THE ART BASEL & UBS

SURVEY OF GLOBAL COLLECTING 2024

BY

ARTS ECONOMICS

Welcome to The Art Basel and UBS Survey of Global Collecting 2024 by Arts Economics

Publisher
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Acknowledgements

The *Art Basel and UBS Survey of Global Collecting 2024* presents the findings of research into the activities and purchasing behaviors of high-net-worth individuals (HNWIs) active in the art market during 2023 and 2024.

The information in this study is primarily based on survey data gathered and analyzed by Arts Economics (artseconomics.com) in collaboration with UBS. This marks our most extensive regional coverage and the largest survey of art buyers to date. I am deeply grateful to Tamsin Selby and her colleagues at UBS for their continued support of the HNWI surveys, which have now provided data and insights on collectors for over nine years.

This report also includes the results of a second survey of highly engaged private collectors, sampled from Art Basel's VIP guests, offering fascinating insights in parallel to the larger survey. My deepest thanks to Irene Kim of Art Basel for the invaluable opportunity to engage with this audience.

The report highlights contributions by two sets of external authors, for which I am particularly grateful. I extend my many thanks to Alex Glauber and his team at the Association of Professional Art Advisors for their insights drawn from in-depth research conducted in parallel with the collector survey. Their work provides a thoughtful exploration of the role of art advisors in offering services and advice, as well as their impact on the market in 2024. I also offer my sincerest thanks to the two expert authors who contributed their legal perspectives on collecting for this report: Till Vere-Hodge of Payne Hicks Beach LLP and Katalin Andreides.

Lastly, I am very grateful to Noah Horowitz and the team at Art Basel for their assistance in editing and producing the report, and to Caitlin Britton for coordinating production.

Dr. Clare McAndrew
Arts Economics

Foreword by Art Basel

This edition of the *Art Basel and UBS Survey of Global Collecting* marks the largest to date, with over 3,660 high-net-worth individuals from 14 key regions participating, and Switzerland, Mexico, and Indonesia as new additions.

It is published against an ongoing backdrop of high interest rates, persistent geopolitical tensions and trade fragmentation that weigh on the sentiments of buyers and sellers alike. This has resulted in a cautious buying environment, with the art market declining by 4% in 2023 to $65 billion, and published sales at the major international auction houses further slowing in the first half of 2024. Nevertheless, global imports of art and antiques continued to grow, with major hubs such as Hong Kong maintaining demand.

To date this year, Art Basel Hong Kong returned to its pre-pandemic scale, the flagship Art Basel in Basel show welcomed a flurry of innovations – including an ambitious artistic activation at Hotel Merian, with an installation by Petrit Halilaj celebrating our 30-year partnership with UBS, and the launch of the Art Basel Shop – and an expanded Art Basel Paris is now at home in the newly renovated Grand Palais, attracting significant buzz and international collector interest.

While there were indications that the market was more subdued at the high end, median HNWI spending remained relatively steady, with respondents from Mainland China again recording the highest levels, indicating a resilience in the region. Confidence also remains strong, with a large majority of HNWIs optimistic about the second half of the year. Notably, HNWIs surveyed are investing in young and emerging voices, with 52% of respondents buying in these categories – a significant increase year-on-year. They are also purchasing from galleries new to them, with 88% buying from at least one new dealer in 2023 or 2024, indicating a confident and expansive approach to art collecting. Galleries remain the most popular channel for purchasing art, with 95% buying from a dealer, either in person, through their website, or via their social media channels: multi-platform buying is here to stay.

A major topic for the art market is the generational transfer of wealth, with the wealthiest billionaire segment alone set to transfer over $6 trillion in assets over the next 20 years to their heirs or to charities. 91% of the HNWIs surveyed already hold works in their collections that were either inherited or gifted. Of these, 72% have kept at least some of the works in their collections, and in terms of selling inherited art, the main motivations were practical: either due to lack of space, or estate taxes. The much-discussed shifts in taste across generations played a much lesser role here.

For the first time this year, we also conducted a parallel survey of 1,400 collectors from the Art Basel VIP network. These exhibited some different behaviors, spending more through dealers and at art fairs and favoring in-person transactions for reasons of confidentiality and security. Art fairs were valued for their potential to discover new artists, and for the variety of art on view.

We would like to thank Dr. Clare McAndrew for her continuing efforts to shed light on the art market, and UBS for their ongoing partnership.

Noah Horowitz
CEO, Art Basel

Foreword by UBS

As we co-present the findings of the *Art Basel and UBS Survey of Global Collecting 2024,* it is helpful to view the art market within the broader framework of the global economy, which is undergoing significant transformation. Over the past year, the global economy has been characterized by a complex mix of recovery, uncertainty, and opportunity. In this context, the global art market has shown remarkable resilience and adaptability. Despite economic headwinds, there remains a strong and enduring passion for art among collectors worldwide. The art market has historically reflected broader cultural and societal trends, often serving as a mirror to the shifts in global wealth and its distribution.

The latest *UBS Global Wealth Report* highlights a significant global wealth transfer which is reshaping the landscape of art collecting. With USD $84 trillion expected to change hands over the next two decades, both horizontally (wealth passed onto spouses) and vertically (wealth passed down from older to younger generations), this transfer is not only likely to influence the tastes and preferences of collectors but will also foster new and diverse trends within the artworld.

The art market's ability to adapt to these changing dynamics is a testament to its inherent flexibility and the deep-rooted passion of its participants. AI-driven tools are also enhancing the ways collectors and institutions discover, interact with, and appreciate art. As AI continues to evolve, its integration into the artworld is likely to intensify, offering both opportunities and challenges that will shape the future of art in profound ways.

Positive economic forecasts for 2025 bolster the art market's prospects. We anticipate continued art enthusiasm, driven by both seasoned collectors and new entrants to the market. This is supported by early indicators of market activity, including sustained spending in Mainland China, growing interest in new and emerging artists, and consistent gallery and art fair attendance.

I would like to extend my gratitude to Dr. Clare McAndrew, her insights and analysis are invaluable in helping us understand the nuances of the global art market and the factors that drive its evolution. The *Art Basel and UBS Survey of Global Collecting 2024* is more than just an insight into the current state of the art market and collector behaviors; it is a testament to the enduring passion for art as a means of cultural expression and personal fulfilment.

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

IMAGE Nankoku Hidai, presented at Art Basel by √K Contemporary

Key Findings

Introduction

1. Indicators from the public auction sector in the first half of 2024 revealed slower sales than in the same period in 2023, with totals at Christie's, Sotheby's, Phillips, and Bonhams down by 26%, and below their level prior to the pandemic in 2019. There was some mixed performance between these major auction houses, and those away from the highest end of the market fared slightly better.

2. Despite the slowdown in sales in 2023, global imports of art and antiques continued to grow for the third consecutive year, with values advancing by 6% to $33 billion, as major importing regions such as Hong Kong maintained high demand. Exports stalled in 2023, dropping by 1% to $32 billion, with slowing year-on-year values in the major hubs of the US and the UK, which continued into the first quarter of 2024.

HNWI Spending

1. Up to 2023, despite the challenging context, high-net-worth individuals (HNWIs) showed resilient and increasing spending. However, this trend changed in 2023, with a drop in average expenditure of 32% to $363,905. This average was influenced by reduced spending at the highest levels, with the median expenditure of HNWIs falling less significantly, from $50,165 in 2022 to $50,000 in 2023. The median expenditure for the first half of 2024 (at $25,555), if indicative of the level for the second half of the year, could reflect a stable annual level of spending.

2. While younger HNWIs had some of the biggest increases in average spending overall up to 2022, this was reversed in 2023, and the key driver of the decline was the 50% decrease in spending by millennial respondents to $395,000. With low growth of 3% year-on-year, Gen X respondents had the highest average spending in 2023 ($578,000), and their lead continued in the first half of 2024, with levels over a third higher than millennials and double that of Boomers and Gen Z.

3. HNWIs from Mainland China had the highest expenditure on art and antiques in 2023, as well as the first half of 2024, with a median of $97,000, more than double that of any other region. This suggests that the strong return to spending post-lockdown has been sustained despite worries of a slowdown in the market.

4. Over three-quarters of HNWIs had purchased a painting in both 2023 and the first half of 2024. Works on paper were also popular, with over half the sample active in this medium in 2023, up from 33% in 2022, and prints showed an uplift to 35%. The increasing participation in these mediums, while paintings and sculptures declined, is likely to have contributed to greater buoyancy at the lower end of the art market, with more sales at lower prices and less activity at the top.

5. Many HNWIs were open to exploring new artists and they play a critical role in supporting artists' careers at early and later stages. Just over half (52%) of expenditure by HNWIs in 2023 and 2024 was on works by new and emerging artists (from 44% in the previous survey); 21% was on mid-career artists' works (down by 6%); and 26% was on those by established, top-tier artists (down by 2% on 2023 and 5% on 2022). The majority of spending on top-tier artists' works was on those by living artists (17%), while deceased artists' works accounted for 9%.

6. The share of works by female artists in the collections of HNWIs rose to a ratio of 44% versus male artists' works in 2024, its highest level in seven years, up from 33% in 2018. The share of spending on female artists' works was also 44% versus 56% on those by male artists. HNWIs who had spent over $10 million on art and antiques so far in 2024 had devoted a considerably larger share to female artists (52%) and those spending between $1 million and $10 million were 50:50 (versus 44% on female artists in the lower segments).

HNWI Buying Channels

1. The most used channel for purchasing art was a dealer, with 95% of respondents buying either at a gallery, online, through social media, or at an art fair. In the first half of 2024, 41% had bought at an art fair, up from 39% in the whole of 2023. Auctions were the second most widely used sales channel, with 67% having bought at auction so far in 2024.

2. The importance of a multichannel approach for dealers was evident. In addition to purchasing in person at galleries, 72% of HNWIs had bought through a dealer's website or OVR without viewing the work in person first, 61% used email or phone, and 43% bought from them on Instagram. HNWIs spent the most through dealers, which accounted for 60% of their total spending in the first half of 2024. This was divided into spending associated with gallery visits (28%), online (through a dealer's website or online platform) (25%), art fairs (18%), email or phone (18%), and Instagram (11%).

3. HNWIs showed a strong willingness to purchase from new galleries in 2023 and 2024, with 88% of those buying from dealers engaging with at least one new gallery. The number of galleries HNWIs purchased from was higher than in previous years, averaging 18 in 2023 and 17 so far in 2024, up from just 13 in 2019. This sample of HNWIs also had a significantly larger home bias, with a majority of 70% of the galleries they purchased from being local in 2024, versus 50% in 2022.

Inheritance and Collecting

1. While billionaire wealth continued to grow in early 2024, for some HNWIs participating in the art market there were indications of a reduction in their allocations to art within their wealth portfolios. Surveys of HNWIs conducted by Arts Economics and UBS over the last nine years showed a peak allocation to art of 24% in 2022, falling to 19% in 2023, and again to 15% in 2024. The wealthiest respondents ($50 million-plus) remained at the higher end of the spectrum, allocating an above-average 25% of wealth to their collections.

2. Based on an analysis of global billionaire wealth, this small segment of the wealthiest HNWIs alone is likely to transfer over $6 trillion in wealth and assets to heirs and charities over the next 20 to 30 years, with evidence of this already taking place as the share of inherited wealth increases. 91% of HNWIs had works in their collections that were inherited or gifted through a will or other bequest, and 72% had kept at least some of those works in their collections.

3. Some of the main motivations for selling inherited works were practical: 55% did not have enough space to keep them, while 47% used the proceeds to help settle estate taxes. Despite the much-discussed issue of changing tastes across generations, less than one-third of millennial and Gen Z respondents cited a lack of fit with their collections as a reason for selling or donating inherited works.

4. How collections would be passed on was a significant issue, with 80% of HNWIs concerned about preserving their collections for future generations and legacy and succession planning. 65% already had a plan in place to bequeath works to their partner or spouse and 43% had a similar plan for their children. Nearly half (49%) of HNWIs had made a plan to donate their works to museums.

Events and Outlook

1. The average number of art-related events attended by HNWIs was 49 in 2023, and they hoped to attend 46 in 2024, eight more than in pre-pandemic 2019, and including eight gallery exhibitions and six art fairs. Looking ahead to 2025, most HNWIs (92%) were planning to attend exhibitions and events, with 48% hoping to get to around the same number and 44% hoping to attend more than in 2024.

2. 43% of HNWIs were planning to purchase a work of art over the next 12 months, down from just over half the sample in 2022 and 2023. Those hoping to sell works from their collections increased to 55%. The ratio of potential buyers was twice that of sellers in Mainland China, indicating continued potential for expansion in collections, while the lowest ratios were in Japan and Hong Kong, where sellers outweighed buyers.

Art Basel VIP Survey

1. A separate survey of over 1,400 private collectors sourced from Art Basel VIP guests also showed a large share of spending through dealers (73%) in 2023 and 2024, with a significantly higher 26% through art fairs, more than double that of the wider HNWI survey. Auctions, on the other hand, accounted for substantially less, at 12% of spending.

2. These collectors strongly favored in-person transacting, with 55% of their spending through dealers done at a gallery or dealer’s premises (more than double the share in the wider survey); 34% was at art fairs; 10% was through dealer websites, online platforms, Instagram, or email (without an in-person viewing of the work); and just less than 2% was at art fair OVRs. The majority of respondents (75%) also preferred to buy through dealers, and over 90% of those would choose to buy in person at a gallery versus 10% through online channels.

3. While, like the wider sample, there was evidence of significant activity across a range of events in 2023 and 2024, these collectors showed a substantial reduction in the total number of events they attended compared to 2019, prior to the pandemic. The average number of events attended by collectors was 51 in 2024, higher than the wider survey, but showing a significant reduction over the last five years. The total number of events fell by over 40% from a high of 89 on average in 2019, with a decline in both local and overseas attendance.

4. Gallery exhibitions were the most frequently attended events, averaging 21 in 2024, down by 15 on 2019, with a slightly larger drop in overseas events. Collectors planned to attend five art fairs in 2024, down from eight in 2019, although only 5% planned to reduce their attendance any further in 2025.

5. Art fairs remained a key channel for new discoveries. The most important objective for collectors in attending an art fair was discovering new artists whose works they could purchase at the event. Just under half (45%) reported that fairs were the most likely place for them to discover new artists or artworks they would be interested in purchasing.

6. Almost all collectors (97%) planned to purchase a work of art over the next 12 months. Of those, 91% hoped to buy a painting, with sculptures (61%) and works on paper (55%) also popular. A minority planned to be active in collectibles segments, with design works (20%) and jewelry, gems, and watches (11%) the most favored.

IMAGE Leda Catunda, presented at Art Basel by Fortes D'Aloia & Gabriel

1. INTRODUCTION

1.1 Introduction

After a strong recovery from the COVID-19 pandemic, sales in the art market slowed over 2023, falling by 4% to $65 billion. The high end of the market which was so pivotal in driving sales out of contraction in 2020 thinned out considerably, creating a drag on growth despite more positive performance in some other lower-priced segments. As 2024 has progressed, there is no evidence yet of a major turning point in this trend, and the persistent backdrop of geopolitical tensions, trade fragmentation, higher-for-longer interest rates, and other region-specific issues continue to weigh on the sentiment and plans of buyers and sellers.

To provide insights into how this uncertain market is affecting the activities and attitudes of collectors, this report presents the results of research carried out in mid-2024 on high-net-worth individuals (HNWIs) who are currently active in the art market. The report details the outcomes of a survey of HNWIs from markets around the world, examining their recent spending patterns, plans for the future of their collections, and outlook for the art market in 2024 and beyond. It analyzes what and how they buy, the events they attend, and their interactions with artists, galleries, advisors, and others in making decisions in the face of continuing uncertainty. The survey is the eleventh of a series conducted in collaboration with Arts Economics and UBS and now covers 14 markets, with responses from just over 3,660 HNWIs, the most wide-ranging and largest survey of its kind to date.

The report also presents the results of another survey of over 1,400 private collectors, conducted in collaboration with Art Basel, looking more closely at the views and behaviors of more regular art fairgoers and established collectors sampled from the fair's VIP guests.

1.2 Art Collecting and Wealth

The respondents surveyed for the main analysis in this report are all high-net-worth individuals, who are defined here as those with disposable household financial assets (excluding real estate and any private business assets) of over $1 million in 2024. These HNWIs account for a small segment of the world's population but a large and increasing share of its wealth, and their spending and activities are often critical in determining wider trends in the art market.

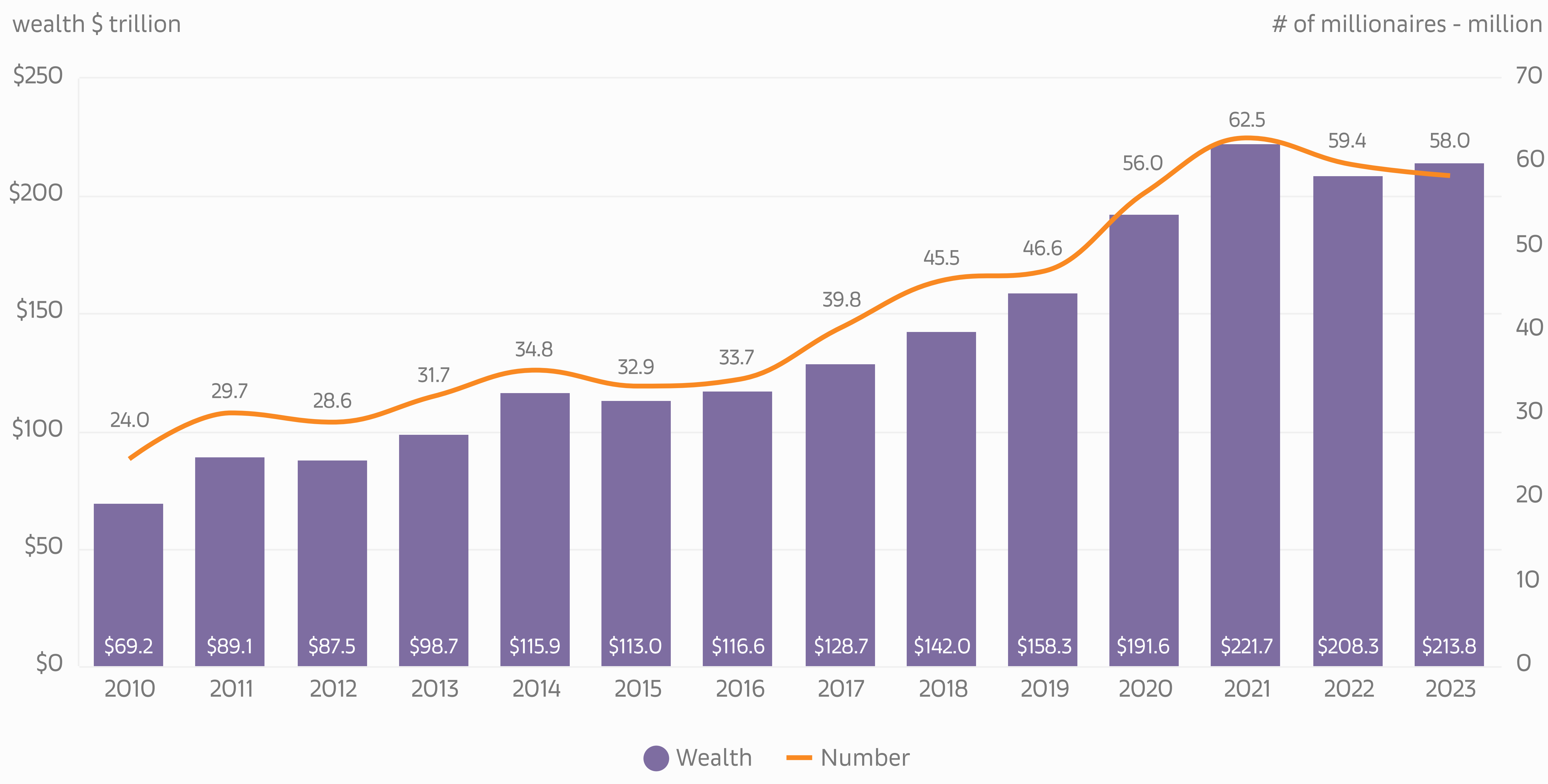
Looking at the context of world wealth, aggregate levels of wealth generally held up well during the pandemic, aided by government support and lower interest rates. However, geopolitical tensions and other events created inflationary pressures over 2022, prompting interest rate increases which slowed growth and depressed asset prices. In 2022, net private wealth fell by 3% in dollar terms, having declined only twice before in over 20 years (in 2015 and during the global financial crisis of 2008). Global wealth then rebounded in 2023, growing by 4% on aggregate, although with mixed performance by region and segment. Growth in wealth per adult in major art markets like the US was low but positive (2%), while it was nearly three times that level in Mainland China and Hong Kong. Other markets experienced declines, including Switzerland (-6%), Italy (-4%), and Mexico (-20%).[1]

Aside from the level of wealth, its distribution across the global population has also fluctuated considerably, both in recent years and over the longer term. At the top of the wealth pyramid, HNWIs were able to weather the economic fallout of the pandemic significantly better than other segments, and millionaire wealth continued to grow in 2020 and 2021, with an ensuing increase in wealth inequality. However, in 2022, this was the segment that dragged on growth, while lower tiers experienced stable or low positive changes. Millionaire wealth fell by 6% that year as the value of financial assets declined, which are highly concentrated in the portfolios of HNWIs, and the population in this segment dropped by 5%.[2] This trend turned again in 2023, and millionaire wealth reverted to a positive trajectory, rising by 3% but spread among a slightly smaller group of the world's wealthiest people, as the population in the segment dropped by 2%. Considered over a longer period, the number of millionaires has more than doubled since 2010 and their wealth has tripled. Although inflation has lowered the barrier and inflated wealth, this still represents substantial growth over the last decade, expanding the population within this segment on which a substantial share of art market sales depend.

1 UBS (2024) *Global Wealth Databook 2024,* available at ubs.com/global/en/family-office-uhnw/reports/global-wealth-report-2023.html.

2 Wealth figures for 2022 are from UBS (2023) *Global Wealth Databook 2023.* The definition of personal wealth in this instance is a broader segment than in the survey, being defined as the value of financial assets plus real assets (including housing) owned by households minus their debts.

Figure 1.1 Global Millionaire Wealth and Population 2010–2023



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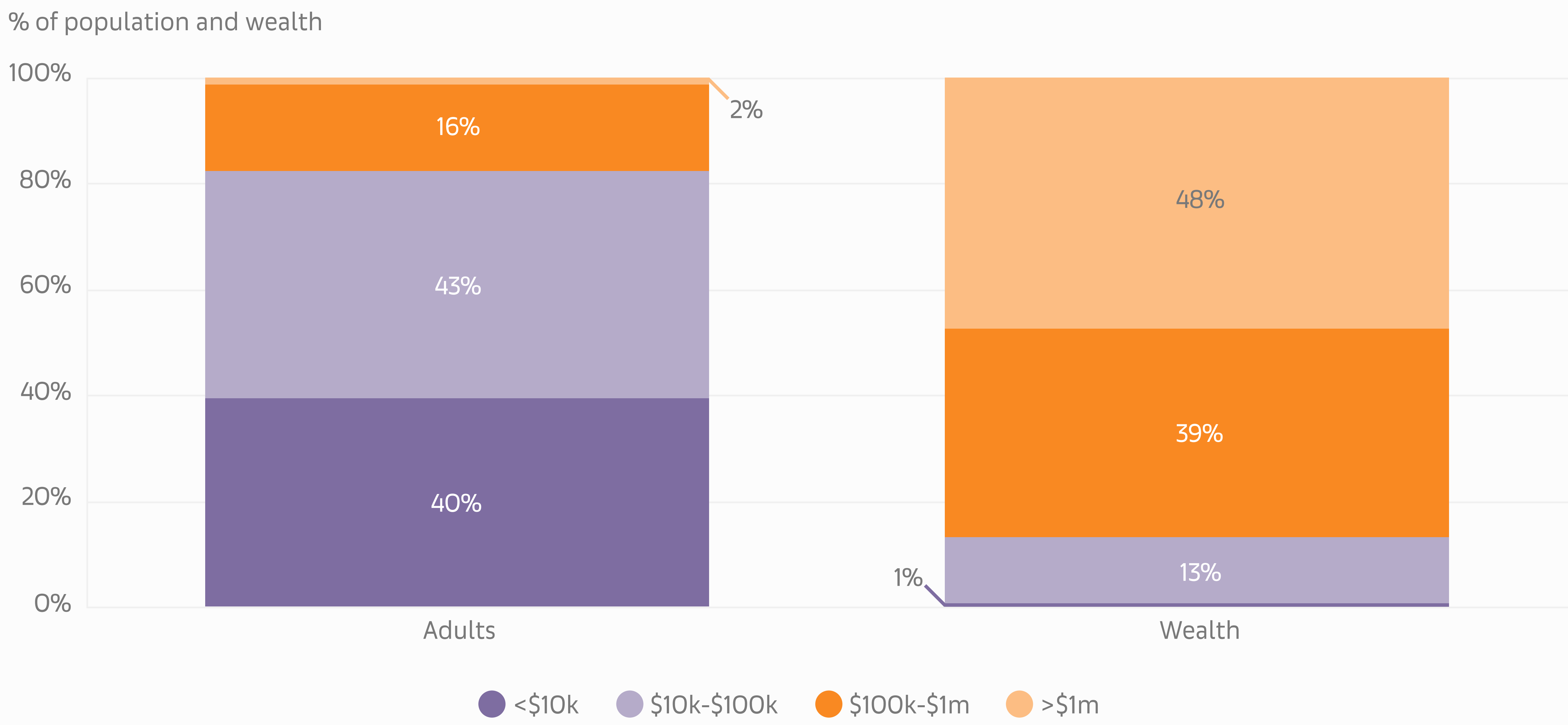
The changes in 2023 marginally increased income inequality, with an uptick in the share of world wealth owned by millionaires from 46% in 2022 to 48% in 2023. The share accounted for by this wealthiest segment has also risen more substantially, growing by 4% since 2019 and up from just 36% of world wealth in 2010.

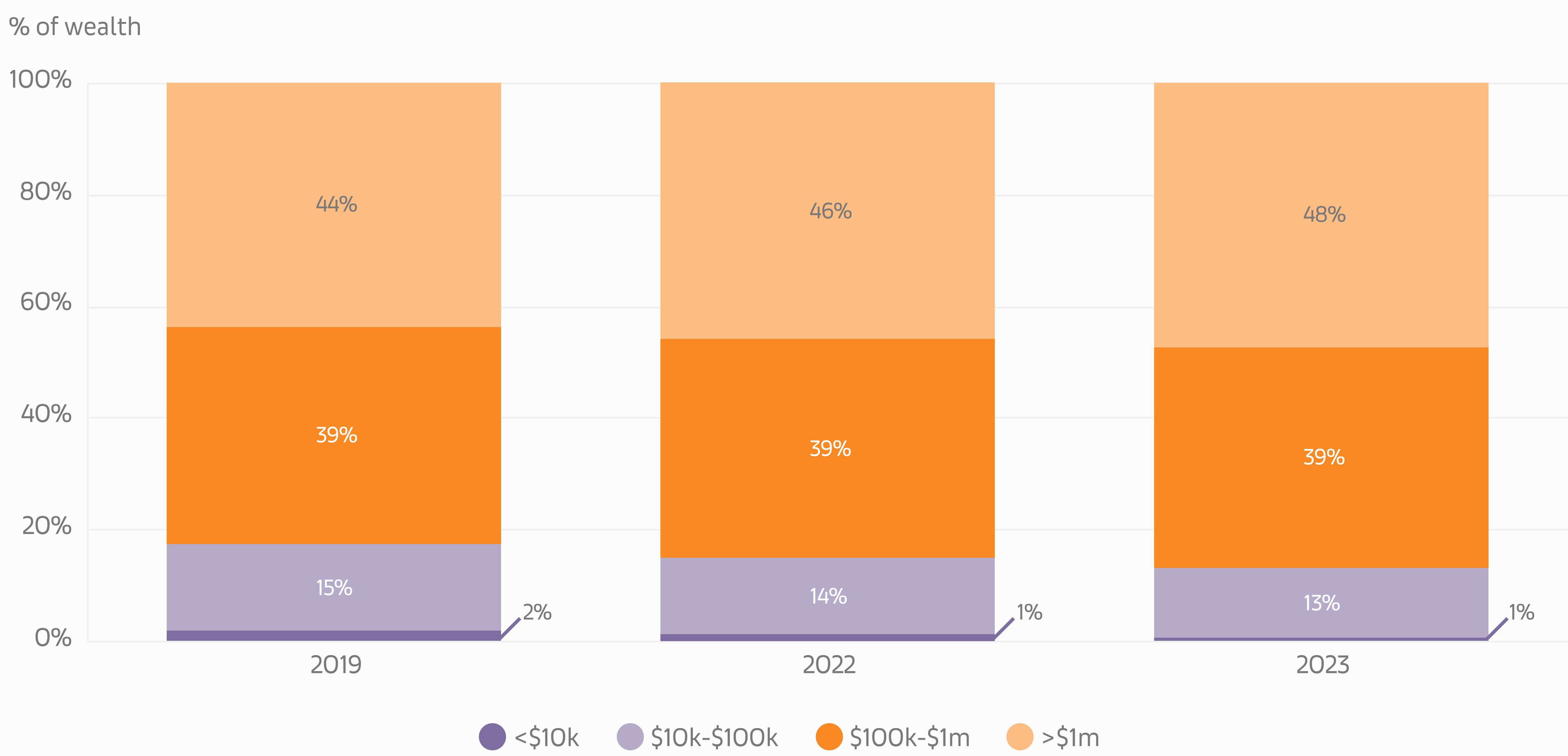
While this top segment has not expanded in terms of its share of the global population, there has been mobility from the bottom of the pyramid, with the number of adults in the lowest segment of wealth of under $10,000 falling from 75% in 2000 to 40% in 2023. However, most shifted up only to the second-lowest tier of wealth of up to $100,000, which has seen by far the most expansion. The falling nominal value of the low band's upper limit over time through inflation has also undoubtedly migrated a large share of that population without their real wealth having seen a significant improvement.

Figure 1.2 Global Distribution of Wealth and Adults by Wealth Band, Selected Years

a) Share of Adults and Wealth 2023



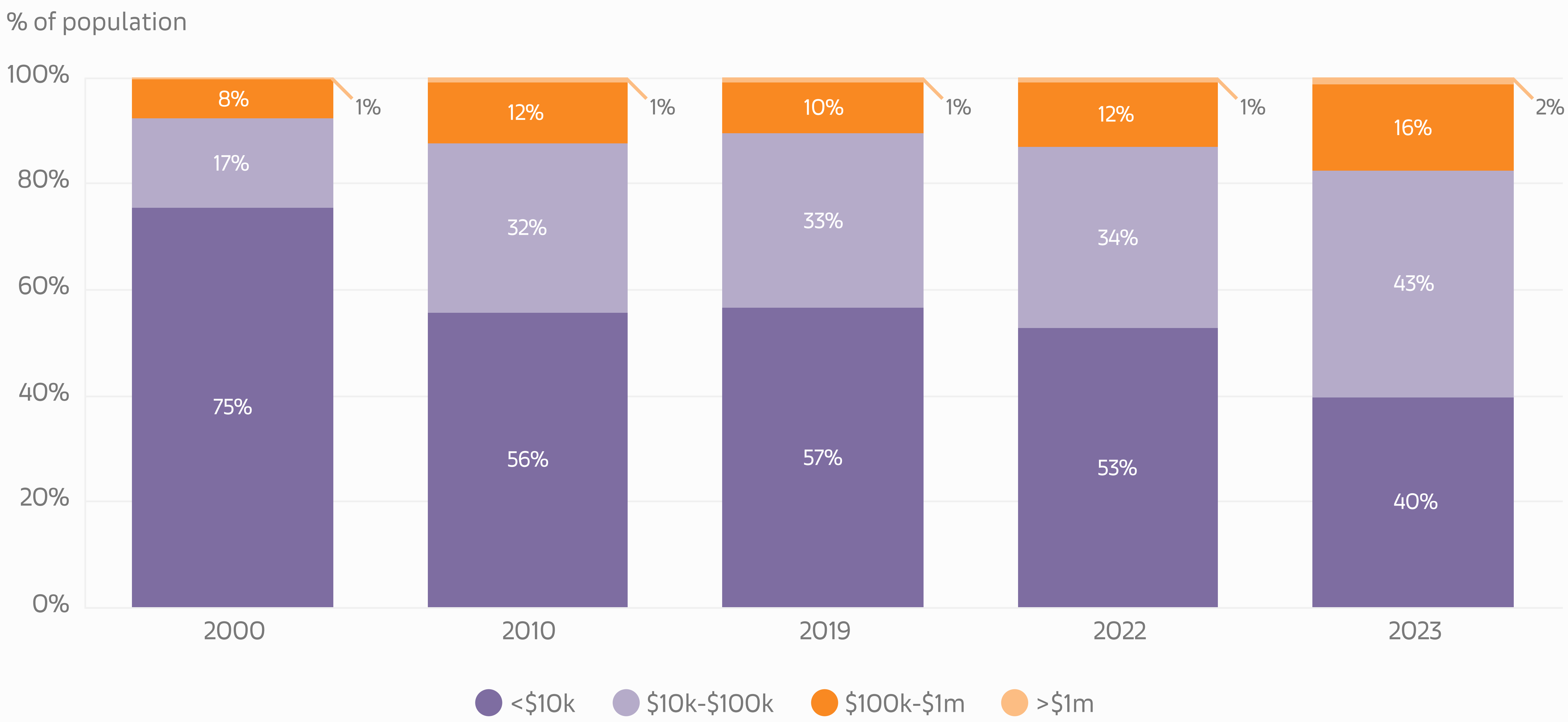
b) Share of Wealth 2019, 2022, and 2023



©Arts Economics (2024) with data from UBS

Figure 1.2 Global Distribution of Wealth and Adults by Wealth Band, Selected Years

c) Share of Adults 2000, 2010, 2019, 2022, and 2023



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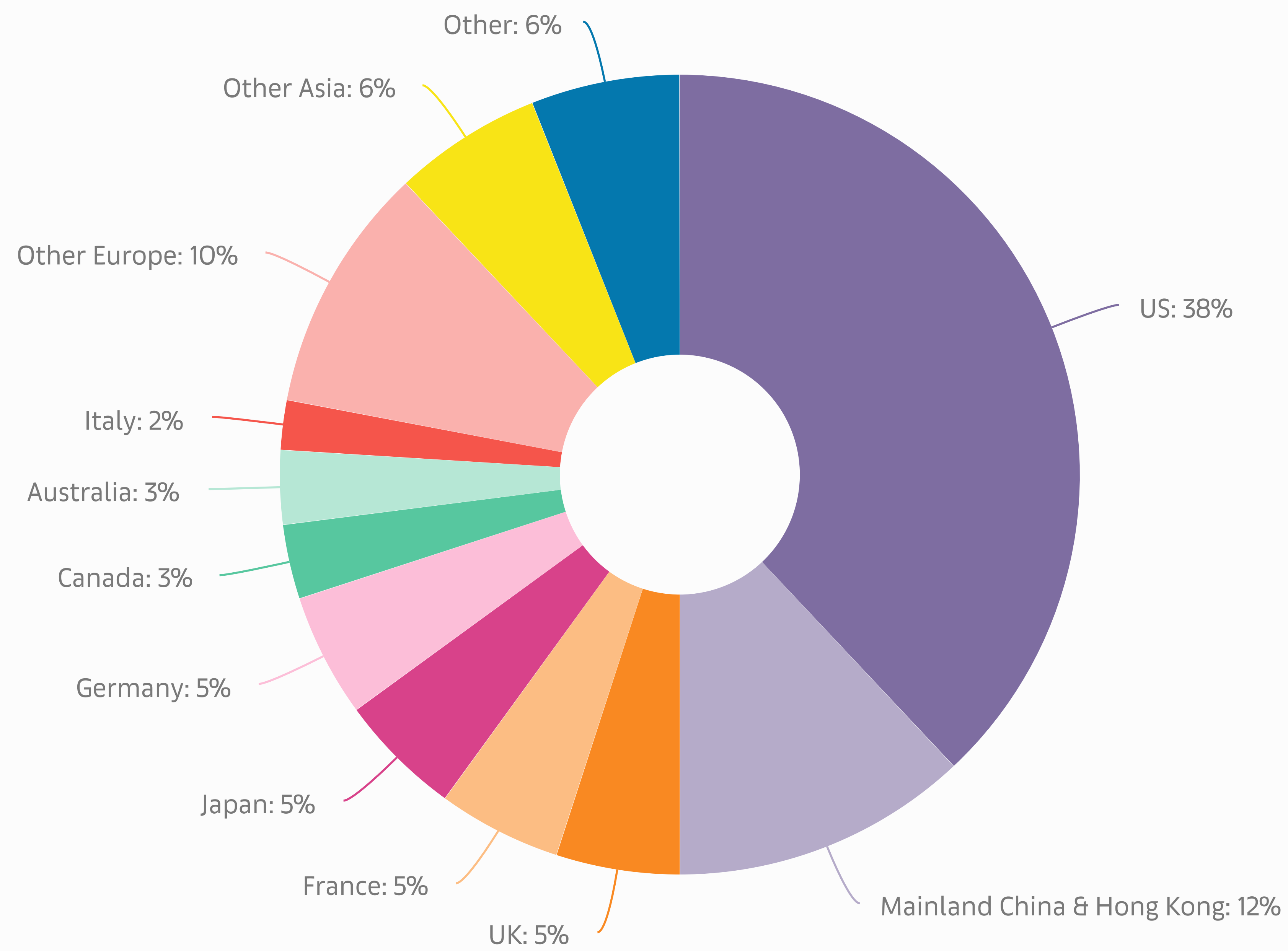
Focusing on millionaires, the US remained the largest center of HNW wealth globally, accounting for 38% of the worldwide population in 2023, stable on 2022 and ahead of China (including Mainland China and Hong Kong) at 12%. The UK, France, Japan, and Germany made up a further 20%, implying that over two-thirds of millionaire wealth was contained within these six regions alone. According to estimates from UBS (2024), the number of millionaires is forecast to continue to grow over the next five years, advancing by an estimated 15% to 2028, with the US still expected to remain in the lead by a considerable margin. Some of the highest growth is expected in key regions in Asia outside Mainland China, including Taiwan, Japan, South Korea, and Indonesia.

Although mobility into the top bracket has been relatively limited to date, the wealth in this segment could continue to expand as it is transferred to new generations of millionaires over the coming decades. According to estimates by Cerulli and Associates, approximately $84.4 trillion in assets will be transferred over the next 20 years in the US in what has become known as the ‘great wealth transfer’, with around $72.6 trillion due to be given in bequests or inter vivos transfers to heirs, and the remaining $11.9 trillion to charity.[3] The decisions of the primarily Gen Z, millennial, and Gen X heirs on how and where to spend, invest, and build on this wealth may alter future dynamics in many industries, including the art market and other luxury sectors. Some of this wealth will also be transferred directly through art collections, with heirs left to decide if and how to manage their ongoing preservation, donation, or divestment.

