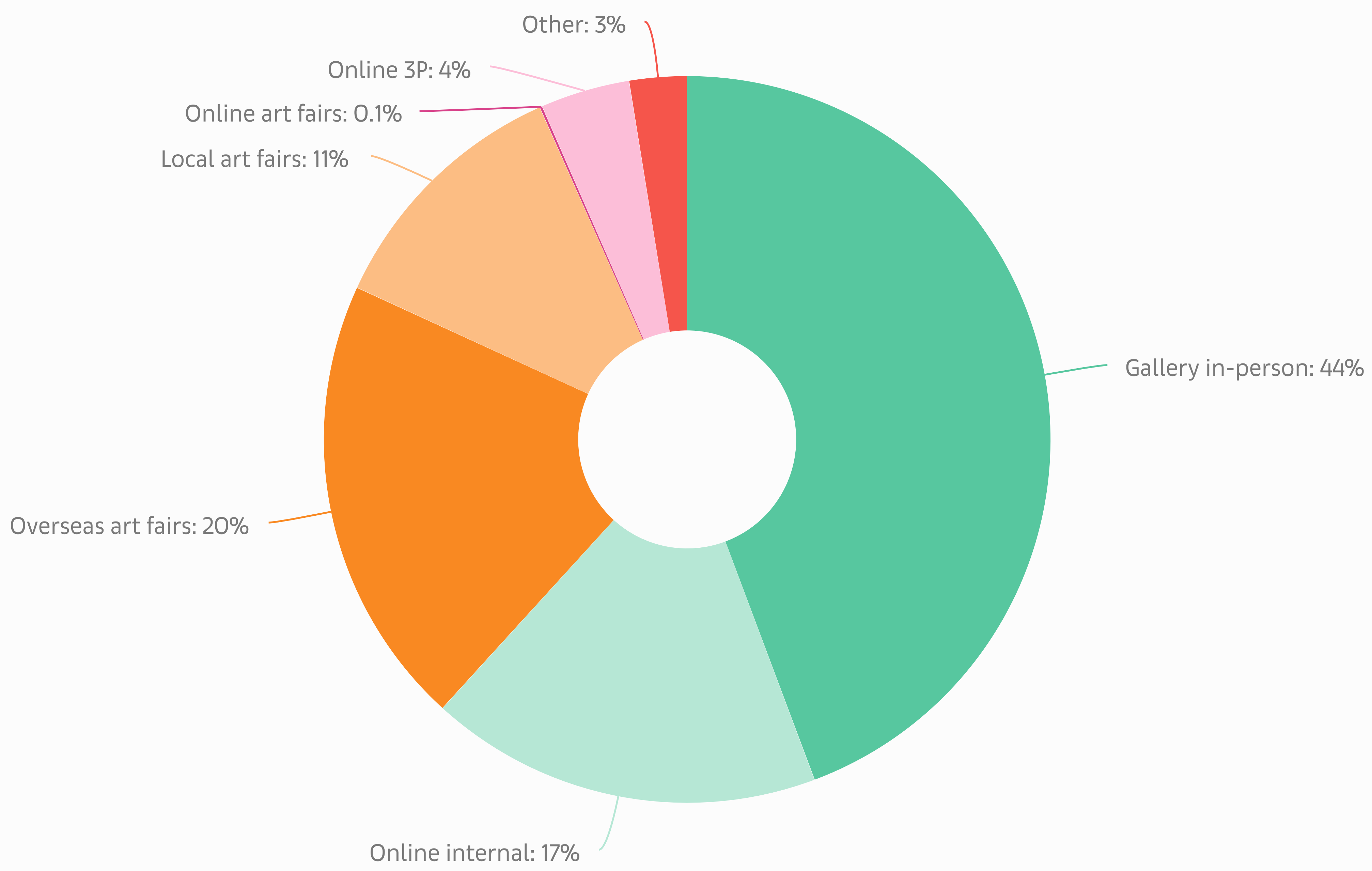
The share of art fair sales over all dealers edged up slightly year-on-year, with sales at live events comprising 31% of total sales, up by 2% on 2023, although remaining lower than 2022 (at 35%). The share of fair sales still have not reverted to the level they were at prior to the COVID-19 pandemic in 2019, when live events accounted for a reported 42% of sales, exceeding those taking place at galleries. With most fairs and other events cancelled during 2020, this plummeted to only 13%, but increased again in 2021 and 2022 as a normal schedule resumed, but with evidence of more permanent shifts online remaining in the market. The boost in 2024 was driven by an advance in sales reported at overseas fairs dealers exhibited at (with the share up by 2%, to 20%), while local fair sales were stable at 11%.

> The share of art fair sales edged up slightly year-on-year, with sales at live events comprising 31% of total sales

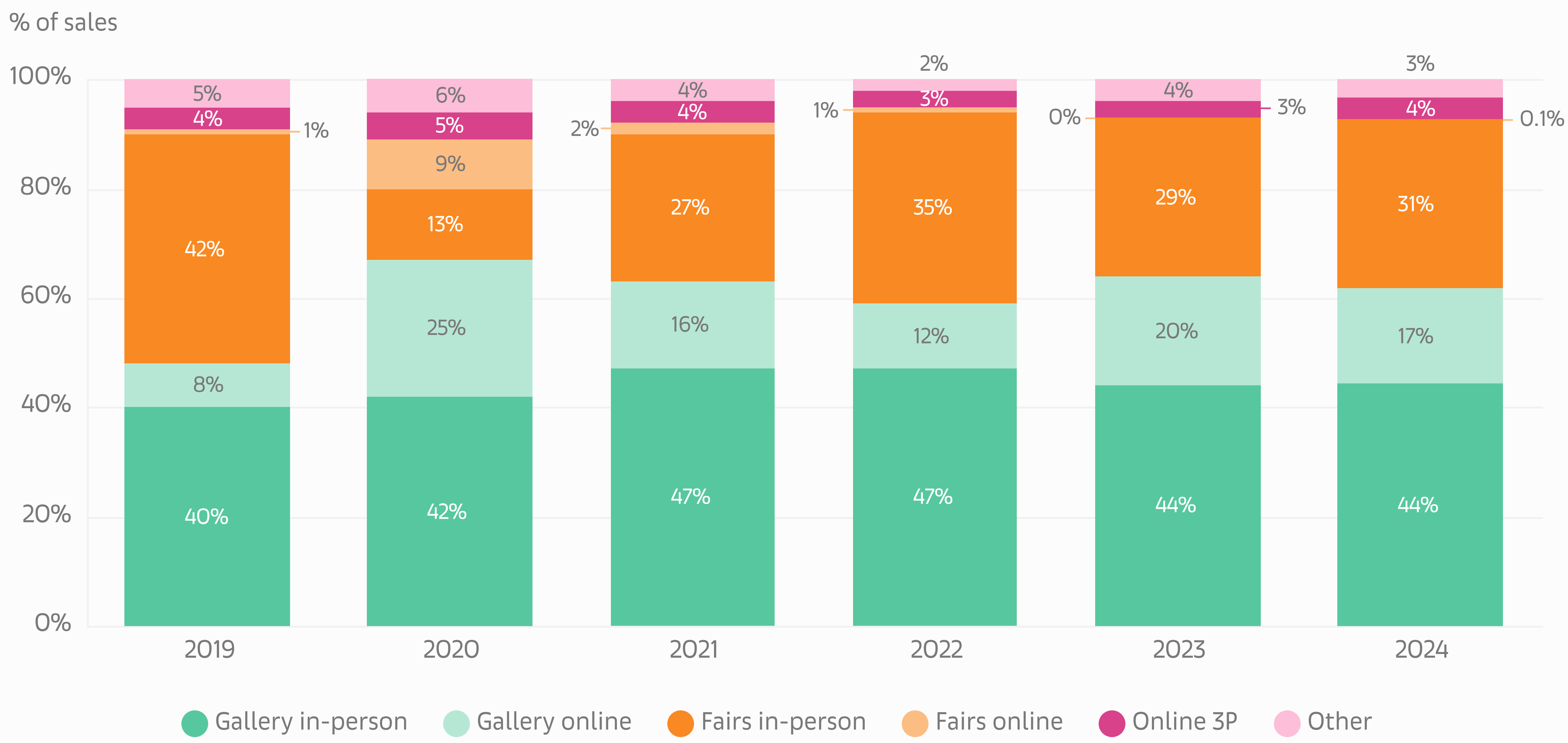
Online sales have also seen some volatility, with a massive and unprecedented rise from just 12% of dealer sales in 2019 to 30% in 2020 (or 39% including art fair OVRs). As events returned in 2021 and 2022, this share moderated, falling to just 16% by 2022. However, as dealers powered ahead with dual offline and online strategies and the high end cooled, online sales rallied again, settling at a 23% share in 2023, and fell only marginally in 2024 to 22%, with most of these sales by value still made through a gallery's own platforms. (Online sales are discussed in more detail in Section 2.8.) Combining these online gallery sales with in-person sales, one of the biggest advances since 2019 has been in dealers' own direct sales, which have risen from 48% in 2019 to 61% in 2024.

Figure 2.34 Value of Dealer Sales by Sales Channel

a) 2024



b) 2019–2024



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Art Fair Sales

Focusing on art fair sales in 2024, as in previous years, the largest share of sales reported at art fairs was for the largest dealers, with the familiar pattern of increasing share as turnover rose. Dealers turning over more than $10 million averaged a share of 34% in 2024 from live events, up by 4% year-on-year, and with the majority (73%) being sales at international fairs, which accounted for all of the gain in share. While this was more than double the share during the pandemic in 2020 in this segment (13%), it was still less than the 40% in 2022, or the peak of 44% in 2019. The share of fair sales also rose in the segment of dealers with turnover of between $1 million and $10 million, by around 2%, although in this case it was local fairs that shifted up slightly.

The share of fair sales was stable or dropped for dealers in the smaller segments, with the biggest fall for the smallest dealers turning over less than $250,000, from 26% to 23%. All segments reported a lower share than in 2019.

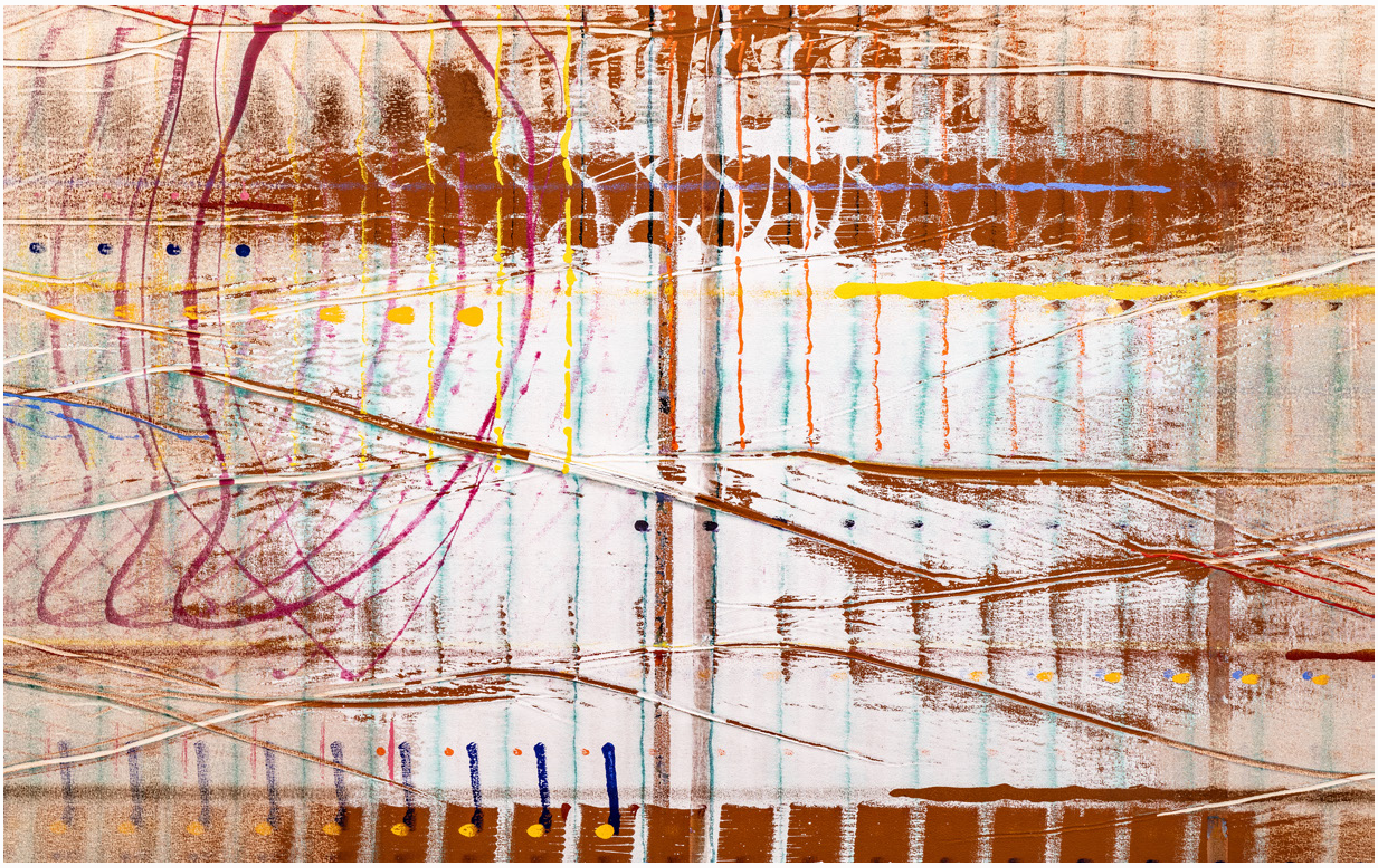
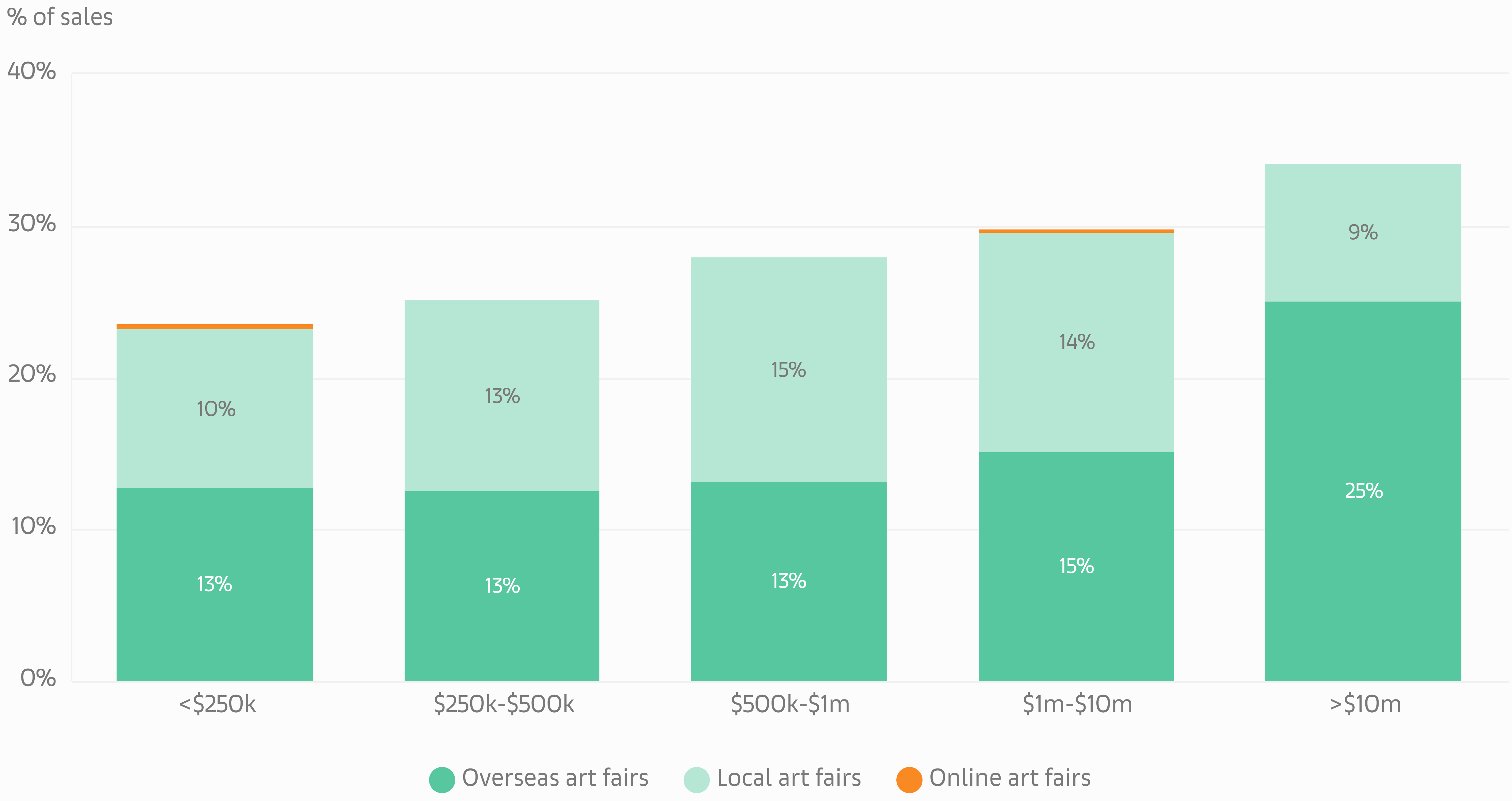


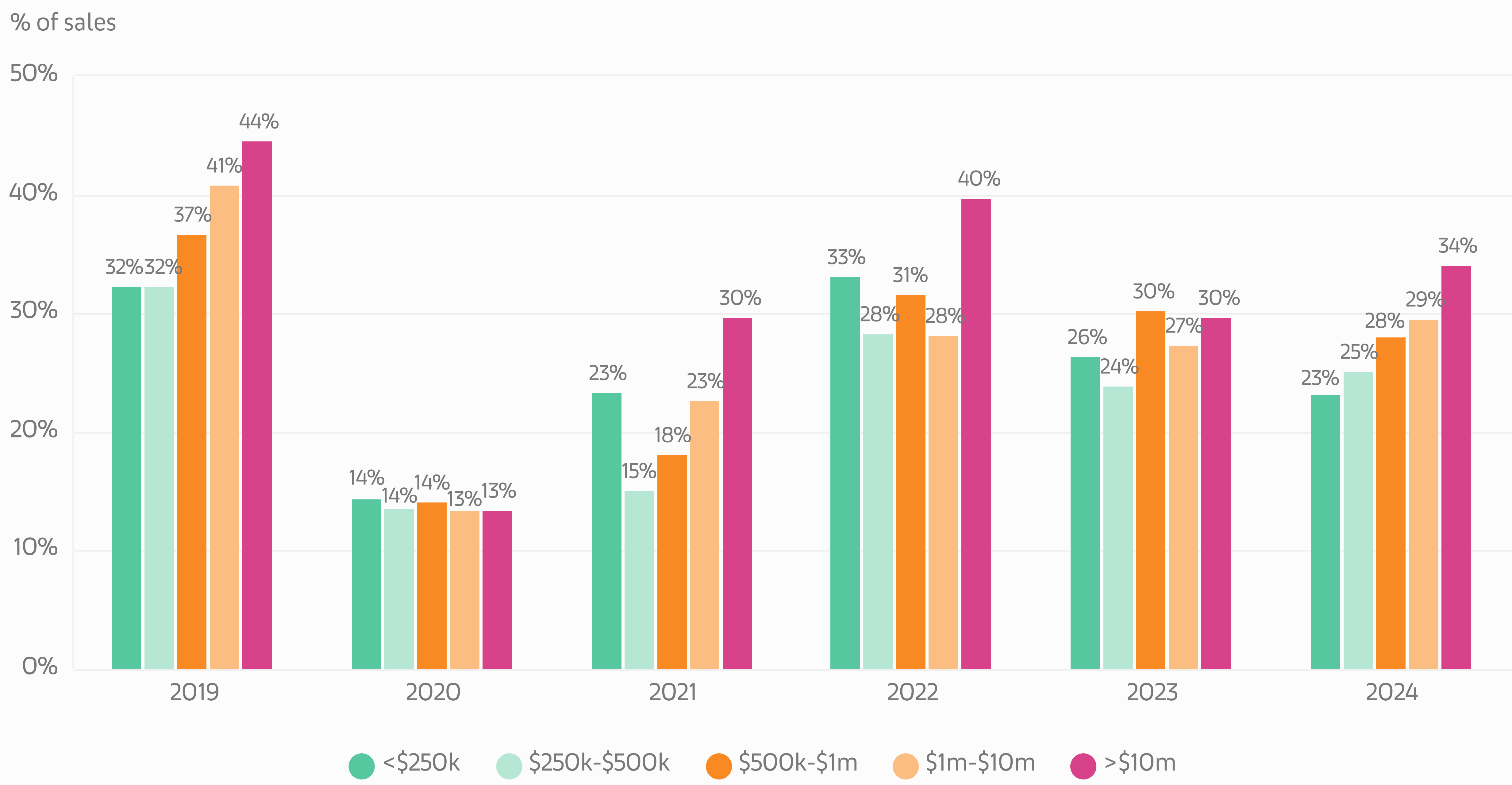
IMAGE Detail of a work by Emily Kraus, presented by Luhring Augustine in the Galleries sector at Art Basel Miami Beach 2024

Figure 2.35 Art Fair Sales by Dealer Turnover

a) Share of Fair Sales from Total Sales 2024



b) Live/In-Person Events 2019–2024



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In tracking fair sales over time, there is a division between sales agreed or provisionally agreed before the fair, sales that occur at the events themselves, and sales happening after the event but as a direct result of exhibiting at it. Like they would for gallery exhibitions, dealers send previews of their booths and other information about their forthcoming fair exhibitions to their private and institutional clients before the fair, with some buying in advance or making a final decision at the fair when they are able to see the work in person. Art fairs have an important role in sales after an event, too, with transactions directly resulting from contact with new and existing clients, involving works shown at the fair or other works by an artist exhibited at the fair that a collector was introduced to or interested in.

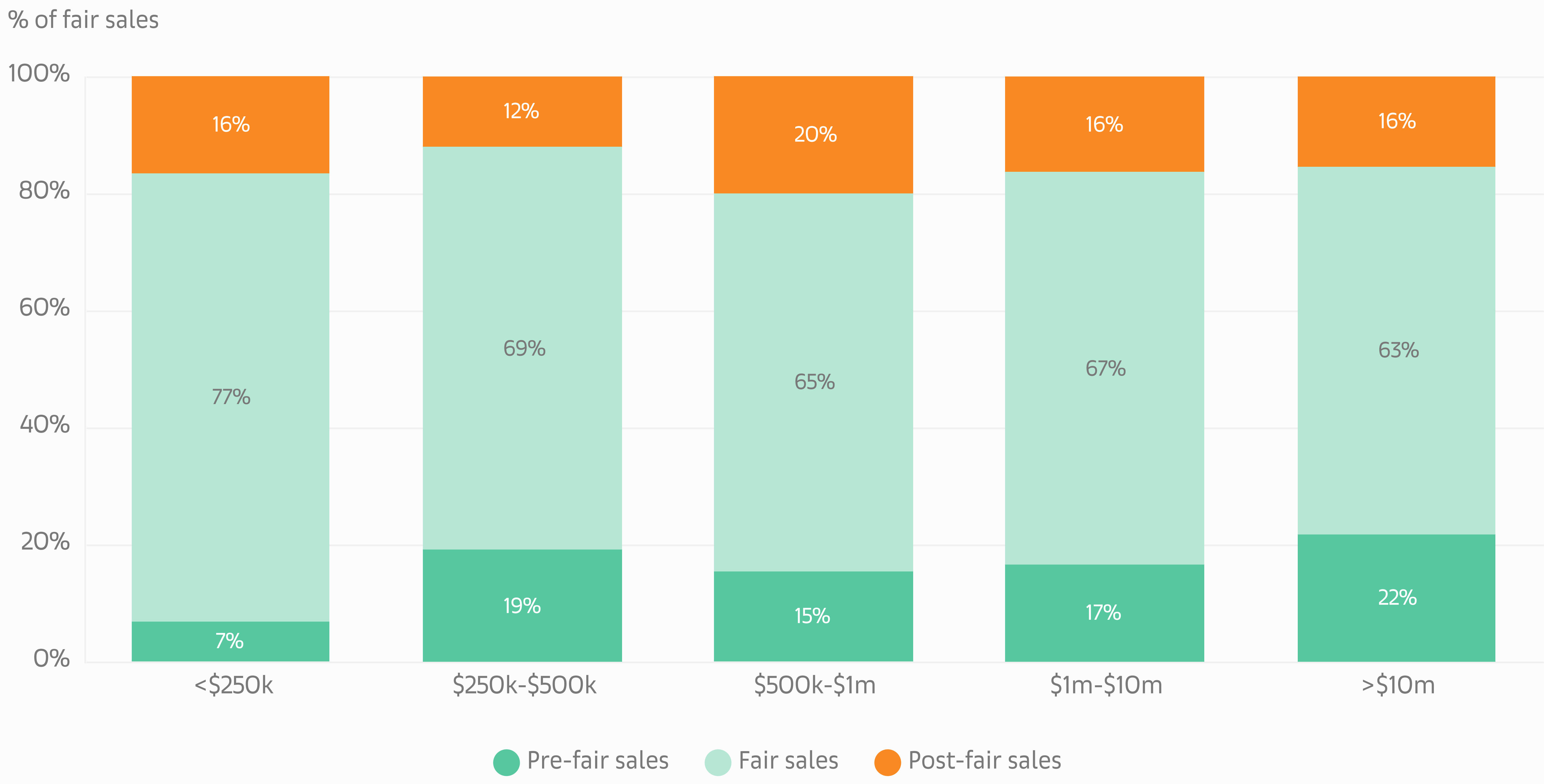
Of the dealers making sales through art fairs in 2024, the average across all dealers regardless of turnover has remained relatively stable, with 14% before the fair (on par with 2023), 70% at the fair (down by 1%), and 16% after (up by 1%).[41]

Dealers in all segments reported that the majority of their fair sales were concluded at the event itself. However, it was again notable that the share of presales was considerably higher for larger dealers than their smaller peers. For the largest dealers with turnover in excess of $10 million, the share of these sales increased by 6% year-on-year to 22% and exceeded those made after an event. The share of presales also rose for dealers in the ranges from $250,000 to $1 million, with some noting that it was more necessary to presell works given the uncertain market and escalating costs to exhibit. The smallest dealers (less than $250,000) and those with turnover of between $500,000 and $1 million saw the share of post-fair sales expand in 2024 by 4% and 6%, respectively, with fairs offering an opportunity to reach new buyers and make sales after the event.

Exhibit 3 further reviews pre-fair and post-fair sales from the alternative point of view of professional art advisors, based on the results of a survey from the Association of Professional Art Advisors (APAA).

41 These are some more changes evident when these shares are weighted by the actual value of sales made in monetary terms (based on the dealer’s turnover and share of fair sales). Using weighted averages, the share of art fair presales was 20%, up 3% year-on-year from 2023; the share of post-fair sales fell 2% year-on-year to 15%; and majority of (65%) were finalized at the fair itself (up 1% on 2023).

Figure 2.36 Sales Pre, Post, and During Art Fairs by Dealer Turnover 2024



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Dealers had many comments on their experiences at fairs in 2024, with varied results of sales over the year and between events. Several dealers reported slower and more hesitant purchasing at some fairs, but with a small number of very strong sales to institutional and private collectors helping to boost their overall results.

However, much of the discussion and comments from dealers in the survey and interviews concerned the rapidly escalating costs of art fairs, with many galleries noting that aside from the expense of the booths and direct exhibition costs, those related to travel, shipping, marketing, hospitality, and other areas had 'skyrocketed' in recent years, making it increasingly difficult to guarantee a positive profit, even when some sales were successful. The worsening ratios between costs and profits as sales became more volatile over the last two years was particularly noted by small and mid-sized galleries, and some also commented that this was changing the material they exhibited as they were forced to prioritize covering the rising expenses.

'The high logistics costs and booth prices often make it nearly impossible for small galleries to participate without external support. This challenge is especially significant for newcomers to a market who need to prove themselves. Establishing a presence requires consistency and repeated participation, which often means attending the same fair four to five times. However, without achieving sufficient sales, sustaining such efforts becomes extremely difficult.'

'The winner-takes-all economy bites in a downturn. Participation in even the best-reputed art fairs is currently too expensive for a small avant-garde gallery that is not an aristocrat's plaything.'

'Art fairs are becoming more and more influential. However, rising expenses such as participation fees and shipping make it difficult to maintain a profitable pace. For many galleries, the current situation is that they have no choice but to focus on maximizing sales in order to eliminate the burden of expenses.'

Aside from issues related to costs, dealers also commented on changing trends in the number and quality of attendees at fairs. Some noted that they had done strong sales at fairs where there was *'high attendance by a new generation of buyers'.* Others felt that there were not enough attendees at some events, with specific comments on escalating general ticket prices deterring new and younger collectors when the focus should be to *'get more eyeballs on art'.* However, others thought that there was in fact too many people, but not enough with serious buying intentions or interest in anything apart from mainstream or conservative content:

'The number of people at fairs is increasing. However, the number of buyers is actually decreasing.'

'My gallery shows young, forward-looking, and political artists. The more popular and important the fairs are, the less visitors are interested in these artists and therefore I lose more and more money by participating. Only very specialized fairs are profitable...but for the image of my gallery, I must always seek to participate in more prestigious fairs. But these are the fairs where I lose the most money. It is an untenable paradox over time!'

'People seem much less interested in buying at the fair. There are too many fairs and they are extremely frequent, and the offer seems to be greater than the demand of collectors.'

Some dealers had suggestions on how fairs might evolve in future to help support smaller galleries, with a range of ideas including a percentage-of-sales payment model, direct funding for smaller galleries, and distributing a share of ticket prices for busy events. Many felt that the costs along with the burden for the success of the fair were always borne by the galleries, without significant innovations in the fairs themselves over recent years.

> *‘The success of the fair is in reality always delegated to the galleries, who have not only the burden of renting a space, which is often very expensive, but also of providing their own contact details and addresses, creating a stand that can attract public interest, and at the same time "guaranteeing" a certain number of sales. Costs, in general, are constantly growing. The offer, on the contrary, always remains the same, without major innovations or improvements. Often, the mechanisms for selecting participants are unclear, nebulous, not explicit, and unfair.’*

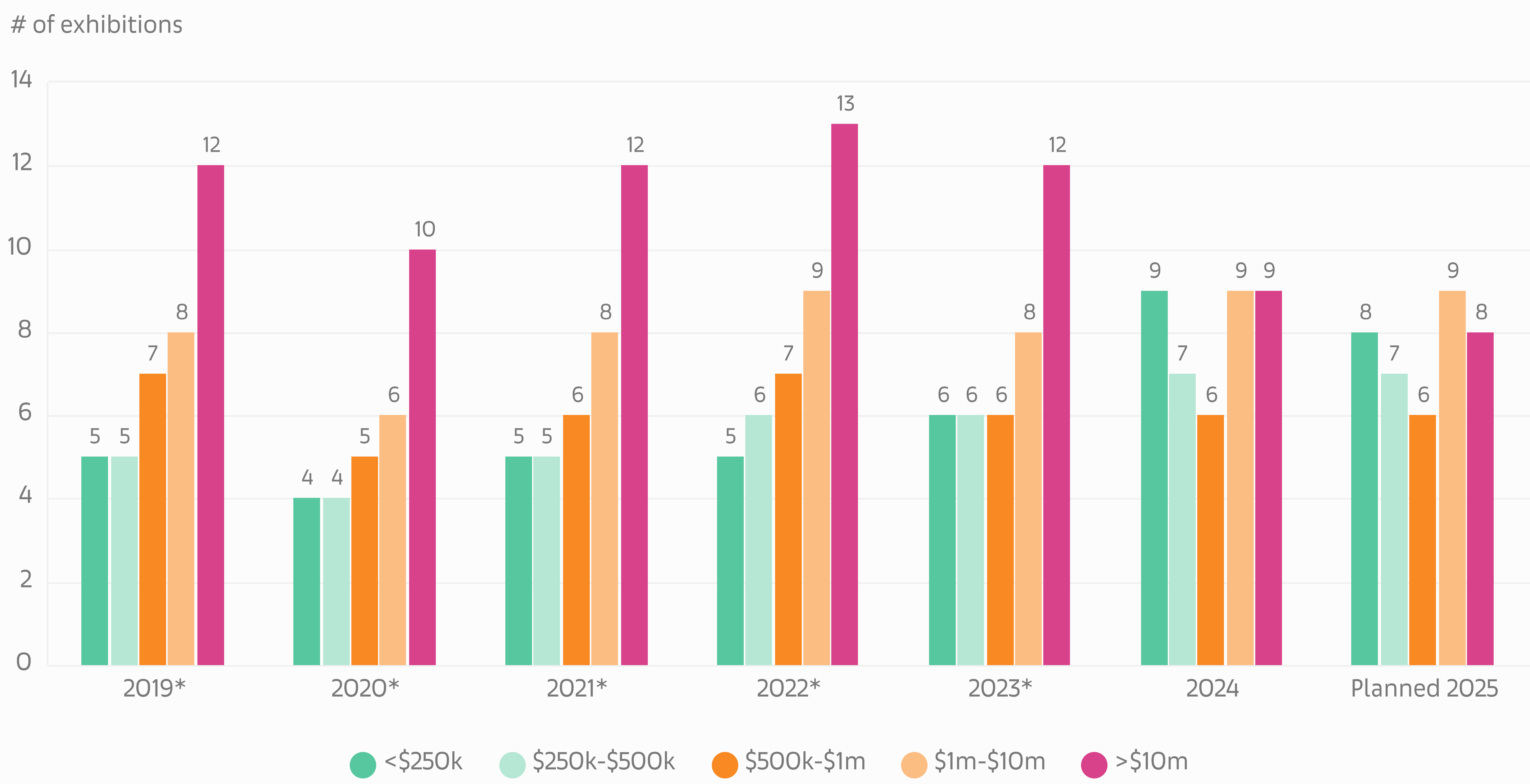
IMAGE Detail of a work by Cosima Von Bonin, presented by Petzel in the Galleries sector at Art Basel Miami Beach 2024

2.7 Exhibitions and Fairs

Apart from the changes in the value of sales through various channels, dealers have also taken different approaches to the number and extent of exhibitions they hold, both at their own galleries, in collaboration with others, and at art fairs.

In 2019, prior to the pandemic, dealers held an average of seven exhibitions in their galleries, ranging from five for those with turnover of less than $250,000 to 12 for the $10 million-plus segment. This fell to five in 2020 during the pandemic, but had revived to pre-pandemic levels again by 2023. In 2024, the average was up slightly at eight exhibitions and looking ahead, dealers were also expecting to hold a stable number in 2025. While most galleries saw a stable or increasing number of exhibitions, the largest galleries were an exception, decreasing in average from 12 to nine year-on-year.

Figure 2.37 Average Number of Gallery Exhibitions by Year and Turnover 2019–2025



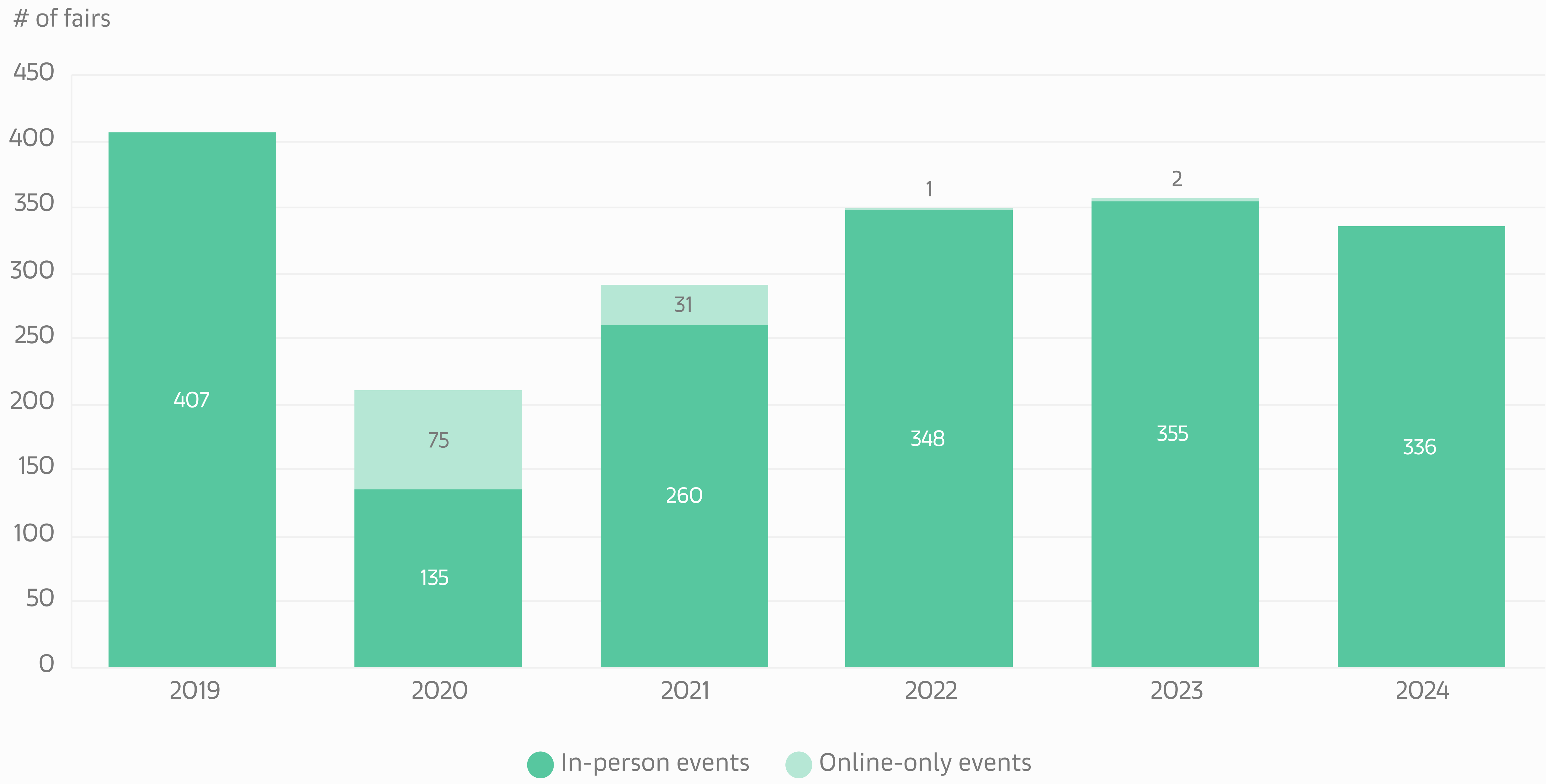
©Arts Economics (2025) *Results from previous surveys

Despite dealers reporting significant auditing of their art fair attendance and which specific events they have exhibited at, the average number of art fairs that dealers attended has only altered relatively marginally. This is despite considerable fluctuations in the art market's calendar of events, with several fairs ceasing operations and others starting out. An analysis of the schedule of art fairs that have been held over the last few years shows that despite a recovery in the art fair calendar after the pandemic in 2020, there were still fewer events taking place around the world in 2024 compared to 2019. Data on the art fair calendar was supplied for the report by the global art fair database, Artfairmag.com, which enables a comprehensive assessment of the trends in art fairs over the last five years based on their database of close to 475 fairs.

In 2019, there were at least 407 in-person art fairs held globally. The following year, the pandemic brought the cancellation of the majority of these events after lockdowns began at the end of the first quarter of 2020, and this total dropped to just 135 live events for the year, with an added 75 taking place virtually as online-only fairs or OVRs. In-person fairs returned over the next three years and OVRs were phased out for the most part, remaining mainly as a complementary tool for live shows. However, this period took a toll on the art fair infrastructure, and in the period from 2020 through 2023, a total of 129 fairs ceased operations. That said, new events were added, too, with 39 starting over the same period, including new editions of existing brands such as Art Basel and Frieze.

In 2024, only two new fairs were recorded as commencing operations: Mira, a Latin American art fair in France and Paper Positions Vienna, a fair highlighting works on paper in Austria. A total of 31 fairs ceased trading. Over half of these (17) were fairs based in Europe, including Masterpiece and the Olympia Art and Antiques Fair in London, the Outsider Art Fair and 1-54 Contemporary African Art Fair in Paris, and others in Belgium, Germany, Switzerland, and elsewhere. Four fairs closed in the US, including Fridge Art Fair and the San Francisco Tribal and Textile Art Show, which was more than 30 years old, and three fairs also shut in Asia: Art Beijing, which had been running since 2006, StART art fair in Seoul (along with their edition in South Africa), and Art Hunt in Taipei. This substantial series of cancellations along with limited new growth in fairs meant that there were 336 fairs in 2024, the lowest since 2021 and 71 less than in 2019.

Figure 2.38 Art Fairs Held Globally 2019–2024

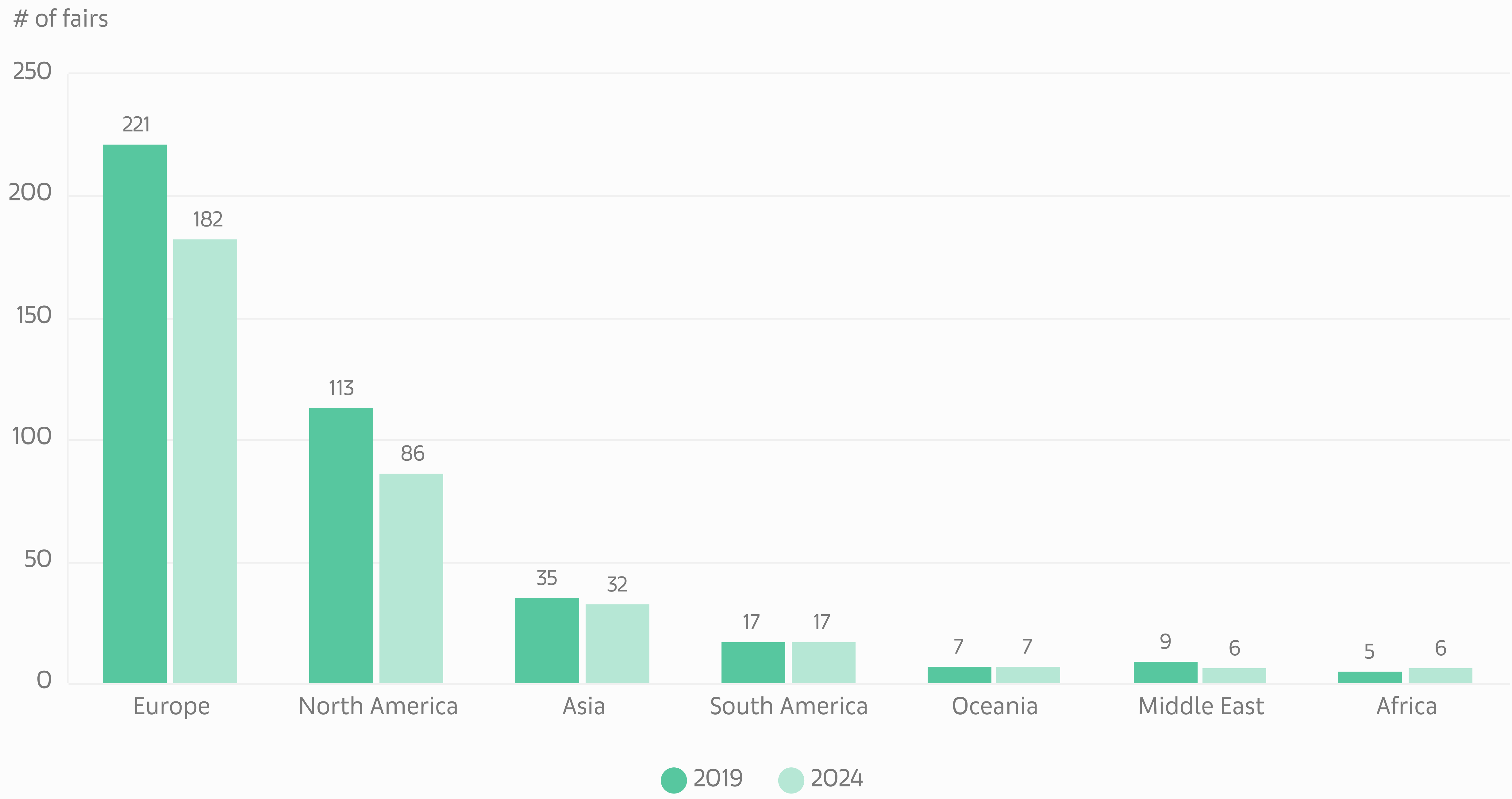


©Arts Economics (2025) with data from Artfairmag.com

The US remained the largest individual market for fairs, accounting for 24% of the total number of events taking place in 2024. North America's share of fairs at 26% has decreased slightly since 2019 (from 28% of the total) with a net 27 fewer fairs taking place in 2024. Europe remained the largest region for fairs (54%), including 12% in the UK and 10% in France. A total of 39 fewer fairs took place in Europe in 2024 versus 2019, including 10 fewer in the UK and three fewer each in Switzerland and Germany.

Asia accounted for a relatively stable 10%, with Mainland China and Hong Kong making up 4% of the total, and with the 2024 number only three fairs down on the total in 2019. South America and Oceania were stable over the period, and the Middle East lost three events. Although one of the smaller areas in terms of the total number of fairs, Africa was the one region to show a rise in events, from five to six.

Figure 2.39 Art Fairs Held by Region 2019 and 2024 (Live Events Only)



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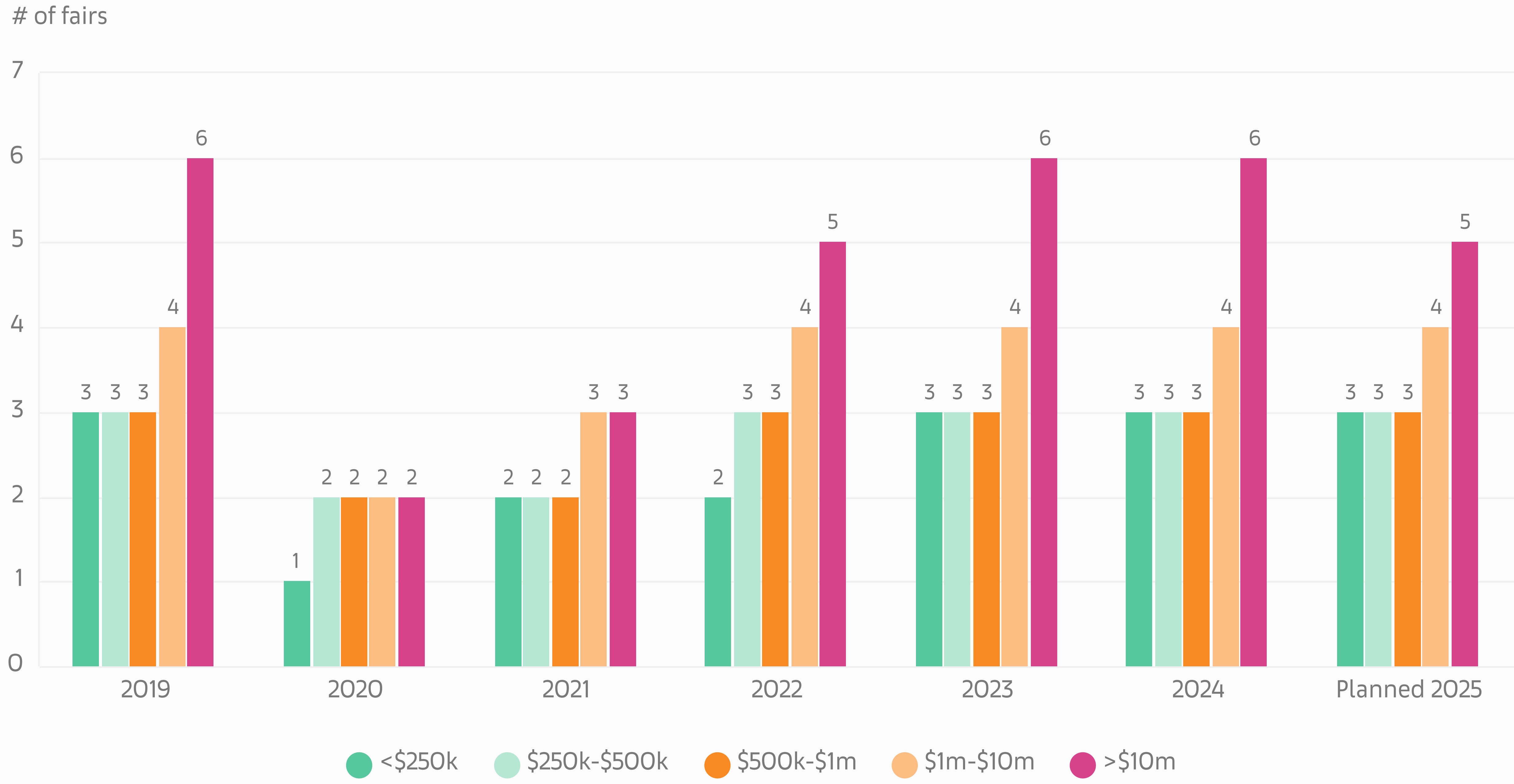
Despite the reduced number globally, the average number of art fairs exhibited at by dealers remained relatively stable up to 2023, although falling slightly in 2024. Including only the dealers who exhibited at a minimum of one fair in either 2023 or 2024, the average number of fairs exhibited at was three in 2024, from four in 2023, 2022, and in pre-pandemic 2019.

Dealers with the highest turnovers reported higher numbers: those turning over more than $10 million exhibited at six fairs in 2024, the same as their 2019 average. This was double the level of businesses with turnover of less than $500,000, but all segments showed very little changes year-on-year or from 2019.

Figure 2.40 **Average Number of Art Fairs by Year and Turnover 2019–2025**



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However, these averages do not reveal the extent of changes for individual businesses, and the results from the same sample of the dealers that had attended a minimum of one fair in either 2023 or 2024 indicated that:

- 31% exhibited at fewer fairs in 2024 than they had in 2023 (versus 19% the previous year comparing attendance in 2023 to 2022);
- 43% exhibited at the same number of fairs year-on-year (versus 55% in 2023); and
- 26% exhibited at more, stable on the share of the previous year.

This showed that just under one-third of dealers cut back on the fairs they attended, which was 12% higher than those scaling back in 2023. While the costs of doing art fairs were clearly a factor, some dealers also discussed the scheduling of events over the last few years, which they felt was negatively impacting both galleries and collectors.

> *'There are fairs that are very close in dates and the market does not have time to recover between one and another. Many works are repeated because the artists don't have time to get us new works. This affects sales and tires collectors.'*

Some dealers noted that the schedules were often impacted by external events, such as the elections in the US which disrupted sales in 2024, but were not expected to affect them going forward.

> *'We feel the election cycle disrupted the art fair scene significantly in 2024, especially during the fall months. The difference we experienced between pre-election fairs and post-election fairs was remarkable.'*

Some of the most common feedback from dealers was that they would be increasingly weighing up costs versus benefits of fairs, with all events coming under greater scrutiny. While this is an issue that has been ongoing for several years in the sector, there were a number of smaller galleries in the survey that chose to opt out of fairs in 2024 as they felt the costs were too high.

> *'We made the decision to participate in only 0-1 art fairs in 2024, and we're glad that the number was 0 in the end. The costs associated were too high to take a risk on.'*

Other dealers noted that although the costs of attending fairs were significantly affecting their profitability, they felt they had to maintain or even expand the number of fairs they exhibited at to reach the same number of clients, as collectors themselves became choosier about which fairs they attended.

> *'The distribution of our clients across different fairs has become much more spread out – they are being more selective about which ones they attend, but now we have to do more of them to make sure we reach the same number of people as we can't rely on them being at the same events.'*

This issue was reflected in other research conducted on private collectors in 2024 by Arts Economics, which showed that from a survey of 1,400 established collectors (drawn from a sample of Art Basel VIP art fair attendees), the number of fairs attended had fallen from eight in 2019 to five in 2024. A wider survey of just over 3,660 HNWIs conducted in collaboration with UBS, however, did reveal a slightly different trend, with a marginal increase from five fairs in 2019 to six in 2024, showing that while wealthy individuals were attending just as many events, those already highly engaged in the art market were being more selective.[42]

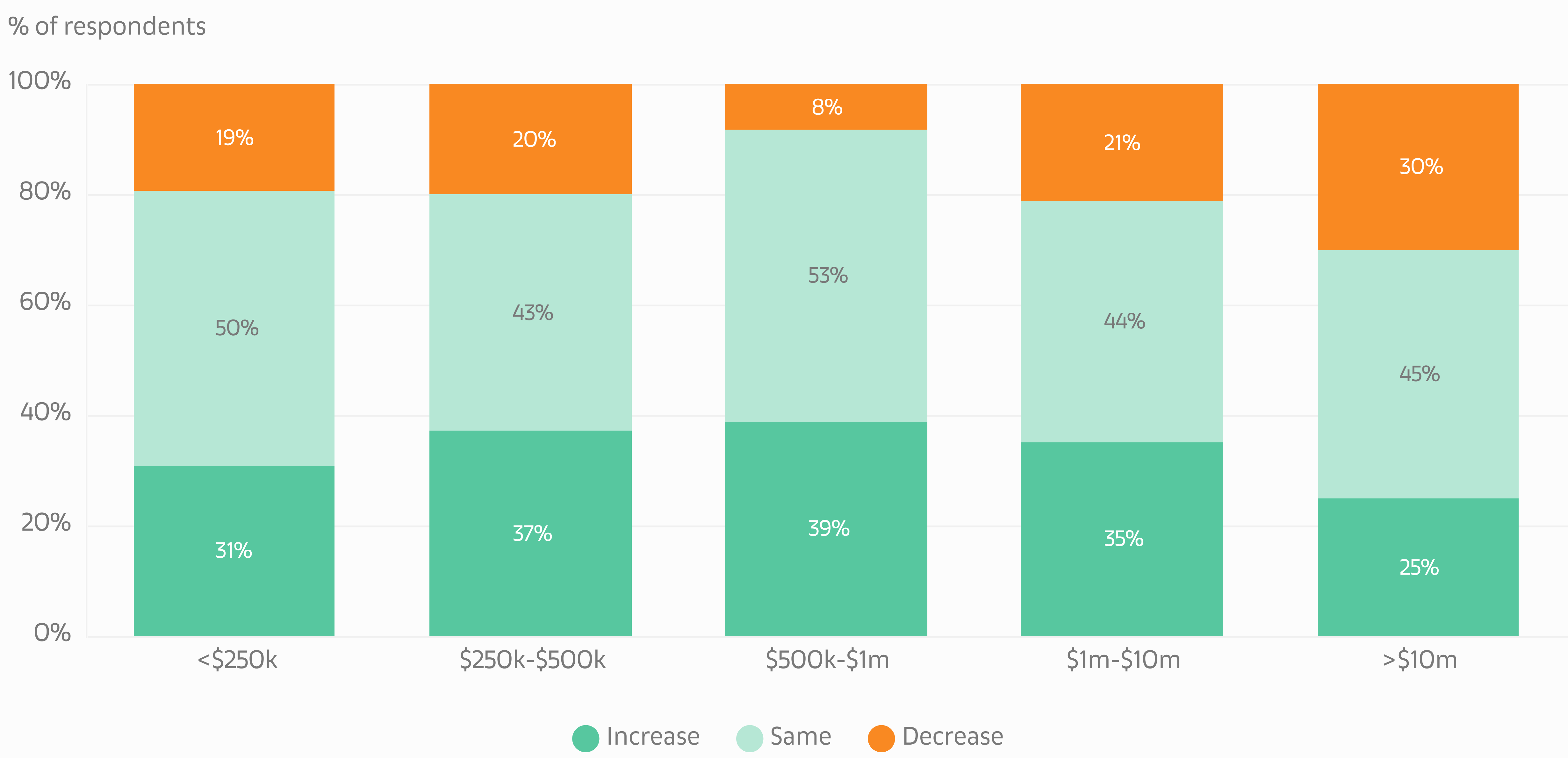
42 See Arts Economics (2024) *A Survey of Global Collecting in 2024, An Art Basel and UBS Report,* available at theartmarket.artbasel.com

Looking ahead to 2025, the average number of fairs dealers planned to exhibit at was also stable at three, and in terms of individual responses, 25% intended to do fewer fairs, with 48% aiming for a stable number, and 27% planning to do more. While some dealers (19%) were unsure of how their art fair sales would fare in the coming year, of those that took a view:

- 34% were optimistic that sales would increase, although this was 5% less than in 2023 (and substantially less than the 51% in 2022 and 65% in 2021);
- 21% expected a decline (versus 14% in 2023); and
- 46% expected their fair sales to stay stable.

The outlook regarding art fair sales at the end of 2024 was less optimistic for dealers in nearly all turnover segments. While the smallest dealers had the lowest share expecting a rise in sales and the largest dealers were the most optimistic in 2023, this reversed considerably in 2024. Only 25% of the largest dealers turning over more than $10 million expected higher art sales in 2025 (versus 50% the year before), while the share expecting them to drop doubled from 14% to 30%. Although there were fewer dealers expecting better sales, many hoped they would stabilize and a minority in each segment thought they would fall, ranging from just 8% in the $500,000 to $1 million segment up to 30% for the largest dealers.

Figure 2.41 Dealers' Outlook for Art Fair Sales in 2025 by Turnover



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2.8 Online Sales

The share of online sales made by dealers has also seen significant volatility over the last six years. E-commerce saw a dramatic increase during the pandemic, rising from 13% of total dealer sales in 2019 to 39% in 2020 (including 9% made through art fair OVRs). As art fairs and in-person exhibitions returned over the next few years, this fell back again to 16% in 2022. However, in 2023 and 2024, as fair sales moderated somewhat as the high end cooled, dealers pursued dual online and offline sales and marketing, and digital channels edged up again. In 2023, they accounted for 23% of total sales, and this fell by 1% in 2024 to 22%. To further analyze how dealers made sales online, transactions were broken out into three main categories:

- *Dealers' own online-only gallery sales,* which included transactions that were carried out entirely online through the dealers' website, social media channels, OVR, or email, without viewing works in person. These made up the majority of online sales by value, accounting for 17% in 2024, down by 3% year-on-year, but still 5% higher than in 2020;
- *Online art fair sales,* which were carried out or originated from a fair's OVR or other online fair platform without any in-person viewing (marginal at 0.1%); and
- *Online third-party sales,* where the sales transactions were carried out entirely online or facilitated by another type of third-party or '3P' company or platform (up by 1% year-on-year to 4%).