Figure 1.3 Share of Millionaire Population by Region 2023[4]



©Arts Economics (2024) with data from UBS

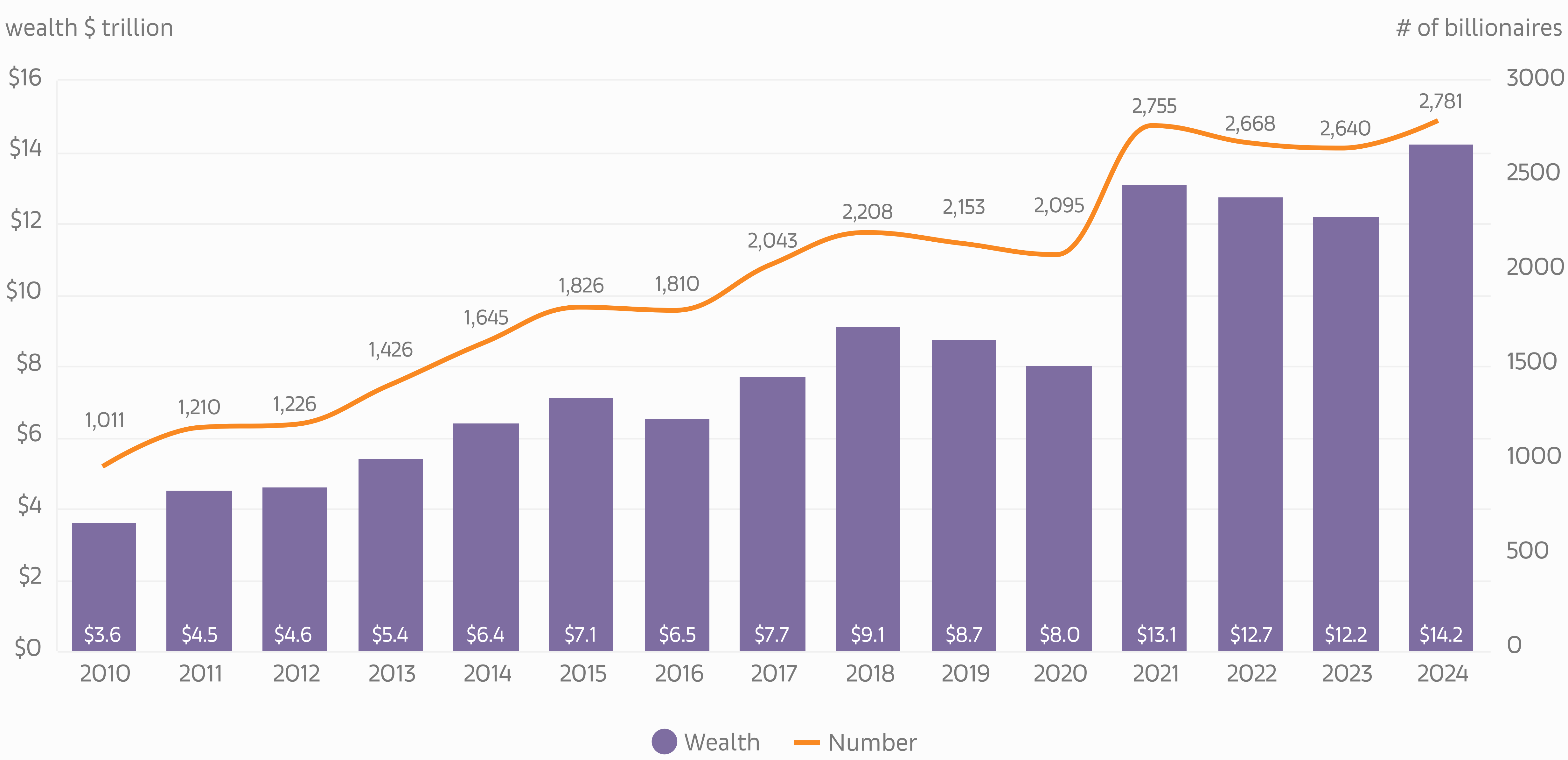
3 Cerulli Associates (2021) *U.S. High-Net-Worth and Ultra-High-Net-Worth Markets 2021: Evolving Wealth Demographics*, available at cerulli.com.

4 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 the charts do not sum to 100% (but sum to 99% or 101%) due to rounding.

At the very top of the pyramid, the small segment of the world's billionaires, a significant portion of whom are art collectors, has continued to see wealth levels and their distribution evolve, with some changes affecting the choices of what billionaires buy and invest in. While the economic and political backdrop may not have been positive, the wealth of this topmost segment continued to thrive, with more billionaires controlling more wealth in 2024 than ever before.

In contrast with other recessions, the wealth of billionaires grew steadily during the pandemic, increasing by 64% from March 2020 to March 2021, but then slowed over the next two years, with wealth and population numbers down by 7% and 5% respectively by 2023.[5] However, in the 12 months to March 2024, these losses were more than made up for, with the population rising by 5% year-on-year to 2,781 billionaires and their wealth advancing by 16% to $14.2 trillion, its highest ever level. The gains were even higher at the very top, with the wealth of the top 20 billionaires in 2024 up by 34% on 2023 (and 36% for the top 10). Over the longer term, both the population and wealth of billionaires have expanded more than millionaires, with their number almost tripling and wealth quadrupling since 2010.

Figure 1.4 **Billionaire Wealth and Population (March Totals 2010–2024)**



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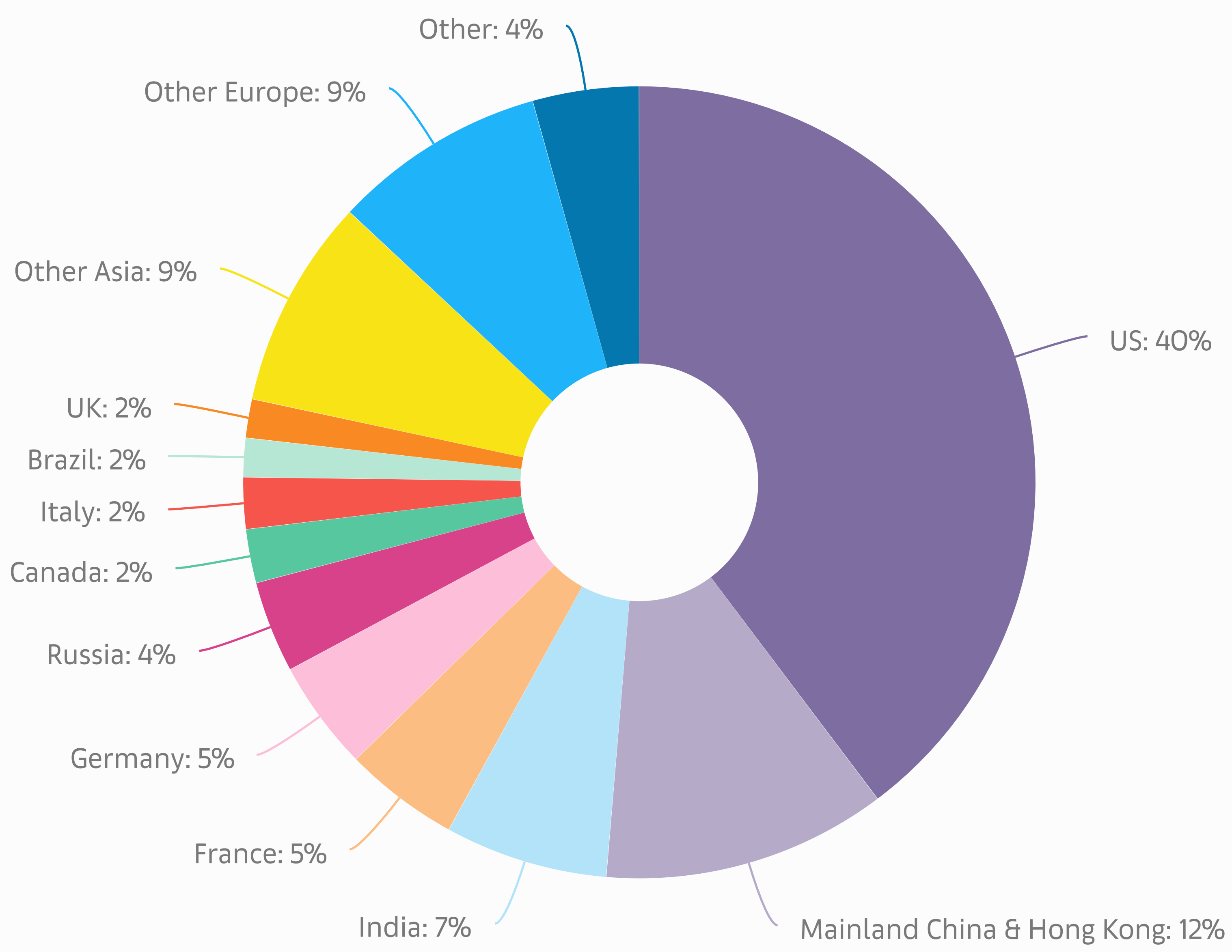
5 Billionaire data is from Forbes.com, which has compiled annual data on billionaires and their wealth since 1987.

The US still had the most billionaires in 2024 (813, up by 78 year-on-year) and their aggregated wealth increased by 27% to $5.7 trillion. Their global share of billionaire wealth was up by 3% on 2023, accounting for 40% of the total, with China (including Mainland China and Hong Kong) the second-largest region, with a considerably smaller share of 12%. The number of billionaires in China declined from 560 in 2023 to 473 by 2024, and their wealth fell by 17% to $1.7 trillion, mostly accounted for by the drop in Mainland China (-19% versus -5% in Hong Kong). India saw particularly strong growth in wealth (up by 41% to $954 billion), creating 31 more billionaires over the year to reach 200. With India and China as key centers, along with other important markets such as Indonesia, Japan, Taiwan, and South Korea, the Asian region's share of billionaire wealth at 27% surpassed Europe's (22%). This was despite relatively strong year-on-year growth in wealth in some of the main regions of European billionaires, including France (up by 14%), Germany (10%), Italy (40%), and the UK (12%).

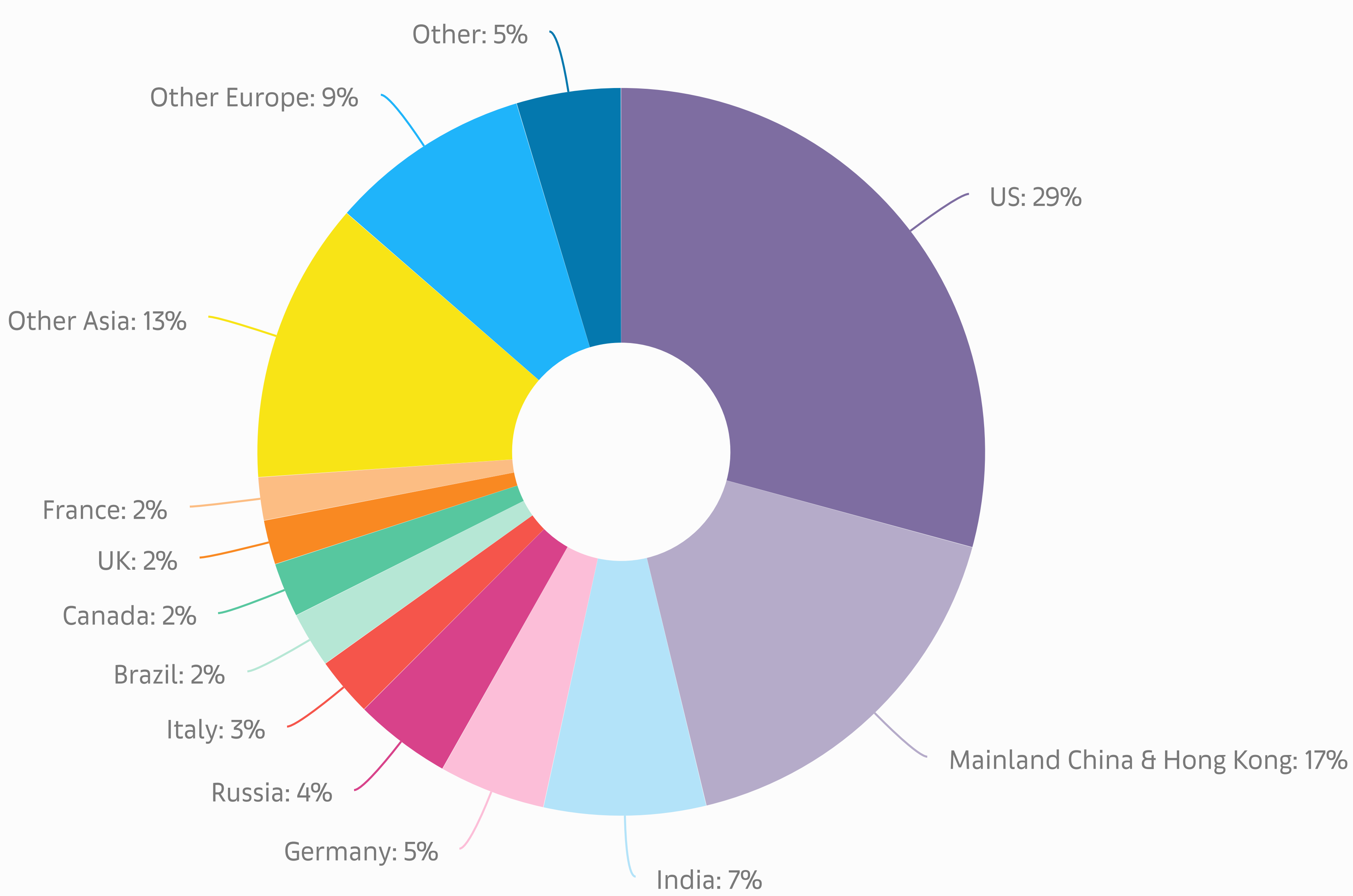
IMAGE Loie Hollowell, presented at Art Basel by Jessica Silverman

Figure 1.5 Share of Billionaires by Region 2024

a) Share of Wealth



b) Share of Population



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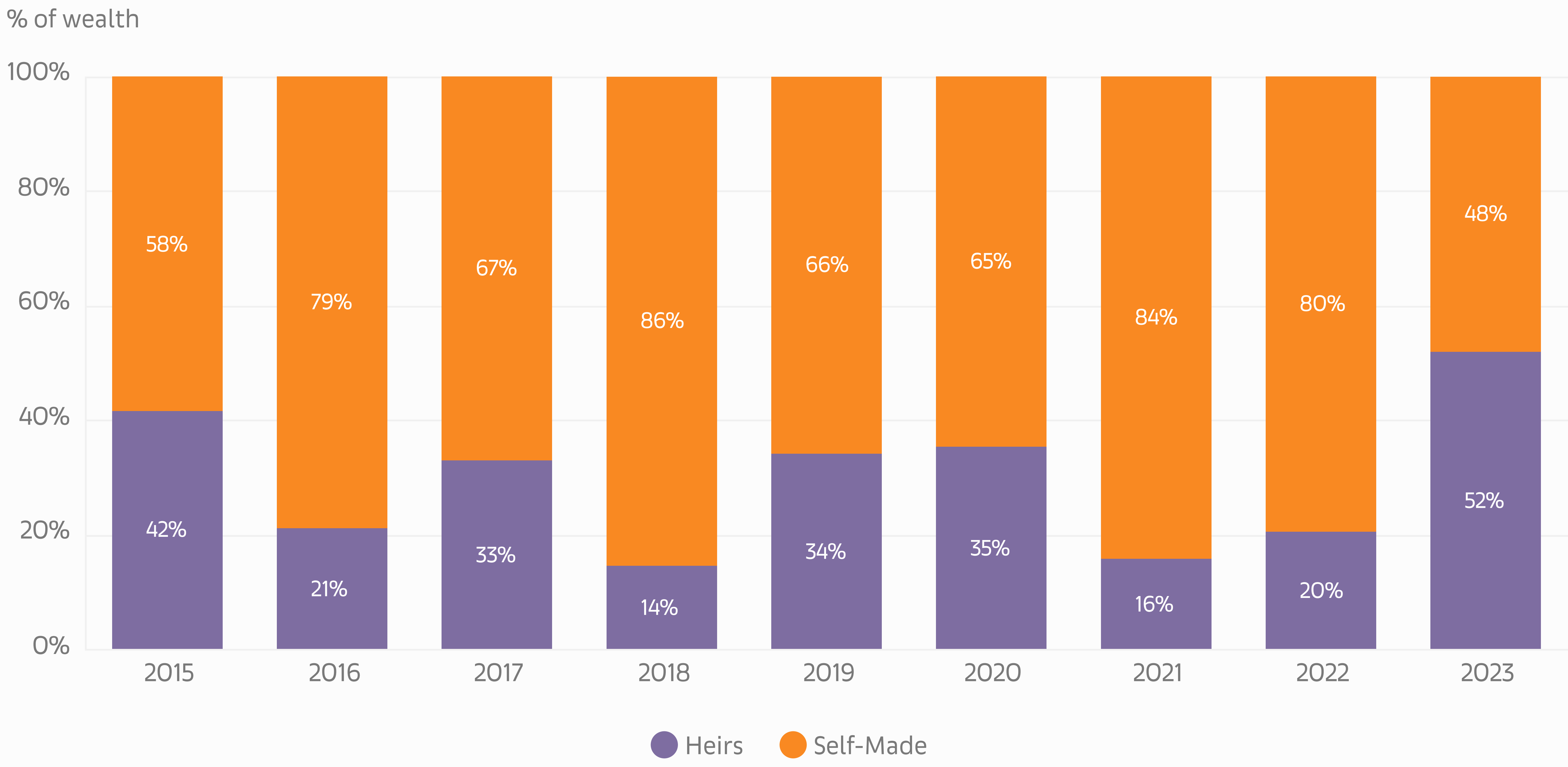
The intergenerational transfer of wealth in the billionaire segment also presents a key trend that is likely to be influential in the art market. There is already evidence of this transfer underway as, unlike the past 20 to 30 years when new wealth in this segment was predominantly generated by entrepreneurship in technology, financial, and other industries, there is now more billionaire wealth starting to be created through inheritance. A study by UBS in 2023 revealed that 52% of the wealth generated by new billionaires was by heirs compared to 48% by the larger number of self-made billionaires. This was a dramatic change from some recent years in the last decade, when the share of inherited wealth was as low as 14% (in 2018) and 16% (in 2021).[6]

As more wealth shifts to the wealthiest in society, this trend will expand the share of inherited wealth in the HNW segment and potentially further expand inequality. The effects of increasing inequality are not always negative for art sales, and greater wealth in the top percentiles of the population has undoubtedly been a key factor buoying strong sales and rising prices at the top of the market in the past. But it has also created a narrow market, with value concentrated at the top, leaving it susceptible to certain risks and limitations. In more extremes, a rise in wealth inequality could threaten the market's long-term growth and development, if middle and upper-middle wealth-tier consumers engage less or do not start to purchase art.

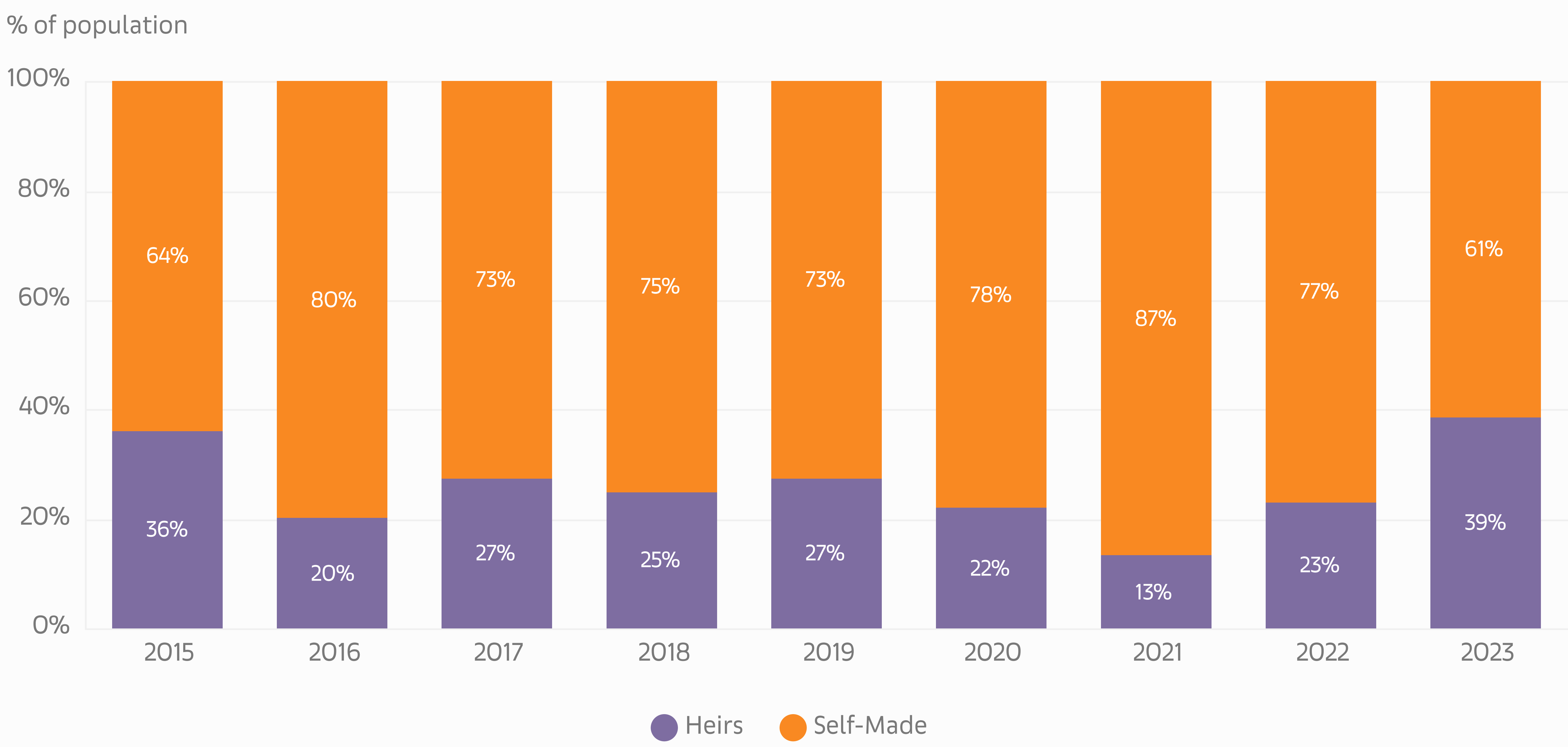
6 UBS (2023) *UBS Billionaire Ambitions Report 2023*, available at ubs.com/global/en/family-office-uhnw/reports/billionaire-ambitions-report-2023.html.

Figure 1.6 Share of New Billionaire Wealth and Population 2015–2023

a) By Wealth



b) By Population



Based on the *Forbes World's Billionaires List 2024,* the average age of a billionaire is 66, and almost 40% were aged 70 or over in 2024. It is likely that 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 charitable causes, based on previous estimates of how wealth will be transferred, at least $5.5 trillion is likely to be passed onto heirs.

Many Boomer HNWIs, who often had fewer children than preceding generations and have amassed large art collections after years of activity in the market, are likely to make large individual bequests of both wealth and art to younger generations. As these are transferred, it is likely that some of this art will come onto the market due to changing tastes or simply the difficulty of dividing estates. The research outlined in Chapter 2 shows that in the current sample of HNWIs, 91% already had inherited works in their collections in 2024. Of those heirs or recipients, only 26% had kept all the works they were given, with the remainder selling or donating some (53%) or all (21%). The transfers of HNW wealth over the next several years could potentially, therefore, affect both supply on the market, as inherited collections are sold, and demand, should heirs choose to use the proceeds in part to buy more art, including some that is possibly unlike that bought by previous generations.

> **It is likely that most of these billionaires 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**

There has been a large amount of research into changing tastes and how the preferences and buying habits of new generations of millennial and Gen Z buyers will differ from their older peers. Gen Z buyers are the first true 'digital natives' – the first generation to grow up with the internet as an intrinsic part of daily life, and who work, shop, and socialize digitally. While this leads them to a greater propensity to research online, purchase on any kind of device, and value an easy and positive online experience, they have also been shown to have much stronger preferences for physical, brick-and-mortar stores and to spend significantly more time in them than millennials. They are also more likely to spend money on enriching experiences than to splurge on luxuries like their millennial peers and they care more about access than outright ownership.[7] These factors are important in determining how effectively these new consumers of art are reached in future and underline the importance of the new reality businesses in the market face, which demands a focus on both digital and live experiences simultaneously.

7 Research from McKinsey (2024) 'What is Gen Z' and Mc Kinsey (2020) 'The Young and the Restless: Generation Z in America', available at mckinsey.com.

Not all current or future millionaires and billionaires are art collectors, but many participate in art and other luxury markets at some level. In surveys conducted by Arts Economics and UBS over the last nine years, of those HNWIs that were actively participating in the market, allocations to art from their wealth portfolios ranged from around 20% to 25%, with shares increasing with the level of wealth. Allocations in 2024 are discussed in more detail in Chapter 2, but there was clear evidence that despite a fall in average allocations among HNWIs from a peak of 24% in 2022 to 15% in 2024, wealthier collectors remained at the higher end of the spectrum, including an average of 25% for those with wealth of over $50 million. The preferences and spending patterns of this relatively small segment of collectors therefore continues to be crucial in shaping some of the wider trends in the art market.

IMAGE Iván Argote, presented at Art Basel by Perrotin

1.3 Art Market Indicators in H1 2024

Despite a challenging year with declining aggregate sales in 2023, the art trade remained relatively optimistic about 2024, with most businesses hoping for at least a stable year ahead, although forecasts were not as upbeat as in previous years.

In the dealer sector, when asked at the end of 2023 about their expectations for the year to come, 36% of dealers forecasted an improvement in sales, down from 45% at the end of 2022 and 62% at the end of 2021. Although this represented a significant fall in optimism, only 16% expected a decline in sales, with the remainder (48%) hoping for a stable year. Similarly, a survey of mid-tier auction houses around the world revealed that 38% believed sales would improve, a little higher than the dealer sector, but down on the share reported in 2022 (48%). The majority of these businesses (58%) expected a relatively stable year and only a small share of 4% predicted that things would get worse.[8]

One of the key drivers of the slowdown in the market over 2023 was a contraction in sales of the highest-priced works at auction, most noticeably those sold at over $10 million. During the pandemic in 2020, values contracted across all segments, while the recovery in 2021 was weighted towards the high end of the market, with sales of works priced at over $10 million showing the strongest growth. In 2022, the growing division in the market was even more evident, with auction data highlighting that the $10 million-plus price segment was the only one still growing, while all others below that level declined. The changes in 2023, therefore, marked a distinct reversal of this trend as lots in the highest segments thinned out, while sales were more buoyant at lower price levels.

As the high end has been an important determinant of the path of aggregate sales, the results from the major international auction house sales are often used as a barometer of the higher, global end of the market, and a means to check on sales trends so far in 2024.

The results for 2024 indicated that there was little improvement on 2023, with aggregate sales at the auction houses of Christie's, Sotheby's, Phillips, and Bonhams down by 26% in the first six months of 2024 on the same period the previous year, and below their level prior to the pandemic in 2019. There was some mixed performance between the major auction houses, with those away from the highest end of the market faring slightly better.

8 See Arts Economics (2024) *The Art Market 2024, an Art Basel and UBS Report*, available at theartmarket.artbasel.com.

Christie's reported that their total public auction sales reached $2.1 billion in the first half (H1) of 2024, down by 22% on the same period a year previous. This was the second consecutive year of declining first-half sales, which fell by 24% to $2.7 billion in H1 2023. The auction house did not publish figures for their private sales for 2024. Many of the major sectors saw declining sales, including luxury sales which fell by 39%, but with uplifts in others, including Asian art (up by 20%). Online-only sales reached $173 million, down by 8% on 2023, but still more than double the level of 2020 or any prior H1 period. Christie's also reported that the global share of bids placed online increased by 3% year-on-year, from 79% in the first six months of 2023 to 82% in 2024, showing the increasing dominance of digital reach in their sales. Based on sales with published results, the number of online-only auctions at Christie's was relatively stable while the number of live sales fell by 13%.

Sotheby's published public auction figures indicated a decline of around one-third year-on-year to $1.8 billion, including art and collectibles but excluding cars, property, and a small number of other auctions with unpublished results. It was also their second year of declining first-half sales, following on from an 8% fall in H1 2023 to $2.8 billion which had brought values back to 2021 levels. Online-only sales fell by 15% to $193 million, their lowest level since H1 2019. Based on sales with published results, Sotheby's held 8% fewer online-only sales in the first half of 2024 versus the previous year, as well as 8% fewer live sales.[9]

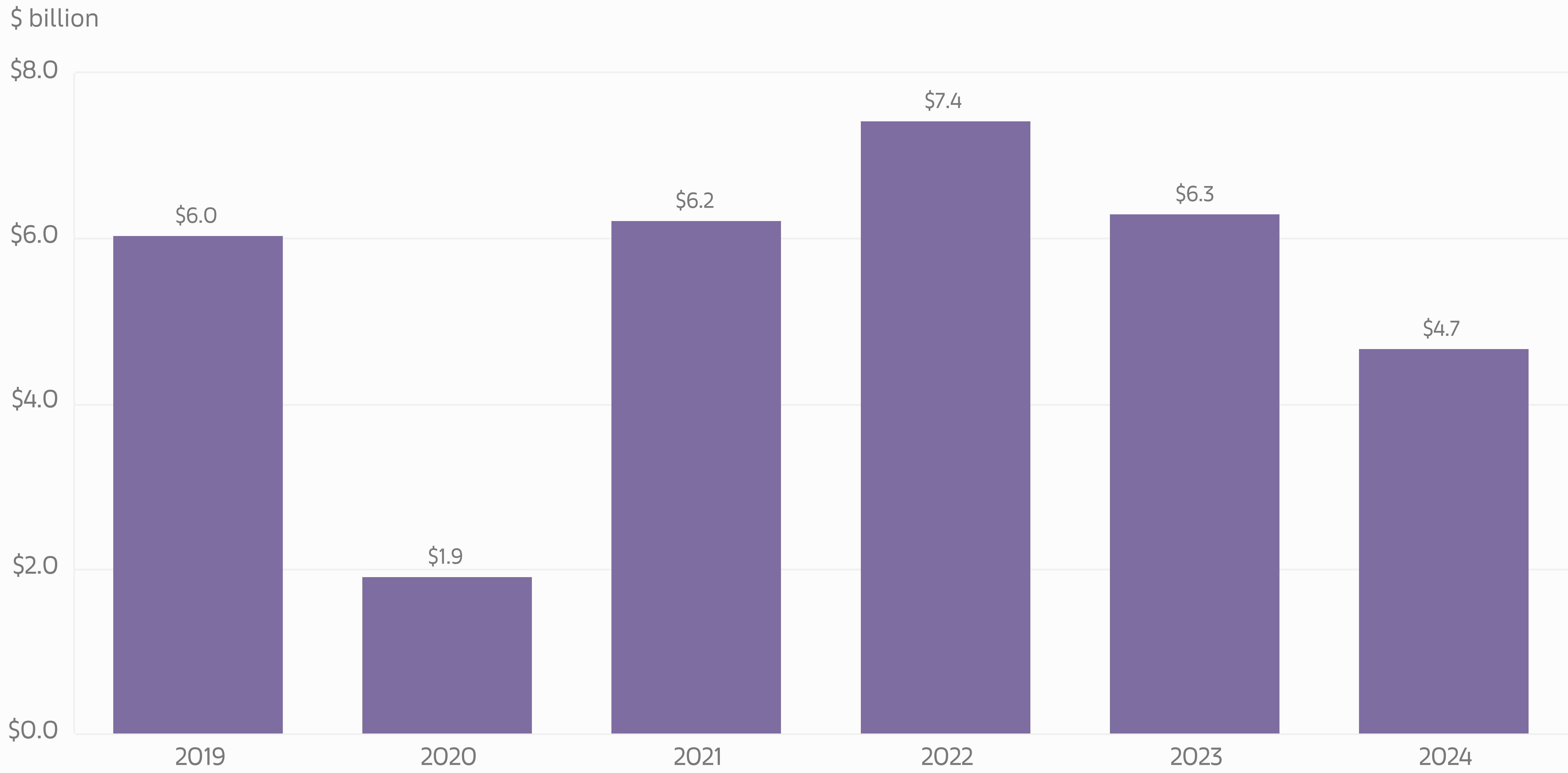
Phillips reported a lower decline of 9% for H1 2024, with aggregate sales of $387 million. Live auctions were down by 9% in value, with a fall of only 1% for online-only sales. Bonhams also saw total sales values drop by a similar and more moderate 9% to $377 million, but in this case, online-only sales rose by 48% as the auction house continued to add new auctions from its expanded network, while live sales were down by 21%.

Despite declining values, the number of sales conducted through these major international auction houses has continued to grow. The total number of sales increased by 6% year-on-year, with live sales declining by 16% but a strong boost to online-only sales of 25%, partially buoyed by Bonhams' expansion. These auction houses now hold over five times as many online-only sales as they did in 2019, accounting for 63% of their total sales, while the number of live sales has fallen by just over 20%. Although online-only sales remain a minority of total sales values, their share has expanded. Online-only sales peaked during the pandemic in 2020 (at 17% of total auction sales by value), and despite scaling back since that point, they represented 11% in 2024, a 3% increase year-on-year, and a significantly greater share than before the pandemic in 2019, when they accounted for just 2%.

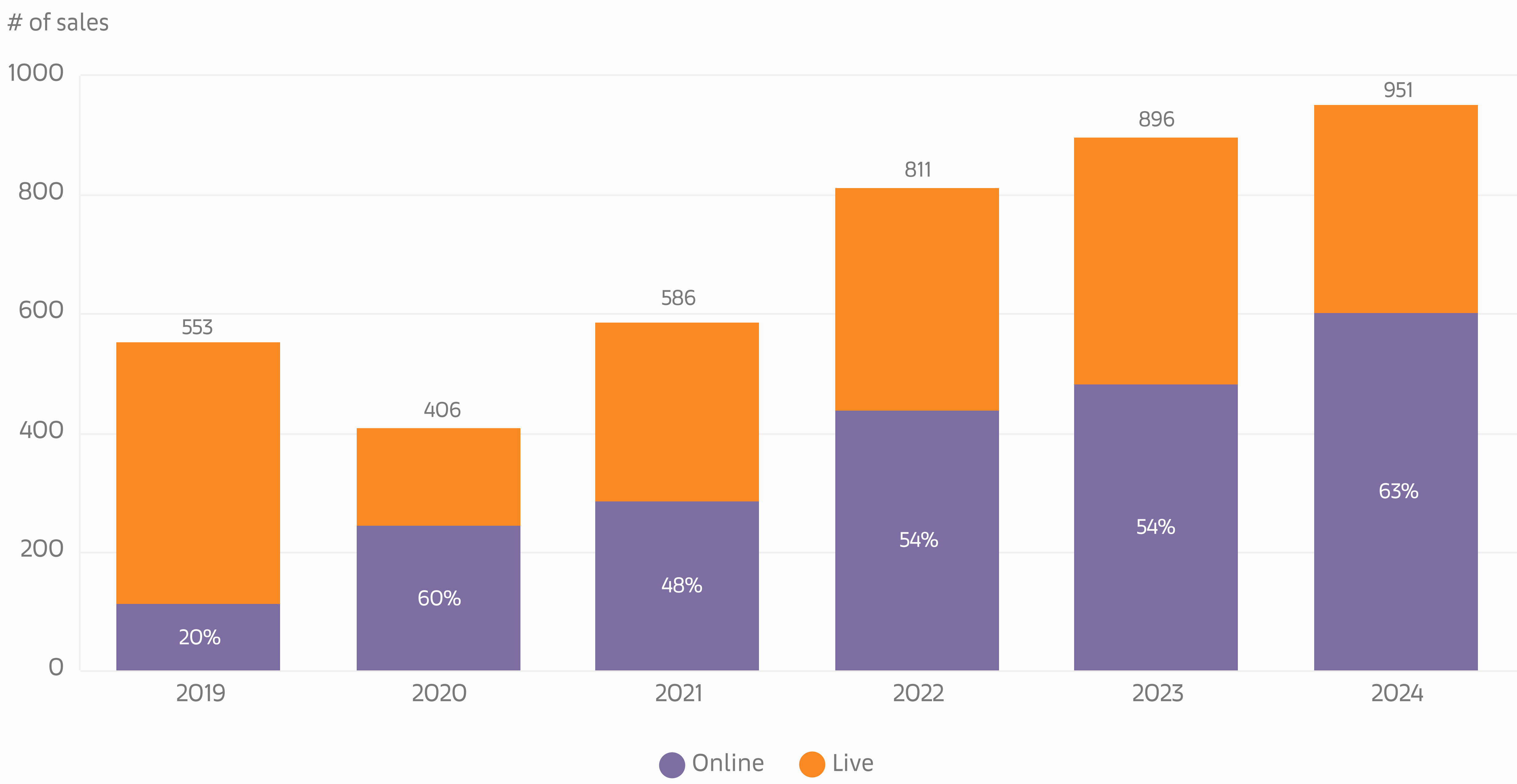
9 Based on sales with published results, the number of sales fell by 10%, however, those without sales results increased, which meant that the overall number of company sales was more stable, declining by only 2%.

Figure 1.7 Public Auction Sales for Christie's, Sotheby's, Phillips, and Bonhams H1 2019–H1 2024

a) Aggregate Sales (January–June)



b) Number of Fully Published Sales (January–June)



1.4 The Cross-Border Trade in Art

Following two years of growth from 2020, worldwide cross-border trade flows across all industries slowed in 2023, weighed down in part by regional tensions and conflicts increasingly sparking a wave of economic fragmentation and protectionism between key economies. World imports and exports of all goods fell (by 7% and 5% respectively, according to data from the UN), and the number of countries trading also dropped. While improvements are forecast for 2024 (and the first quarter grew on the previous quarter), cross-border trade was still lower than in the first quarter of 2022.

The cross-border exchange in art has been pivotal to the growth and globalization of the art market, connecting artists, buyers, and sellers around the world. While highly correlated with the growth and global distribution of wealth, the art trade continues to center on key hubs such as the US, Hong Kong, and the UK, where the bulk of imports and exports by value are recorded. Demand in these international markets is fueled not only by national wealth but also by the existence of the market itself and its ability to attract worldwide buyers and sellers. This, along with many other unique characteristics of the bilateral trade in art and antiques, alters the patterns of trade compared to many other industries, which was evident in 2023 and 2024.