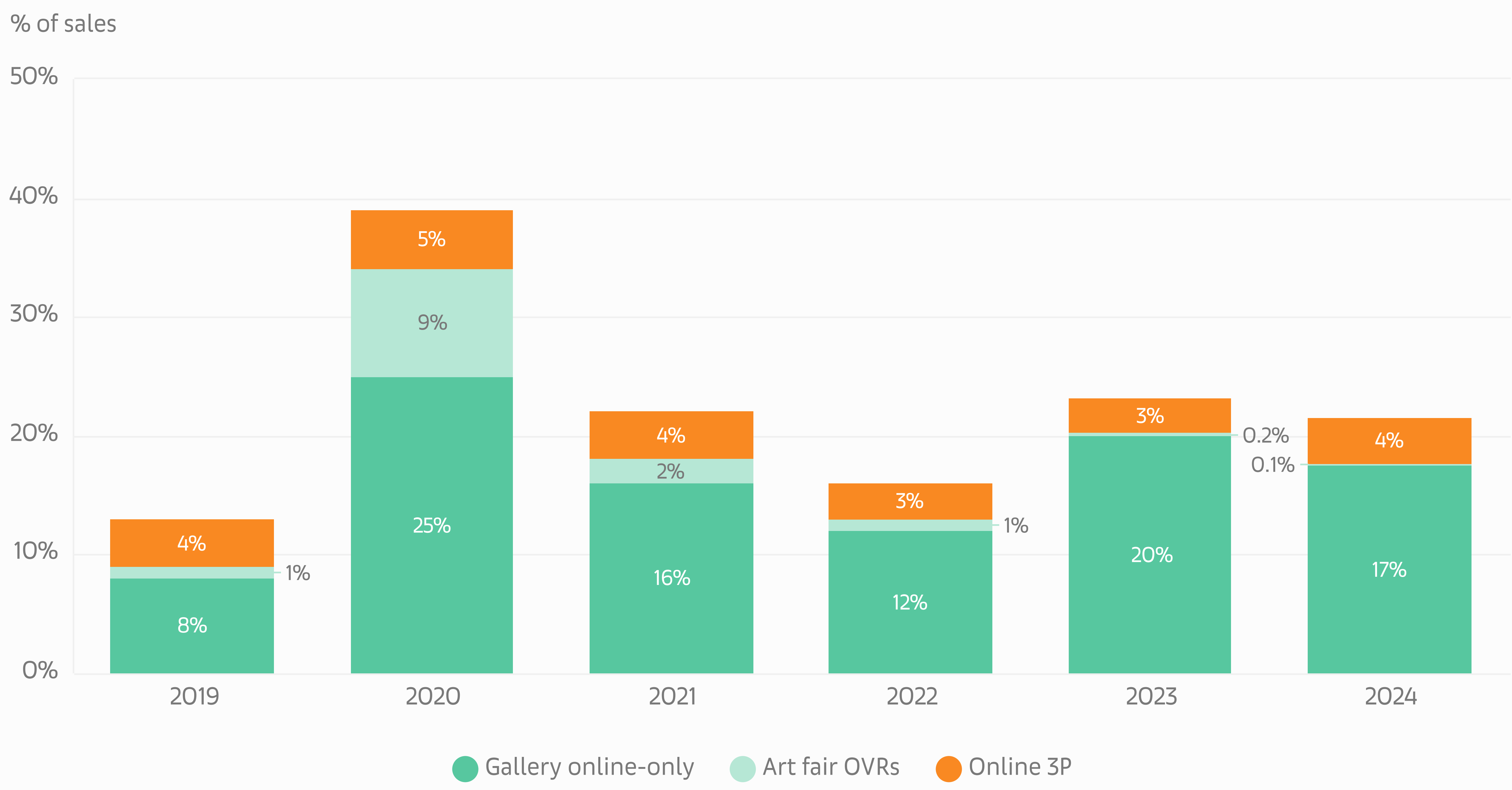
The main area of growth in online sales has been sales taking place on dealers' own websites and online channels, which have more than doubled in share since 2019, and with many dealers having made substantial investments in upgrading their internal platforms. This has come alongside an increase in willingness and preferences of collectors to purchase from a dealer online. As noted in Chapter 1, according to a survey conducted by Arts Economics in 2024 in collaboration with UBS of over 3,660 HNWIs that collected art across 14 global art markets, the most used channel for purchasing art in 2023 was a gallery or dealer, with 95% of respondents buying either at a gallery, online, through social media, or at an art fair.[43] 72% of those had purchased directly through the dealer website or OVR without viewing the work in person first (from 69% in 2022), and 43% had bought on Instagram without an in-person viewing. Apart from being the most widely used sales channel, HNWIs also spent the most through dealers, with 60% of their spending on art and antiques in the first half of 2024 via a dealer. Of this spending through dealers, 39% of the transactions by value were concluded in person (at their gallery or via an art fair) while 43% was through online sources (website or social media), and the remainder through personal contact by phone or email.

43 See Arts Economics (2024) *A Survey of Global Collecting in 2024, An Art Basel and UBS Report,* available at theartmarket.artbasel.com

The collector research also showed that dealers were the most preferred way to purchase art in 2024, as was the case in most previous years. Just under half (47%) said they would prefer to buy from a dealer and a further 19% favored buying from them at art fairs. While this was consistent with previous HNW collector surveys, the ways in which collectors access and work with dealers have evolved significantly over the last few years, with a strong increase in preferences for buying online in 2024. Of the respondents who preferred buying from dealers directly (not via an art fair), 52% opted for online channels (website or Instagram), with 20% preferring to visit the gallery in person (and 28% buying by email or phone without viewing the work in person). These results compared to only 33% of HNWIs surveyed in 2023 and 42% in 2022 when asked a similar rating question. The research in 2024 indicates that in tandem with these trends, gallery exhibition visits had risen to a higher level than prior to the pandemic, meaning that while HNWIs appeared to have a desire to visit exhibitions and see works in person, when targeting a specific work to purchase, they have become increasingly comfortable with being able to do so online without a specific visit to the gallery for that purpose.

It is worth noting, however, that this survey was conducted over a wide range of HNWIs, with criteria for inclusion based on their personal wealth and spending levels on art in the previous few years. When these same questions were posed to a set of highly engaged collectors that were regular attendees at art fairs, the preferences remained heavily skewed toward in-person sales. From this set of 1,400 private collectors sourced from a sample of VIPs from Art Basel fairs, 73% of their spending was through dealers, with 88% in person at their gallery or an art fair, and just 12% through online channels. Further, most of these collectors (94%) preferred to buy in person (56% directly from a dealer at their gallery and 38% at art fairs), with just 6% favoring online access channels for sales. These findings from both samples reinforce the anecdotal evidence from dealers that while online purchasing has become much more widely accepted and used, it is not replacing the importance of events and in-person experiences, with dealers still needing to pursue both channels of marketing and selling to clients.

Figure 2.42 Dealers' Share of Online Sales 2019–2024



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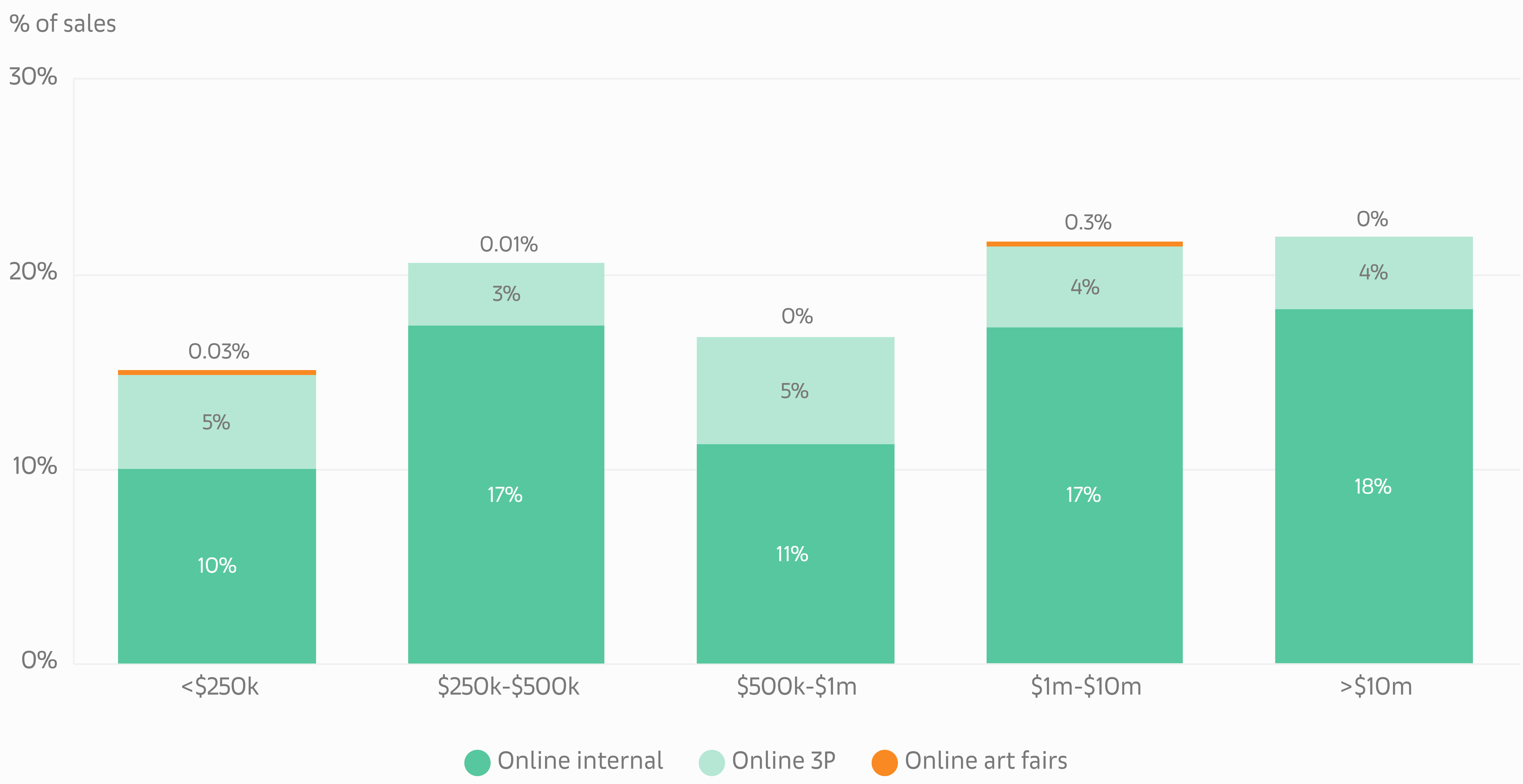
The share of online sales declined across all segments year-on-year, with the exception of the largest dealers in the $10 million-plus segment who maintained a share of 22% (stable year-on-year, but up from 11% in 2022 and just 9% in 2019). All segments saw a drop in share of their own online-only gallery sales, although this ranged from only marginal changes for the larger galleries in segments above $1 million up to a decline of 10% for smaller galleries, who saw in-person gallery sales expanding.

Although remaining a minority share, sales via third-party platforms advanced overall, including a 3% rise for the largest galleries (from 1% in 2023 to 4% in 2024) and a similar 3% uplift for the mid-tier businesses with turnover of between $500,000 and $1 million (to 5% in 2024), with some dealers reporting success from outreach on specific platforms over the last two years.

Figure 2.43 Average Share of Dealer Sales Made Online by Turnover 2024



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While dealers use digital channels to sell to their base of established collectors, who for convenience or other reasons may wish to purchase online, they have been a key tool for reaching new buyers, including using online marketing as a method to gain further geographical reach.

In 2019, although the share was much lower at 13%, over half of online sales by dealers (57%) were to new buyers without any previous contact. This fell to 32% during the pandemic in 2020, with dealers noting that most of their sales were to regular clients who without access to events and exhibitions, they had to reach online. The share of online sales to new buyers advanced over the next two years, reaching 40% in 2022, before dropping back again to 35% in 2023. In 2024, there was a significant shift upwards, with 46% of the value of online sales made by dealers to new buyers.

A further 40% of sales were to buyers who had been to their galleries before or visited their booths at art fairs or other events, including those who had previously bought offline but were new to online purchasing, versus just 22% in this category in 2023, and reinforcing the importance of the channel for both brand new buyers and the maintenance of ongoing relationships with existing offline buyers.

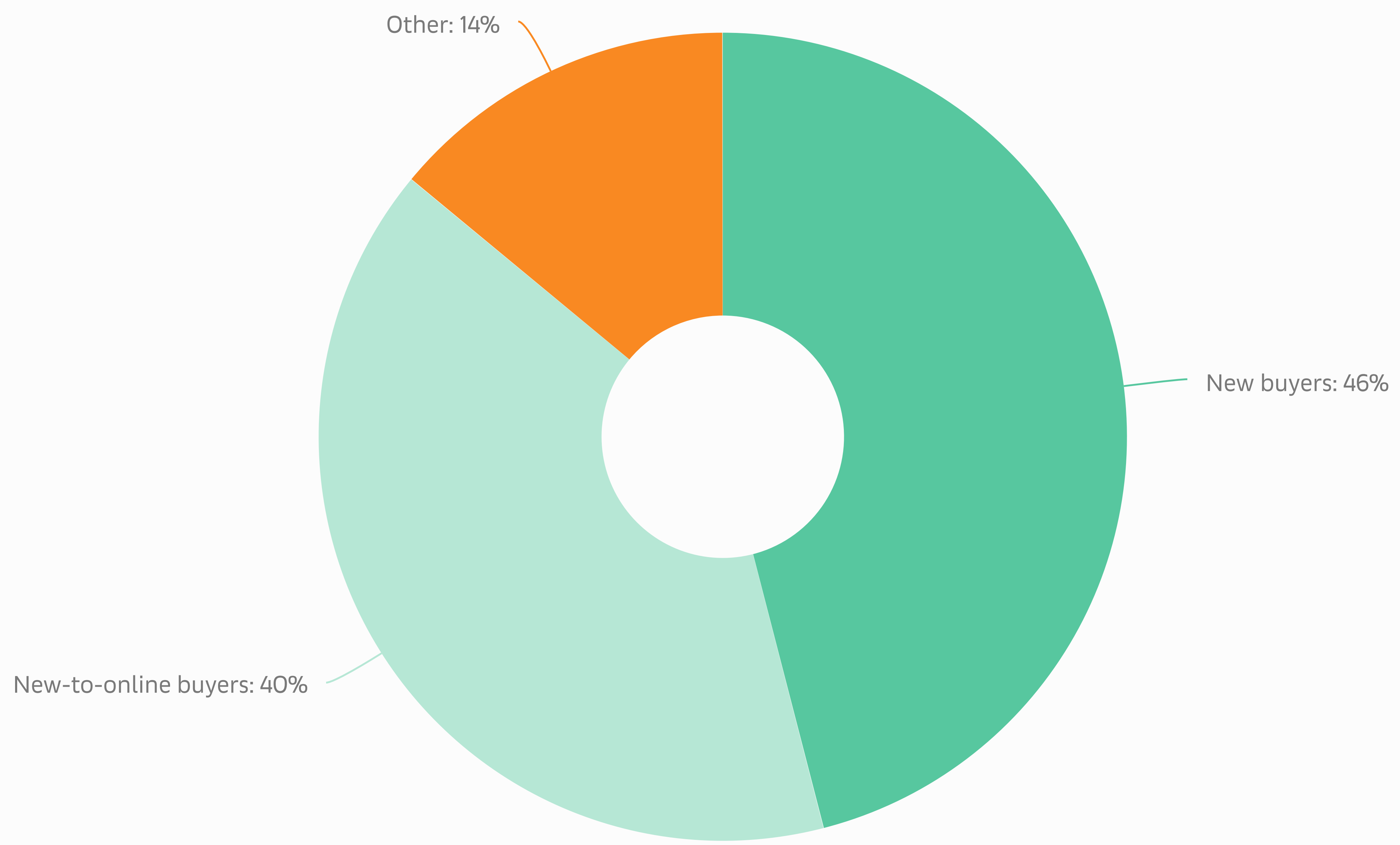
While the growing share of brand new buyers may be a sign of successful outreach strategies, an issue raised by some smaller dealers, particularly over the last few years, is that some of it is also indicative of some of the difficulties they have faced in converting one-off online buyers into more regular clients and longer-term relationships. The share of sales to brand new buyers online without in-person contact was considerably higher for smaller galleries in previous years, although it had dropped from 55% in 2022 to 38% in 2023 for the smallest businesses with turnover of less than $250,000. In 2024, it rose again to 48%, but was more on par with galleries at all turnover levels.

Dealers across all segments rose their reported share of sales to new buyers online, with a notable jump from 21% in 2023 to 48% in 2024 for the largest businesses with turnover of greater than $10 million.

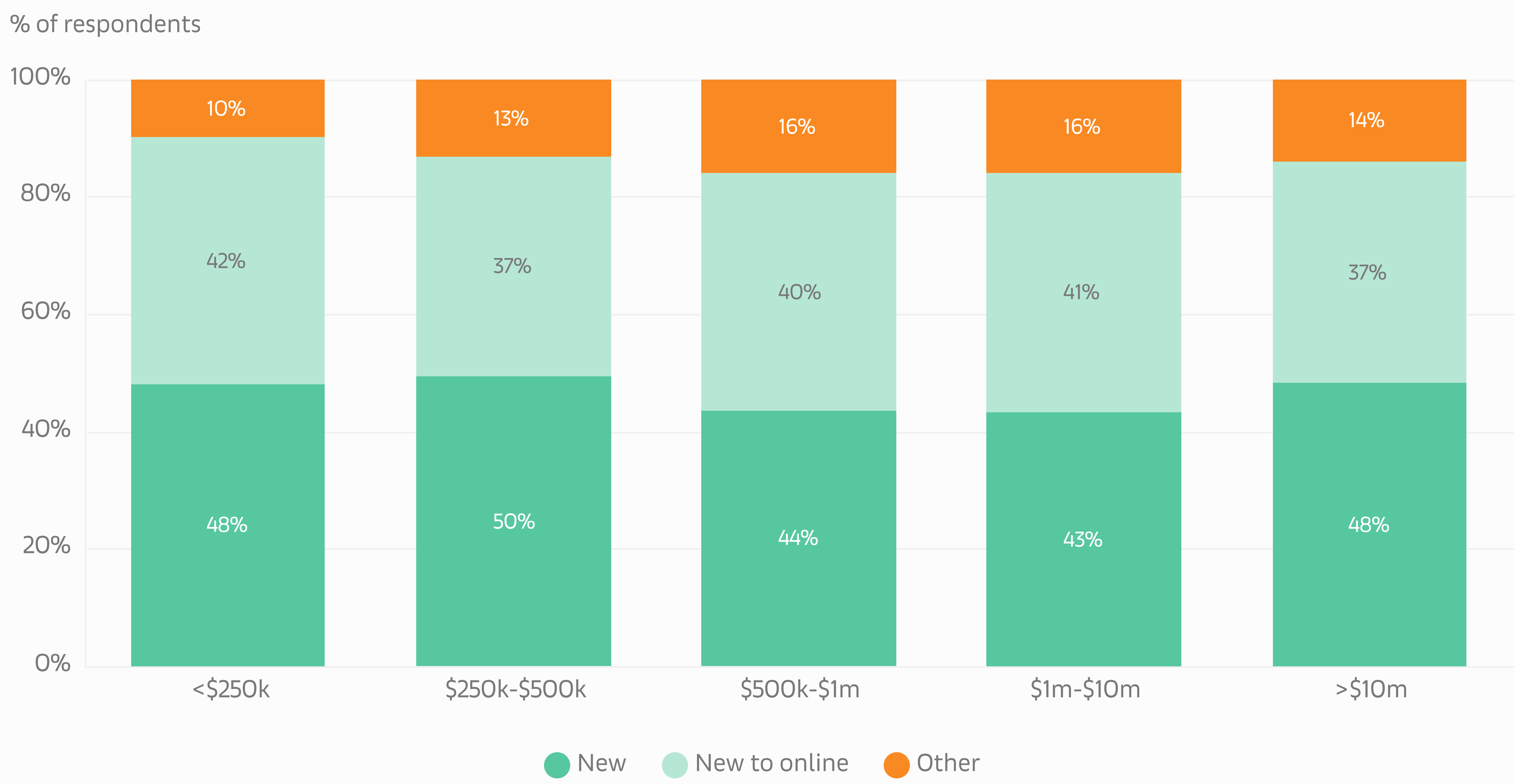
IMAGE Detail of a work by Matt Copson, presented by High Art in the Galeries sector at Art Basel Paris 2024

Figure 2.44 Dealer’s Online Sales by Buyer Category 2024

a) All Dealers



b) By Turnover



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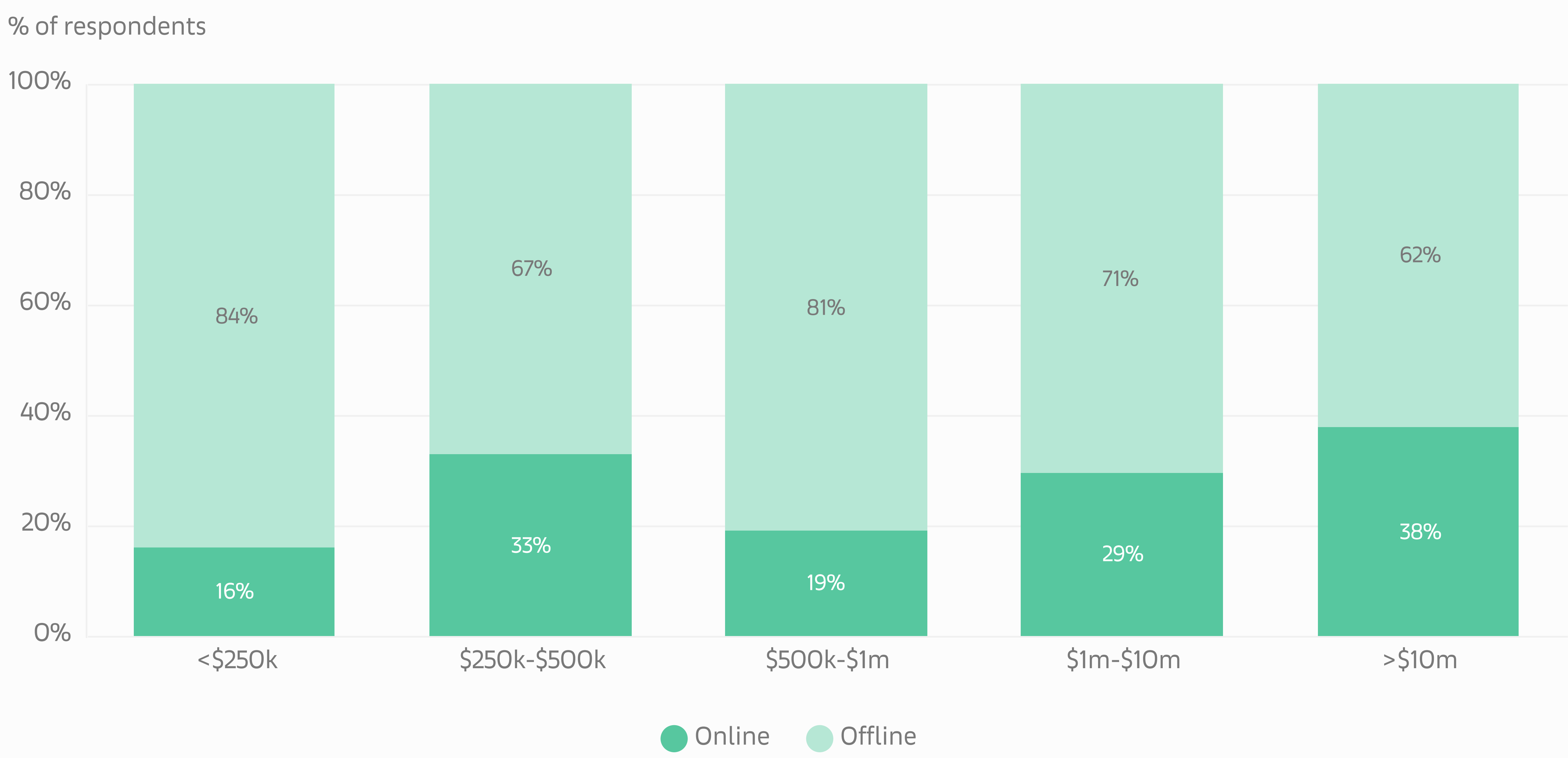
Combining all the shares reported in the survey on new buyers and online sales yields some further insights into how new buyers were being reached by dealers in 2024. Taking the shares stated for both online sales and who they were made to revealed that 11% of the total sales by the largest dealers with turnover of more than $10 million were to new buyers purchasing online who had never visited their gallery or premises nor attended an in-person exhibition or fair (versus 7% for the smallest dealers).

Using the shares of sales to all new buyers reported in Section 2.5, the combined results show that the share of value to offline buyers still dominated compared to those to new online purchasers. However, it was notable that although online channels were thought to provide a level playing field for digital outreach, they were in fact more important for sales to new buyers for the largest galleries than some of their smaller peers. Dealers with turnover in excess of $10 million reported that 28% of their total sales in 2024 were to new buyers, and of those, 38% were to new online-only buyers. For smaller galleries such as those turning over less than $250,000, sales to new buyers were a higher 45% share of their total, but most of those (84%) were offline. For the segments in between the two extremes, sales to new buyers in total ranged from 31% to 38%, with sales made offline accounting for two-thirds or more of those.

Figure 2.45 Share of Online versus Offline Sales to New Buyers by Turnover 2024



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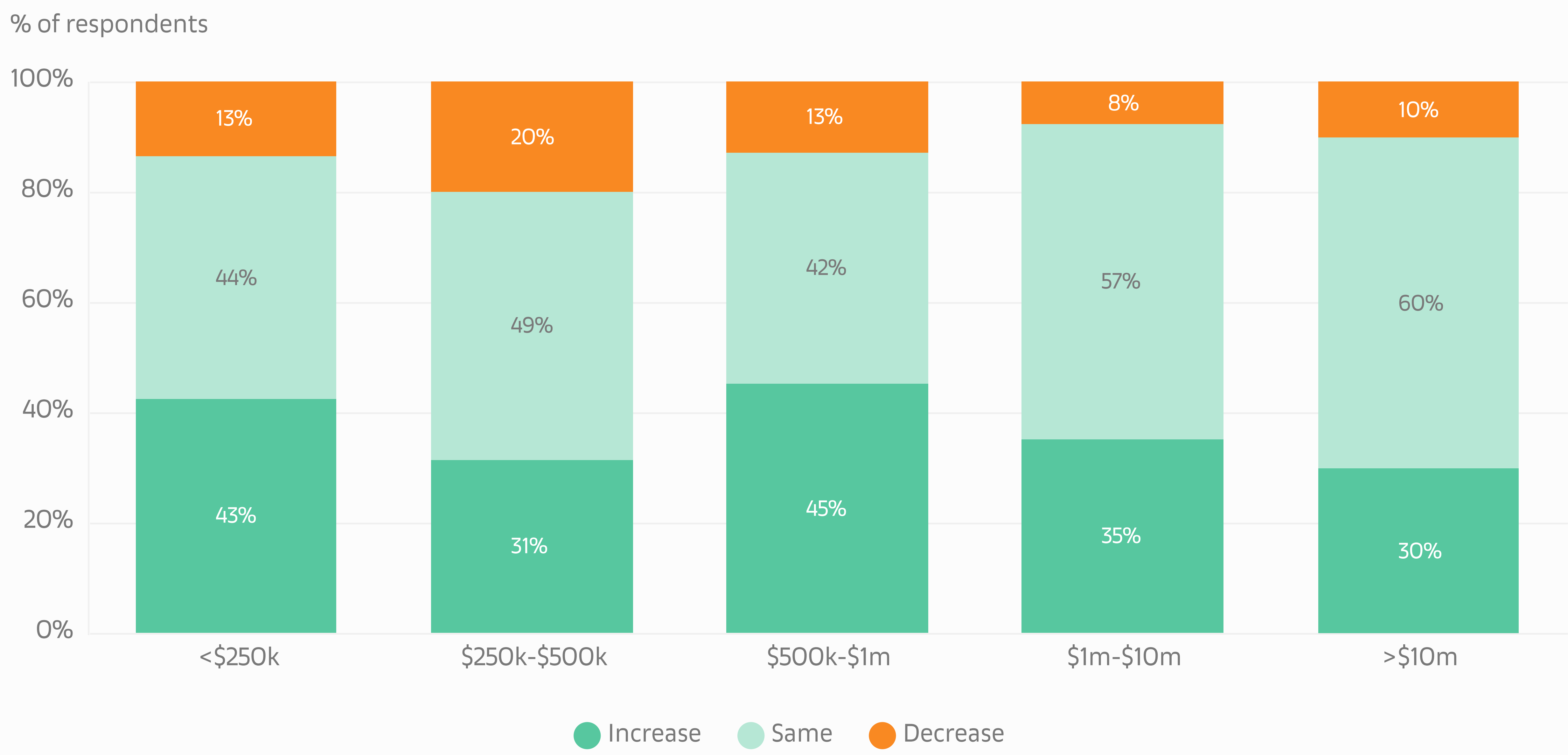
When asked about their outlook for the coming year in 2025, most dealers saw online sales as an area of continuing importance to their business. The share of dealers expecting growth in their online sales in 2025, at 39%, was lower than when dealers were polled the previous year (with 48% having expected growth in 2024), but a further 49% expected sales to remain around the same (up by 4%). The most optimistic predictions were from dealers in the mid-tier of sales between $500,000 and $1 million (45% expecting an increase), while the least were the largest dealers with turnover of greater than $10 million (30%), although the majority in this segment thought they would be stable.

Only 12% of dealers overall anticipated a decline in online sales (up by 5% on 2023), and this was a minority in all segments, with the highest share of 20% for the dealers with sales of between $250,000 and $500,000, indicating the continuing significance of this channel to dealers.

Figure 2.46 Dealers' Outlook for Online Sales in 2025



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2.9 Dealers' Challenges and Priorities

Both 2023 and 2024 have been challenging years for many dealers, with an uncertain and sometimes volatile macroeconomic and geopolitical backdrop to sales. When asked to report on their three biggest challenges, the choice selected by most dealers was the prevailing context of political and economic volatility and the effect this could have on demand. This was the highest-ranking concern in 2023 and in many previous years, and remained their chief concern looking ahead over the next five years, with many commenting that divisive politics, wars, inflation, and other economic challenges had negative effects on sales and vendors' plans, even if they were not directly impacted by them.

> *'The year has been made extremely challenging due to external pressures. These arise from both political and global issues which have given rise to a lack of confidence and a significant decrease in spending. Clients are worried for the future on a global rather than a local level and this is impacting on their spending and where it is focused.'*

Some dealers also commented that despite the differences in the performance of sales year-on-year, in terms of net revenues and business viability, smaller and mid-sized galleries have still fared worse, having had less of a buffer to ride out volatility and fewer opportunities in some cases to arbitrage specific issues with global diversification.

> *'Politically and economically chaotic times paralyze the art market of medium-sized galleries, whereas blue-chip galleries and global players benefit.'*

A key issue raised by dealers at all levels was their struggle with rapidly increasing costs as sales slowed or transactions shifted to lower price points. Dealers have been faced with rapidly increasing costs over the last few years in key areas of their businesses, alongside inflationary conditions creating cost-conscious buyers, resulting in slower transactions at higher prices or a desire for larger discounts. The challenge of managing general costs and overheads such as rent and salaries was in the top five concerns, but the costs to travel and participate in art fairs was ranked above this at number three overall, as dealers increasingly struggled with how to balance these expenses against the much-needed sales injection they provide.

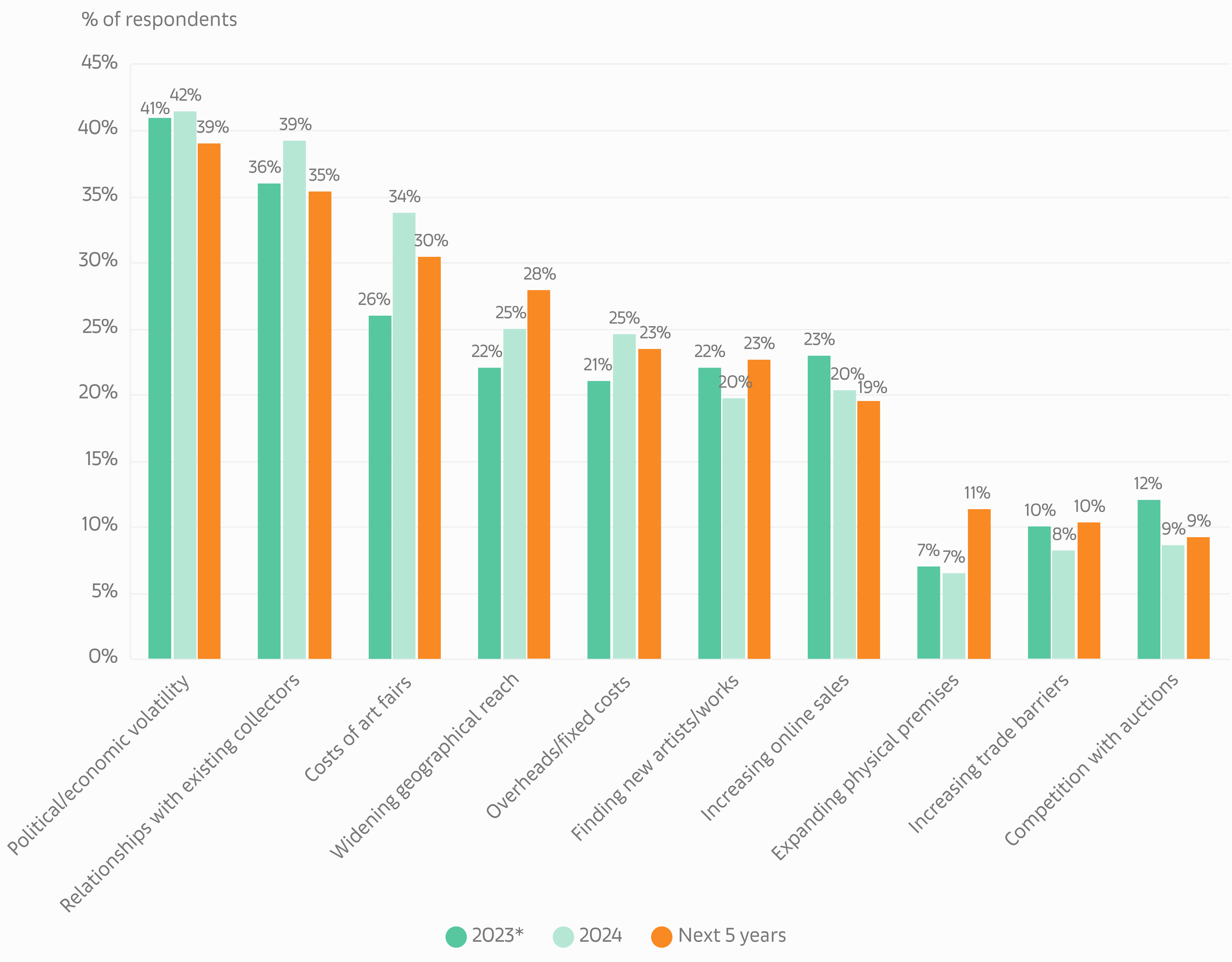
The second-highest-ranked challenge, on par again with 2023, was how to successfully maintain relationships with their existing collectors, which the surveys showed made up the majority of their buyers by number (55% of the total) and sales (62% by value). However, as demand from existing buyer segments has varied and in some cases has become saturated after a strong return to sales post-pandemic, finding new buyers and expanding their geographical reach was in the top five concerns (as it has been in most previous years). It also shifted up in importance as dealers looked further into the future, with a larger share ranking it as a key concern for the next five years than the present.

Other challenges that increased over the longer term included finding new artists and artworks to satisfy the demands of collectors, as well as expanding their physical premises by opening new galleries or exhibition spaces, and cybersecurity and safety in online transacting. Increasing regulations and other barriers to the cross-border trade in art and antiques also moved up over time, and dealers noted specific problems in certain regions concerning VAT, tax exemptions, and import and export regulations and procedures that directly impacted their ability to operate.

Competition with auction houses edged up slightly and ranked considerably ahead of competition with peer galleries as a challenge for dealers currently and in future.

> *'My collectors have migrated to buying at auction. During the pandemic, where auctions were permitted to trade (while fairs stopped), my clients enjoyed the endorphins provided by participation at auctions. However, they are not generally aware of the pitfalls and the lack of legal protection from buying in this manner. Many have not returned to buying from dealers. My largest client prior to the pandemic would spend several hundred thousand with me, now his PA buys exclusively from auctions without the concomitant skills required to assess authenticity or detect concealed restoration.'*

Figure 2.47 Top 10 Challenges for Dealers 2023, 2024, and Next 5 Years



©Arts Economics (2025) *2023 data from previous years' surveys

The sector as a whole remained optimistic overall about 2025, and some dealers in the US and other regions noted anecdotally that sales at the end of 2024 had started to pick up. Most dealers predicted stable or improving sales, and those predicting lower sales were still a minority at 19%, although up by 3% year-on-year. (The outlook for sales by dealers is discussed in Chapter 4.)

IMAGE Detail of a work by Pauline Curnier Jardin, presented by Ellen de Bruijne Projects in the Galeries sector at Art Basel Paris 2024

Exhibit 3. The Art of Timing: Strategic Shifts in Fair Acquisitions

Alex Glauber, President of the Association of Professional Art Advisors

Market participation, especially the appetite to acquire, is idiosyncratic and shaped by a host of variables that are personal and nuanced. The journey of each collector and collection follows its own cadence, without broad interdependence. While the frequency and timing of circumstances that induce an urge to transact is unpredictable, the volume of material collectors have to consider when building a collection is predictably always increasing.

When Ernst Beyeler, Trudl Bruckner, and Balz Hilt joined forces for the inaugural Art Basel in 1970, their goal was to counter a sluggish and listless art market. The governing logic was that by bringing together 90 top galleries from 10 countries for a finite period of time, you would create an event-driven experience that produced transactional urgency and competition amongst collectors. The concentration of top galleries and material offered a level of efficiency to collectors and the proverbial 'one-stop shopping.' In effect, the model afforded gallerists the opportunity to channel market characteristics more akin to auctions than the private marketplace of galleries and dealers. Collectors were afforded a degree of transparency and open competition that induced transactional decisions in real time.

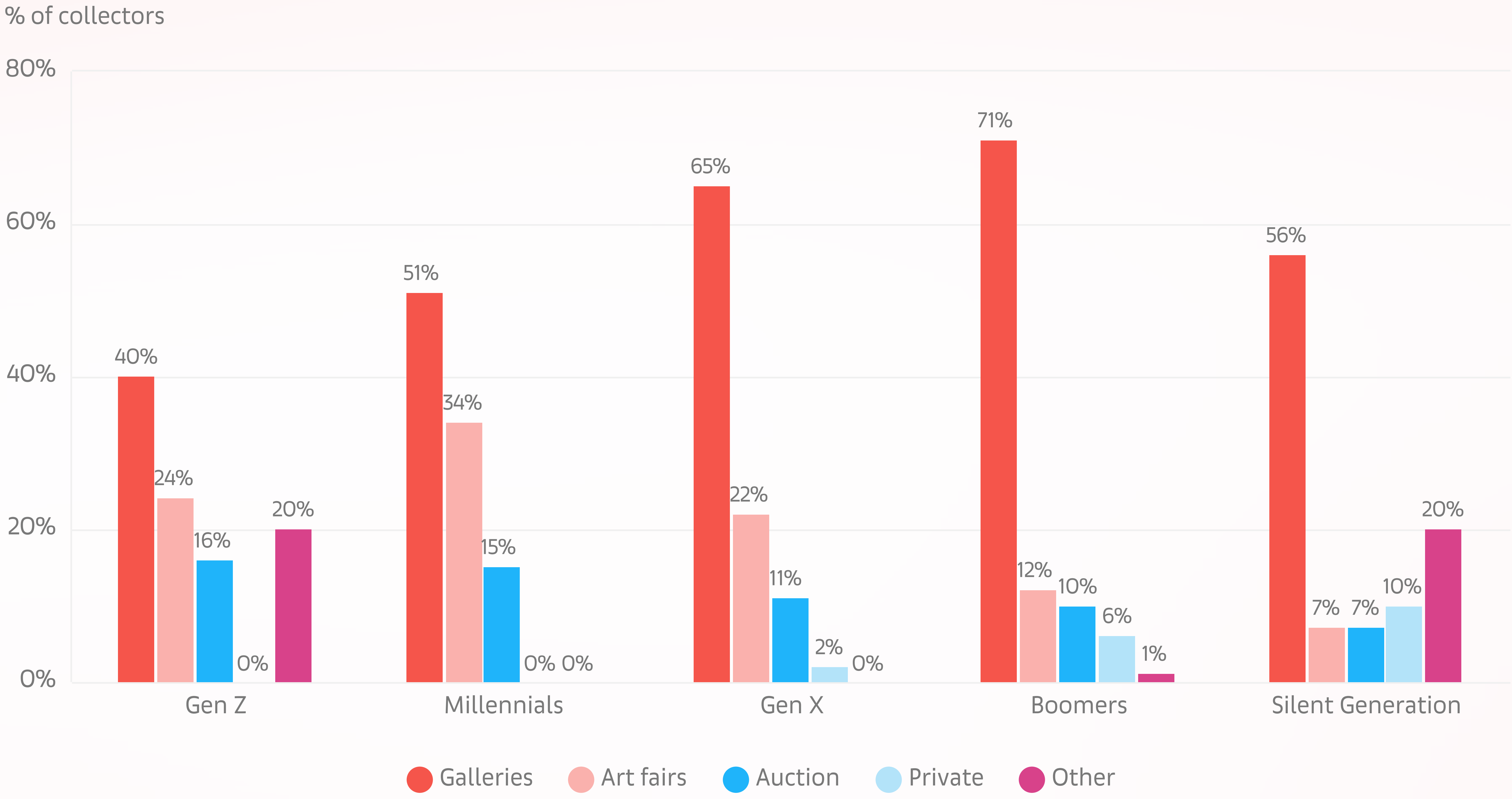
While art fairs are capital-intensive, galleries cannot afford to not participate in a venue and transactional model that shows no signs of abating. Fairs have also influenced the creative decisions made in an artist's studio insofar as they look to conform with the consumptive habits of collectors and the logistical realities of participating in international art fairs where two-dimensional artworks are easier to ship and install in domestic settings. Traditionally, the rhythm of the art market expected artists to reveal their creative evolution every two to three years in a solo gallery exhibition. Now, the commercial demands placed on the artist and their studio requires equal emphasis be paid to the art fairs that populate the calendar in between exhibitions. The result has been an incredible acceleration in the number of working artists and the amount of material on the market for collectors to consider.

Art fairs provide efficiency to collectors by aggregating top galleries and material in one place. This allows collectors to further refine their taste, identify broader stylistic and market trends, develop relationships with gallerists and dealers, and pursue acquisitions. At the same time, this concentration and intensity can prove cacophonous and, ultimately, paralyzing to collectors. This is an intersection where art advisors often support collectors by distilling their unique taste and mapping it against the ever-increasing range of artwork on offer. Advisors help filter out extraneous information while also highlighting the vagaries of the market and providing access to pricing data beyond public auction figures. Just as art fairs centralize many geographically disparate galleries and dealers in service of 'one-stop shopping', art advisors provide a network of curatorial and collection management resources that simplify the collecting process and diminish the administrative burden that comes with acquiring art and responsibly stewarding a collection.

A survey of the 175 members of the Association of Professional Art Advisors (APAA), developed in collaboration with Arts Economics, offers insights into how advisors use art fairs when working with their clients. While the COVID-19 pandemic caused an obvious pause on global art fairs, the rebound has picked up where it left off, and art fairs show no sign of reducing their importance as an essential educational and transactional venue for both the supply and demand sides of the marketplace.

As seen in this report, in 2024, there were at least 336 art fairs taking place globally, down by 17% in number since 2019, but still having expanded substantially over the last 20 years. APAA members attended an average of nine art fairs in person, compared to eight in 2023. Whereas in 2023, APAA members acquired, on average, one work at art fairs with an average price of $113,000 for every 3.5 acquired from galleries outside of the art fair context, that ratio tightened in 2024 to one out of every 2.3, with the average price rising slightly to $118,000. With the exception of the Silent Generation, art fairs were the second most important channel (behind galleries) for sourcing acquisitions on behalf of clients. APAA members reported that Millennial clients made 34% of their acquisitions at art fairs, trailed by Gen Z and Gen X (24% and 22%, respectively).

Figure 1. **Artwork Acquisition Sources of Art Advisors' Clients 2024**



©APAA (2025)

While there are many structural differences between public auctions and private sales through galleries and art fairs, the principal one is the nature of price discovery. At auction, the price construction is determined by the buy-side. The presale estimate provides value guidance and a floor based on the reserve price, but the artwork sale price is entirely up to the number of bidders and their competitive appetite. The opposite is true on the private market, especially the primary market, where pricing is heavily choreographed by the vendor (sell-side) utilizing a fixed price system. In this context, dealers do not use price to determine how in-demand material gets allocated but rather their own discretion, which introduces the concept of access. As they look to sell or 'place' artworks in collections that will add stability and value to the artist's career, they often prioritize institutions, museum trustees, private foundations, and those collectors and advisors who have been long-term 'supporters' of the program. This paradigm is somewhat incompatible with the art fair model, as galleries must balance the commercial pressures of an art fair with their goal of placing artworks with individuals and in contexts that support the commercial and critical longevity of an artist's career. The solution lies in the weeks leading up to an art fair.

There are effectively three transactional windows that exist over the course of an art fair – before, during, and after. Not surprisingly, APAA members are most active acquiring artworks on behalf of clients during the run of an art fair (49%), followed by the lead-up to the fair (31%), with the balance, 20% of acquisitions, being confirmed in the 30 days following the close of the fair. There was evidence in the survey that pre-selling works at fairs has increased significantly over the last five years: 30% of members reported an increase in activity in the lead-up to the fair versus five years ago and 15% reported more in the immediate aftermath of the fair.

Figure 2. **Timing of Art Fair Acquisitions by Art Advisors**

a) 2024

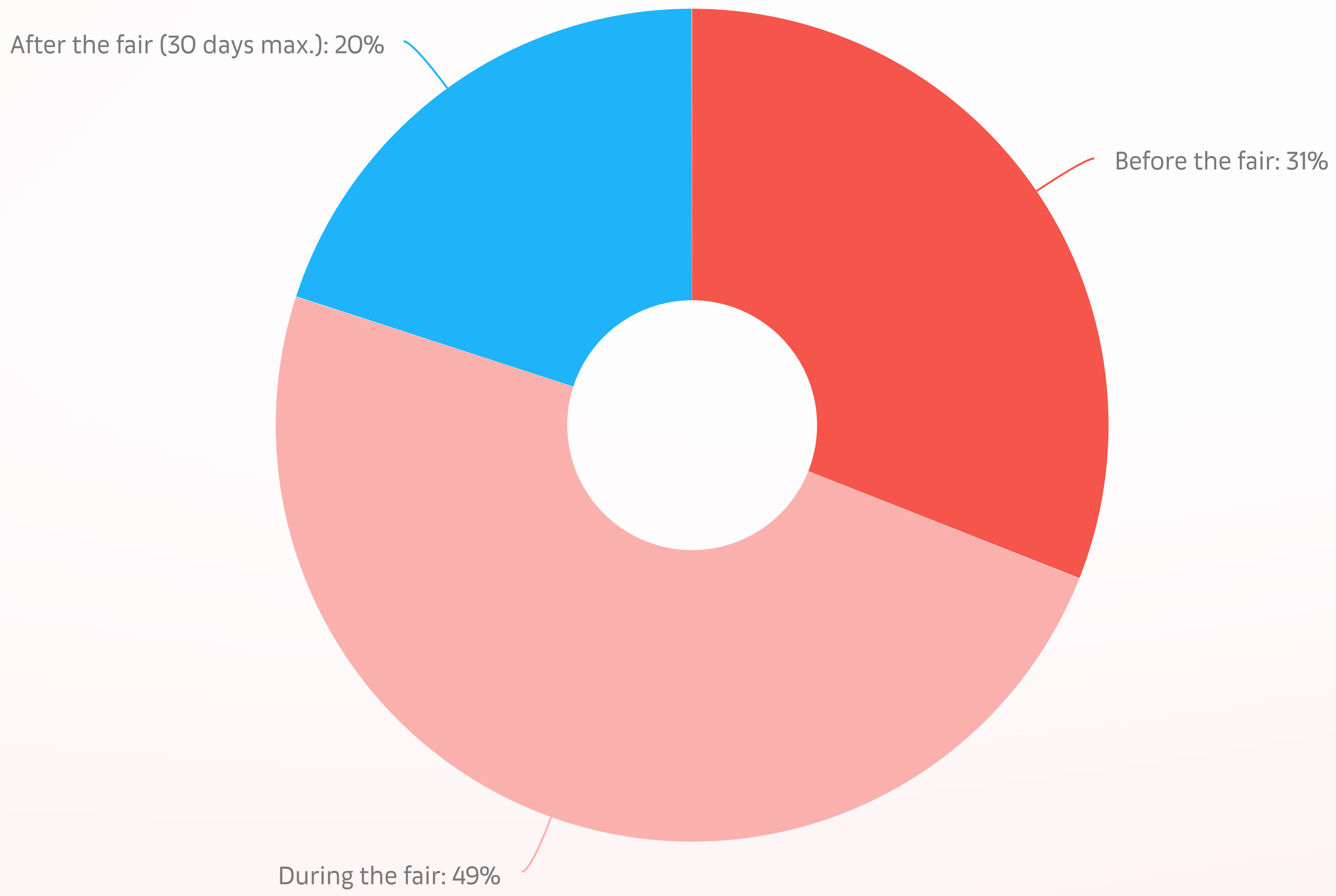


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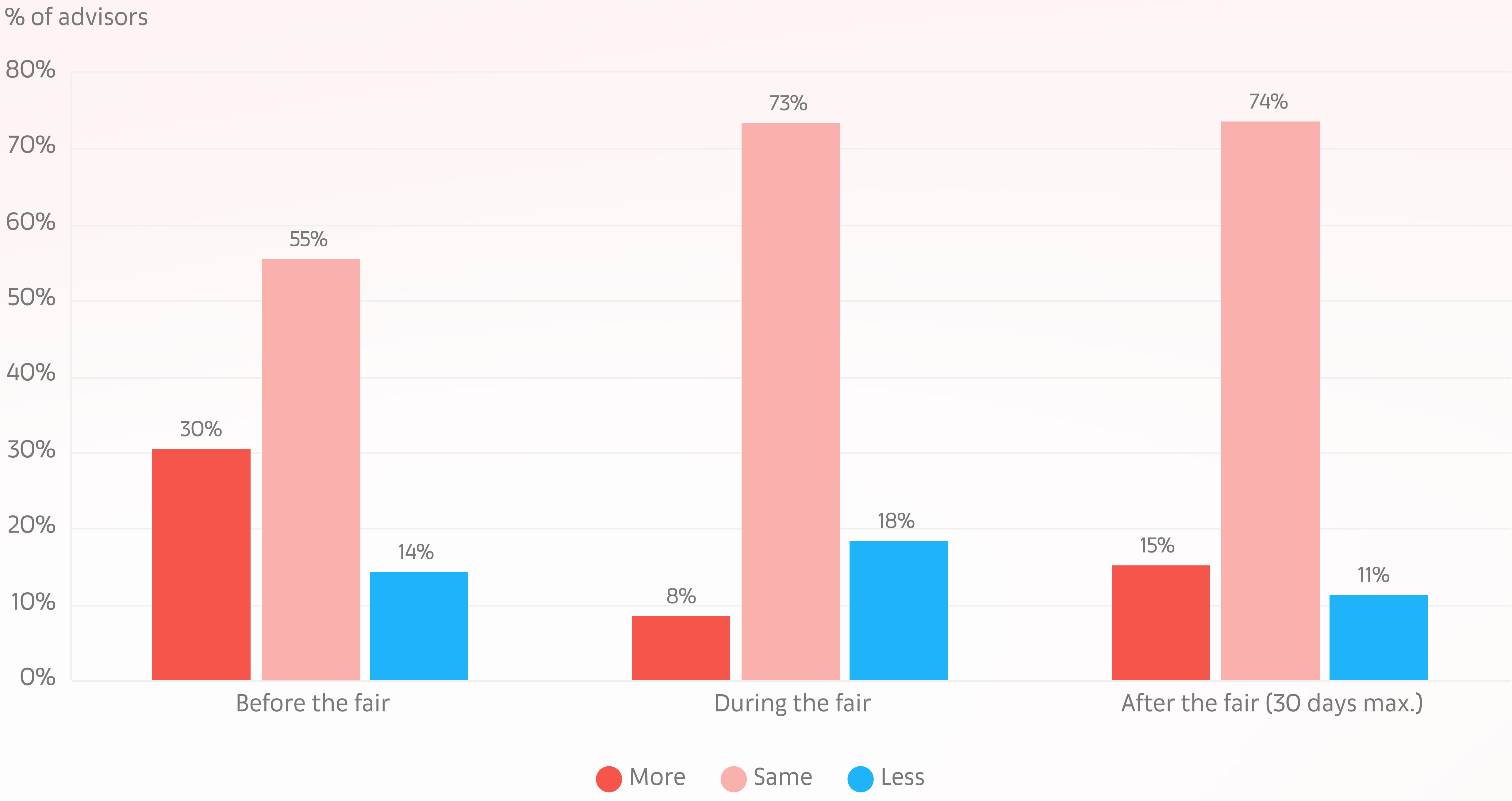
Figure 2. Timing of Art Fair Acquisitions by Art Advisors

b) Change 2019–2024



©APAA (2025)

While there are many explanations as to why an advisor might pursue an acquisition before the fair officially begins, a key indicator is that surveyed members reported 66% of their 2024 business taking place on the primary market, up from 61% in 2023. In many ways, the soft opening of the fair occurs when galleries begin circulating booth previews, and collectors and advisors strongly express interest knowing there is significant demand.

What then accounts for the increased commercial activity in the aftermath of an art fair? When APAA members were asked to rank the top reasons for attending a fair, the leading rationale was to source artworks or curatorial ideas without clients present that could then be proposed at a later date. This was followed by attending with a client in order to view a specific work(s) that had been identified ahead of time, which speaks to the research and preparation advisors do in advance of the fair when they assemble gallery previews and review them with their clients. The third most popular motive was to explore the fair with a client without a predetermined agenda. The first and third rationales tell us a lot about the utility of art fairs beyond the obvious commercial opportunities and the evolving role of advisors within the fair ecosystem.

If the genesis of the modern-day art fair was a need to inject some vim into a sluggish art market, the fair model did so by creating an event-driven experience that was designed to induce competition and transactional urgency by concentrating buying opportunities in one place for a finite period of time. The success of the art fair model and its commercial utility to exhibitors is due in large part to collectors making acquisitions that are more visceral than logic driven. Art advisors must bring discipline to the collecting process and help temper the urge to 'acquire' rather than 'collect.' Within the fair environment, it's easy to be inveigled by the volume and velocity of transactions and forget that each acquisition carries with it an opportunity cost of funds and wall space that could go toward an alternative.

As we discussed at the outset, the only constant of the art market is the ever-increasing collecting options afforded to collectors. Just as art fairs filter and organize the supply side of the art market, art advisors provide a further layer of editing to focus the attention and maximize the resources of their clients. In the course of determining and sourcing artistic practices and objects that best resonate with their clients' collecting goals, art advisors arguably spend significantly more time figuring out what to say 'no' to than 'yes.' This philosophy reframes art fairs as much more than transactional opportunities; they are about research and the refinement of collection strategy. What results is the increased importance of the third, post-fair transactional window when advisors have had the chance to debrief with clients to determine which discoveries are worth pursuing and assuring their client that they are acquiring the 'right' example by an artist, not simply the convenient one.

Alex Glauber is President of the Association of Professional Art Advisors (APAA). His thanks extends to APAA members Ellen De Schepper, Laura De Beir, Courtney Pettit, and Lowell Pettit for their contributions.

IMAGE Detail of a work by Roberto Matta, presented by Galleria d'Arte Maggiore G.A.M. as part of Art Basel Paris' 2024 Public Program

3.
AUCTION HOUSES

Key Findings

1. Sales in the auction market fell for the second consecutive year in 2024, with combined public and private sales by auction houses dropping by 20% to $23.4 billion, their lowest level since 2020. This decrease followed a strong post-pandemic recovery and was significantly impacted by weakness at the high end of the market, with double-digit declines in the value and volume of sales in the $10 million-plus segment. Public auction sales declined by 25% year-on-year, while private sales through auction houses countered this trend with a 14% increase to $4.4 billion.

2. Despite the overall fall in values, the volume of sales remained resilient, growing by 4% year-on-year, with a 6% rise for fine art auctions, continuing the 2023 trend of increased activity at the lower end of the market. The boost in transaction volume was driven exclusively by more lower-priced lots being sold, with an increase of 8% in the largest segment of sales below $50,000, while those over $1 million declined by one-third.

3. The number of fine art works selling at auction for over $10 million fell by 39%, following a 27% decline in 2023, while sales values also declined by 45%, marking the largest decrease across all price segments. The share of the market's value accounted for by $10 million-plus works dropped by 5% to 18% in 2024 (from 23% in 2023 and 33% in 2022). This segment has shown the sharpest decline in value for two consecutive years, representing a dramatic reversal from 2021 and 2022 when it was the fastest-growing. A key indicator of the cooling high-end market was also the 30% year-on-year decline in the total value of the top 50 works sold at auction, bringing it to less than half its value in 2022.

4. While 2024 brought a downturn for nearly all segments, the market under $5,000 grew in both value (by 7%) and number of lots sold (by 13%). Given that this segment contributes such a large proportion of lot numbers to the market, this meant that despite the significant downturn, more sales took place in 2024, with a 6% increase in fine art auction volumes across the entire market, driven by the addition of thousands of new transactions, but at much lower levels than previous years.

5. The three largest public auction markets in 2024 remained the US, China, and the UK, with a combined share of 70% of sales by value, down by 4% year-on-year. The US regained its premier position after equalizing with China in 2023, maintaining a stable share of 31%. China was the second-largest market, with a decline in share of 6% year-on-year to 25%. The UK remained the third-largest market with an increased share of 14% (up by 2% year-on-year), ahead of France in fourth place with 10%.

6. After showing one of the strongest recoveries of all markets, sales in the US fell by 24% to $5.9 billion in 2024, their second year of decline, driven by a reduction in value and volume at the high end. Despite this, the US continued to dominate at the top of the auction market, with 36 of the 50 highest-priced lots in 2024 sold in New York, 73% of the sales value for works of over $10 million, and more than half of the value of $1 million-plus works sold.

7. After a challenging year of strict lockdowns in 2022, the reopening of the economy in China and the sale of postponed auction inventories created a temporary boost in sales, with values growing by 14% year-on-year to $7.9 billion. However, the market slowed in 2024, with values falling by 38% year-on-year to $4.8 billion as weaker economic fundamentals, rising debt, and other issues negatively impacted vendor plans and demand.

8. Post-War and Contemporary art remained the largest sector of the fine art auction market in 2024, with a 52% share of global sales values and 54% by volume. Aggregated sales in the sector totaled $4.6 billion, down by 28% year-on-year, marking the sector's third consecutive year of declining values from the 2021 peak of $8.5 billion. The volume of transactions increased by 5% year-on-year, reaching their highest level to date.

9. Within the Post-War and Contemporary sector, Contemporary art sales declined more substantially, falling by 36% to $1.4 billion, their lowest level in six years, while Post-War art decreased by 24% to $3.2 billion. New works created in the last 20 years accounted for 23% of the Post-War and Contemporary sector by value in 2024, down from a peak of 34% in 2021. Sales of these recently created works fell by 43% year-on-year to $1.1 billion in 2024, just over one-third of its peak in 2021 ($2.9 billion).

10. Sales of Modern art dropped by 17% to $2.2 billion in 2024, despite growth of 17% in the number of transactions. This marked the third consecutive year of declining values, leaving the market 30% below its pre-pandemic 2019 level and less than half its value compared to a decade earlier.

11. Impressionist and Post-Impressionist art represented 14% of the value of fine art auctions and 12% of lots sold in 2024, both stable on 2023. As the supply of these lots became more scarce in 2023, sales fell and continued their decline in 2024, with a drop of 17% to $1.2 billion, almost one-third lower in value than pre-pandemic 2019. In contrast, the number of lots sold was up by 13% year-on-year, their second consecutive year of growth.

12. Sales in the wider Old Masters sector dropped to a 15-year low in 2024, falling by 25% year-on-year to $803 million, despite a rise of 7% in the number of lots sold. With a second consecutive year of declining values, sales in the European Old Masters sector struggled in 2024, too, falling by 30% to $384 million, their lowest point since 2020, again despite more lots being sold (up by 8%). The main reason for the slowdown in both parts of the market was fewer very highly priced works being sold, with only four lots selling for over $10 million (three of those being European Old Masters), versus 13 in 2023, and the volume of $1 million-plus lots was also down by more than 40%.

3.1 The Auction Sector in 2024

Sales in the auction market fell in 2024, the second year of declining values after a strong post-pandemic recovery. Values of combined public and private sales by auction houses dropped by 20% to $23.4 billion, their lowest level since 2020. Public auction sales fell by 25% as thinner sales at the highest end continued to drag on growth, however, some of this value migrated to auction houses' private sales, which saw global totals rising by 14% year-on-year. Also, despite the fall in values, the volume of sales grew by 4% year-on-year, with a 6% rise for fine art auctions, continuing the trend of 2023 of more activity at the lower end of the market.

During the pandemic in 2020, public auction sales fell by 28% to $18.1 billion, their lowest level in a decade, as live sales were restricted, with logistical issues and vendors holding back supply. However, values bounced back strongly in 2021, with public sales increasing by 50% year-on-year, and private sales up by over one-third. As post-lockdown collectors eagerly purchased masterpieces by both established and newer Contemporary artists that appeared on the market, the high end drove the recovery, with strong sales across the board. These high-end sales dominated even further in 2022, with a number of record-breaking lots sold for over $100 million and unique sales such as the Paul Allen Collection at Christie's New York that achieved the largest total figure for a single sale in the market's history at $1.6 billion. However, away from these record lots, other segments of the market were declining and works sold at auction priced at over $10 million was the only one that grew in 2022. This uneven performance and the extended lockdown of the major Mainland Chinese auction market meant that global public auction sales stagnated, and private sales fell by 8%.