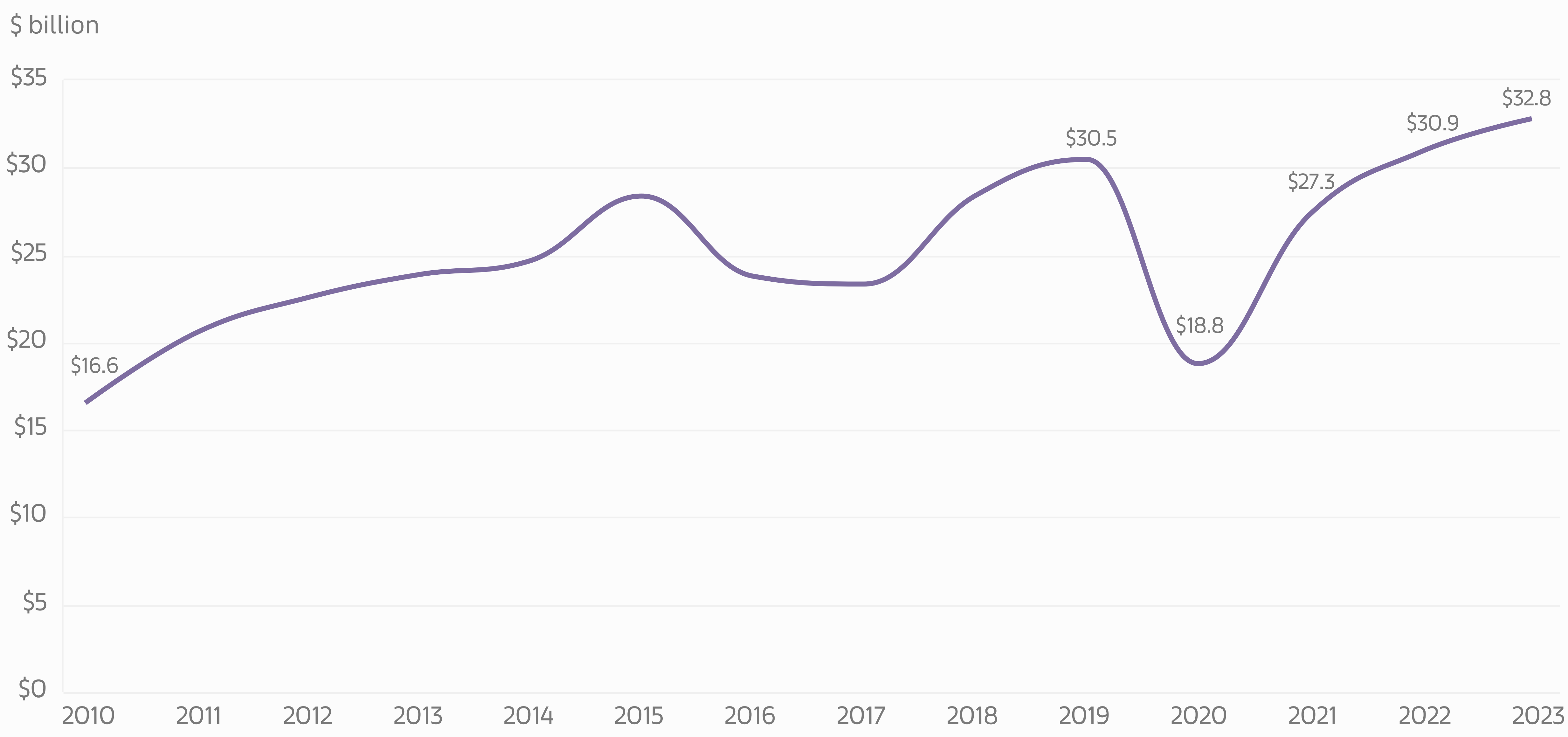
> **While imports grew by 13% in 2022, the pace slowed to 6% in 2023. However, with three consistent years of post-pandemic growth, global imports reached just under $33 billion, their highest value to date**

Data on imports and exports of art is available only with a significant lag in many regions and, therefore, global aggregates are subject to revisions as countries report and update data at varying intervals. Nevertheless, an analysis of some of the changing values and composition of cross-border flows in 2023 and early 2024 offers some insight into the current state of the market.

Imports

Global imports of art and antiques have maintained consistent growth since their low point during the pandemic in 2020, although the pace slowed considerably in 2023. The value of imports of art around the world previously peaked in 2019 at $30.5 billion, having grown by over 600% in nominal value since the mid-1980s. The pandemic induced a large contraction of 38% in 2020, but this was followed by a strong bounce back in value of 45% in 2021. While imports grew by 13% in 2022, the pace slowed to 6% in 2023, and the number of countries importing art also fell. However, with three consistent years of post-pandemic growth, global imports reached just under $33 billion, their highest value to date, faring considerably better than either aggregate imports across all industries or art market sales.

Figure 1.8 **Aggregate Global Imports of Art and Antiques 2010–2023**



©Arts Economics (2024) with data from UN Comtrade

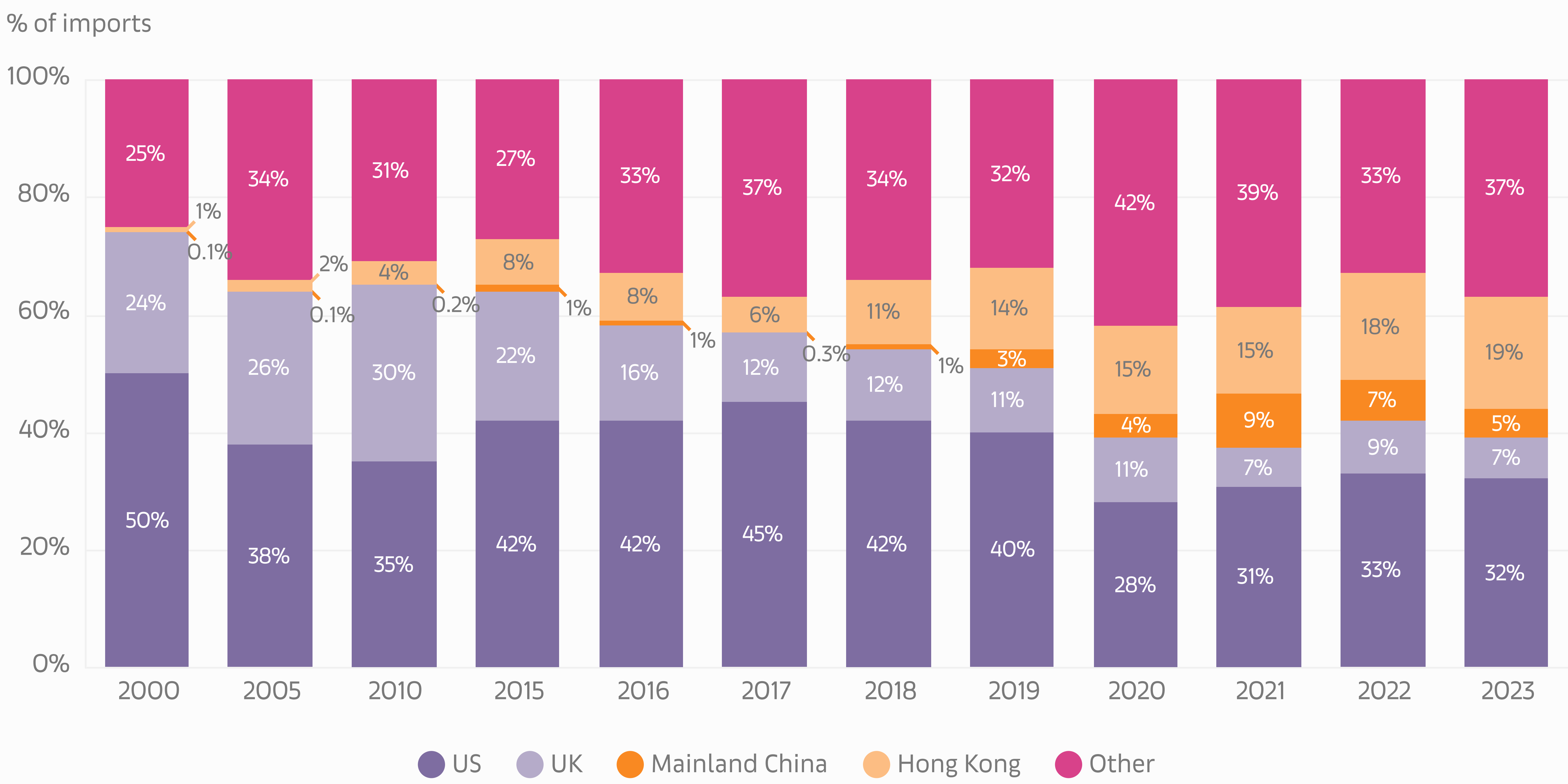
Based on the smaller sample of countries with available data in both the first quarter of 2023 and 2024, import values continued to show growth. The pace of growth was slower at just 3%, with mixed performance by region, but included an advance of 4% in the leading US market. This increase was again higher than aggregate global imports across all industries which, based on the sample of 63 countries reporting figures for the first quarter, fell by 5% in value.

The US, China (including Mainland China and Hong Kong), and the UK together accounted for 63% of the value of global imports of art and antiques in 2023, down by 4% year-on-year, with Hong Kong the only market in the group whose share increased.

As the largest domestic market for art, and headquarters for the highest value international sales, the US remained the biggest importer of art, with a 32% share of global imports, down by 1% on 2022. Imports of art into the US were stable year-on-year, increasing slightly by 1%. Hong Kong accounted for the second-largest share at 19%, with Mainland China adding a further 5%. The UK's share fell back to 7% in 2023 and has declined substantially since 2010, when it accounted for 30% of global imports, being overtaken by flows into Hong Kong.[10] The value of imports into the UK fell by 16% in US-dollar terms year-on-year in 2023, while those to Hong Kong increased by 9%.

10 Chinese trade statistics present a number of issues that are important in comparative analysis of market shares. Some imports reported as coming into China are reported as being exported from China and vice versa. Figures 1.8 and 1.9 remove all imports reported into Hong Kong from Mainland China and Macao and all imports from Hong Kong or Macao to Mainland China, as well as imports from either Mainland China or Hong Kong to Macao. Macao's imports (with trade from Mainland China and Hong Kong removed) are aggregated with Mainland China. These intra-regional imports are also removed in arriving at the global totals.

Figure 1.9 Share of Value of Global Imports by Region, Selected Years



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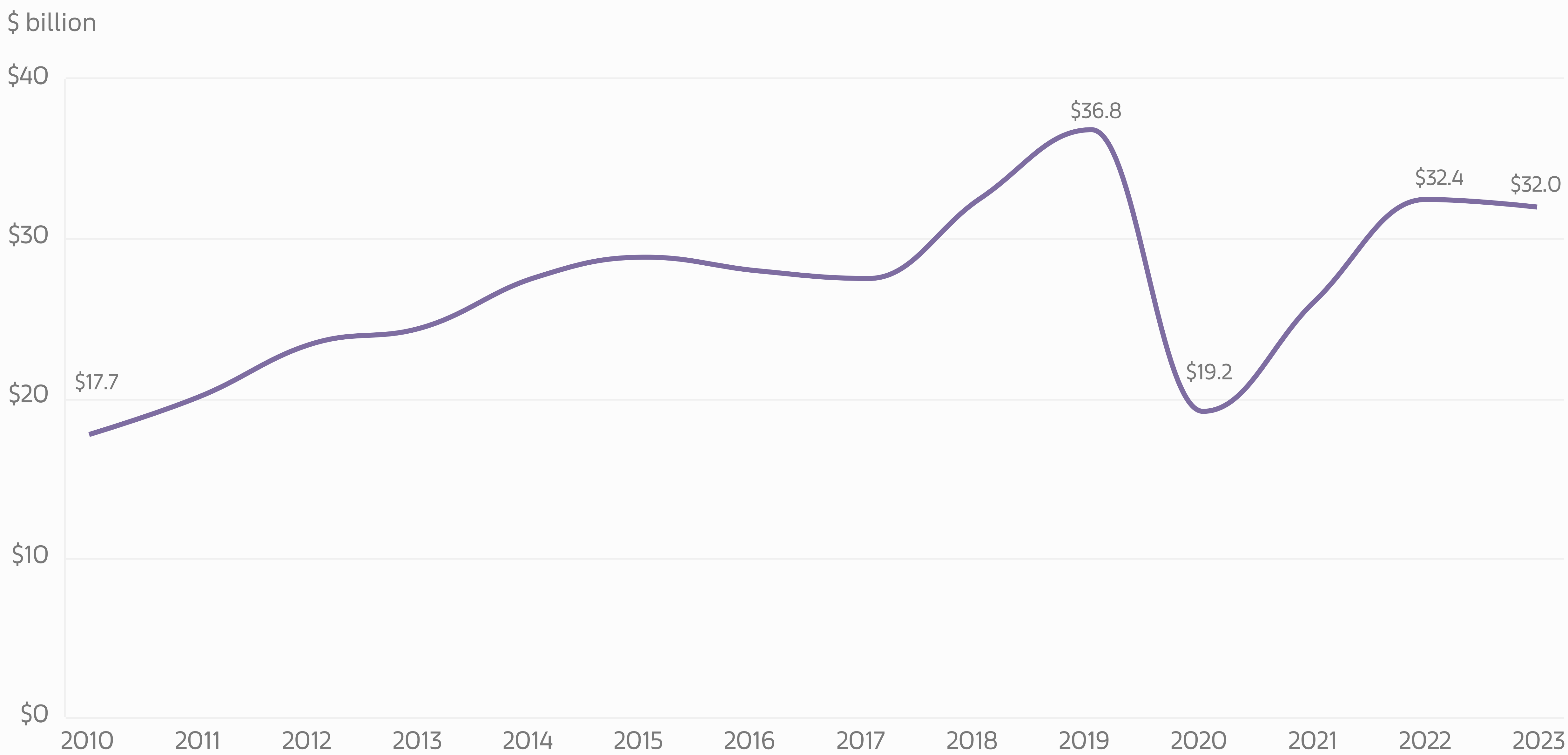
Exports

Exports of art and antiques also saw a strong recovery from the pandemic low in 2020, when values fell by almost 50% to $19.2 billion, their lowest level since 2010. Exports increased by 69% in the two years that followed to 2022, although remained slightly less than their peak in 2019 at $36.8 billion. Then, paralleling the trend in art sales, values experienced a moderate slowdown, falling slightly by 1% to $32 billion in 2023, with the number of countries exporting art also declining.[11] This decrease in values was more moderate than the drop in both worldwide trade across all industries and art sales, signaling that some of the decline in the latter in 2023 was due to fewer domestic sales in some regions.

Based on the countries reporting exports in both the first quarter of 2023 and 2024, global exports of art and antiques continued to stagnate, with a dip of 1% overall and negative trajectories in major markets such as the UK (down by 12%) and the US (down by 3%), but, again, performing slightly better than aggregate trade values.

Figure 1.10 Aggregate Global Exports of Art and Antiques 2010–2023



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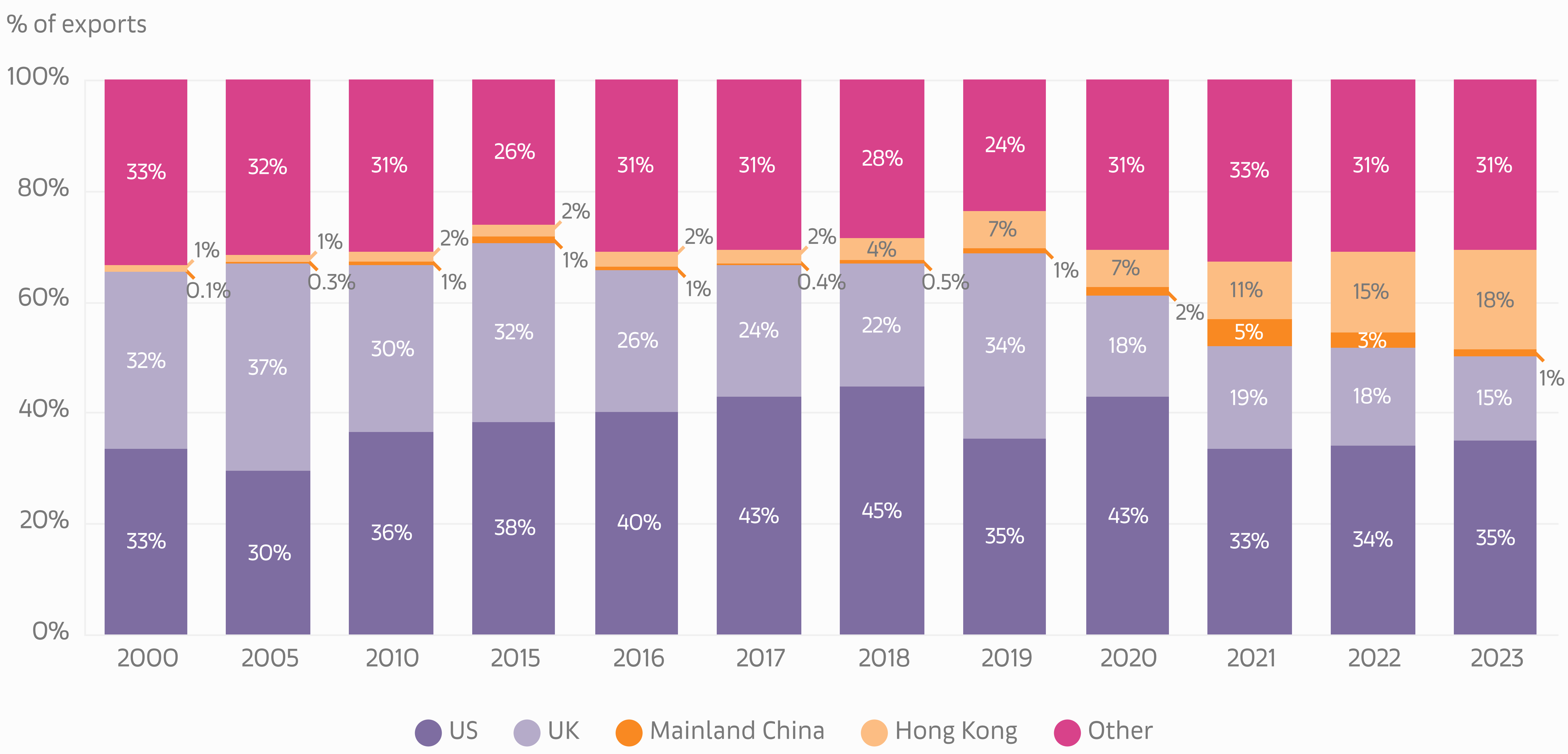
Like imports, most art exports by value come from the three largest regional hubs of the US, the UK, and China (largely via Hong Kong). As noted in previous reports, these markets accounted for over 80% of the value of global exports in the early 1990s and remained at 76% prior to the pandemic in 2019. During the pandemic and its immediate aftermath, this share declined further to reach a low of 67% by the end of 2021, and had increased only marginally to 69% by 2023. While the number of countries exporting art has expanded significantly since 1990 (when it was just 69), the recent decline in the majority of trade by value through the three hub markets was not a sign of the number of markets expanding – there were 103 regions reporting exports of art and antiques in 2023 versus 151 in 2019, when their share was higher. However, it did show that the share of some other centers has expanded slightly, including France, Switzerland, and others in Asia outside China, notably Singapore (from 1% to 5% over the period from 2019 to 2023).

The US was the largest exporter of art and antiques in 2023, with a 35% share by value, remaining a key sales center for international buyers alongside its domestic base. However, the value of art exported out of the US was stagnant year-on-year, and was 14% less than in 2019. The UK accounted for a 15% share and experienced a significant decline in exports year-on-year of 16% in US-dollar terms and down by 60% since 2019, when its global share of exports was nearly on par with the US. Mainland China remained primarily a buying market, with a small share of 1% of exports, although the share of Hong Kong has expanded substantially from 2% in 2010 to 18% in 2023, surpassing the UK.[11] Mainland China saw a significant drop of 48% in the value of exports year-on-year in 2023, however, Hong Kong (which accounts for over 90% of the extra-regional export trade of the two markets) saw a rise of 21% and was one of the strongest of the major exporting markets.

The US was the largest exporter of art and antiques in 2023, with a 35% share by value, remaining a key sales center for international buyers alongside its domestic base

11 In this analysis, like imports, all intra-regional exports within China have now been removed from the global totals in Figures 1.10 and 1.11, that is exports from Hong Kong or Macao to Mainland China, exports from Mainland China or Macao to Hong Kong, and exports from Mainland China or Hong Kong to Macao. Macao's exports (with trade from Mainland China and Hong Kong removed) are aggregated with Mainland China. All sets of excluded exports are removed from world totals in the figure to estimate global market shares.

Figure 1.11 **Share of Value of Global Exports by Region, Selected Years**



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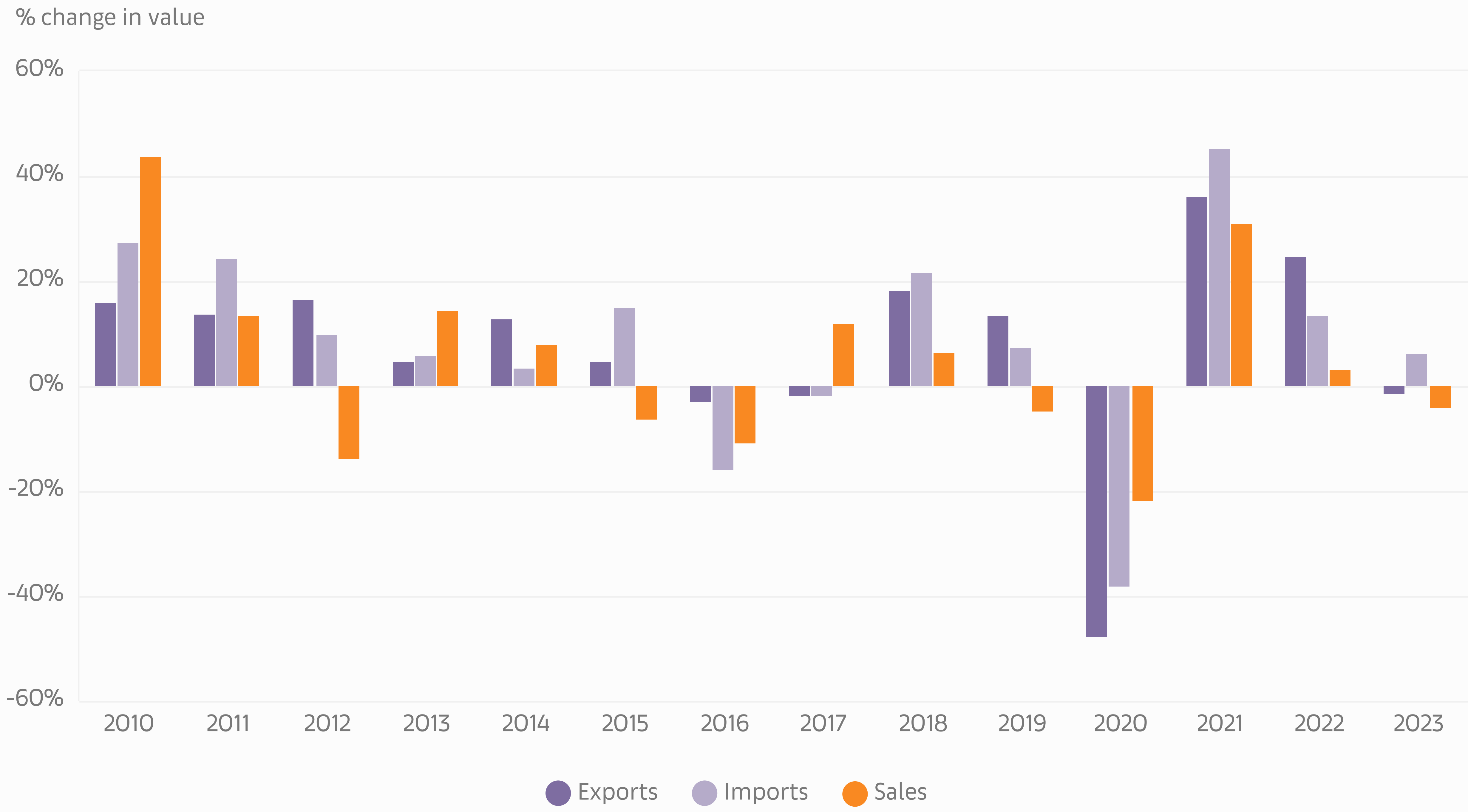
The cross-border trade in art – both imports and exports – is highly correlated with sales, connecting buyers and sellers in different regions as transactions have become more globally diverse and trade through key hubs, such as the US, has been fueled by a wider range of international buyers and sellers. Although they have grown at different rates and in different directions in certain years, in the period from 2010 to 2023, there was a very high correlation between aggregate global trade and global sales: 88% for imports and 86% for exports. In 2023, both sales and exports fell, while some countries, notably Mainland China and Hong Kong, still demanded more art and antiques than they had in their domestic markets, with imports dominating. The major hubs of the US and the UK were still net exporters, showing the continued importance of international buying to the vibrancy of these markets.

While it does not predict sales, trade data from the first few months of 2024 suggested that there was low positive growth in imports, with positive inflows in some regions including the US, Switzerland, and Germany compared to 2023. Based on the countries that have reported, the cross-border trade in art has also continued at a stronger pace in the first quarter of 2024, both in terms of imports and exports, compared to many other industries.

Figure 1.12 Annual Change in the Value of Global Sales, Exports, and Imports of Art and Antiques 2010–2023



©Arts Economics (2024) with data from UN Comtrade

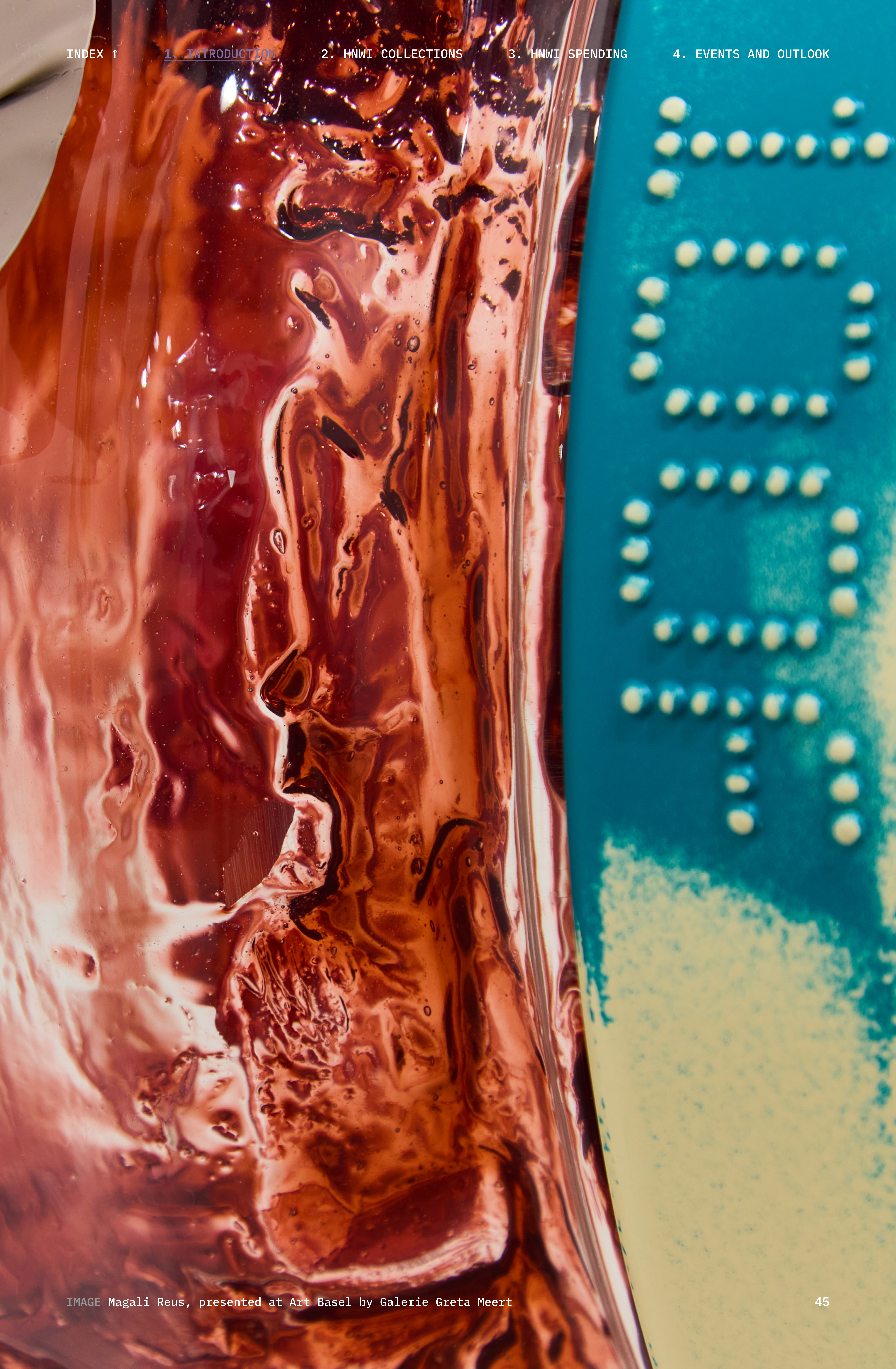


IMAGE Magali Reus, presented at Art Basel by Galerie Greta Meert

2. HNWI COLLECTIONS

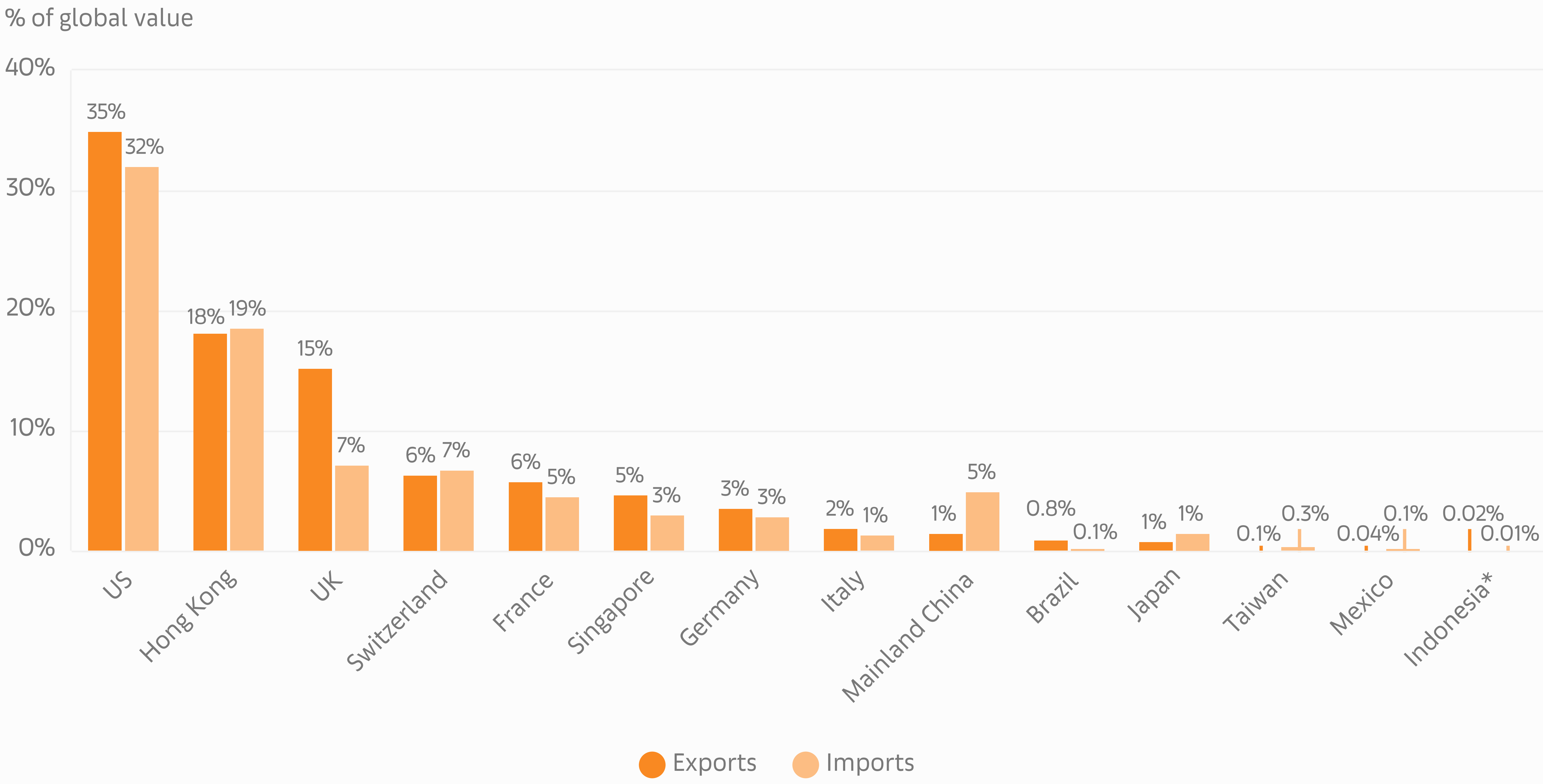
2.1 Introduction

Despite difficult economic and political conditions, when HNWIs were surveyed in mid-2023, their outlook for the art market was positive, with a 78% majority optimistic about the global art market's performance over the next 12 months and only 5% expecting it to deteriorate. The research showed that half (54%) were planning to purchase artworks in the coming year, and 92% were going to attend art-related events (with more than half hoping to get to more than they had the previous year). However, the mood of the market shifted noticeably in the latter half of 2023, and by early 2024, it had become clear that sales in some segments were not as strong as they had been in the recovery years after the pandemic, as the market as a whole contracted. While in many periods the spending of HNWIs was seemingly immune to economic and other crises, with increasing levels reported throughout the pandemic and in the immediate aftermath, it was high-end spending that contracted the most in 2023.

To assess how HNW collectors fared amid the complexities of the market in 2023, and how their spending and activity patterns continued to evolve in the first half of 2024, Arts Economics and UBS conducted a global survey of HNWIs who were active in the art market for the last few years. This continues the series of studies on collectors carried out over the last nine years, with 2024 marking the largest study to date, with qualified responses from just over 3,660 respondents. This survey is also the most globally diversified in the series, covering 14 different markets, each representing an important base for HNW wealth and buying center for art, with some also being the largest art markets and international trade hubs. As in 2023, these markets included the US, the UK, France, Germany, Italy, Mainland China, Hong Kong, Taiwan, Singapore, Japan, and Brazil, with Switzerland, Indonesia, and Mexico added in 2024. This series of research has consistently focused on HNWIs who are active in the art market during the periods under study, with similar screening criteria in terms of wealth and spending, which offers the opportunity to analyze changing patterns of behavior over time. However, due to the larger and more diverse regional spread of responses, as well as changes in the sampling process and sourcing, references to previous years are used for the provision of context rather than like-for-like comparisons.

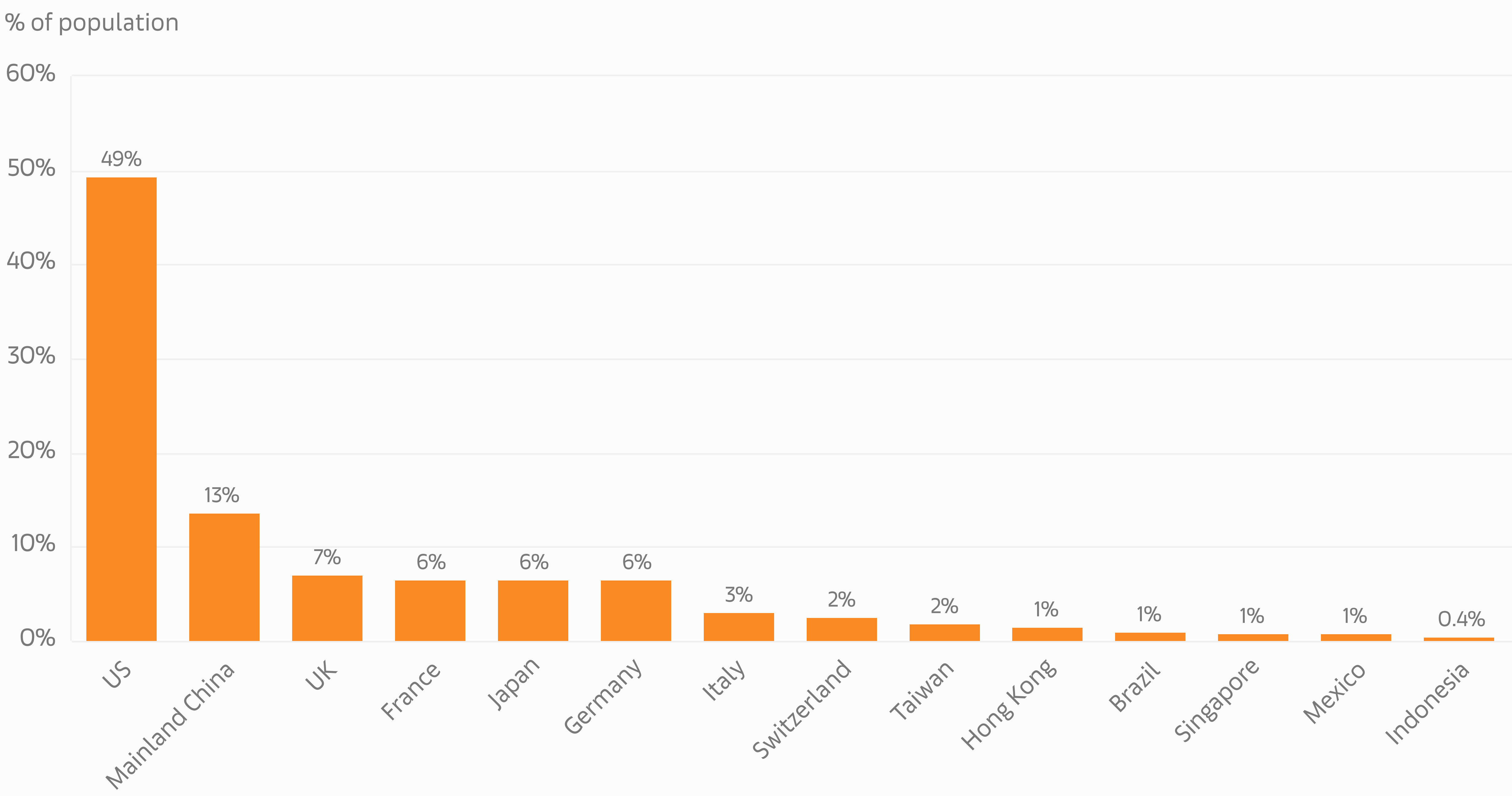
Figure 2.1 Trade and Wealth in the 14 Survey Markets 2023 and 2024

a) Share of Global Imports and Exports of Art and Antiques (2023)



©Arts Economics (2024) with data from UN Comtrade and CPT (Taiwan) *Indonesian share based on 2022 global and country data

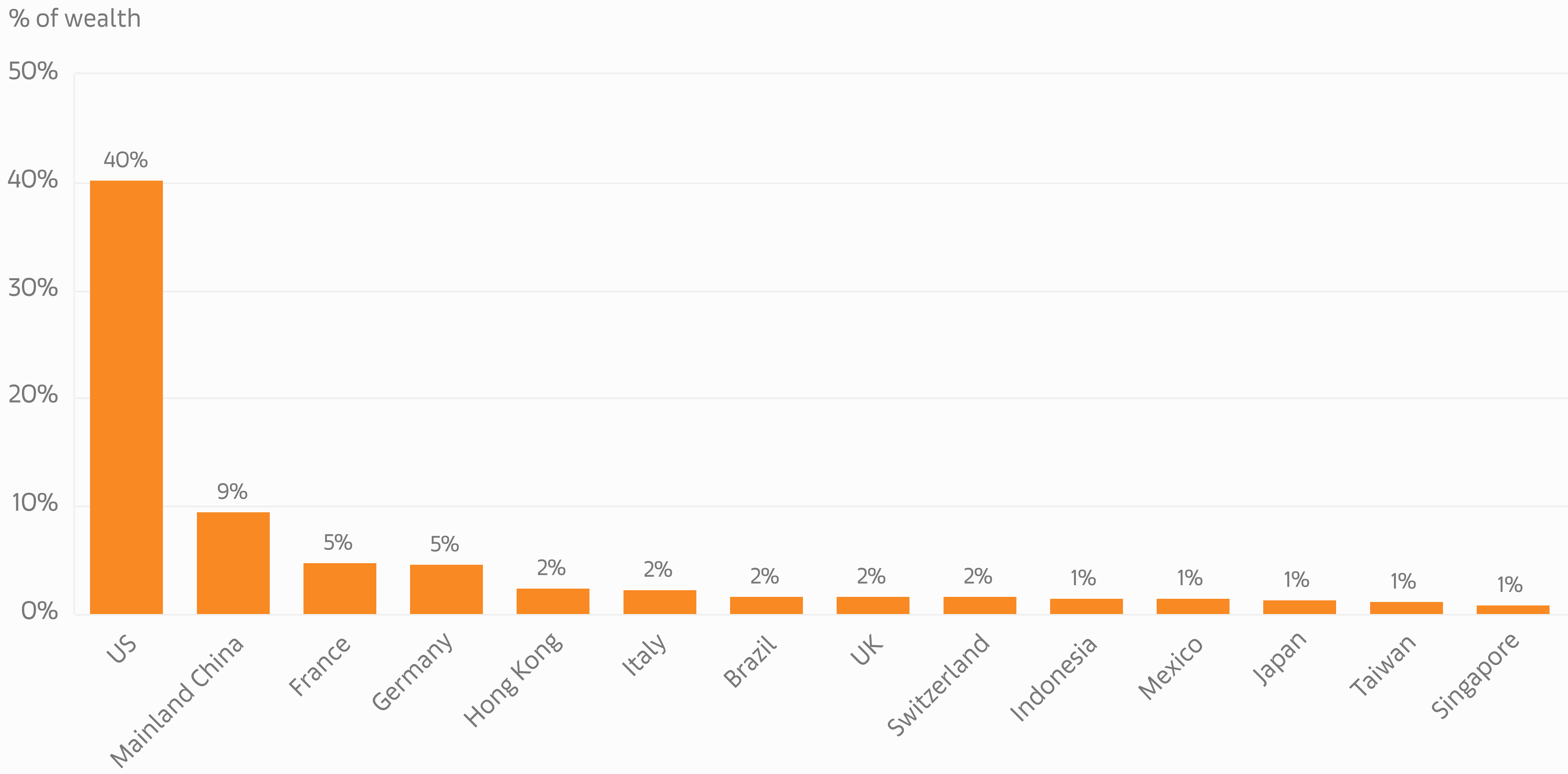
b) Share of Global Millionaire Population (2023)



©Arts Economics (2024) with data from UBS

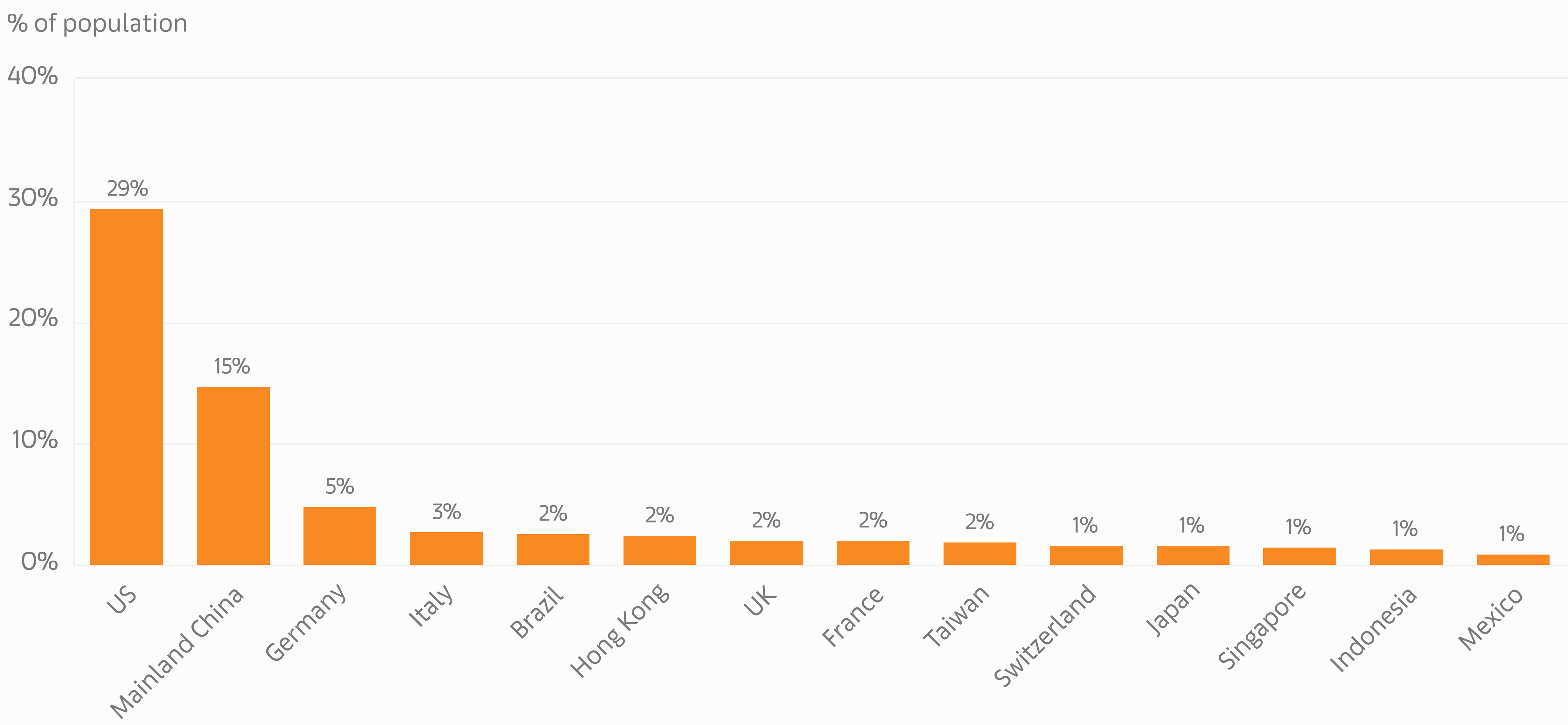
Figure 2.1 Trade and Wealth in the 14 Survey Markets 2023 and 2024

c) Share of Global Billionaire Wealth (2024)



©Arts Economics (2024) with data from *Forbes*

d) Share of Global Billionaire Population (2024)



©Arts Economics (2024) with data from *Forbes*

2.2 Description of the HNWI Sample

The survey on collecting was distributed between July and August 2024 to a diverse pool of HNWIs in 14 regions. The population was screened according to their wealth, with qualifying respondents being those with current net worth, excluding real estate and private business assets, of over $1 million in 2024. To be included in the survey, these HNWIs also had to have engaged in expenditure in the art market in the period from 2022 through to the end of the first half of 2024. To ensure they were active in the art market, they were required to have spent more than $10,000 on art and antiques in each of the years 2022 and 2023, and more than $5,000 in the first half of 2024. These criteria were designed so that the research was focused on currently active art buyers who could share their insights on their interactions in the art market in 2024, but were independent of the size of their collections or how long they had been collecting or purchasing prior to 2022. This screening process continued until there was a minimum of 700 responses for the US, 300 for Mainland China (and 200 from Hong Kong), 300 from the UK, and around 200 from each of the other markets surveyed, with a total of 3,663 fully qualified respondents used for the analysis that follows.

In order to take part, respondents were required to be 20 years of age as of July 2024. As in previous HNWI surveys, the largest segments of qualified respondents were millennials (40%) and Gen X (23%), reflecting the most active collectors in the market, although this larger survey expanded the Gen Z segment to 17% (from 13% in 2023 surveys), with this demographic also growing naturally over time and as these young HNWIs have become more engaged in art buying.[12] Boomer and Silent Generation respondents accounted for 20% of the sample. While these older HNWIs continue to be an important segment of the market, holding some of the largest collections of art and antiques globally by value, some were screened out during sampling due to a lack of current spending activity in the relevant periods.[13]

The average age of respondents across the 14 markets was 45, with a range from 38 years in Hong Kong, where just over three-quarters of the sample were millennial and Gen Z, up to 50 years in the US. There was a higher share of younger millennial and Gen Z HNWIs in the Asian markets surveyed, with 62% over the six markets versus 55% in the five European markets and 52% in the three regions of the Americas.

12 For the purposes of this survey, Gen Z is defined as those collectors who were aged between 20 (as per the age requirement) and 27 years at the time of surveying, millennials were 28 to 43 years old, Gen X were 44 to 59 years, Boomers were 60 to 78 years, and the Silent Generation were 79 years and over.

13 Exhibit 3 presents the results of a second survey of collectors based on sampling directly from Art Basel VIP guests, where this segment of more-established collectors is more prominently represented.

The overall gender breakdown of the sample was 36% female, 63% male, with just less than 1% identifying as non-binary. This varied by market, from a low of 29% of female respondents in Brazil to over 40% in France, Mainland China, Hong Kong, and Mexico.

To be included in the research, respondents had to have a personal net wealth of over $1 million, and just over half (55%) had wealth of between $1 million and $10 million. A further 39% were in the range between $10 million and $50 million and 6% were in the ultra-high-net-worth (UHNW) category, defined here as having wealth of over $50 million, with the highest share in Mainland China (43%, and also the highest share in the research in 2023), followed by Switzerland (10%).

> The average allocation to art peaked at 24% in 2022, falling to 19% in 2023, and again to 15% in 2024

The amount of personal wealth allocated to art collections can vary widely between individuals, and for individual collectors across different periods of time and life stages. In this sample, 60% of HNWIs reported that their current allocation was over the commonly cited benchmark of 10% (with wealth measured in this instance as including real estate and private business assets). Although the data is not like-for-like comparable due to differences in the sample, this share was down from 72% in the surveys conducted in 2023. Those allocating over 30% of their wealth to art also fell to 10%, down by 7% year-on-year. The levels in 2024 were around one-third of those in research from 2022. Comparing allocations over time between the surveys of HNWIs, the average allocation to art was reported as 22% in 2020 and 2021, peaking at 24% in 2022, falling to 19% in 2023, and again to 15% in 2024.

Although views vary widely on the concept of art as an asset for investment, adding art to a portfolio of wealth has been viewed as an effective way to diversify risk by many collectors 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 share 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 feeling the effects were 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 fall in this 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 also may have promoted a reduction in spending on discretionary purchases as the opportunity costs to do so rose, as did the costs of credit and lending, with many HNWIs having reported using leverage to buy art.[14]

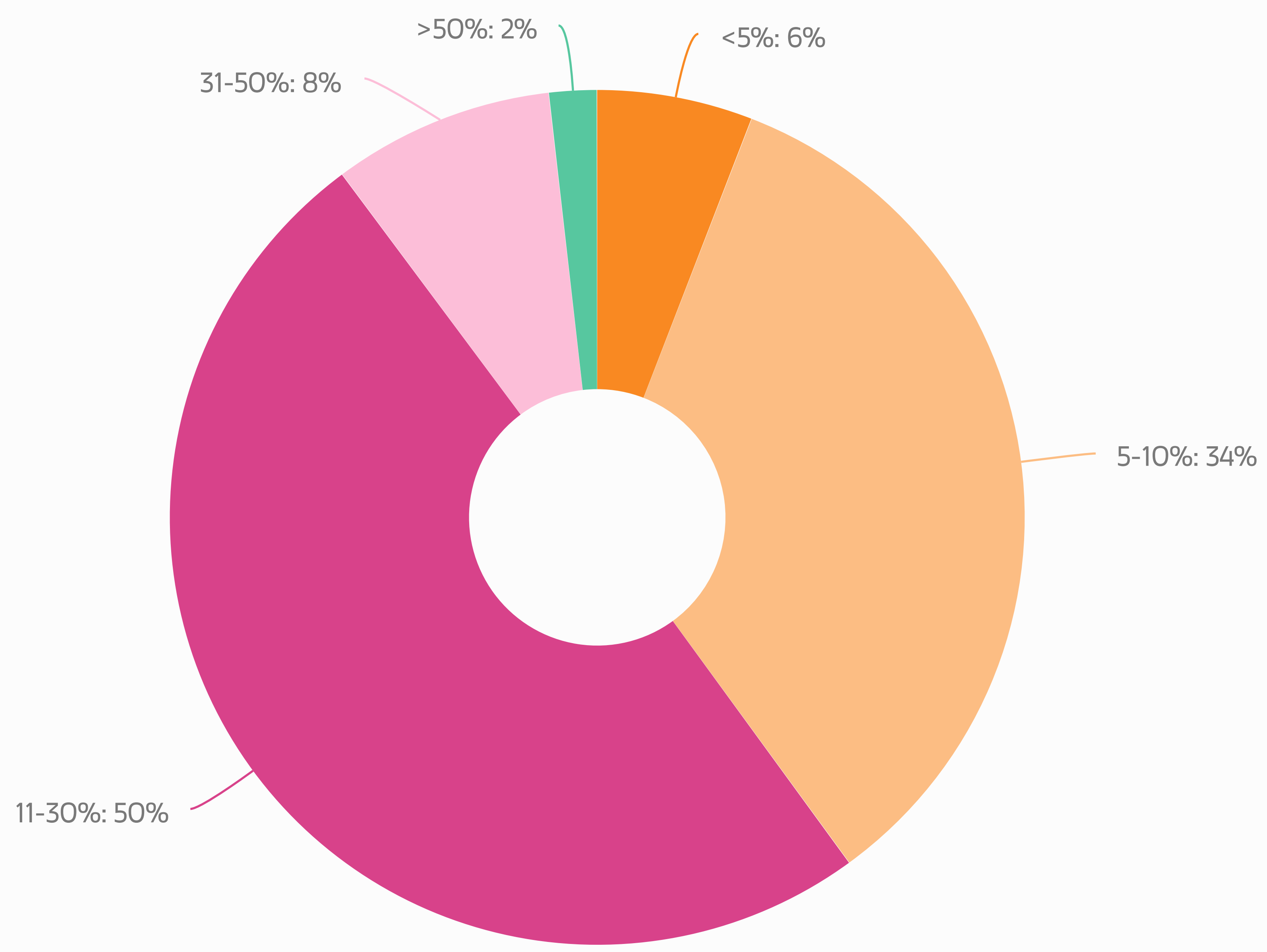
One factor that remained consistent over time was that allocations to art increased substantially with the level of the collector's wealth. The average allocation for UHNWIs with wealth of over $50 million was 25% in 2024 (and 29% in 2023) versus just less than half that amount (12%) for those with under $5 million in personal assets. In this sample, 42% of UHNWIs allocated 30% or more of their wealth to art, while only 4% did so at the lower end of the wealth spectrum (less than $5 million). The demand for luxury goods generally has a higher income elasticity than normal goods: while higher incomes allow more purchasing generally, there is proportionally greater demand for luxuries above other goods as incomes reach higher levels. Demand for and purchasing of art as a proportion of wealth also appears to have a similar increasing tendency, with art rising proportionally more than other investments with the level of wealth, as shown in different regions in this sample and consistently in different samples over time.

In previous years, some of the fall in the average allocation to art was possibly associated with there being a lower share of respondents in the highest wealth brackets. The share of those with over $10 million in personal wealth in the surveys in 2023 was 39% (versus 57% in 2022). In this sample, the $10 million-plus segment was larger at 45%, however, those in the very highest segment of over $50 million did decline from 9% in 2023 to 6% in 2024. While this may have had some effect on the average, the median allocation has also fallen from 15% in 2022 to 14% in 2023 and to the current 12%, which indicates that either some collectors are allocating smaller shares of their wealth to art or that other parts of their portfolios have seen a greater advance in value over the last year or two than their collections.

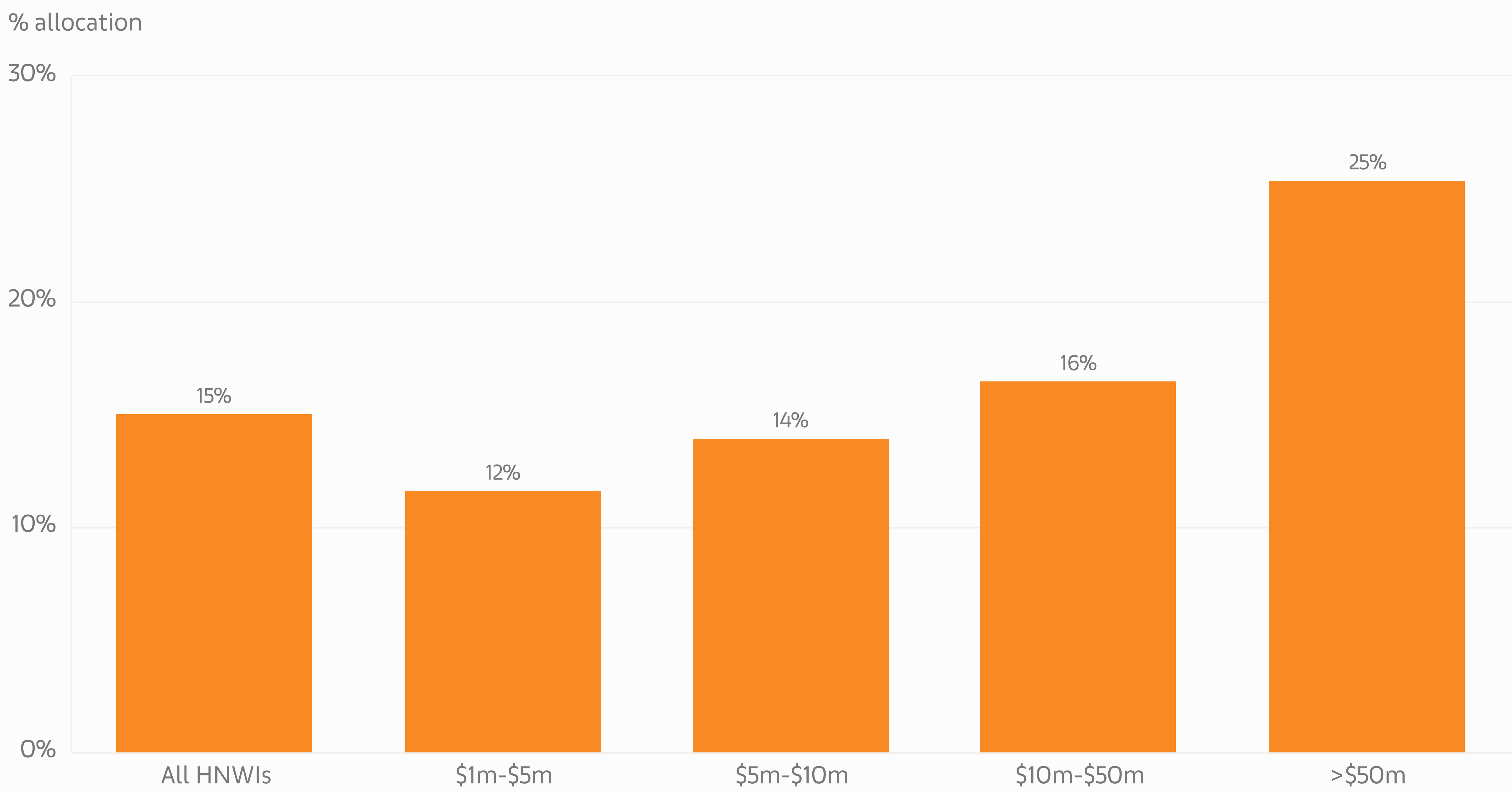
14 The HNWI research in 2023 showed a very high level of use of credit and lending by collectors to finance art purchases for their collections, with 43% having used loaned funds to finance purchases of art, including 30% in 2022 and 2023. See Arts Economics (2023) *Survey of Global Collecting*, available at theartmarket.artbasel.com.

Figure 2.2 HNWI Average Allocation to Art in Overall Portfolios of Wealth H1 2024

a) By Allocation Level



b) By Wealth Level



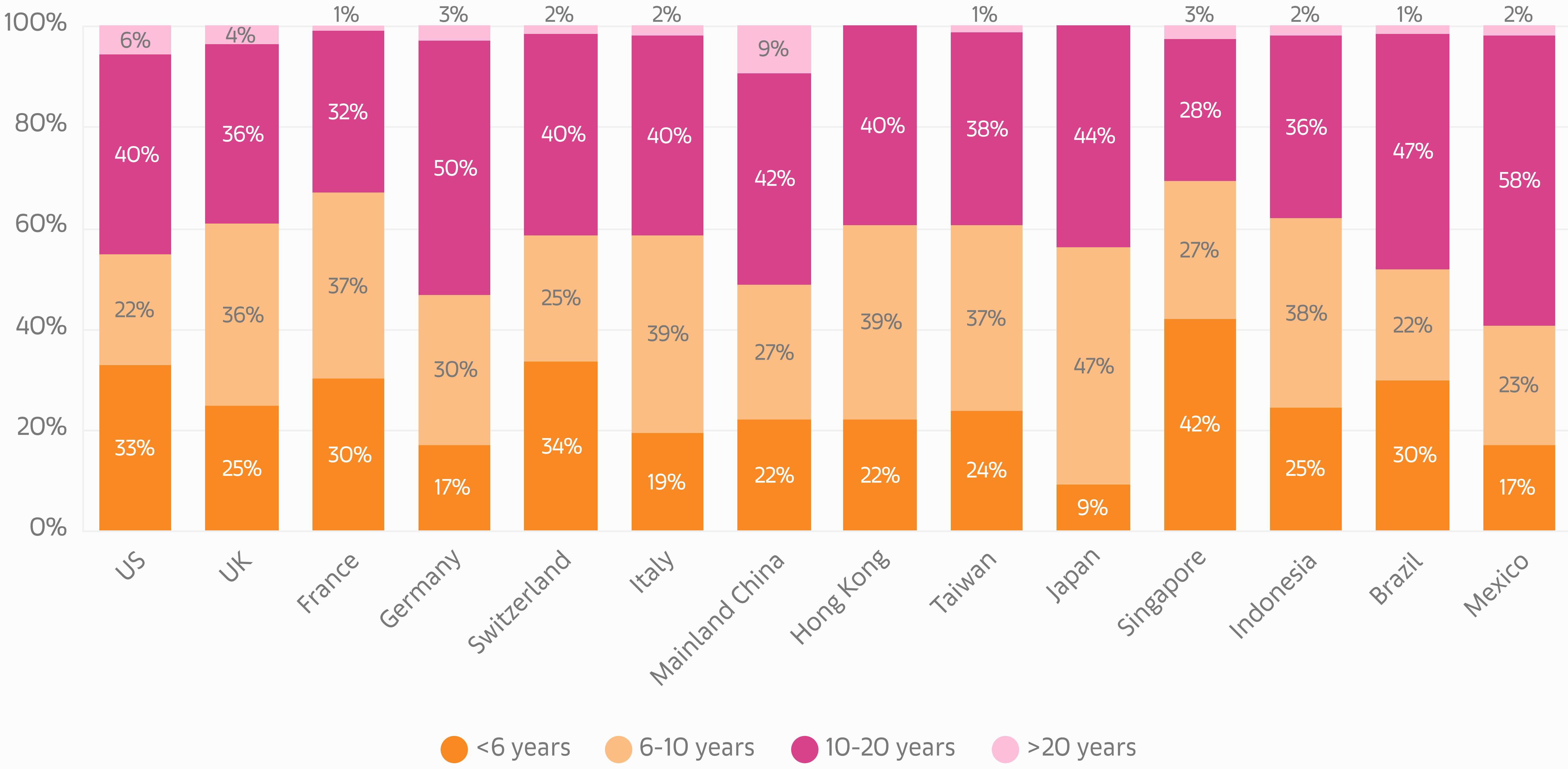
Many of the HNWIs surveyed were relatively established art buyers, with an average of 10 years collecting over all markets. This sample had more new buyers than in previous research, with 26% only starting their collections within the last five years (up by 5% on 2023 and versus a considerably smaller 10% in 2022). The highest proportion of new buyers was in Singapore (42%), although the combined share across the Asian markets (24%) was slightly lower than in Europe (26%) and the Americas (29%).

New buyers also made up around 30% of the UHNW segment with wealth of over $50 million. Although these newer collectors tended to still have smaller collections and a much smaller proportion of their wealth dedicated to art, there was evidence of some high current spending by this segment in both 2023 and the first half of 2024. In this sample, 22% of the limited share of those spending over $1 million in 2023 were from this segment and 26% in 2024 (as well as around half of those spending over $10 million), indicating that some HNWIs entering the market over the last few years have done so at relatively high levels.

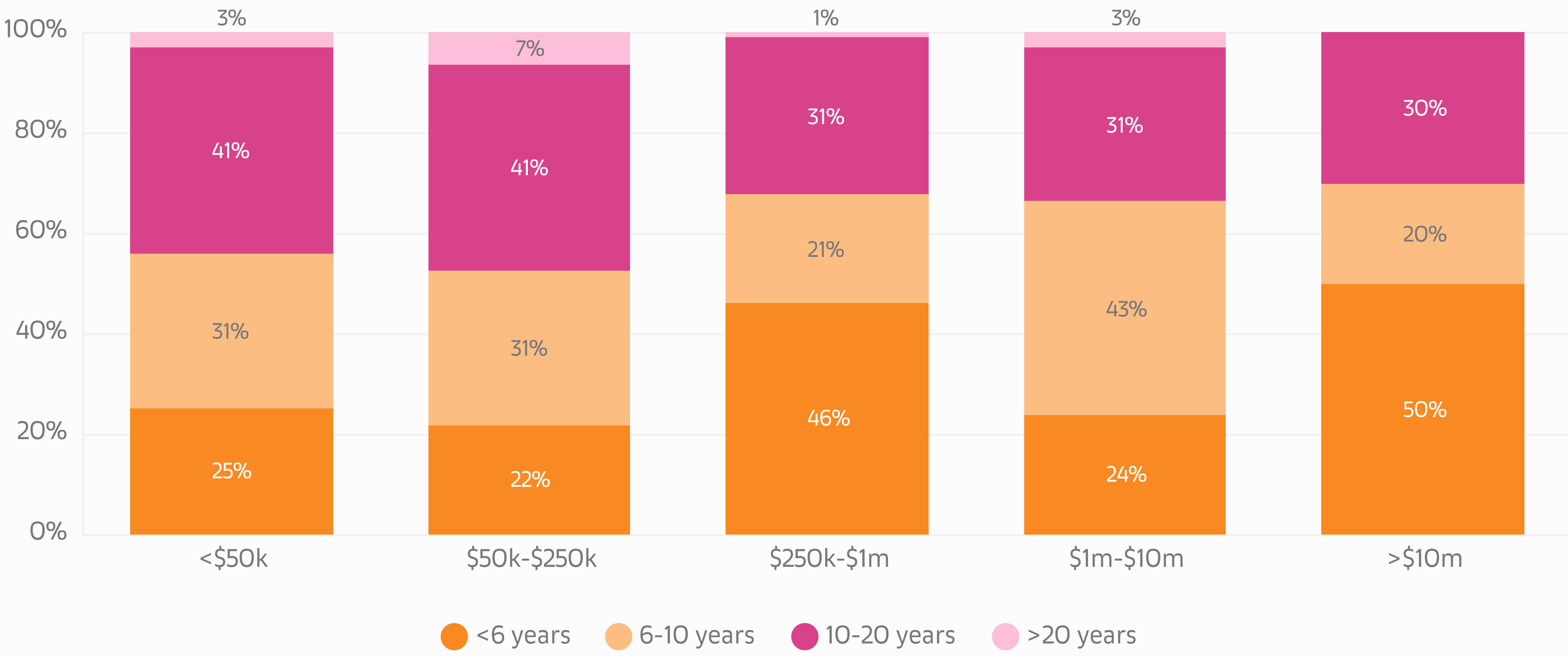
Across all markets, 44% of the sample had been collecting for longer than 10 years (including 3% for over 20 years), and this was highest in Mexico (60%), Germany (53%), and Mainland China (51%). Just over half (54%) of the UHNWIs had collected art for more than 10 years, and these more established collectors were also better represented in the higher spending brackets of over $1 million in both 2023 (39%) and the first half of 2024 (33%). However, the largest segment and some of the highest-spending buyers of the last two years have been the mid-level established collectors who have been buying art for somewhere between six and 20 years, comprising over 70% of those spending above $1 million in total in both 2023 and H1 2024.

Figure 2.3 Length of Time Collecting

a) By Region



b) By Spending Level in H1 2024



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2.3 The Content of Collections

As might be expected, while spending varied by age and experience, the size of HNWI collections increased with their age and the length of time and experience in the market. The average number of works owned by HNWIs across all markets in 2024 was 44, ranging from 33 works for the youngest Gen Z respondents up to 83 for those from the Silent Generation. While HNWIs who had been active in the market for up to two years averaged 14 works, those collecting for more than 20 years had much larger collections (110 works).

Average collection size varied by region, with the smallest in Singapore (34 works, and also reporting the smallest collections in 2022 and 2023) and largest in the US (55 works). But in all markets, less than one-third of those surveyed owned over 50 artworks, with just 5% having over 100.

Size also expanded with wealth, but within a lower and narrower range than in previous research, at 35 works for those with wealth of between $1 million and $5 million up to 50 works for UHNWIs (versus a range of 41 up to 80 for these respective segments in 2023).

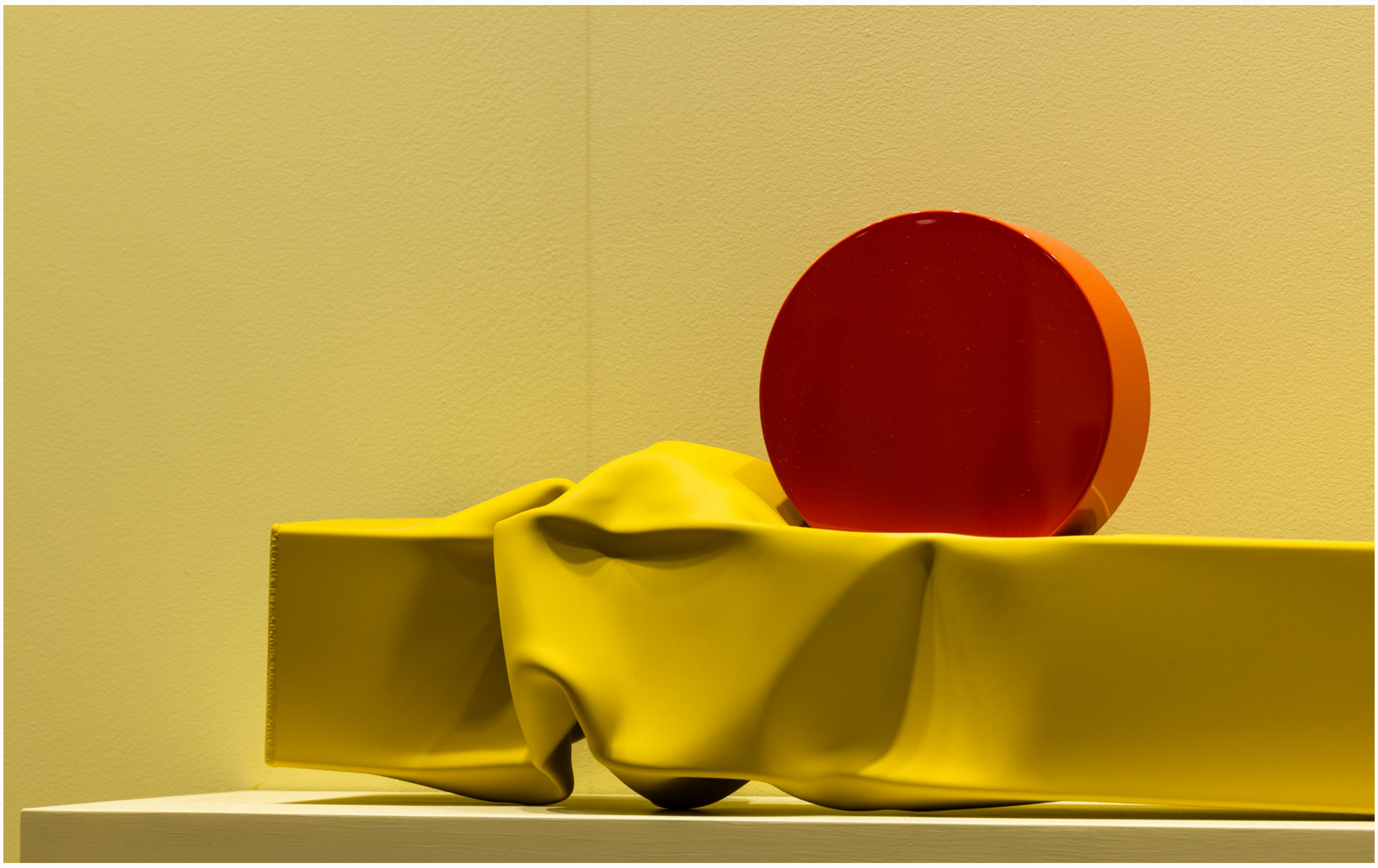
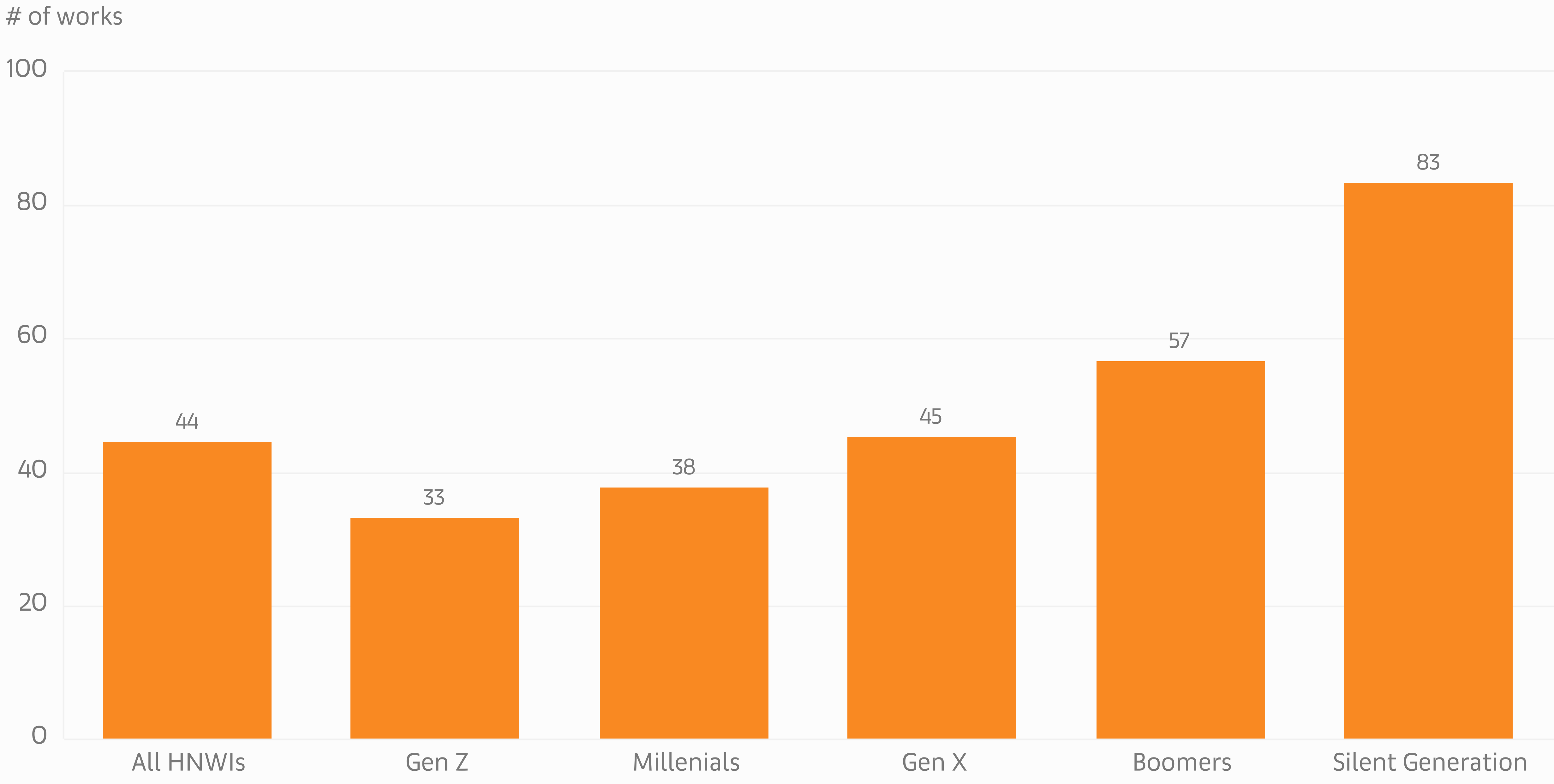


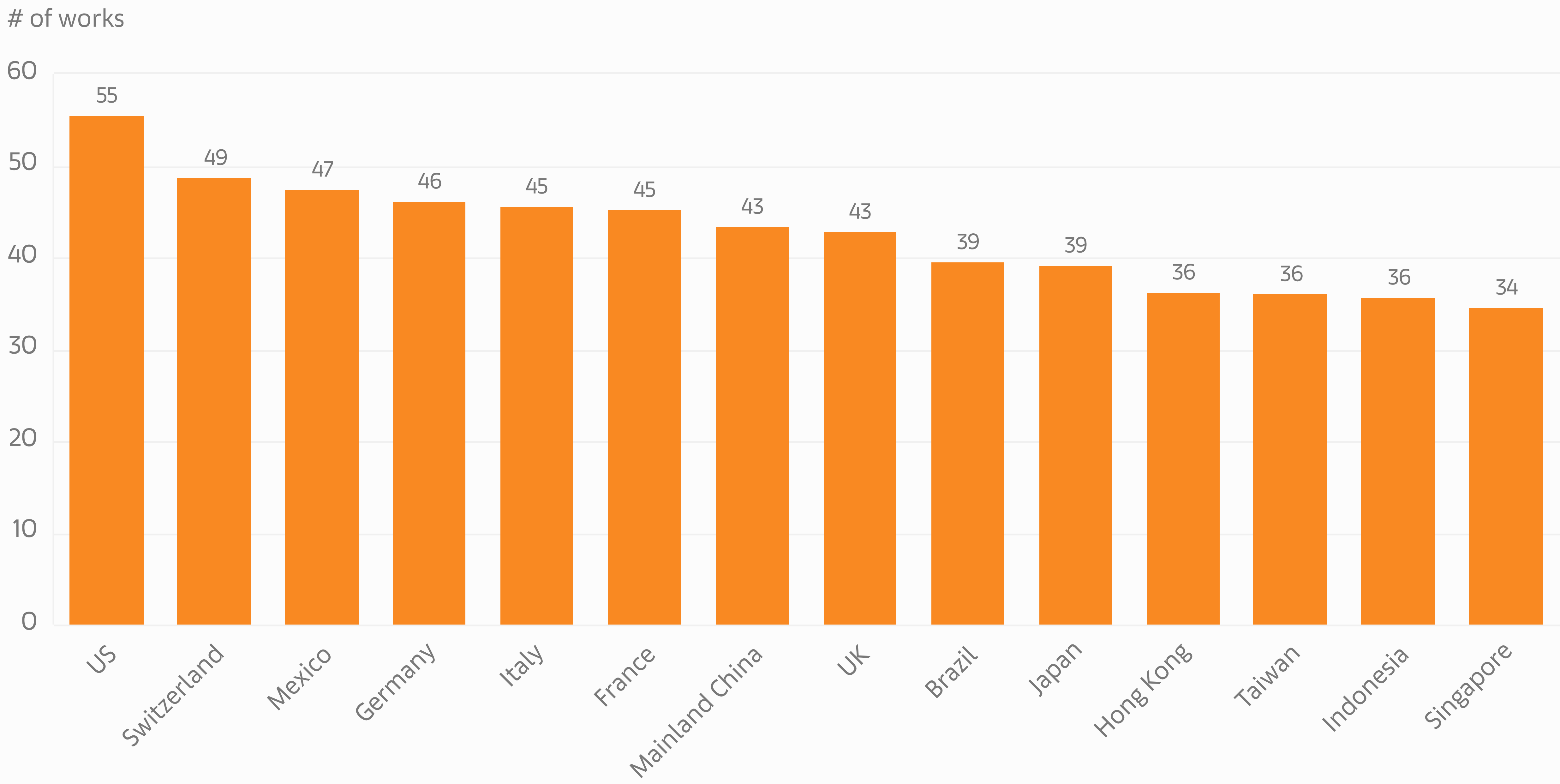
IMAGE Carol Bove, presented at Art Basel by Gagosian

Figure 2.4 Average Size of HNWI Collections 2024

a) By Generation



b) By Market



Although HNWIs focused on a range of different works in their collections, the more traditional fine art mediums of paintings, sculptures, and works on paper still dominated, accounting for 59% of all works held (down slightly from 62% in 2023). These mediums dominated in all markets, ranging from 49% in Taiwan to 70% in Singapore.