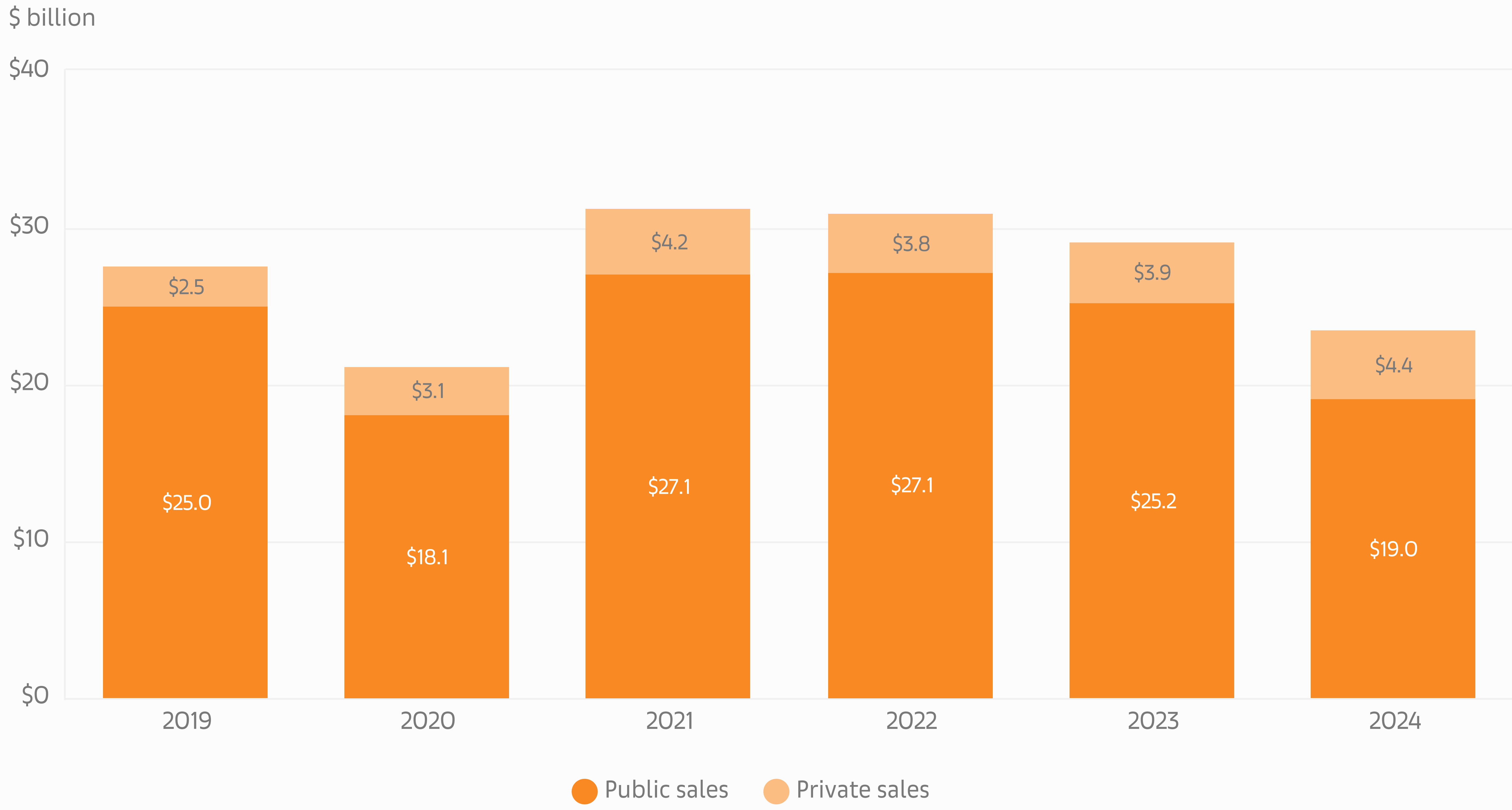
While the market continued its fragmented growth in 2023, the trend shifted direction, with significant activity at lower price levels, while the top of the market was less buoyant. Various economic and political factors created uncertainty in the market that weighed on vendors' plans and there were fewer lots sold at the highest end, with a sharp drop in value in the $10 million-plus segment, even though some of the middle and lower-priced segments continued to grow. China's reopening caused a temporary spike in sales in the first half of 2023, while other major markets slowed. As these highest-value lots were pivotal in determining aggregate values, the market contracted over 2023, with public auction sales down by 7% to $25.2 billion, while private sales grew by 2% to $3.9 billion.

This pattern of activity carried on into 2024, with double-digit declines in the value and volume of sales in the $10 million-plus segment. Geographically, most public auction markets slowed over the year and values dropped by 25% to $19.0 billion, their lowest level since 2020. Some of these sales shifted to private channels, with global private sales through auction houses increasing by 14% year-on-year to an estimated $4.4 billion, with most of the major auction houses reporting an uplift in this sales channel. There were also more lots sold overall during the year, with sales volumes increasing by 4% and indicating that despite falling values, there was actually more activity in the market, but at the lower and more affordable end, with most activity and growth in the sub-$5,000 segment (see Section 3.4). Even in the major auction houses of Christie's and Sotheby's, there were more bidders per lot in 2024 than the previous year, indicating sustained demand, but over a more selective and thinner supply at higher levels. Total sales conducted by auction companies, including both public and private sales, reached $23.4 billion, down by 20% on 2023 ($29.1 billion). The levels in 2024 were still 11% above the recent low point in 2020 but were 15% lower than pre-pandemic 2019.

Although there were fewer multimillion-dollar lots in 2024, there were still a number of very high prices achieved at auction, with records for certain artists, although notably mainly from outside of the Contemporary market unlike in previous years. The highest price achieved, and the only lot selling for over $100 million, was René Magritte's *L'Empire des Lumières* (1954), which sold for $121 million at Christie's New York, setting a record for the artist. His work entitled *L'Ami Intime* (1958) also sold for $43.1 million at Christie's London. Ed Ruscha's *Standard Station, Ten-Cent Western Being Torn in Half* (1964) achieved a record price for the artist, selling for $68.3 million at Christie's New York. Claude Monet's *Nymphéas* (1914–1917) sold at Sotheby's for $65.5 million, with another work entitled *Meules à Giverny* (1893) also in the top 10 works, achieving a price of $34.8 million at Sotheby's New York. Jean-Michel Basquiat's *Untitled (ELMAR)* (1982) was the newest work in the top 10 highest-selling lots, and sold for $46.5 million at Phillips in New York, with Andy Warhol's *Flowers* (1964) also selling for $35.5 million in New York at Christie's.

While 2023's top 50 auction lots featured several works by Chinese artists sold at auction houses in China, these artists were notably absent in 2024, and all of the top 50 works were sold at Christie's, Sotheby's, or Phillips, although three of these lots were in Hong Kong. A clear indicator of the cooling high end of the market was that the total value of the top 50 works sold at auction dropped by 30% year-on-year and was less than half its value in 2022. The total number of fine art works selling for over $10 million fell by 39% (having already declined by 27% in 2023), the biggest decrease of all price segments.

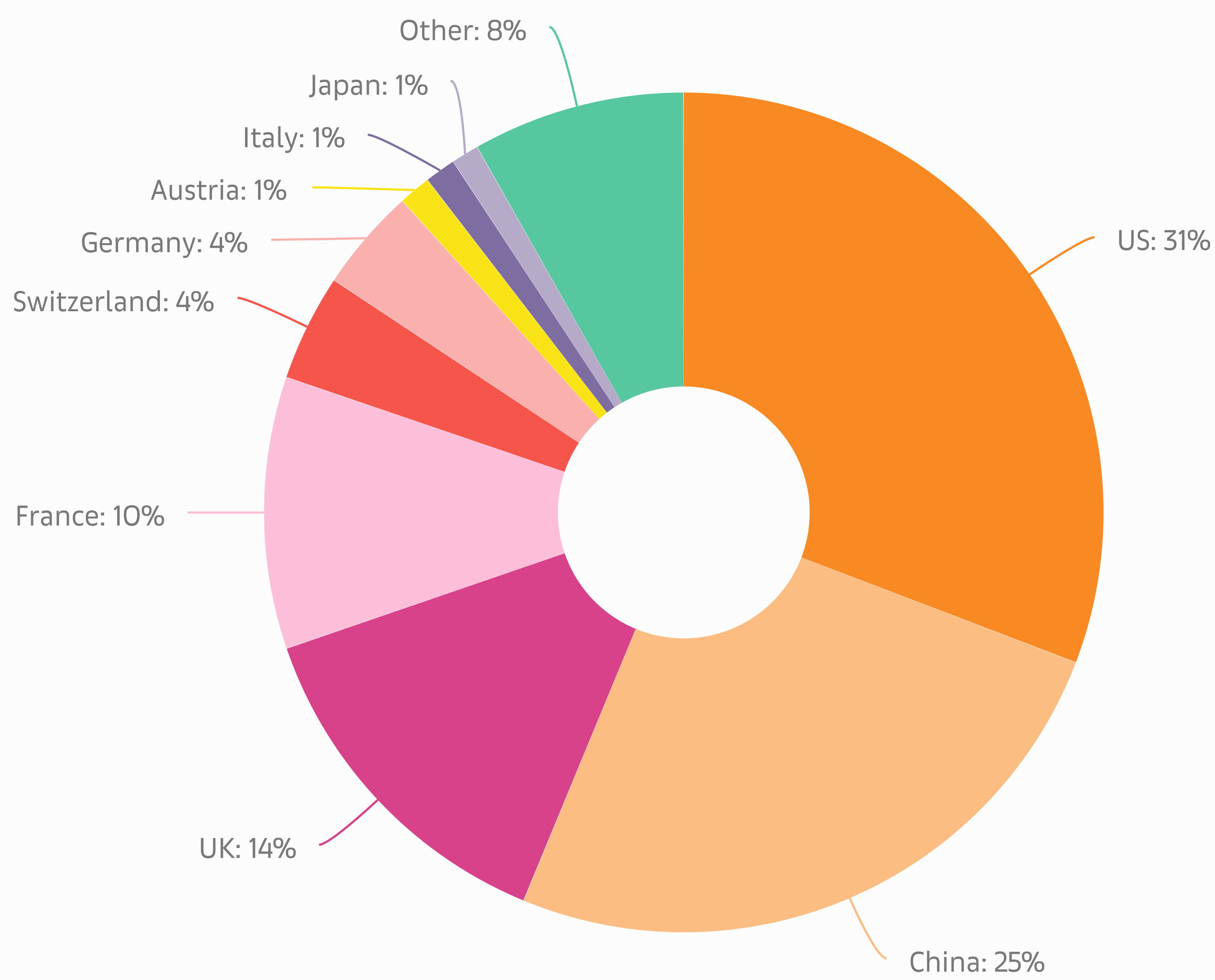
Figure 3.1 Global Auction Sales 2019–2024



©Arts Economics (2025) with data from auction houses, Artory, and other sources

Despite some shuffling in rankings, the three largest public auction markets in 2024 remained the US, China, and the UK, with a combined share of 70% of public auction sales by value, down by 4% year-on-year. After equalizing with China in 2023, the US market pulled ahead in 2024 and regained premier position, although its share was stable year-on-year at 31%. After a temporary boost in sales post-lockdown in early 2023, China's auction market lost 6% share year-on-year, accounting for 25% of global values. The UK was again the third-largest auction market, with a share of 14% (up by 2% year-on-year), ahead of France in fourth place with 10%.

Figure 3.2 **Global Public Auction Sales by Value and Region 2024**



©Arts Economics (2025) with data from Artory, AMMA, and other sources

The US remained the key global center for sales of the highest-priced works at public auctions, with seven out of the top 10 lots of 2024 sold in New York. Of the 50 highest-priced lots sold in 2024, 36 were sold in New York, representing 75% of their value. The US unsurprisingly dominated in the segment above $10 million (73% of sales by value) and accounted for more than half of the value of the $1 million-plus works sold. Although they continued to sell to buyers from a widening range of geographical locations, half of the total sales by value of the major top-tier multinational auction houses of Christie's, Sotheby's, and Phillips took place in the US in 2024 (up from 48% in 2019).

Public auction sales in the US hit a low of $5.0 billion during the pandemic, but were quick to recover, with the high end of the market driving a 70% rise in values in 2021, and a further 18% uplift in 2022 to just over $10.0 billion. As these top lots started to thin out in 2023, sales fell by 23% to $7.8 billion, and the decline continued in 2024, with a further drop of 24% to $5.9 billion.

After a challenging year for China's auction market in 2022, with strict lockdowns still in place, the reopening of the economy and the sale of postponed inventories to eager buyers created a temporary boost in auction sales, with values growing by 14% year-on-year to

$7.9 billion. However, there were signs even in the second half of 2023 that this was a temporary and reactionary spike in activity, and China's auction market slowed over the second half of the year as weaker economic fundamentals, rising debt, and other issues negatively impacted vendor plans and demand. In 2024, sales fell by 38% year-on-year to $4.8 billion, with the major Mainland Chinese auction houses of China Guardian and Poly Auction seeing substantial contractions while sales in Hong Kong at Christie's, Sotheby's, and Phillips were down by 30%.[44]

Like its peers, part of the contraction in sales in China resulted from fewer high-end works appearing on the market, with the added complexity that this segment has been dogged by slow payment cycles and non-payment of lots post-sale. Figures published by the Chinese Auctioneers Association (CAA) in 2024 tracked payments in a sample of 20 Mainland Chinese auction houses up to mid-year, revealing that late or non-payment at auction persisted, particularly for the highest-value lots. Focusing on lots of over 10 million RMB (around $1.4 million), the number sold at this level increased by about 60% year-on-year in the period up to mid-2024, however, the number of unpaid lots doubled, with 114 sold lots not settled in 2023/2024, or 50% of the total number sold. This was up from 41% in the previous 12-month period in 2022/2023 and from 31% of the sampled lots in 2019/2020.[45]

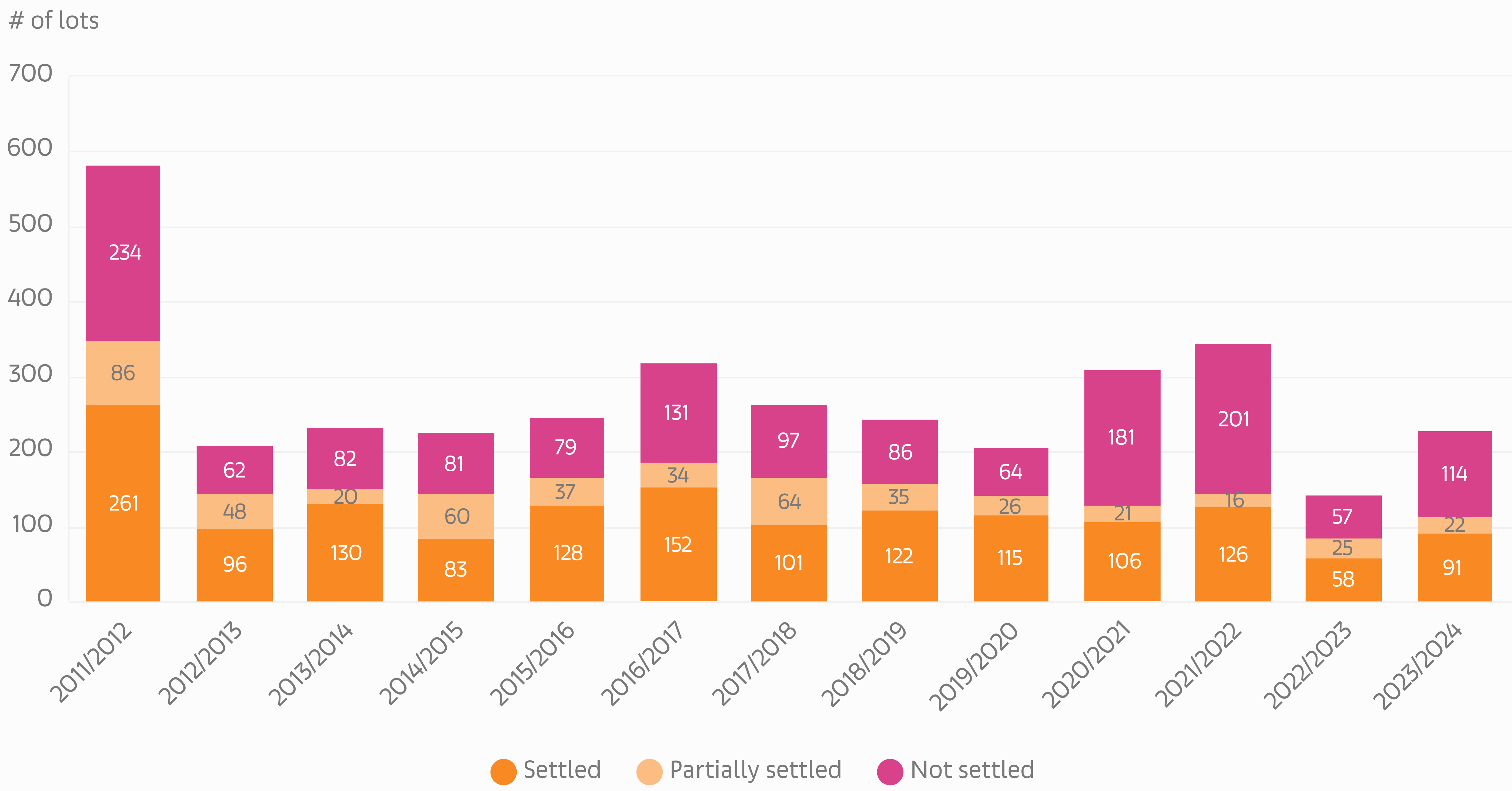
Part of the contraction in sales in China resulted from fewer high-end works appearing on the market, with the added complexity that this segment has been dogged by slow payment cycles and non-payment of lots post-sale

Settlement rates varied by sector, but according to the CAA's data, they were highest for oil paintings and Contemporary art, with the worst rates in porcelain and jade works as well as Contemporary calligraphy and paintings. As noted in previous reports, although difficulties in recovering debts are not unique to Chinese auction houses, the scale and persistence of the issue in China is notable and implies that the sales figures reported for China, particularly those at the high end, include a significant and varying portion of works where full settlement has not taken place. The financial pressure of extending flexible payment arrangements like these to some buyers is likely to explain in part some of the closures in the Mainland Chinese auction sector, with a net loss of 31 registered auction companies in China from the end of 2021 to the beginning of 2024, and notable closures including Beijing Cheng Xuan Auctions after almost 20 years in operation.

44 Sales figures are based on all trackable auction houses in Mainland China and Hong Kong that had fully reported sales for 2024 by February 2025.

45 China Auctioneers Association (2024) *China Antiques & Artworks Auction Market Statistical Annual Report 2023.* Beijing: CAA, 2024.

Figure 3.3 **Settlement of Lots Over 10 million RMB ($1.4 million) in 20 Mainland China Auction Houses 2011–2024**



©Arts Economics (2025) with data from the Chinese Auctioneers Association

The UK remained the third-largest auction market, also seeing a decline in sales in 2024, with public sales dropping by 17% to just under $2.6 billion. While its global share by value inched up year-on-year, it still remained 3% lower than in 2019, when the market was nearly twice its size at $4.0 billion. Like the US, aggregate values were also affected by slower sales at the high end of the market, with the UK being another important hub for higher-priced auctions. In 2024, 10 of the 50 highest-priced lots selling worldwide were sold in London and accounted for 16% of the value of the top 50, considerably lower than the US but a significant margin above Hong Kong and Paris (which made up the remaining 7% and 2%, respectively). The share of value of the UK fine art auction market accounted for by $1 million-plus works was at 56% in 2024 (down by 3% year-on-year from 2023), and again substantially higher than the share this segment represents in France (28%) or China (41%).

France's position as the fourth-largest market by value for public auction sales was stable in 2024, with a 2% increase in share year-on-year to 11%. The French auction market showed one of the strongest rebounds after the pandemic, with sales rising by more than 60% in 2021, but began to slow by 2023 and declined by 9% in 2024 to just under $2.0 billion.

Although there was exceptionally strong growth in some fine art sectors, the Swiss market also fell by 18% to $783 million, while the German market had a more moderate drop of just 3% to $757 million.

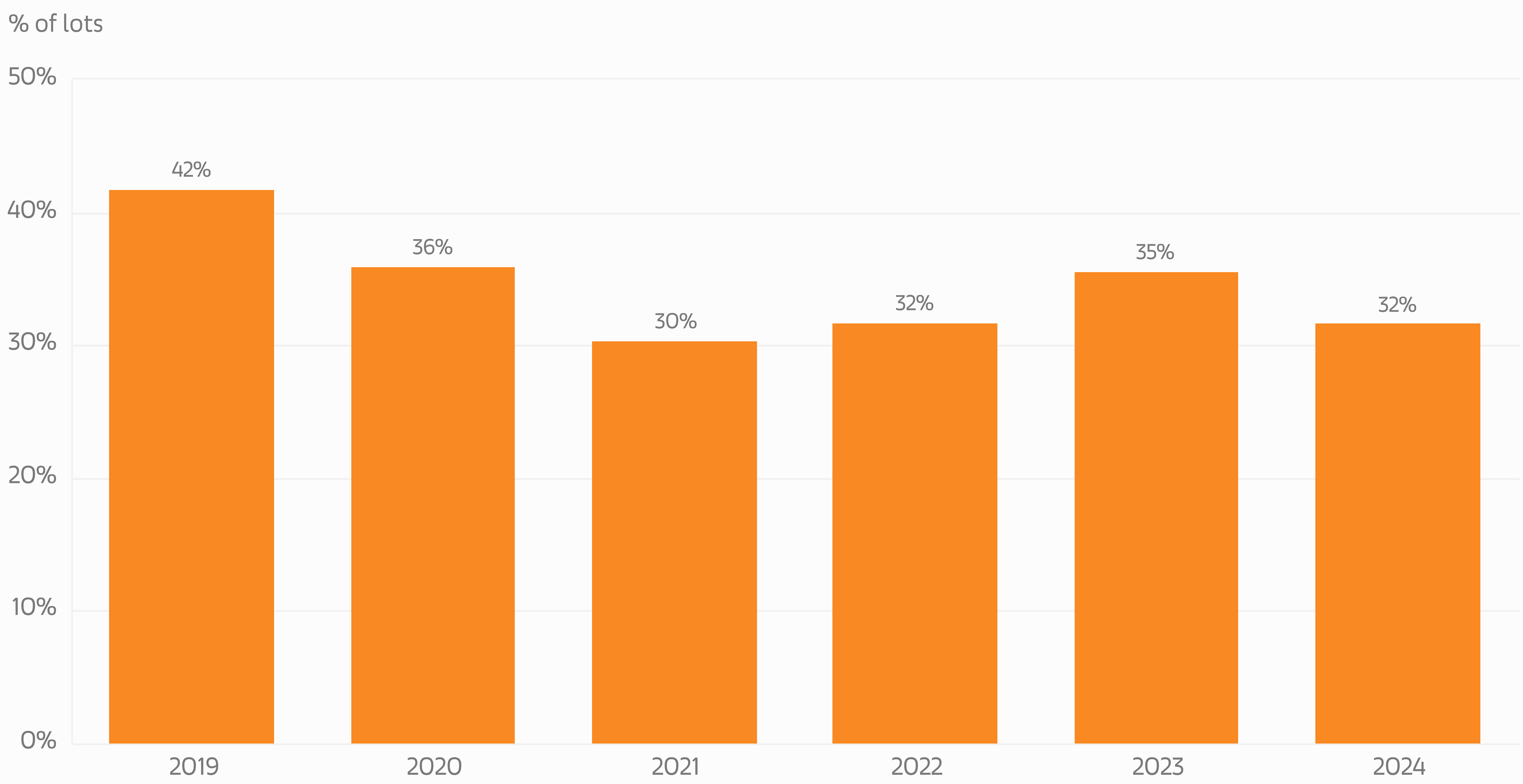
Despite the fall in global values at public auctions, the number of lots sold was stable, increasing by 4% year-on-year. Changes in the volume of aggregate auction sales are often less conclusive indicators of transaction trends, with many auction houses selling large volumes of decorative art and collectibles that can vary widely over time as well as between different sale types and regions. Focusing solely on fine art auctions as a clearer benchmark, using a sample of around 260 of the largest auction houses and only including transactions where an artist or group of artists can be attributed to a sale, there were over 402,350 fine art works sold in 2024, up by 6% year-on-year. The top five auction markets in the sample by volume were the US, China, France, the UK, and Germany, accounting for almost 60% of the number of transactions.

The rise in volume was driven exclusively by a larger number of lower-priced lots being sold, with an increase of 8% in the volume of transactions in the largest segment of the market for sales of below $50,000, while those over $1 million declined by one-third. Apart from lots that sold, there were also more lots offered at auction. Excluding lots confirmed as withdrawn or where prices were marked as not disclosed, the number of lots offered rose by 1% year-on-year, with 32% of those bought-in. Despite the challenging market, the share of buy-ins decreased by 3% year-on-year, and although still higher than in 2021, it was 10% below 2019. Auction house experts noted that at the top of the market particularly, the key challenges in 2024 related to securing supply of the highest-value consignments, with ample demand once they were brought to auction and more bidders than previous years. This was reflected in very low buy-in rates in the top-tier international auction houses, which were reported as 15% or less at Christie's, Sotheby's, and Phillips in 2024. However, in some other segments, the growth in works offered outpaced those sold, indicating some lack of demand for works at certain price levels. There was also a fall in the share of unsold fine art works in key regions, most notably China, from 55% to 34%, although these were reported to have remained at a higher level across all categories, including non-fine art lots and auction houses outside of the sample.[46]

Of the fine art works that did successfully sell at auction, the majority did so within their expected estimate range (with buyer's premiums included), with a relatively high proportion exceeding their presale estimates. In 2024, 40% of the works sold with estimates given sold for prices above their high estimate, with a further 33% sold within the range of the high and low estimate. The share going above the high estimate fell slightly year-on-year, and was down by 10% on 2021, while those falling below the low estimate increased. While these changes are likely to be most connected to the content of the auctions and other factors, experts in the sector also reported more selective and concentrated bidding in 2024 versus the intense and competitive 'spending spree' in 2021.

46 Data supplied by Artron cited buy-ins of 52% across all offline auctions in China in 2024.

Figure 3.4 Buy-Ins at Main Fine Art Auctions 2019–2024



©Arts Economics (2025) with data from Artory

Figure 3.5 Works Sold Above, At, and Below Presale Estimates 2019–2024

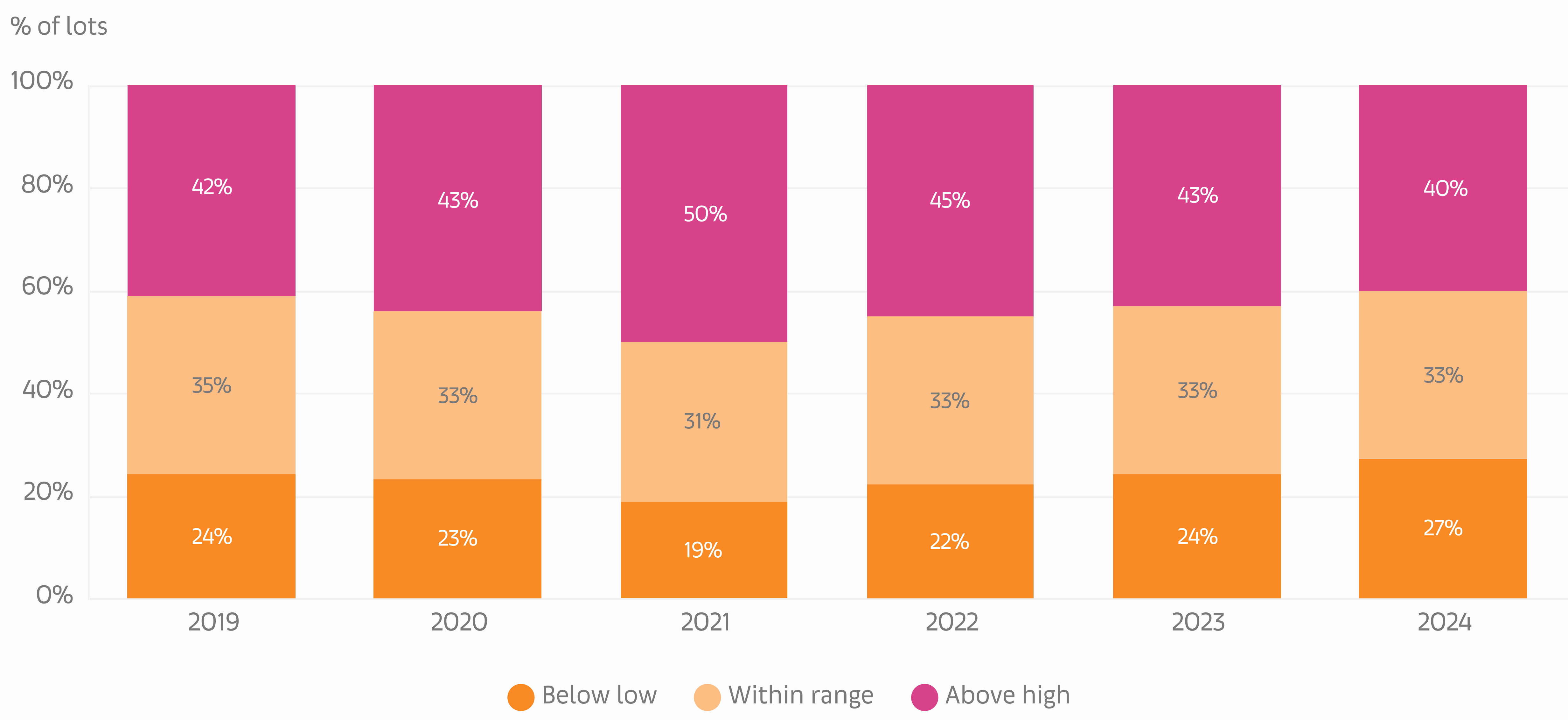


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IMAGE Detail of a work by Masato Mori, presented by Nanzuka in the Galleries sector at Art Basel Hong Kong 2024

3.2 Top-Tier Auction Houses

As the high end of the auction market continued to show the slowest growth, the value of public auction sales at the top-tier international auction houses declined in 2024. While many reported their best years on record in 2022, sales slowed for the second consecutive year as supply shortages at the top of the market kept values lower, and some transactions shifted into private channels.

Considering the top international auction houses of Christie's, Sotheby's, Phillips, and Bonhams, including both public and private sales and other revenue streams, total annual revenues were down by 18% from 2023

Considering the top international auction houses of Christie's, Sotheby's, Phillips, and Bonhams, including both public and private sales and other revenue streams, these four multinational companies posted total annual revenues across all segments of their businesses of $13.5 billion, down by 18% from $16.5 billion in 2023, and by 28% from the record high of $18.7 billion in 2022.

Sotheby's reported gross sales across all categories of $6.0 billion, down by 23% on their 2023 total of $7.8 billion (and from $8.0 billion in 2022, which was the highest-ever total in the company's history) but surpassing pre-pandemic 2019 ($5.73 billion). The value of fine art auction sales fell more than other areas of the business, with a decline of 31% to $3.8 billion, while luxury sales dropped by just 4% to $2.2 billion. This brought the share of fine art in consolidated sales from 69% in 2023 to 63% in 2024.

Reported public auction sales across all segments totaled $4.6 billion, down by 28% year-on-year. Excluding sales through RM Auctions, which specializes in car auctions, as well as Sotheby's Concierge Auctions dealing in luxury real estate, auction sales were $3.4 billion, down by 37% on the previous year, and from a peak of $5.9 billion in 2021. While values were down as less of the highest-priced fine art works were sold, the company noted an increase in the intensity of bidding for the lots that did come to market, including a 32% boost in bidders per lot for works priced at over $10 million.

Sotheby's held 466 auctions in 2024, down by 49 in number on 2023, with close to 50% of those being online-only sales. The total number of sales held has increased by 13% since 2019 (including online and offline and across all categories), with the growth driven entirely by more online-only sales, as live sales have declined by over one-third.

Online-only auction sales reached $423 million, down by 13% on 2023, less than half of their peak in 2020, and more than five times larger in value than in 2019. After peaking at just over 16% of sales in 2020 and 2021, online-only sales accounted for 9% of the value of total public auction sales in 2022 and 2023, a stable share year-on-year, rising again to 12% in 2024 as the value of live sales contracted by a greater extent.

The US was the largest center for sales, comprising 61% of the value of reported public auction sales, and with almost half (47%) of works consigned by value in 2024. A further 27% of sales took place in Europe, including 14% in the UK and 8% in France, where Sotheby's opened a new premises. Sales in Asia dropped by 4% in share year-on-year to 11%, reaching just over $497 million, 98% of which by value was in Hong Kong, where Sotheby's also opened a new exhibition and multiuse premises in 2024. Although sales decreased in share in Asia, Sotheby's noted that Asian buyers and bidders were increasingly active in global sales, and that the region was important for growth and new buyers, with around a third of buyers in Asia aged under 40.

Sotheby's private sales bucked the declining trend, increasing by 17% year-on-year to $1.4 billion, the second-highest total in the company's history, the second consecutive year of rising sales, and with values over 45% higher than in 2019. This uptick in sales with slower public auction sales also advanced their share to 23% of total sales by value (from 15% in 2023), although still below the peak of 29% during the pandemic.

Christie's reported total sales of $5.7 billion over all channels and segments, down by 6% on 2023 (from $6.1 million). Sales were also down by 32% from 2022, when Christie's had their highest-ever gross sales at $8.4 billion, led by the Paul Allen sale, but remained roughly on par with sales in 2019 prior to the pandemic.

Aggregate public auction sales reached $4.2 billion, down by 16% on 2023 ($5.0 billion), with mixed performance between sectors, including a drop of 15% in 20th and 21st Century art but growth in some sectors such as Classic art (4%) and Asian and World art (4%). Although values were lower, the company noted strong demand in terms of bidder numbers, with the average number of bidders per lot increasing by 9% year-on-year (from 3.4 in 2023 to 3.7 in 2024).

Christie's online-only sales accounted for around 8% of their total public auction sales, down by just 1% year-on-year, on par with 2021. The value of these sales saw a less sharp decline than public sales, falling by 8% year-on-year to $336 million. The share of online-only sales values rose to a peak of 10% during the pandemic in 2020, having only accounted for 2% in 2019.

Christie's held 304 sales, split between live (52%) and online-only (48%) sales. This was 32 fewer sales than in 2023, with the biggest reduction in live sales (23 fewer year-on-year). The number of live sales held has decreased more substantially over the longer term, being down by over 40% since 2019. However, online-only sales have increased by 67% (from 87 to 145), which leaves overall sales down by just 15% since 2019. Aside from the number of sales conducted online, digital channels have become critical for the company even in live sales, with 81% of all bids placed in 2024 done online.

The US remained a key center for both sales and buyers for Christie's in 2024, although the share of sales declined to 48% by value from 51% in 2023 (and 62% in 2022). Buyers from the Americas also made up the largest portion of expenditure at 42% (versus 40% in 2022). One-third of sales took place in Europe (from 23% in 2023), with just over half that share in the UK, and with a relatively stable 32% of European buying. Christie's opened a new Asian headquarters in Hong Kong in 2024, and sales in Asia also rose to 18% (up by 2% year-on-year). APAC region buyers accounted for a higher share of sales at 26%, purchasing both locally and internationally, with Christie's noting that their sales in Asia were driven by an increasing number of new and younger buyers, with 44% of buyers or bidders being millennials or younger.

Christie's private sales went against the trend of falling sales, with the company reporting a 41% increase year-on-year to $1.5 billion, just below their peak in 2021 at $1.7 billion and higher than in 2019 (at $990 million). This boost in private sales meant that this channel represented 26% of sales by value, up by 6% year-on-year and from just 14% in 2022, but just below the level in 2020, when they reached a peak of 30% during the pandemic.

Phillips reported sales of $843 million for 2024, down by 16% from $1.0 billion through all channels in 2023 (and from a peak in 2022 of $1.3 billion). Public auction sales reached just over $721 million, down by 14% year-on-year on 2023. Private sales were reported as $122 million, declining from a high of $250 million in 2022, and comprising 14% of their total consolidated sales. Private sales were also lower than their 2019 total of $172 million, while public auction sales were roughly on par.

Phillips continued to be successful at attracting new buyers, with 31% of buyers at auction new to Phillips in 2024. This followed a strong year in 2023, with 50% of buyers using live and online-only auction channels being new to the company. The share of new buyers through private sales channels was even higher in 2024 at 77%, and the share of sales to new buyers was 26% of total sales.

Phillips held public auctions and selling exhibitions in the US, the UK, France, Seoul, Hong Kong, and Switzerland in 2024. The US accounted for the largest share by value, with 43% of their total public auction sales in 2024 hosted in New York, from 48% in 2023. A further 21% of the company's public sales were held in Asia, with the remaining 36% in Europe, including 17% in the UK.

Like their peers, online-only sales fared better than live sales in 2024, with a reduction of 9% year-on-year to $31.0 million, accounting for 4% of total public auction sales values. While they held around 10 fewer online-only sales in 2024 than the previous year, these sales have significantly increased in number since prior to the pandemic, from 10 in 2019 to 26 in 2024, and their values have grown to more than seven times their size. The number of live sales was more stable at 69 and Phillips conducted more sales overall in 2024 than in 2019.

After reaching an historical peak of sales in 2023 at $1.1 billion, Bonhams posted sales across all segments of their business of $988 million in 2024. Just over 70% of the lots sold during the year were online-only sales, making up 20% of total auction sales by value (excluding their auction houses in Sweden and Denmark). Bonhams' sales in Hong Kong went against the declining trend in the top-tier houses, too, seeing double-digit growth of 18% to $86.0 million.

After posting some strong results in 2023, following the reopening of the economy from lockdowns early in the year, the top-tier auction houses in Mainland China experienced a challenging year in 2024.

China Guardian was the largest auction house in Mainland China, with stated sales of $579 million, down by just over one-third in value from 2023 ($876 million), and significantly lower than before the pandemic in 2019 when their reported total was $952 million. Part of the drag on growth was the decline in the sale of highly priced lots, with the number selling for over 10 million RMB ($1.4 million) falling from 78 to 46. Despite the downturn in sales, the company noted that they saw a strong uptick in new buyers, with 20% of their buyers purchasing for the first time in 2024.

Poly Auction saw sales fall by an even greater 67% in value year-on-year to $329 million in 2024 (from $993 million in 2023, and $1.4 billion in 2019). Most of these sales took place in

Beijing, although the share of value dropped from 91% in 2023 to 74%. Sales in Beijing fell by 73% in value year-on-year, with a much more moderate reduction of just 4% in Hong Kong. The share of online-only sales continued to increase for the company, from 8% of their turnover in 2023 to 11% in 2024 (with a reported value of over 250 million RMB or $35.0 million).

Yongle Auction Company reported sales of $183 million in 2024, down by 40% from 2023, although still ahead of their level of 2022 at $145 million. The company was launched in 2020 and started out with very strong sales, reaching $511 million in 2021. While their consolidated sales dropped in 2024, online-only sales more than doubled, totaling $62.5 million, over more than 250 auctions.

Despite these declines by some of the largest auction companies, some others had more positive results, notably Xiling Yinshie Auction, which posted sales in their major spring and autumn auctions of $315 million, up by 30% on 2023.

IMAGE Detail of a work by Do Ho Suh, presented by Victoria Miro in the Galleries sector at Art Basel Miami Beach 2024

3.3 Mid-Tier Auction Houses

Aside from the top-tier auction houses, a large amount of activity takes place in smaller businesses, including the next tier of over 500 medium to large companies in the auction sector. These mid-tier auction houses are often the dominant companies in their own domestic and regional markets, and generate substantial sales to both local and international buyers in fine and decorative art and antiques.

When about 85 companies in this segment were surveyed in 2024 by Arts Economics, 42% saw an increase in sales (down from a majority of 59% in 2023), indicating that the aggregate declines in the sector were perhaps more concentrated in larger businesses, with some smaller businesses still seeing growth. A further 21% were stable and 37% experienced a decrease in sales (versus 26% in 2023). The companies surveyed tended to be well established, in business for an average of 29 years, and with the majority (66%) operating from a single premises in one location, while 34% had multiple regional or global locations (up by 5% from similar surveys in 2023).

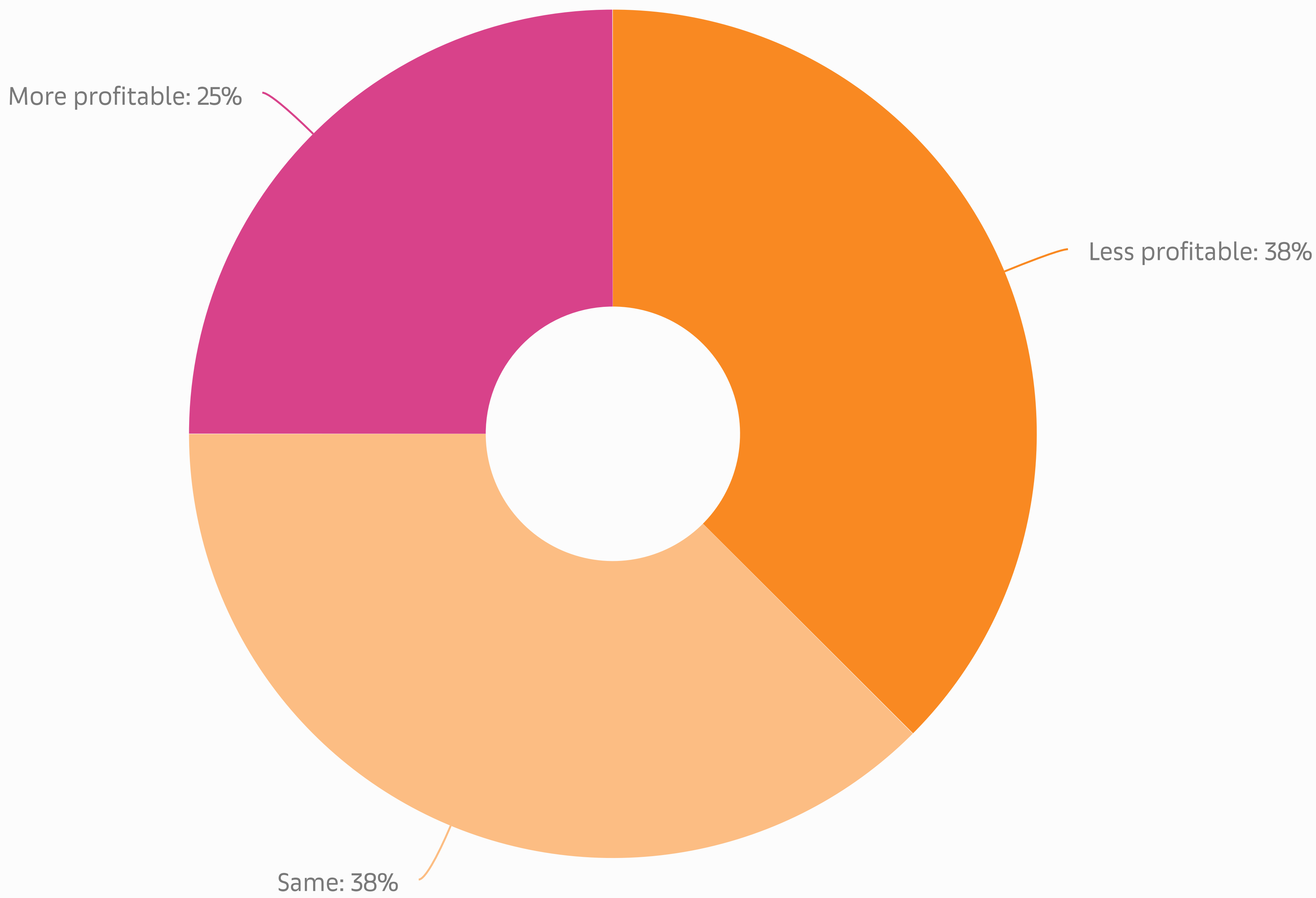
These businesses ranged in size in terms of employment, from small businesses of less than 10 people to those with just over 100 employees, with an average of 23, the same as 2023. The majority (53%) of auction houses kept employment stable and 35% increased numbers (by an average of three people). Payroll was a significant part of the operating costs for these companies, averaging 39% of total costs, up in share by 3% year-on-year and by 5% since 2021, and higher than the average in the dealer sector (33%). The share of rent or mortgage costs was more stable at 16% and IT accounted for 9%.

Like the dealer sector, most businesses in this mid-tier auction sector saw their operating costs rise in 2024, with quite notable advances on average across all areas. The average increase in operating costs year-on-year included:

- 8% in rent or mortgage payments;
- 10% in payroll;
- 9% in IT and digital costs; and
- 12% in other operating costs (outside of the above).

Based on the combined effects of these rises and their average share of costs, operating costs rose by just under 10% on average year-on-year, on par with the increases reported in the dealer sector. This uptick in costs put some businesses in the sector under pressure in terms of their bottom line. The share of businesses that revealed a rise in profitability in 2024 declined significantly by 19% to 25%, with 38% stating that they were around the same as 2023, and a similar share (38%) reporting reductions (up from 28% the previous year).

Figure 3.6 **Change in Profitability of Mid-Tier Auction Houses 2024 versus 2023**



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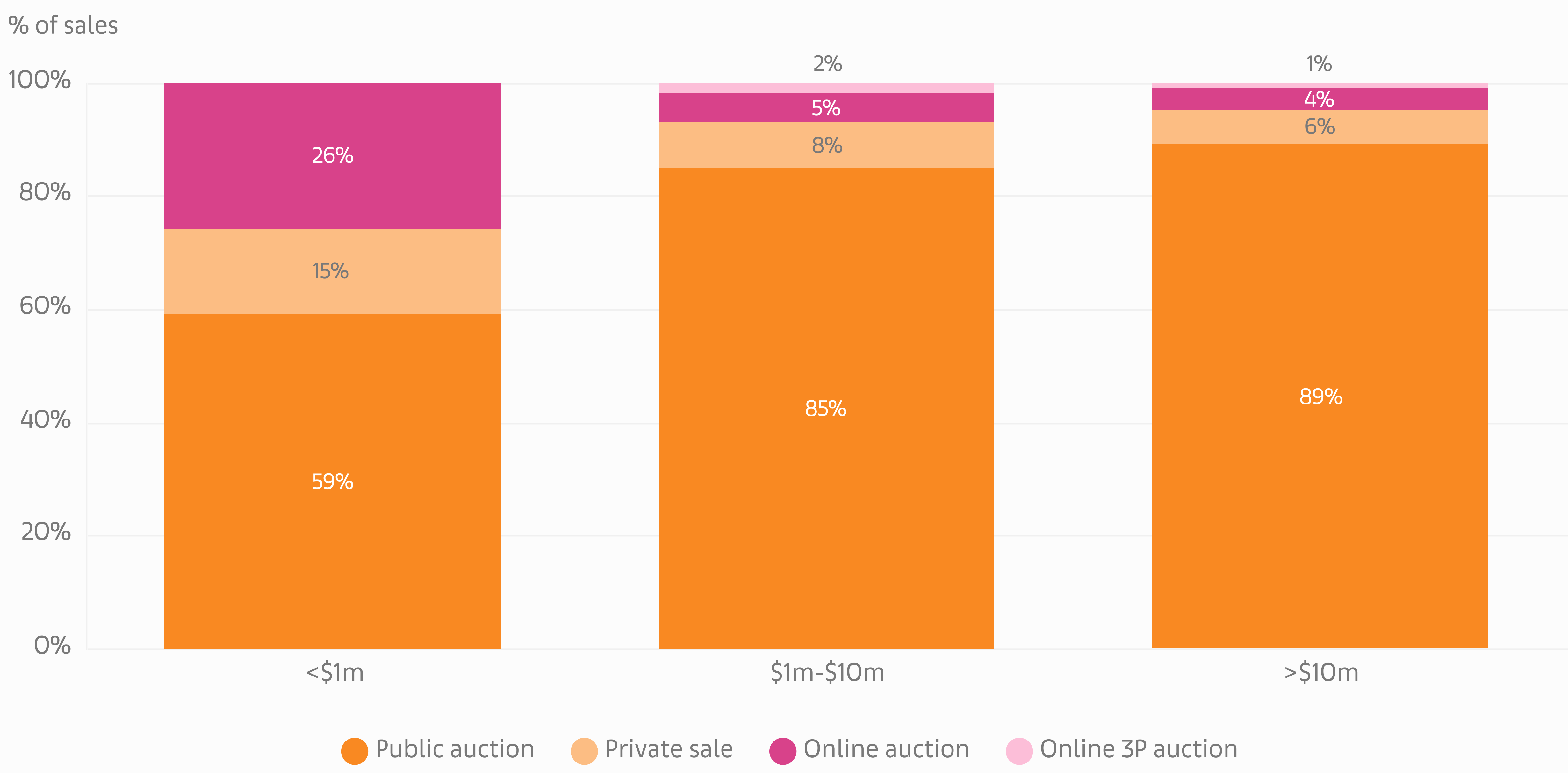
In this sample, 82% of total sales by value were from public auctions, up from 77% in 2023. As in previous years, this share tended to increase with the size of the company's annual turnover, with those with sales of less than $1 million reporting a lower share of 59%, stable on 2023.

Private sales accounted for 8%, stable on 2023 and up by 2% on 2022. The share of private sales followed a similar pattern of the last two years, with smaller businesses tending to have a larger share, ranging from 15% for those with turnover of less than $1 million down to 6% for those with turnover of greater than $10 million. These private sales included transactions carried out after auctions that were related to bought-in or withdrawn lots as well as sales on retail platforms operated by auctions that allowed for immediate sales.

Online-only auctions accounted for 10% of total sales values, down by 5% year-on-year. Auction houses with lower turnovers tended to have higher shares, ranging from 26% for those with sales of less than $1 million up to 5% for those with turnover of greater than $10 million. Internal sales on their own platforms comprised the majority of the online-only sales overall (9%), with 1% made through third-party platforms. Respondents reported that just under one-third (32%) of the online sales they made were to new buyers purchasing from them for the first time in 2024. However, the highest proportion (44%) was to existing buyers that had already bought online before 2024, with the remaining 24% being existing buyers that had purchased through live sales or privately but did so online for the first time in 2024.

While the share of online sales from total sales values declined year-on-year, around half of the respondents felt that sales via this channel would rise over the next 12 months (versus 81% in 2023). A third, on the other hand, thought they might continue to fall, although these respondents were generally among those also predicting a more general decrease in sales.

Figure 3.7 Mid-Tier Auction House Sales by Channel and Turnover 2024



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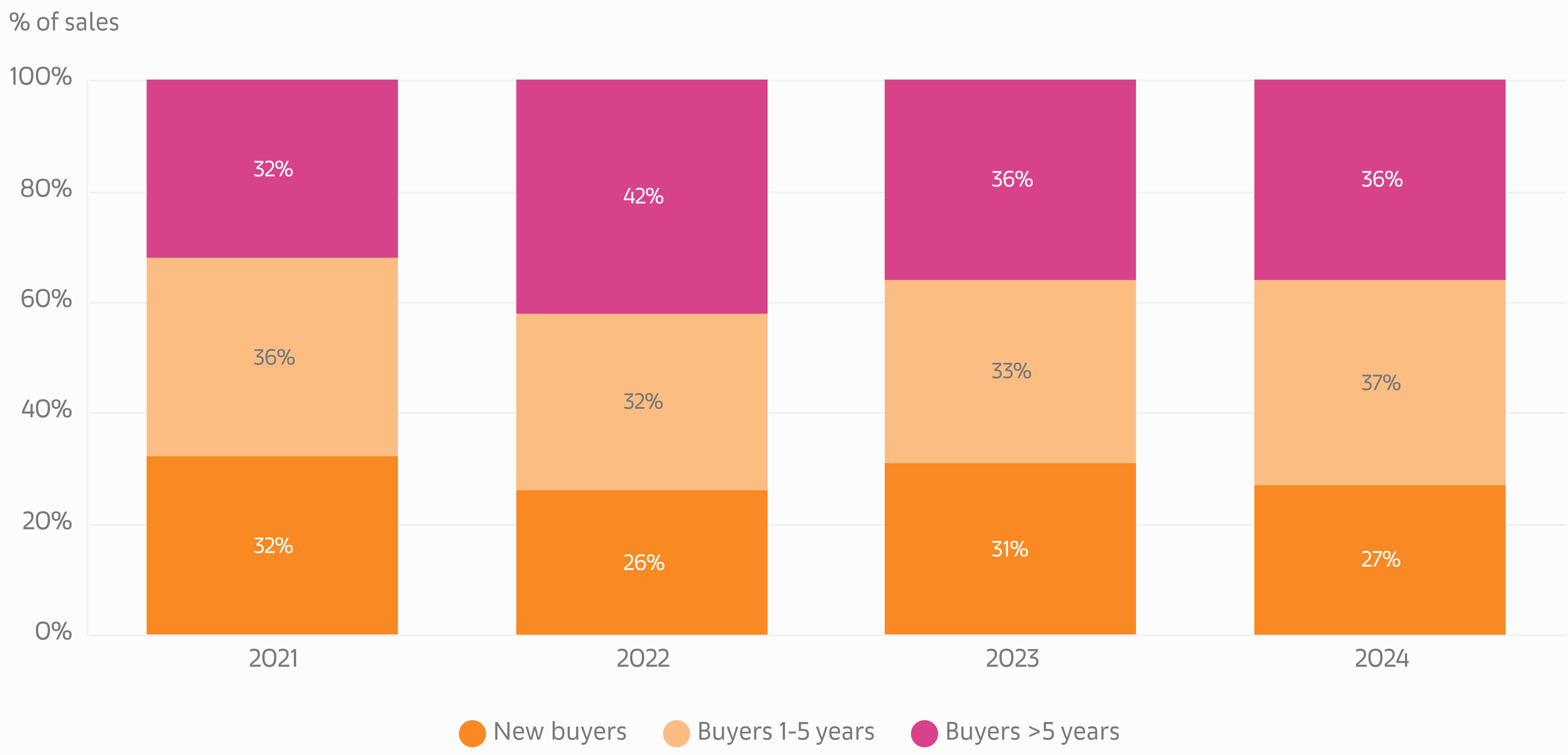
There have also been some fluctuations in the number and spread of buyers these auction houses sell to. In 2024, the share of mid-tier auction houses selling to fewer than 500 buyers was 37% (down from 44% in 2023 and 60% in 2022), and 63% dealt with more than 500. While this is likely due in part to changes in the sampling, it does indicate that despite the difficult sales context in 2024, some businesses have continued to expand the number of buyers, incorporating new buyers, which averaged 40% of the total number. Despite the expansion in numbers, businesses still made a greater proportion of sales by value to more established buyers, including 36% to those who had been purchasing from them for more than five years. 27% of their sales in 2024 were to first-time buyers, down by 4% in share year-on-year, although more on par with 2022 and considerably higher than in 2019 (22%).

Figure 3.8 Mid-Tier Auction House Sales by Buyer Purchase History 2021–2024



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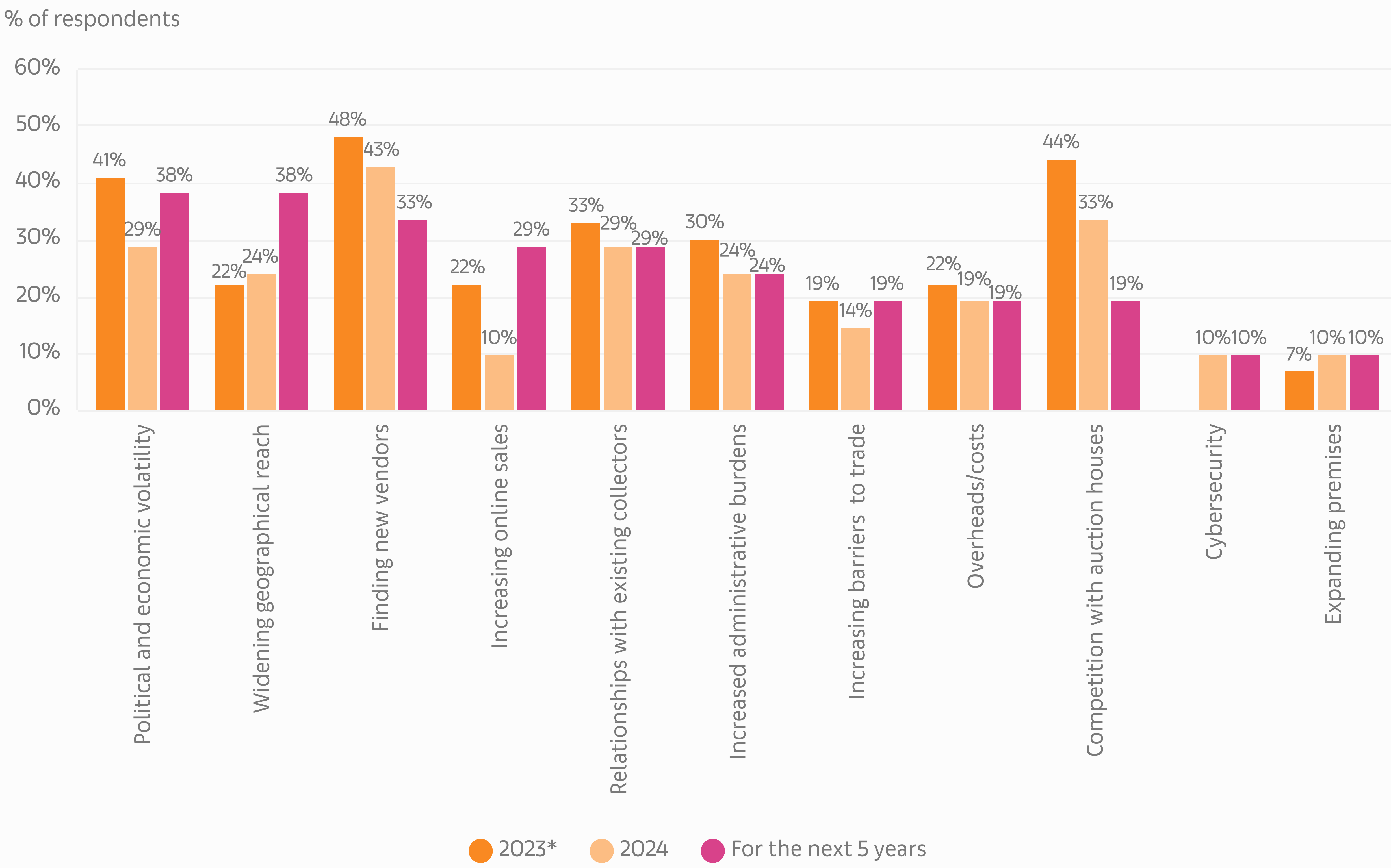
Maintaining the relationships they had with existing clients was a priority for these businesses, ranking in the top five challenges identified in 2024. However, as they looked ahead for the next five years, widening their geographical base of buyers overtook this in the rankings, being identified as the biggest challenge they faced for the future next to political and economic volatility and its effects on demand.

The most pressing challenge these businesses reported facing during 2024 was finding new vendors and artworks to meet the demands of buyers, with 43% of auction houses citing this concern in their top three challenges for the year, the highest-ranking concern in 2023, too. The second was the increasing levels of competition between auction houses (33%, and also second highest in 2023), with some commenting on the increasing competition from international auction houses encroaching on their local and regional markets over the last few years, for both consignments and buyers.

Concern over regulatory issues and the administrative burden of due diligence and identification requirements when transacting, for example, in dealing with AML regulations, was still in the top five, although ranked lower than in previous years such as 2022 when it had been the highest, and indicative of some of these features of the industry becoming more integrated and routine, even if they remained a significant challenge for smaller businesses. Some respondents commented that they were continuing to focus on improving their IT systems both to boost e-commerce and increase internal operating efficiencies, although others felt that digitization and the impact of AI was one of the key challenges they would face over the next five years.

Figure 3.9 **Top 10 Challenges for Mid-Tier Auction Houses in 2023, 2024, and Next 5 Years**



©Arts Economics (2025) *2023 data from previous years' surveys

3.4 Price Segmentation in Fine Art at Auction[47]

Public auction data remains the only objective, publicly available record of data in the art market at the level of individual transactions and has provided the basis for much of the important research on how different segments of the market and individual artist's sales have evolved over time. The following analysis uses data from fine art auctions to assess the trends in different price segments of the market. The fine art data is sourced from the Artory database which covers sales from 4,000 auction houses, with consistent annual auction results gathered for around 250 businesses in more than 40 countries. Exhibit 4 also discusses some of the key issues in using statistical tools and indexing based on auction data to assess the performance of the market versus other financial sectors.

The last few years have seen notable changes in the direction and pattern of sales in the auction market, which have been driven by the varying performance of different price segments within it. The slowdown in sales of the highest-priced works has been the key driver of lower overall growth, as these transactions make up a very large proportion of aggregate value, despite being a relatively narrow segment of the market. In 2020, during the pandemic, all price segments of the market experienced a drop in sales, and equally, all recovered in 2021, but with the strongest uplift at the highest end for sales of fine art lots priced at over $10 million. In 2022, the market divided further, with all segments priced at under $10 million declining in value and the $10 million-plus segment the only one still growing. However, after two intense years of spending at this level, supply thinned out in these segments, and 2023 saw trends reverse, with sales at the higher end faring considerably worse than others at lower price levels. This continued again in 2024, with an even sharper fall for $10 million-plus sales, while the very lowest-priced works were the only ones growing.

As in all other years, most of the transactions carried out at auction houses in 2024 were at the lower-priced end of the market, with 95% of individual lots sold priced at less than $50,000, up by 2% year-on-year. The majority of those were for prices of less than $5,000, even though they made up only 4% of sales values. The segment of sub-$50,000 lots accounted for 17% of the value of the fine art auction market, up from a low of 10% in 2022.

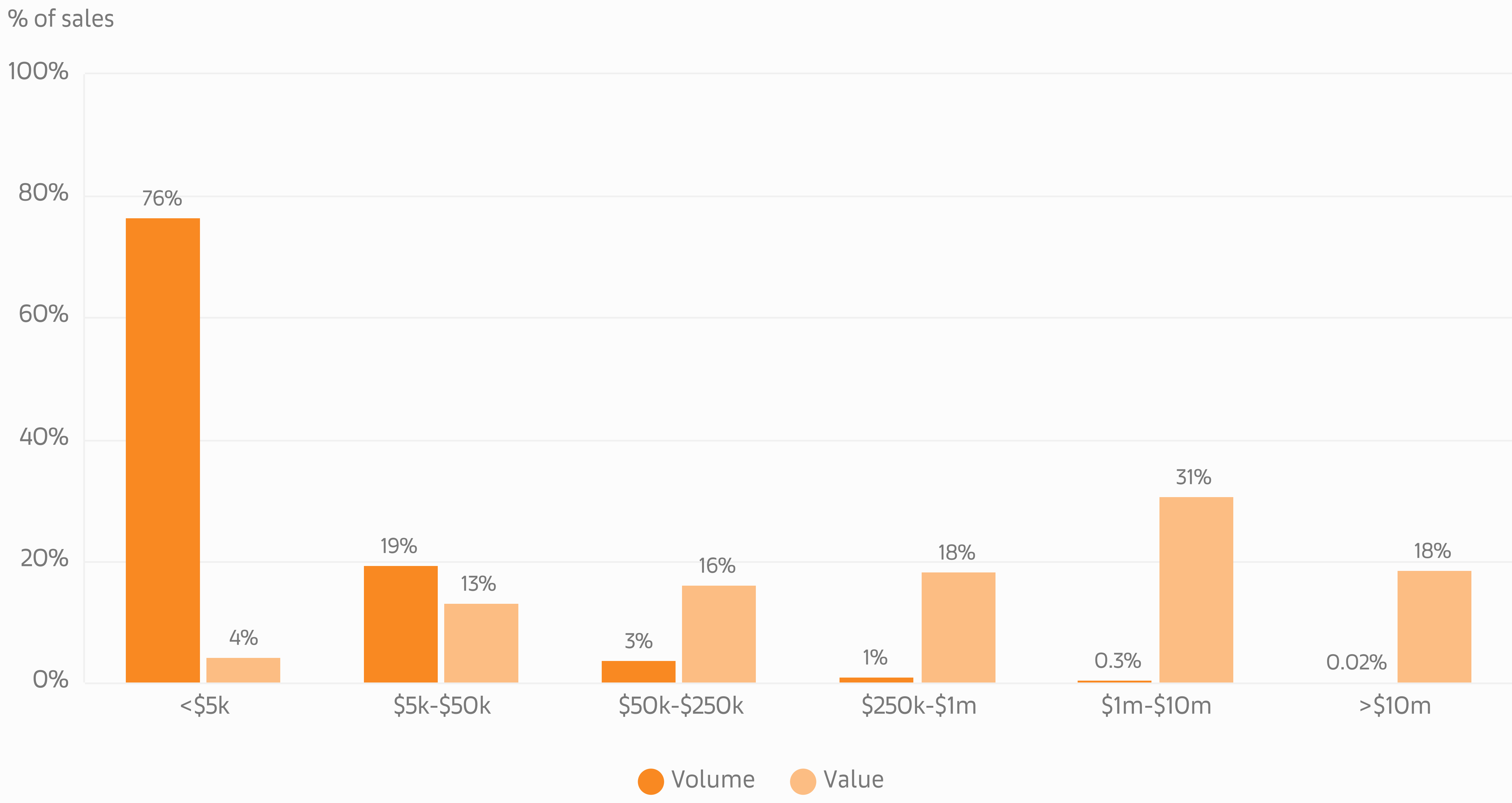
47 For the purposes of this analysis, fine art includes paintings, sculptures, works on paper (including watercolors, prints, and drawings), photographs, installations, digital art, and film and video art.

Works selling for more than $1 million, on the other hand, represented just under half (49%) of the value of the market in a very small fraction of less than 1% of lots sold (down by 6% year-on-year and from 61% in 2022). The largest segment by value, as in 2023, was works priced at between $1 million and $10 million, which accounted for 30% of sales (down by 2% on 2023), and with most of that value in the lower range of up to $5 million.

The decline in the share of the value of sales in the $10 million-plus segment has been the most marked over the last two years. This segment accounted for one-third of the market's value in 2022, falling to 23% in 2023. In 2024, it dropped again (by 5%) to 18% as the number of lots selling at this level was down by 39%. This segment has shown the sharpest decline in values for the last two years, underlining the dramatic change in direction of the market, after being the fastest growing segment in 2021 and 2022.

IMAGE Detail of a work by Anna Maria Maiolino, presented by Luisa Strina in the Galleries sector at Art Basel Miami Beach 2024

Figure 3.10 **Share of Lots Sold and Total Value at Global Fine Art Auctions by Price Segment 2024**



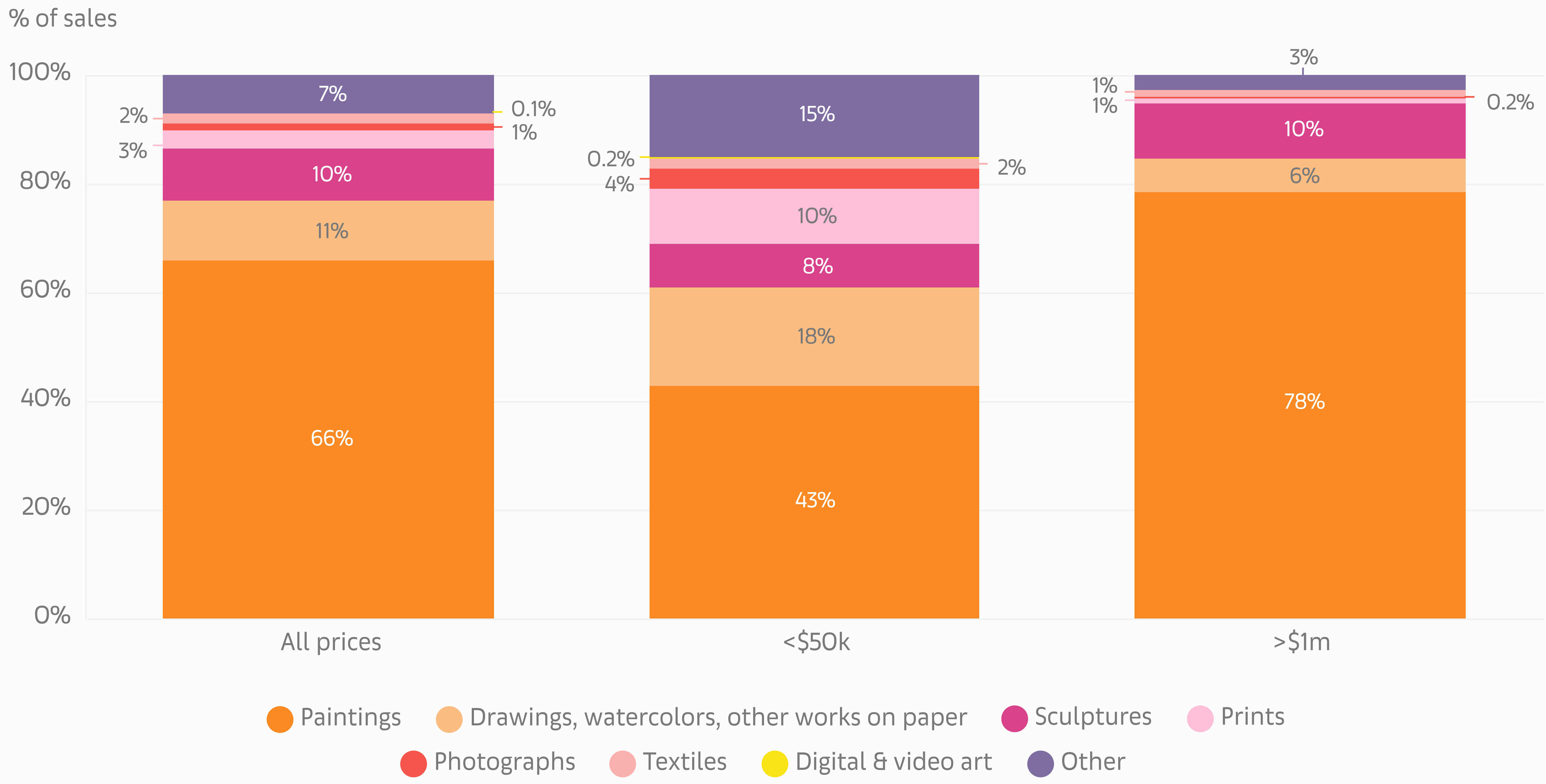
©Arts Economics (2025) with data from Artory

The only works of fine art sold for more than $10 million in 2024 were paintings, sculptures, and works on paper, with paintings dominating the higher-end price segments as they have in most other years. In the $1 million-plus segment of the market, paintings and sculptures accounted for 83% of lots sold and 88% of sales values (up by 2% year-on-year), as well as 96% of the value of sales of works priced at over $10 million, and all but six of the 78 lots sold.

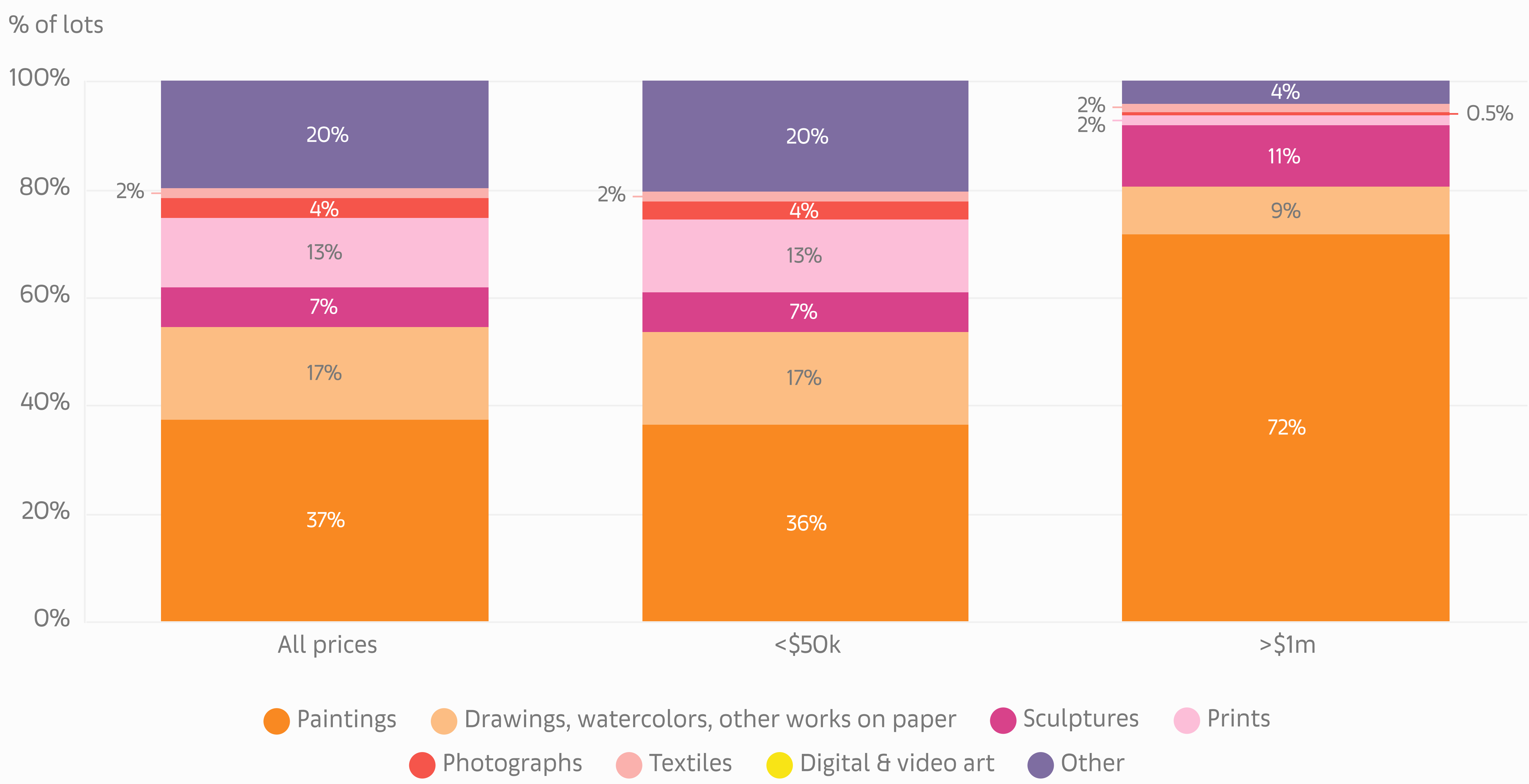
Paintings also made up the majority of value across all prices levels, although at lower prices, the spread between different mediums was more diverse. Paintings were still the largest segment in the sub-$50,000 market, accounting for 36% of lots sold and 43% of values. Prints and photography had a larger share at this level, with 14% by value, up by 2% year-on-year, and 17% of lots sold. On par with 2023, the share of digital art and film and video art combined was less than 1% of the value or volume of sales at any level in 2024. While most artworks in these mediums sold for under $50,000 and none exceeded $1 million, the most common price range for digital art at auction was between $5,000 and $50,000, with just over half of the works sold within this range. Only a third sold for less than $5,000 versus more than 70% of the much larger paintings segment, implying that the very low share of value is primarily from being such a small segment of sales rather than being only lower-priced works.

Figure 3.11 Share of Global Fine Art Auction Sales by Medium and Price Segment 2024

a) By Value



b) By Volume (Number of Lots)



©Arts Economics (2025) with data from Artory

Using an index for tracking the growth in sales values from a base year of 2009, Figure 3.12 clearly displays the volatile performance of the $10 million-plus segment compared to others, and its decline over the last two years. The index shows the dip in the market for all segments during the pandemic in 2020, unlike other art market recessions, when the fall in sales was specifically tied to the reduced value and number of the highest-priced lots. It also highlights the market-wide recovery in 2021. While sales at different levels were relatively aligned over these two years, the $10 million-plus segment pulled away from the rest of the market in 2022, growing at a much faster rate, reaching peak levels, and expanding by 700% from 2009 versus a more moderate 12% for the sub-$50,000 segment (or what would have been a decline in value if adjusted for inflation over the period). In 2023, however, the $10 million-plus segment experienced the biggest annual downturn, falling by 40% year-on-year versus 3% growth for the market at prices under $50,000. 2024 brought a downturn for all segments, but the extent of the decline increased proportionally with prices levels, from a drop of just 6% for the low end (prices less than $50,000) up to a 38% decline at the high end of works sold for over $1 million (including a 45% fall in value for those above $10 million).

A more detailed analysis of the change in sales within the lower end below $50,000 in 2024 also shows that the market under $5,000 grew in terms of both values (by 7%) and the number of lots sold (by 13%). Given that this segment contributes such a large proportion of lot numbers to the market, this meant that despite the significant downturn, more sales took place in 2024, with a 6% increase in fine art auction volumes across the entire market, driven by the addition of thousands of new transactions, but at much lower price levels. Considering the period from pre-pandemic 2019 to 2024, following the recent changes in trends, the lower end of the auction market for works priced at less than $50,000 outperformed all segments of over $1 million, growing by 6% versus a decrease over that period of 36% for the high end.

As with all indexing, performance levels depend on the start and end points, and considering the longer horizon, from the very low point in 2009 to the present, all segments have increased in value and it is still the $10 million-plus market that has gained the most over the period, advancing by almost 160% from 2009 through 2024 versus only 9% at the low end (which would inevitably mean a decline in value if inflation over the period was taken into account). The use of more complex indexing tools to track the progress of the art market and prices achieved at auction over time and the issues related to their use are discussed in Exhibit 3.

Figure 3.12 **Growth of Sales by Value in Auction Price Segments 2009–2024**

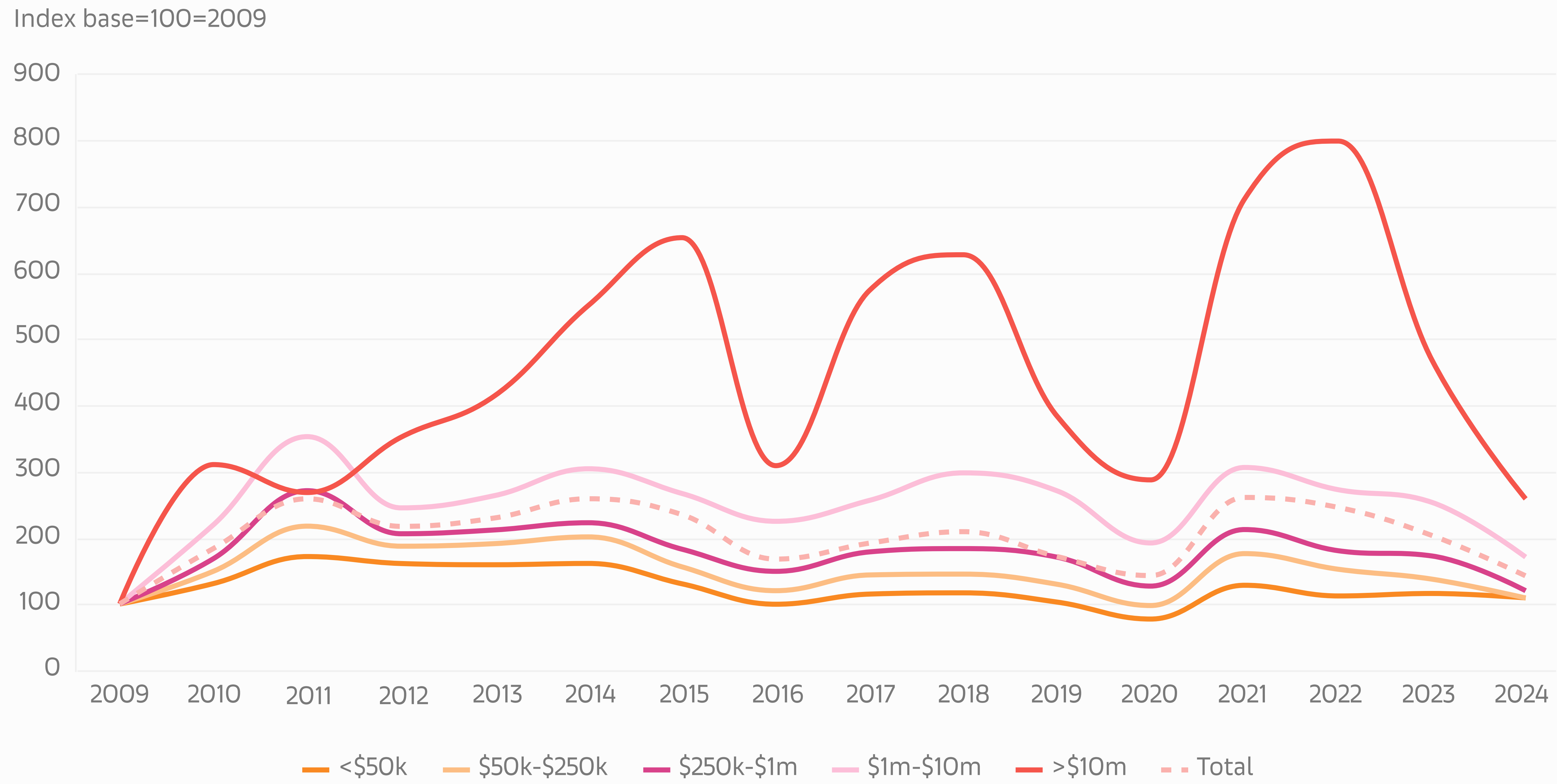


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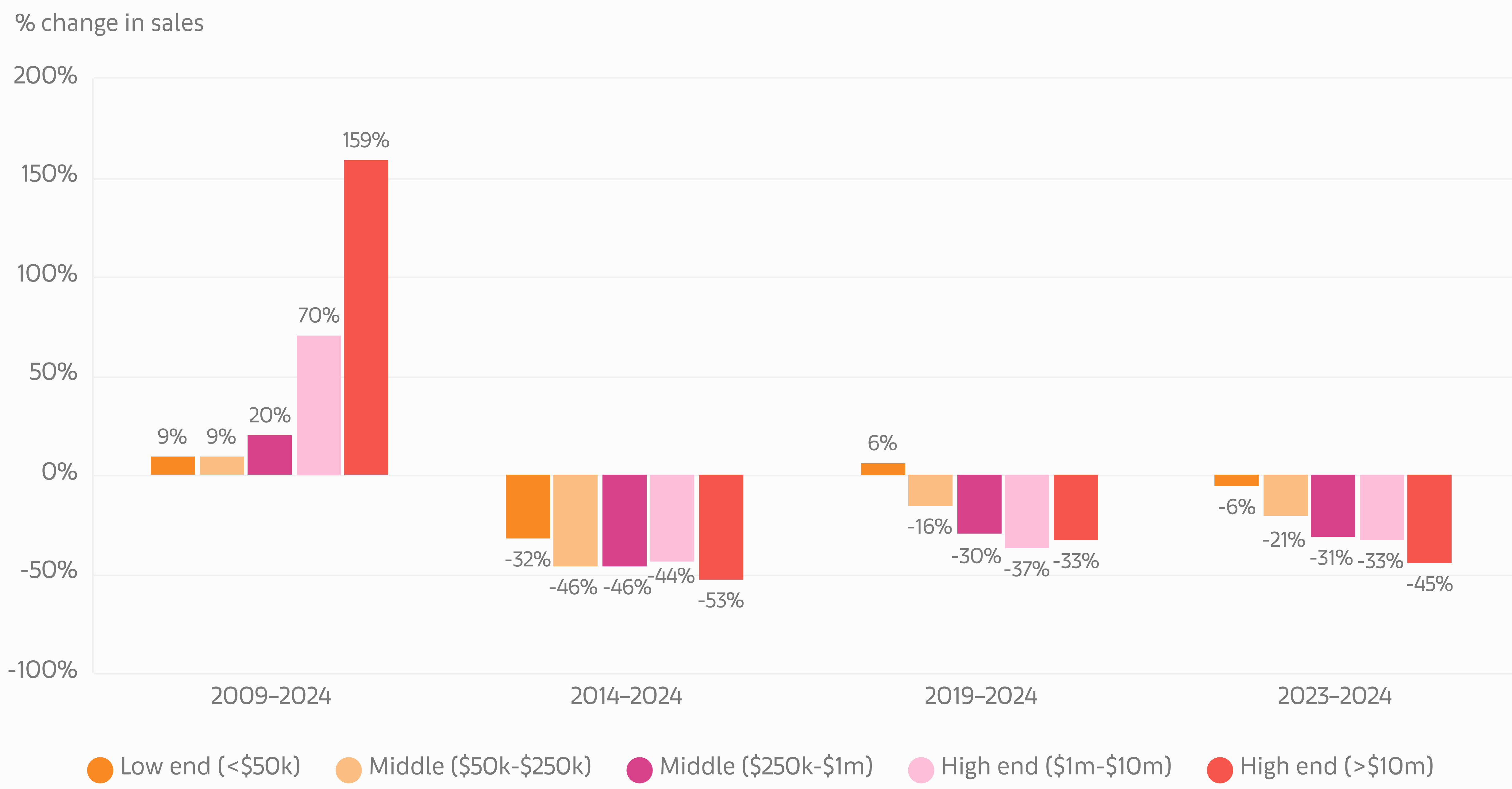
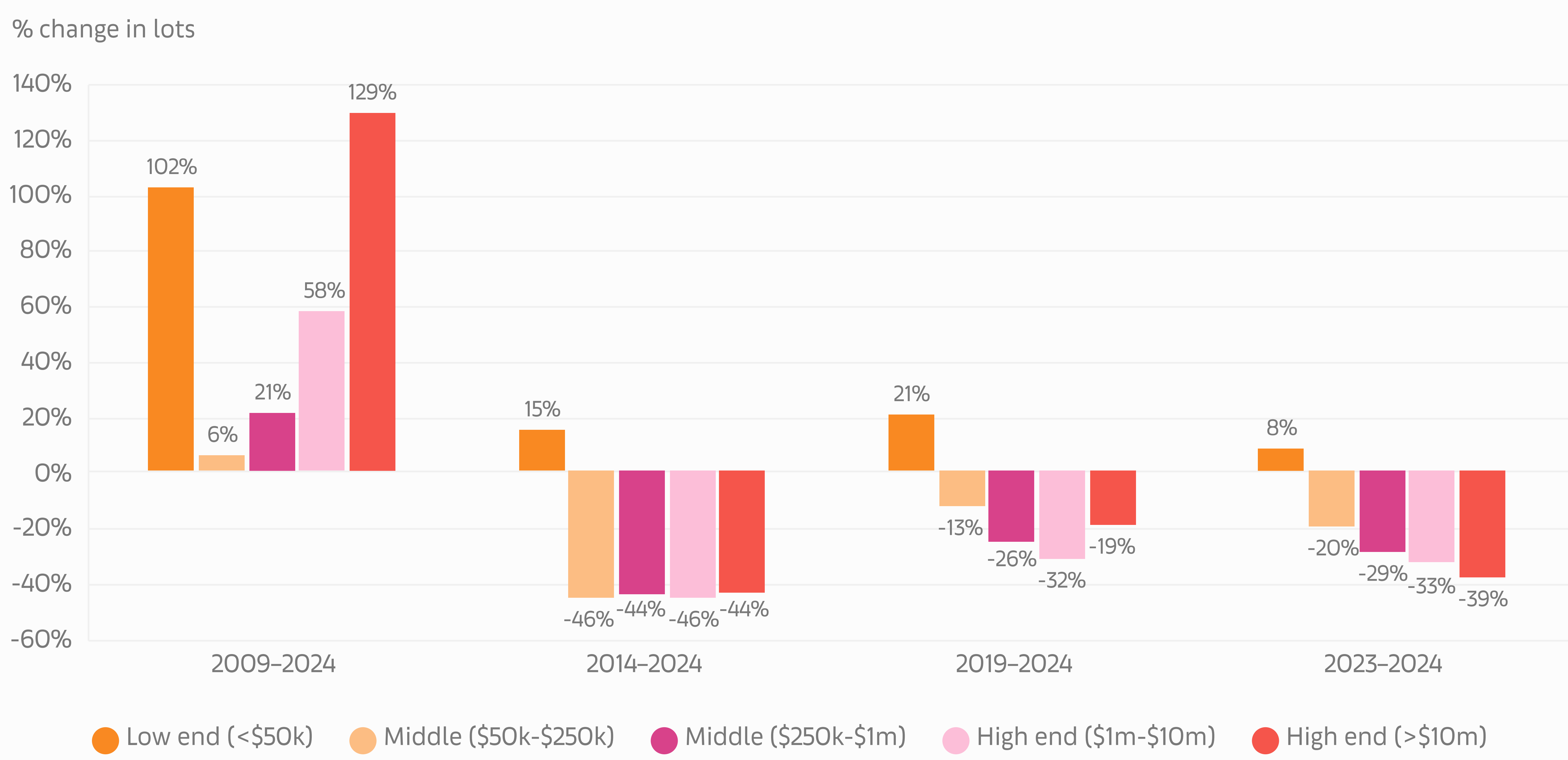
Figure 3.13 summarizes the performance of the main price segments, setting out the change in value and volume at the various price levels in select periods over the decade compared to 2024. Measured from 2014, all segments were at a lower nominal value in 2024, with the highest end over $10 million showing the worst drop, with aggregate values just less than half of their level without adjusting for inflation. After two years of decline at the top of the market, despite having a considerably higher average annual growth rates, the volatility of the high-end segment meant that its level in 2024 was also 33% lower than pre-pandemic 2019. The lower end below $50,000 also fell by almost one-third over the decade to 2024. As noted above, however, comparing growth from before the pandemic in 2019, the low end has grown in nominal terms versus declines in all other segments.

Figure 3.13 Annual Growth of Auction Sales by Price Segment, Selected Years 2009–2024

a) By Value



b) By Volume



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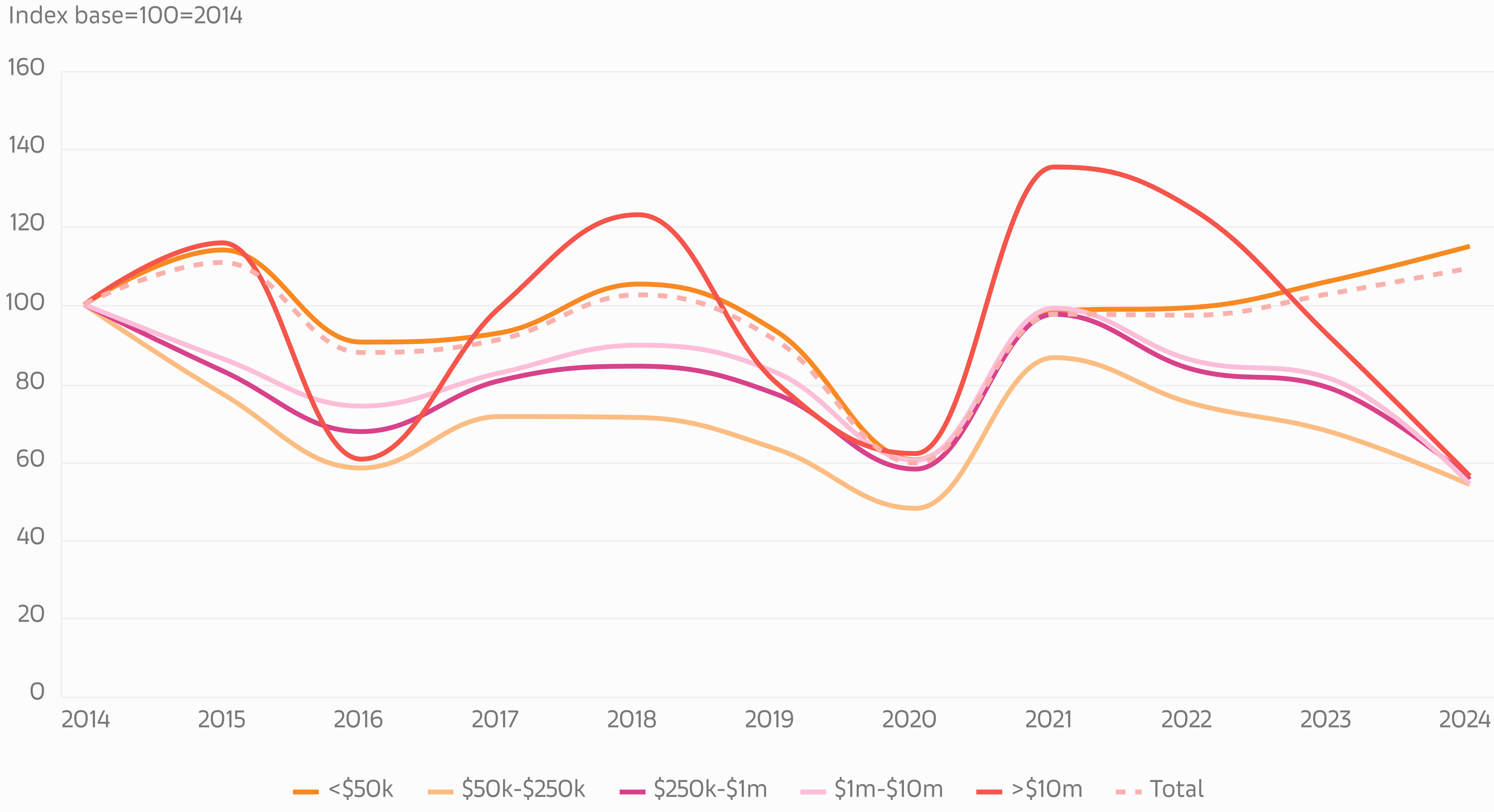
The number of works sold at the high end of the market has also decreased significantly over 10 years, with 46% fewer works sold for over $1 million in 2024 than in 2014, even despite the steady inflation of art prices helping to lower the entry bar to this segment. The volume of transactions in this segment was at its lowest level in 2024 since 2009. The only segment that has grown over the decade was the sub-$50,000, with 15% more transactions than in 2014. The continued growth in activity and transactions at this level has maintained the overall stability of the volume of sales in fine art auctions, given that they account for most of the day-to-day activity in the global auction market, constituting 95% of the transactions that took place in 2024.

While all segments had more transactions in 2024 versus the very low point in the market in 2009, the index in Figure 3.14 shows the variable levels of growth in the volume of sales at auction, using 2014 as the starting point. This clearly demonstrates that the low end of the market has been the driver of the rising volume of sales, with other segments all having declined in number over 10 years. The contrast in the performance of different segments and of value versus volume of sales over the last few years underlines the very mixed performance of different parts of the market since the pandemic. After a rapid escalation in buying at the high end in 2021 and 2022, the lower volume of these lots sold over the last two years has caused a drop in values, while, in parallel, overall transaction volumes have kept growing, with rising activity at the lower end of the market at more affordable and accessible price levels. As noted in previous reports, expanding this base of sales in the market is critical in terms of its long-term development, giving it greater stability, with a wider range of buyers that will help it to be more resistant to crises that can cause the volatile fluctuations at the narrow top end.

Therefore, while the topline figures were lower, both the figures and anecdotal evidence from experts working in the auction sectors reveal that there were in fact more transactions being carried out, with more people taking part but at lower price levels:

> *'There are more people buying what they like and what resonates with their own preferences rather than what they think must be a good investment or what everyone else is buying. They might only be spending a couple of thousand on works so it doesn't look like the market is booming, but it is a really healthy development for the market – making it less elitist and more democratic, encouraging more people to get involved, and a few of those new buyers will grow into the very big collectors of the future.'*

Figure 3.14 **Growth of Sales by Volume in Auction Price Segments 2014–2024**



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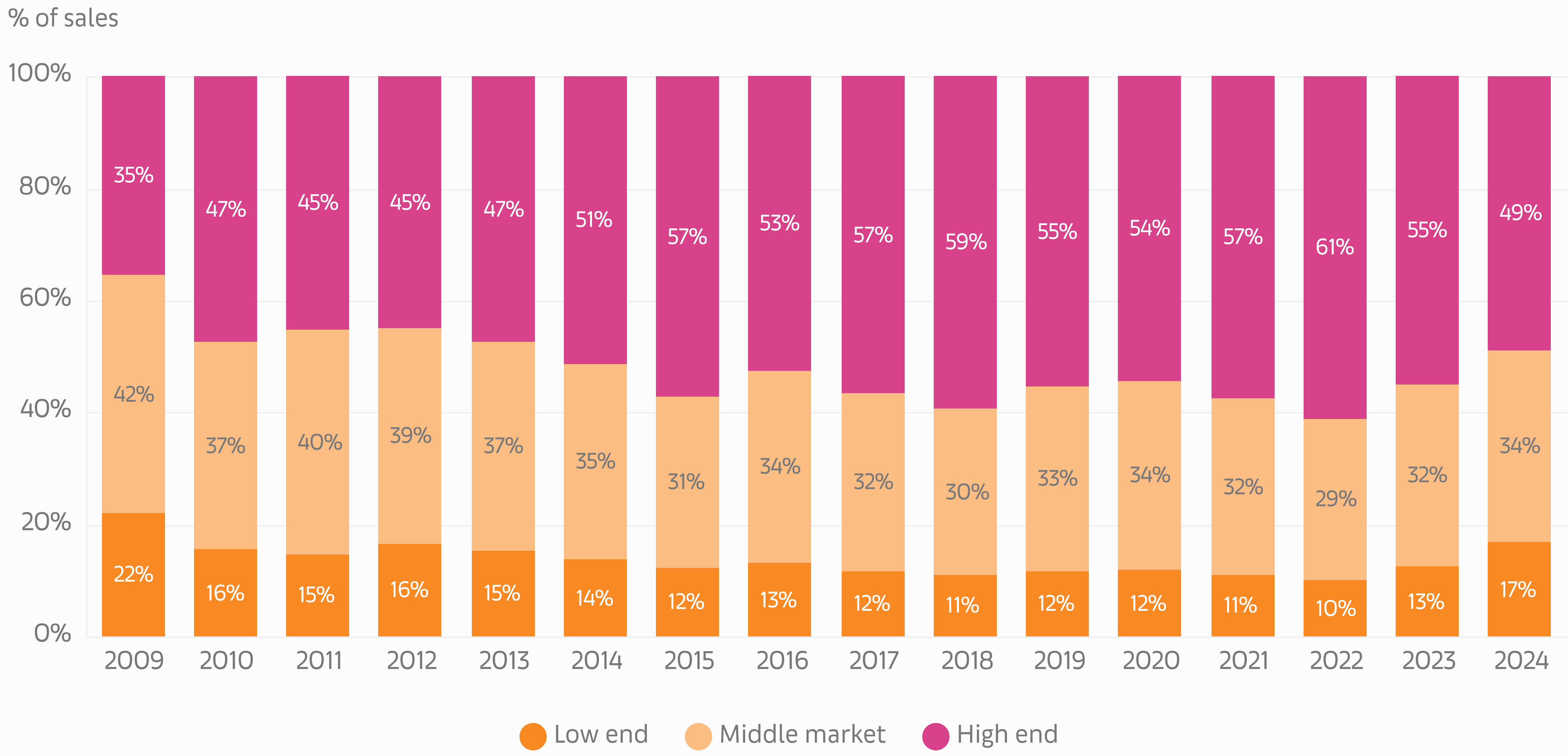
While the decline in high-end sales over the last two years has reduced the share of the segments over $1 million, they still accounted for just under half (49%) of total sales values in 2024, in a tiny 0.3% of transactions. Although its share has fluctuated in recent years, the segment of sales priced at over $1 million has made up the majority of value in all of the previous 10 years. Its share in 2024 was at its lowest point since 2013, but still above the 35% level during the financial crisis in 2009, as vendors held back supply of the highest-priced works during the poor economic context. The middle and lower ends of the market were increasingly squeezed as the high end grew from 2014, however, both have expanded over the last two years, with the low end of works for less than $50,000 now at its highest share (17%) since 2009.

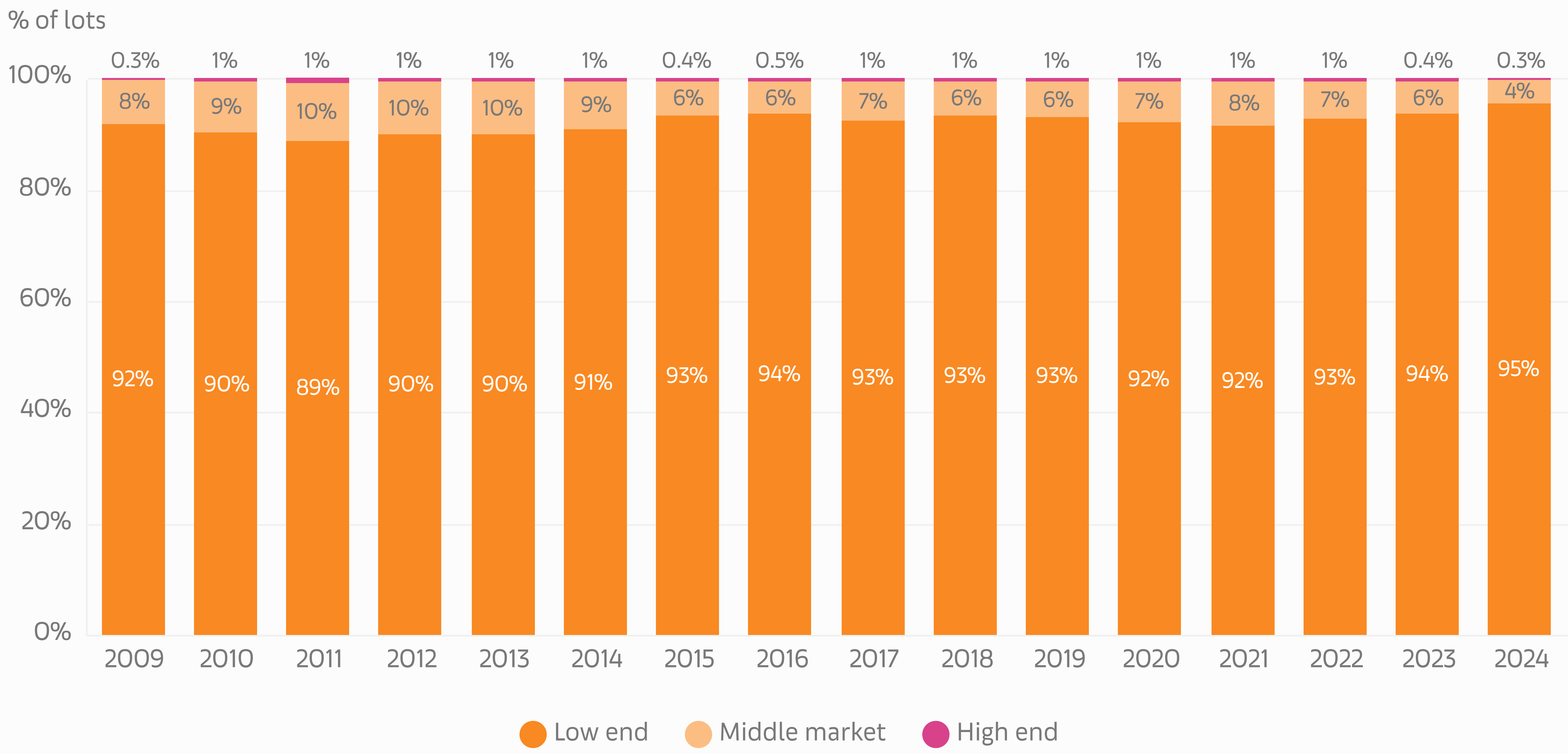
The share of the volume of sales, on the other hand, has changed very little over time. The high-end segment of works sold for over $1 million made up less than half a percent of the number of fine art lots auctioned in 2024, and it has not been above 1% in any of the years from and including 2009. Most transactions took place at prices of below $50,000 in all years, and the share of this segment has ranged from the lowest level of 89% in 2011 to its current peak of 95% in 2024.

Figure 3.15 Market Share in Auction Price Segments 2009–2024[48]

a) By Value



b) By Volume (Number of Lots)



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48 For the purposes of analyzing changing market shares in this Figure, the low end refers to works sold for under $50,000, the middle market to those between $50,000 and $1 million, and the high end to works sold for more than $1 million.

The bulk of sales at the high end took place in the largest auction hubs of the US, UK, and China, which gave these major markets their dominant position in the global auction market. In the low end of the market of works sold for less than $50,000, the share of sales was more geographically diverse, with these three markets having a combined 54% by value, down by 6% year-on-year, and 39% of lots sold.

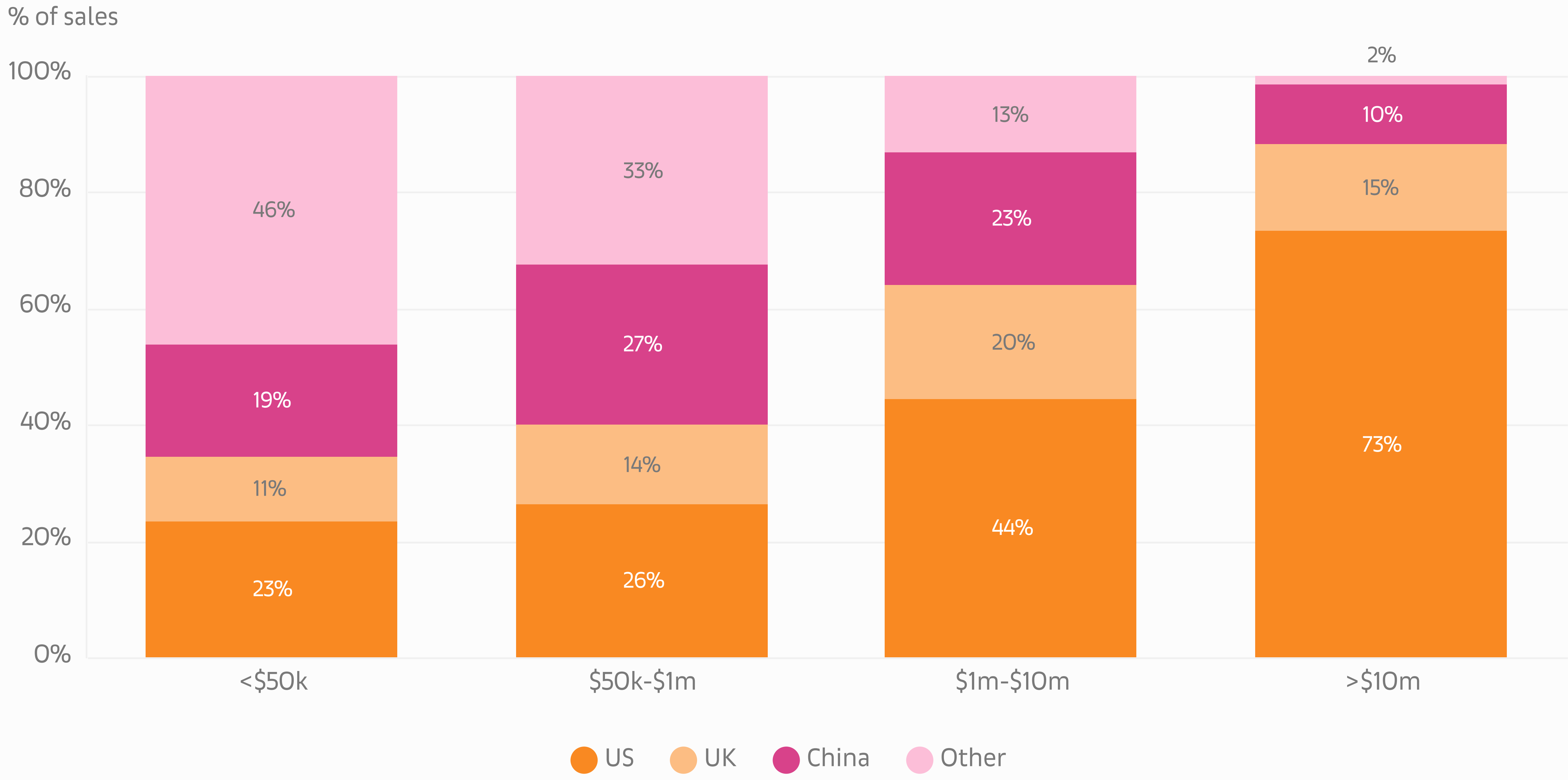
However, their dominance increased as the price level rose, accounting for two-thirds of the value of sales in the middle market (segments between $50,000 and $1 million). While China was by far the largest market in this segment in 2023 with a share of 43% of sales, this decreased significantly to 27% in 2024, although still marginally ahead of the US (26%).

At the higher end of sales for artworks priced at over $1 million, the share of the top three markets was higher again at 91% of sales by value in 2024

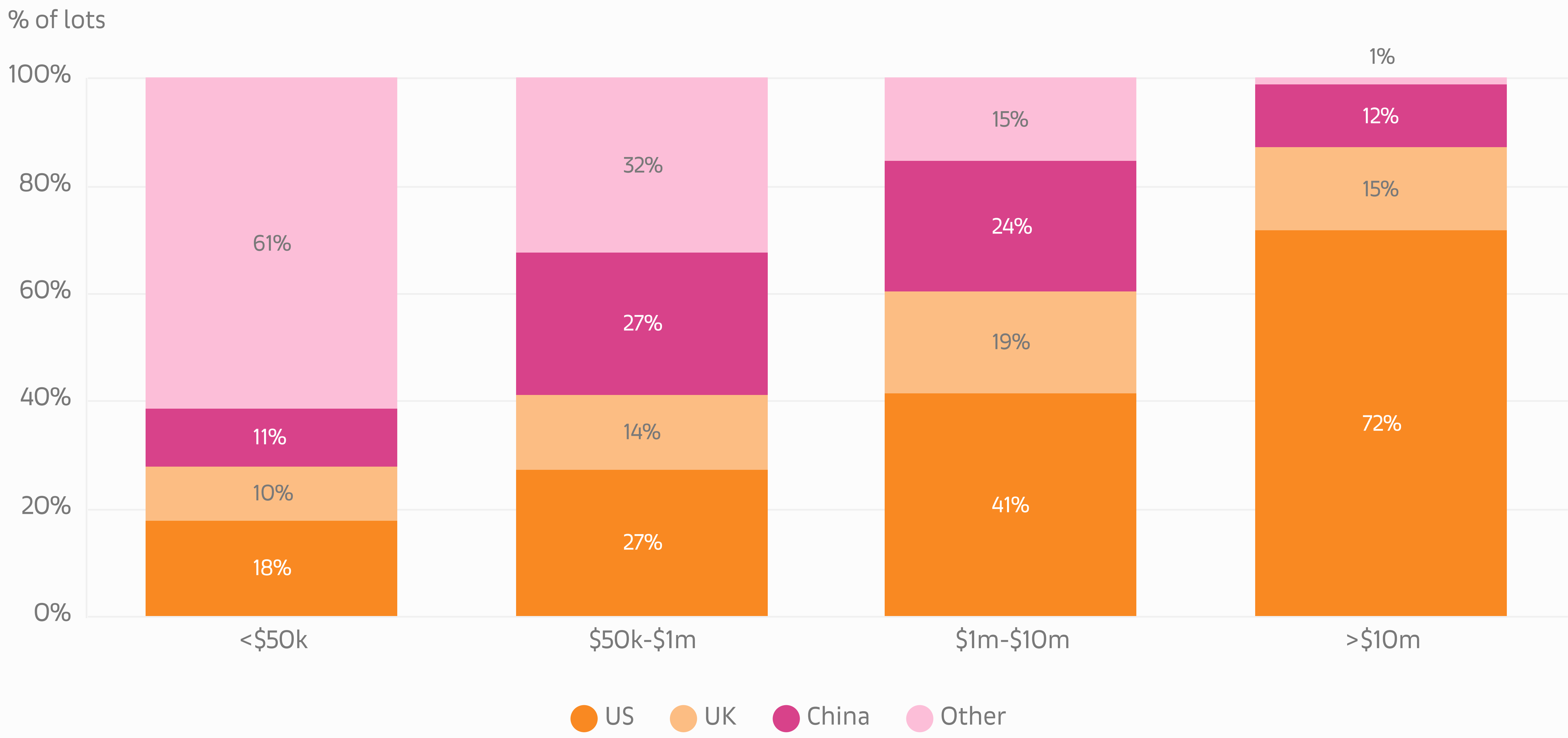
At the higher end of sales for artworks priced at over $1 million, the share of the top three markets was higher again, with the US leading by a larger margin. At this price level, the US, the UK, and China accounted for 91% of sales by value in 2024 (with the fourth-largest market of France adding a further 4%). While the US has remained home to the majority of sales of multimillion-dollar lots at auction in most years, it temporarily fell behind China in the $1 million-plus segment during the pandemic in 2020, but regained share over the following two years to reach 61% in 2022. As the very top of the market became thinner in 2023, US share in this segment fell (to 53%) but still accounted for 55% of the value of the segment in 2024. A key reason for its dominance is that it represented the majority (73%) of the transactions at the highest $10 million-plus level, with the UK having the second-highest share at 15% and China 10%. Only 1% of the lots sold for over $10 million in 2024 were outside these three markets, while 61% of the lots sold for under $50,000 were in other regions.

Figure 3.16 Global Market Share of Fine Art Auction Sales by Price Segment 2024

a) By Value



b) By Volume (Number of Lots)



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3.5 Fine Art Sectors

To explore how different parts of the market performed in 2024, the analysis that follows divided the fine art auction market into key broad sectors. Definitions of sectors vary widely within the art trade and many separate artistic periods using qualitative, artistic, and historical criteria. This analysis used objective criteria, such as an artist's date of birth and the date of creation of works, as well as some factors related to the importance of artists to a particular movement, in order to split the market into measurable segments. The sectors used in the analysis are as follows:[49]

a. *Post-War and Contemporary,* defined as artists born after 1910;
b. *Post-War,* a subset of Post-War and Contemporary, defined as the artists within the sector that were born between c.1910 and 1945;
c. *Contemporary,* a subset of Post-War and Contemporary, defined as the artists within the sector that were born after 1945;
d. *Modern,* defined as artists born between 1875 and 1910;
e. *Impressionist and Post-Impressionist,* defined as artists born between 1821 and 1874;
f. *Old Masters,* defined as artists born between 1250 and 1821; and
g. *European Old Masters,* defined as Old Master artists of European origin, analyzed separately as a subset of the Old Masters sector.

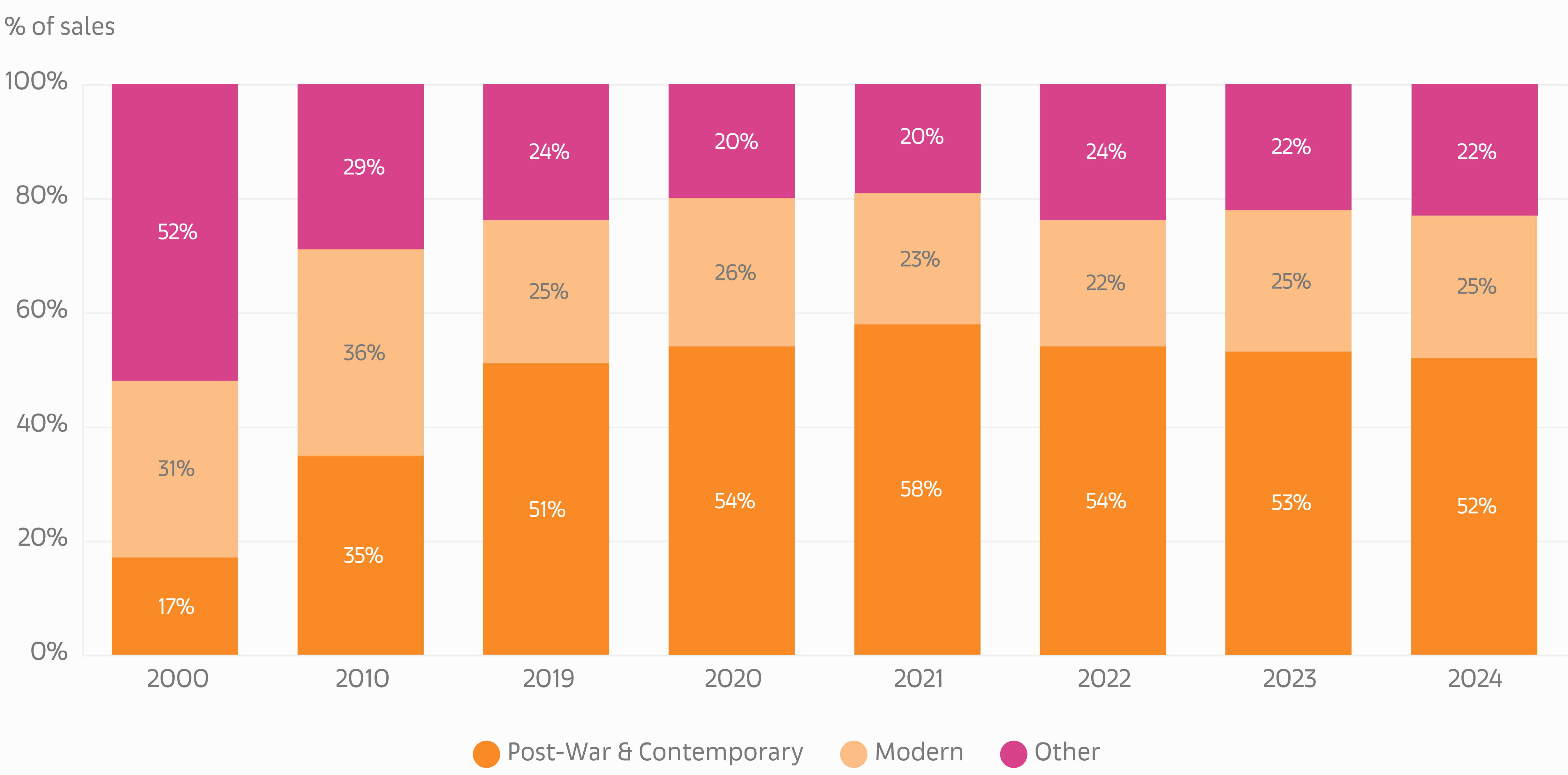
To ensure the most consistent analysis possible of sales trends over time, a central database was used to source auction price information from Artory, with some data for Chinese sales supplemented by Artron. The Artory database comprises results from major sales in top- and mid-tier auction houses around the world and does not restrict inclusion by final price or estimate value, offering coverage of the full range of prices. The sector data only includes sales where an artist (or group of artists) can be fully attributed to the particular transaction, and also where there is a date of birth and/or death clearly established in order to accurately classify the transaction by sector. Therefore, the analysis does not contain all lots sold in each sector (or any lots sold that fall outside these sectors) but allows for consistent estimates over time of some of the key trends. The shares of different sectors referred to in Figure 3.17 are the proportionate shares of the main sectors outlined (Post-War, Contemporary, Modern, Impressionist and Post-Impressionist, and Old Masters, including European Old Masters), excluding transactions that cannot be fully attributed or classified within these distinct sectors, or that predate Old Masters (that is artists born before 1250). These sales make up a very small portion of sales in most markets, although there are certain regions where they account for a higher share. For example, within the

49 Most artists' categorization is based on date of birth, but there are a small number of artists who are included in different sectors because of their relevance to a particular movement, for example, Francis Bacon (b. 1909) and Mark Rothko (b. 1903) are both included in the Post-War and Contemporary sector despite the cut-off date of 1910.

Artory database, just 2% of fine art sales by value fell outside these sectors in the US in 2024, 3% in the UK, and a slightly higher 8% in China, where ancient artists predating 1250 made up a more significant portion of sales, and some artists could not have information verified.[50]

In 2024, the Post-War, Contemporary, and Modern art sectors comprised a combined 77% of the value of sales in the fine art auction market, stable on 2023. These sectors have accounted for the majority of value in the fine art market for more than 20 years, with Post-War and Contemporary art being the dominant sector in more recent times, making up over half of the market in all years from around 2015, from a small base of just 17% in 2000, as more new artists entered the secondary Contemporary market, and with rising prices for these and older artists in the Post-War sector.

Figure 3.17 Market Share by Value of the Fine Art Auction Market Sectors, Selected Years 2000–2024



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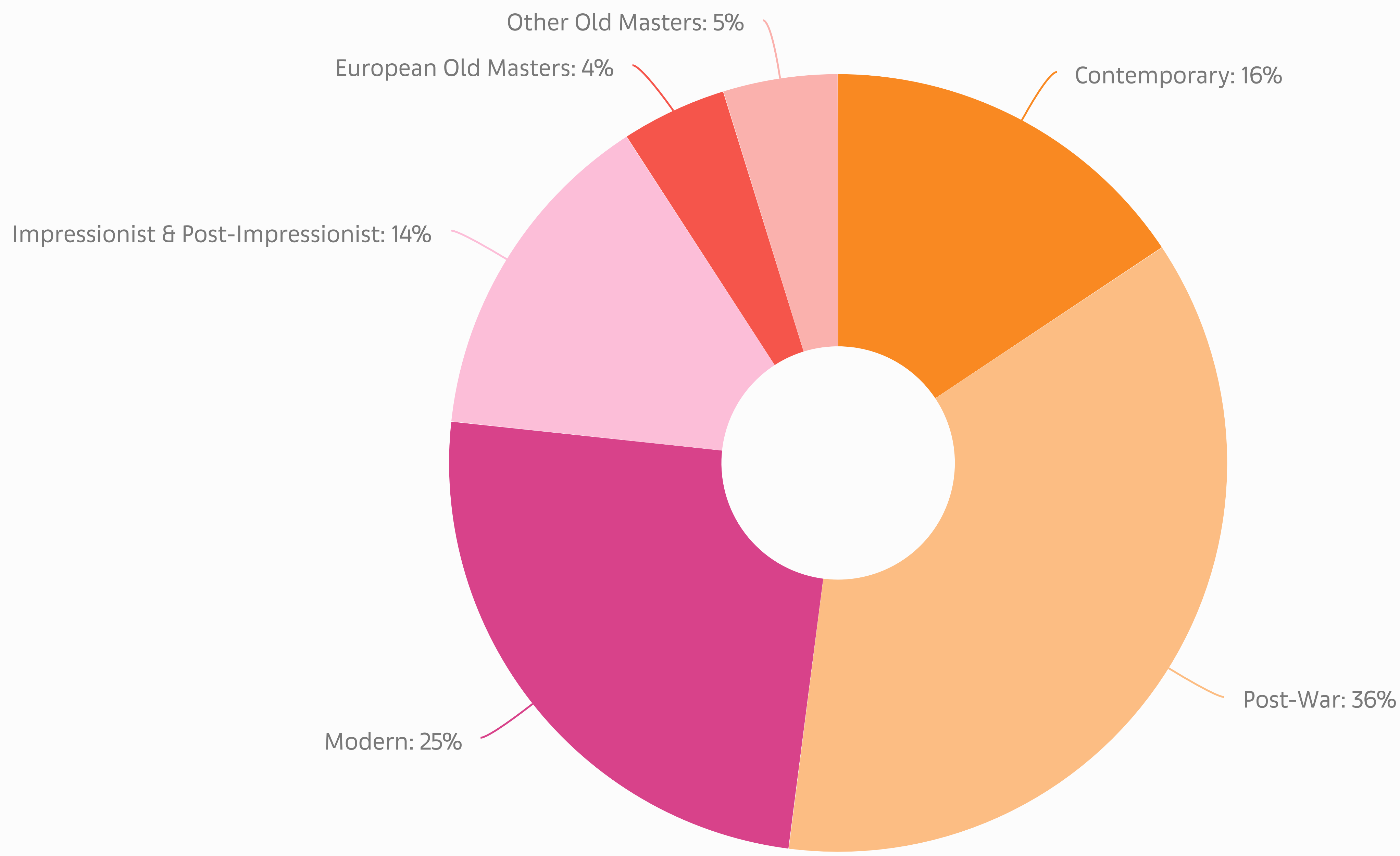
50 China's auction data presents a number of challenges, with some inconsistent prices or other information posted by auction houses and platforms, and some lots removed or reclassified year-on-year. Significant auditing of data from China is carried out annually by Arts Economics and Artory, with the help of the Chinese Auctioneers Association, with any necessary adjustments made to figures reported each year.