Paintings were the most collected medium overall at 26%, down from 36% in 2023, although still above 2022 (23%) and 2021 (25%). Paintings were consistently the largest segment within collections across generations, wealth levels, and regardless of the length of experience in the market. Although there is often a cliché of young collectors being attracted to non-traditional or digital mediums, Gen Z (and Gen X) respondents had the highest share of paintings (28%), while Boomers had the lowest (22%). Paintings also accounted for the highest share of works held in most markets, with the exception of two in Asia: Japan, where works on paper (at 24%) accounted for a larger share than paintings (20%), and Hong Kong, where paintings and works on paper had equal shares (24% each). Paintings were also the largest area of spending in 2023 and 2024 across all markets, reinforcing their dominance in these collections going forward. (HNWI expenditure by medium is discussed in more detail in Section 3.2.)

Although HNWIs focused on a range of different works in their collections, the more traditional fine art mediums of paintings, sculptures, and works on paper still dominated, accounting for 59% of all works held

Prints, multiples, and photography comprised 24% of HNWI collections, up from 16% in 2023. Photography averaged 7% of the total, relatively stable on previous research, and ranging from 4% in Singapore up to 10% in Taiwan.

The share of digital art in the collections of HNWIs had reached as high as 15% in 2022, but registered at only 3% in 2024. This was a consistently small segment across all regions, ranging from 2% in France, Switzerland, Japan, Singapore, and Brazil up to the highest share for the third consecutive year in Taiwan (6%, down from 10% in 2023). The highest share of digital art was in the collections of Boomers (5%) and the lowest was in those of millenial and Gen Z respondents (3%).

The decline in the position of digital art within collections has mirrored the falling sales of art-related NFTs on platforms outside the art market. After hitting a peak of $2.9 billion in 2021, sales of art-related NFTs declined for two years, reaching $1.2 billion in 2023, down by 51% year-on-year. Although they were still more than 60 times the size of sales in 2020 ($20 million), much of the purely speculative activity dominating these platforms lost momentum as traders held onto their purchases to avoid losses in a bear market, causing a significant drop in reselling which had dominated the value and volume of sales.[15]

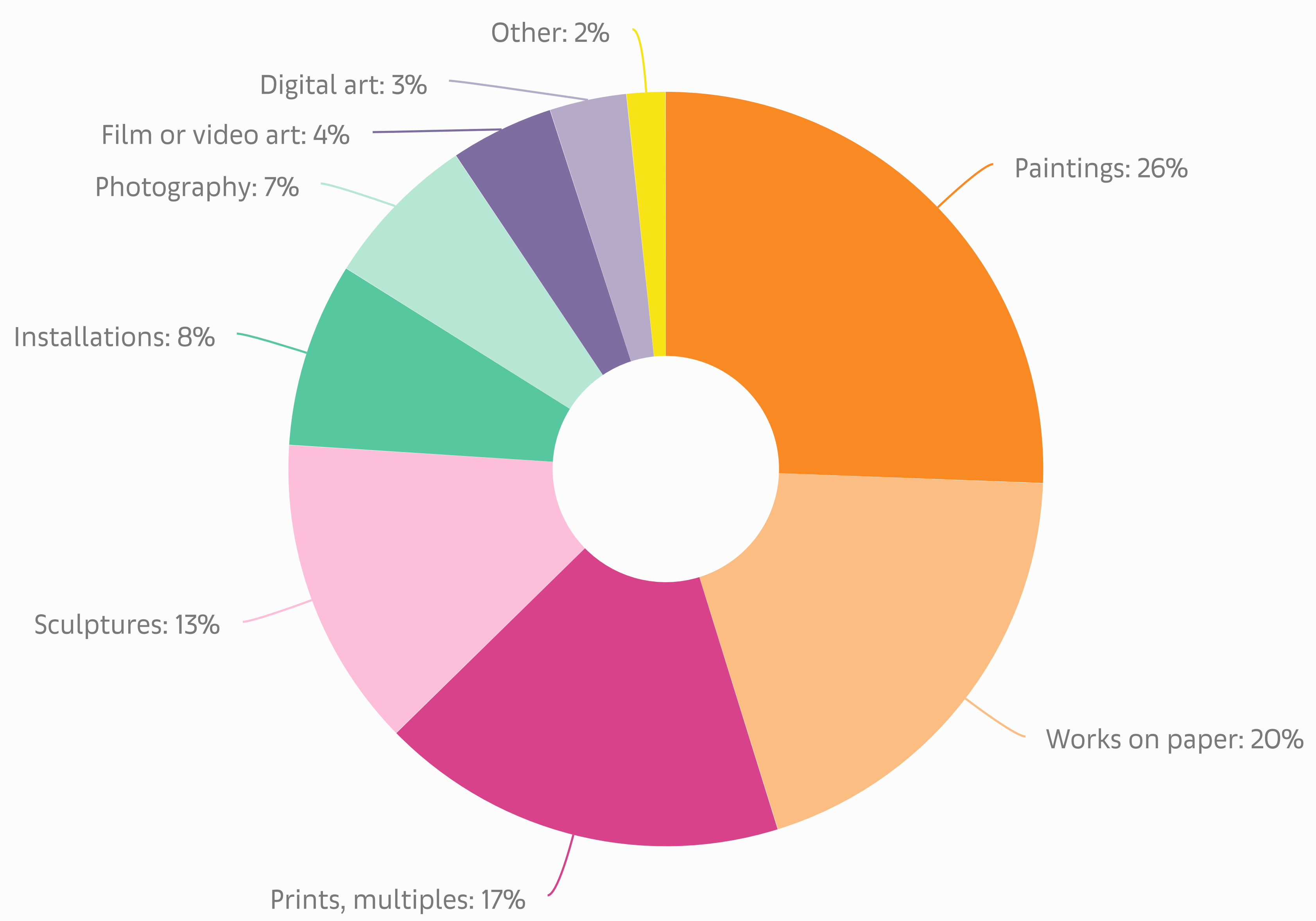
Although comparisons are not like-for-like, given the significant expansion of the sample geography and size over time, the biggest changes apparent in collections in this sample compared to the last few years include the drop in the share of digital art and the rise in works on paper and prints and multiples. The decline in digital art is unsurprising given the fall in NFT markets. The increasing share of the other two segments, which tend to be based on relatively lower-priced works, reflects wider findings of a stronger market in 2023 for lower-priced artworks, with these sales outpacing growth at the higher end of the market which is primarily based around paintings and sculptures.

15 For an analysis of art-related NFTs, see Arts Economics (2024) *The Art Basel and UBS Art Market Report 2024*, available at theartmarket.artbasel.com.

IMAGE Eric Fischl, presented at Art Basel by Victoria Miro

Figure 2.5 Share of Works in HNWI Collections by Medium

a) 2024



b) By Region in 2024

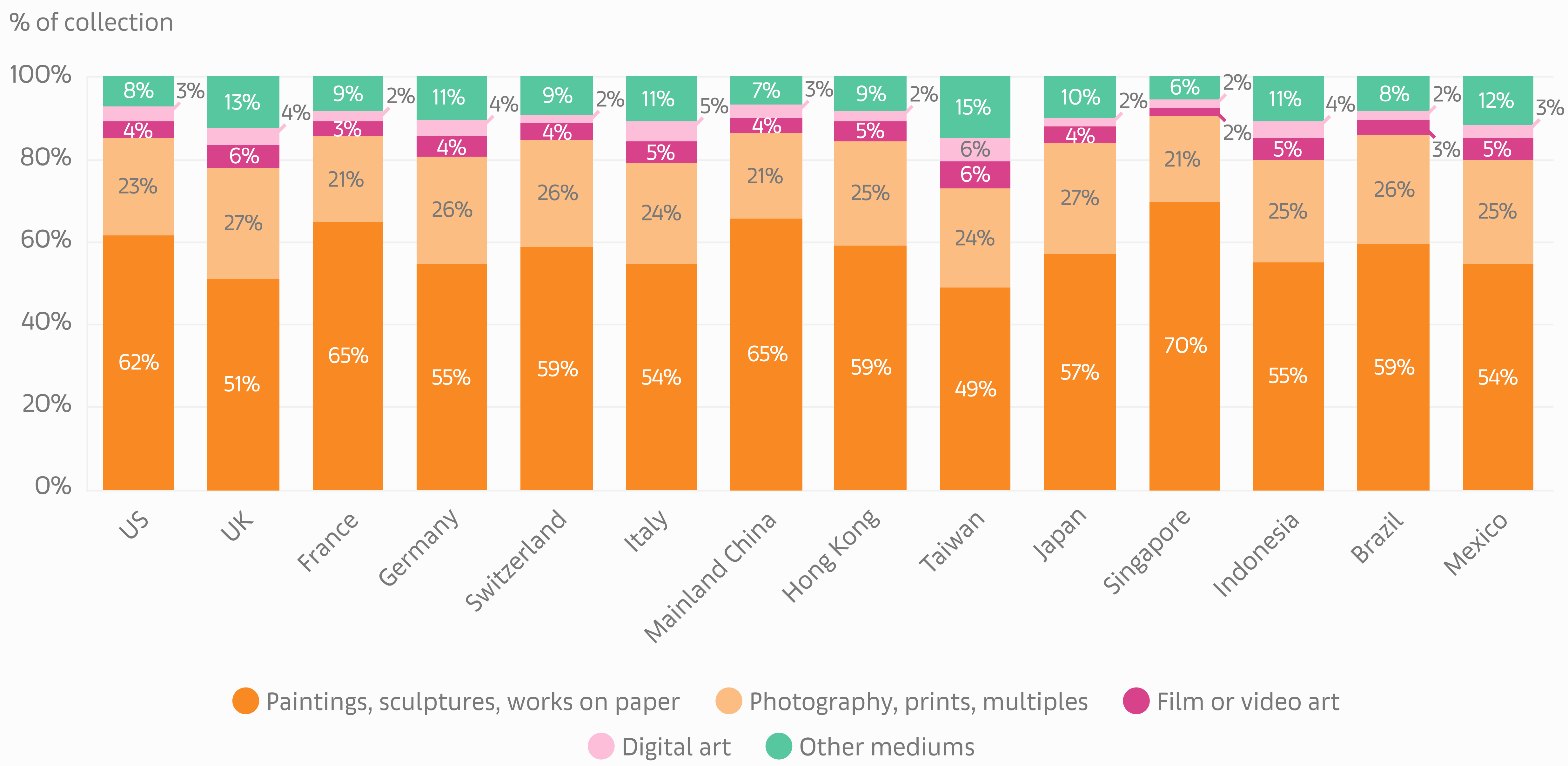
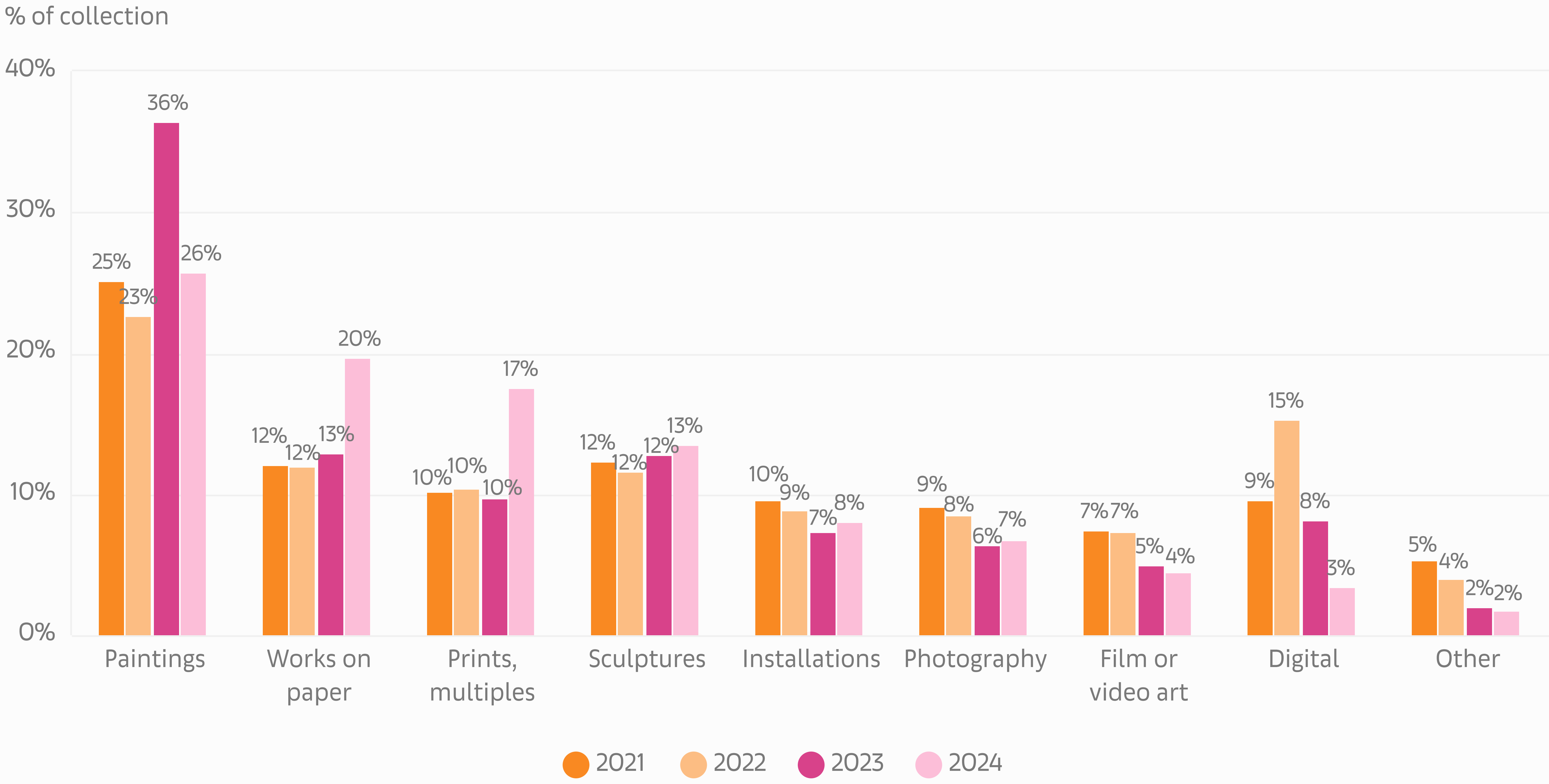


Figure 2.5 Share of Works in HNWI Collections by Medium

c) 2021–2024



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Looking more closely at the types of artists whose works are contained in the collections of HNWIs revealed a diversified range at different stages of their careers, with an increasing focus on new and emerging artists compared to previous surveys. Overall, the collections of the HNWIs surveyed included:[16]

- 27% of works by new artists, that is artists who were new to the commercial market and not yet represented by a gallery (up from 22% in 2023);
- 26% by emerging artists or artists developing in their careers that had been showing in galleries or museums for less than 10 years (also up from 22% in 2023);
- 22% by mid-career artists who had been showing for more than 10 years in galleries or museums, and had an established name or reputation, but were not yet considered top-tier (versus 26% in 2023); and
- 25% by established or top-tier artists that had a strong and well-established secondary market in the auction and/or gallery sector, and that were selling regularly for prices of more than $100,000 (from 30% in 2023).

16 For comparability, these shares exclude a small share of works (6%) where respondents were unsure of the career status of the artist, or the artist was deceased but not established or otherwise classifiable.

HNWIs with more experience in the market tended to report a higher share of works by top-tier artists in their collections, but the differences in share between different ages and wealth levels were relatively small. Younger Gen Z respondents had the highest share of new and emerging artists (55% versus the lowest for Boomers at 50%), and this was reversed for top-tier artists (24% for Gen Z up to 27% for Boomers).

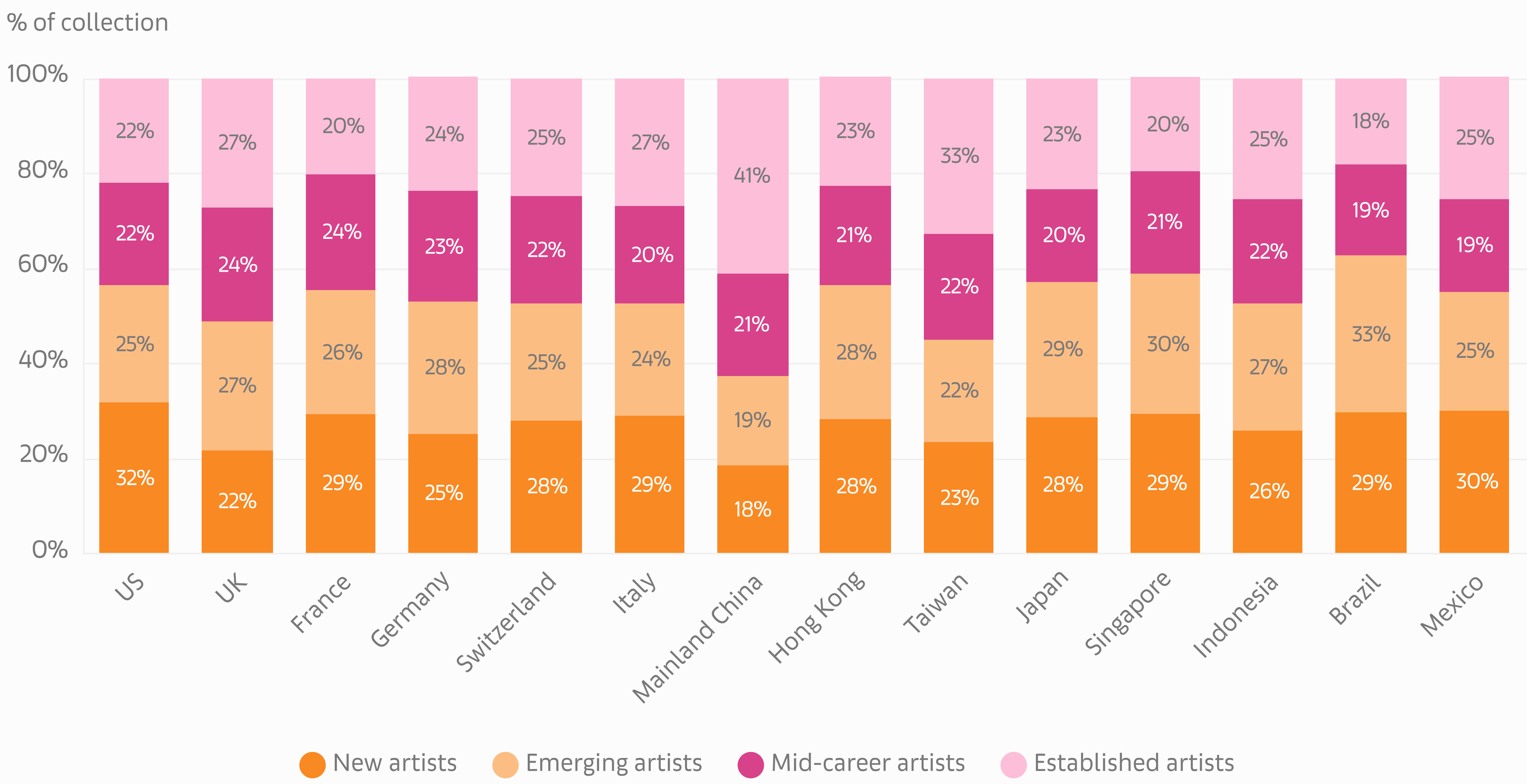
A consistent pattern emerging over several years of surveys was that HNWIs from Mainland China had the largest proportion of top-tier artists, with the highest share again in 2024 by a considerable margin at 41%. The top-tier segment of works included those by both living and deceased artists. There was a strong indication that even in this segment, HNWIs have tended to purchase more living artists' works, with a share of 64% of total top-tier works being those by living artists versus 36% by deceased artists across all markets. It is notable that apart from having the highest level overall in this segment, Mainland Chinese respondents also had the biggest share of deceased artists' works in their collections, although still a minority at 45%, with 55% by living top-tier artists.

There was a high share of top-tier artists' works in collections in Taiwan (33%) and the UK (27%), but in both markets the share of those by living artists outweighed the deceased. The lowest share of top-tier works was found in the collections of Brazilian HNWIs (18%), with those in France and Singapore also relatively smaller at 20% each. Although both had a relatively limited share overall, HNWIs from Singapore and France had the largest proportion of living artists' works within this segment, at 76% and 74% respectively.

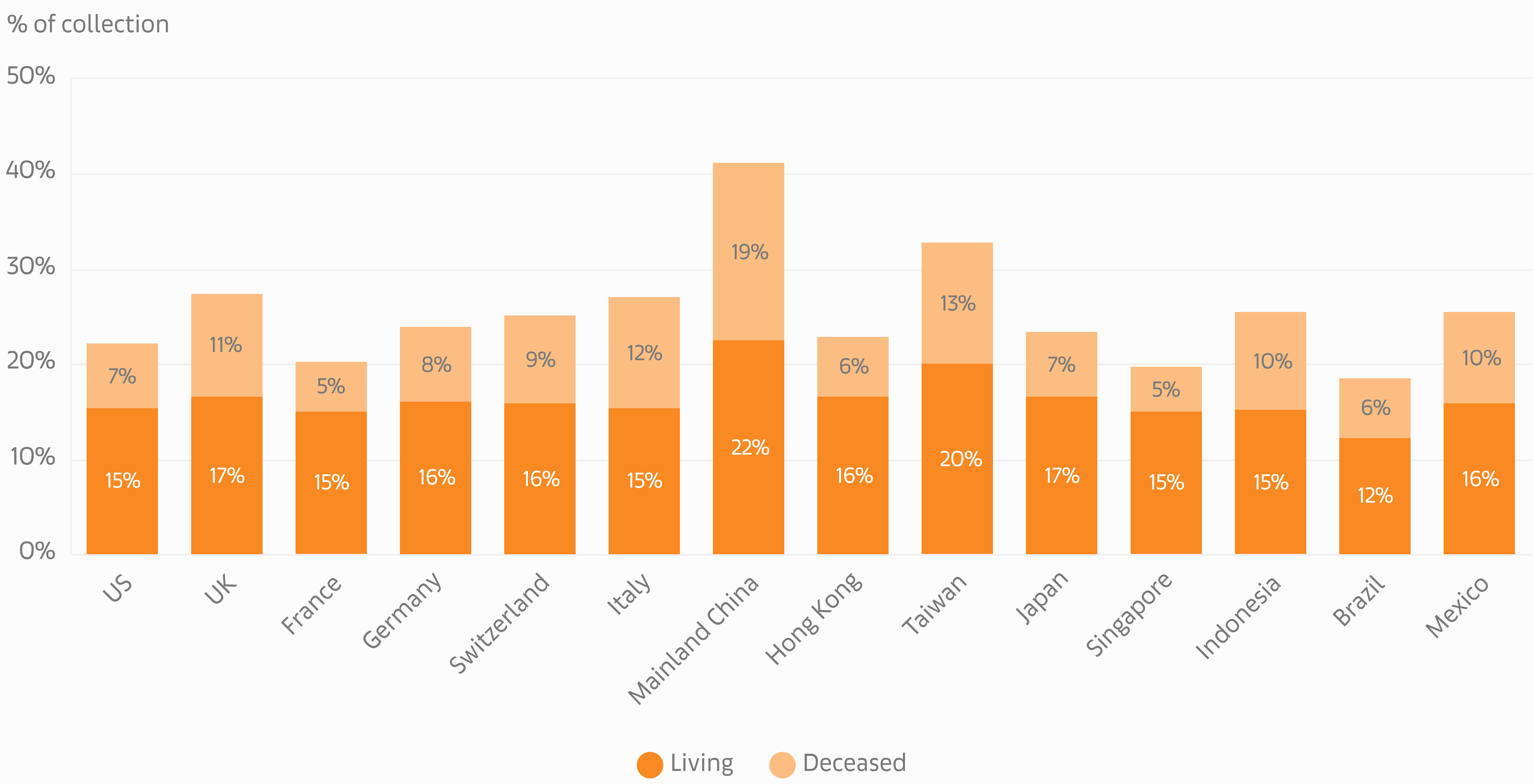
At the other end of the career spectrum, new and emerging artists' works made up the majority of the collections in 11 of the 14 markets, with the highest level in Brazil (63%). The regions with the lowest shares were Mainland China (37%), Taiwan (45%), and the UK (49%), with the UK having the highest share (along with France) of mid-career artists.

Figure 2.6 Share of Works in HNWI Collections by Artist Career Status 2024

a) By Region



b) By Living versus Deceased Top-Tier Artists



HNWI collections remained dominated by works by male artists, with a ratio of 56% male artists' works to 44% female across all markets.[17] Although they remain a minority, and while the results are not directly comparable over time, this indicates significant progress both from 2023 and over the last five years, from a share of just 33% of female artist works in 2018.

HNWI collections remained dominated by works by male artists, with a ratio of 56% male artists' works to 44% female across all markets

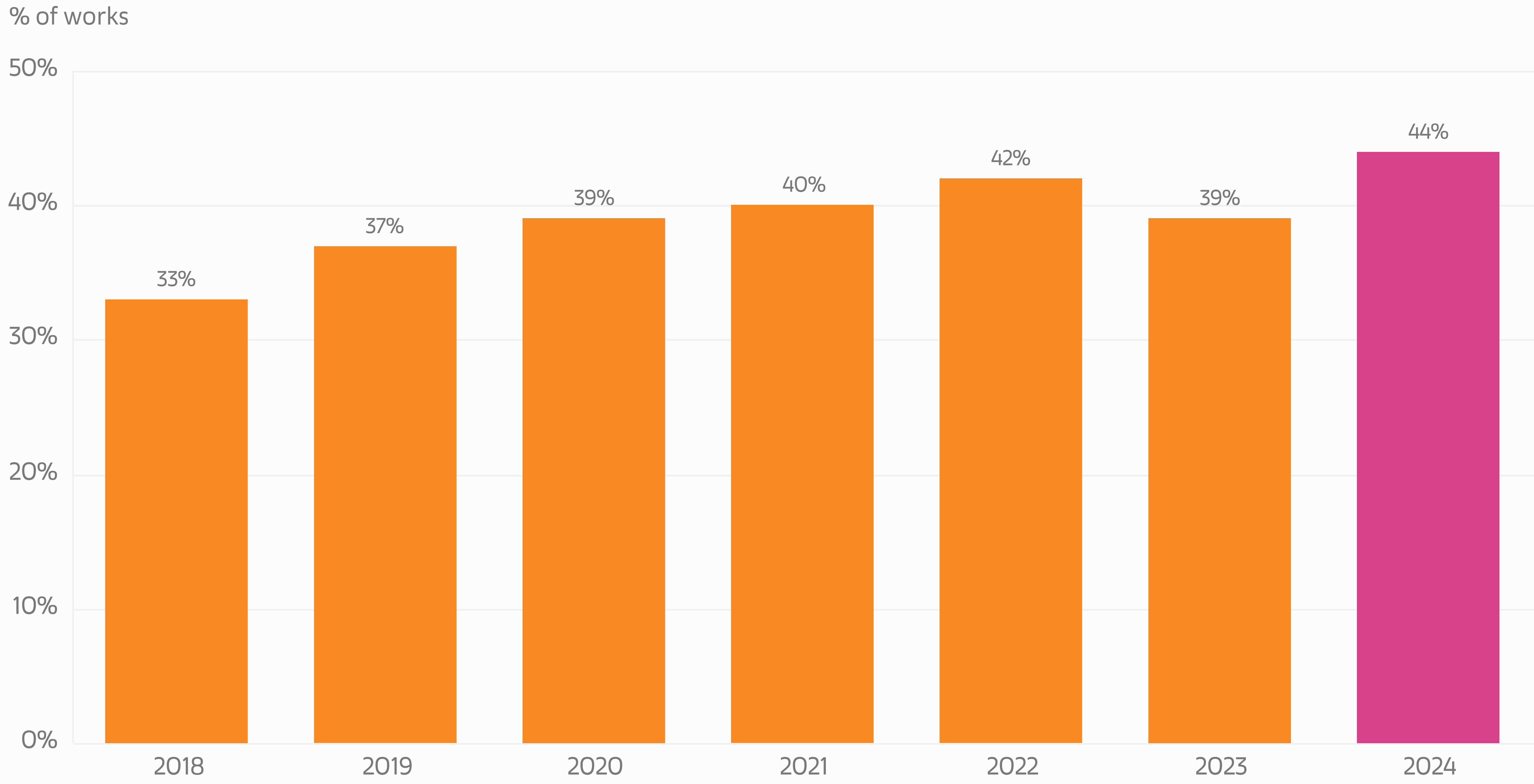
Female artists' works were a minority in collections in all regions, but very close to parity in the UK (49%), Taiwan, and Indonesia (both 48%). The lowest representation of female artists was in Japan and this was still relatively high at 40%, and there was a higher share in every market compared to 2023, with advances of over 10% in Mainland China and the UK.

The minority representation of female artists' works was consistent across age and wealth levels, with Boomers having slightly higher shares (at 47% versus Gen Z at 42%), along with wealthier HNWIs (from 42% for those with wealth of less than$5 million up to 45% for UHNWIs).

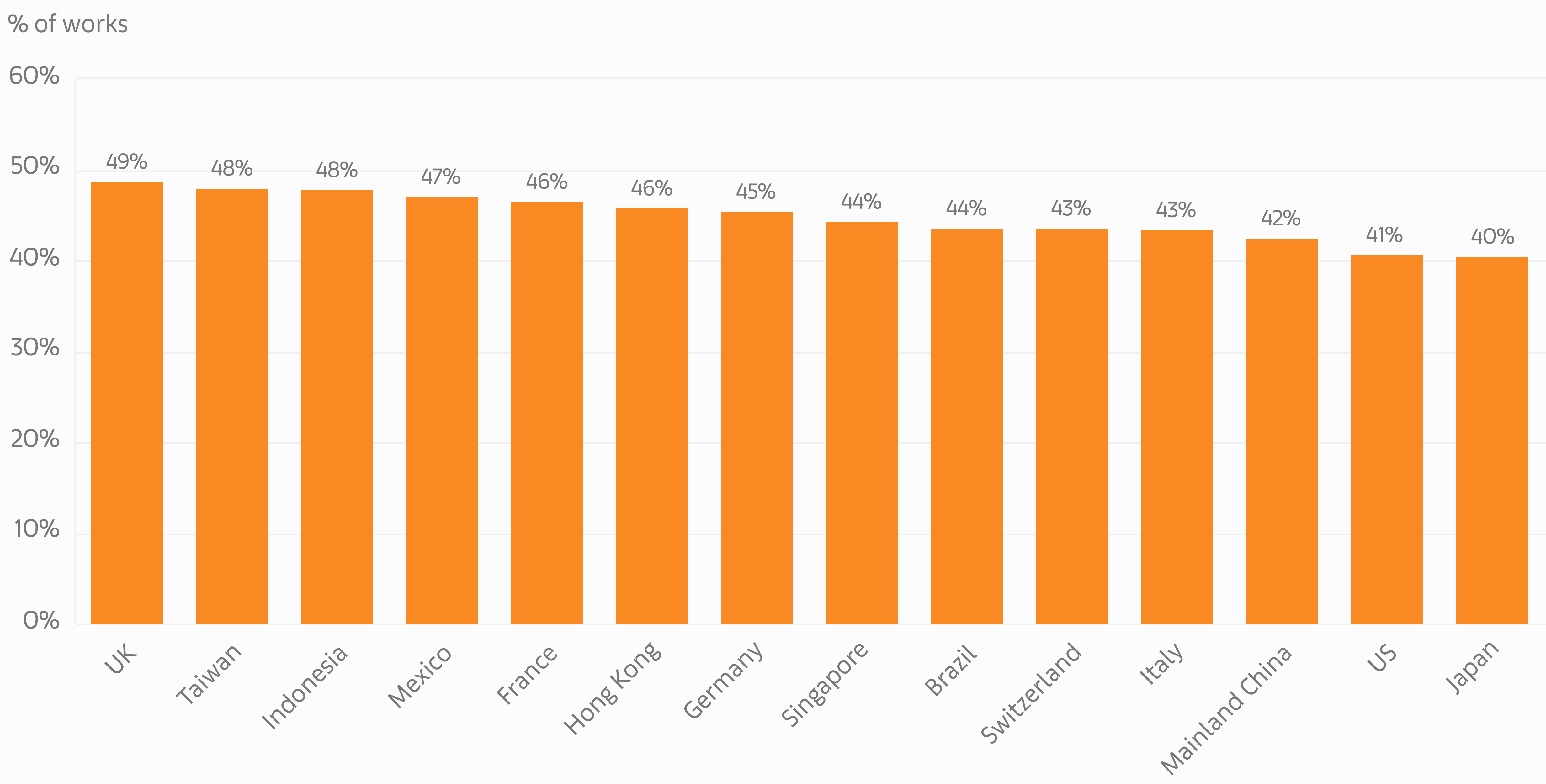
17 The share of male versus female artists' works cited compares only those where collectors could assign gender and excluded 24% of the works in their collections where it was unknown (9%) or was identified as non-binary or could not be classified into male or female, including works created by artist duos, groups, or collectives (15%).

Figure 2.7 Share of Works by Female Artists in HNWI Collections

a) 2018–2024



b) By Region in 2024



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An interesting feature that was also noted in the surveys in 2023 was that the share of female artists' works was higher in the collections of high spenders. In this sample, female artists represented 52% of the collections of those spending more than $1 million in 2023 and 53% in the first half of 2024, up from as low as 43% in 2021.

These highest-spending HNWIs had also spent more on female artists in 2023 and 2024. Considering all respondents, the share of expenditure on female artists' works was 44% versus 56% on works by male artists.[18] Those spending over $10 million so far in 2024 had devoted a considerably larger share of their outlays to female artists (52%) and those spending between $1 million and $10 million were 50:50 (versus 44% on female artists in the lower spending segments). This could indicate that some of the expenditure at the very highest levels was on female artists, however, this high spending represents a very small minority of HNWIs and the share of spending on female artists generally was below male artists across all generations and regions in 2023 and 2024. Hong Kong provided one exception, with spending equally divided between male and female artists, while Mexico had close to parity (48%). The lowest shares, on the other hand, were in some of the biggest markets, including 41% in the US and 42% in Mainland China.

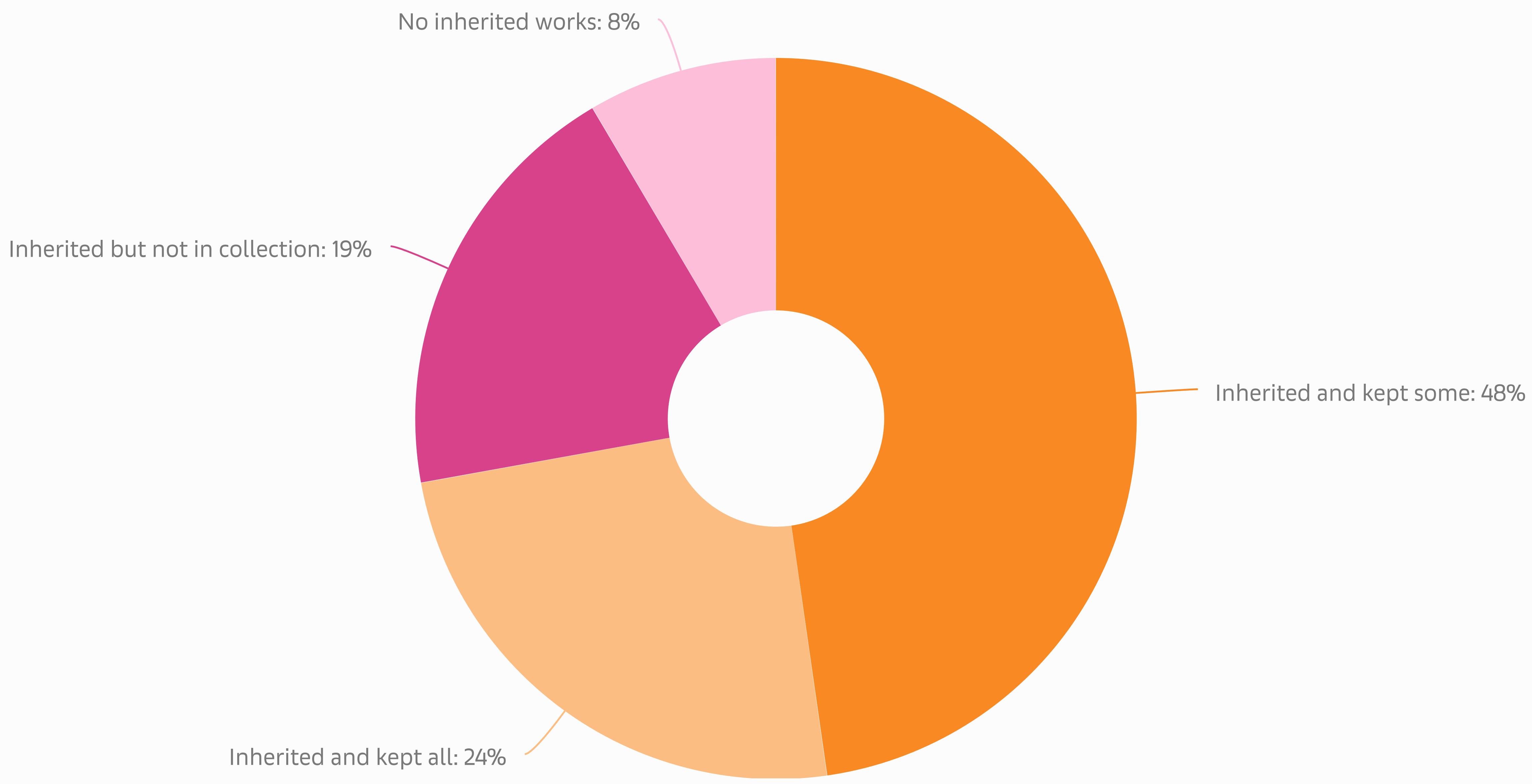
As noted in previous reports, although HNWIs are not necessarily biased in their choice of artist, and gender may not play a role in purchasing decisions, the availability of artists' works in galleries and auctions will ultimately determine a large part of what is contained in collections. The trend therefore indicates that there are either fewer female artists' works available to HNWIs and (or) fewer being bought by them over time. It is notable that while still a minority, the 44% share of spending on works by female artists in 2023 and 2024 was up by 5% on the figures reported for 2022 (39%), which may indicate that it has the potential to keep improving.

18 These spending figures exclude 26% of spending where the artist's gender was identified as non-binary, multiple or groups of artists where a single gender was not possible to assign, or where the gender was unknown.

2.4 Inheritance and Collecting

The individual preferences of HNWIs shape the kind of works that come to belong in their collections, however, some of the content is also influenced by the tastes and choices of a wider circle of family and friends. While the preservation or continuation of family and historical traditions was only a primary motivator for a very small share of HNWIs in purchasing art (just 3% overall),[19] the influence of family traditions and legacies was still strongly evident in the structure of their collections. Across all markets in 2024, 91% of HNWIs had works in their collections that were inherited or gifted through a will or other bequest from family or friends, and 72% had kept at least some of those in situ. Only 19% had inherited works but subsequently donated or sold all of them.

Figure 2.8 Share of Inherited Works in HNWI Collections 2024



19 Collector motivations are discussed in Chapter 5.

As might be expected, there was a higher share of younger collectors holding onto the works they had inherited, being more likely than their older peers to have received donations recently (78% of Gen Z respondents). However, even HNWIs in the oldest Silent Generation segment had maintained family collections over time, with 56% having at least some inherited works still in their collections. The smaller share in this case was also due to these respondents being less likely to have inherited artworks in the first place, with 27% reporting that they never inherited any. This is in stark contrast to the younger cohorts, with only 4% of Gen Z respondents not having any gifted or inherited works, and just 6% of millennials. These findings indicate that a tradition of collecting is an important part of starting some collections, and that donated works often have considerable longevity within collections over time.

There was a tendency for wealthier collectors to have inherited fewer of the works in their collections, with 17% of UHNWIs with wealth of over $50 million (70% of whom are either Gen X or millennials) reporting not having inherited works versus only 5% for those with wealth of less than $5 million. While there is likely to be a variety of reasons for this trend, the data on millionaires and billionaires showed that a relatively large share of those at the higher end of the wealth spectrum, particularly in the mid-to-older age segments, have self-made wealth and lower inheritances. As noted in Chapter 1, over 70% of billionaires are self-made and this was considerably higher for older billionaires than those under 40 years of age. However, this structure may change considerably over the next 20 years. Of the billionaires analyzed from the *Forbes* data, 15 were at or under 30 years of age. For the first time since 2009, all of the billionaires listed in this younger segment inherited their wealth, signifying the beginning of the wealth transfer underway from older generations of HNWIs.

UHNWI heirs were more likely to have sold, donated, or passed on works they did receive, with 23% no longer having them in their collections, versus just 16% of those with wealth of less than $5 million. As UHNWIs were less inclined to have resold any works from their collections (discussed in more detail in Chapter 3), it may be the case that they were more inclined to have donated some of the works received.

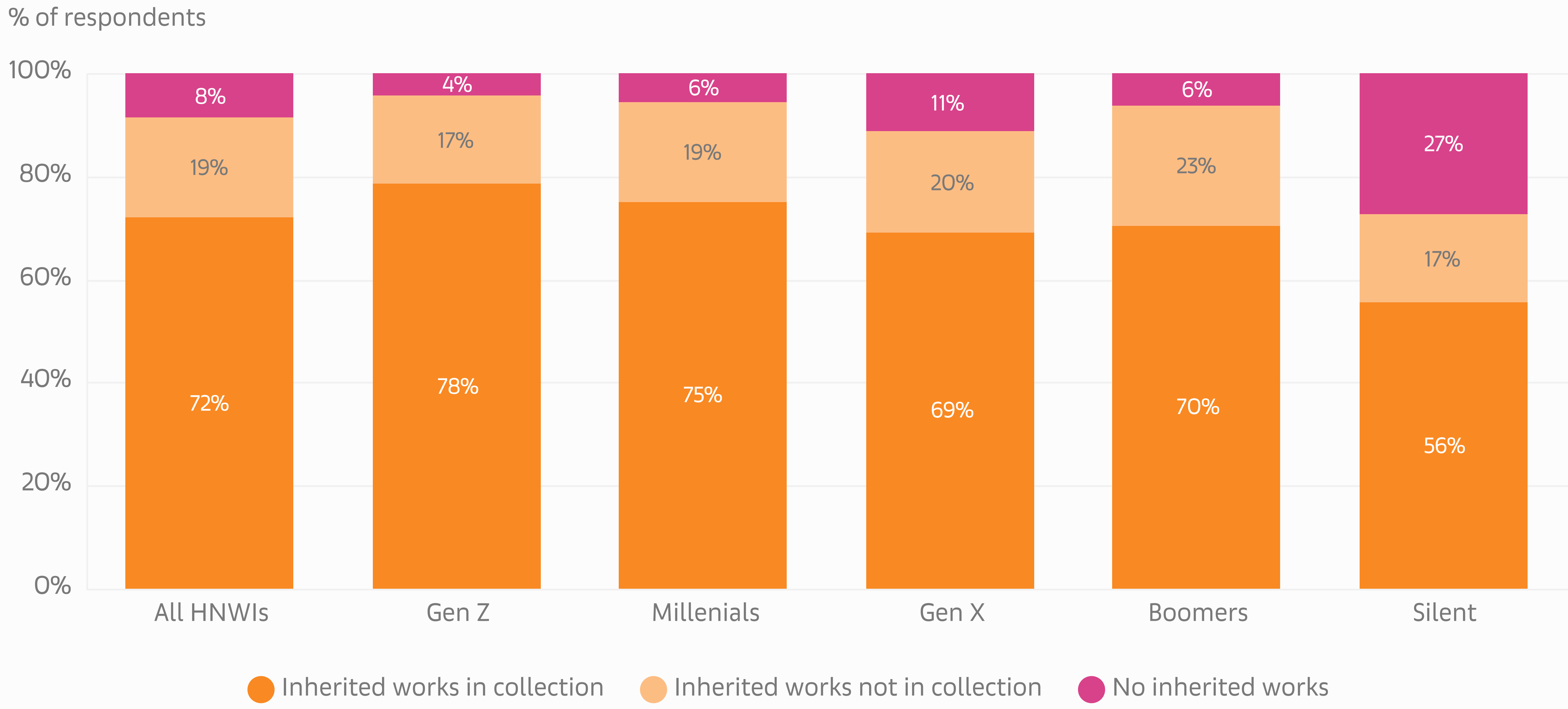
For those HNWIs who had inherited works but no longer held them in their collections, some of the main motivations for selling were practical: 55% said they sold or donated works as they did not have enough space to keep them, while another common reason was that there were estate taxes to settle (47%). Helping tax settlements was more common in some markets such as Japan, where it was a motivator for 72% of respondents who no longer held any inherited works, and also where inheritance taxes are imposed at some of the highest rates globally.

Around 23% of respondents felt that the works did not fit with their collections or collecting strategies, although this was more of a motivation for disposing of works for more experienced collectors (41% of those collecting for over 20 years versus only 18% for new collectors of up to five years). Finally, the least chosen reason for not keeping inherited works was selling or donating them for financial gain (19%), although this ranged widely between regions and generations, from a low of 12% of millennial respondents to 33% of Boomers.

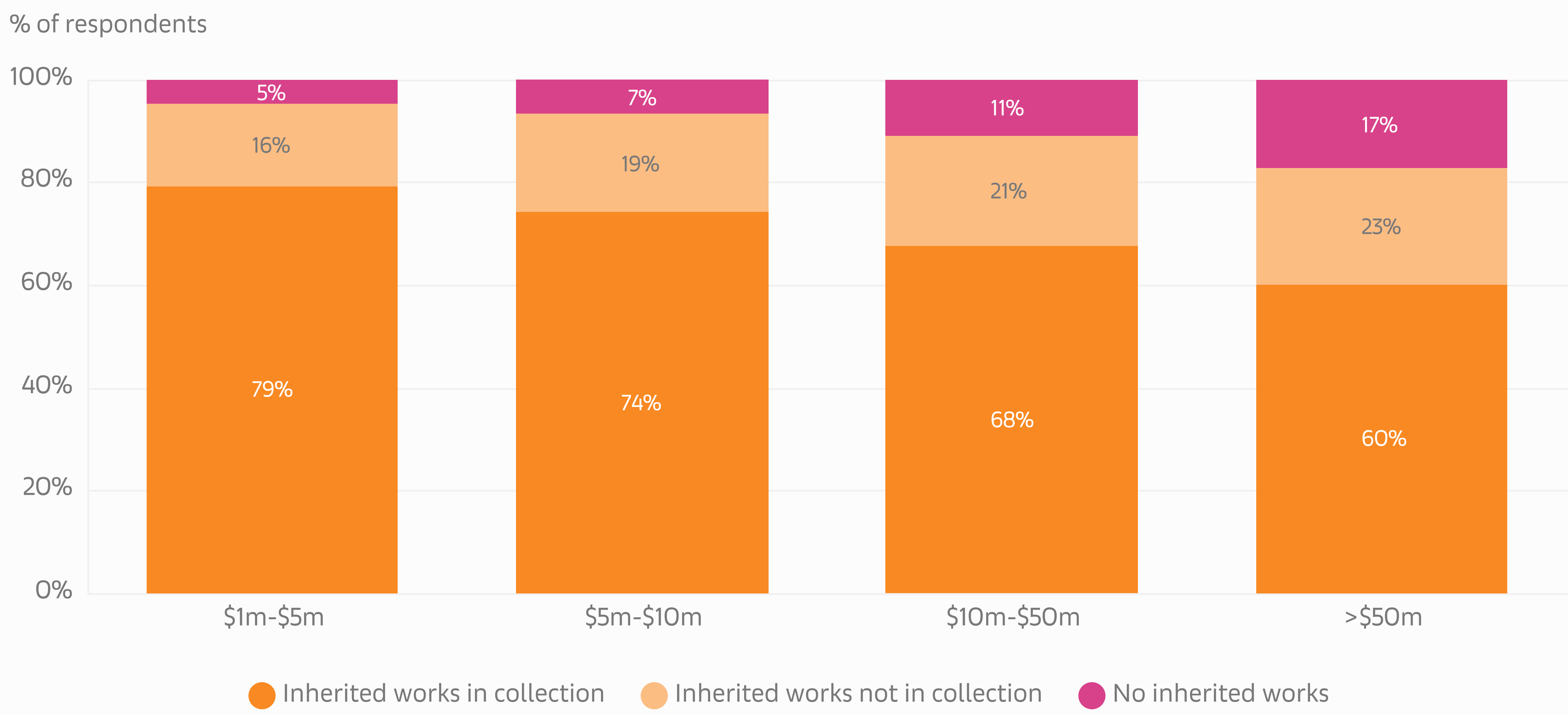
IMAGE Julien Creuzet, presented at Art Basel by Andrew Kreps Gallery

Figure 2.9 Share of HNWIs with Inherited Works in Collections

a) By Age



b) By Wealth Level



As noted above, the majority of respondents (72%) had inherited works and held onto at least some of them. Looking in more detail, the median number of works contained in their collections overall was 37, and of these, 17 or 46% were inherited works. Of those respondents that had held onto at least some works:

- 34% had kept every single work they inherited;
- 47% had sold most of the works (with about 9% of these also giving some to charities, institutions, and friends);
- 16% had sold some of them (with 18% of these also making charitable donations); and
- 3% had given them exclusively to institutions or charities and 1% only had made gifts and donations of them to other friends and family.[20]

Again, for these HNWIs, the main reasons for disposing of works from their collections centered on a lack of space (57%), settling estate taxes (41%), and a perceived lack of fit with their own tastes, preferences, or collecting strategies (37%). Only 12% cited financial gain as a motivator.

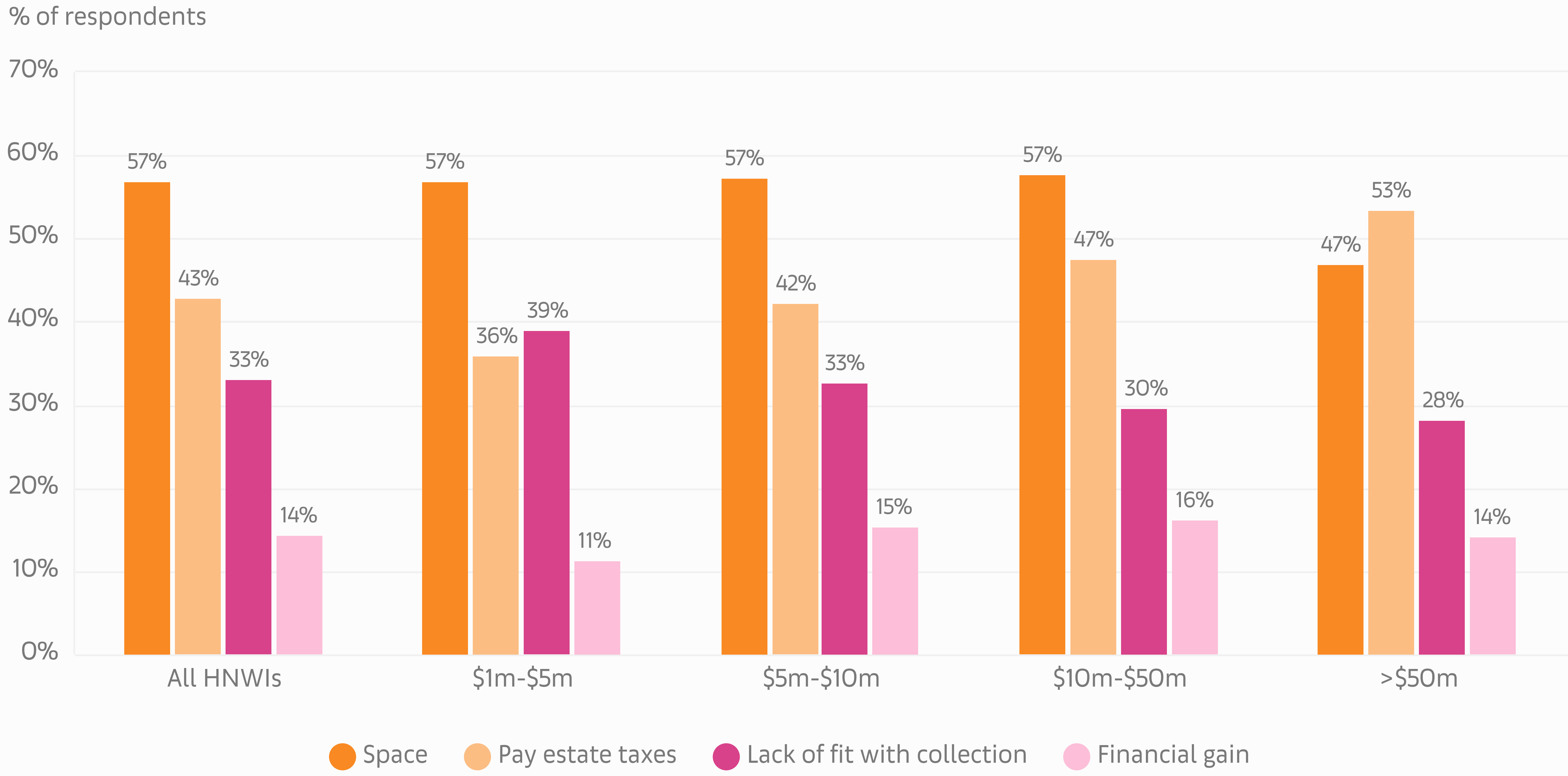
Combining these respondents with those who no longer had any inherited works in their collections, it is clear that space (57%) and estate taxes (43%) were the two most commonly cited reasons for selling or donating works. There was often more than one reason given, with 44% of respondents choosing two or more, again, with space and estate taxes the most likely combination. Financial gain was the least chosen reason, with 14% of respondents citing this as a motivator, and it was mostly one of multiple reasons, with only 6% reporting it as the sole factor for their decision. It was notable that financial motivations were slightly higher for older collectors (including 20% of Boomers), but there was little difference by levels of current wealth. However, estate taxes were a much higher driver for wealthier collectors, who had potentially inherited larger estates, and space was less of a concern.

A lack of perceived fit with their current collections was a bigger issue for those with wealth of under $5 million, but notably less so for younger respondents. Despite the much-discussed issue of changing tastes across generations and the effect this might have in the market as collections get passed down, less than one-third of millennial and Gen Z HNWIs cited a lack of fit with their collections or collecting plans as a reason for selling off or donating inherited works, and it was a sole motivator for only 20% (versus almost 30% for older respondents).

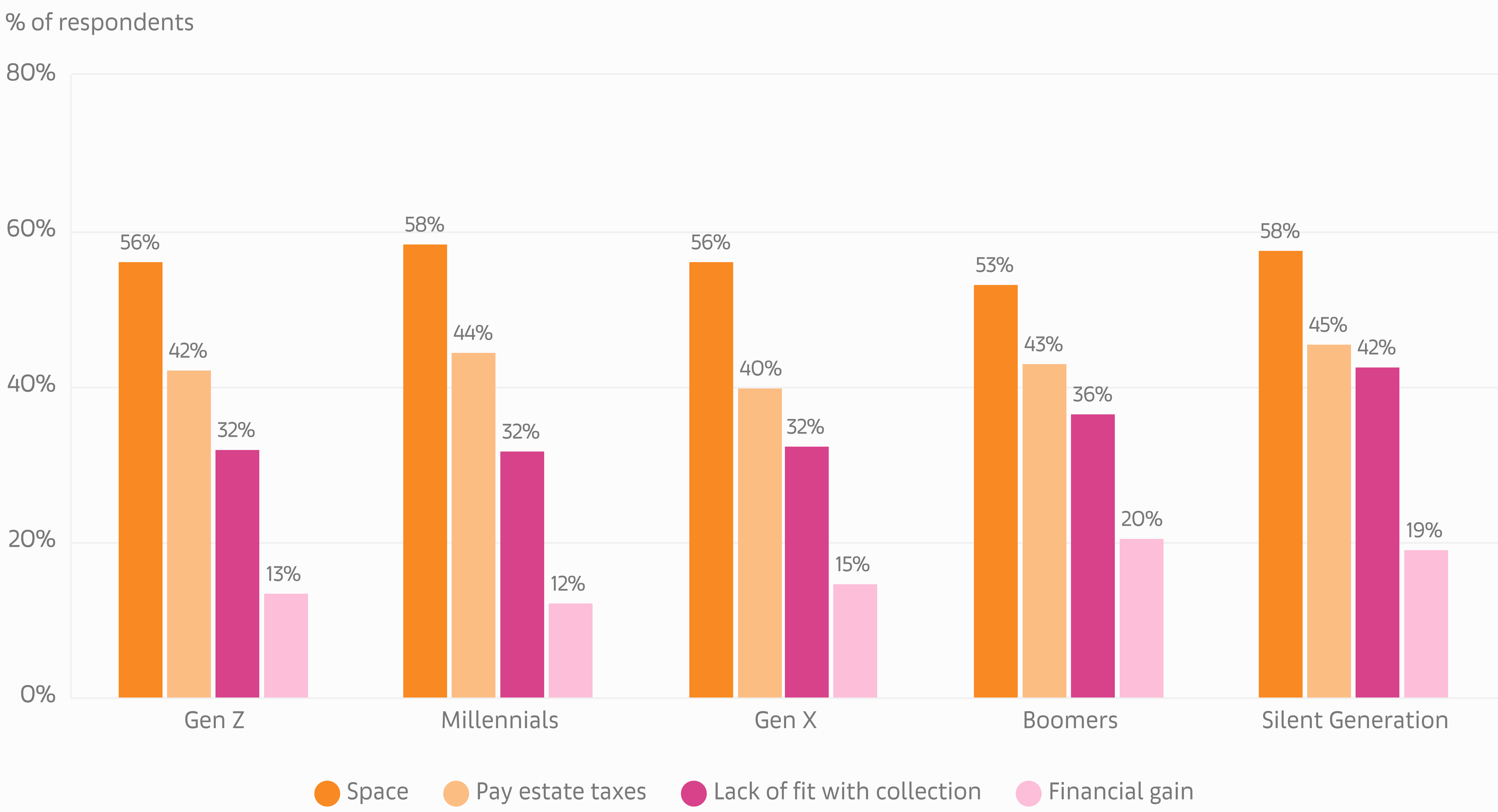
20 Some HNWIs gifted works and sold most or some of them. Over all HNWIs that inherited works (including those who kept them all), the total share gifting inherited works to museums or institutions in the sample (including those who did so exclusively or otherwise) was 9%, and 2% gifted some to family and friends.

Figure 2.10 **Reasons for HNWIs Not Keeping Inherited Works in their Collections**

a) By Wealth Level



b) By Generation



Aside from issues related to incorporating inherited works in their own collections, another major concern for many HNWIs was passing on their artworks to the next generation. 80% stated that they were concerned about preserving their collections for future generations and legacy and succession planning, with 39% very concerned. This was fairly consistent by levels of collecting experience and wealth, as well as across age groups, already registering as a concern in the minds of Gen Z HNWIs.

A very high share of HNWIs were already making plans for donating or bequeathing works. 65% intended to leave some or all of their collections to their partner or spouse and had some kind of plan in place, with 31% hoping to do so but not having planned anything yet (and only 4% not planning on doing this). 43% had established a similar plan for their children and around half (51%) intended and planned to donate to other family and friends. Nearly half (49%) had made a plan to donate their works to museums (and only 11% planned not to) and this was over 60% in some regions such as the UK and Taiwan.

When asked about their more immediate plans for the next 12 months, a substantial 37% intended to make some kind of donation or gift from their collections to a museum or other charity, considerably higher than those planning to pass on works to family or friends (10%). The plans of HNWIs related to their collections in the coming year are discussed in further detail in Chapter 4, while some of the most important legal challenges and considerations for heirs and those donating collections are covered in Exhibit 1.

Figure 2.11 Plans for Donating/Bequeathing Artworks from HNWI Collections

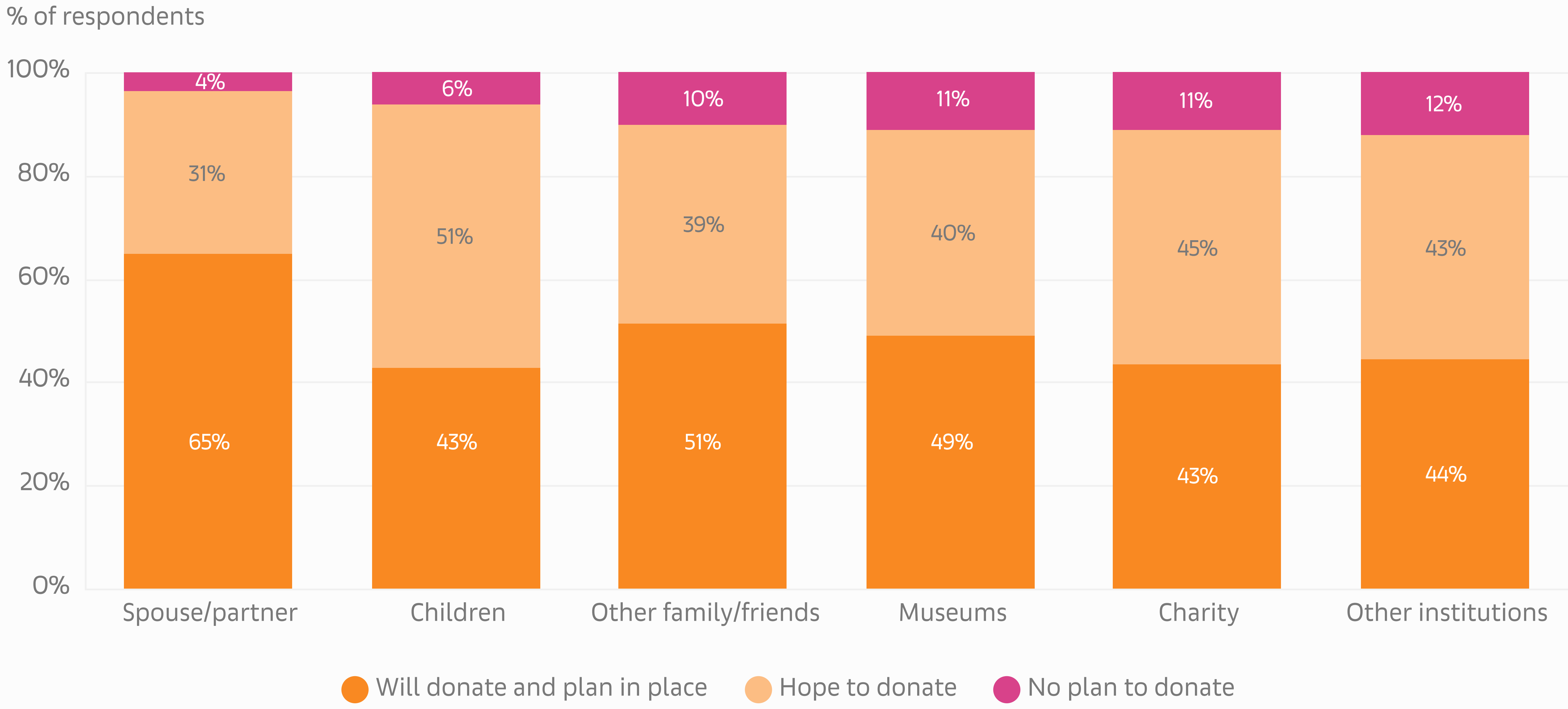


IMAGE Pacita Abad, presented at Art Basel by Tina Keng Gallery

Exhibit 1. The Collector's Legacy

Till Vere-Hodge and Katalin Andreides*

Art collectors come in different shapes and sizes, from casual collectors who make the occasional, relatively inexpensive purchase all the way to important players whose purchasing habits will have a significant impact on one or more segments of the art market as a whole. Where one type of collector is presently engaged in building a collection by entering into a multitude of transactions, another is focused on managing the succession of a collection that has remained substantially the same for many years, sometimes over several generations of the same family. Some collectors are private individuals or families, while others are institutions, foundations, or museums. Regardless of a collector's attributes, there are certain considerations which are useful for any collector to review from time to time regarding how their collection will be maintained, including after they pass it on.

Transition or Divestment?

Where a collection has been owned by one or more individuals, the issue of transition will invariably be at the forefront of the collector's mind at some stage. The next generation that stands to inherit the accumulated art within the same family may not have been involved in acquiring and building the collection. In some instances, the collector's heirs may find that they, too, are susceptible to catching the 'collecting bug'. In other scenarios, however, they may never develop the same emotional attachment to the artworks acquired, nor the process of collecting them. Nevertheless, even where there is little passion for the artworks passed on, typically, at the very least, the recipient retains an interest in the collection's commercial value. The collector surveys this year showed that over 90% of global HNWIs had inherited works in their collections, with most keeping at least some, although 19% had sold or donated all of the works they were passed on.

Where the next generation is not overly interested in the artistic value of a collection, of course the collection can be divested, selling individual artworks or clusters of artworks privately or at auction. Each step in this process needs to be defined and documented, with written agreements vital to record what was agreed.

Third-Party Service Providers

This is all the more important where the owner, be it the collector or their heirs, enlists the services of a third-party service provider, for example, to inspect and appraise the artworks, produce valuation reports, offer the works for sale, and conclude such sales, thereby acting as an agent of the collection's owner.

The precise remit of that service provider needs to be very clearly agreed and documented. Where there is an element of vagueness, there is a risk of miscommunication. For example, an owner or an owner's representative may simply wish to ask for the provision of services that are ancillary to a sale, but not clarify the extent of services sought in writing. If a keen service provider then misapprehends that the object is to be offered for sale, and proceeds to market the object, the legal situation can quickly become rather 'messy'. Even where the new owner of the collection finds out about the fact that a service provider has, in fact, offered one or more artworks without authority, and intervenes before an onward transaction has become legally enforceable, the mere act of withdrawing an artwork from being 'offered' can be detrimental to its value and future opportunities. Potential buyers who have been told about the sale may wonder why it has been withdrawn and the artwork's reputation and its value may suffer as a result.

Where an onward transaction has in fact become legally enforceable (or at least arguably legally enforceable), the new owner may be forced into selling an object they may not yet have finally decided they want to sell. This is because, depending on applicable law, an onward buyer may be able to rely not on actual authority granted by the new owner to the service provider, but on 'apparent authority'. In other words, it may be that the onward buyer can argue they relied on making an agreement with an apparent agent, thus binding the owner, regardless of whether they actually authorized their service provider to sell the artwork or not.

Donation or Loan

Artworks and collectibles that have been passed to the next generation may also be donated or loaned. Depending on the jurisdiction in question, donations can allow a collection's new owners to significantly improve their inheritance tax position. As this survey indicated, 47% of collectors reported that their motivation to sell or donate inherited works was to pay estate taxes, and this motivation was as high as 72% in Japan, which also has one of the highest rates of inheritance tax globally. Different jurisdictions' inheritance tax (IHT) thresholds naturally vary, but this is not the only consideration when comparing jurisdictions. Besides the threshold, there is also a variety of different IHT exemptions and reliefs to encourage art considered to be cultural heritage or of high artistic and historical value to be donated to the state for public enjoyment.

Donating a collection can also achieve its preservation as a collection, rather than risking the collector's project to be broken up into many pieces. Collectors can make donations with certain conditions attached to them, such as that all objects have to be exhibited together and/or making it difficult for a receiving institution to deaccession one or more objects at all. It may also be possible to name the collection after the collector and thereby serve to record his or her collecting activities for posterity.

Loaning artworks for exhibitions can add to the exhibited objects' desirability and while the objects are on loan, the lender may not be liable for insurance and other costs that can often amount to significant outgoings. The latter consideration can be particularly relevant for long-term loans. This can be an attractive option for heirs who lack storage space or wish to maintain the legacy of the collection but have found that it does not suit their own tastes. However, there are a number of issues that can arise in making a loan that collectors need to be aware of, even when it is a contemporary artwork.

Where the artworks in question are contemporary objects, the lender may have to consider any applicable artist's rights that can be relevant to a loan. Generally, the law of the country where the exhibition takes place will govern any applicable copyright issue, for example, where the borrower of the artwork wishes to reproduce a contemporary work in a catalogue or on merchandise it plans to sell at the exhibition venue. Even where a transfer of ownership of the original work is affected by a transaction, this does not in and by itself include the transfer of the copyright of the artwork. In addition to intellectual property and depending on applicable law, an artist will typically retain inalienable 'moral rights' as to an artwork created by them.

Potentially adverse situations can easily arise. Sometimes a living artist is not directly involved in organizing his or her international exhibitions, for example. It is thus possible that an exhibition fails to take account of any plans the artist may have made (or is in the process of making) to organize an exhibition, such as a very first exhibition in a particular location. The degree to which an artist may be able to have a say on an exhibition of works created by them and loaned by an owner-collector, again, will depend on the applicable legal regime and jurisdiction.

Sometimes an artist or an artist's representative may have stipulated the artist's wishes, which the collector ought to respect. Often, no such express agreements exist. To what extent the artist's plans, wishes, or instructions may be enforceable against third parties depends on the particular facts and the choice of law underlying the dispute in hand. However, beyond purely legal considerations, it is important to bear in mind that ignoring an artist's wishes may have reputational ramifications for all involved: the collector, the artwork, the exhibiting institution, and the artist.

Legacy and Preservation

Applicable law is crucial to estate planning in an international context, that is to say, where a collector who is a national or ordinarily resident in one country has assets, for example, real property containing artworks, in one or more other countries. As a matter of English law, for example, testamentary succession is governed by the law of the deceased's domicile at the time of death. Consider a collector, originally from the UK, who dies while having his main residence in Italy or France. Leaving aside inheritance tax considerations, where the collector leaves assets in England, probate will be taken out in England and his assets will be administered under English law. Any applicable issues relating to beneficial succession will be decided according to the law of domicile, in this case Italy or France.

The artworks forming part of the collection will be distributed among the beneficiaries, with reference to the applicable law of succession depending on whether the estate consists of movables or immovables and whether the deceased died intestate or left a will. The law that governs intestate succession and questions such as validity of a will or testamentary capacity may depend on (i) where the deceased was domiciled, (ii) his or her habitual residence, or (iii) their nationality.

There are also European harmonization rules to simplify cross-border estate administration, determining which law applies to succession.[21] However, these rules do not determine how such succession is to be taxed. The UK did not opt in to the harmonization rules, so English common law continues to apply. Nevertheless, the rules have universal application, meaning that they can assist British nationals who are habitually resident in an EU member state and hold assets in the EU, even after Brexit.

Thanks to the *EU Succession Regulation,* British nationals who are EU residents may choose English law to be applicable, and not the law of the given EU country. That can be essential, as several EU countries such as France or Italy have rules that prescribe that certain persons must benefit from the estate, whose rights cannot generally be disapplied by way of a will. For example, they grant a prescribed part of the estate to specific heirs, such as a deceased's spouse, children, or parents. English law, on the other hand, allows for testamentary freedom.

21 *Regulation (EU) No 650/2012 of the European Parliament and of the Council of 4 July 2012* on jurisdiction, applicable law, recognition and enforcement of decisions, and acceptance and enforcement of authentic instruments in matters of succession and on the creation of a European Certificate of Succession.

Applicable law is also an important consideration for matrimonial property. The rights of a spouse whose husband or wife predeceases them may depend on the participation of acquired property during the marriage or separation of property. Community of acquisition, i.e. jointly acquired assets used to build a collection during marriage, can thus lead to the dispersal of a collection. Regimes vary from country to country, including within the EU.

One way of protecting the integrity of a collection over generations is by way of substituting a direct ownership structure with a structure based on one or more entities, such as trusts, foundations, charities, or private companies. The relevant requirements and tax implications flowing from such ownership structures of course need to be considered carefully and complied with.

The choice of vehicle will depend on the purpose that it is to serve. Some collectors may seek to take advantage of more favorable tax rules, others may seek the long-term protection and management of family art collections. Others again may focus on charitable purposes, or the preservation of wealth. One additional important aspect tends to be the required level of confidentiality that is to be achieved.

For any tax consideration, the commercial value of the collection is an important baseline. However, valuations will differ depending on their purpose. Obtaining a valuation for insurance or inheritance purposes will often be different from auction sale estimates, where inducing buyers to bid and other marketing considerations are more important. In divorce proceedings, where one side remains ‘married’ to the art collection, it will often seek to argue the collection is commercially at a lower value than the other side seeking to maximize the value of assets that are in dispute between the parties. Collectors should be clear what their valuations have been or are going to be obtained for. Over the last 30 years or so, another critical consideration has evolved concerning the ‘moral’ and reputational aspects of the collection. If artworks that form part of a collection are found to have been looted during conflict or in a context of violence against a former owner, for example, often, such objects will become unsalable using the established channels for the sale and purchase of artworks. In other words, the major auction houses and galleries will not get involved in transactions concerning such objects, unless the red flag attached to such an artwork can be removed.

As a result, the market value of the artwork can fall dramatically and the reputation of the collection and collector may suffer tremendously. It is therefore a good idea to ensure that the collection is audited and any red flags are dealt with before the collection passes from one generation to the next. Indeed, even for the purposes of making donations and/or loans to public collections, the absence of red flag artworks is generally an obligatory precondition.

A heightened sensitivity to due diligence is particularly important in an environment in which documentation concerning proper import, export, provenance, and authenticity is becoming more and more stringent. These elements are essential to uphold the tradability and therefore value of an artwork and indeed the entire collection. To put it succinctly, the increase in due diligence requirements over recent years means that any past due diligence applied before previous transactions may not be sufficient in today's world. Given the number of complex pitfalls, depending on the value thresholds involved, it would certainly seem to be sensible to seek advice from relevant specialists to ensure that as much documentation and paperwork around the collection as possible is available as and when needed. Otherwise, the recipient of the collection may be left with the unenviable task of having to regularize aspects of the collection that may not have been problematic when the collection was put together, but that are absolutely crucial today.

Philanthropy

To encourage the making of gifts and donations of artworks to institutions, such gifts typically come with a tax benefit to the donor. Beneficial tax regimes in various jurisdictions are designed to incentivize private and corporate collectors alike to contribute vital financial support to the cultural sphere. However, the causes eligible for such support and the institutions that may benefit from it may differ from country to country, depending on the cultural policy pursued by the government in question.

Collectors and collections are often not based in one country alone, however. Donations to non-profit organizations and charities abroad have grown partly as a result of cultural cross-border activities and an increased awareness and accessibility of the world's cultural heritage sites. Likewise, touring exhibitions of important cultural goods have accelerated this trend further.

Notwithstanding these trends, tax benefits tend to be available first and foremost to 'local' benefactors. Conversely, it is not self-evident that 'foreign' benefactors can obtain such tax benefits. However, there are some supranational approaches to this issue: for example, within the European Union, member states are required to treat donations to eligible public institutions in other member states in a way that is equivalent to domestic donations. This means that, where tax incentives are available for domestic donations, these would need to be applied also in relation to donations made to eligible collections in other EU member states.

More broadly, however, the benefit of a donation from one jurisdiction to another will depend on the legislation of the jurisdiction in which the donor is a tax resident. Some countries apply tax incentives in the same way to donations made to extraterritorial eligible institutions as they do to domestic eligible institutions. Other countries limit such benefits to domestic donations only.

Keep Calm and Collect

While there is clearly a plethora of potential issues collectors should be aware of – both those intending to donate works and the beneficiaries of a donation – any collector who has put in place the right plans and structures can once again focus on his or her passion: the gathering together of a very personal selection of highly desirable artworks that reflects their own personality and taste.

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IMAGE Jannis Kounellis, presented at Art Basel by Kewenig

3. HNWI SPENDING

3.1 Expenditure on Art by HNWIs

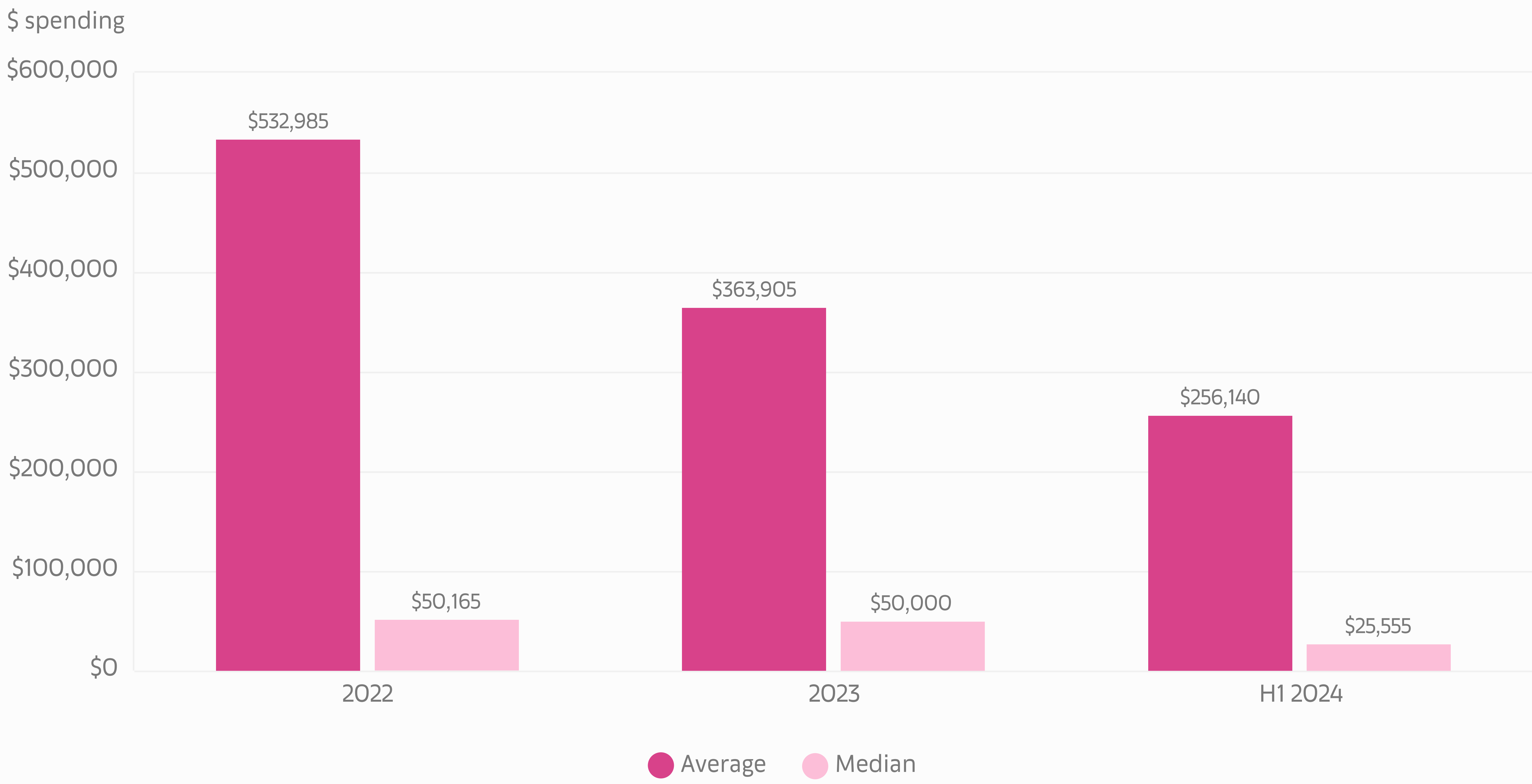
The last few years have seen significant volatility in sales in the art market. During the uniquely challenging context of the global pandemic in 2020, spending on art and antiques fell by 22% to just over $50 billion, the lowest point since the global financial crisis in 2009. However, strong post-lockdown demand, the return of live exhibitions, fairs, and other events, and healthy supply at the high end of the market all helped it bounce back quickly in 2021, reaching $66 billion, higher than 2019 and an increase of 31% year-on-year. In 2022, growth continued, but at a slower and more uneven pace as regions and segments of the market began to diverge, with the high end's resilience being the backbone of the sustained recovery. In 2023, however, while the divergence continued, some of these trends significantly changed direction, and the context of geopolitical instability, increasing interest rates, and stubbornly high inflation were all potential drags on spending, filtering down into more selective buying at the high end. While there was still a string of very notable and multimillion-dollar sales during the year, the high end of the market, particularly at the $10 million-plus price range, was one of the weakest segments in terms of year-on-year growth, with lower-value sales showing more buoyancy in both the auction and dealer sectors. Divergent performance by region also muted growth, with the largest markets like the US and UK slowing, while Mainland China saw an early post-lockdown boost in sales. All of these factors dragged on global sales, which, as noted in Chapter 1, declined by 4% to $65 billion.