Dividing the sector into Post-War art and newer Contemporary art, the older Post-War subsector continued to be the larger by value in 2024, accounting for 70% of sales in the sector, up by 4% year-on-year, as more established artists reached higher prices. Post-War art was the largest sector in the fine art auction market overall at 36%, up by 1% from 2023, with Modern art the second largest at 25% (also up by 1%). The ranking was similar in terms of the volume of sales, with the highest number of lots in the Post-War and Modern sectors, and relatively stable on 2023.

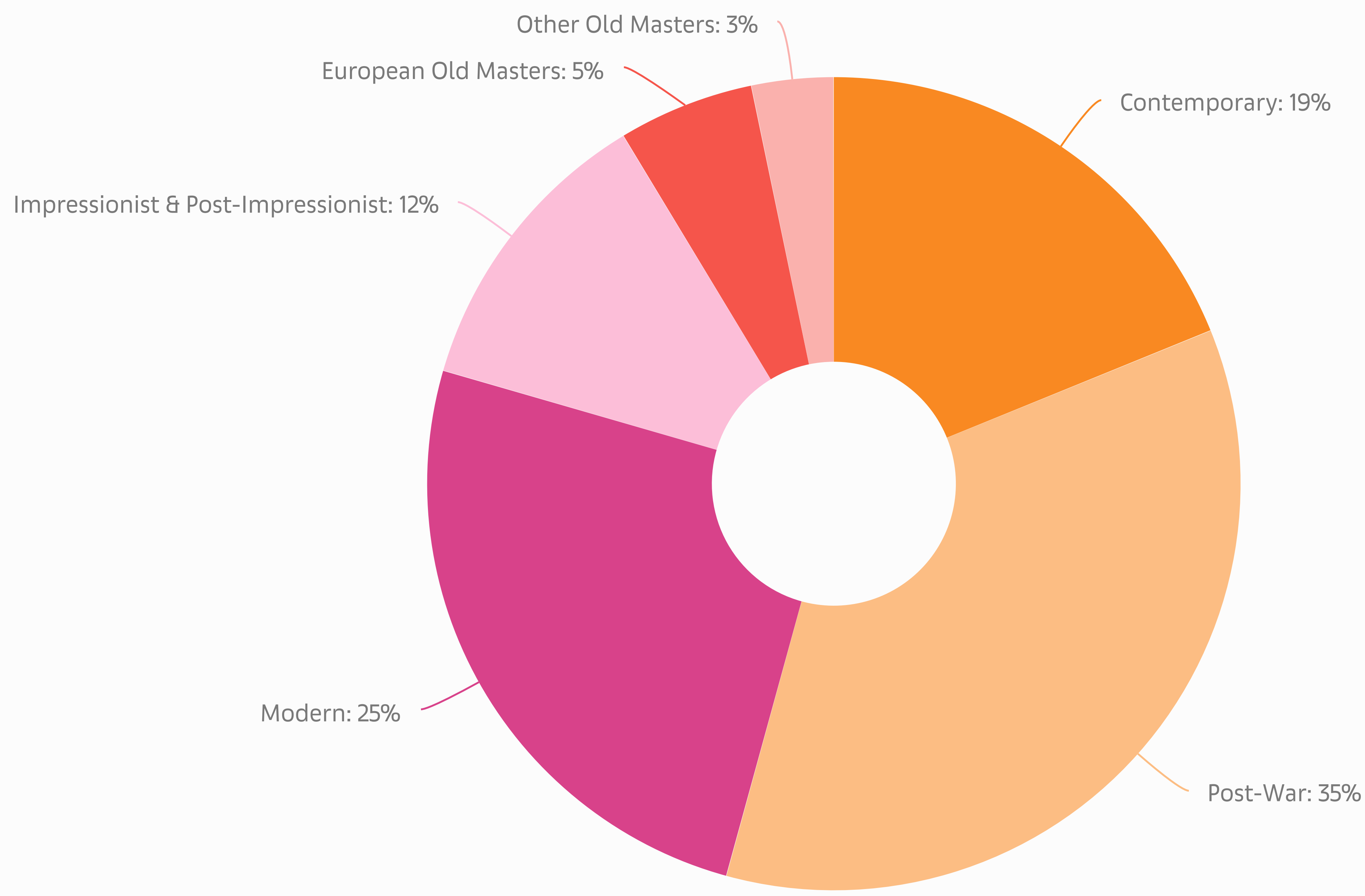
IMAGE Detail of a work by Aluaiy Kaumakan, presented by Liang Gallery in the Galleries sector at Art Basel Hong Kong 2024

Figure 3.18 Market Share by Sector of the Fine Art Auction Market 2024

a) By Value



b) By Volume (Number of Lots)



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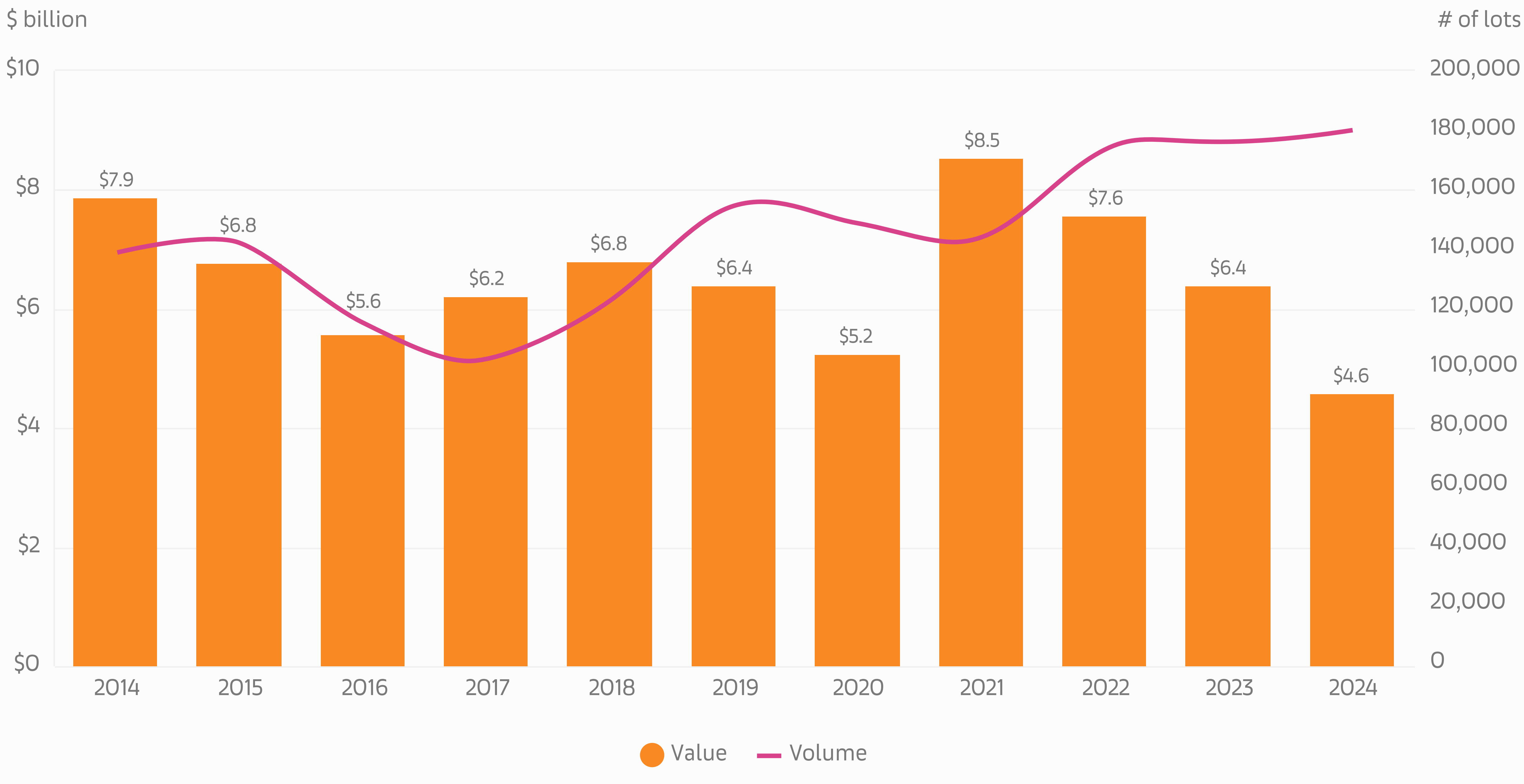
3.6 Post-War and Contemporary Art

Post-War and Contemporary art remained the largest sector of the fine art auction market in 2024, with a share of 52% of the value of global sales and 54% by volume, both down by 1% on 2023. Aggregated sales in the sector reached $4.6 billion, down by 28% year-on-year and representing the third consecutive year of declining values from the peak of $8.5 billion in 2021. The volume of transactions in the sector fared considerably better, with a rise of 5% in the number of lots sold in 2024, reaching their highest level of transactions in 10 years.

After falling substantially during the global financial crisis to a low of $2.0 billion, the sector recovered rapidly over five years, reaching a high of $7.9 billion in 2014. The next few years showed mixed results, and sales had already begun to decrease in 2019 prior to the pandemic due to reduced supply in the $10 million-plus segment. During 2020, sales fell by 18%, but recovered strongly again, achieving a record high of $8.5 billion in 2021, up by over 60% year-on-year and surpassing the previous peak in 2014. From this peak, after three years of declining sales, values in 2024 were at their lowest point since 2010, although still more than double the size of the market in 2009.

Figure 3.19 **The Post-War and Contemporary Art Sector 2014–2024**



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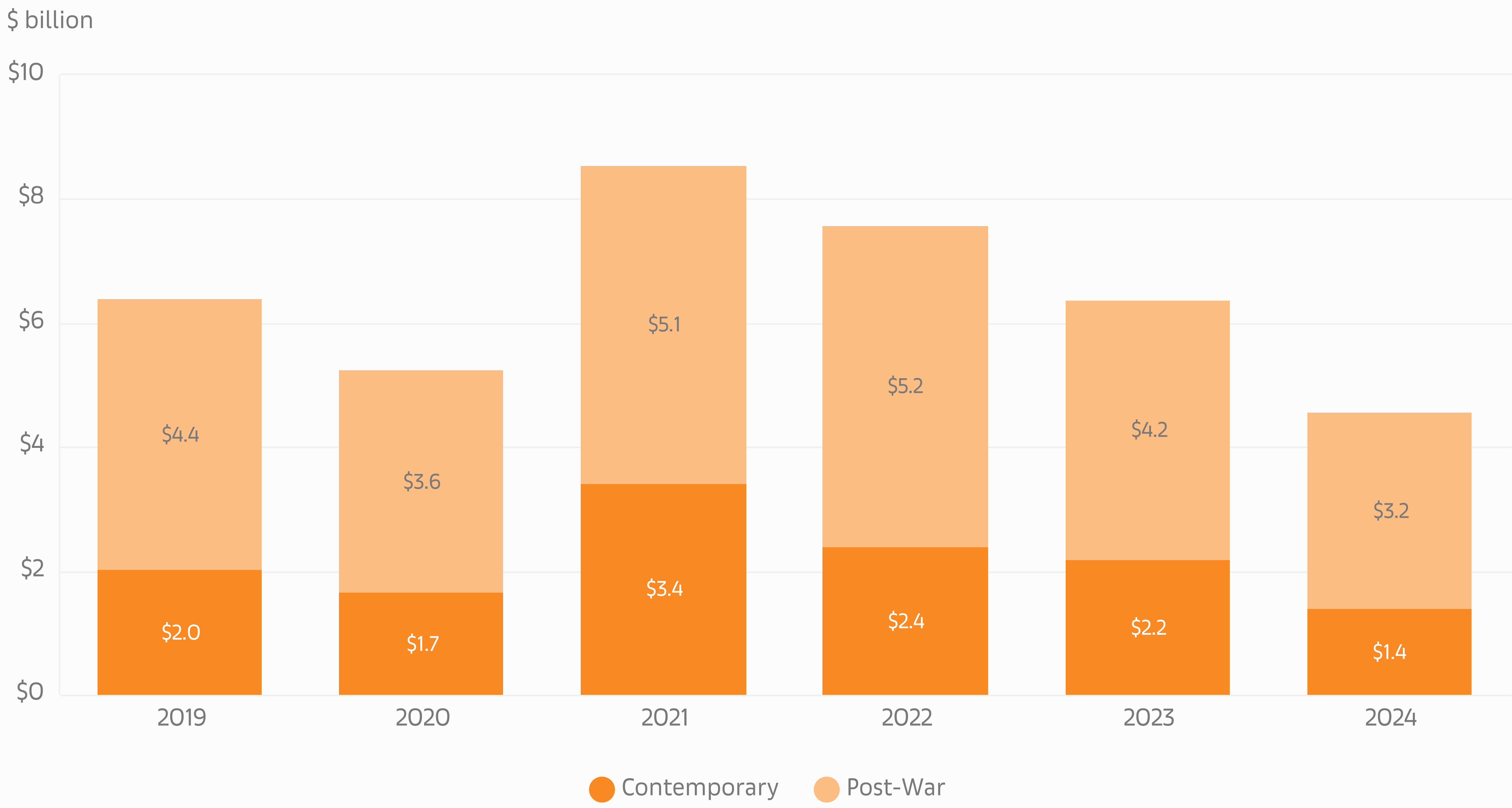
As the Post-War and Contemporary sector has expanded over time, it has naturally evolved into covering a broader range of art from older Post-War artists to their newer Contemporary peers, both living and deceased. While artists that sell on the secondary market tend to be reasonably well-established, there is still a wide variety of levels and stages, including younger artists early in their careers or 'ultra-Contemporary' artists.

In 2024, 70% of sales by value were in the older Post-War subsector (up by 4% in share year-on-year), with Contemporary accounting for 30%. The growth in these two segments has varied over the last few years, with considerably more volatility in the Contemporary market. Both sectors reduced in value during the pandemic in 2020, however, in 2021, values in the Contemporary sector boomed, doubling in size year-on-year, while Post-War art rose by 43%. Following this spike, Contemporary art sales fell for three consecutive years, including a more substantial decline of 36% in 2024 to $1.4 billion, leaving them at their lowest level in the last six years. Post-War art was stable in 2022, but also decreased for two years running, with a 24% fall in value in 2024 to $3.2 billion. Both sectors were down significantly from their peak in 2021, although Contemporary art by a much greater 60% versus 38% for the Post-War sector.

IMAGE Detail of a work by Viyé Diba, presented by OH Gallery in the Survey sector at Art Basel in Basel 2024

Figure 3.20 Sales of Post-War versus Contemporary Art 2019–2024



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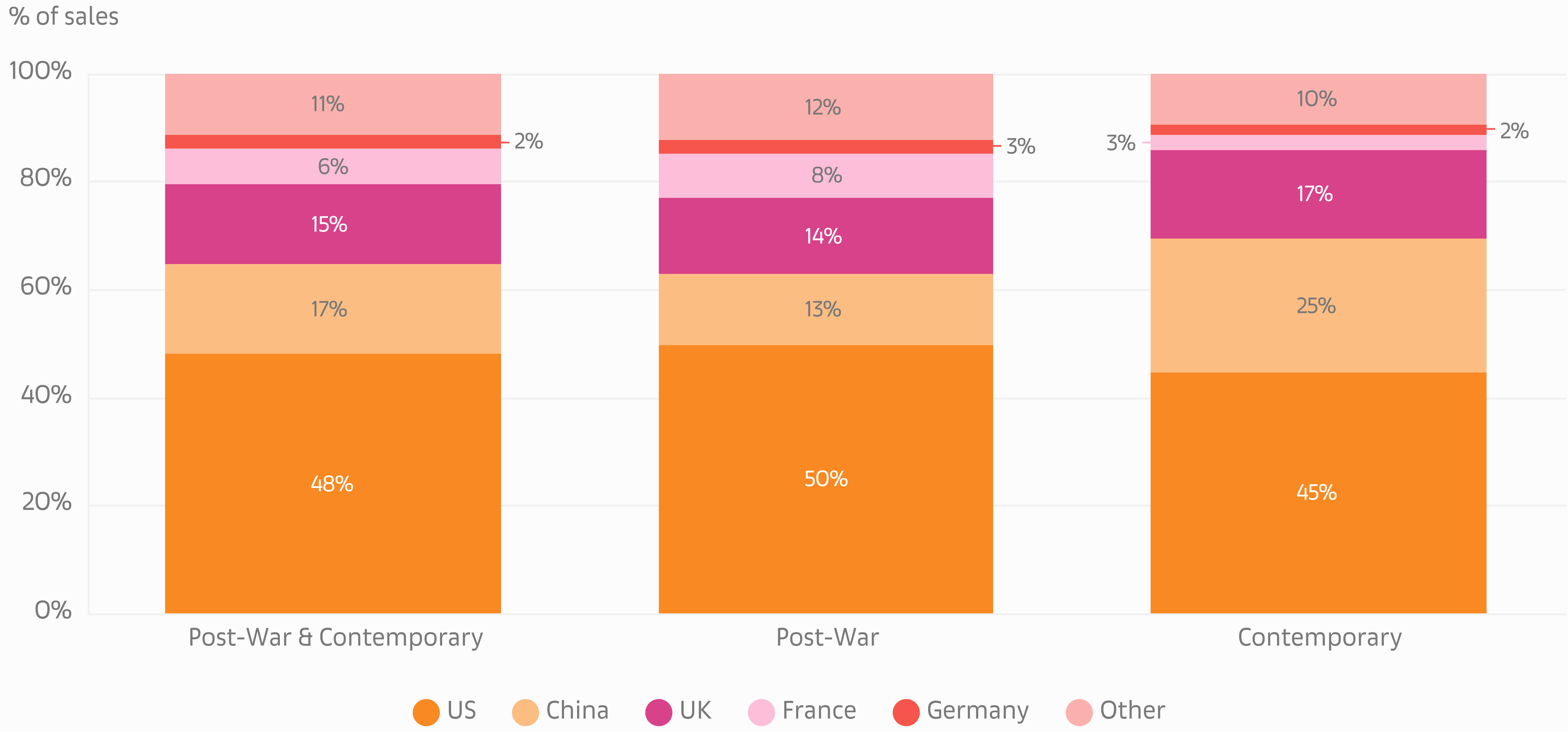
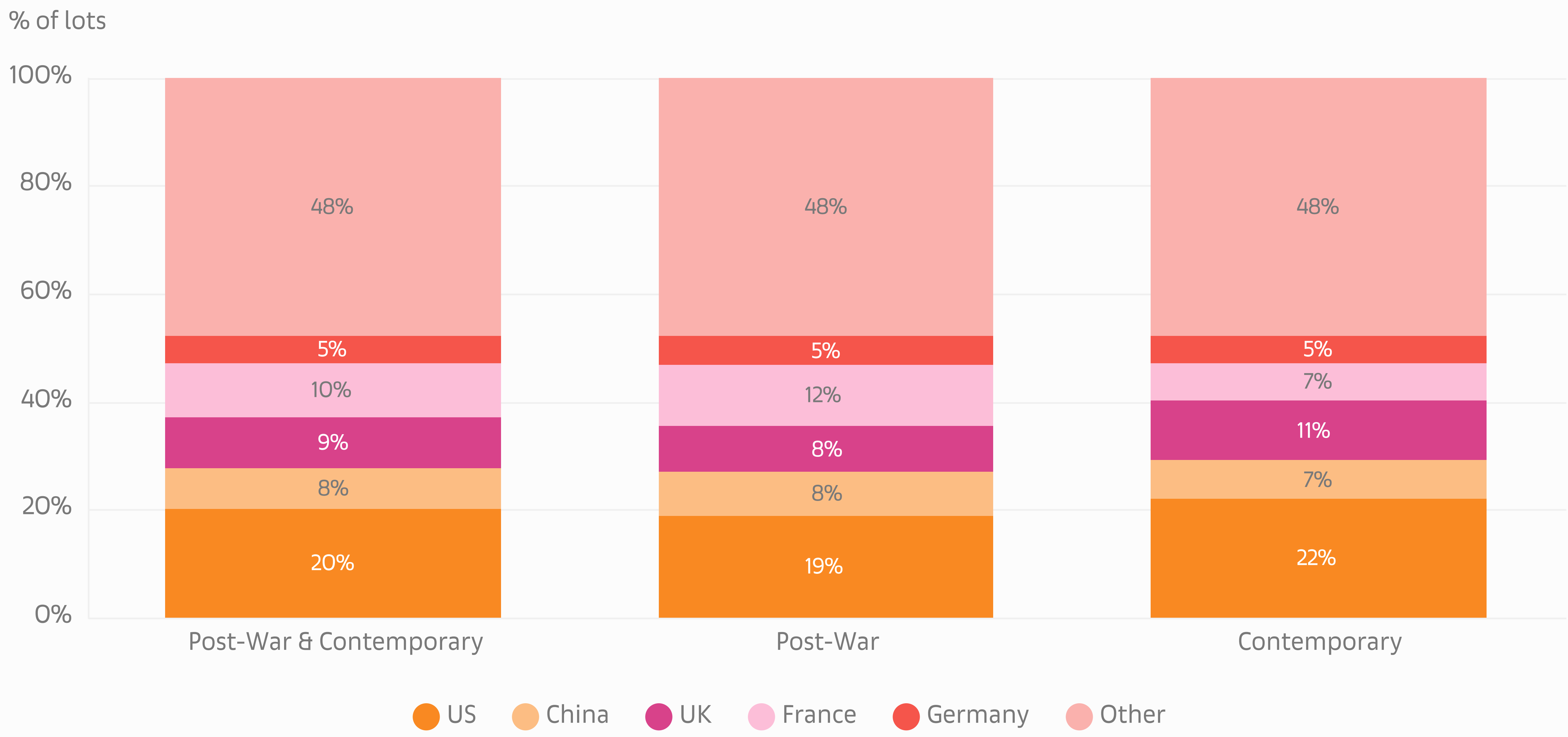
In the aggregated Post-War and Contemporary sector, the US, China, and the UK accounted for 80% of the market by value in 2024 and 37% of lots sold (both down by 3% on 2023). The US was the largest market in this wider sector, with a share of 48% of sales by value and 20% of lots sold. It was also the biggest market in both the older Post-War and Contemporary subsectors, with a share of 45% in the latter, up by 9% year-on-year from 2023, when it was temporarily overtaken by China (at 38% versus 36% in the US).

Figure 3.21 Global Market Share of Post-War and Contemporary Art 2024

a) By Value



b) By Volume (Number of Lots)



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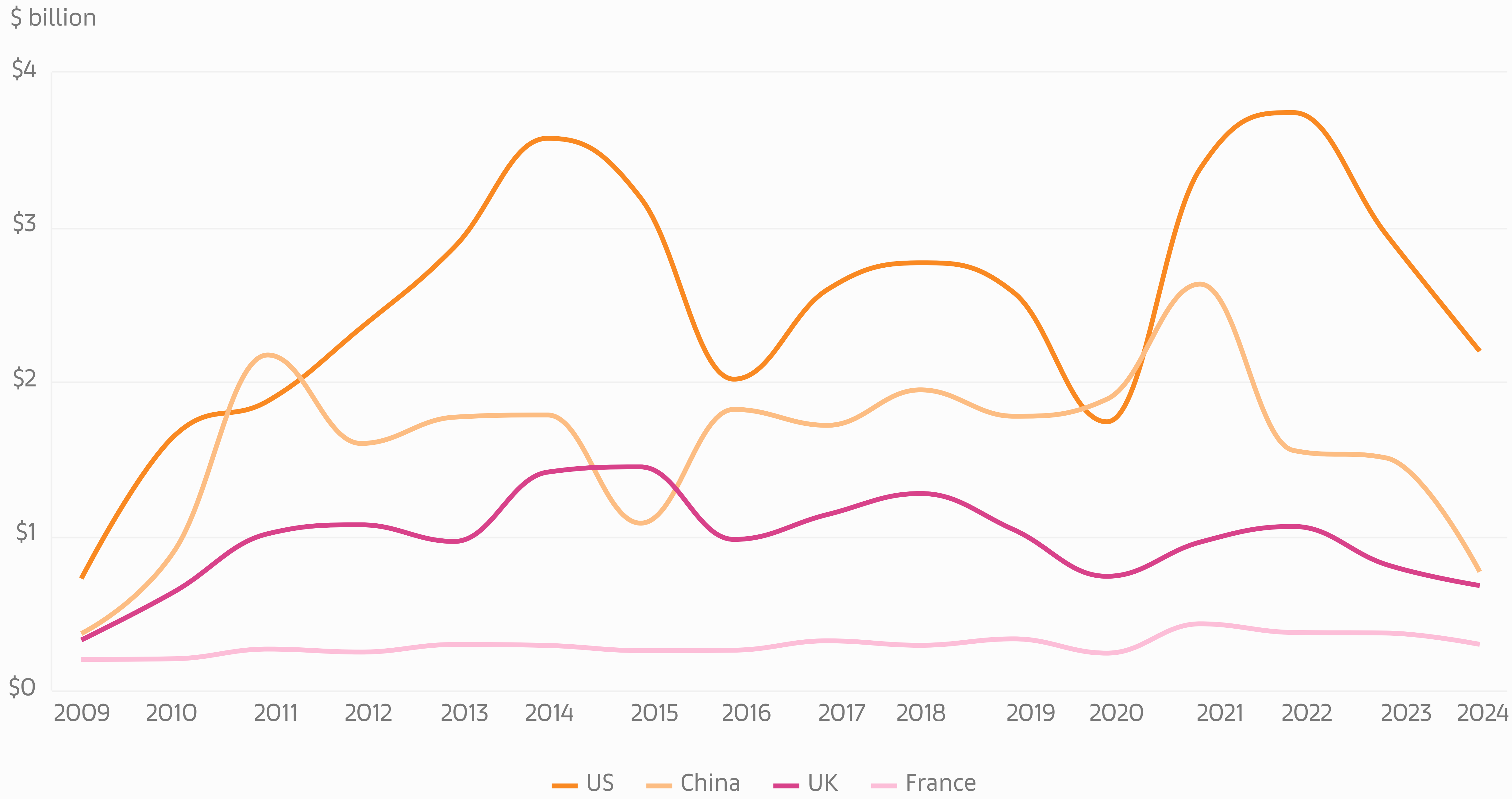
The US Post-War and Contemporary market lost around one-third of its value during the pandemic in 2020, but recovered strongly in 2021, doubling in size and with growth continuing in 2022 to an historical peak of $3.8 billion, buoyed by the sales of the Paul Allen works at Christie's and other $100 million-plus lots. In 2023, sales fell by 19% as these high-end lots thinned out, and by a further 26% in 2024, bringing the market to $2.2 billion, its lowest level since 2016. Despite the drop in value, and although considerably fewer in number, there were still many very highly priced lots sold in the US, including the top three lots overall: Ed Ruscha's *Standard Station, Ten-Cent Western Being Torn in Half* (1964) for $68.3 million at Christie's New York, Jean-Michel Basquiat's *Untitled (ELMAR)* (1982) at Phillips for $46.5 million, and Andy Warhol's *Flowers* (1964) for $52.0 million, also at Christie's in New York.

China retained its position as the second-largest market, but its share dropped by 7% year-on-year to 17% by value and 8% of lots sold. After reaching a peak of $2.6 billion in 2021, China's Post-War and Contemporary market lost one-third of its value in 2022, and continued to decline for the next two years, with a significant fall in sales of 49% in 2024 to $764 million, their lowest point since 2009. While sales had been buoyed somewhat in 2023 by high-priced lots by some younger Chinese artists, these were notably absent in 2024, with some of the highest lots sold in the sector in China being works by non-Chinese artists, including Mark Rothko's *Untitled (Yellow and Blue)* (1954) for $32.5 million at Sotheby's in Hong Kong. However, Chinese artists also featured, including Zao Wou-Ki's *05.06.80 – Triptyque* (1980) for $12.3 million at Christie's in Hong Kong as well as his work entitled *30.09.65* (1965) for $9.0 million at Christie's Shanghai.

The UK was again the third-largest market by value in the Post-War and Contemporary sector, with a share of 15%, up by 2% year-on-year. After decreasing to a low of $737 million in 2020, sales recovered strongly in 2021 and 2022 to reach $1.1 billion, restoring values to just above their pre-pandemic 2019 levels. However, two years of declining values since that point left the market at $677 million in 2024, a 17% drop year-on-year and its lowest since 2010. Despite the decline, there were several highly priced works still sold in London auctions in 2024, including Francis Bacon's *Landscape near Malabata, Tangier* (1963) for $25.1 million and David Hockney's *California* (1965) for $24.0 million, both at Christie's.

France remained in fourth place in the sector, with 6% of sales by value and 10% of the number of lots sold, both relatively stable year-on-year. After falling by 30% in 2020, sales in France reached their highest level in 15 years in 2021, increasing by almost 80% to $429 million. Sales declined from that point for three consecutive years, reaching $296 million in 2024, slightly lower than 2019 but still above the levels in 2018. Sales also declined in other parts of Europe, but more moderately in some countries, with an 8% fall in Germany and just 3% in Switzerland.

Figure 3.22 Sales in the Post-War and Contemporary Sector Key Markets 2009–2024



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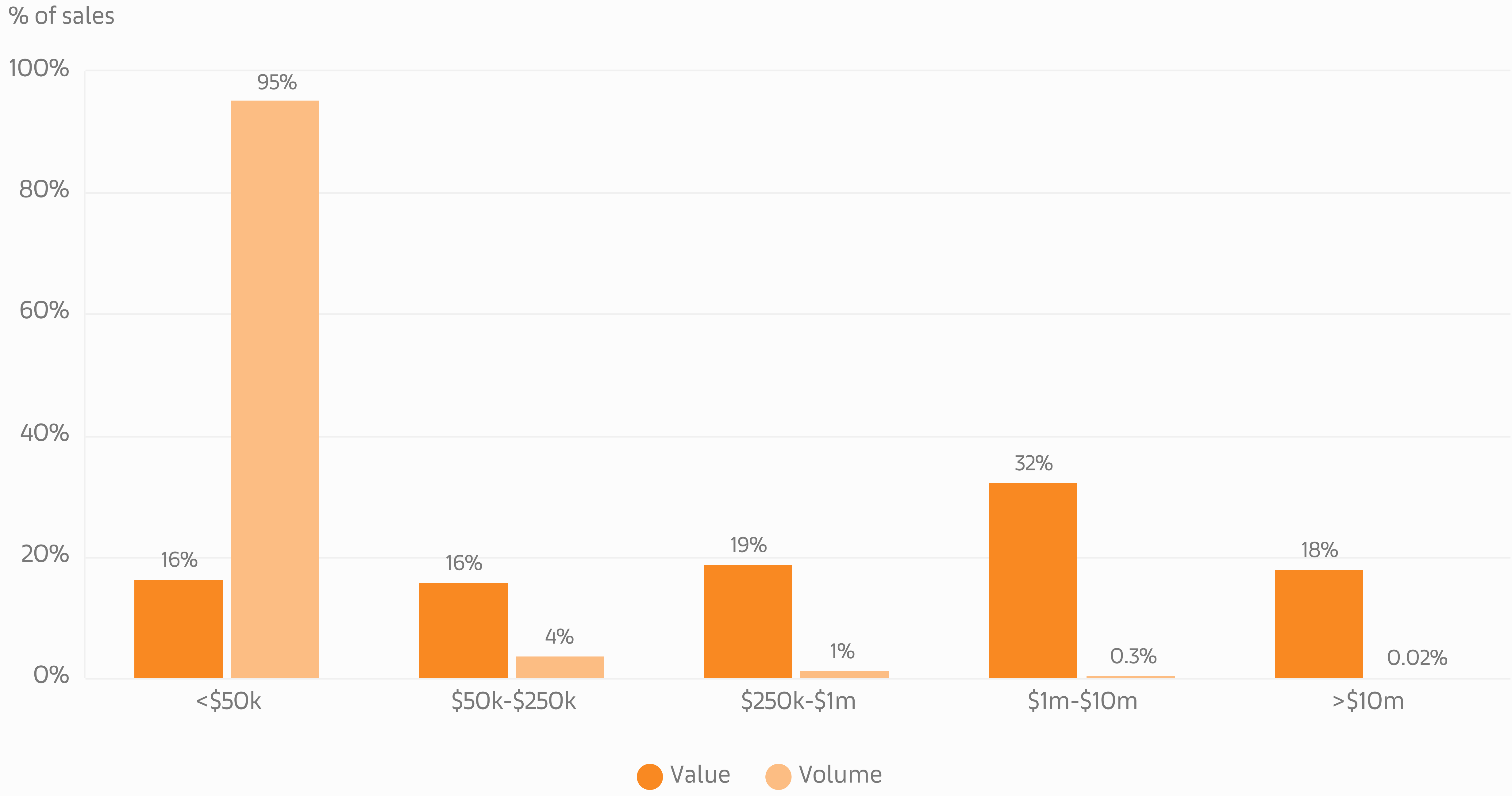
Apart from some of the exceptionally highly priced lots like those mentioned, most of the transactions that were carried out in both the Contemporary and Post-War sectors were at lower price levels. 95% of works sold were priced at below $50,000 and 76% of those were at less than $5,000 (up by 6% on 2023).

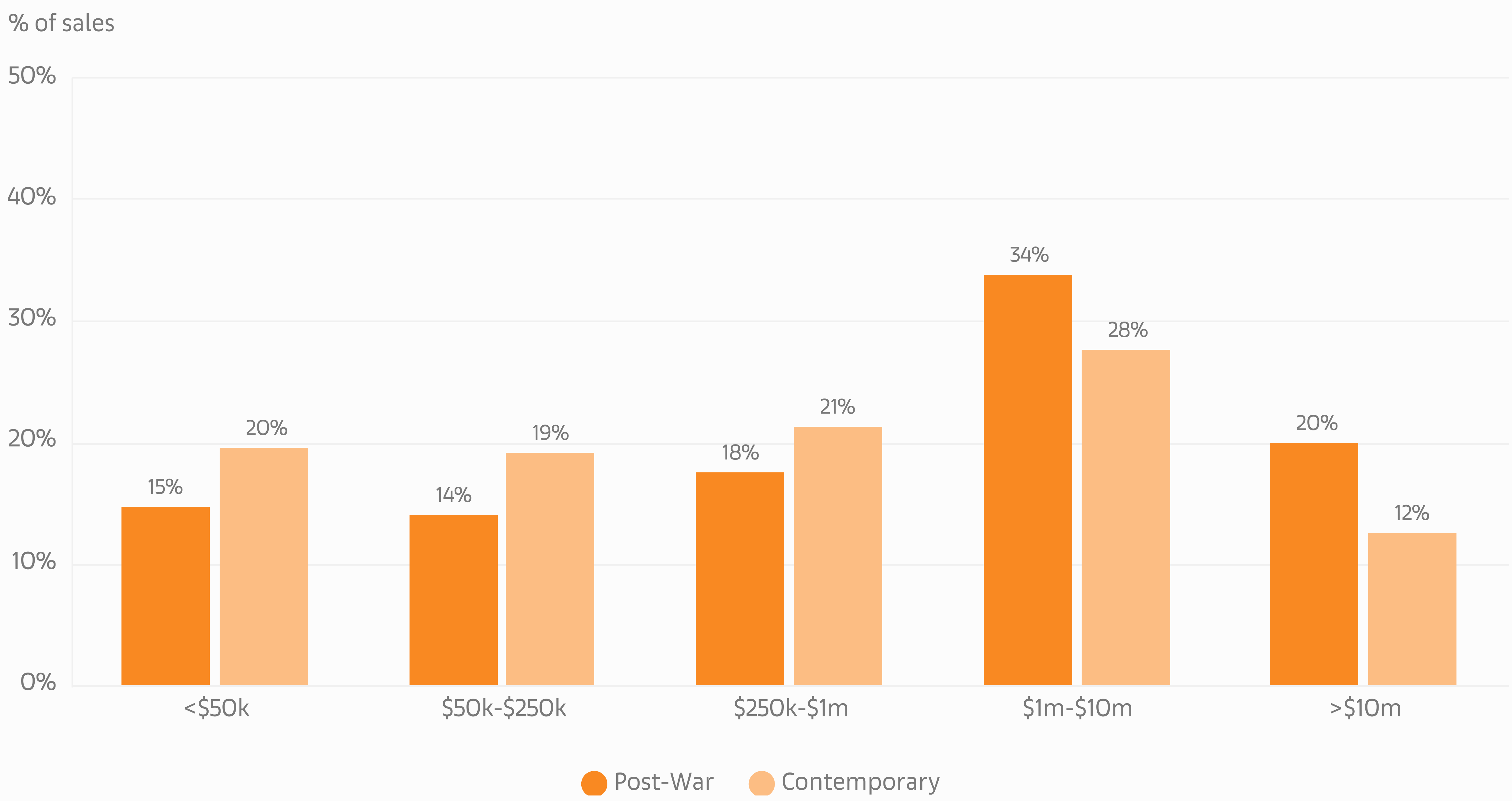
Works priced at over $1 million accounted for half the value of the market (50%, down by 5% year-on-year and 11% since 2022) in less than 1% of the transactions. These works made up less than half of one percent of the lots sold in either subsector, however, the share of value in the Post-War sector was higher (54%) than for Contemporary art (40%), and both were down on 2023 (by 6% and 7%, respectively). The share of value in the highest $10 million-plus segment was also higher for Post-War art (at 20%, down from 25% in 2023), whereas Contemporary art had larger shares in all of the segments of prices less than $1 million.

Figure 3.23 Sales in the Post-War and Contemporary Sector by Price Segment 2024

a) Post-War and Contemporary (Share of Value and Volume)



b) Post-War versus Contemporary (Share of Value)



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Across both of the subsectors, works sold at auction by living artists have gained an increasing share over recent years, growing from 37% of sales by value in the Post-War and Contemporary sector in 2017 to a peak of 50% in 2021. Works by living artists have also often been among the highest-priced lots sold in the sector, including the highest lot in 2024 by Ed Ruscha mentioned previously. In 2024, 57% of the lots sold at auction in the Post-War and Contemporary sector were works by living artists. However, while the share of lots increased year-on-year (by 1%), their share of value fell by 5% from 2023 to 2024, to 43%, still 6% above 2017, but their lowest level since then.

The value of sales of living artists' works peaked in 2021 at $4.3 billion, equaling those of deceased Post-War and Contemporary artists that year, buoyed by sales of ultra-Contemporary artists born from the 1970s onward, some of whom experienced a surge in demand. However, in the less optimistic and uncertain context that followed for the next few years, more established Post-War artists with a strong historical footprint have seen greater demand and higher prices. Even within the market for living artists in 2024, the top prices tended to be very well-established artists, with David Hockney accounting for seven of the top 20 works sold, including the second-highest-priced lot by a living artist *A Lawn Being Sprinkled* (1967) for $28.6 million at Christie's New York, with Ed Ruscha having three of the top 20.

Another trend within the Post-War and Contemporary sector, particularly observable in the recovery from the pandemic in 2021 and 2022, was the increasing share of relatively newly created works being sold at auctions. Works created in the previous 20 years accounted for a 25% share of the value of the Post-War and Contemporary auction market in 2019, up from only 17% in 2017. However, this ultra-Contemporary segment grew rapidly over 2021, peaking at 34% by value, partially buoyed by NFTs and other new works selling for higher prices. In 2022, they still totaled close to 30%, with almost 42,000 works sold at auction that year having been made since 2002, and with 335 selling for over $1 million. However, several of the artists creating works in this newest segment saw their auction markets fall rapidly over 2023, and this continued in 2024. Newly created works made up a much smaller 23% share of Post-War and Contemporary sales values in 2024, and their sales fell by 43% from 2023 to 2024 to $1.1 billion, leaving the market just over one-third of its size in 2021 (when it had reached $2.9 billion).

The number of works in this category sold for prices in excess of $1 million dropped dramatically year-on-year (by 46% to 171 works), and the prices of the top lots were significantly lower. While in 2023, recent works by artists such as Cui Ruzho and Cy Twombly sold for over $20 million, in 2024, the highest-priced work in this category was $12.3 million for Yoshitomo Nara's *I Want to See the Bright Lights Tonight* (2017) at Sotheby's Hong Kong, the only work in the segment sold for more than $10 million.

Figure 3.24 **Sales of Works Created in the Last 20 Years in the Post-War and Contemporary Sector 2019–2024**

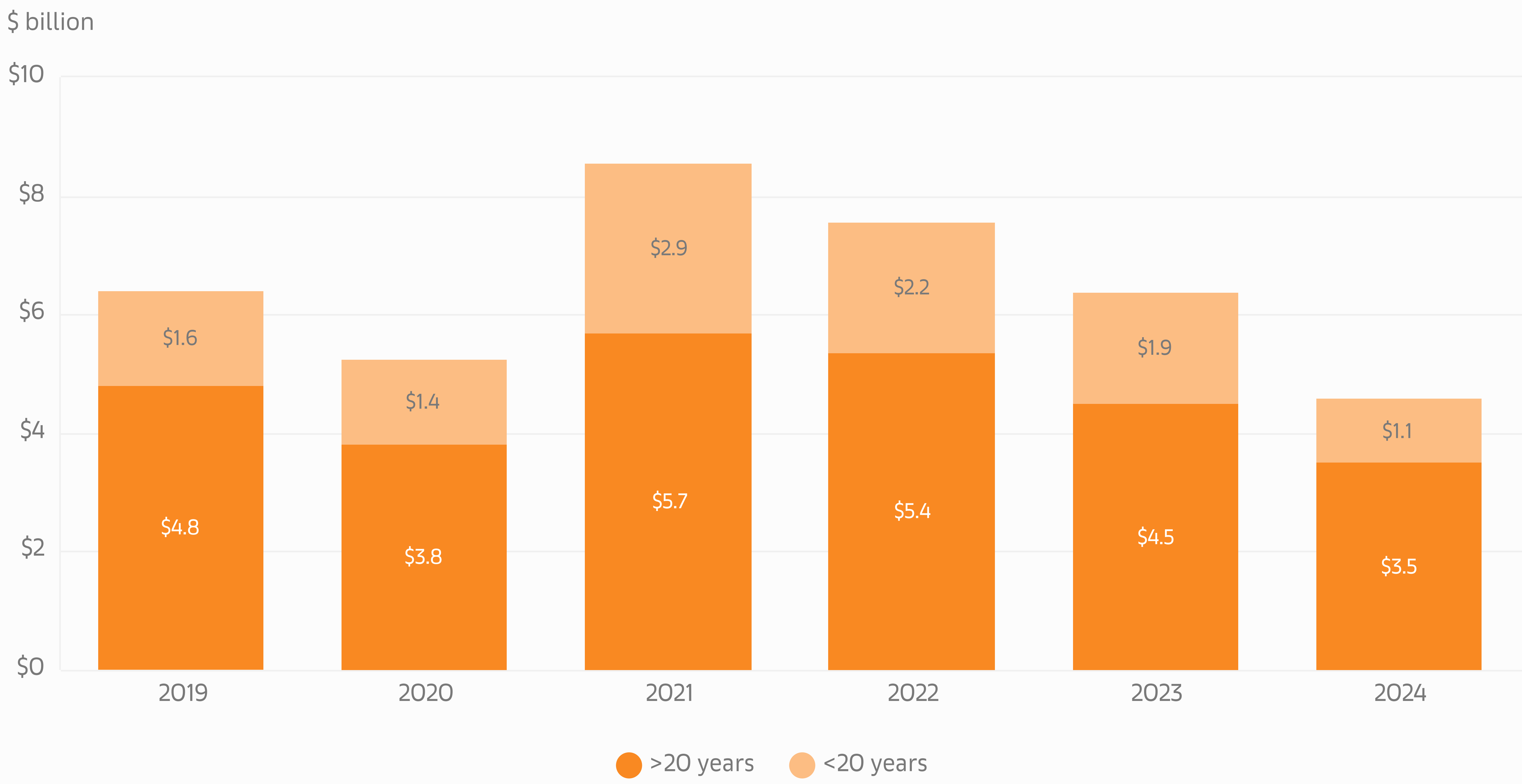

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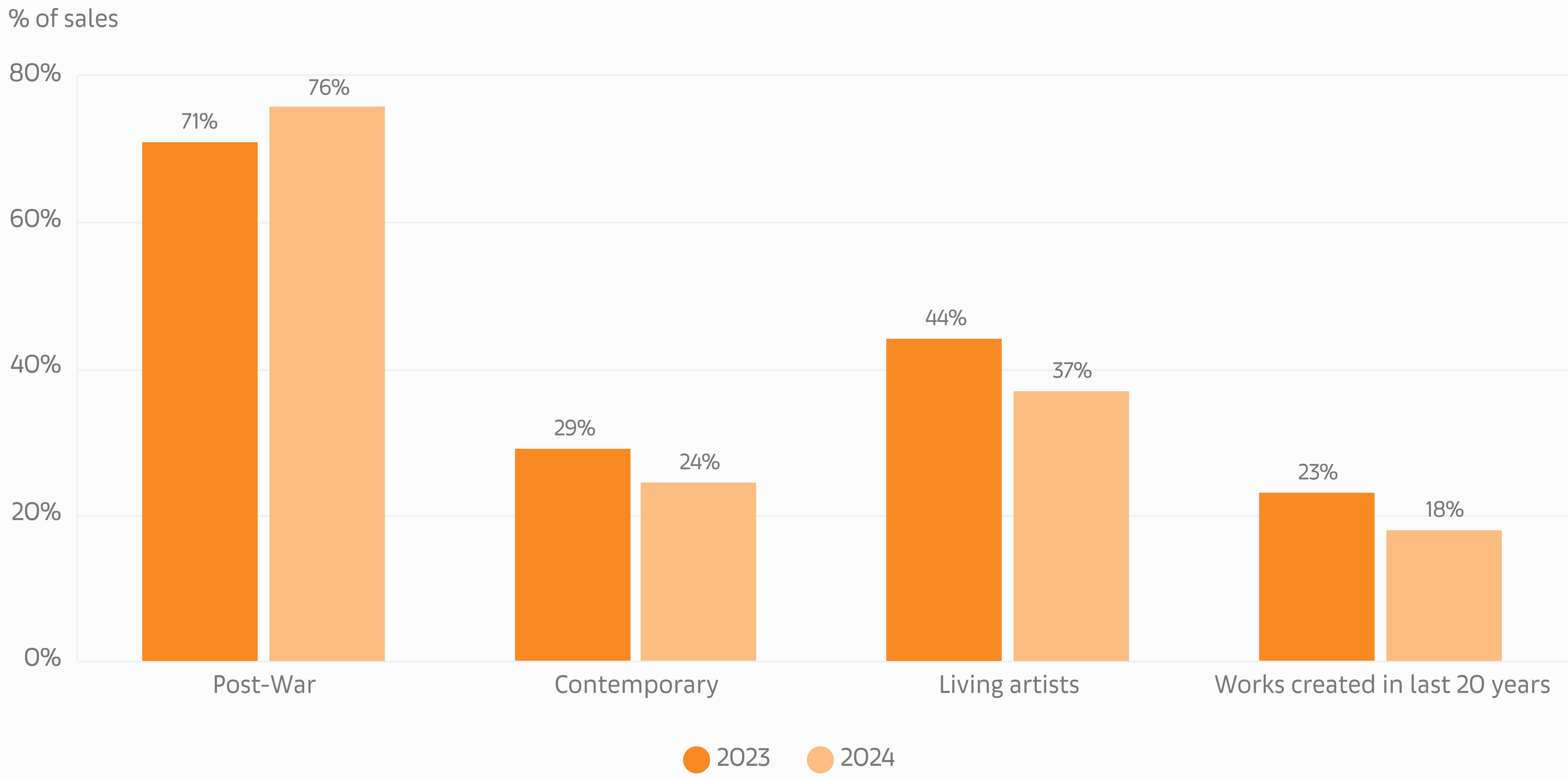
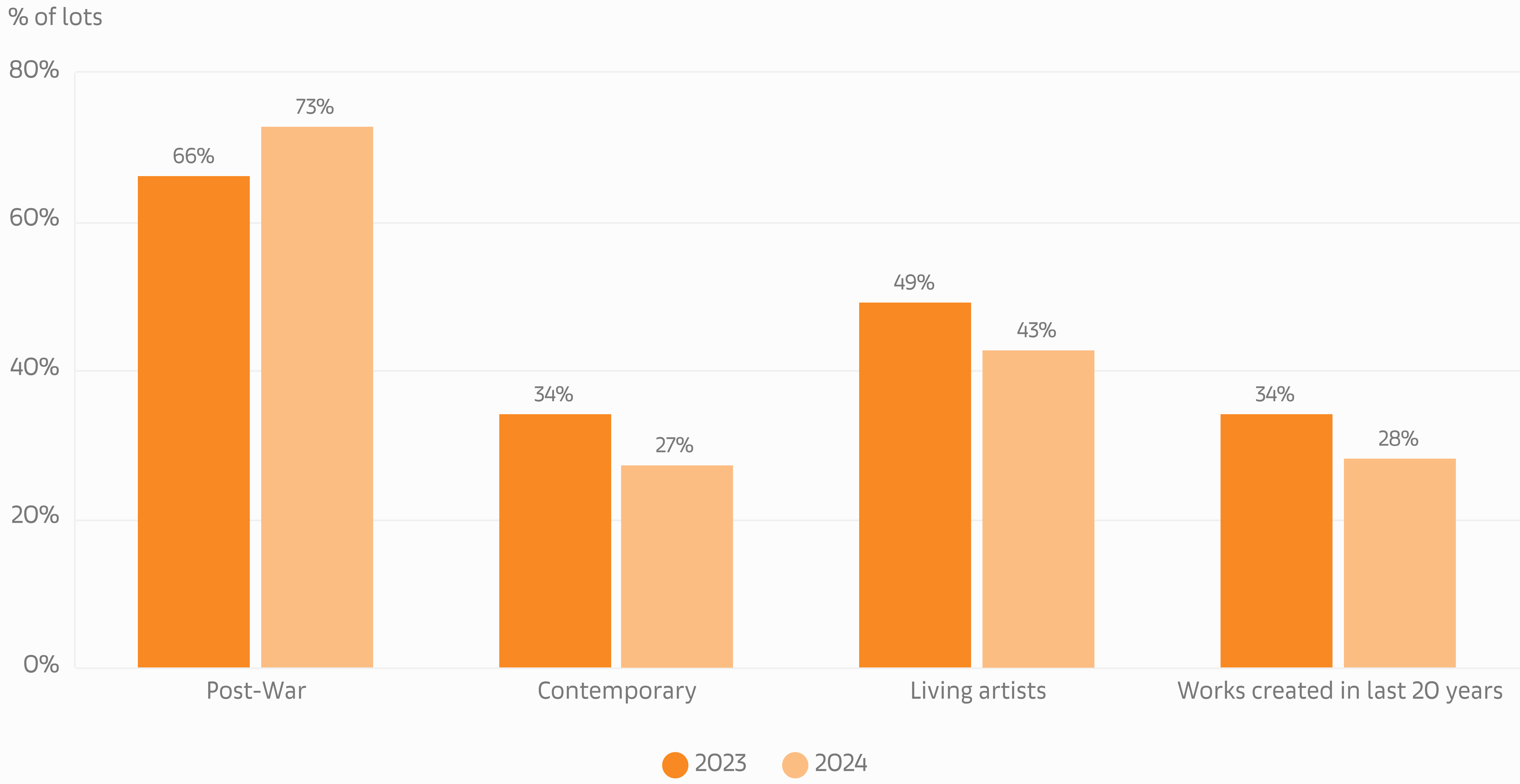
Figure 3.25 shows the share of the different components within the Post-War and Contemporary sector's $1 million-plus sales. As many of the new, less than 20-year old works sold at auction in 2024 were sold at lower prices than in previous years, this segment made up only 28% of the total Post-War and Contemporary lots sold for over $1 million (and 18% of value), down from 34% in 2023. Post-War art accounted for the majority of the value of sales (76%, up by 5% year-on-year) as well as 73% of the number of individual transactions at this level (and 81% of those over $10 million). The share of Contemporary art in the wider sector's $1-million plus segment fell by both value and volume, with nearly half as many lots sold at this level in 2024 as there was in 2023 and the value of sales declining by 47% (versus a drop in the value of $1 million-plus Post-War art of 33%). Paralleling the dealer sector, therefore, the high end of the newer Contemporary market was one of the poorest performing in terms of aggregate values in 2024.

Figure 3.25 Share of Sales in the Post-War and Contemporary $1 Million-Plus Segment by Subsector 2023–2024

a) By Value



b) By Volume (Number of Lots)



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The highest-selling artist at auction in the wider Post-War and Contemporary sector in 2024 was Jean-Michel Basquiat, up from second position in 2023. Sales of his work reached $185 million, down by 22% year-on-year, but still with six works sold for over $10 million and 14 for over $1 million. Andy Warhol also climbed one rank to second place, with sales of $173 million, down by 9% year-on-year from 2023 and under half of their total in 2022. David Hockney was in third position with sales of $151 million, going against the declining trend with an increase in value of 53% year-on-year, with Yayoi Kusama and Ed Ruscha also in the top five. The aggregate sales in this group of five leading artists accounted for 17% of sales in the sector, slightly higher than in 2023 (15%), and the top 20 artists totaled 38% of sales.

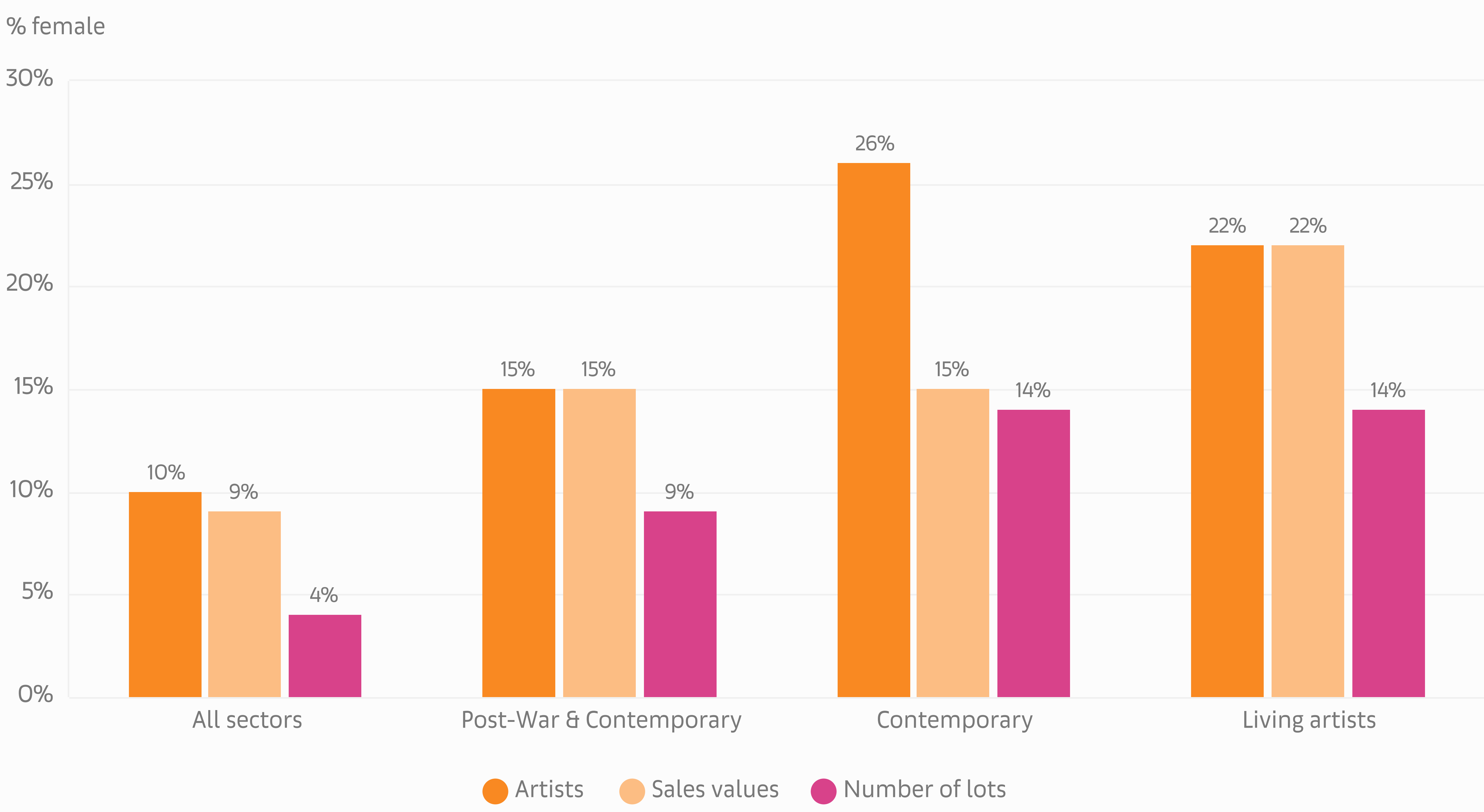
Values were more concentrated around top artists in the Post-War sector, with the five highest-selling artists accounting for 22% of the value of sales and the top 20 for nearly half of the market (49%), and both shares on par with 2023. The share at the top also rose slightly for the Contemporary sector, with the top five artists (Jean-Michel Basquiat, Yoshitomo Nara, George Condo, Keith Haring, and Richard Prince) representing 26% by value (up by 4% year-on-year) and 43% for the top 20 (up by 3%).

While, as in 2023, there were only three female artists in the top 50 lots sold at auction across all sectors in 2024 (Leonora Carrington, Joan Mitchell, and Georgia O'Keefe) and four female artists in the top 50 artists in terms of total sales, with the inclusion of Yayoi Kusama, there were eight in the Post-War and Contemporary top 50 lots and six in the top 50 artists. However, despite being better represented, these sales were concentrated on a small number of artists, with only one work in the top 10 lots in the Post-War and Contemporary sector by a female artist: Leonora Carrington's *Landscape near Malabata, Tangier* (1945) for $28.5 million at Sotheby's in New York. Even the eight lots in the top 50 were by just two artists, another work by Carrington and seven works by Joan Mitchell, with the highest-priced being *Noon* (1969) sold at Sotheby's New York for $23.9 million.

Widening the range to the top 200 artists by total sales still underlined the divergence in performance by gender, even for Contemporary and living artists. Only 10% of artists in the top 200 across all sectors were female and sales of their works accounted for 9% of total values, both shares relatively stable on 2023. This rose to 26% of the top 200 artists in the Contemporary art auction market (up by 2% year-on-year), with these artists making up 15% of sales by value (down by 2%) and 14% of all lots sold. Even only considering living artists, the share of female artists and their sales were small minorities compared to their male counterparts, totaling 22% of both sales values and artists in this segment. Within the group of female artists in these sectors, it tends to be a small number generating most of the sales, with over 80% of sales by value of the top 200 female artists in the Post-War and Contemporary sector coming from works by the top 10. Three artists (Yayoi Kusama, Joan

Mitchell, and Leonora Carrington) accounted for almost 60% of the value of sales. Even in the segment of living female artists, 59% of the value of sales was from the top three artists (with Yayoi Kusama alone accounting for 47%), and 77% from the top 10. Overall, therefore, although there were some female artists with very highly priced individual lots sold at auction and strong markets, they were a small minority compared to male artists, and even within the group of female artists, commercial success was concentrated on a small number of individuals.

Figure 3.26 Female Artists and their Value among the Top 200 Artists by Sector 2024



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As in most other years, the majority of Post-War and Contemporary sales by value in 2024 were at Christie's and Sotheby's, with a combined share of 64%, up by 3% year-on-year. Along with Phillips, Bonhams, and China Guardian, the top five auction houses made up 77% of the value of sales, up by 2% year-on-year. Considering the volume of sales, however, Christie's and Sotheby's made up a small minority of 7% of the total lots sold in the sector in 2024, and the top five houses just 15% (down from 20% in 2023), underlining the fact that while values were concentrated in these top houses, much of the activity and transactions occurred in the wide range of other businesses around the world and at lower prices.