Up to 2023, despite the challenging and changing context, the research conducted on HNWIs revealed resilient and consistently increasing spending. In the midst of the pandemic in 2020 and 2021, surveys indicated that although they could not fully access events, most HNWIs remained active and some were spending at even higher levels than in previous years. Research conducted up to 2023 showed that this continued to grow, with median spending increasing by 19% in 2022.

As noted in Chapter 2, the current sample contains a different geographical mix of respondents from a much wider pool of HNWIs, therefore, exact comparisons with previous spending levels are not on a like-for-like basis. However, based on this sample's reported activity from 2022 through to the end of the first half of 2024, there were indications of a slowdown in spending over 2023. Over all markets studied, HNWIs reported a decline in average expenditure of 32% from $532,985 in 2022 to $363,905 in 2023.

These averages include a small number of very-high-spending ($1 million-plus) HNWIs who influence the changes year-on-year, with 5% having spent over $1 million on art and antiques in both 2022 and 2023 (and 4% already in 2024). The drop in averages reflects the fall in spending witnessed in the market at the highest end, but again, is not indicative of the trend for most HNWIs. Median expenditure is a more stable measure of central tendency that is less influenced by these very high spenders (obtained by sorting the amounts spent in each segment in ascending or descending order and selecting the value in the middle). Median expenditure on art and antiques across all markets reached $50,000 in 2023, down marginally on $50,165 in 2022. The expenditure for the first half of 2024 was reported as $25,555, which if indicative of the second half of the year, could reflect a stable annual level.

Figure 3.1 Average and Median Expenditure of All HNWIs on Fine Art, Decorative Art, and Antiques 2022–H1 2024



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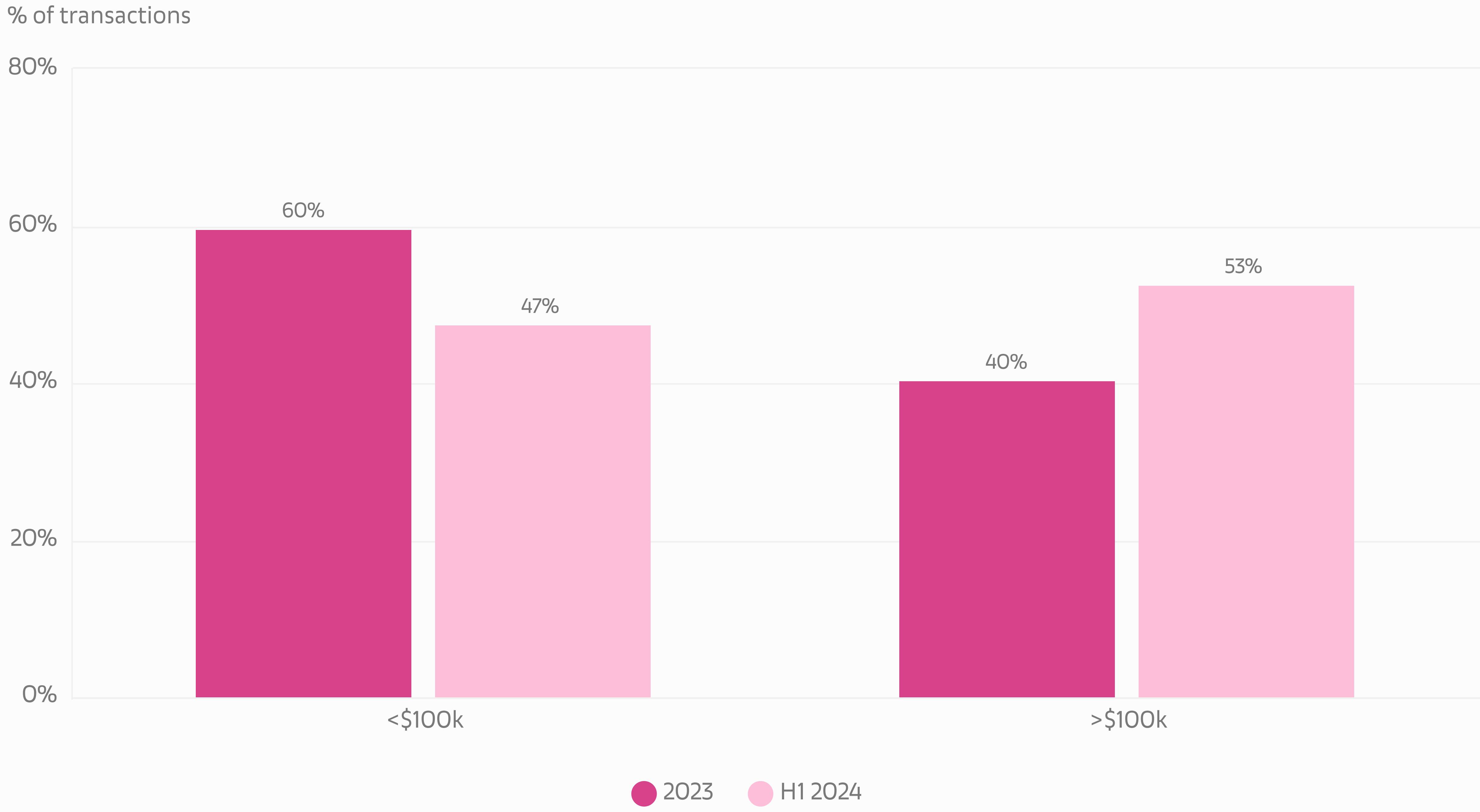
Although these figures reflect the more subdued market in 2023, a potentially positive indicator for 2024 was an increase in the share of HNWIs transacting at some higher price levels than the previous year. When asked to report on the different price ranges they were active in during 2023 and the first half of 2024, the share of those who had bought a work for over $100,000 increased from 40% to 53% respectively.

The number of HNWIs transacting below $100,000 declined, including a 7% drop in those transacting at under $50,000. While it is not possible to forecast if this will be representative of the rest of the year, it does indicate that there was significant activity at higher prices in some markets, particularly in Switzerland, Hong Kong, Mainland China, Brazil, and Italy, where a majority of the transactions so far this year were at prices over $100,000. It is important to qualify that the share of spending at the top end of over $1 million, which is more pivotal in shaping overall market trends, was still very low in both 2023 and 2024. Based on combined reported spending levels on fine art, decorative art, and antiques, only 5% of HNWIs spent over $1 million in 2023 and 4% so far in 2024.

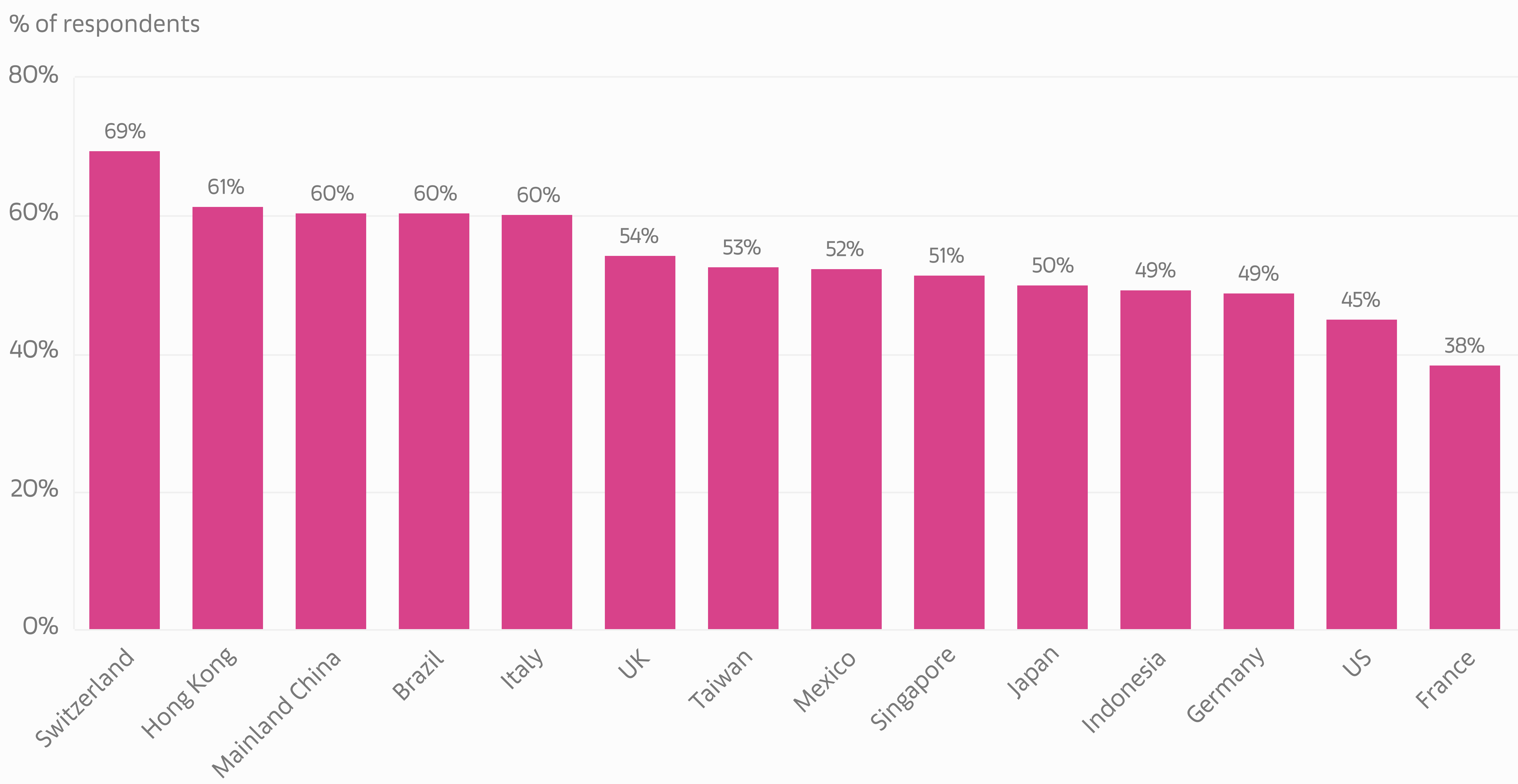
IMAGE Mimi Lauter, presented at Art Basel by Mendes Wood DM

Figure 3.2 Share of Transactions by Price Level 2023 and H1 2024

a) All HNWIs



b) Share Transacting at Prices over $100,000 by Region



Previous surveys showed spending advancing across all generations from 2021 to 2022, with younger millennial and Gen Z collectors reporting some of the biggest increases. However, this trend was reversed in 2023, and younger respondents in this sample reported a drop in average spending. A key factor behind the decline in sales overall in 2023 was the fall in average spending by millennial HNWIs of around 50% compared to growth in older segments. While millennials had reported the highest levels of spending in 2022, this was driven by a small number of very high spenders, with millennials and Gen X segments consistently having the largest share of those spending over $1 million (including 7% in 2023). In 2023, with very moderate growth of just 3% year-on-year, Gen X respondents had the highest average spending, and this continued in the first half of 2024, with levels more than a third higher than millennials and more than twice those of Boomers and Gen Z respondents. Median expenditure between generations, which removes much of the impact of the highest spenders, was more aligned, ranging from just under $47,000 for millennials to $52,000 for Boomers in 2023.[22]

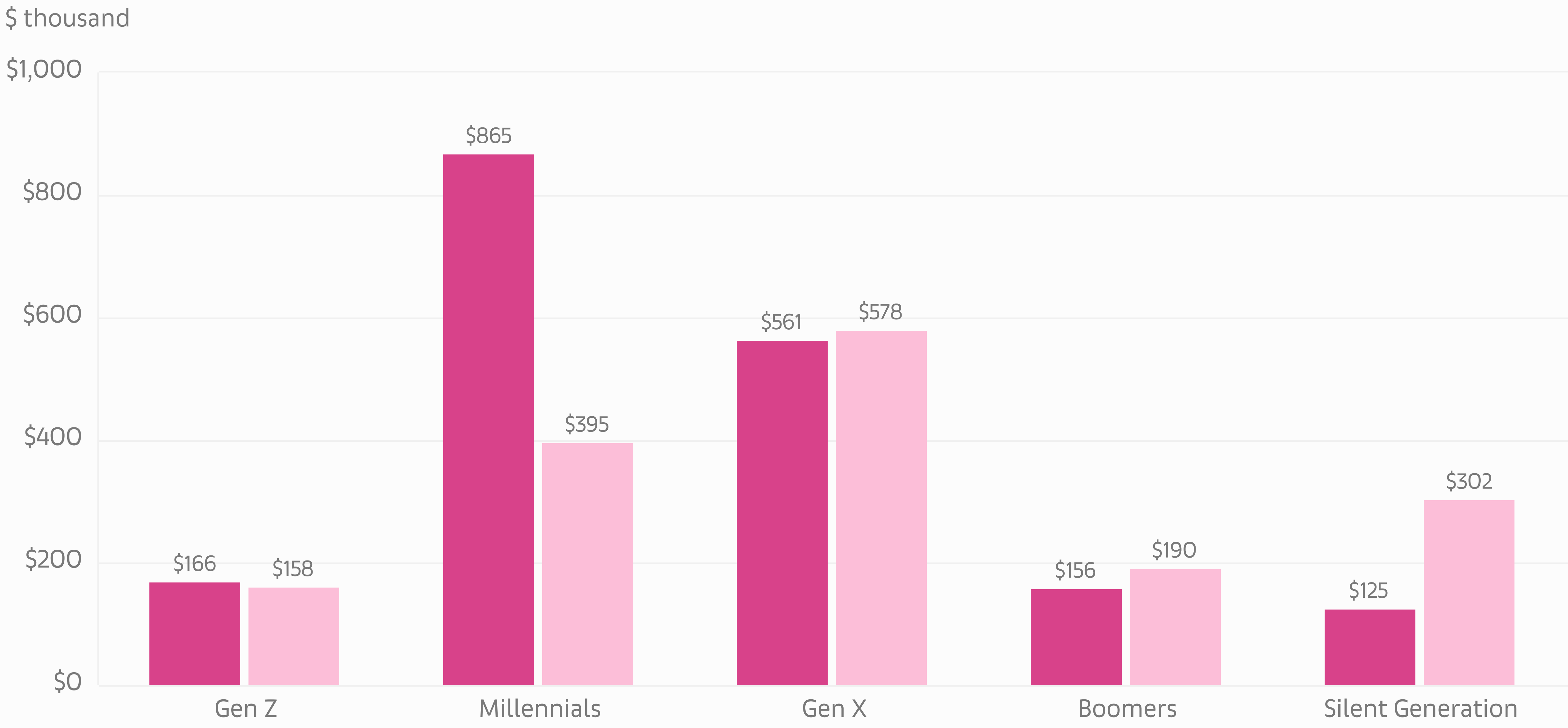
> **A key factor behind the decline in sales overall in 2023 was the fall in average spending by millennial HNWIs of around 50% compared to growth in older segments**

While previous research revealed women's median spending outpacing men's in 2021 and 2022, this was not the case in 2023, with men slightly ahead in this sample (at $51,110 versus $48,890 for women). However, based on the first-half results for 2024, the growth in spending of women outpaced men, and if projecting the entire year based on H1, women will again achieve marginally higher levels than men in 2024 (at $51,110 versus $51,000).

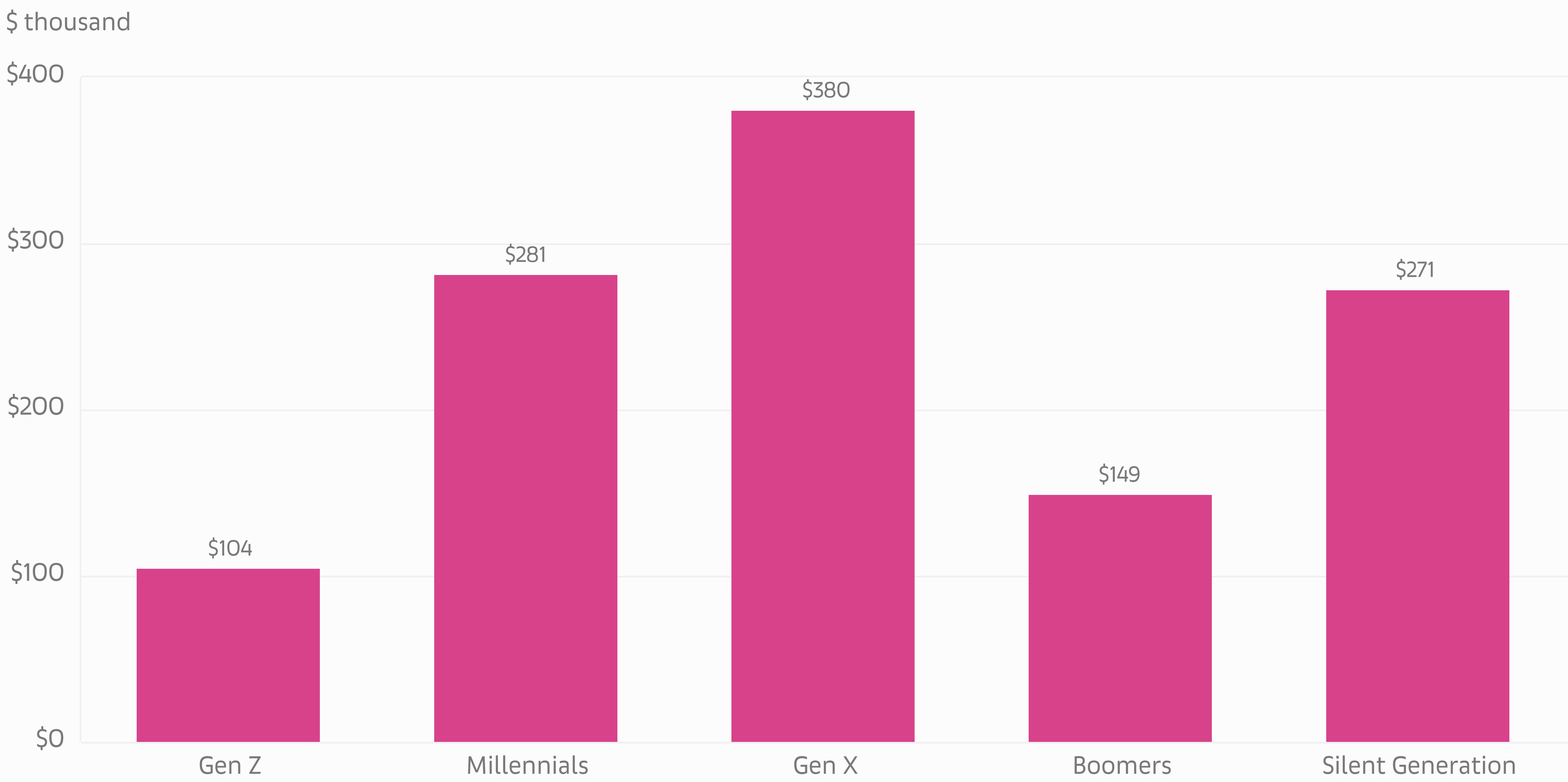
22 If the results for H1 2024 are indicative of spending levels for the remainder of the year, millennial and Gen X HNWIs would see the most growth in median spending in 2024, at 9% and 7% respectively, followed by Boomers (6%).

Figure 3.3 Average Expenditure on Fine Art, Decorative Art, and Antiques by Generation

a) 2022–2023



b) H1 2024



Previous research showed that expenditure increased in nearly all markets in 2022 with the notable exception of Mainland China, where collectors were still in restricted conditions due to prolonged pandemic-related lockdowns. This pattern was reversed in 2023, with Chinese HNWIs showing some of the biggest growth in spending, increasing by 17% on average. Respondents in Taiwan, Indonesia, Brazil, and Mexico all saw a more moderate rise in spending, while others were stagnant, and some were in decline, including Switzerland and Italy which both saw averages drop by 10%.

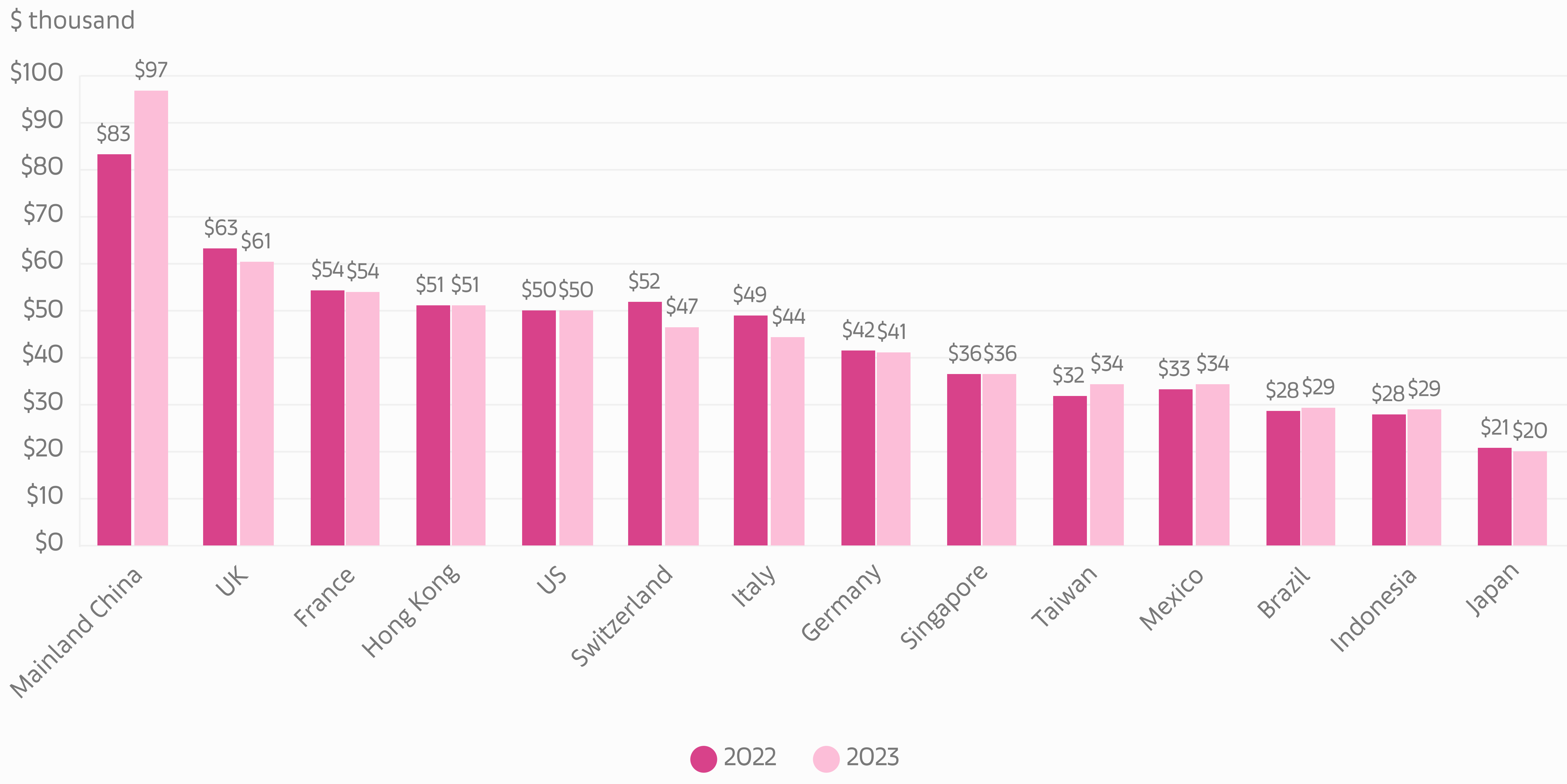
Respondents from Mainland China had the highest median expenditure on art and antiques in 2023, as well as the first half of 2024 when it was more than double that of any other region. This suggests that the strong return to spending on art and antiques post-lockdown has been sustained for these HNWIs despite worries of a slowdown in the market due to a more subdued wider economic context. Some sectors of China's luxury market saw a slowdown in the first half of 2024, with a fall in spending by mid-level consumers on personal luxury goods, in what has been referred to as 'luxury shame' driven by both the economic context and the Chinese Government's crackdown on user content on social media platforms, which has targeted posts that show off personal wealth and financial extravagance.[23] However, spending by the wealthiest consumers has continued and has been increasingly focused on purchasing more discrete and sustainable luxury items, particularly those perceived as stores of value or investments, which may have helped to maintain spending on art and antiques.

Spending for the first half of 2024 was strong across most other markets, with reported values already over 65% of the entire previous year. Spending so far in 2024 in Mainland China also surpassed reported values for 2022.

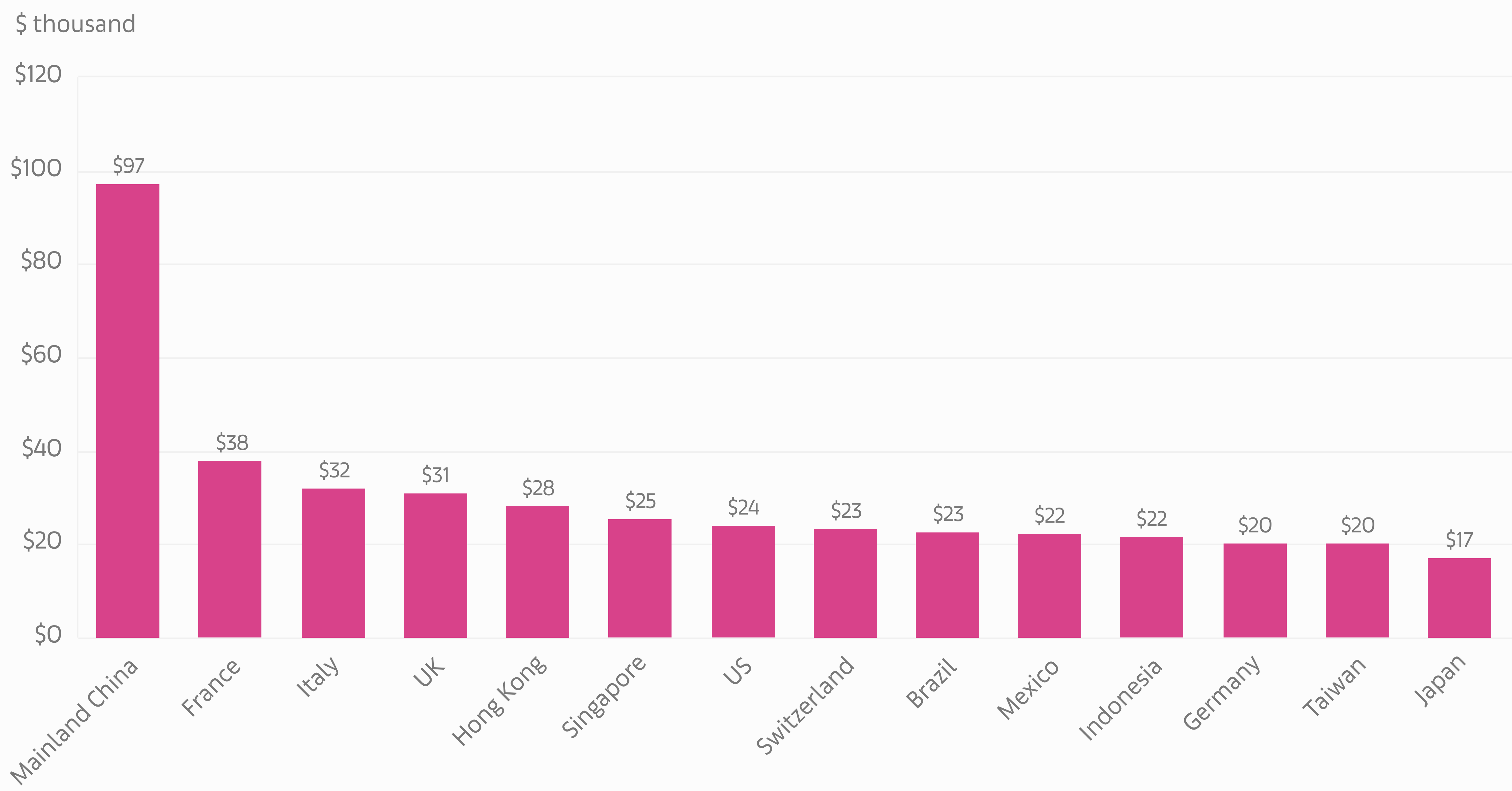
23 Weibo, one of China's largest social media platforms, issued a statement in May stating that it would be carrying out 'special governance work' on the 'negative value-oriented content such as extravagance and waste and showing off wealth and worshipping money' on the platform, weibo.com/1934183965/OeoKasYBl. See also Altagamma-Bain (2024) *Long Live Luxury (?) Adjusted Buoyancy in Troubled Waters,* available at altagamma.it.

Figure 3.4 Median Expenditure by HNWIs on Fine Art, Decorative Art, and Antiques by Region

a) 2022 and 2023



b) H1 2024



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The volume of art and antiques purchased over the last three years remained more stable, with an average of 14 works or objects purchased in 2023, including six fine artworks (the same level as in 2022). The average totaled 11 already in the first six months of 2024 (with five fine artworks), which indicates that if selling volumes are maintained for the second half of the year, there could be a considerable rise in the number of works sold.

There were some regional variations, with collectors from the US, Brazil, Italy, and Germany being the most active in terms of the number of transactions in 2022 and 2023, and Brazil also leading in the first half of 2024, with HNWIs there having already purchased an average of 15 works, including nine fine artworks.

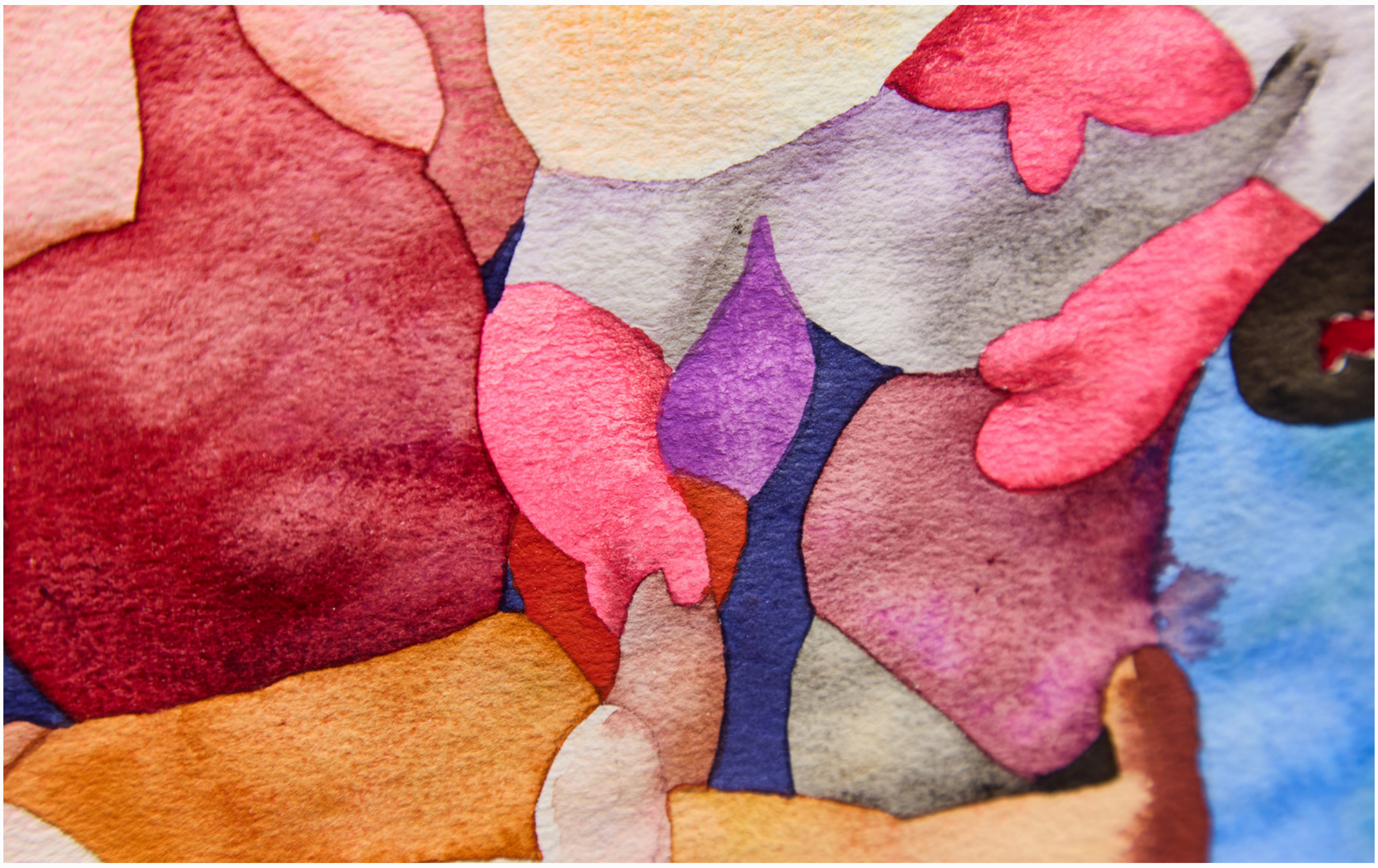
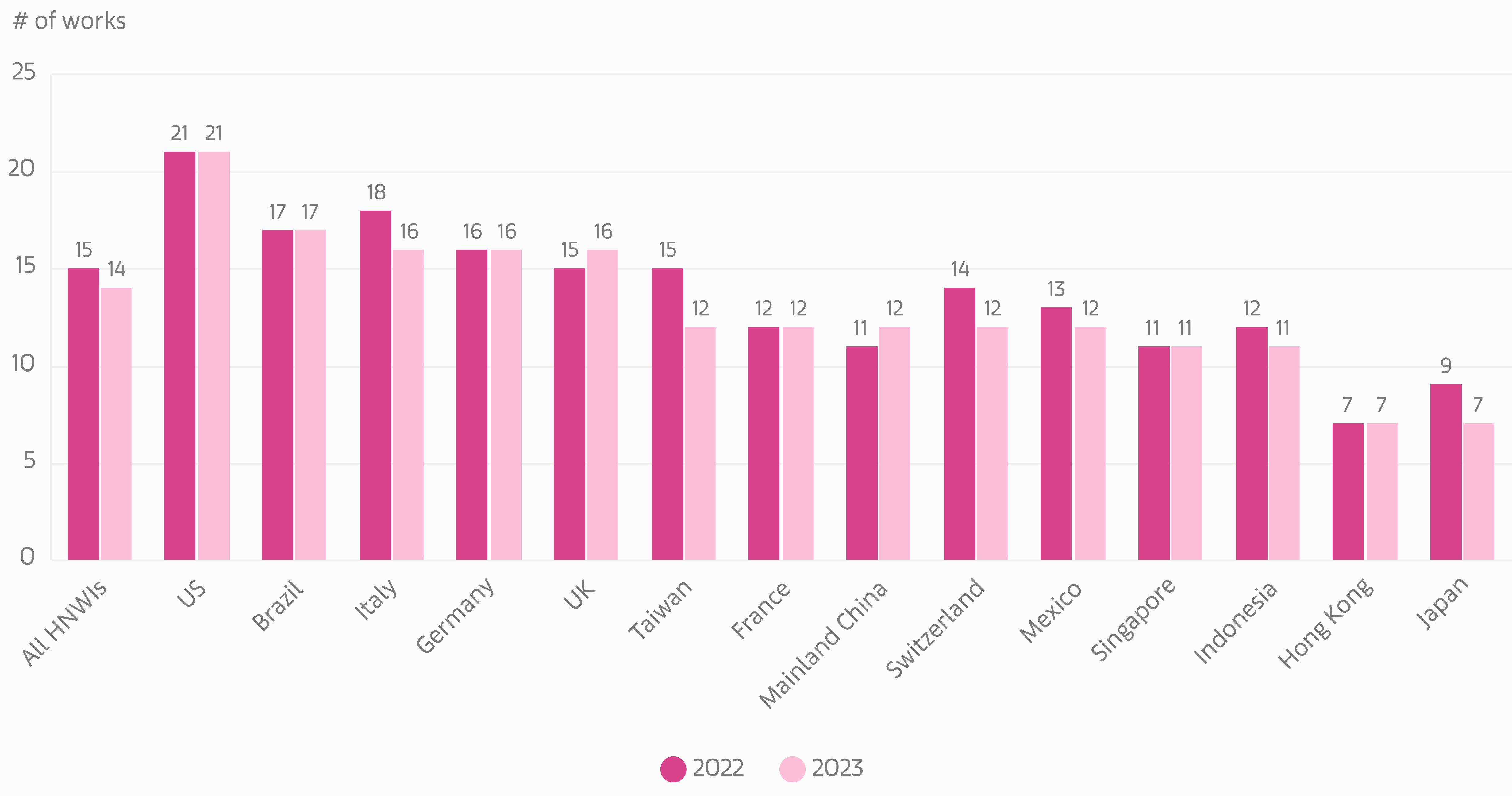


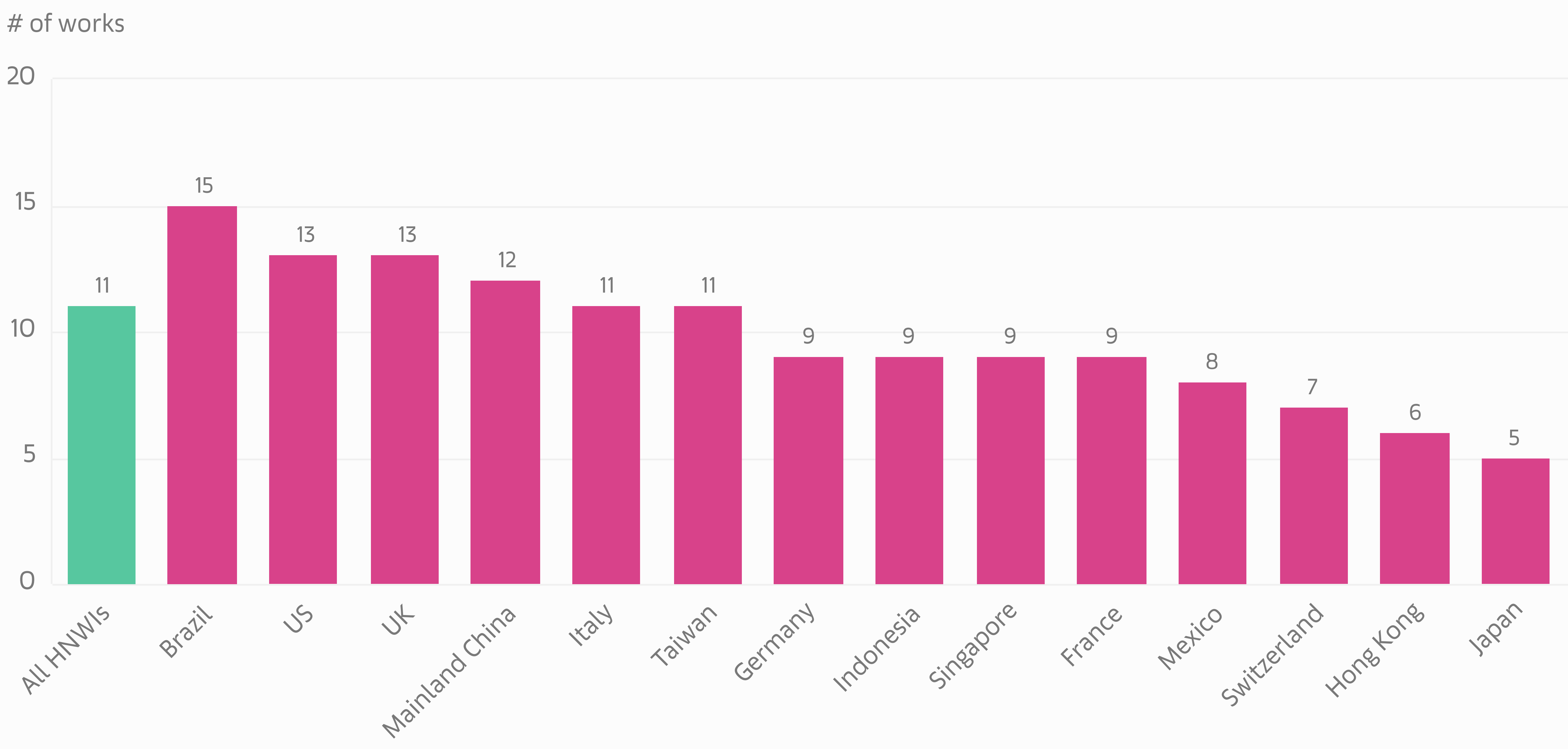
IMAGE Gladys Nilsson, presented at Art Basel by Parker Gallery