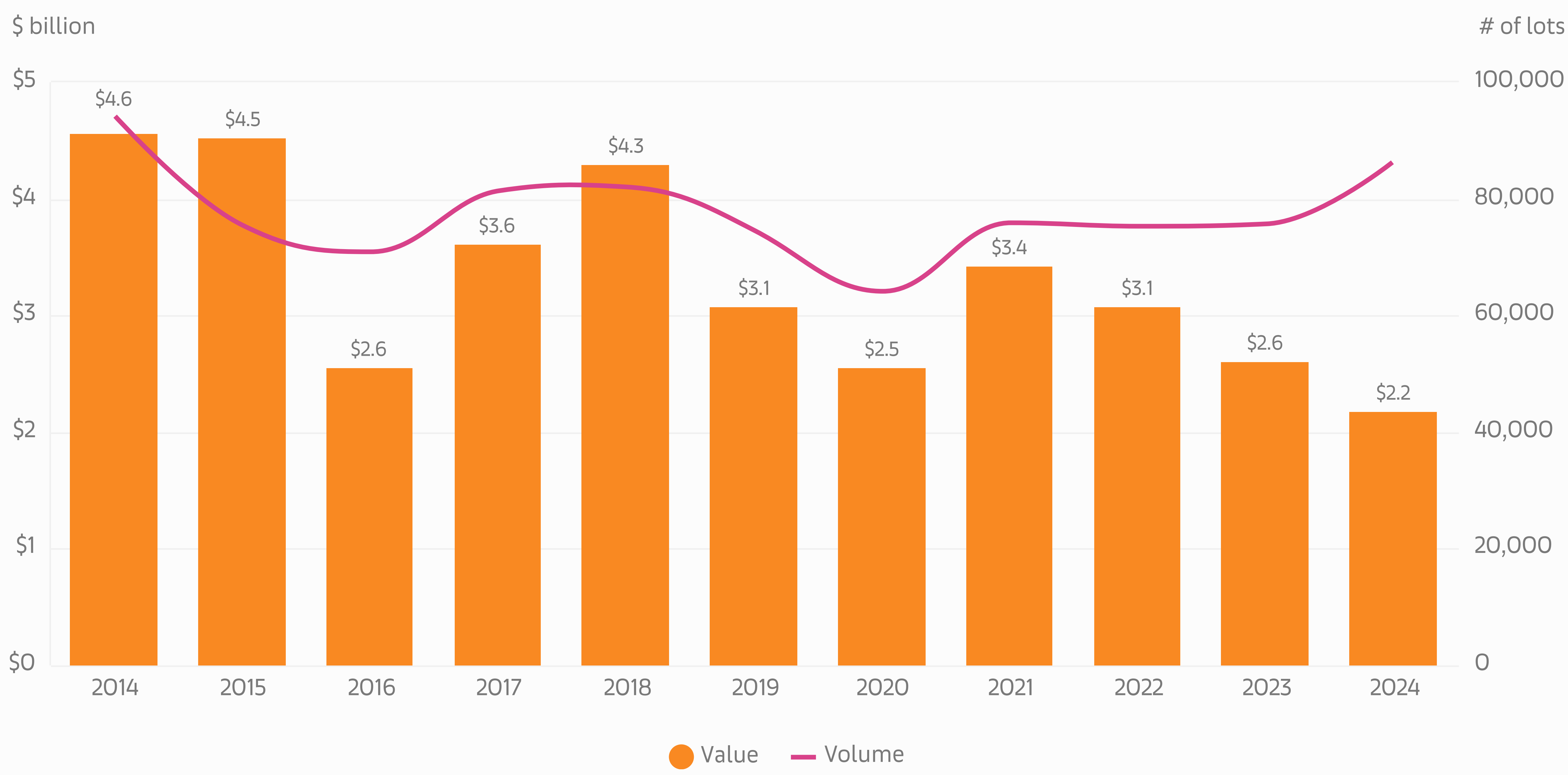
IMAGE Detail of a work by Emmanuel Louisnord Desir, presented by 47 Canal in the Galleries sector at Art Basel Miami Beach 2024

3.7 Modern Art

Modern art remained the second-largest sector of fine art auctions in 2024, as it has for most of the last 20 years, having given way to Post-War and Contemporary art in 2012. In 2024, the sector accounted for 25% of fine art auction sales by value and volume, relatively stable on 2023.

Sales of Modern art fell to $2.5 billion during the pandemic in 2020, their lowest level since 2009, but recovered quickly in 2021, with values advancing by just over one-third to $3.4 billion. However, with a scarcity of the highest-priced lots coming to market, sales values slowed for the next three years by marginally larger amounts per year. In 2024, the market's value declined by 17% to $2.2 billion, leaving it 30% below its level before the pandemic in 2019, despite growth in the number of transactions of 17%. Sales in 2024 were just less than half of their value a decade earlier (2014).

Figure 3.27 The Modern Art Sector 2014–2024



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The US was the largest Modern art market in 2024, with a share of 37% of sales by value, down from 45% in 2023. From a peak of just over $2.0 billion in 2015, sales in the sector had already started to decline in 2019, with the further reduction in 2020 bringing values to their lowest point since 2009 at $557 million. However, the US also experienced one of the strongest recoveries of all of the major markets, doubling in size year-on-year, and increasing again by 18% to $1.3 billion in 2022. This growth was not sustained in 2023, and an even sharper drop of 31% in 2024 brought the market to $803 million.

Despite the downturn, many of the top lots in the sector were sold in the US, including eight of the top 10. The top lot and the highest price overall at auction in 2024, as well as the only lot to sell for over $100 million, was René Magritte's *L'Empire des Lumières* (1954) which sold for $121 million at Christie's in New York, an artist record and the highest price achieved for a Surrealist work at auction. Three other Magritte works were in the top 10 lots, with two also sold in New York: *L'Empire des Lumières* (1956) at Christie's for $18.8 million and *Le Banquet* (c.1955-1957) at Sotheby's for $18.1 million. Two of Alberto Giacometti's works were in the top 10 lots and sold in New York at Christie's, *Femme qui Marche (II)* (1932–1936) for $26.6 million and *Femme Leoni* (1947) for $22.3 million. Pablo Picasso's *La Statuaire* (1925) sold for $24.8 million at Sotheby's New York.

China was the second-largest market for Modern art, with a share of 22% by value and 15% of lots sold in 2024. It was the leading market in the sector for several years from around 2010, peaking at $2.7 billion in 2011, but also surpassing sales in the US and other markets through the pandemic from 2019 to 2021. However, in 2022, with a substantial drop in sales of 45% to their lowest level since 2009, China shifted back to second place where it remained in 2023 and 2024. Sales fell by 23% to $467 million in 2024, their lowest point since 2009. Although the number of very high-priced lots declined in China, some artists still sold at prices in excess of $1 million, although only two in excess of $10 million: Fu Baoshi's *The Landscape of Mount Hua* (1960s) which sold for $11.5 million at China Guardian in Beijing and Pablo Picasso's *Le Peintre* (1963) for $10.1 million at Sotheby's Hong Kong.

The UK was the third-largest market in the Modern art sector in 2024, although its global share increased by 5%, to 16% by value. After sales dipping to a low of $417 million during the pandemic, values in the UK market recovered for the next two years, reaching a high of $505 million by 2022. However, in 2023, the market contracted, declining by 36% to $324 million, its lowest in 20 years, lower than in 2020 and 2009 ($351 million). It fared considerably better in 2024 and was the only major market to go against the declining trend and post an uplift in sales year-on-year of 8% to $350 million, still slightly below 2009.

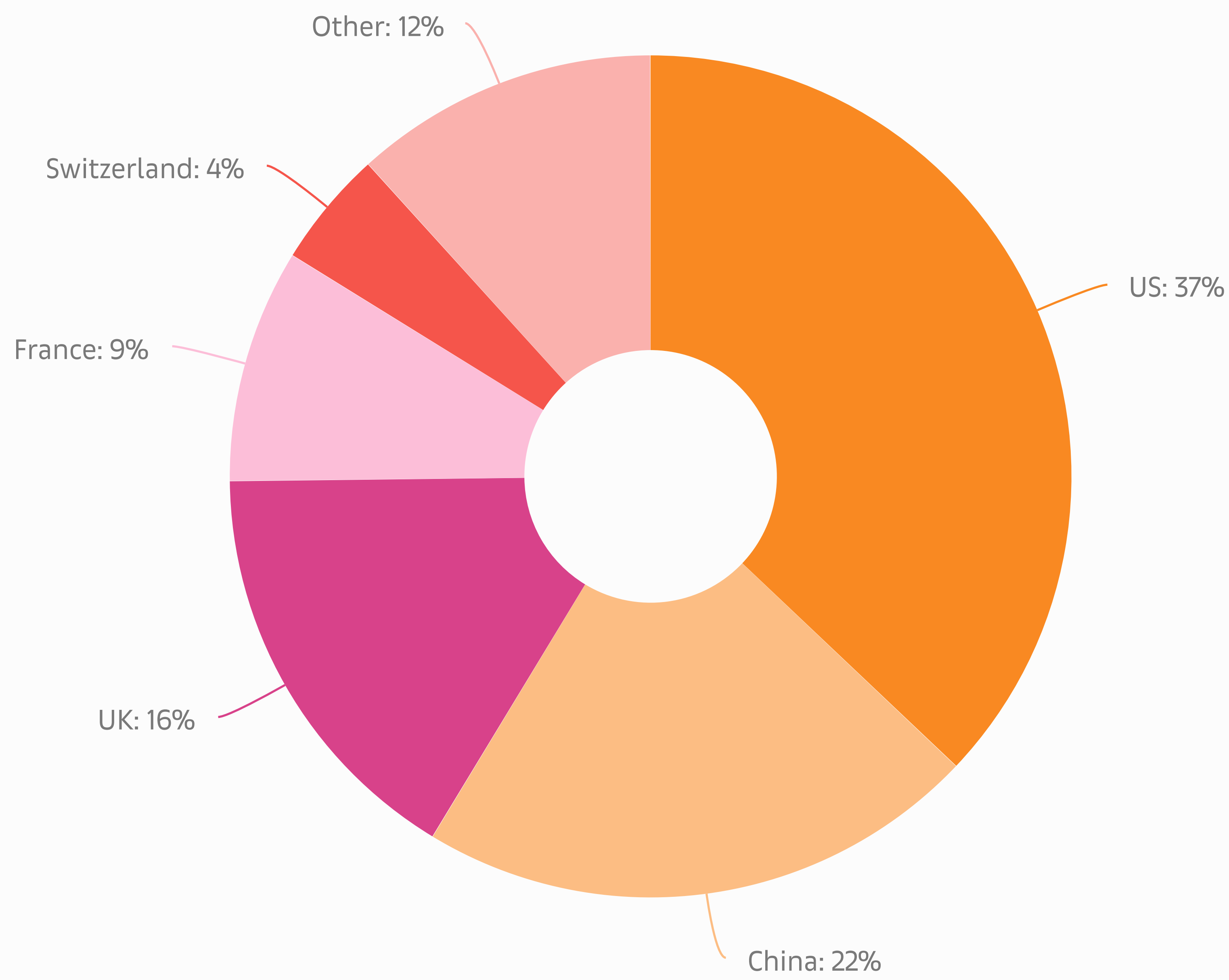
There were 56 works sold for over $1 million in the sector in 2024, 10 more than in 2023, with three for over $10 million. These included the second-highest-selling lot in the sector, René Magritte's *L'ami Intime* (1958) which sold for $43.1 million at Christie's in London.

France was the fourth-largest market, with a relatively stable share of 9% of global values and 15% of the number of lots sold. While it remained a considerably smaller market by value than the UK, the number of lots sold in France was higher, as it was in 2023 (with the UK having an 8% share of volume in the sector), with more sales carried out in France at lower price levels. Following a very strong recovery in France in 2021, with sales increasing by more than 60% and continued but lower growth in 2022, values declined for the two years that followed. Sales fell by 14% year-on-year to $195 million in 2024, higher than 2019, but less than half the size of their peak in 2009, when a spike in high-value lots meant they reached $493 million, temporarily ahead of both China and the UK. Sales in the rest of Europe were mixed, with stable values in Germany and strong growth in Switzerland and Austria, set against decreasing sales in other markets such as Italy and Belgium.

IMAGE Detail of a work by Ghada Amer, presented by Marianne Boesky Gallery in the Galleries sector at Art Basel Miami Beach 2024

Figure 3.28 Global Market Share of the Modern Art Sector 2024

a) By Value



b) By Volume (Number of Lots)

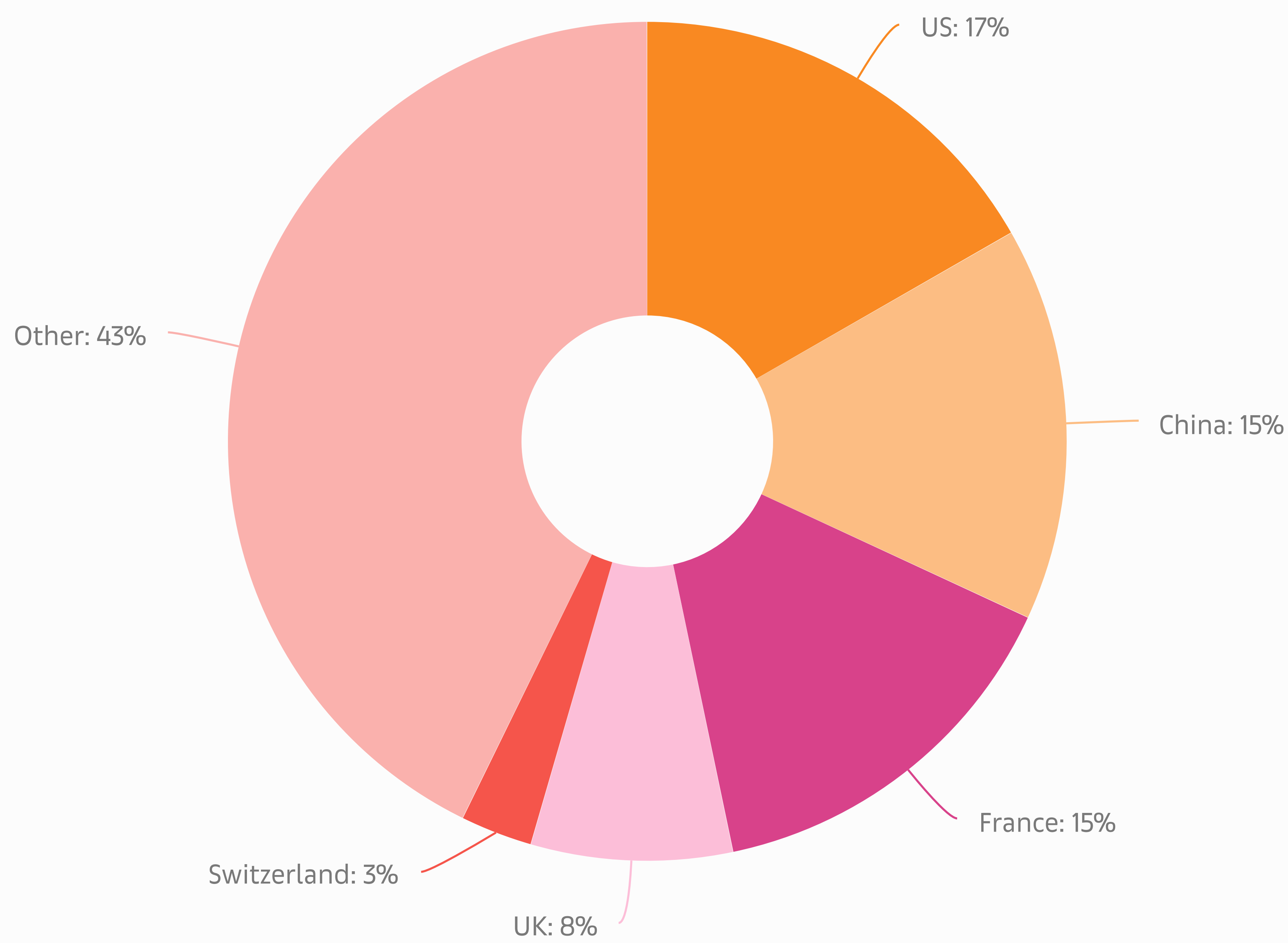


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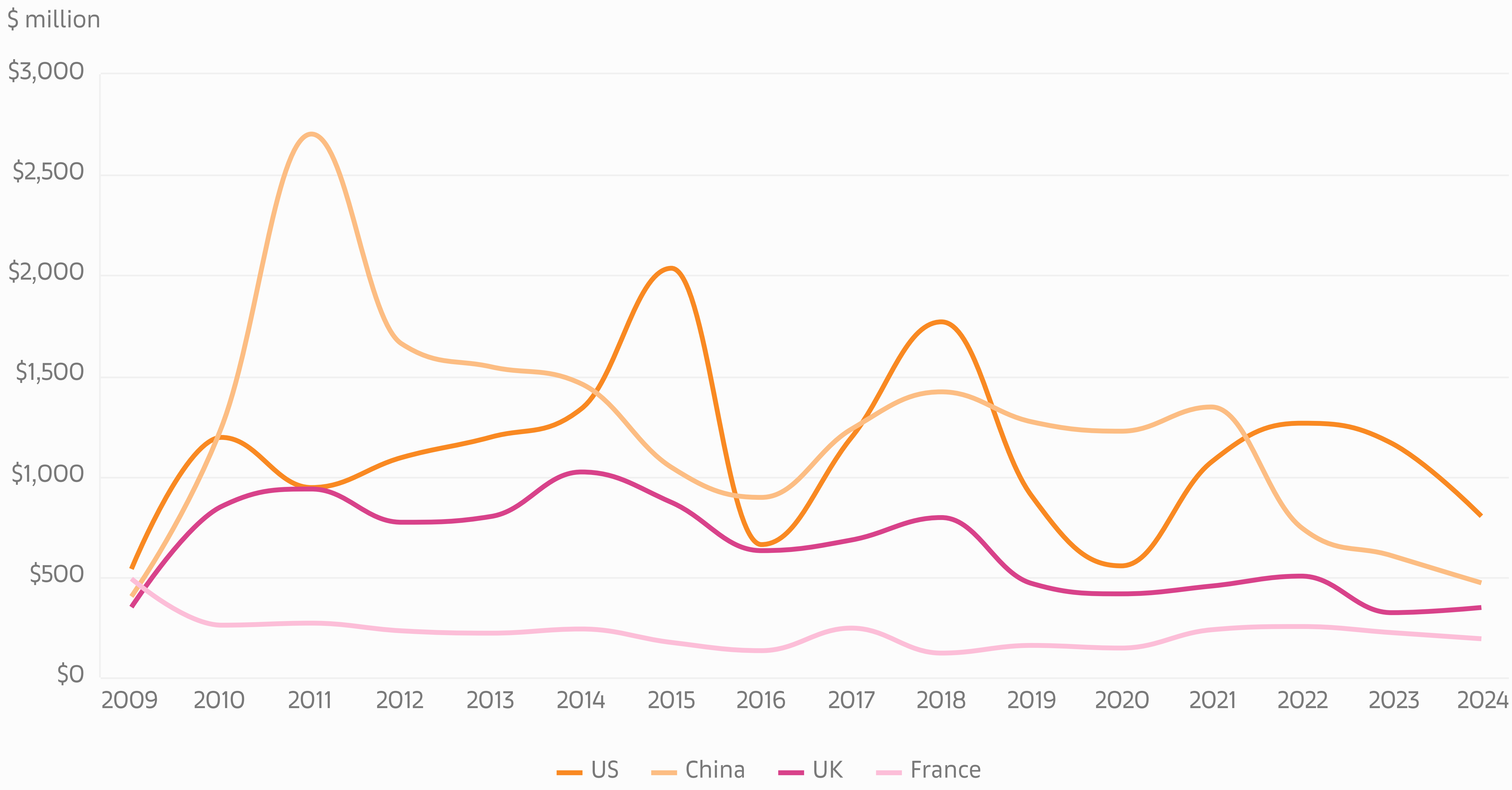
Figure 3.29 Sales in the Modern Art Sector Key Markets 2009–2024



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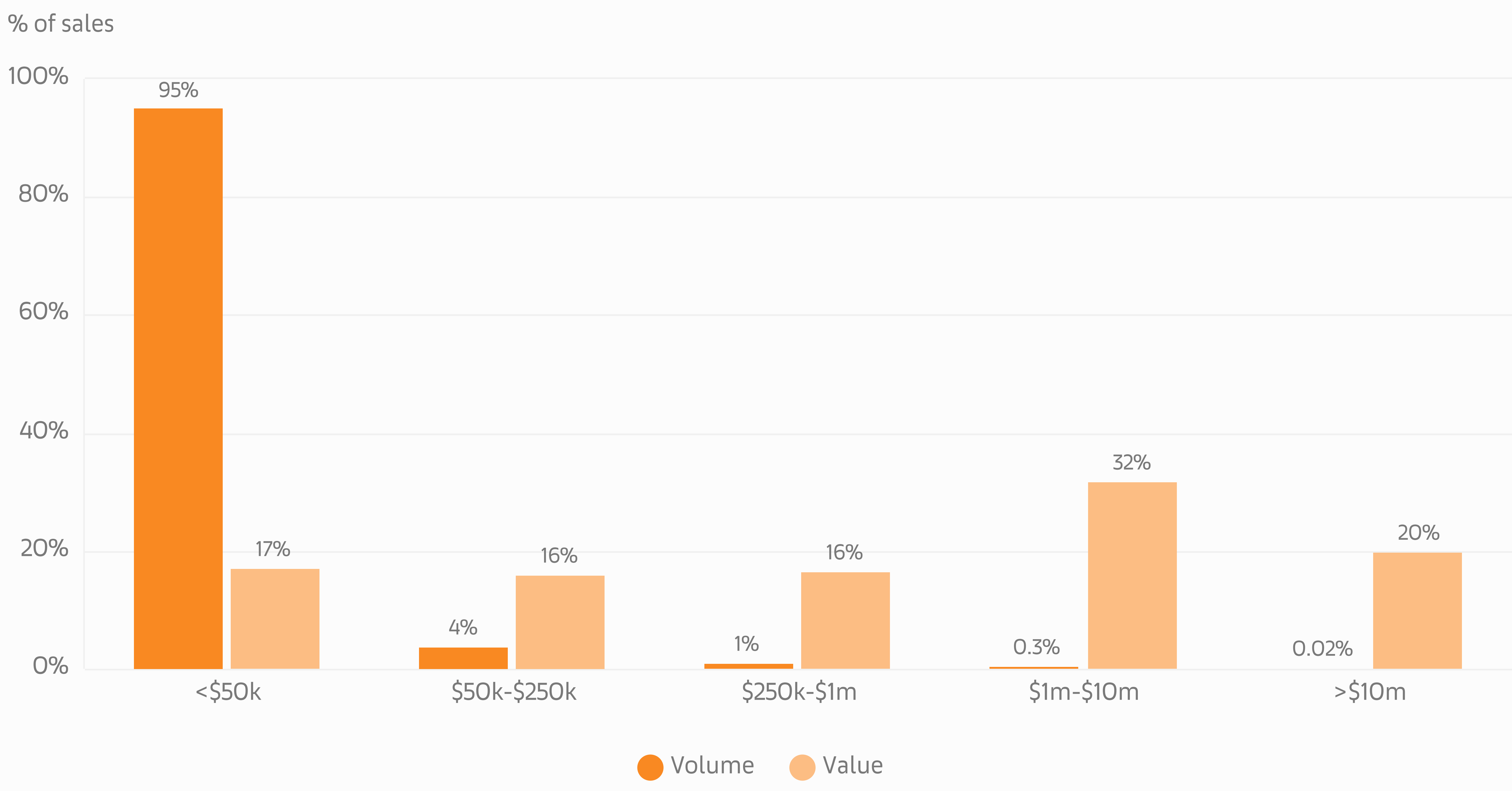
The record prices achieved in 2024 for René Magritte's work helped promote him to the top-ranking artist in the sector, with sales of $312 million, pushing Picasso from the premier position that he had held for six consecutive years. Picasso's sales reached $219 million, almost one-third of their size the previous year, although with six works still selling for over $10 million. The top five artists (which also included Zhang Daqian, Alberto Giacometti, and Marc Chagall) comprised 38% of the sector by value (from 42% in 2023) and the top 20 artists represented a stable 57%, remaining significantly more concentrated than the Post-War and Contemporary art sector (43%).

Despite the higher concentration around top artists, most Modern art sales were at lower price levels, with 95% of the lots sold in 2024 being for less than $50,000. In contrast, 52% of the value of sales came from the very small share of less than half a percent of lots sold for over $1 million. The share of this segment was down from 62% in 2023, with less than half the number of lots sold at the very highest level of over $10 million in 2024.

This sector, like others in 2024, showed distinctly different performance by price band. The number of lots sold for less than $50,000 expanded by 18% and the value of this segment grew by 15%, while there were 3% fewer lots sold for over $1 million and values at this top end declined by 31% (with the $10 million-plus segment down in value by 56%). This varying performance and divide between buoyant activity at lower levels set against a thinner market at the top drove the aggregate reduction in sales in the sector in 2024, despite significant growth in how many sales took place (with the number of lots up by 17% overall).

Sotheby's and Christie's accounted for a combined 58% of sales by value in the Modern art market (down by 2% year-on-year), with Christie's having a larger share of 35%. Along with China Guardian, Bonhams, and Kornfeld, the top five houses comprised 69% of the aggregate value of sales in 2024, but only 14% of the lots sold.

Figure 3.30 **Sales in the Modern Art Sector by Price Segment 2024**



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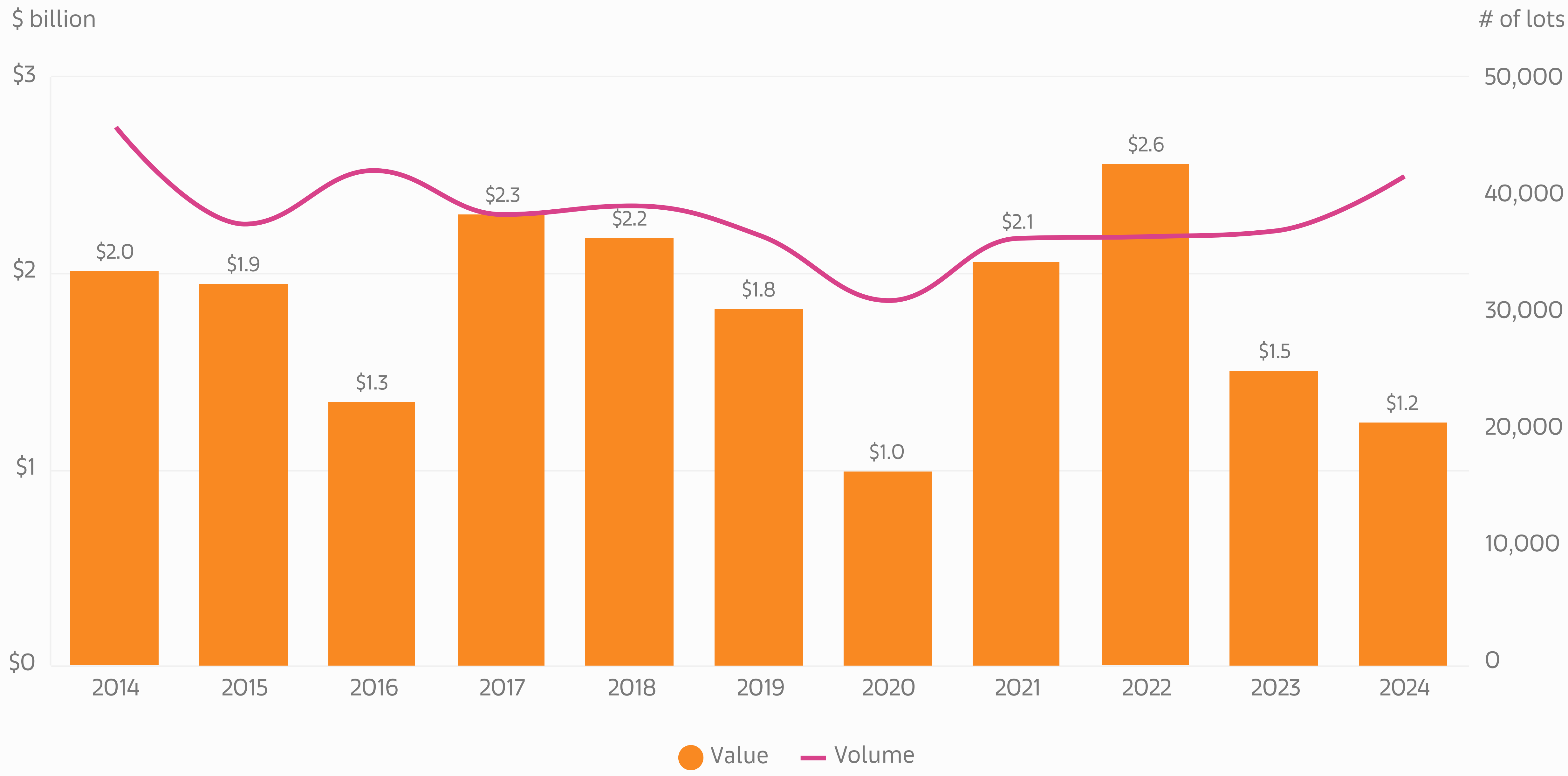
3.8 Impressionism and Post-Impressionism

Impressionist and Post-Impressionist art represented 14% of the value of fine art auctions in 2024 and 12% of lots sold, both stable on 2023. Sales in this sector were significantly reduced during the pandemic, with values having already been declining for two years, falling to a low of just under $1.0 billion in 2020, the lowest level since 2009. However, it also had one of the strongest recoveries of all fine art sectors in 2021 and 2022, with an uplift in value of 160% over the two-year period to $2.6 billion, its highest level recorded, as numerous records were set at the highest end of the market in multimillion-dollar sales by these artists. However, as the supply of these lots dried up in 2023, sales fell again and continued their decline in 2024, with a drop of 17% to $1.2 billion despite more lots being sold (up by 13%). Although still above 2020, the market was almost one-third lower in value than in pre-pandemic 2019 and down by 38% on a decade previous (2014).

Figure 3.31 The Impressionist and Post-Impressionist Sector 2014–2024



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The US was the largest market in the sector in 2024, with a share of 39% of sales by value, down slightly on 2023, but from a much higher 69% in 2022. Already in decline in 2019, sales in the US plummeted to a 15-year low of $288 million in 2020 but bounced back strongly with very high growth in 2021, allowing the market to triple in size year-on-year. This continued in 2022, driven by the exceptionally high-priced lots sold in the sector in New York (including several from the previously mentioned Paul Allen sale), increasing the market's value by a further 83% and leading to the highest-ever peak of $1.8 billion. However, with fewer of these lots coming onto the market in 2023, there was an equally dramatic falloff in value of over 60% followed by a 27% drop in 2024, with sales of $488 million, less than one-third of their peak two years earlier.

Although much thinner in supply than some previous years, there were still very high prices paid in the US for works that did come to market. Claude Monet's *Nymphéas* (1917) was sold for $65.5 million at Sotheby's in New York, lower than records of previous years, but within the artist's top 10 prices ever achieved, along with his *Meules à Giverny* (1893) for $34.8 million. Vincent Van Gogh's *Coin de Jardin avec Papillons* (1887) sold for $33.2 million at Christie's. Overall, 48 works sold in the US for over $1 million in the sector in 2024, less than half the total in 2022 (109), and with the total over $10 million dropping from 23 to nine.

China was the second-largest center of sales in the sector in 2024, with a share by value of 23% and 13% of lots sold. Following three years of decline, the market reached a low of $345 million in 2020, although still accounting for the largest share of global sales that year at 35%. Sales recovered in 2021, growing by one-third in value, but fell sharply again in 2022 to $208 million, their lowest level since 2009. Values stabilized in 2023 and with growth of 36% in 2024 reached $284 million, their highest level in three years but still below their pre-pandemic value in 2019. Sales in the region were boosted by a number of very highly priced lots sold in Hong Kong, including Vincent Van Gogh's *Les Canots Amarrés* (1887) for $32.2 million at Christie's, where Claude Monet's *Nymphéas* (c.1897–1899) was also sold for $30.0 million. A number of Chinese artists were included in this sector by birthdate, however, the highest price paid for a work was $9.5 million for Ren Xiong's *Landscape Inspired By Yao Damei's Poem* (1850–1851) at Poly Auction in Beijing, while others by Qi Baishi, Huang Binhong, and Wu Changshuo all sold for below $5 million.

The UK market was the third largest, with a share of 15% by value in 2024, down by 9% year-on-year. From a 15-year low of $163 million in 2020, the UK market recovered strongly with double-digit growth for two years, and values doubling by 2022. Growth continued in 2023 at a slower pace to reach $361 million. However, sales fell significantly in 2024, with a drop in values of 48%, remaining above their low in 2020 but less than half the size of pre-pandemic 2019. The number of lots sold for over $1 million dropped year-on-year, particularly those at the very highest end, with only one sold for more than $10 million, Claude Monet's *Matinée sur la Seine, Temps Net* (1897) at Christie's in London for $18.4 million (versus four works in 2023 and six in 2022).

Sales in France also decreased in 2024, falling by 19% to $62.0 million, the third year of decline from a high of $91.0 million in 2021. France accounted for a relatively stable 5% of global sales by value but a much higher 15% of the number of transactions, nearly all (99%) of which were in the sub-$250,000 segment. In other parts of Europe, sales were again mixed, with exceptionally strong growth in Switzerland leaving it ahead of the French market in this sector with sales of $67.8 million, more than double their level in 2023. The Swiss market had a 5% share of global values, making it the fourth largest, although with just 3% of lots sold. Although the highest-priced lots sold in Switzerland were for less than $10 million, there were some above $5 million, including two works by Ferdinand Hodler sold at Koller Auctions in Zurich: *Lake Geneva with Mont-Blanc in the Early Morning Hours, March* (1918) for $8.4 million and *Lake Geneva with the Jura* (1911) for $5.8 million. Piet Mondrian's *Ocean 4* (1914) also sold for $5.9 million at Kornfeld in Bern.

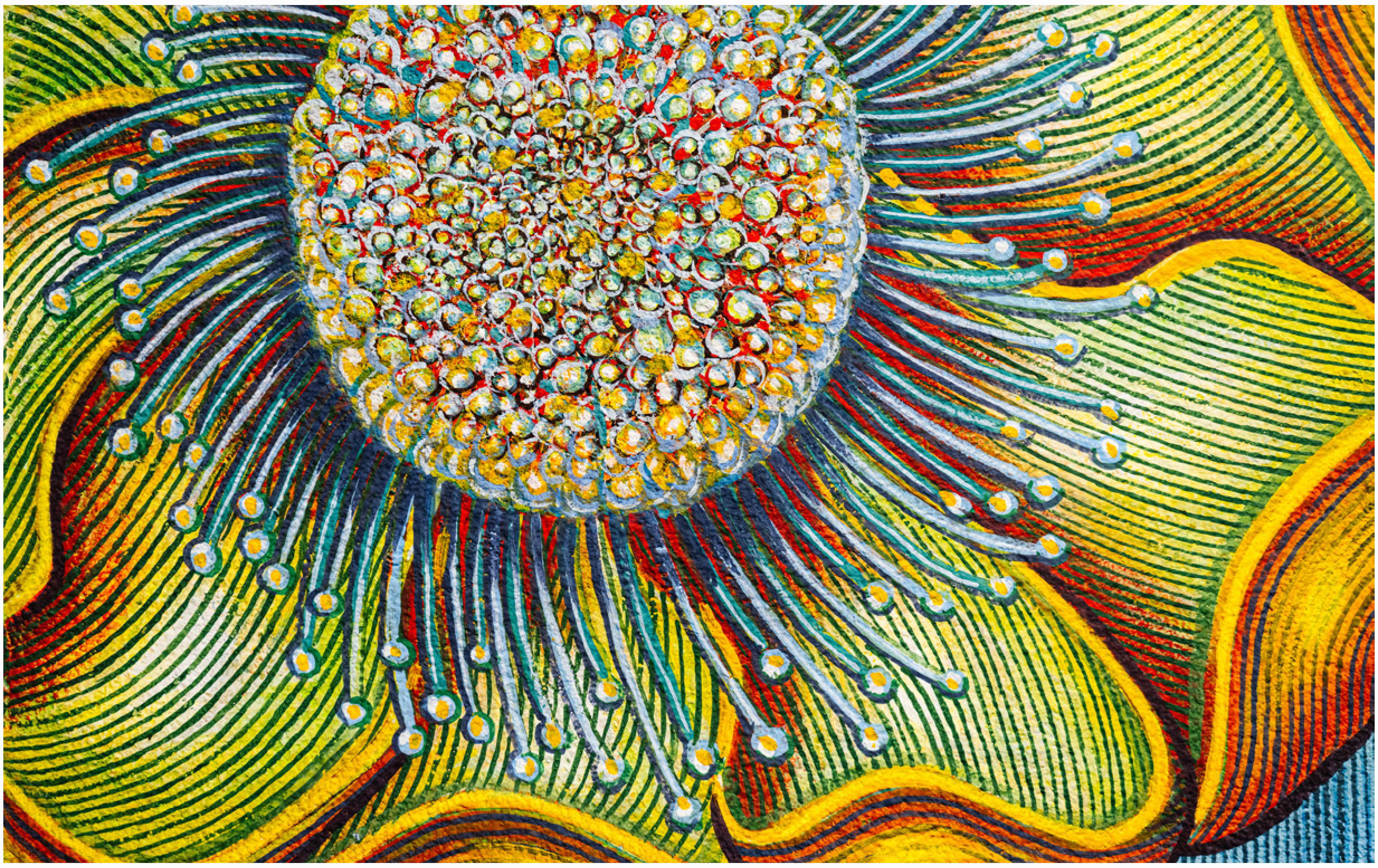
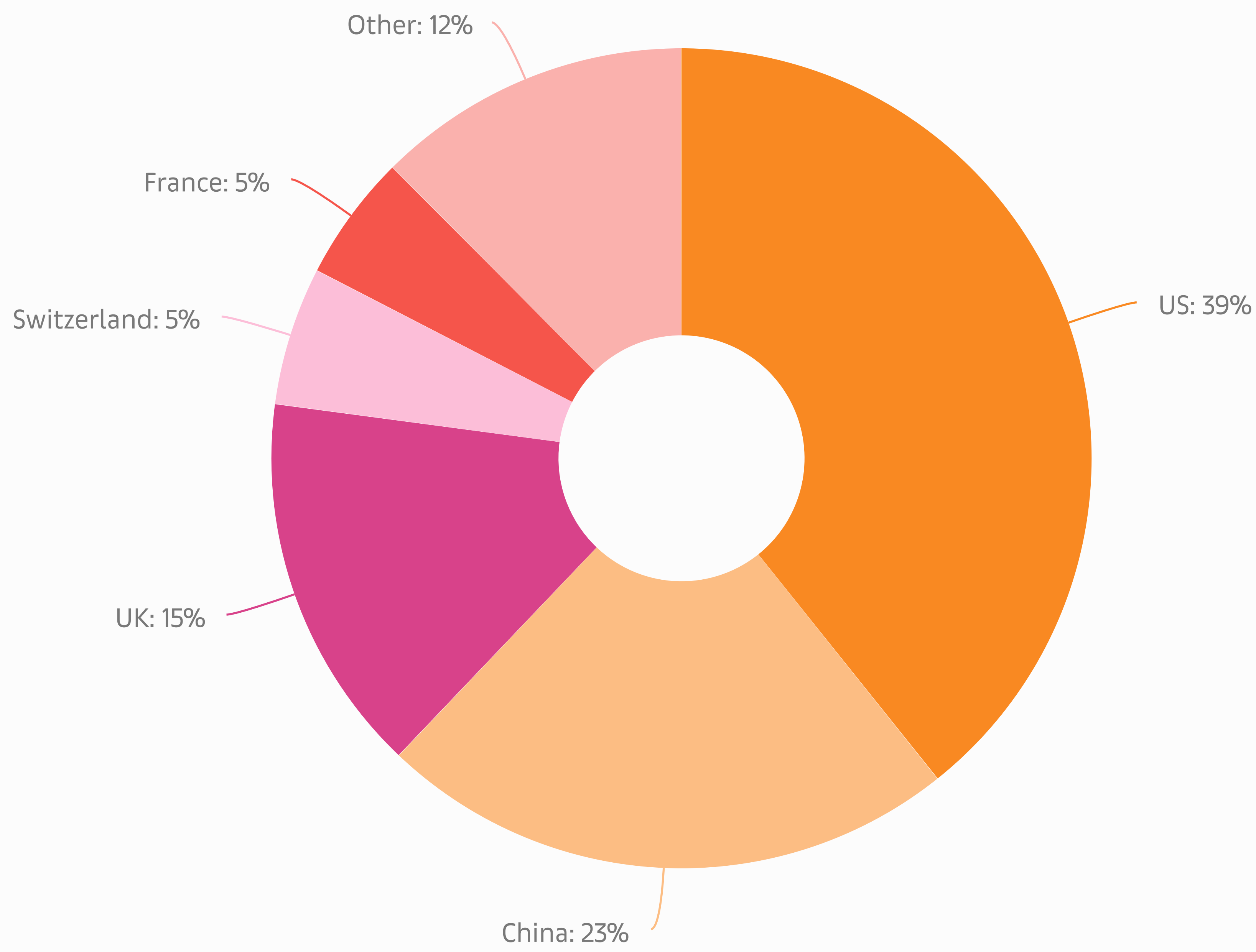


IMAGE Detail of a work by Emma Reyes, presented by Crèvecœur in the Galleries sector at Art Basel Miami Beach 2024

Figure 3.32 Global Market Share of the Impressionist and Post-Impressionist Sector 2024

a) By Value



b) By Volume (Number of Lots)

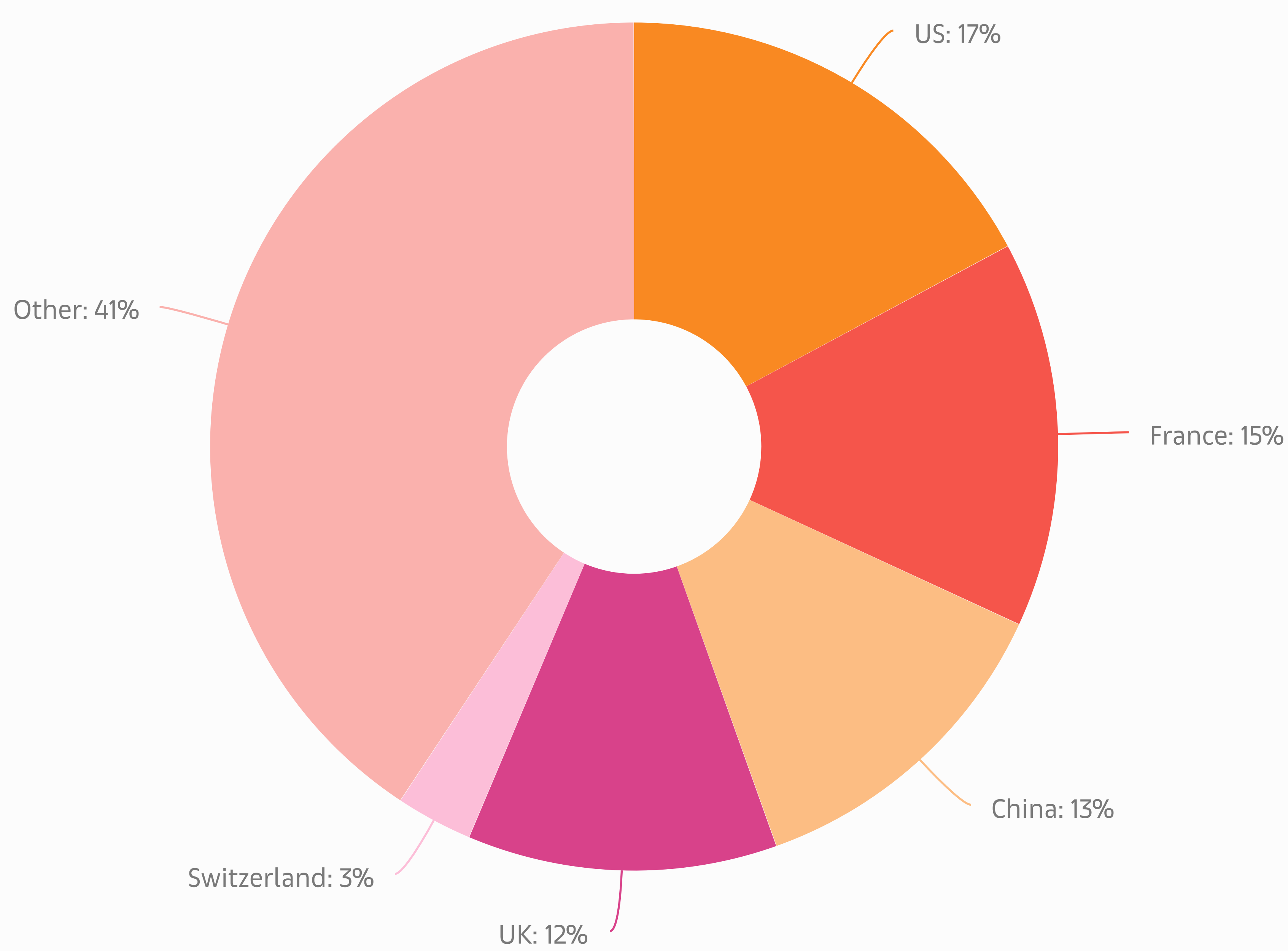


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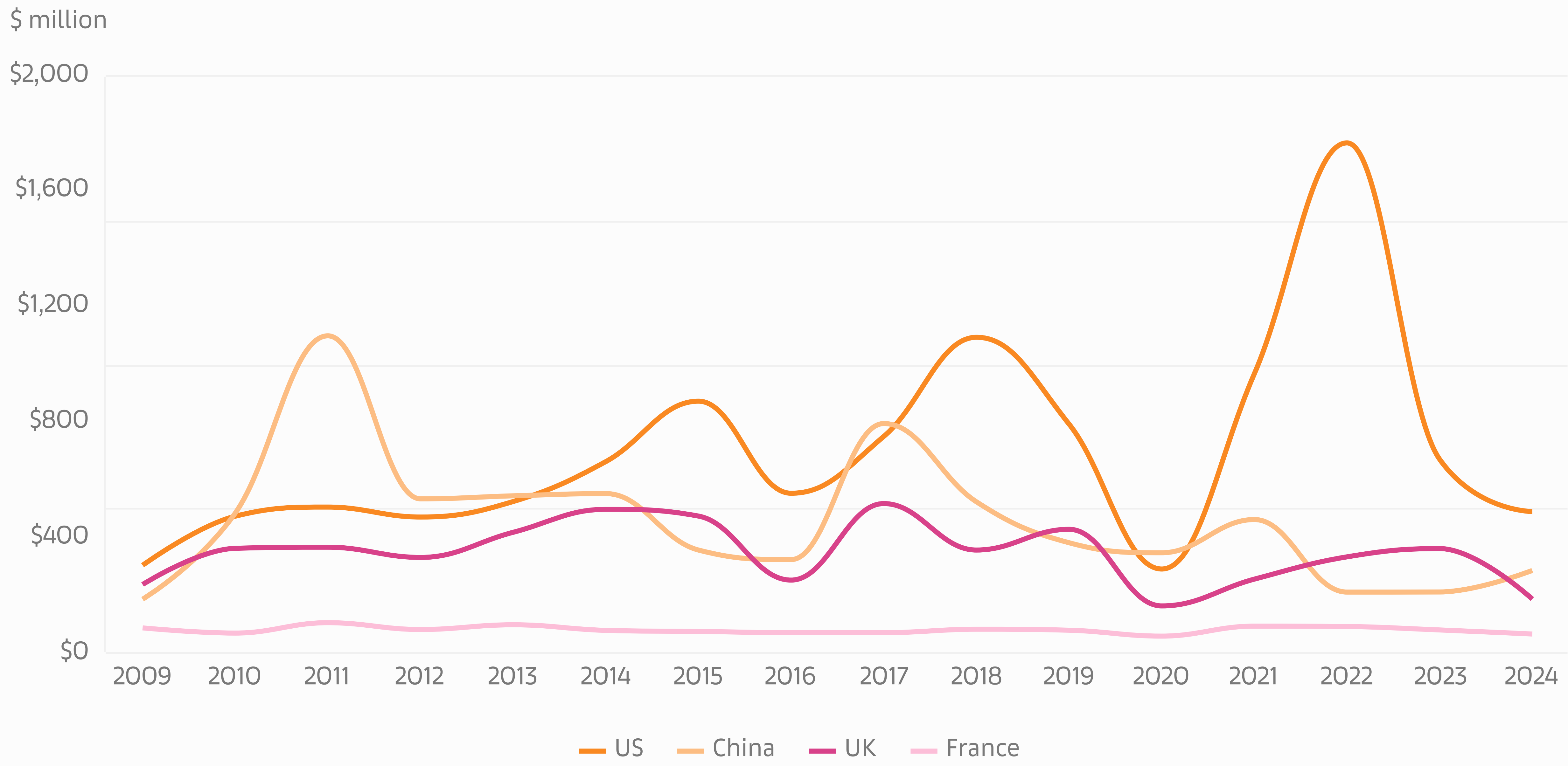
Figure 3.33 Sales in the Impressionist and Post-Impressionist Sector Key Markets 2009–2024



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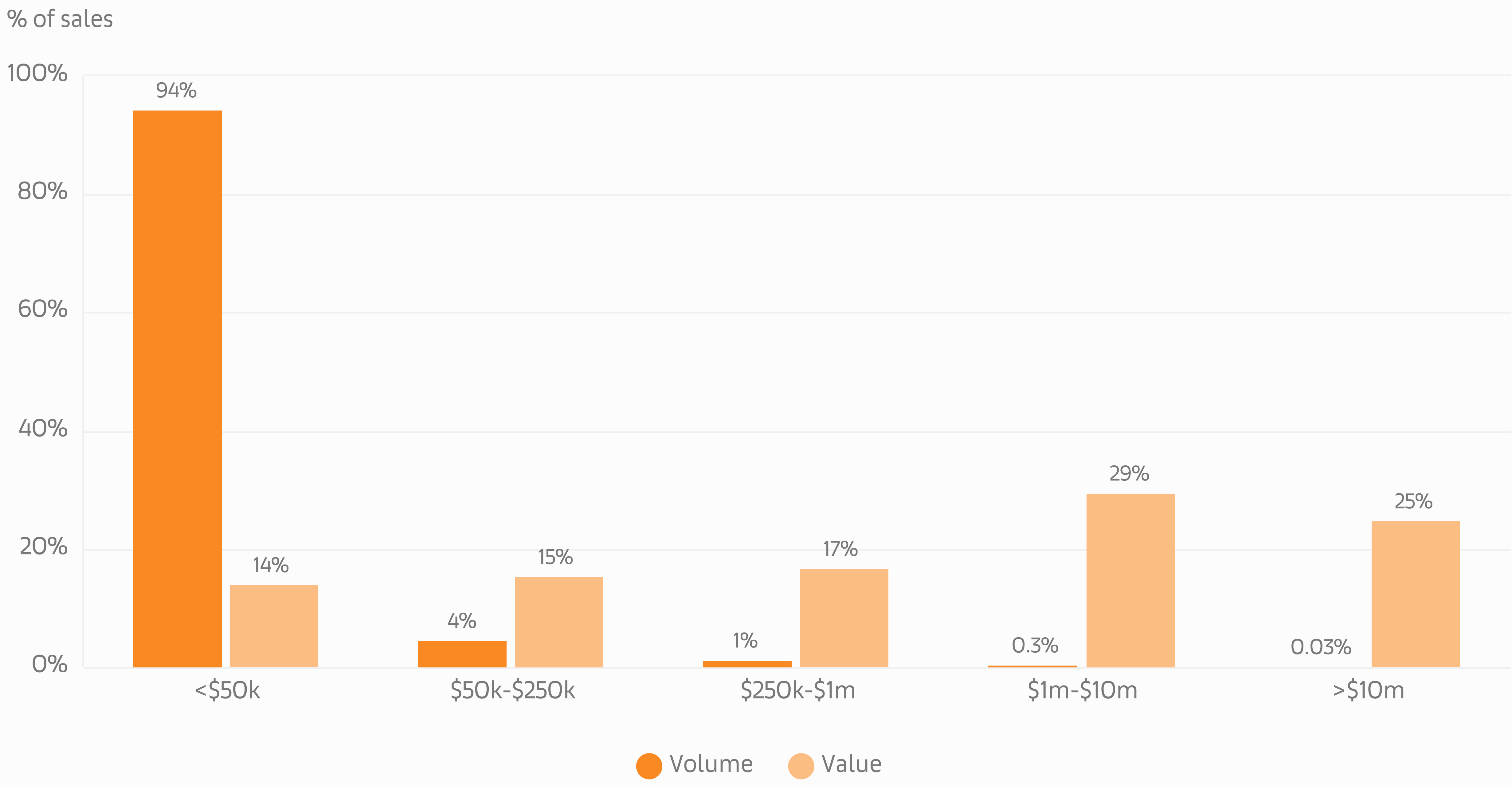
With 11 out of the top 20 lots (and seven in the top 10), Claude Monet was the highest-selling artist in the sector in 2024, with sales of $293 million, up by 50% on 2023. Despite a fall in value to less than half their size year-on-year, Qi Baishi was the second largest, with sales of $82.5 million. Along with Vincent van Gogh, Pierre-Auguste Renoir, and Wu Changshuo, these top five artists accounted for 43% of the market, stable on 2023. The top 20 made up 64%, down by 5% year-on-year and from a high of 78% in 2022, but still significantly more concentrated in value than Post-War and Contemporary or Modern art.

The majority of value in the Impressionist and Post-Impressionist sector remained concentrated at the top of the market, but the share of value accounted for by works priced at over $1 million fell by 6% to 54% of the total sales (and from 77% in 2022). Sales in the $1 million-plus segment fell by 29% year-on-year and the number of lots sold at this level also dropped by about one-quarter. Most lots (94%) continued to be sold for less than $50,000 and the share of value in this segment rose by 4% year-on-year to 14%. All price segments above $250,000 showed a decline in sales year-on-year, with the biggest drop at the very top, as sales for works priced at over $10 million were down by 38%. Like the Modern art sector, while this slowdown created a drag on aggregate growth, works priced at under $50,000 grew by 7% year-on-year, with 14% more lots sold in this segment than in 2023.

Figure 3.34 **Sales in the Impressionist and Post-Impressionist Sector by Price Segment 2024**



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Sotheby's and Christie's again dominated sales by value, with a share of 58% in 2024, and Sotheby's slightly larger at 31%. This combined share was stable on 2023, but down from 85% in 2022 (with Christie's given a substantial boost that year to 64% through the Paul Allen sale). Along with China Guardian, Bonhams, and Kornfeld, the top five auction houses accounted for 68% of the value of sales and 15% of the number of works sold in the sector.

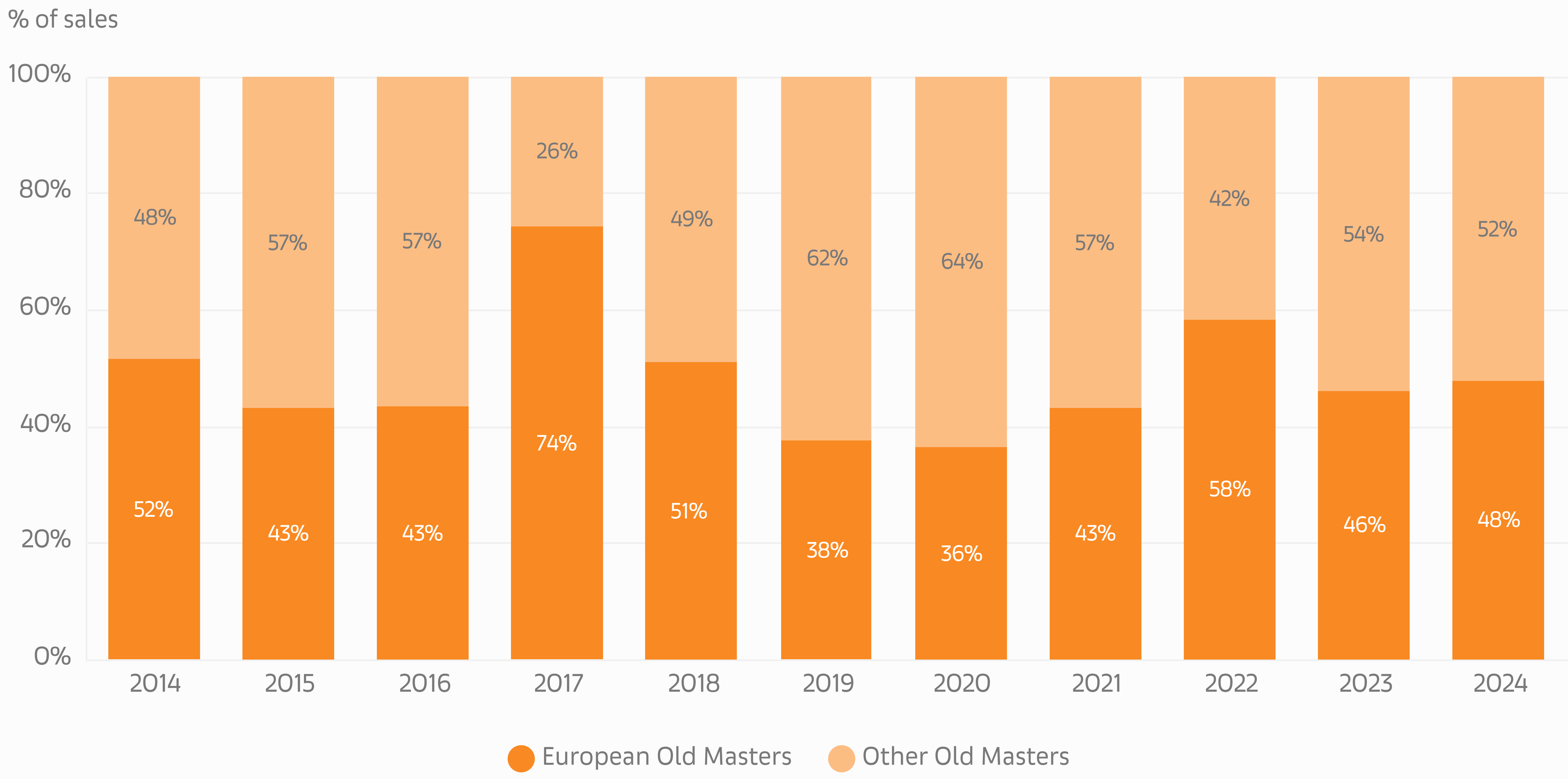
3.9 Old Masters and European Old Masters

In this analysis, the term Old Masters is used to cover the sale of works by artists of all nationalities born between 1250 and 1820. The term is most commonly associated with the works of European artists, which are also analyzed separately as a subsector of Old Masters. The wider Old Masters sector was the smallest of the fine art sectors in 2024, accounting for a stable share of 9% of the value of sales and 8% of lots sold. The share of European Old Masters was 4% by value and 5% of the number of transactions, both stable on 2023.

European Old Masters made up just under half (48%) of sales by value in the sector and 62% of the number of lots sold. While sales of European Old Masters works consistently accounted for most of the value in this sector up to 20 years ago, exceptional prices for individual lots by Chinese Old Masters have had an impact on the distribution of values in more recent years. As the Chinese market developed, European Old Masters lost share in 2014 and 2015, becoming the minority value of 43%, before peaking once again at 74% in 2017, with the $450 million sale of Leonardo da Vinci's *Salvator Mundi* (c.1499–1510) having a disproportionate effect on values. Shares have gone up and down since that point as strong prices for works in either segment of the sector shifted the balance. The scarcity of the highest-quality works by leading Old Masters artists in commercial circulation meant that the presence (or absence) of these lots on the market has had an outsized effect on sales in a given year, despite having little connection to the majority of transactions that continue to occur at much lower prices.

Old Masters was the smallest of the fine art sectors in 2024, accounting for a stable share of 9% of the value of sales and 8% of lots sold

Figure 3.35 Global Market Share of European Versus Other Old Masters by Value 2014–2024



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Sales in the wider Old Masters sector have seen significant variation over the last 10 years. Values fell by 16% during the pandemic in 2020 to $970 million, but recovered again to $1.1 billion in 2021, driven by the sale of a small number of very highly priced lots. The difficult context in the Chinese market in 2022 with continued lockdowns and auction cancellations meant sales fell to just over $1.0 billion but picked up again in 2023 as the market reopened, increasing by 18% to $1.2 billion. However, sales dropped to a 15-year low in 2024, falling by 25% year-on-year to $803 million, despite a rise of 7% in the number of lots sold, emphasizing the significance of the high end in influencing values irrespective of the amount of activity happening elsewhere.

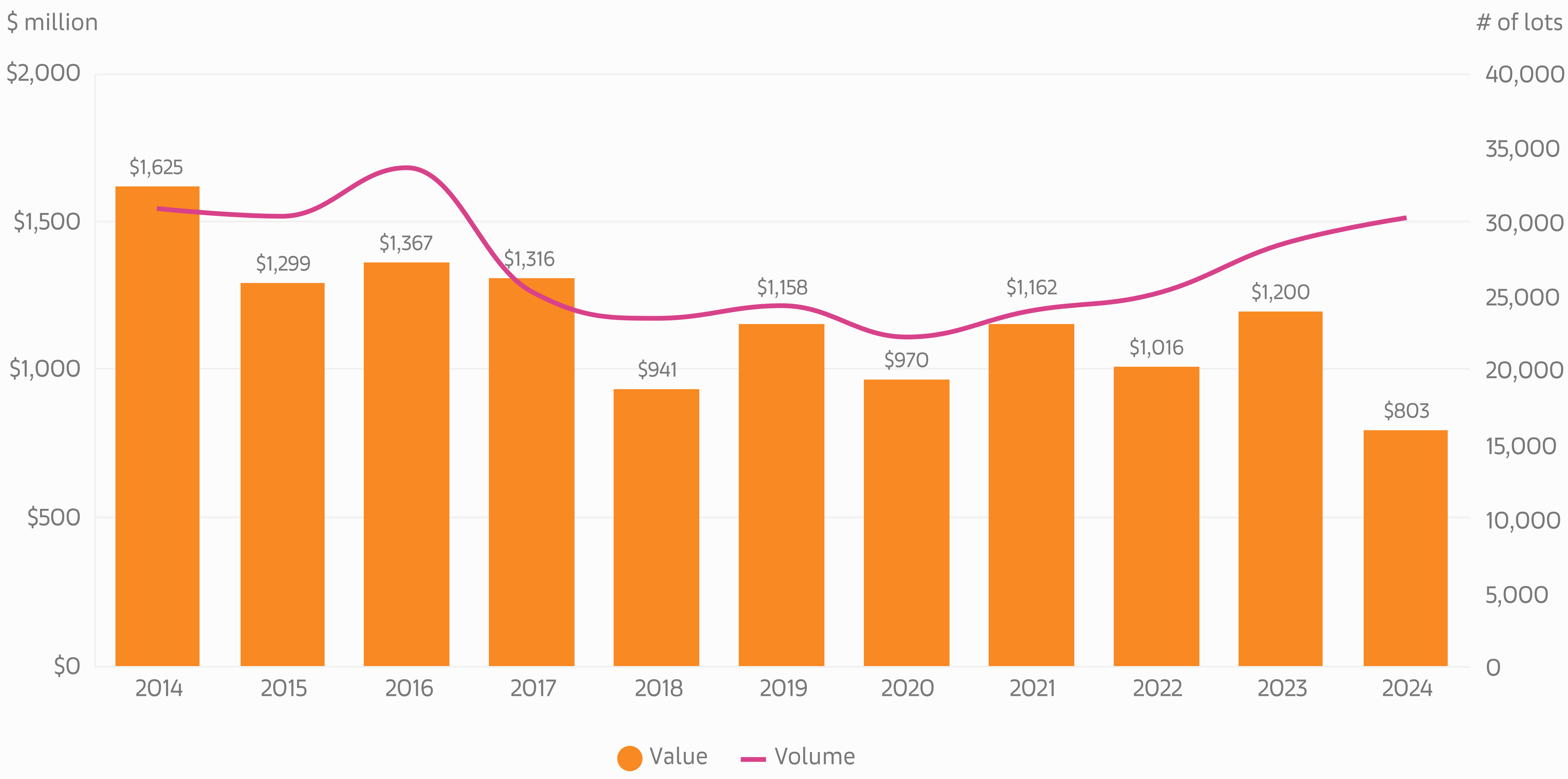
With a second consecutive year of declining values, sales in the European Old Masters sector struggled in 2024, too, falling by 30% in value to $384 million, their lowest point since 2020, again despite more lots being sold (with transactions up by 8%). The main reason for the slowdown in both parts of the market was fewer very highly priced works being sold at auction, with only four lots selling for over $10 million (three of those being European Old Masters), versus 13 in 2023, and the volume of lots sold for over $1 million down by more than 40%.

The top-selling Old Masters work at auction in 2024 was Jean Siméon Chardin's *Le Melon Entamé* (1760) at Christie's in Paris for $28.9 million, a record for the artist. Titian's *The Rest on the Flight into Egypt* (c.1508) also sold for $22.3 million at Christie's in London, one of only around 30 paintings that have been offered at auction in 20 years for the artist, and the highest price achieved, with the previous record set in 2011 at $16.9 million for *A Sacra Conversazione: the Madonna and Child with Saints Luke and Catherine of Alexandria* at Sotheby's New York (c.1560). Yuan Dynasty painter and calligrapher Zhao Mengfu's *Three Scrolls* sold for $12.7 million at China Guardian in Beijing, one of the five lots by Chinese Masters in the top 10. *The Virgin and Child Enthroned* (c.1470) by Sandro Botticelli was also sold for $12.7 million at Sotheby's London, the fourth-highest price paid for the artist's work at auction, but significantly less than previous records: *Portrait of a Young Man Holding a Roundel* (c.1480) that sold in 2021 for $92.2 million at Sotheby's New York, the second-most-expensive Old Masters work ever sold, and two further Botticelli works sold in New York in 2022 for a combined $93.9 million.

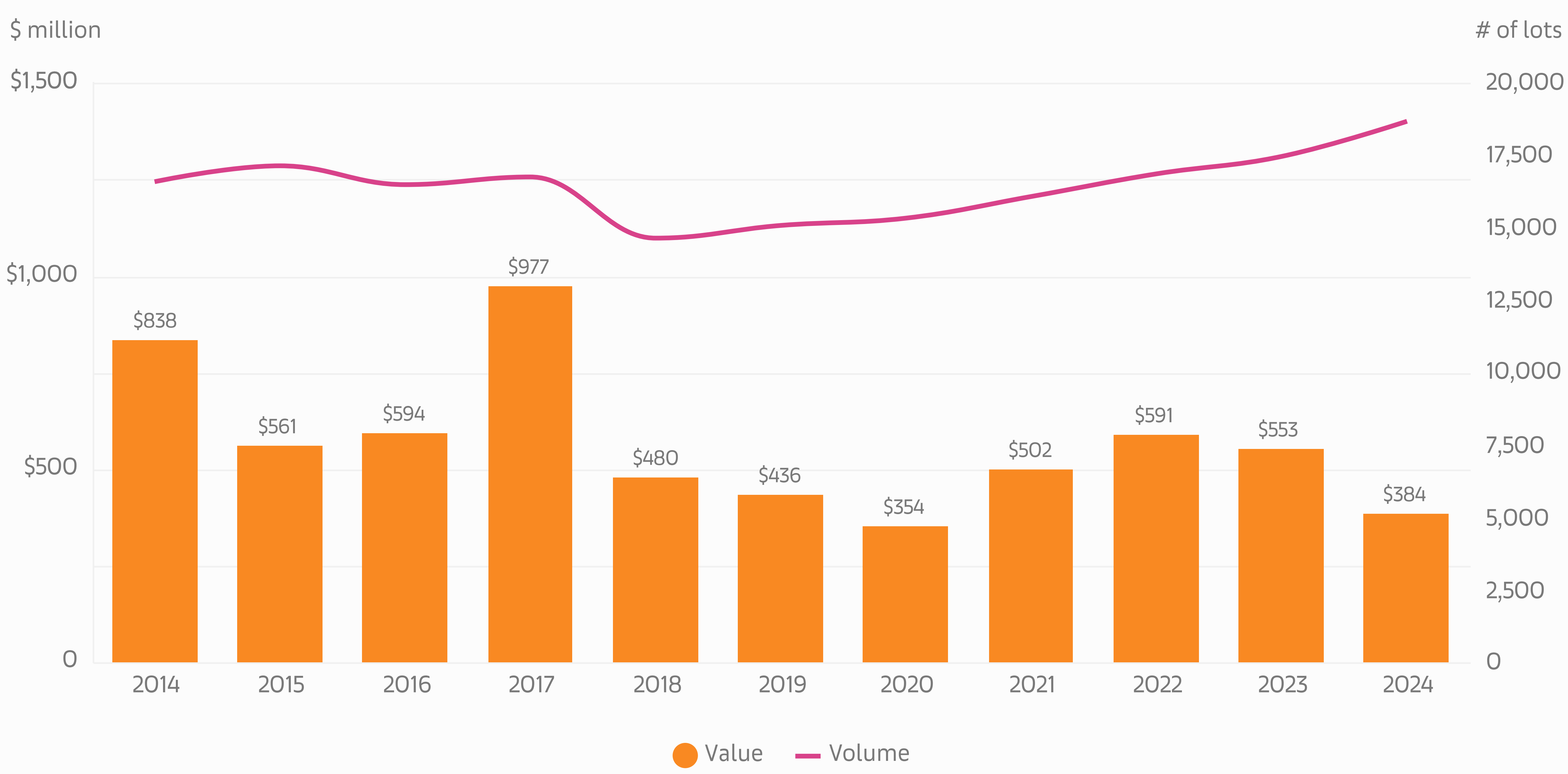
IMAGE Detail of a work by Bonnie Lucas, presented by ILY2 in the Survey sector at Art Basel Miami Beach 2024

Figure 3.36 Old Masters Sales 2014–2024

a) All Old Masters



b) European Old Masters



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Maintaining the leading position it gained in 2023, China had the largest sales by value in the wider Old Masters segment in 2024, with 45% by value and 20% of lots sold. Following a peak of almost $1.2 billion in 2011, sales in China were mixed, including growth during the onset of the pandemic in 2020, and reaching $593 million by 2021. However, as live auctions were restricted over 2022 during lockdowns, values fell by over 56% to $261 million. As the market reopened and postponed inventory from sales was put onto the market, values bounced back, doubling to $554 million in 2023, with strong sales at the high end for some artists in Mainland Chinese auctions. The trend turned again in 2024, with a fall in values of 35% to $359 million as less very highly priced lots were brought to market. Only one reached over $10 million (the aforementioned work by Zhao Mengfu), although 33 lots exceeded $1 million, a higher total than in the US or the UK. These included a collection of 12 painted golden fans from the Ming Dynasty from a number of artists, including Shen Zhou, Wen Zhengming, Tang Yin, Qui Ying, and others, which sold for $6.7 million at Poly Auction in Beijing, while works sold in Hong Kong included Wu Li's *Landscape with Pines and Chrysanthemums for Taopu* (1704) for $5.6 million at Christie's.

The UK moved to second place in the wider Old Masters sector in 2024, with a share of 19% of sales by value and 14% of lots sold. The market had fallen to a low of $148 million in 2020, following three consecutive years of decline, and after a short recovery in 2021, slowed again to just under $148 million in 2022. Sales bounced back in 2023, with the market shifting up by 50%, but this was reversed again in 2024, with a drop in values of around one-third to $149 million. Despite the decrease in values, several of the highest-priced lots of the year were at sales in the UK. Aside from the Titian and Botticelli works mentioned above, Frans Hals the Elder's *Portrait of a Gentleman of the de Wolff Family* (1576/7) sold for $7.3 million at Christie's in London, along with another Botticelli painting entitled *The Virgin and Child, with a Landscape Beyond* (1490s) for $4.4 million at Sotheby's London.

The UK had been the traditional center for European Old Masters sales for many years, but ceded its position to the US from 2021 through 2023 as some exceptionally high prices were achieved in New York. However, in 2024, with less of these sales in the US and several high prices in the UK, the UK regained its premier position in the European Old Master sector, with a leading share of 38% by value and 21% of lots sold. While this represented a notable advance in share from 2022 (up by 15%), it was still substantially less than its level in 2014, when it accounted for just over half (52%) of the value of sales.

After two years of declining sales up to 2020, the US market revived in 2021 and 2022, with strong sales and very high prices for European Old Masters, including several works from the Paul Allen sale at Christie's, bringing the market to $387 million, its second-highest level next to the peak of $646 million in 2017 (which included the da Vinci lot mentioned above).

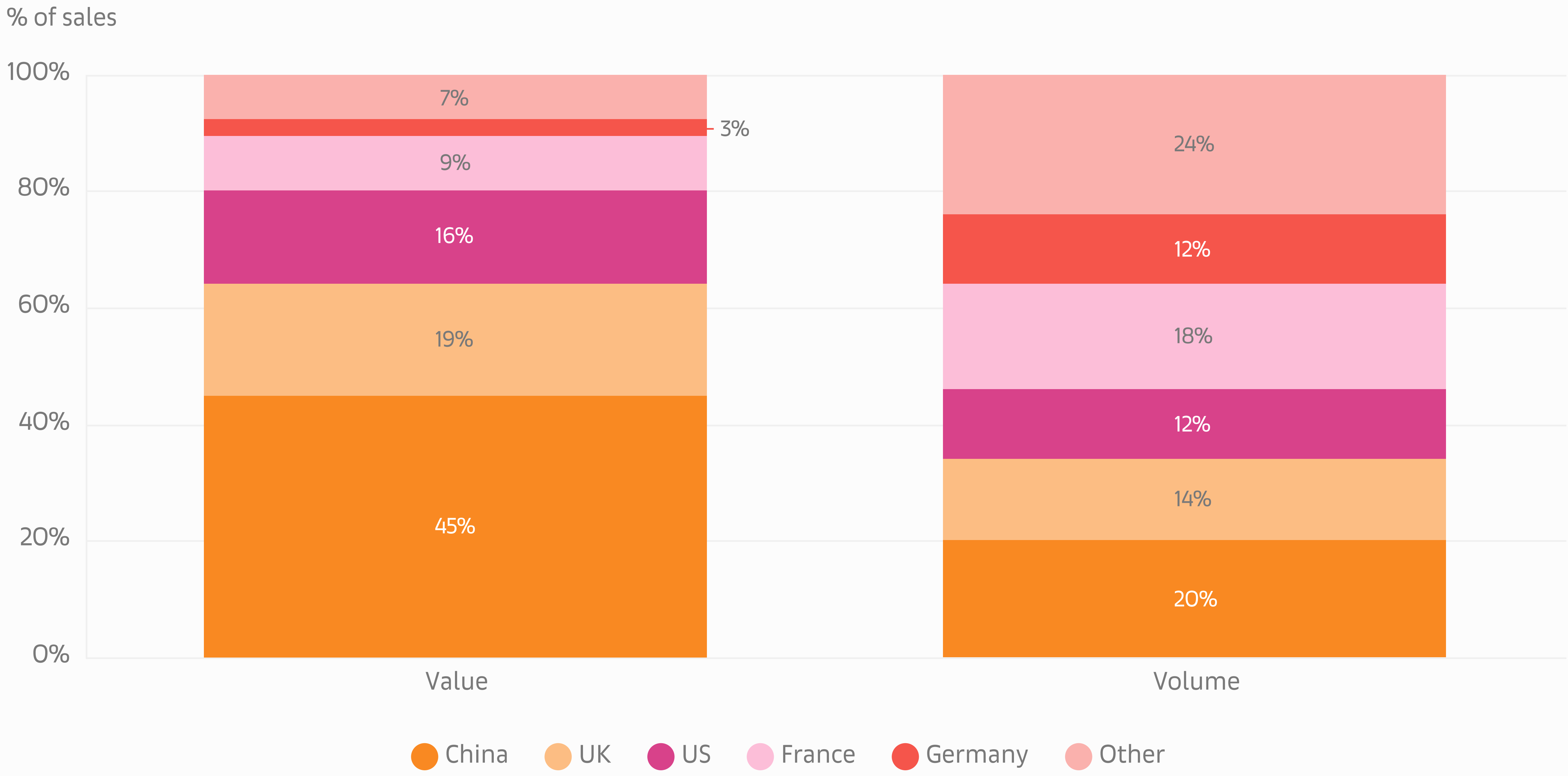
However, the market dropped for the next two years, with a substantial fall of 52% to $132 million in 2024, with no lots sold over $10 million. This was the lowest point in the US market for over 15 years and moved it into third place in the global ranks for the wider Old Masters sector, with 16% by value (and 24% of the European Old Masters sector).

After falling to a low of just $25.0 million during the pandemic, sales in France had a significant boost in 2021 and 2022, more than doubling in value to reach an historical peak of $130 million, before dropping once again in 2023 by 48% to $68.0 million. With the highest-priced lot sold in the sector in Paris in 2024, sales improved, and values rose by 10% to $75.0 million, still below their peak but above their pre-pandemic level in 2019 and the second-highest point since 2015. Its market share by value increased to 9% in the wider Old Masters sector (up by 3% on 2023) and 17% in the European Old Masters sector (up by 7% year-on-year and also with a substantial 19% of lots sold).

IMAGE Detail of a work by Hu Yinping, presented by Magician Space in the Galleries sector at Art Basel Hong Kong 2024.

Figure 3.37 Global Market Share of Old Masters Paintings 2024

a) Old Masters



b) European Old Masters

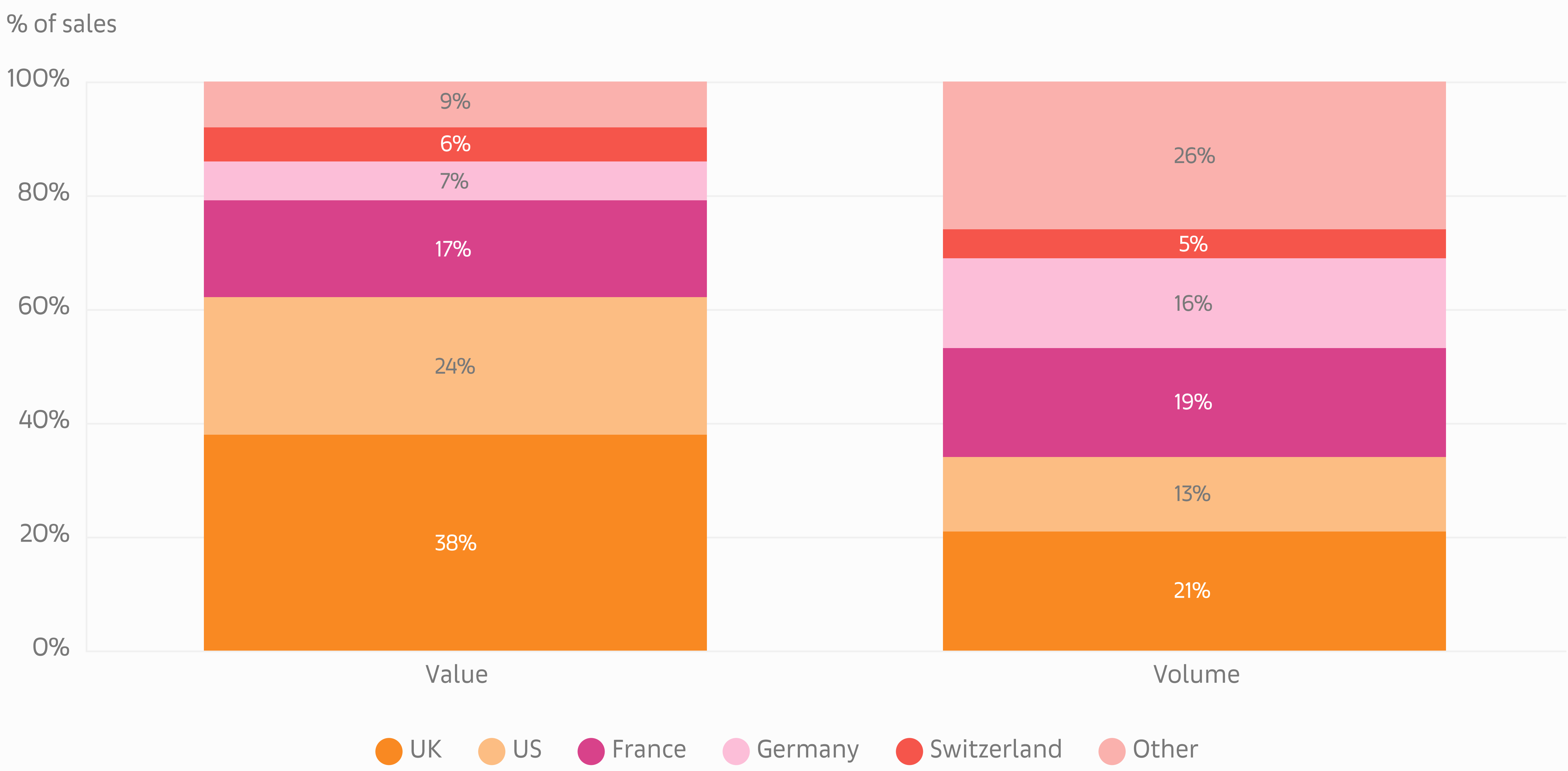


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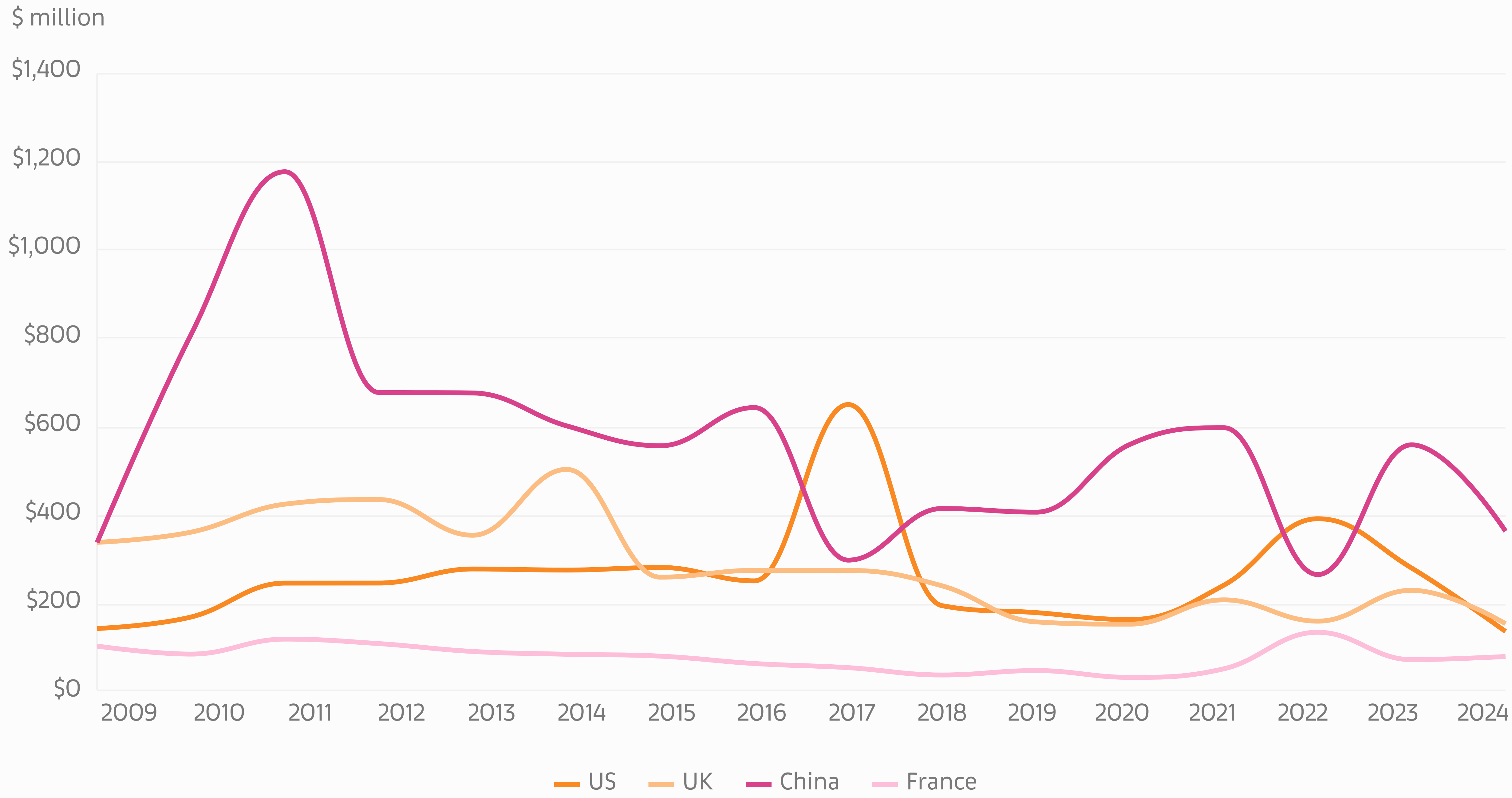
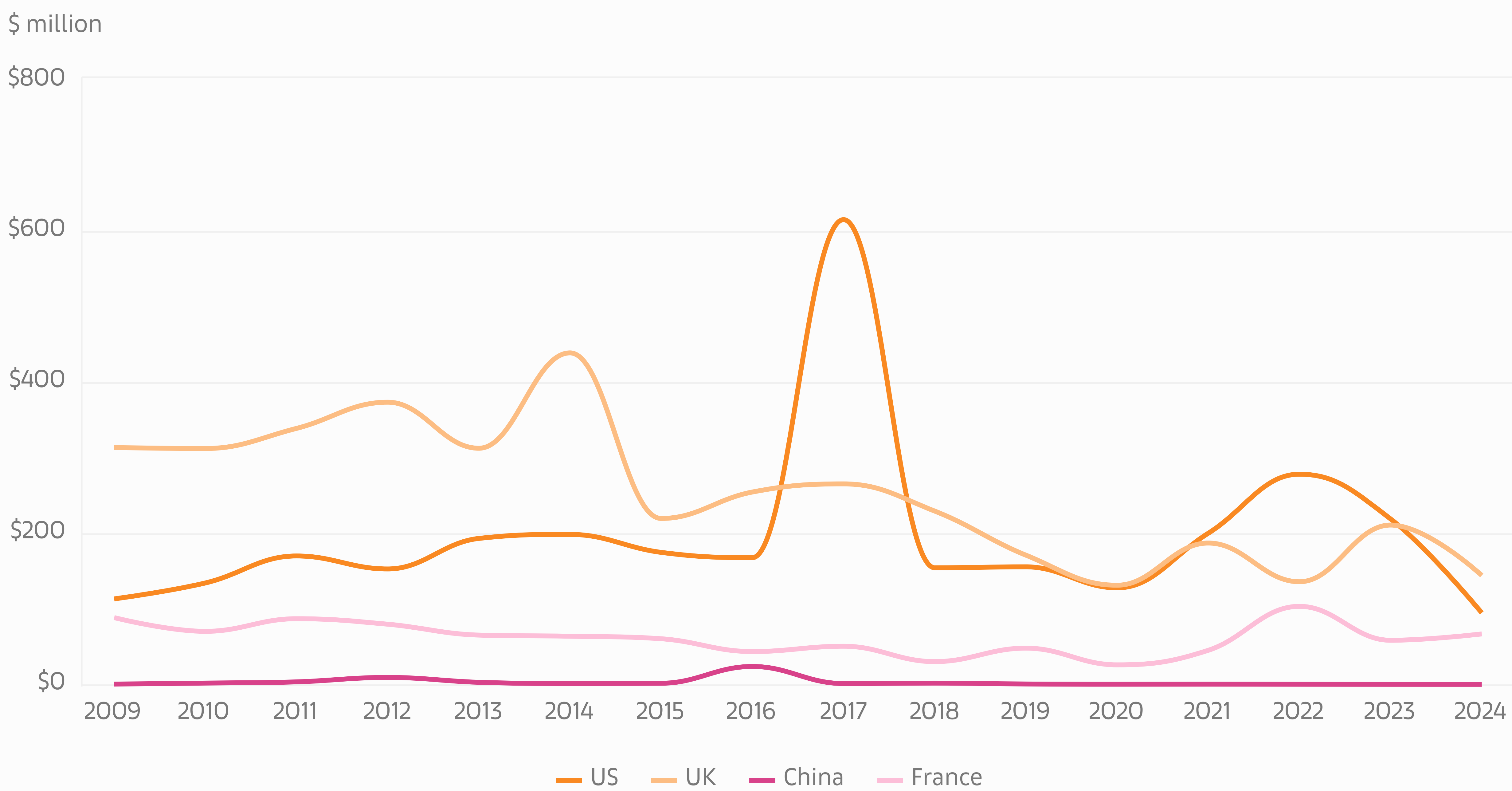
Figure 3.38 Sales in the Old Masters Sector Key Markets 2009–2024

a) All Old Masters



b) European Old Masters



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The highest-selling individual artist in the Old Masters sector in 2024 was Jean Siméon Chardin, with sales of $28.9 million. The top five artists in the sector, which included Titian, Shitao, Sandro Botticelli, and Rembrandt Van Rijn, represented a 13% share, and the top 20 accounted for 28% of total sales values, the lowest level of concentration across all sectors, with less exceptionally priced lots being sold during the year. Chardin was also the highest-selling artist in the European Old Masters sector, and along with Titian, Botticelli, Rembrandt Van Rijn, and Anthony van Dyck, the share of the top five artists was slightly more concentrated at 24% of total values, with the top 20 having 43%.

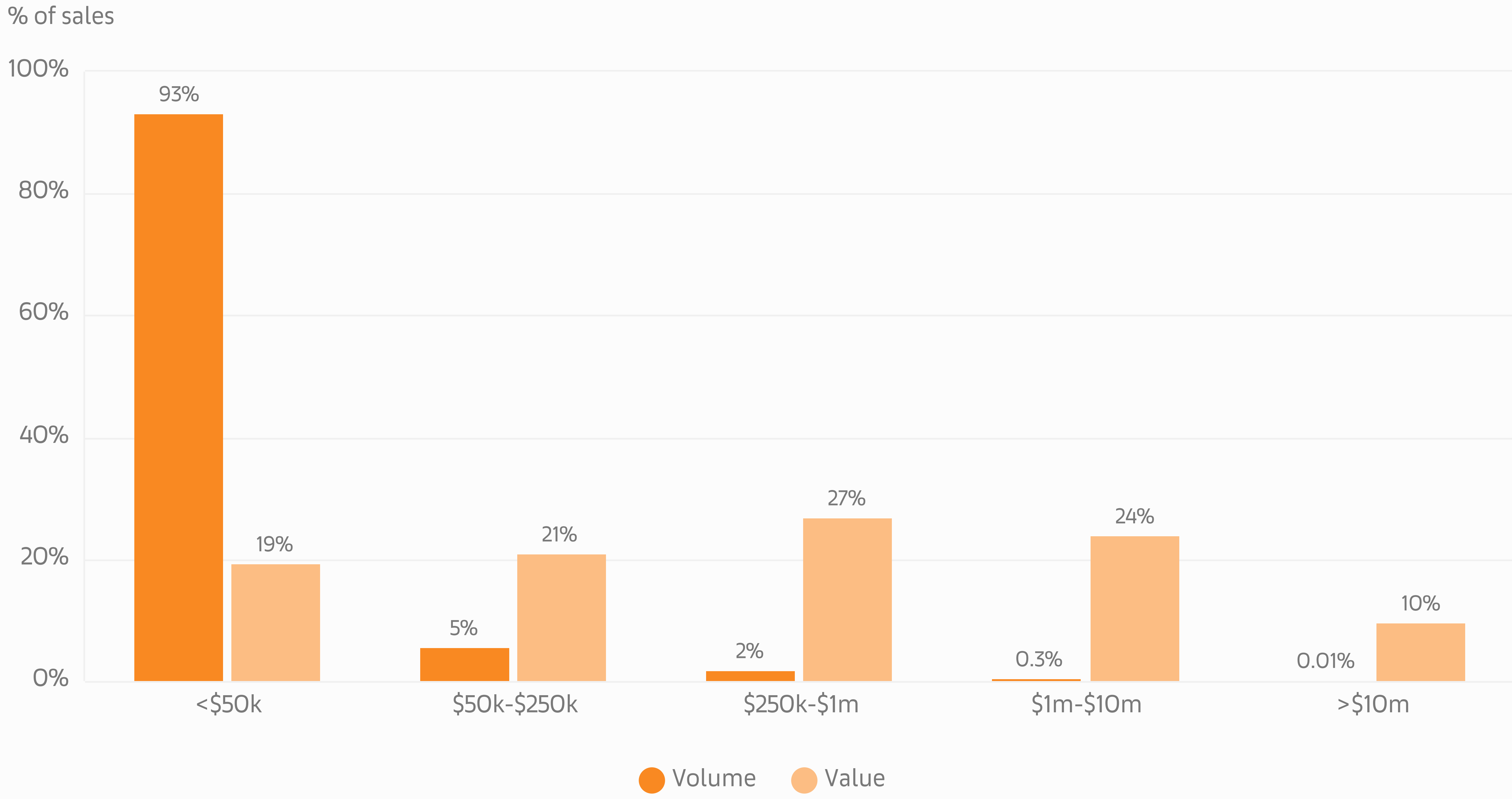
Due to the wider distribution of sales across different artists and prices, values in the Old Masters sector were also less concentrated at the top end of the market in 2024. In the wider Old Masters sector, 34% of lots sold by value were priced at over $1 million, compared to 52% in 2023, making this one of the more balanced market sectors by value, with a stronger middle range (48% of value in the $50,000 to $1 million segment). The share of value concentrated in the very highest prices of over $10 million was the lowest of all sectors, too, at 10%, also down substantially from 2023 (21%). However, even in this sector, most lots (93%) were sold at auction for prices of less than $50,000, and these accounted for 19% of the value of works sold. Sales for works of under $1 million fell by a moderate 2% year-on-year, with the larger aggregate downturn caused by the drop in sales of $1 million-plus works, which fell by 43% in number and 57% in value versus 2023.

The high end was less dominant in the European Old Masters sector, too, with the share of works sold for over $1 million at 39% by value, down from 51% on 2023, with a year-on-year drop of 10% for the $10 million-plus segment to 17%. In this part of the Old Masters sector, growth was confined to lower price levels in 2024, with the number of lots sold and aggregate value of works for under $50,000 both up year-on-year (by 9% and 5%, respectively), while all other segments declined, with a drop in the value and volume of sales of over $1 million to close to half their size in 2023.

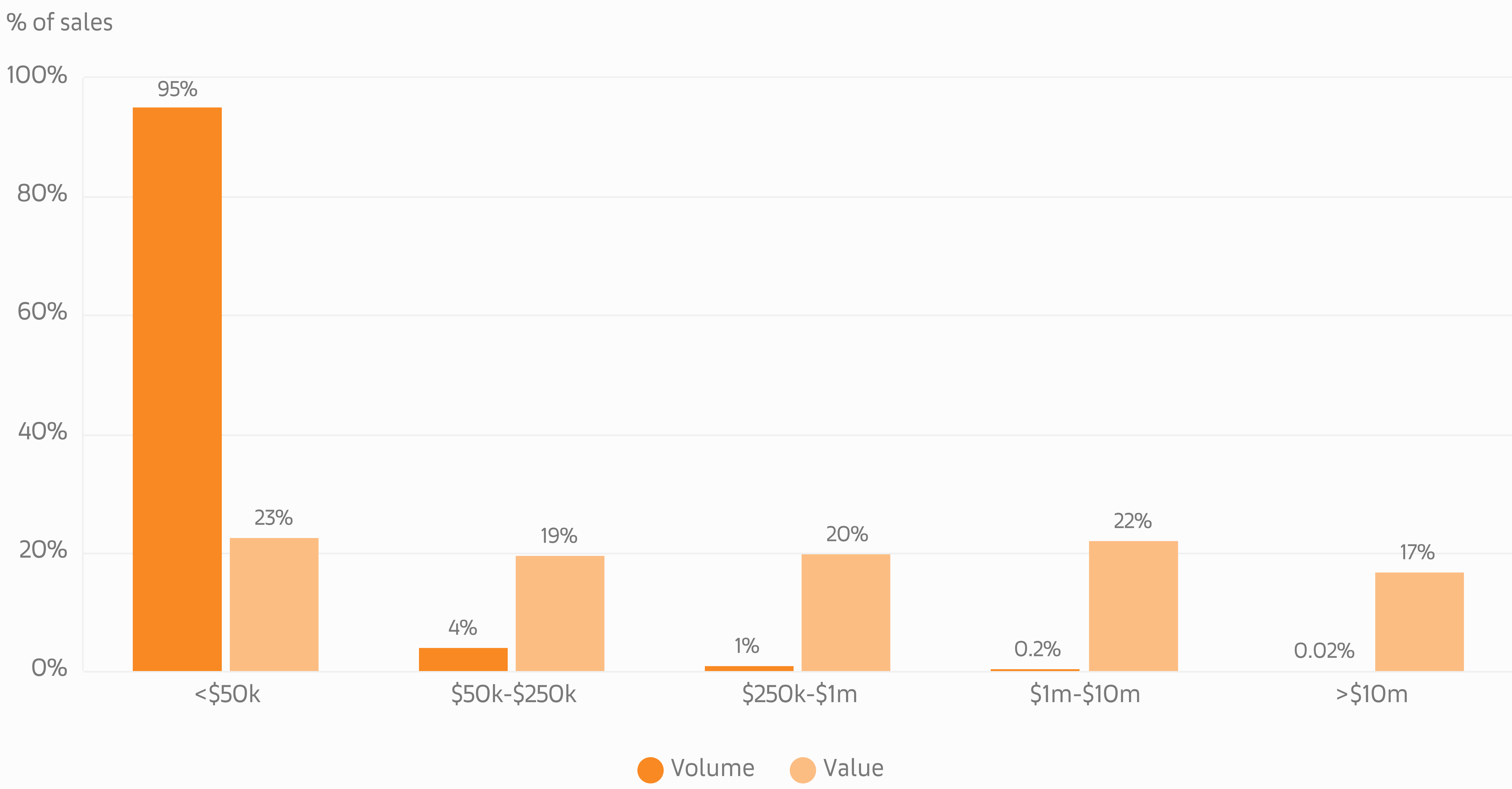
34% of Old Master lots sold by value were priced at over $1 million, compared to 52% in 2023, making this one of the more balanced market sectors by value, with a stronger middle range

Figure 3.39 Sales in the Old Masters Sector by Price Segment 2024

a) All Old Masters



b) European Old Masters



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Sotheby's and Christie's were once again the largest auction houses by value of sales in the wider Old Masters sector, with a combined share of 50% (and 12% of all lots sold). Together with China Guardian, Xiling Yinshe, and Beijing Poly Auction, the top five auction houses accounted for 69% of sales values, down by 6% on 2023, and 19% of the number of transactions.

Christie's and Sotheby's made up a more substantial 67% of the value of sales of the European Old Masters market and 10% of all lots sold. Along with Dorotheum, Kornfeld, and Bonhams, these top five houses represented 76% of the value of sales (down by 11% year-on-year) and 23% of lots sold.

IMAGE Detail of a work by Catalina Swinburn, presented by Selma Feriani Gallery in the Galleries sector at Art Basel Hong Kong 2024

Exhibit 4. The Art of Indexing: Quantifying Creativity in the Financial World

William N. Goetzmann, Yale School of Management

A major takeaway from the survey of over 3,660 HNW collectors conducted by Arts Economics and UBS in 2024 was that they held an average of 15% of their overall portfolio of wealth in art – an important component of their personal assets.[51] Their motivation was in part financial. The report noted that over 85% of the HNWIs surveyed felt that art was a relatively safe investment compared to traditional assets such as stocks, with a similar share agreeing it could be a useful portfolio diversifier. 24% of the high-net-worth respondents ranked financial considerations as a primary motivation for buying art – second only to the enjoyment (self-focus/pleasure) of the art itself. The survey was conducted in mid-2024 when most collectors were uncertain about the future of the art market, following a declining year for sales in 2023, and with weaker public auction sales being prominently highlighted in the art and financial press. A natural question therefore is where these beliefs about art as a safe and diversifying asset might have come from. Although many decisions that collectors make are guided by subjective drivers or advice from experts, there has been a growing body of more objective market knowledge over the last 30 years based on more quantifiable indicators, with much of the research about the risk and return of art as an investment coming from the study of art price indexes.

Price indexes track historical trends in art value. I have been constructing art indexes for most of my academic career, from centuries-long indexes of painting prices to creating an index of NFTs during the COVID-19 bubble. Over that time, art indexes have played an increasingly central role in the financialization of the art market. On the positive side, they have helped the collecting world and the financial world quantify the risk, return, and diversification potential of art as an asset class. But this process of measurement seems to have changed the way the world thinks about art.

I worry, with many others, that art has been transformed into capital by virtue of measuring its statistical characteristics. Responses by HNWIs in the 2024 survey belie that worry to some extent: 40% chose self-focused motivations as opposed to financial and social motives as their primary reason for collecting. Nevertheless – art is capital. And artists will tell you

51 Arts Economics (2024) *A Survey of Global Collecting in 2024, An Art Basel and UBS Report*, available at theartmarket.artbasel.com.

the same thing: the art they create is an economic product – the basis of their livelihood. Art has also been latent capital for passionate collectors who bought and treasured beautiful, curious, or precious things. Indeed, humans made, collected, and traded aesthetic objects before the modern human species emerged. Art played a role in politics and diplomacy even before money existed. Appraisers have opined on the value on art in estates since the Dutch Golden Age. But, as the saying goes, this time it's different – driven in part by 20th century financial innovations.

A revolution in investment management began in 1952 with Nobel Laureate Harry Markowitz's computer approach to portfolio optimization and emerged as a full-fledged equilibrium theory in 1964 with (another Laureate) William Sharpe's Capital Asset Pricing model. Data, not analysts' opinion, became the currency of modern portfolio theory. With good data, one could estimate the risk and return and correlation of stocks, bonds, and other assets, feed these into a portfolio model, and receive a recommendation on how much to invest in each asset.

University of Chicago's Center for the Research in Security Prices (CRSP) quickly became the leading source for the essential data on stock and bond returns needed for modern investment management. But six years after CRSP's founding, Sotheby's chairman Peter Wilson launched the monthly Times-Sotheby's Index, created by an Oxford-trained statistician Geraldine Norman (née Keen), who went on to publish several prominent quantitative studies of the art market. Academic studies of art as a portfolio asset followed quickly.

The first economist to use art auction prices to construct an index was Robert C. Anderson's 1974 'Paintings as an Investment.'[52] Other economists, including myself, have used and refined his repeat-sales technique.[53] The growth of art auction databases and technologies around gathering large amounts of auction data online has now vastly improved statistical estimates of the risk and return of art as a broad category – with the essential metric being an index, or sub-indexes of art calculated from auction transaction prices. Investment advisors can now load these indexes, along with stock and bond indexes, into a portfolio optimization model and estimate the fraction to be invested in an art portfolio.

Tracking art alongside financial assets is a bit like comparing apples to oranges, however. There are important differences between art market indexes and financial market indexes. First, art is mostly heterogeneous – in short, most art is non-fungible – artworks are unique,

52 Anderson, R.C. (1974) 'Paintings as an investment', *Economic Inquiry*, 12(1), p.13, available at onlinelibrary.wiley.com/doi/10.1111/j.1465-7295.1974.tb00223.x.

53 See, for example, Goetzmann, W.N. (1993) 'Accounting for taste: Art and the financial markets over three centuries', *The American Economic Review*, 83(5), pp.1370-1376; Mei, J. and Moses, M. (2002) 'Art as an investment and the underperformance of masterpieces', *American Economic Review*, 92(5), pp.1656-1668; and Renneboog, L. and Spaenjers, C. (2013) 'Buying beauty: On prices and returns in the art market', *Management Science*, 59(1), pp.36-53.

and even identical prints can vary in quality, with one not as good as another. This makes the challenge of constructing an art index more like estimating a private equity or venture capital index, two widely popular alternative investments.

When there are no continuously observable market prices, it is hard to estimate crucial measures like diversification and risk – both of which rely on regularly recorded market prices of a standardized, fungible asset, like a share of publicly traded stock. That is just not how the art market works. Most art is sold through dealers who don't register their sales prices in a common database. Auction houses do, however, and these have been the go-to sources for most academic research on the return, risk, and diversification potential for artworks. Although the results of these studies have varied, many have found that the average investment return on art over the long term is somewhere between that of stocks and bonds – but with higher volatility than stocks. Most agree that art has a modest to low correlation to other asset classes. These estimates also vary depending on the time period you study; like all assets, the art market has experienced sustained run-ups and declines.

Interestingly, while artworks only trade occasionally, art auction data for calculating auction indexes is actually better than the data for most other alternative investments. Thanks to a long history of auction price compilers and auction catalogs, a spotty but informative index can be constructed from the 18th century forward. Why is this of interest to investors now? In search of higher returns and portfolio diversification, the investment community is constantly in search of new asset classes. Over the past 30 years, investment managers have embraced private equity, venture capital, natural resources, hedge funds, private credit, cryptocurrency, non-fungible tokens, and other alternative asset classes. None of these have pricing data that stretch back centuries like the art market.

Investors chase promising opportunities. When some new asset class spikes in value, it is quickly touted as a high return, low correlation asset, appropriately illustrated by an index. Of course, indexes are indicative of past performance. Indeed, many newly created indexes are motivated by past performance: investments that have performed well will attract interest and a desire to see how they have done over the long term. A case in point: NFT indexes only appeared after prices took off in the COVID-19 era, two years after the 2017 launch of CryptoPunks. In short, indexes appear when investors are interested. But recent profitability can be a short-lived phenomenon. If the returns to some new category of collectible look too good to be true, maybe it is because indexes are more likely to appear at the top of a bubble, not at the end of a slump.

Another important but often overlooked consideration, as with all financial indexes, is that art indexes measure the performance of a large, diversified portfolio across all styles in the market, not a personal collection of a few hundred works. Holders of large collections should realize that the volatility of their portfolio is going to be substantially higher than the volatility of a broadly diversified art index.

Of course, there are more caveats. Auction price indexes don't account for transaction costs. They don't account for insurance, maintenance, and other expenses of holding the art. They do not capture the dealer trade in art. This is especially relevant given the fact that dealer sales and private sales accounted for a major fraction of the market in 2024, and the surveys of global HNWIs indicated in 2024 and in previous years' research, that buying through dealers was their dominant preference for purchasing art and largest channel of expenditure. Indexes also exclude other channels for sales including artists' direct sales and other agents selling artworks.

A subtle but important concern about non-fungible assets – a category that, in my view, includes paintings and real estate as well as NFTs – is that transaction-based indexes do not always represent the value that could be realized from buying and selling a work. A work will sell only when it exceeds the seller reserve, and therefore all works that are bought-in at auction are not included in an index. That means lower valuations – bids that fall below the reserve – are missing. If you only count what sold, and ignore what didn't, your view of an asset class will be misleading. This problem is being explored by academic researchers, with adaptations to the techniques used to construct indices which adjust for this bias and correctly estimate an art index.[54]

The 2020 NFT bubble is a perfect case in point. If you only used realized sales – and ignored the huge numbers of works on offer – you would have massively overestimated the value of your NFT. In recent work with my co-author Dong Huang, we applied these correction techniques to transactions in a major NFT marketplace.[55] We found three interesting things. First, the corrected index was lower by more than an order of magnitude than the uncorrected index. Despite that, however, we found the NFT bubble was likely bigger than the famous Dutch Tulip Bubble. Second, the corrected index turned sharply down in 2021 and showed a catastrophic collapse in prices through July 2022 – even while a standard index showed prices wobbly but still high. This index timing delay can lead to mismeasurement of risk and diversification. Finally, we tested to see if astute investors – those who negotiated their bidding prices to find the seller's true reserve – made money out of the bubble. Indeed, they did. Those who took the trouble to negotiate prices, rather than simply accepting the asking price set by the seller, ended up making a profit. Our evidence showed the importance of market experience and understanding market conditions. Successful NFT speculators tended to buy across a wide range of prices – indicative of

54 Korteweg, A., Kräussl, R. and Verwijmeren, P. (2016) 'Does it pay to invest in art? A selection-corrected returns perspective', *The Review of Financial Studies*, 29(4), pp.1007-1038, available at academic.oup.com/rfs/article-abstract/29/4/1007/1896045.

55 Huang, D. and Goetzmann, W.N. (2023) 'Selection-neglect in the NFT bubble' (No. w31498), *National Bureau of Economic Research*, available at nber.org/system/files/working_papers/w31498/w31498.pdf.

the breadth of their market participation. We also believe this experience mitigated the reliance on general trends versus conditions specific to individual works – for example, how long it was listed or how likely the seller might be to discount the price.

I see some benefits of the financialization of art in bringing art to public attention. Stories of finding a masterpiece at a yard sale have almost certainly stimulated public interest in the history of art. High prices alone makes one wonder – and perhaps investigate – why the work of a particular artist is so desirable. Financially motivated buyers of high-value blue-chip paintings, who bought for investment but held for passion, may come to appreciate how art enriches lives. From an artist's perspective, anything that increases the demand for art can't be a bad thing. Nevertheless, tastes in art can shift, and unless you understand the nature and limitations of indexes constructed from auction sales, you might be negatively, or positively surprised.

I am a believer in statistical tools for valuation and in the use of indexes as a guide for investment management – even given all the caveats above. Much progress has been made in the development of methods for integrating art and other non-fungible assets into the portfolio construction process.

Art is a particularly interesting domain of economic research because its primary value is non-pecuniary: society places a high monetary value on the aesthetic experience it renders. In on-going work with my co-author Amy Whitaker of NYU, we use US estate tax data to estimate an aggregate value for art in the US in 2020 between $1.5 and $2 trillion – 75% of which was held by HNWIs. Counting other passion assets, Christophe Spaenjers, Stijn Van Nieuwerburgh, and I estimated that collectibles represented more than 5% of personal US wealth in 2020.[56] Properly constructed and understood, indexes can tell us a lot about art's role in an investment portfolio. Aggregate measures of value – as well as the responses to questionnaires from art collectors – confirm humankind's commitment to creativity.

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56 Goetzmann, W. N., and Whitaker, A. C. (2021) 'Estimation of the value of art in U.S. households', *Mimeo,* and Goetzmann, W.N., Spaenjers, C., and Van Nieuwerburgh, S. (2021) 'Real and private-value assets', *The Review of Financial Studies,* 34(8), pp.3497-3526, available at nber.org/system/files/working_papers/w28580/w28580.pdf.

IMAGE Detail of a work by June Clark, presented by Daniel Faria Gallery in the Galleries sector at Art Basel Miami Beach 2024

4. OUTLOOK

Key Findings

1. Looking ahead to 2025, 33% of dealers expected improving sales (down by 3% from 2023), 47% were hoping for a stable year, and 19% anticipated a decline (up by 3%). Only 19% of the largest dealers (with turnover of $10 million-plus) thought sales would improve in 2025 although the majority felt sales would stabilize. Optimism picked up in the middle market, with those hoping for increasing sales in the $500,000 to $1 million segment up from around a third at the end of 2023 to 51% at the end of 2024. Dealers with turnover of below $500,000 were slightly more balanced and around one-quarter thought sales would fall, with the remainder hopeful for a stable or better year.

2. In the auction sector, after a difficult year in 2024, optimism was still relatively subdued for sales in 2025 among mid-tier auction houses. When asked how they predicted their sales would fare over the next 12 months, only 15% expected them to improve, down from 38% in 2023. While 45% felt sales would stabilize, a significant 40% of respondents forecasted a decline.

3. Despite less optimism regarding sales, most businesses in both the auction and dealer sectors expected to keep employment stable in 2025. The majority of dealers (64%) had maintained stable numbers in 2024, with 24% increasing their staff. Looking ahead over the next 12 months, most dealers (74%) expected to maintain steady employment levels, with 19% forecasting a rise, and only 6% anticipating any losses. Just over one-third (35%) of mid-tier auction houses had increased employment in 2024, with only 12% reducing numbers. The majority (69%) also hoped to keep employment stable in 2025, with 9% planning further expansions. The share expecting to lose employees also rose to 22% (from 5% the previous year).

4.1 Outlook for 2025

2024 was a year full of uncertainty for the art market. With ongoing conflicts in Ukraine and the Middle East and apprehension regarding the outcome of contentious elections in the US and Europe, the market was on edge, with sales at the highest end cooling for a second consecutive year as some buyers and sellers waited it out. Although some uncertainties have now been resolved, the implications of future economic policy developments, particularly with regard to trade policy, present new risks for the art market in 2025. The possible effects of political decisions on trade flows are uncertain and they may also affect the trajectories of inflation, borrowing costs, currency values, and other economic variables which may all potentially filter down into effects on the art market's growth.

While the art market might be relatively resistant to some of the specific issues faced in 2025, the potential for rising protectionism and economic nationalism may have more serious implications over the longer term

The IMF estimated global GDP growth to have reached 3.3% in 2024, with increases now forecast at 3.4% for both 2025 and 2026, below the average rate of 3.7% from 2000 to 2019. It also measured global headline inflation at 5.8% in 2024, having made steady progress down from a high of 8.6% in 2022. This is expected to decline further to 4.2% in 2025 and to 3.5% in 2026, albeit with warnings flagged of the risks of 'policy-generated disruptions' to the disinflationary process, which could interrupt the trend towards easing monetary policy and have implications for future financial stability.[57] Any reduction in inflation will hopefully alleviate some pressures on businesses operating in the market, while lower interest rates are likely to have a positive effect on sales, with many HNWIs using credit and lending to make purchases in the art market.

With regard to the outlook for international trade, while the art market might be relatively resistant to some of the specific issues faced in 2025, the potential for rising protectionism and economic nationalism may have more serious implications over the longer term. In the increasingly globalized art market, the relatively unencumbered exchange of certain categories of art has encouraged a strong cross-border trade. The rise and dominance of

57 IMF (2025) *World Economic Outlook Update, January 2025*, available at www.imf.org.

Contemporary art over the last decade has been due, in part, to the fact that there were very few restrictions on its movement across national borders. In other older sectors, restrictions on trade have meant that some nations trade only within domestic markets, ultimately limiting their long-term potential for growth. While sales of Contemporary art led the art market's recovery in 2021, they have come under pressure over the last two years and are therefore are at a time when they most need wider global audiences and access to continue to grow.

The global dominance of art hubs like the US and the UK is founded not only on their domestic wealth and art trade infrastructures but also on their transparent and regulated environments for art sales, where the legal and fiscal systems offer a level of protection to both buyers and sellers while still providing incentives to boost a healthy inflow and outflow of art. Protectionist policies, on the other hand, have been shown to be as directly detrimental to national art markets as they are to their economies, with several clear examples of how heavy restrictions on international trade have limited domestic growth.

IMAGE Detail of a work by Randolpho Lamonier, presented by Verve in the Positions sector at Art Basel Miami Beach 2024

4.2 A Note on Wealth

Despite the challenges of 2024, one positive development was that many investors made significant gains in financial markets, with global equity markets rising by more than 20% during the year, and by almost 50% since 2020 (see Exhibit 5). This undoubtedly helped to boost the wealth of some of the richest in society, evidenced through the rapid expansion of wealth at the highest levels.

At the top of the wealth pyramid, HNWIs were already able to weather the economic fallout of the pandemic significantly better than other segments, and millionaire wealth continued to grow in 2020 and 2021, reaching an historical peak of $222 trillion spread among 62.5 million millionaires.[58] However, in 2022, the wealth in this top segment fell by 6% as the value of financial assets declined, which are highly concentrated in the portfolios of HNWIs, and the population also dropped by 5%. In 2023, wealth reverted to a positive trajectory once again (up by 3% to $214 trillion) but the number of people this was spread among continued to fall (with a drop in the millionaire population of 2% to 58.0 million).

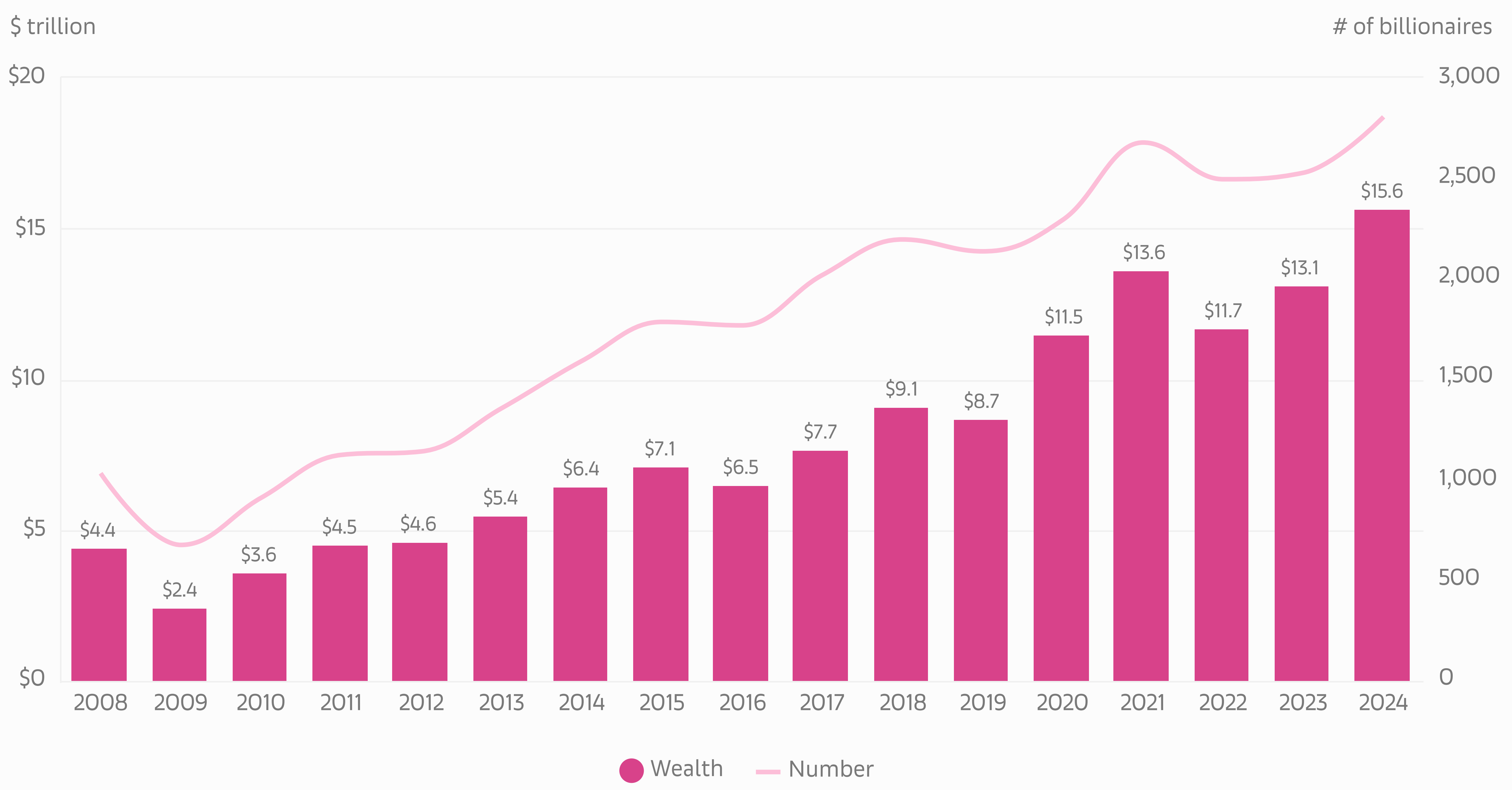
Looking back over the last 15 years, the number of millionaires more than doubled between 2010 and 2023 and their wealth tripled. Although inflation has lowered the barrier and inflated wealth, this still represents substantial growth over the period, expanding the population within this segment on which a substantial share of art market sales depend. Along with the growth in wealth has come greater wealth inequality. In 2021 at its peak, just 1% of the world's population owned nearly half of the world's wealth. At the end of 2023, millionaires accounted for 2% of the adult population and owned 48% of world wealth, but this was up considerably from 36% in 2010.

Focusing on the very top of the wealth pyramid where data for the full year 2024 was available, billionaire wealth continued to see strong growth, with more billionaires controlling more wealth by the end of 2024 than ever before. Measured from the end of 2023 to the end of 2024, billionaire wealth advanced by almost 20%, and 259 new billionaires were created globally. At the start of 2025, billionaire wealth stood at $15.6 trillion, its highest-ever level, having more than doubled in 10 years (from $6.4 trillion in 2014). Billionaire wealth expanded steadily during the pandemic, peaking in 2021 and by the end of 2024, it was 80% higher than in 2019. The gains have also been highest at the very top of the pyramid, with the wealth of the top 50 billionaires at the end of 2024 up by 122% on 2019, and by 180% for the top three richest individuals. This expansion in personal wealth for the richest individuals worldwide undoubtedly helped the art market

58 Arts Economics (2024) *A Survey of Global Collecting in 2024, An Art Basel and UBS Report*, available at theartmarket.artbasel.com.

recover more easily from the pandemic than it otherwise might have. It also suggests that slowdowns at the highest end of the market experienced for the last two years were not entirely driven by a lack of wealth. While the expansion of HNW wealth may be a necessary condition for a stronger growth in sales, it is clearly not sufficient alone.

Figure 4.1 Global Billionaire Population and Wealth (December Totals 2008–2024)



©Arts Economics (2025) with data from *Forbes*

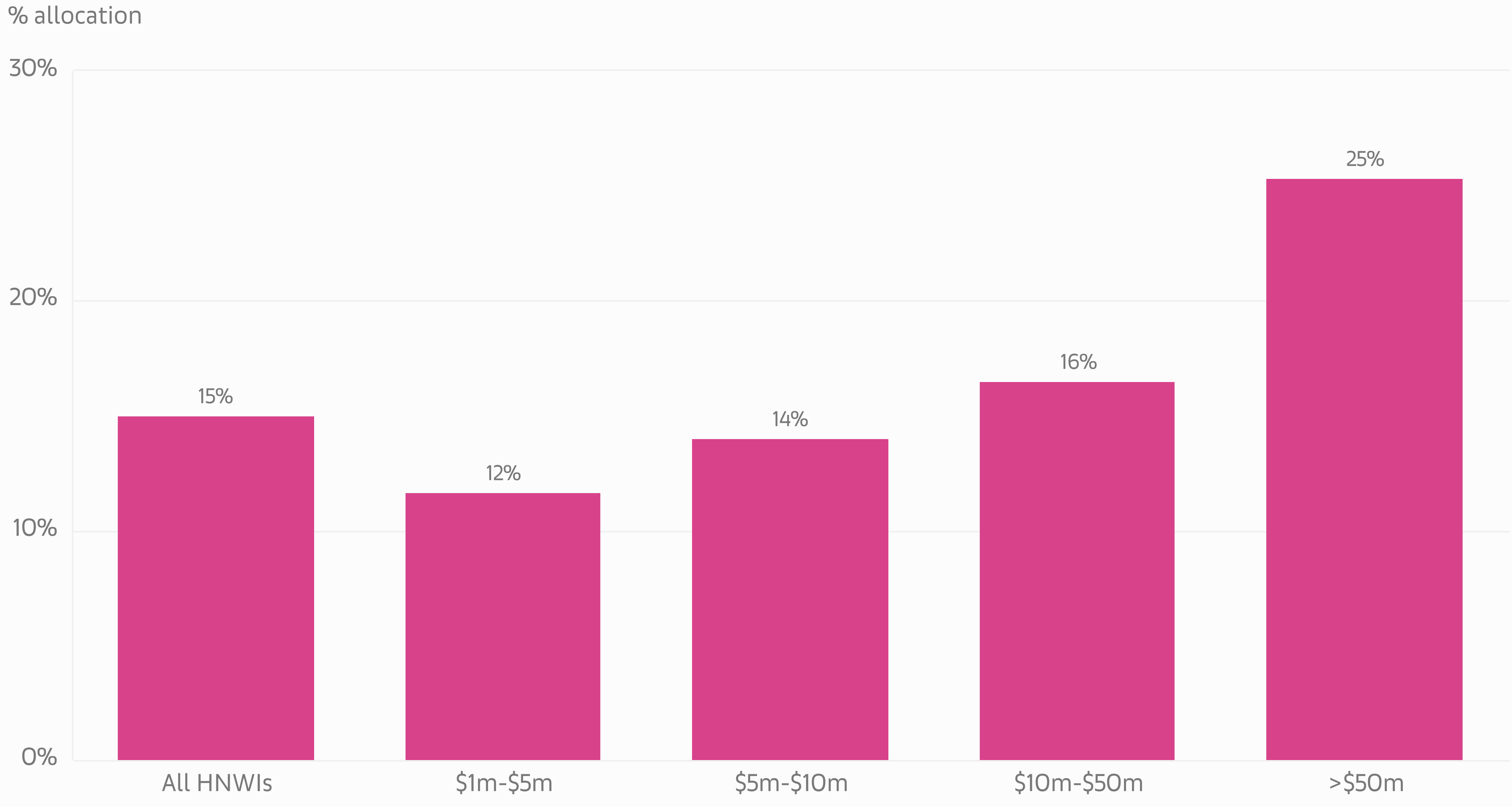
Not all UHNWIs and billionaires are art collectors, but many participate in art and other luxury markets at some level. The amount of personal wealth collectors allocate to their art collections also varies widely, both between individuals, and for individual collectors across different periods of time and life stages. In a study by Arts Economics and UBS of over 3,660 HNWIs, who were active in the art market in 2024, the average allocation to art was reported as 15%, although 10% of respondents allocated over 30% of their wealth to their collections.[59] Allocations also varied by region, from 12% in the US up to a high of around 27% in Mainland China. However, one consistent factor across all regions was that they increased substantially with the level of the collector's wealth. The average allocation for UHNWIs with wealth of over $50 million was 25% versus just less than half that (12%) for those with personal assets of between $1 million and $5 million. The trend of increasing allocations to art with the level of wealth was consistent across different regions in this sample and has been a common feature in various samples over time. Although these were small samples of between 200 and 400 wealthy individuals in each market, the findings indicate that some HNWIs allocate substantial levels of their wealth to their collections globally.

IMAGE Detail of a work by Yuan Fang, presented by Skarstedt in the Meridians sector at Art Basel Miami Beach 2024

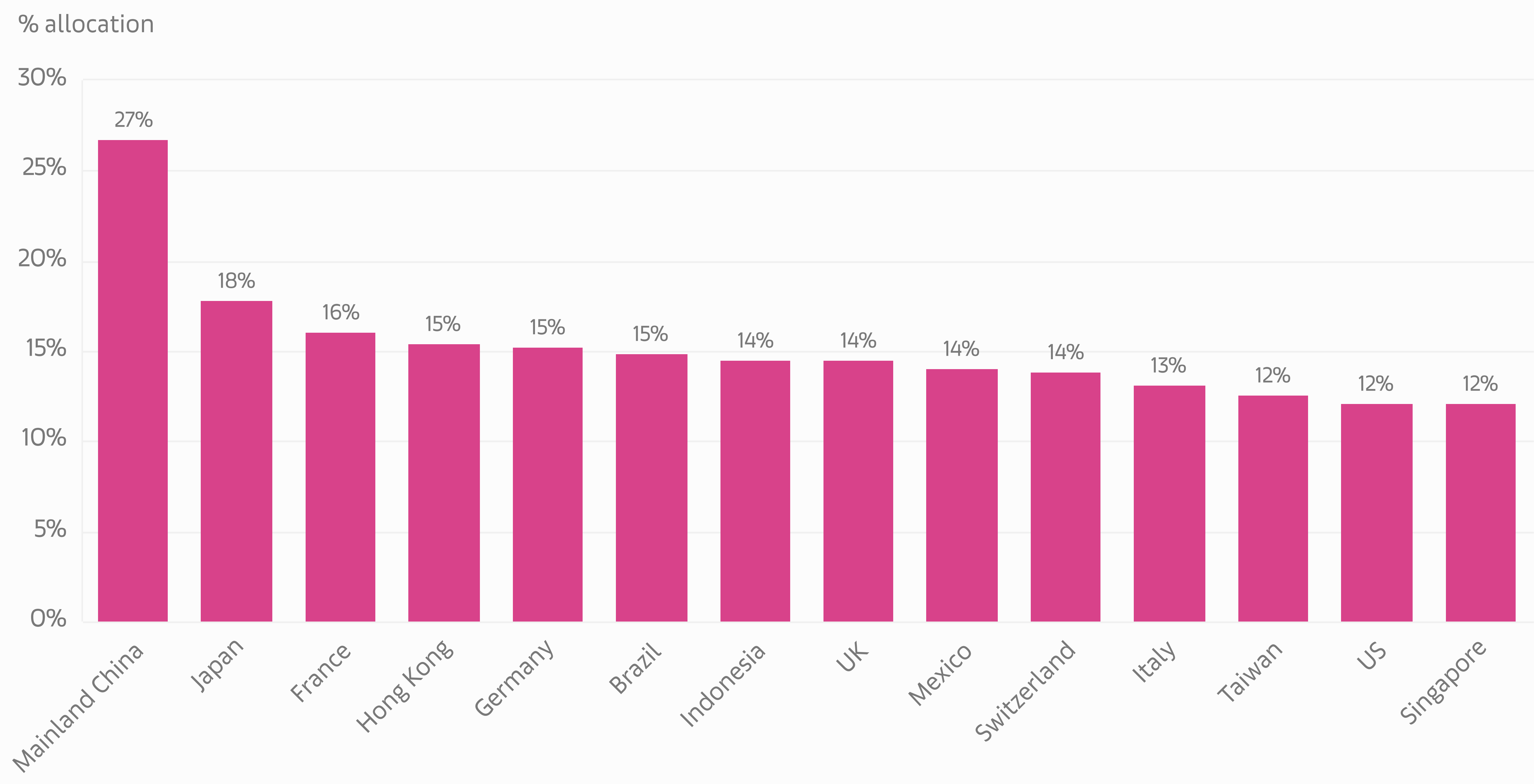
59 Arts Economics (2024) *The Art Basel and UBS Survey of Global Collecting*, available at theartmarket.artbasel.com.

Figure 4.2 HNWI Average Allocation to Art from Overall Wealth 2024

a) By Wealth Level



b) By Region



©Arts Economics (2025)

It is notable, however, that the share of wealth invested in art has declined in the last two years. From a peak of 24% in 2022, the allocations of HNWIs fell to 19% in 2023 and down further to a 15% level in 2024, likely reflecting the growing value of other assets and possibly also less spending at higher levels on art. Adding art to a portfolio of wealth has been viewed by many collectors as an effective way to diversify risk and a safe store of value in times of economic volatility. Over 85% of the HNWIs surveyed in 2024 felt that art was a relatively safe investment compared to other traditional assets such as stocks, with a similar number agreeing that it could be a useful portfolio diversifier. Further, less than 10% thought that wider factors such as financial market volatility, high interest rates, or inflation had a distinctly negative effect on art prices, with most deeming the effects either neutral or positive. Given its perceived benefits as a diversifier and views about its resilience to wider economic factors, it might be expected that allocations of wealth to art would have increased over the last few years. However, the evident fall in its allocation could indicate the more cautious approach to collecting that has been apparent in 2023 and 2024, with a shift in focus by HNWIs to more-liquid financial or income-producing assets. Higher interest rates in 2022 also may have promoted a reduction in spending on discretionary purchases in the years that followed, as the opportunity costs to do so increased, as did the costs of credit and lending. The continued reduction of interest rates in 2025 in Europe and the US may similarly help boost spending, with many HNW collectors having reported using leverage for their art purchases.[60]

There are signs that the changes in the interest rate context ahead is already stimulating alterations in how wealthy individuals may divide their wealth. Some findings at the end of 2024 suggest that billionaires' views on asset classes are shifting as interest rates are forecast to be starting an easing cycle in the US and Europe. A study of billionaires by UBS at the end of 2024 showed that as well as increasing their exposure to real estate, 40% intended to expand their investment in safe-haven assets such as gold and precious metals this year, with 32% planning on investing in more art and antiques (a rise from 11% the year before).[61]

The Arts Economics and UBS study of HNWIs also signaled that among these active buyers, 43% planned to be active as purchasers in the art market in 2025, and this was as high as 70% in Mainland China, and significantly higher for financially motivated collectors (67%). A substantial 55% reported that they planned to sell works from their collections. While this is likely to reflect an effort by HNWIs to edit their collections for a variety of reasons, the high share of sellers may also be indicative of more optimistic forecasts on pricing, or the perception that there could be better opportunities for sales in 2025 than there were in 2024 (particularly as it was coupled with 88% of respondents holding an optimistic view

60 The HNWI surveys conducted in 2023 showed 43% of collectors had used credit and lending to finance art purchases for their collections, including 30% that had done so in 2022 and 2023. See Arts Economics (2023) *Survey of Global Collecting*, available at theartmarket.artbasel.com.

61 UBS (2024) *UBS Billionaire Ambitions Report 2024*, available at www.ubs.com/global/en/wealthmanagement/family-office-uhnw/reports/billionaire-ambitions-report.html.

about the global market's performance for the next 12 months when surveyed in mid-2024).

This research also reveals that a substantial 43% planned to donate or gift works from their collections, and it outlines the importance of inherited wealth for HNWIs, both in terms of their financial positions and the art in their collections. The intergenerational transfer of wealth was already clearly evident in the billionaire segment, with the majority of wealth now being inherited rather than earned. An analysis of *Forbes World's Billionaires List 2024* showed that the average age of a billionaire in 2024 was 66, and almost 40% were aged 70 or over. Most of these wealthy individuals will transfer some or all of their wealth to the next generation within the next 20 to 30 years, which implies a transfer of up to $6.4 trillion. While some of this may go to charities, based on previous estimates of how wealth is transferred, at least $5.5 trillion is likely to be passed onto heirs. Comparing these transfers to 20 years previous, based on billionaire wealth in 2005 and using similar estimates, around $815 billion (or $0.8 trillion) was due for transfer, with the massive growth of 700% due to both the increase in billionaire wealth (from $2.2 trillion in 2005 to its current level), as well as a greater number and share of billionaires currently aged 70 years or over (from 236 or 34% of the total billionaires in 2005 to 40% or 1,083 in 2024).

IMAGE Detail of a work by Liv Schulman, presented by Galerie Anne Barrault in the Galeries sector at Art Basel Paris 2024

These transfers are already changing the structure of HNW wealth, with more new wealth being created through inheritance as opposed to entrepreneurship than in the past 20 to 30 years. Research by UBS in 2024 found that 52% of the wealth generated by new billionaires was by heirs, compared to 48% by the larger number of self-made billionaires, a significant change from previous years when inherited wealth was as low as 14% (in 2018) and 16% (in 2021).[62]

As more wealth shifts to the wealthiest in society, the expanded share of inherited wealth in the HNW segment is likely to increase inequality. While this may affect society as a whole, it is not always negative for art sales, and greater wealth in the top percentiles can produce strong sales and rising prices. But it also creates a narrow market, with value concentrated at the top, leaving it susceptible to certain risks and limitations. In the extremes, if the rise in inequality is such that middle and upper-middle wealth-tier consumers engage less or never start to purchase art, the growing divide could in fact hamper the market's long-term growth and development. While the market has declined by value for two years, the most positive developments have been the growth of sales at the lower and more affordable ends of the market, with the number of artworks sold for prices in the sub-$50,000 expanding, and evidence of success by both dealers and auction houses in reaching new buyers, giving the market a broader and more diversified base for sales .

While the market has declined by value for two years, the most positive developments have been the growth of sales at the lower and more affordable ends of the market, and evidence of success by both dealers and auction houses in reaching new buyers, giving the market a broader and more diversified base for sales

62 UBS (2023) *UBS Billionaire Ambitions Report 2023*, available at ubs.com/global/en/family-office-uhnw/reports/billionaire-ambitions-report-2023.html.

4.3 Outlook of the Art Trade for 2025

Looking forward to 2025, while optimism continues to decline, many businesses were hoping for a more stable year ahead. In the dealer sector, when asked at the end of 2024 about the year to come:

- 33% expected an improvement in sales, down by 3% from 36% when surveyed in 2023, from 45% in 2022, and from 62% in 2021;
- 47% expected sales to be about the same as in 2024 (stable on the previous year's survey); and
- 19% expected sales to decrease, up by 3% year-on-year on 2022 and 2023, and from 11% when surveyed at the end of 2021.

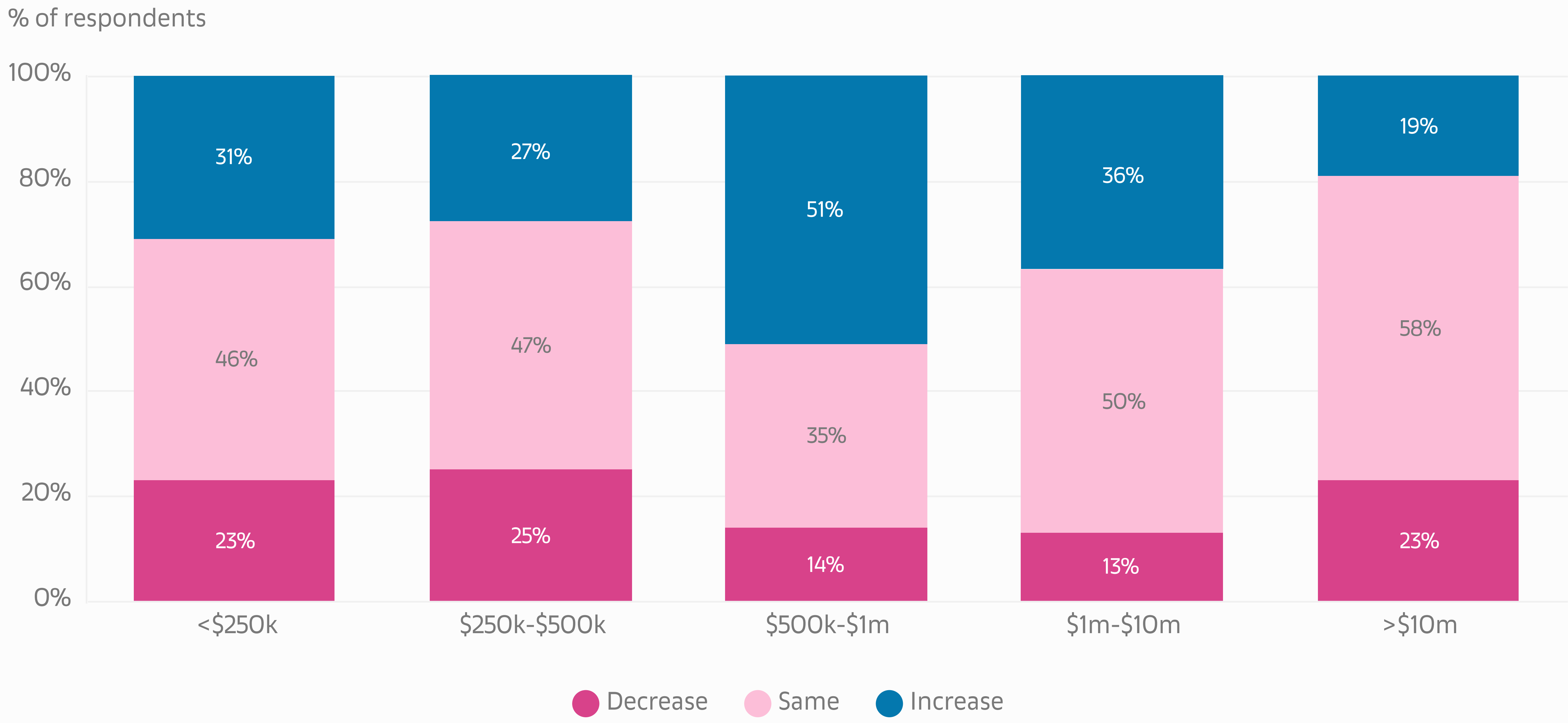
As in previous years, dealers were more optimistic about their own sales versus those of their peers. Only 19% predicted their peers would see a rise in sales (down by 4% year-on-year), 30% felt sales of dealers of similar size and in the same sector would decline, and 26% also predicted slower sales for dealers in their national or regional markets in the coming year.

At the end of 2023, the largest dealers (with turnover of $10 million or more) were hoping for a better year, with just over half (54%) expecting an uptick in sales. This dropped to only 19% in 2024, although the majority thought sales would stabilize. Optimism picked up in the middle market, with those hoping for increasing sales in the $500,000 to $1 million turnover segment up from around a third at the end of 2023 to 51% at the end of 2024. Dealers with turnover of below $500,000 were slightly more balanced and around one-quarter thought sales would fall, with the remainder hopeful for a stable or better year.

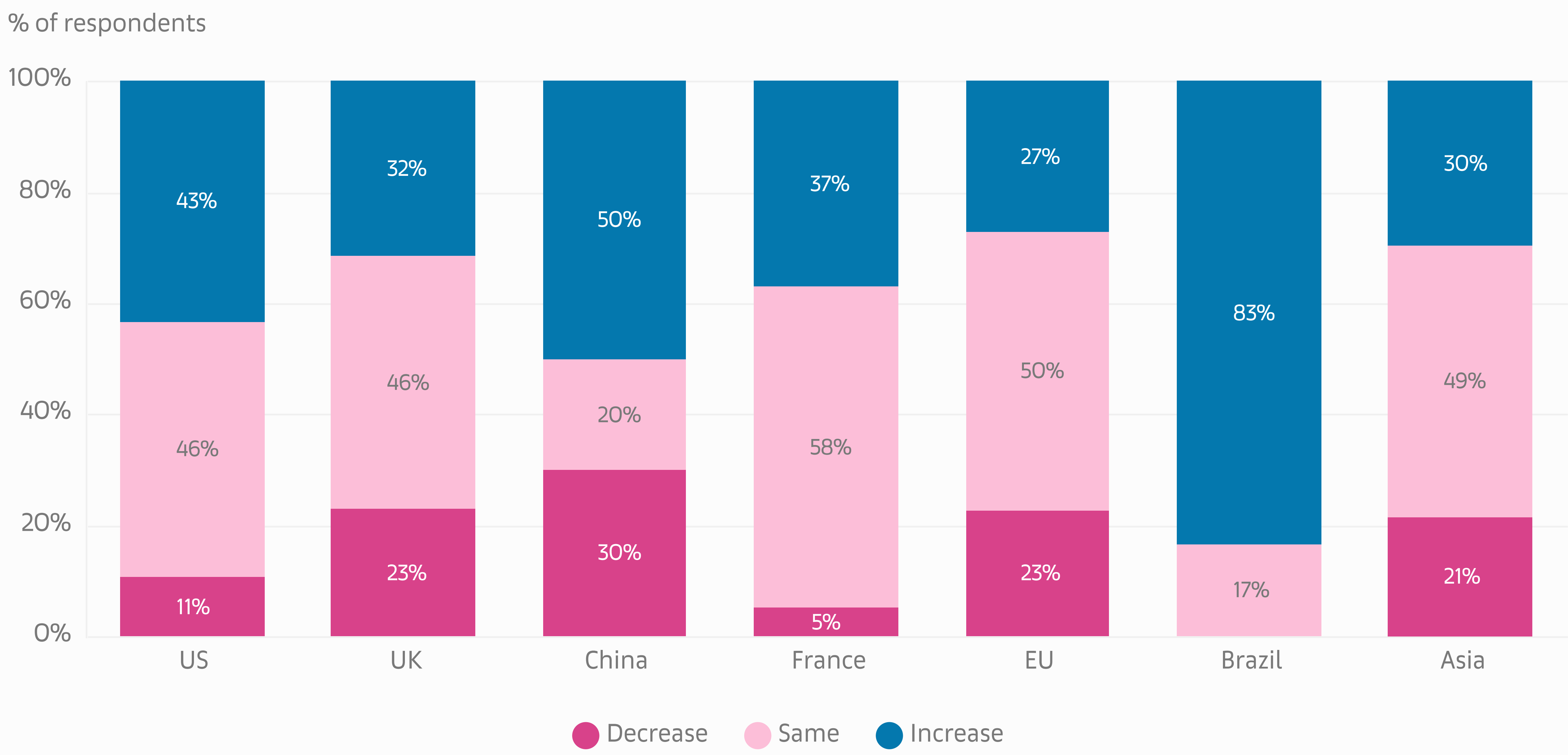
By region, some of the highest levels of optimism were once again from dealers in South America, with just over 80% of Brazilian dealers predicting their sales would increase. Dealers in the US had a high share (43%) expecting more sales in 2025, and France was one of the more optimistic of the larger markets in Europe, with only 5% anticipating lower sales. Half of the dealers from China thought 2025 would see an improvement in sales for their businesses versus 30% in Asia as a whole.

Figure 4.3 Dealers' Outlook on Future Sales in 2025

a) By Turnover



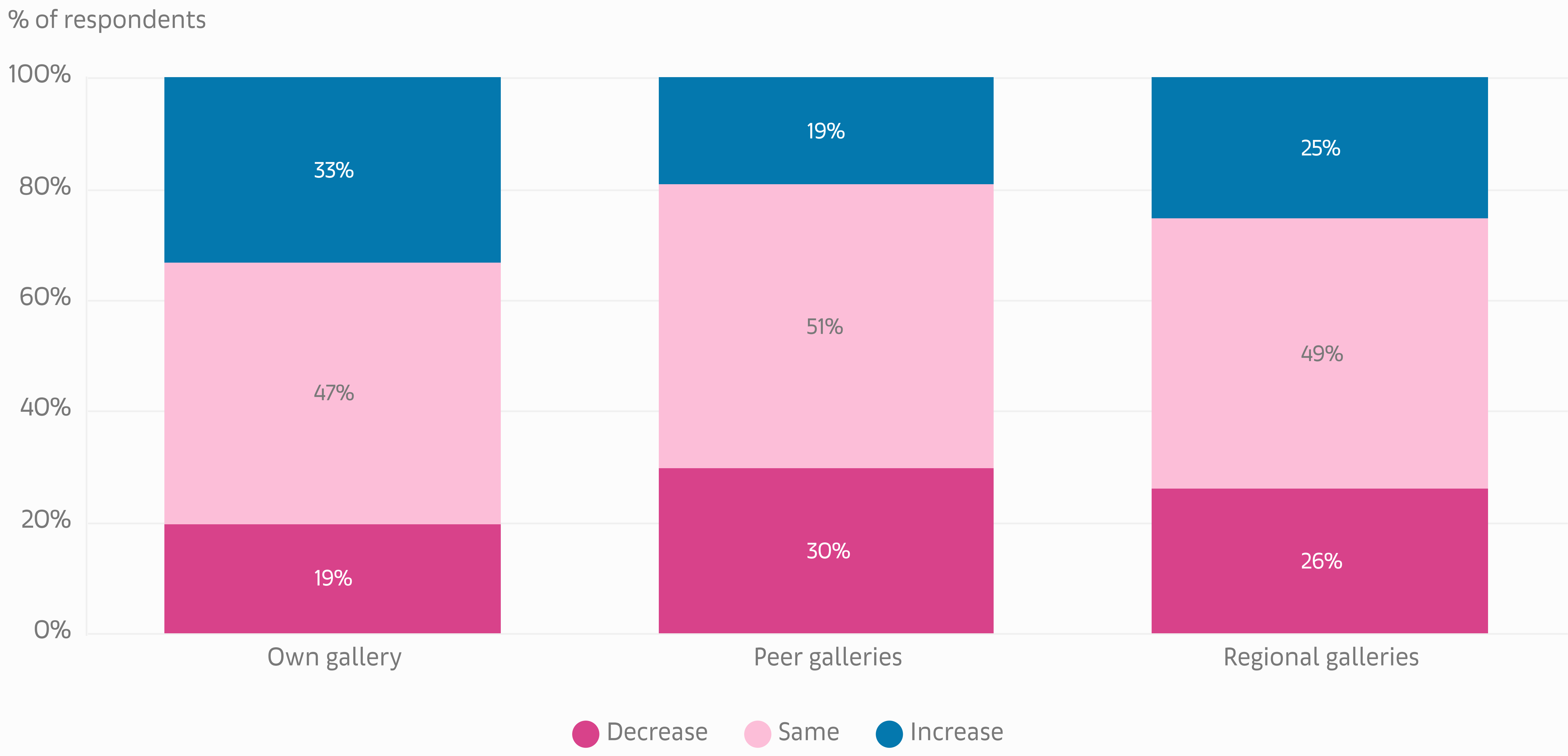
b) By Region



©Arts Economics (2025)

Figure 4.3 Dealers' Outlook on Future Sales in 2025

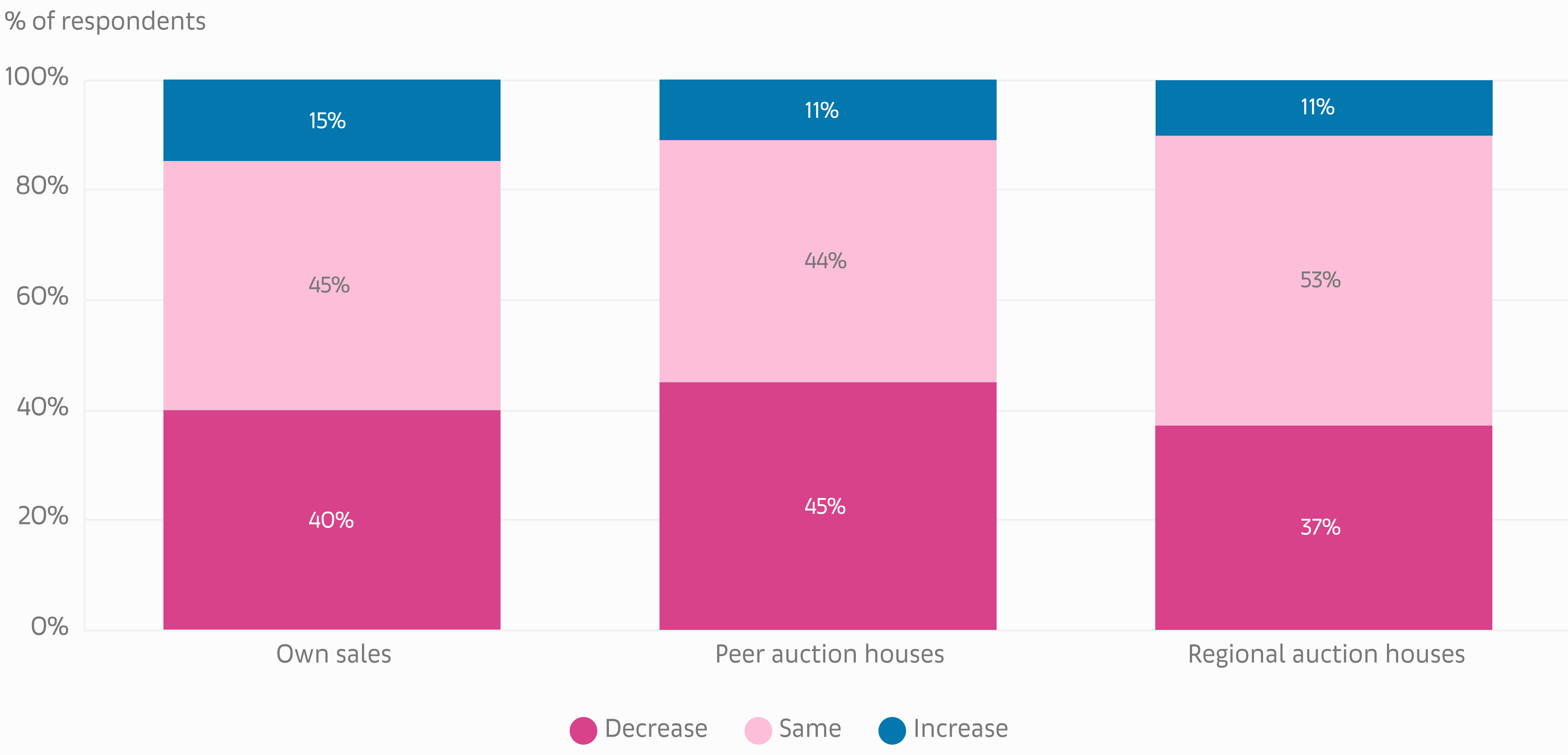
c) By Own Sales verus Peers



©Arts Economics (2025)

In the auction sector, after a difficult year in 2024, optimism was still relatively subdued for sales in 2025 for the mid-tier auction houses surveyed in this research. When asked how they predicted their sales would fare over the next 12 months, only 15% expected them to improve, down from 38% in 2023 (and 48% in 2022), and considerably lower than for the dealer sector. While 45% felt sales would stabilize, a significant share of 40% of respondents reported that they would decline (from 4% in 2023). As in previous years, there was also slightly more optimism about their own businesses than peers of a similar size globally, with only 11% predicting that auction sales generally would rise in 2025, and this was also on par with those predicting better sales for other auction houses in their region. Although this was a relatively small sample of businesses, making it more difficult to generalize for the sector as a whole, these findings indicate that there were still concerns in the sector that the market remains under pressure.

Figure 4.4 Mid-Tier Auction House Outlook on Future Sales Versus Peers in 2025



©Arts Economics (2025)

Despite less optimism regarding sales, most businesses in both the auction and dealer sectors felt they would keep employment stable in 2025. In the dealer sector, the majority of businesses (64%) had maintained stable employment numbers in 2024, with 24% increasing their staff. Looking ahead over the next 12 months, most dealers (74%) expected to maintain steady employment levels, with 19% forecasting a rise, and only 6% anticipating that they would have to lose employees. Larger businesses with turnover of greater than $1 million were more likely to be hiring than smaller ones, with the highest share (22%) of dealers predicting employment gains in the segment of businesses with turnover of $1 million to $10 million. The largest dealers with turnover of greater than $10 million had the highest share expecting declines, at 13%, although most (74%) predicted a stable year, and an equal share of 13% were also planning to hire more staff in 2025.

Just over a third (35%) of mid-tier auction houses surveyed had increased employment in 2024, with only 12% reducing numbers. The majority (69%) also hoped to keep employment stable, although only 9% planned any further expansions (which was down from around one-third of the sample surveyed in 2023). The share expecting to lose employees in 2025 also rose to 22% (from 5% the previous year). In the top-tier houses, there was a mixed picture. Despite expanding its physical premises, 2024 was marked by high-profile layoffs at Sotheby's.[63] Both Christie's and Phillips increased their employment numbers.

As noted throughout the report, rising costs remained a key challenge for businesses in 2024 in all sectors of the art market, as it was in many other industries. As sales have slowed, this issue has become more pressing, especially for smaller businesses with less financial buffer. Businesses at all levels are likely to continue focusing on their bottom line in 2025, with the pressure on profitability being one of the key findings coming out of the research for the last two years.

For HNW collectors, concerns in 2023 and 2024 over wealth creation and stability have negatively affected their willingness to make discretionary purchases and sales, while wider economic and political issues shifted their focus from their collections. For the broader base of collectors in other wealth tiers, these issues, together with inflation and the rising costs of living also directly affected their discretionary incomes and ability to participate in the market. Although uncertainties regarding economic policies linger in many regions in 2025 and geopolitical divides and risks are greater than ever, economic forecasts on inflation and spending are relatively positive. Exhibit 5 gives a brief global economic outlook for 2025 from UBS.

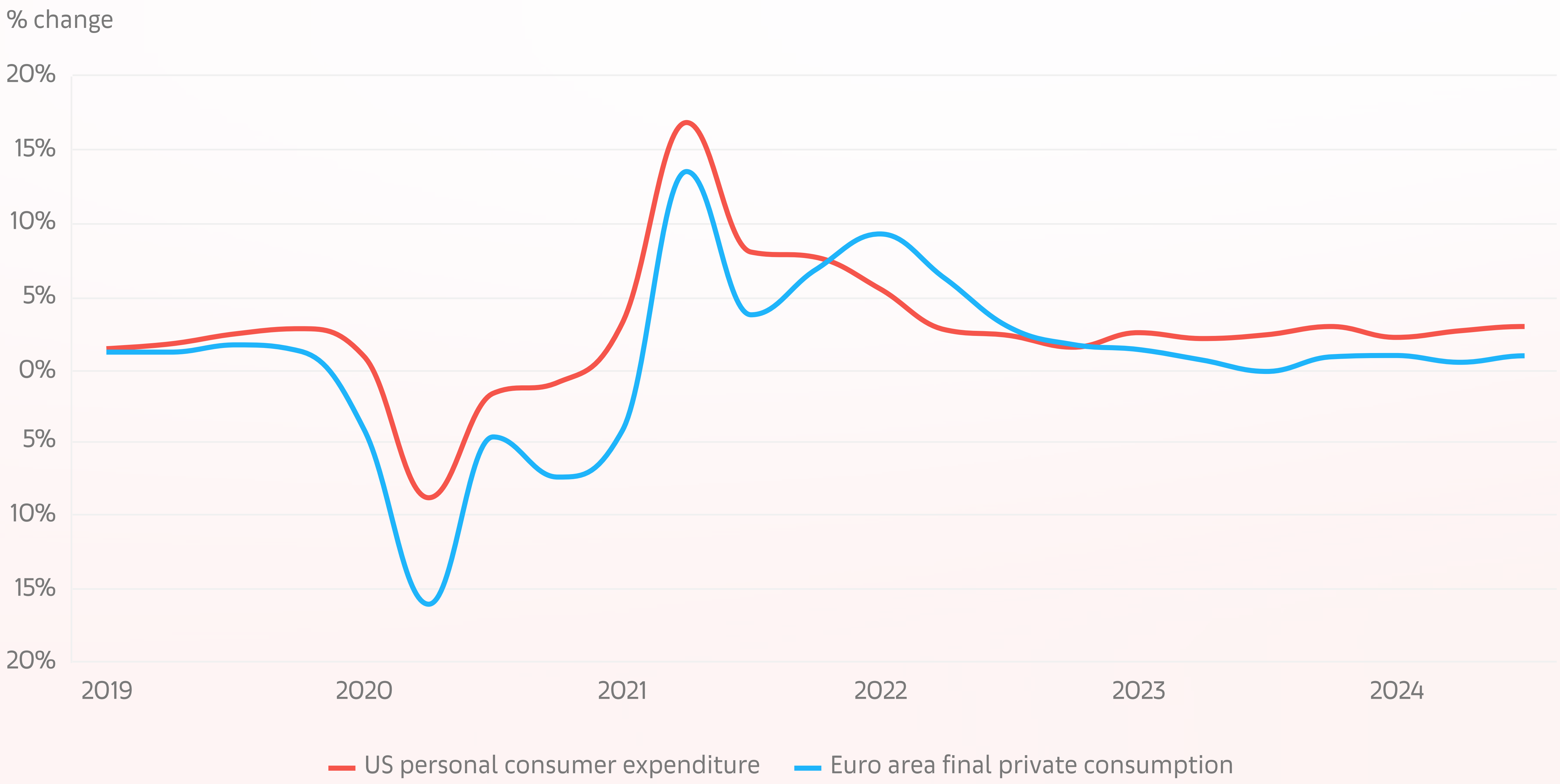
63 Maneker, M. (2024) 'Sotheby's Black Tuesday', available at puck.news/sothebys-lays-off-around-100-employees-in-new-york.

IMAGE Detail of a work by Niki de Saint Phalle, presented by Galerie Mitterrand as part of Art Basel Paris' 2024 Public Program

Exhibit 5. Economic Perspective from UBS

A soft landing? Most developed economies achieved that almost mythical feat in 2024. Inflation returned to within normal ranges, unemployment remained low, and consumers continued to spend (albeit with less frenzy than a few years ago). Revisions to past data, particularly in the US, reinforced this benign growth position. Real wage growth in developed economies outpaced inflation in 2024, with real household income growth averaging 2.9% in the US and around the same in the Eurozone. The data reporting consumer incomes have been upwardly revised, which clarifies that more of the current spending is being paid for in a sustainable way, without having to dip into savings.

Figure 1. Changes in US and Euro Area Consumption 2019–2024



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People in higher income brackets are better positioned. Global equity markets surged by nearly 50% since 2020, while US corporate profits almost doubled, reinforcing the wealth effects among high-income groups. Rising asset prices have boosted their wealth, which tends to encourage spending (there's no urgency to save). Flexible working, which is skewed toward higher-paying roles, has freed jobseekers from geographic constraints. Some have moved into higher-paying roles in less practical locations that they would not have considered in the past.

This economic situation is not quite global. The trend in consumer spending has recently skewed away from goods toward having fun. What counts as 'having fun'? For economists, arguably anything that can be posted on Instagram, such as holidays, concerts, shows, restaurant meals, and new clothes. Economies that manufacture goods have lagged behind those with a more hedonistic focus. This can be seen in Europe – with southern European countries being the big beneficiaries of the fun economy. Southern European economies, including Spain and Greece, saw stronger than expected GDP growth in 2024 (3.5% and around 2.4%, respectively), as global tourism spending finally exceeded pre-pandemic levels. In China, the export sector is no longer the driver of growth it once was, and retail sales growth averaged 3.5% in 2024. Despite attempts to boost domestic consumption, fear about the future has kept local demand muted.

Will politics derail progress?
From a purely economic perspective, the outlook for developed economies should be one of continuity. No glaring imbalances threaten to destabilize growth. Yet politics adds uncertainty, with the turn toward economic nationalism in countries across the globe. Structural changes have left people wondering 'when will the robots take over?' – and casting around for a scapegoat. Economic nationalism has increased, with trade protectionism, limits on labor movement and restrictions on capital flows. Tariff threats from the US are one obvious example. UBS notes that tariffs on imports could increase US inflation by 0.5–0.7 percentage points if implemented in a relatively limited manner, impacting global trade flows and adding uncertainty for multinational businesses. Meanwhile, European economies face fragmentation risks due to divergent fiscal policies among Member States. More subtly, Chinese consumers' declining willingness to spend on foreign luxury brands might also be a sign of economic nationalism.

Economic nationalism chips away at the foundations of economic growth. Tariffs worsen inflation and can threaten job security. Restrictions on capital flows can limit investment and may hit higher-income groups, which are more global in their behavior, disproportionately. Additional tariffs and trade restrictions will increase inflation pressures and slow growth somewhat – but the desire to maintain economic stability should keep the more extreme forms of economic nationalism in check.

Central banks also face uncertainty because of politics. As inflation declined in 2024, they cut rates to maintain a stable real interest rate. With lower inflation expected in 2025, the pace of cuts looks set to be more moderate (though tariffs would add uncertainty about inflation). Overall, disinflationary economic forces should triumph over price increases caused by politics, allowing central banks to lower rates further. But the uncertainty has increased.

The soft economic landing should support the art market, but change and politics can mold the outlook in unexpected ways. Economic nationalism is rising, and art is a global market; the art-collecting global entrepreneur will not escape the shifts in the economic landscape. The Great Wealth Transfer means that art buyers will change – and the new holders of wealth may have different tastes to their predecessors. Economic change can be daunting, but it stimulates new opportunities.

APPENDIX

Primary Data Sources Used in The Art Market Report 2025

The data and information presented in *The Art Market Report 2025* comes from a range of different sources and is gathered and analyzed directly by Arts Economics. The primary sources include dealers, auction houses, art fairs, art and antique collectors, art price databases, financial and economic databases, industry experts, and others involved in the art trade and its ancillary services.

For the purposes of this research, the art and antiques market includes sales of fine and decorative art, antiques, and antiquities. Fine art includes paintings, sculptures, and works on paper (including watercolors, prints, drawings, and photographs), tapestries, and installations, as well as film, video, and digital art and other new media. Decorative art, antiques, and antiquities covers objects such as furniture and decorations (in glass, wood, stone, ceramic, metal, or other material), couture (costumes and jewelry), ephemera, textiles, other antiques, and antiquities.

I. Auction Data

The public auction market continues to provide the main large-scale, international, and publicly available information source on individual transactions in the art market. While the sales results of many auctions are in the public domain, gathering and aggregating data in this part of the market is not without issues, particularly on a global scale, with some auction houses publishing limited, selective, or no results at all. There is no single comprehensive source or database that covers the entire global auction market for fine and decorative art and antiques. Auction data for 2024 used in this report therefore comes from five main sources:

a. Artory

Global auction data is supplied by Artory (artory.com). Artory's database covers 4,000 auction houses with over 35 million records, with consistent auction results gathered annually for 250 businesses in 40 countries and 500,000 artists. The database comprises results from major sales in top- and second-tier auction houses around the world, and it does not restrict inclusion by final price or estimate value, hence, offering coverage of the full range of prices and sales. The company's first product, the Artory Registry, is a blockchain registry of verified information from trusted art institutions about artworks, collectibles, and their history. Artory also leverages the trusted artwork information to tokenize physical artworks to prepare them for safe and efficient trade in the financial markets. Since the Registry fully launched in late 2019, Artory has built a unique global database that includes public auction records as well as verified and registered physical and digital artworks, with an estimated value of over $1 billion.

b. Artron

Auction data for China was also supplemented with data from Artron. Artron Art Group was founded in 1993, and Artron Research Academy of Arts (ARAA) is the art market research institution of Artron Art Group which focuses on gathering and monitoring data on the Chinese auction market, valuation consultation services, and market analysis. ARAA's research and consulting services use the Artron Chinese Artworks Database, which contains data on over 30 million Chinese artworks' auction results from over 120,000 sales by more than 2,500 auction houses since 1993.

c. Chinese Auctioneers Association

Data on Chinese auctions, settlement rates at auction, and other information was supplied by the Chinese Auctioneers Association (CAA). The CAA is the only national association of the auction industry in China and was established in 1995, certifying its first national auctioneers in 1997. The association is headquartered in Beijing and represents the interests of 3,324 auction companies and 14,894 individual auctioneers in China. The CAA once again provided very valuable assistance to the research in verifying auction companies within their membership in 2024.

d. Auction House Published Results

To supplement the coverage provided by these databases, Arts Economics has also developed its own internal, international auction database, collecting data directly on an annual basis from the published auction results and press releases of auction houses.

e. Auction House Survey

Arts Economics distributed two surveys in the auction sector: a comprehensive top-tier survey of the top 10 auction houses worldwide plus a second-tier survey of around 500 national second-tier auction houses (with a response rate of 17%). The auction surveys provide additional sales data as well as a range of other more in-depth information on employment, buyers, profit margins, debts, and other aspects of the auction market that are used in the report. The surveys are sent directly to the auction houses from Arts Economics' database.

For historical auction data, various sources were used in compiling previous reports, including Auction Club (2017), Collectrium (2016), Artnet (2011–2015), and Artprice (2008–2010).

II. Dealer Data

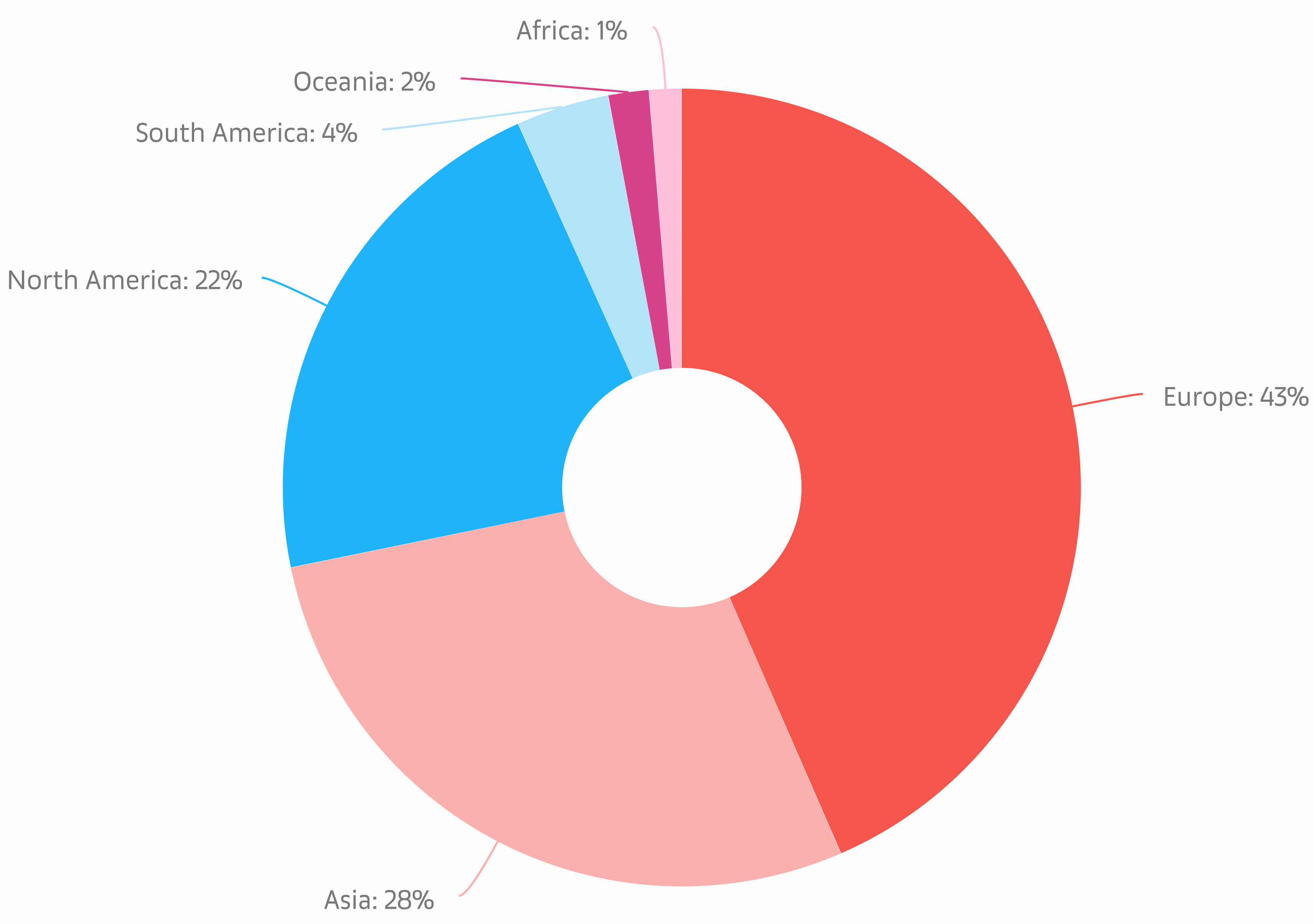
Data on dealer sales is more complex to gather due to the private nature of transactions in the sector. Most of the companies in the sector are small businesses, with only a very small number of publicly listed companies, which means detailed information and financial results in public and private databases are limited.

Numerous government and company reports are used in compiling figures on the sector. These include Eurostat, the US Bureau of Labor Statistics, the Office for National Statistics in the UK, Companies House, Insee, Infogreffe, the National Bureau of Statistics of China, and many others. Some of these sources are limited in scope and coverage and, in some cases, publish data with a significant lag and only for a very small proportion of companies relevant to this report. Comparisons are also problematic between nations due to differences in recording, classifications used, the records required and how they are defined and recorded, and the classification of companies by sector and activity.

To overcome the lack of publicly available data, surveys of this sector are an essential element of the research process. These surveys have been carried out by Arts Economics on the dealer sector consecutively for over 15 years, providing a means for tracking and analyzing trends over time. To compile data on the dealer sector, Arts Economics conducted an anonymous online survey in December 2024 with just under 1,600 completed responses. The survey was distributed to the memberships of some of the main dealer associations around the world, including CINOA, ADAA, CPGA, SLAD, FEAGA, and other key national associations. It was also supported in Japan with the assistance of The Agency for Cultural Affairs and supplemented with information provided by KAMS (Korea Art Management Service) in South Korea. The survey was also distributed by Art Basel directly to nearly 700 individual galleries who participated in their shows in Basel, Miami Beach, Paris, and Hong Kong. It was also sent out by ArtLogic to their gallery clients throughout the world.

The dealers covered in the end-of-year survey were geographically diverse, located in almost 60 different markets (including those businesses with multiple premises). The highest regional share was galleries and dealers from Europe (43%), with 22% from North America, and 28% from Asia. 90% of the dealers responding were fine art dealers and 10% were businesses working in antiques, antiquities, and decorative arts sectors.

Figure A1 **Geographical Distribution of Respondents in 2024**



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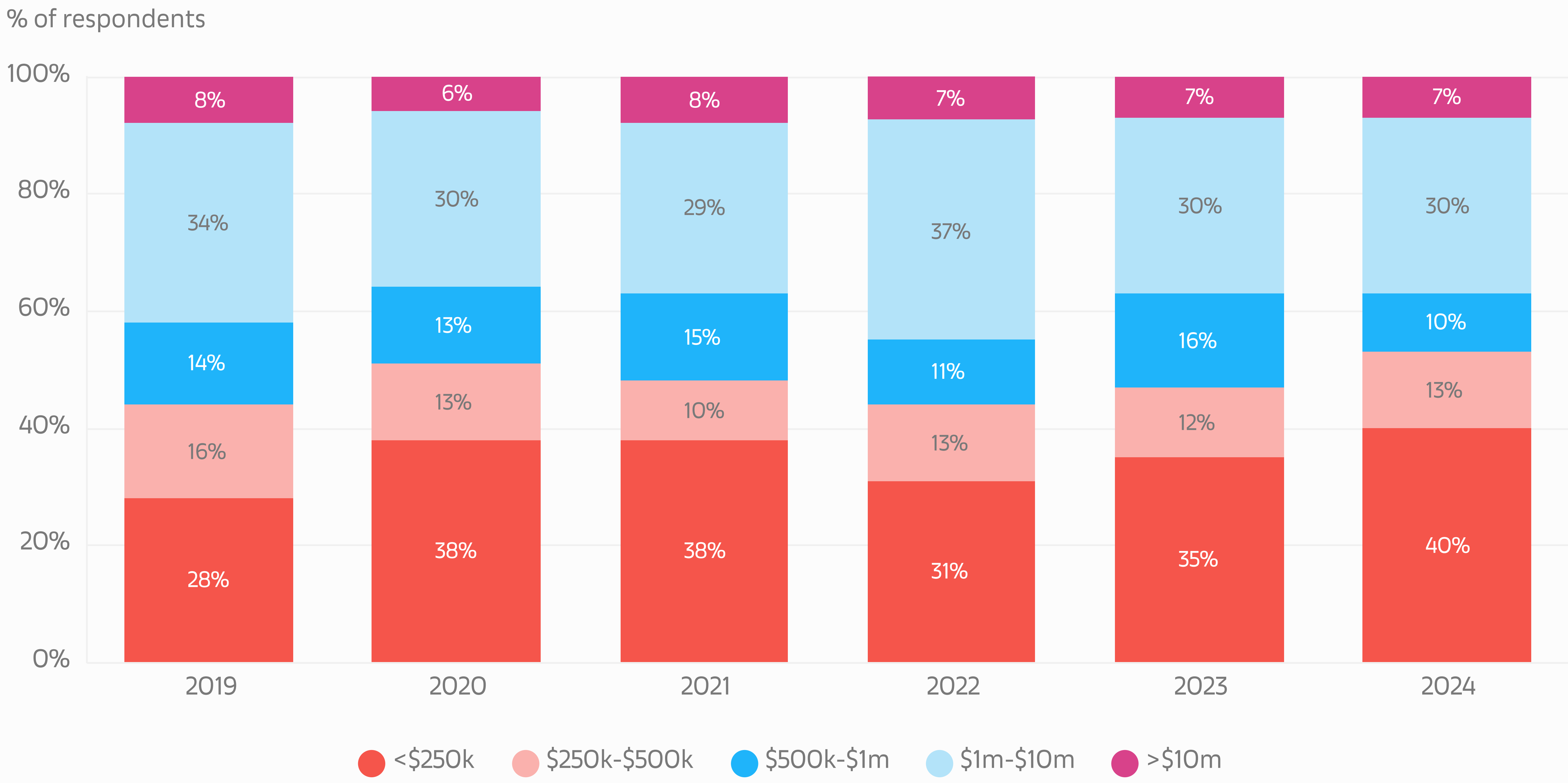
Respondents to the survey varied in the size of their annual sales turnover. 63% had annual sales of less than $1 million (stable on 2023), including just over half (53%) with sales of less than $500,000 (up from 47% in 2023). A stable 7% reported sales in excess of $10 million.

Figure A2 **Share of Respondents by Annual Turnover 2019–2024**



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The dealers covered in the survey population from which the sample was drawn are estimated to account for between 70% and 80% of the value of sales in the sector, depending on the country. The survey allows us to calculate the value and changes in this core majority share of the market, while the addition to sales from the remaining numerous small businesses are very conservatively estimated based on official statistics and censuses that report sales by industry, business, or sector, as well as results from the survey for smaller businesses. As some of the highest-selling dealers may not answer surveys, the results are also checked and adjusted using the reported turnover of the highest-selling galleries and dealers as stated in private and government financial databases of company records. The survey was supplemented by a series of interviews with dealers in different sectors and countries, conducted from June 2024 to February 2025, to gain in-depth insights on the art market, which were used to inform the analysis in the report and help interpret the findings.

III. Art Fair Data

Data on the art fair calendar was supplied by artfairmag (artfairmag.com), a database tracking 475 regional and international fairs around the world, including information on timing, location, date, and type of art sold. Artfairmag was founded by Pauline Loeb-Obrenan in 2019, who prior to starting the database worked at Galerie Kugel in Paris for eight years. Artfairmag also provides insights from interviews with art fair directors and gallerists about their events and exhibitions.

IV. NFT Data

Data on NFTs sales on NFT platforms and marketplaces was supplied for this report by NFT18 (NFT18.com). NFT18 was founded in 2022 by Gauthier Zuppinger, who originally co-founded nonfungible.com in 2018 to track real-time transactions of Decentraland. The NFT18 database currently holds nearly 2.5 terabytes of data, tracking transactions on the Ethereum, Polygon, and four other blockchain networks. In assembling their database, NFT18 identify and exclude wash trading and other forms of market manipulation, providing the most reliable data and reporting available for art and collectibles NFTs.

V. Contributions from External Authors

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Till Vere-Hodge (tvere-hodge@phb.co.uk) is a Partner specializing in art and cultural heritage law at Payne Hicks Beach LLP. Vere-Hodge advises international private collectors, art dealers and auction houses, galleries, and museums, as well as art investors and advisors on any legal issues pertaining to art, cultural property, and other collectibles. He has built up a particular expertise in handling restitution claims to looted artworks. He regularly lectures at various art law forums and comments in the media on matters pertaining to art and cultural property law.

Prior to his career in the law, Vere-Hodge worked for a Member of Parliament at Westminster and as a Public Diplomacy Officer at the German Embassy. Till is a member of PAIAM (Professional Advisors to the International Art Market), ICRA (International Catalogue Raisonné Association), and TIAMSA (International Art Market Studies Association), and serves as an Officer on the Art, Cultural Institutions and Heritage Committee of the International Bar Association. He is a Fellow of the Royal Asiatic Society of Great Britain and Ireland.

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Katalin Andreides (katalin@andreides.tv) is a Rome-based EU art lawyer who advises HNW clients, art dealers, galleries, financial institutions, artists, and artists' studios and estates in a number of regions, including Italy, France, Monaco, and Hungary. Her practice includes the full spectrum of transactional, advisory, and dispute resolution services pertaining to art. Katalin's focus has been the Contemporary art market in Europe, but she has also advised her clients on legal issues surrounding antiquities, Old Masters, and Modern works of art. She has particular experience in navigating the European export license regime and cross-border inheritance management involving art and other collectible chattels.

Andreides is a CAfA-appointed (Court of Arbitration for Art) Arbitrator. She is a member of the Institute of Art and Law, London, TIAMSA (International Art Market Studies Association), and the British Institute of International and Comparative Law. She serves as an Officer on the Art, Cultural Institutions and Heritage Committee of the International Bar Association.

Gauthier Zuppinger
Gauthier Zuppinger is the CEO and founder of NFT18 (NFT18.com), an NFT market research and strategic advisory formed in 2022.

Following his postgraduate research in communication and technology, Gauthier pursued strategic consulting, with a particular emphasis on emerging technologies and digital innovation. In 2018, he co-founded nonfungible.com, the first platform dedicated to the analysis and interpretation of NFT markets. He became established as a global authority in market research related to digital assets, and played a pioneering role in the field by developing many of the key metrics now used to assess NFT market performance, including retention and liquidity rates and profit-and-loss indicators. Zuppinger authored all of the annual reports published by nonfungible.com since 2018 and subsequently NFT18. These reports have set a benchmark for academic research and analytical standards in the field, significantly shaping the discourse on NFTs and digital asset markets.

Alex Glauber
Alex Glauber is President of the Association of Professional Art Advisors (APAA), a non-profit membership organization of the world's leading art advisors, curators, and corporate art curators. With more than 175 independent art advisors worldwide, practicing in multiple areas of specialization, the APAA's membership has a wide range of experience and expertise. Founded in 1980, the APAA is the only standard-setting organization for the practice of art advisory. The association is dedicated to promoting connoisseurship, scholarship, and ethical practice in the profession, and to increasing public awareness of the role and responsibilities of reputable art advisors.

Glauber is an art advisor, curator, and educator based in New York, and the founder and principal of AWG Art Advisory where he works with private individuals, corporations, and institutions in the conceptualization, building, and management of fine art collections. Prior to founding his firm in 2009, Alex was an assistant curator for the Lehman Brothers and Neuberger Berman art collections from 2006 to 2009. He has served on the faculty of Sotheby's Institute of Art where he developed courses on the art market and collection building and management, and he continues to lecture on the art market and collecting strategies internationally. Glauber is a board member of The Brooklyn Rail.

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William N. Goetzmann is the Edwin J. Beinecke Professor of Finance and Management Studies and Faculty Director of the International Center for Finance at the Yale School of Management. He is an expert on a diverse range of investments. His past work includes studies of stock market predictability, hedge funds, and survival biases in performance measurement. His current research focuses on alternative investing, factor investing, behavioral finance, and the art market.

Goetzmann has written and co-authored a number of books, including *Modern Portfolio Theory and Investment Analysis* (Wiley, 2014), *The Origins of Value: The Financial Innovations that Created Modern Capital Markets* (Oxford, 2005), *The Great Mirror of Folly: Finance, Culture and the Crash of 1720* (Yale, 2013), and most recently, *Money Changes Everything: How Finance Made Civilization Possible* (Princeton, 2016). He teaches portfolio management, alternative investments, real estate, and financial history at the Yale School of Management.

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