Figure 3.5 Average Number of Works Purchased by HNWIs by Region

a) 2022 and 2023



b) H1 2024



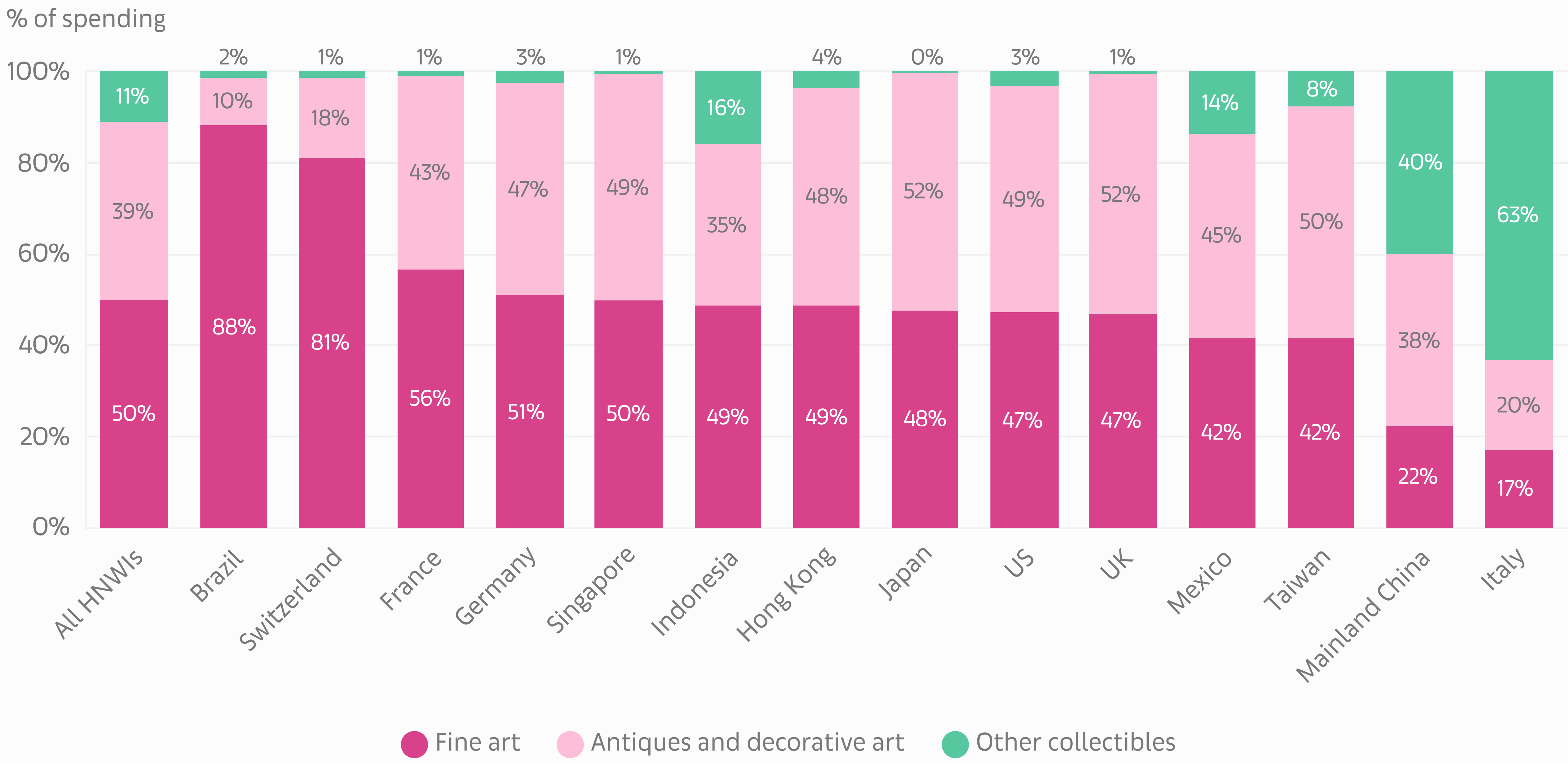
While the screening criteria for the survey ensured that all respondents had purchased fine art, decorative art, or antiques over the last few years, there was also continuing evidence of spending on other collectibles and luxury goods in 2024, although at a much lower level than in previous surveys. In this sample, only around 15% of respondents had been active in other collectibles markets from 2022 to 2024, ranging from as low as 2% who had purchased sports assets to 13% for jewelry, gems, and watches (versus around 30% or more across these categories in 2023). While changes in the sample are likely to have been a driver of this drop in participation, collectibles and luxury markets have also seen mixed performance over the last two years, with significant variation by segment. While some reports cited low growth in global luxury sales in 2023, sales became more subdued in 2024, with declines in certain regions and segments. The most buoyant forecasts continued to be focused on a range of luxury services and experiences as well as investment-led purchases, while many object-based collectibles were in decline.[24]

Spending on fine art was the highest of all categories, accounting for 50% of total expenditure on art and collectibles in 2024, and 89% when combined with decorative art and antiques

Across all respondents, spending on fine art was the highest of all categories, accounting for 50% of total expenditure on art and collectibles in the first half of 2024, and 89% when combined with decorative art and antiques (with a lower majority of 62% in 2023, down from 92% in 2022). While spending on other collectibles represented a very small share in many regions due to low participation, Italy and Mainland China were notable exceptions, with collectibles accounting for 63% and 40% respectively in the first half of 2024. These two markets also showed the highest spending and participation rates in 2023. In Italy, the main areas of spending on collectibles were jewelry, gems, and watches (23% of total average spending on art and collectibles) and classic cars, boats, and jets (21%), while in Mainland China, these were also among the strongest (10% and 7% respectively), although antiques was the largest segment overall (26%), higher than the average share of spending on fine art (22%).

24 Altagamma-Bain (2024) cited growth of 4% in global personal luxury markets in 2023, however, these include some segments such as travel, dining, and a range of services not relevant to collectibles markets measured here. In the first half of 2024, they also noted that while their segments such as cruises, gourmet food and dining, and hospitality were all stable or growing, others such as luxury cars, wines and spirits, and furniture were in decline. See Altagamma-Bain (2024) *Long Live Luxury (?) Adjusting Buoyancy in Troubled Waters.* June 2024, available at altagamma.it.

Figure 3.6 Share of Spending by Value on Fine Art, Decorative Art and Antiques, and Other Collectibles H1 2024



	All HNWIs	Brazil	Switzerland	France	Germany	Singapore	Indonesia	Hong Kong	Japan	US	UK	Mexico	Taiwan	Mainland China	Italy
Other collectibles	11%	2%	1%	1%	3%	1%	16%	4%	0%	3%	1%	14%	8%	40%	63%
Antiques and decorative art	39%	10%	18%	43%	47%	49%	35%	48%	52%	49%	52%	45%	50%	38%	20%
Fine art	50%	88%	81%	56%	51%	50%	49%	49%	48%	47%	47%	42%	42%	22%	17%

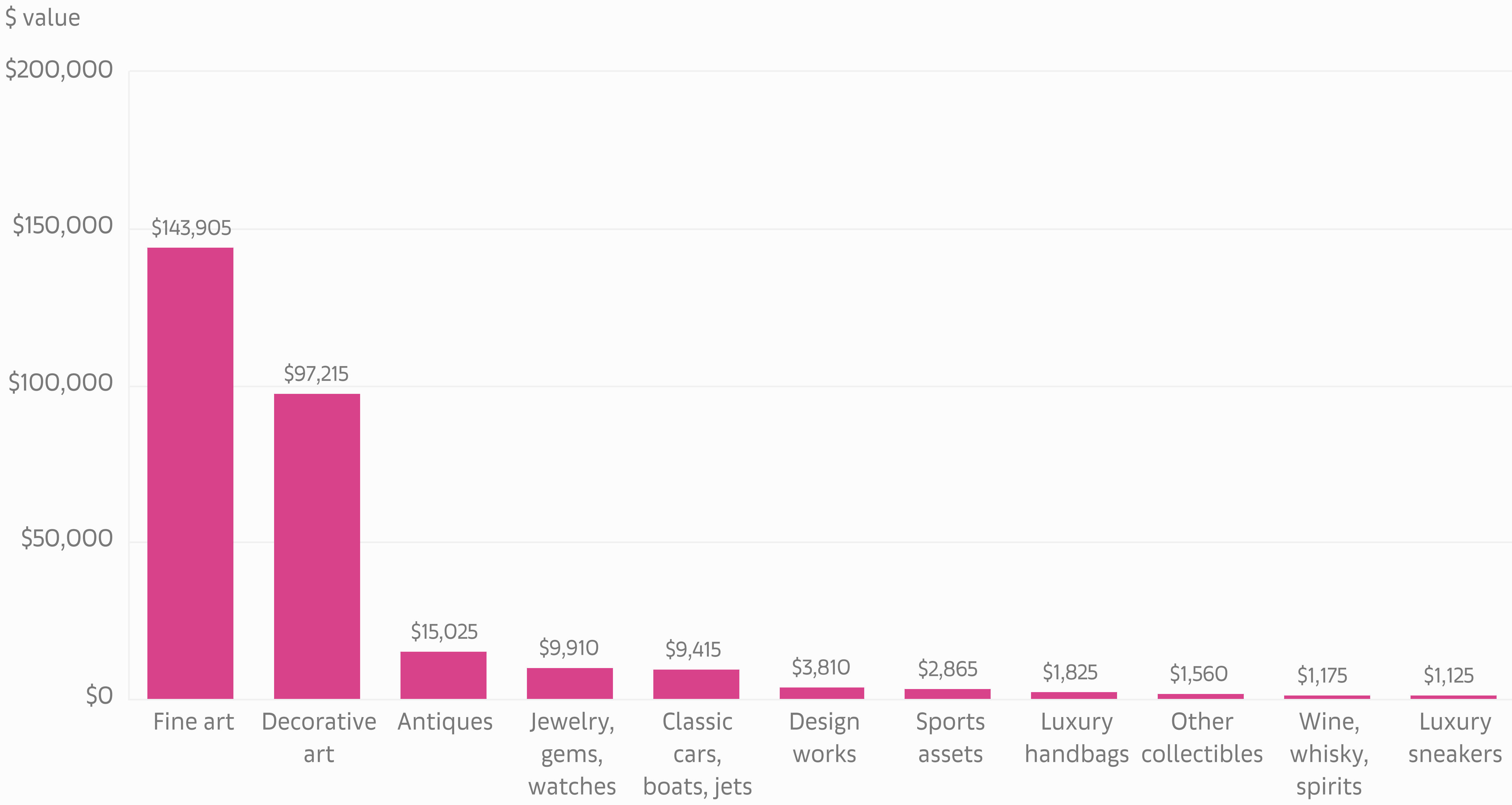
As noted above, Gen X respondents had the highest average spending on fine art, decorative art, and antiques (including individually in each segment), however, they were surpassed by millennials when it came to jewelry, gems, and watches; design works; and classic cars, boats, and jets. Boomers led in terms of average spending on some collectibles, including luxury handbags and sneakers as well as wine, whisky, and spirits.[25] Italian HNWIs had the highest average spending in several sectors including design works; classic cars, boats, and jets; and jewelry, gems, and watches, while those from Mainland China were highest in luxury collectibles.

While it is clear in Figure 3.7a that over all HNWIs in this sample (which was screened based on a minimum expenditure level for art and antiques), spending on fine art was by far the largest, the averages in other segments include many non-participating buyers with no spending. Figure 3.7b sets out only those that had been active in the different segments so far in 2024, showing that the average spending by participating buyers was significantly larger, with spending on classic cars, jets, and boats the highest by a considerable margin at just over $442,000. There was also strong spending on a range of collectibles, with averages in excess of $50,000 on luxury handbags and sneakers.

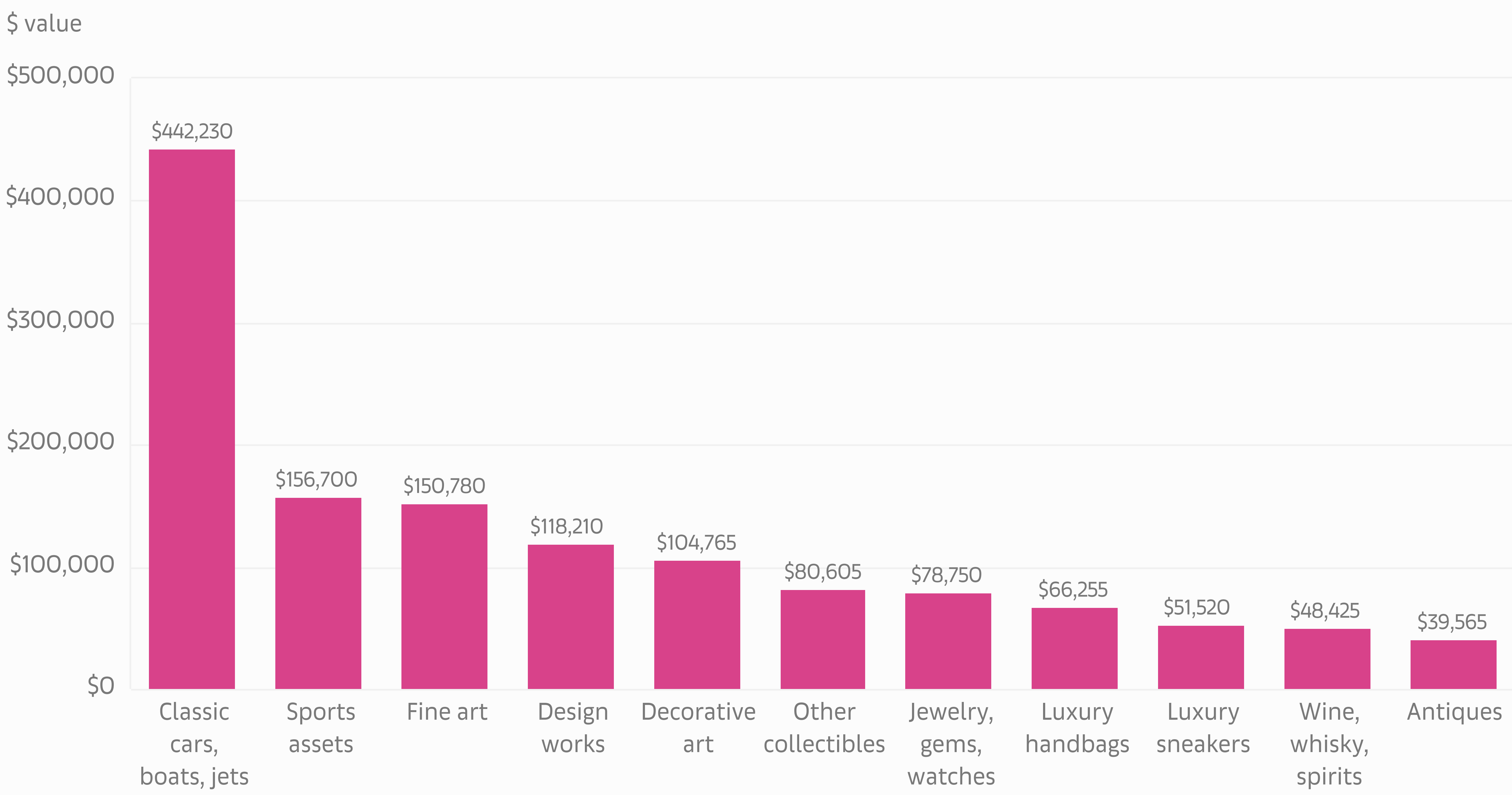
25 Collectible luxury handbags and sneakers included only those items purchased for a minimum of $1,000 each.

Figure 3.7 HNWI Average Spending in Art and Collectibles Segments H1 2024

a) All Buyers



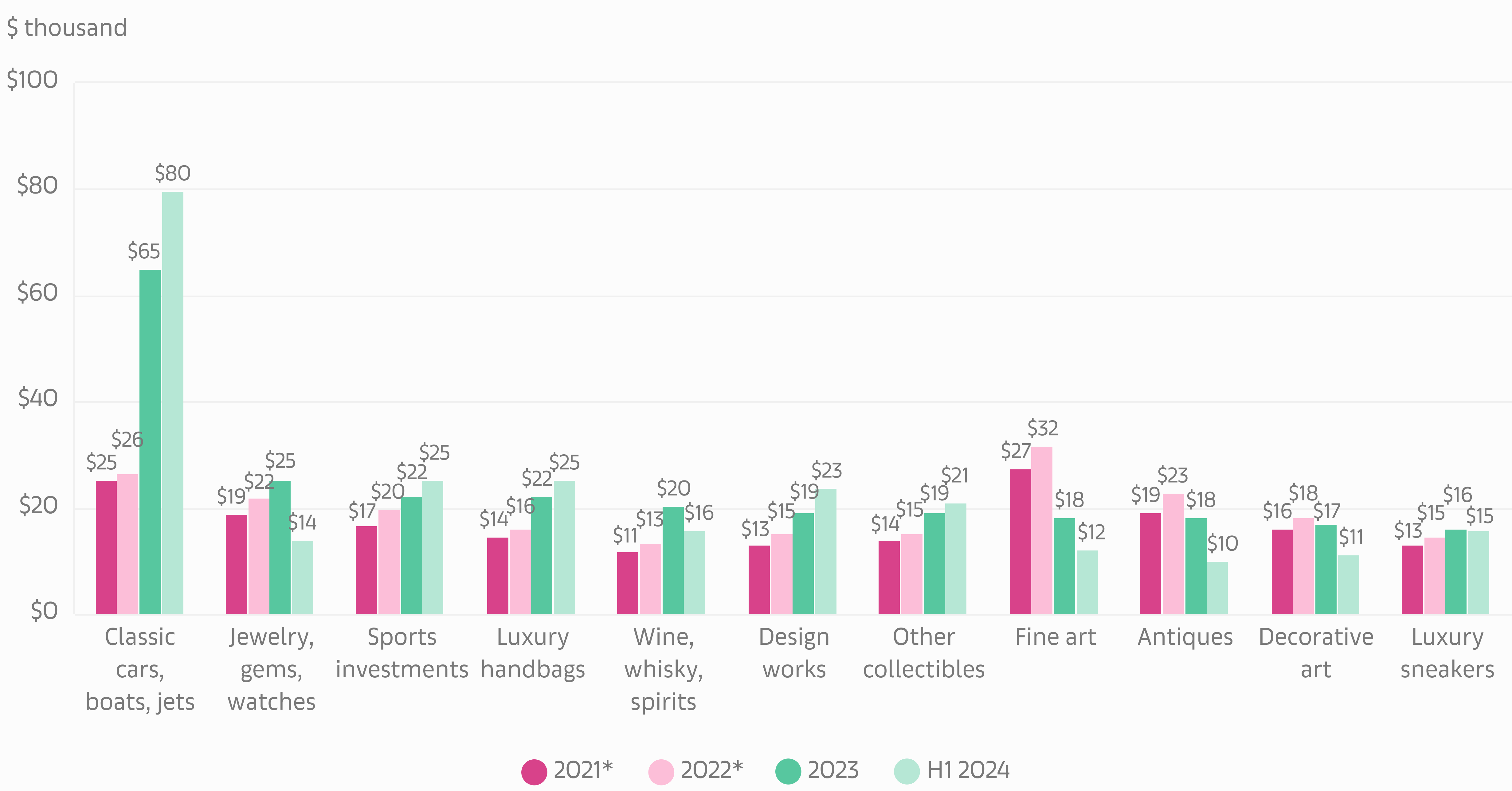
b) Only Active Buyers



As in previous surveys, due to varying participation levels by respondents, the median expenditure in many collectibles segments was nil. To compare annual median spending over time for those that were active in each segment, Figure 3.8 sets out the median values for participating HNWIs in 2023 from the current survey versus values for 2021 and 2022 from the surveys in 2023. This shows that median spending in all categories rose in 2022 and, to the extent that the surveys are comparable, continued to advance in the collectibles segments in 2023, with the strongest uplift in cars, boats, and jets and wine, whisky and spirits. In 2023, the only sectors to decline were fine art, decorative art, and antiques, with fine art seeing the largest fall of just over 40%.

Overall, the results of the current survey indicate that while participation in some collectibles segments was down significantly on previous research in many markets, for those that were actively continuing to buy in these segments, the value of their spending was stronger in 2023 and 2024.

Figure 3.8 Median Spending by Participating Buyers in Art and Collectibles Segments 2021–H1 2024

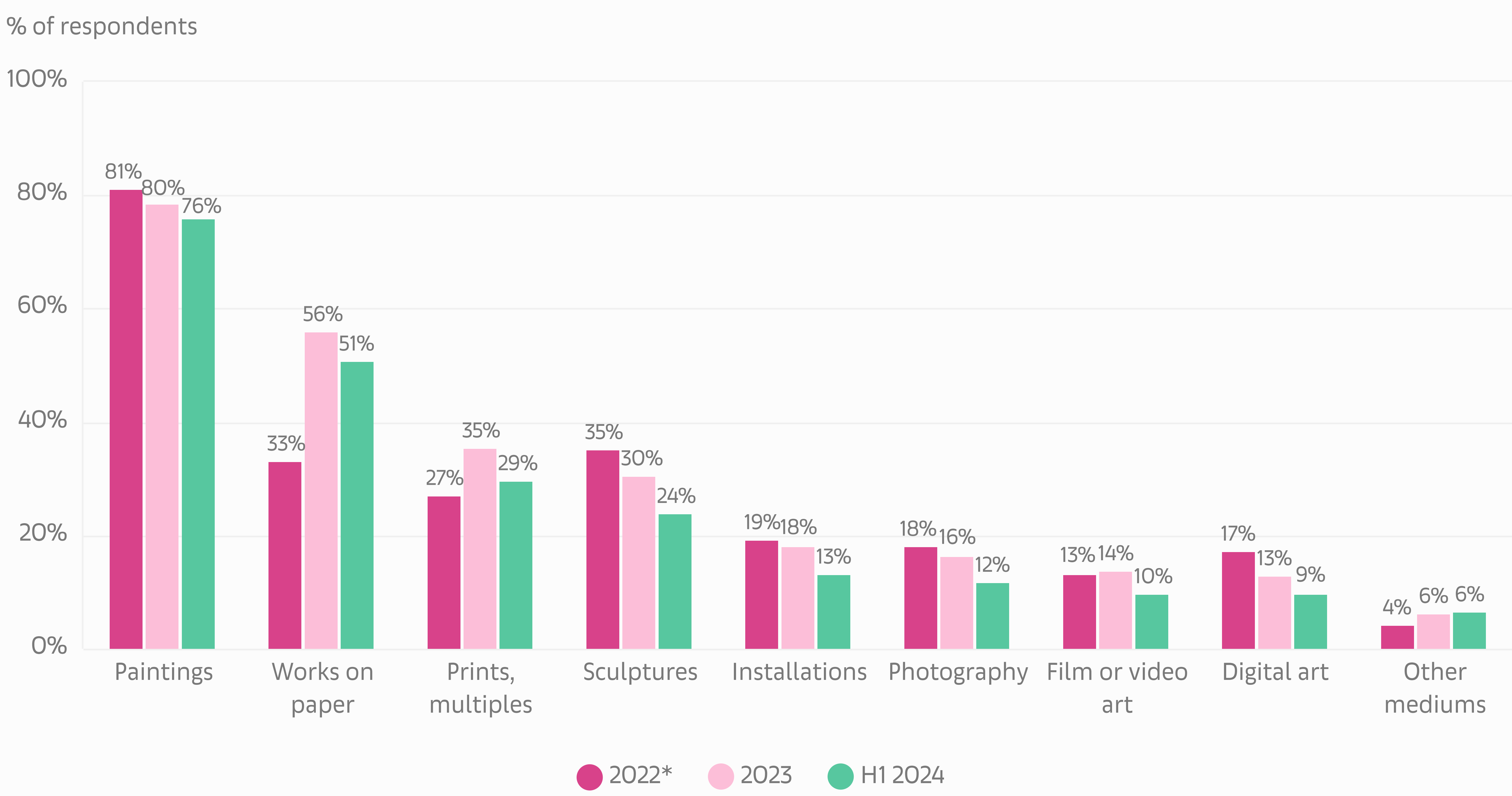


 *Results from surveys in 2023

3.2 Expenditure by Medium

Looking in more detail at the types of fine art that collectors purchased in 2023 and 2024, the survey revealed that paintings remained the most purchased medium and the one which HNWIs had spent the most on. Over three-quarters of respondents had bought a painting both in 2023 and in the first half of 2024. Works on paper were also popular purchases, with over half the sample active in this medium in 2023, up from 33% in 2022, and prints and multiples showed an uplift to 35%. The increasing participation in these mediums, while paintings and sculptures fell slightly, could be indicative of 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. Other mediums had much lower participation rates, with a continuing decline in those buying digital art from 17% in 2022 to 9% in the first half of 2024.

Figure 3.9 Share of HNWIs Having Purchased Art by Medium 2022, 2023, and H1 2024



©Arts Economics (2024) *Results from surveys in 2023

Paintings were 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% the previous year. The highest average spending by region was in France and Switzerland, both over $300,000, but driven by a small number of very high spenders, while the largest median (which is more representative of the level of the market) was in Mainland China. It was also notable that although it was hoped some mediums such as digital art were key to introducing new buyers to the art market, paintings were still the most important segment for these less experienced respondents, accounting for a much larger 92% share of the total spending for HNWIs in the market for two years or less, and who virtually avoided all other non-traditional mediums (such as digital, film, or video art). These new buyers had a considerably higher average level of spending on paintings than their more established peers, including over three times the level of those in the market for more than 20 years in the first half of 2024.

Paintings were 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

Prints and multiples were the second-largest element of spending overall (18%), with the highest average in the UK, while works on paper accounted for 15% of total values (and a more sizeable 30% of the number of works purchased), with the UK and Singapore showing the highest levels in the first six months of 2024.

The share of sculptures was relatively stable on previous research at 9%, with pockets of high spending in France in 2024, as well as in Indonesia and Switzerland in 2023. Installations saw a drop in share to 4%, and photography and digital art were roughly on par in terms of value (2% each) and accounted for a combined 4% by volume. HNWIs from Indonesia had by far the highest spending on digital art in both 2023 and the first half of 2024, while those in Italy and Singapore bought the most in terms of the number of digital works.

Figure 3.10 Share of HNWI Total Expenditure on Art by Medium H1 2024

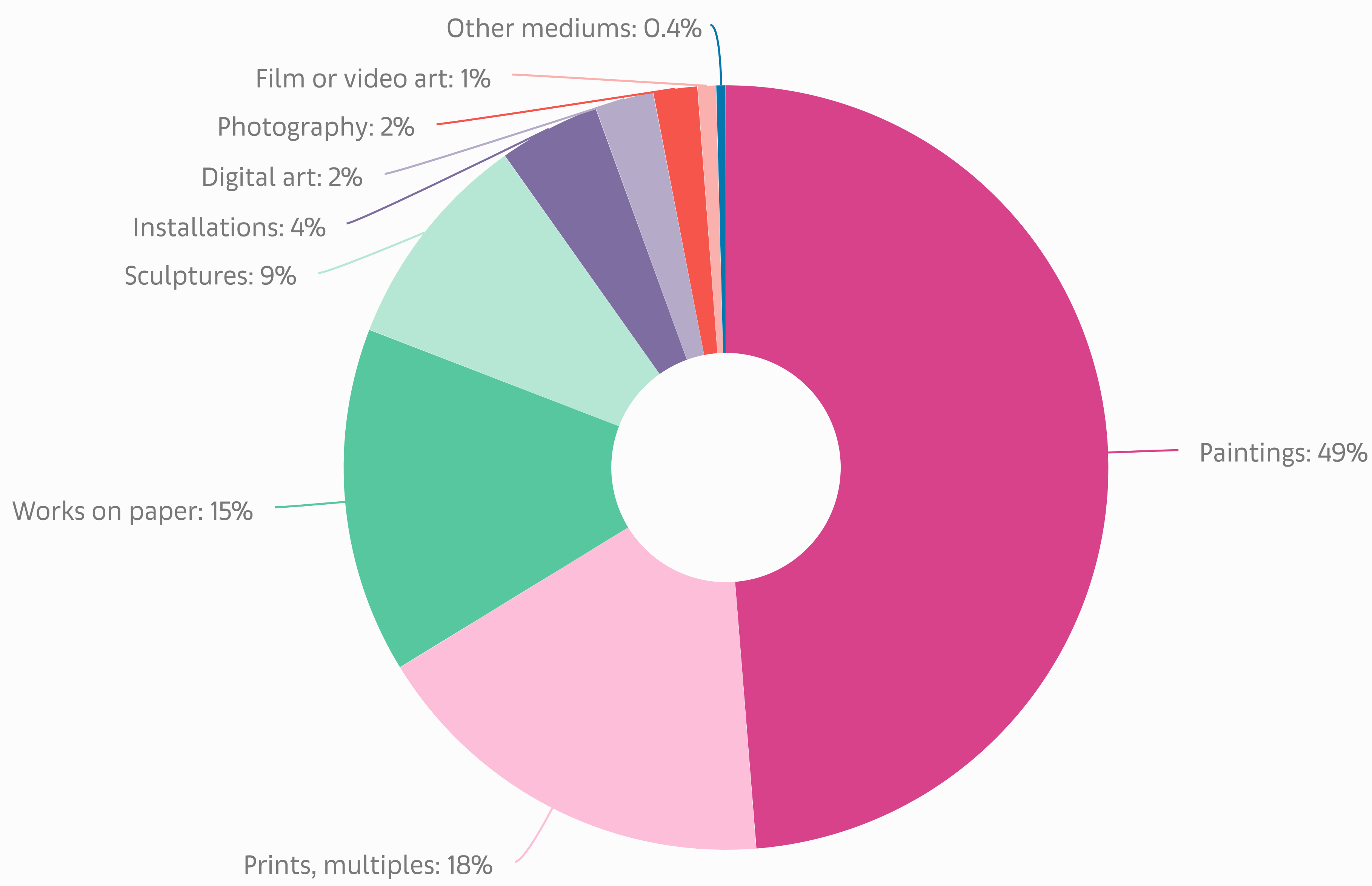
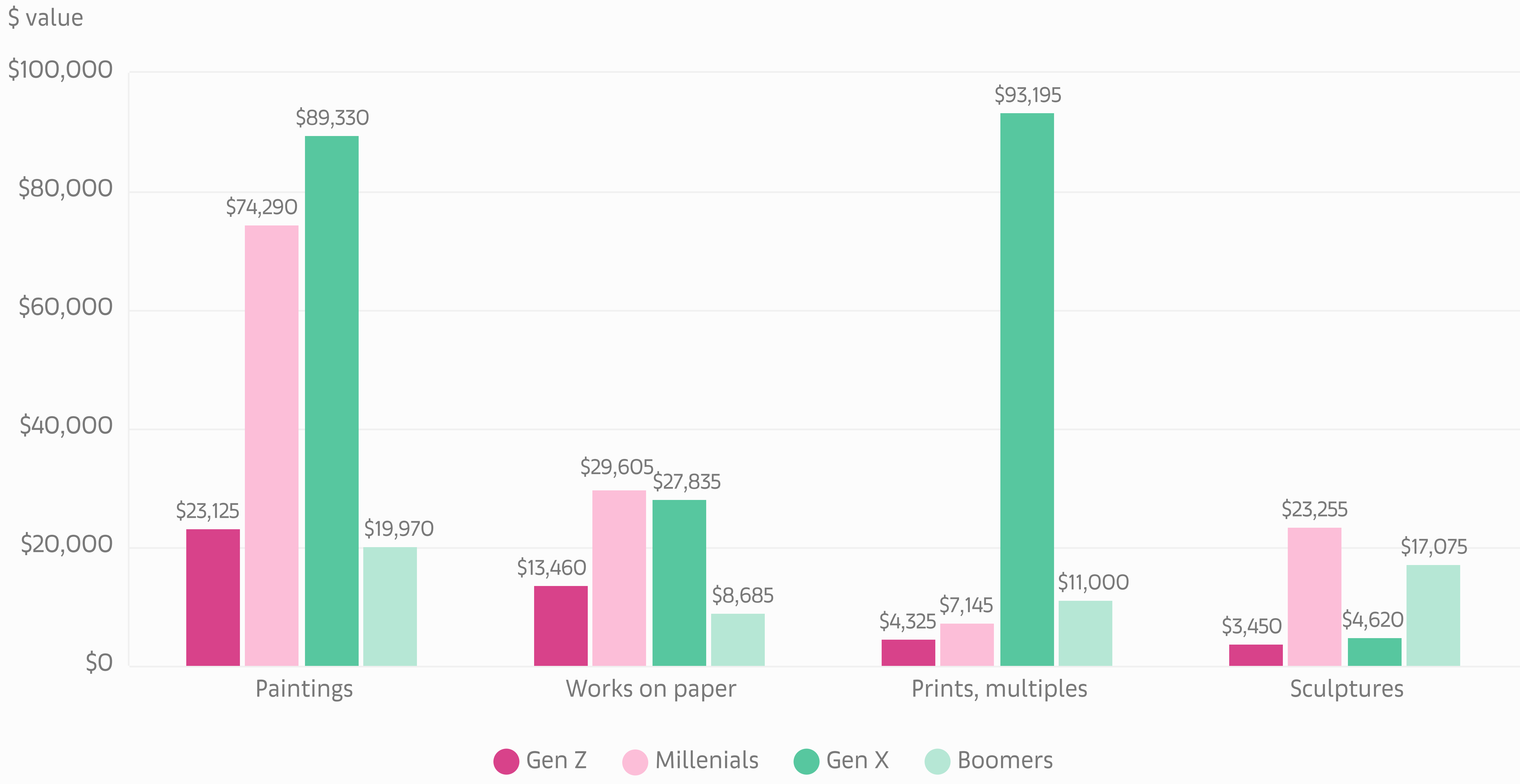


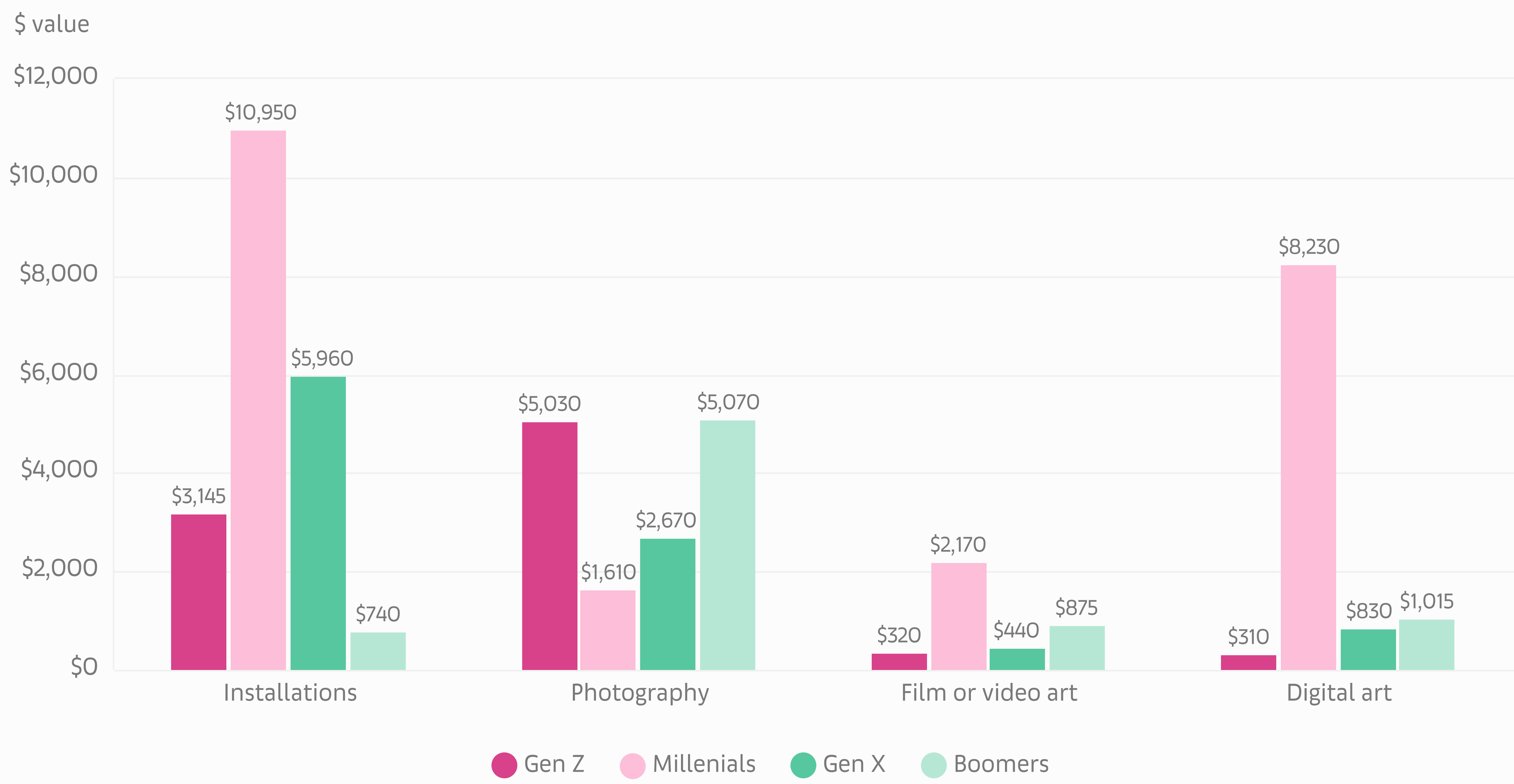
Figure 3.11 sets out the average expenditure in some of the larger segments by the main generational groups, considering only spending in the first half of 2024. While previous surveys showed that millennials were the highest spenders in 2022 in nearly all fine art segments, in both 2023 and H1 2024, Gen X respondents significantly outspent them in some key mediums, including paintings. While millennials had the highest average expenditure on paintings in 2023, Gen X HNWIs led so far in 2024, already averaging $89,330, ahead of millennials ($74,290) and nearly four times the level of Boomer and Gen Z buyers. Gen X respondents also reported the highest spending in prints and multiples, and while they far outpaced their younger peers in 2023 in works on paper, they were just below millennials so far in 2024. Younger buyers had higher spending levels than Gen X respondents in both photography and digital art, with millennials leading the latter, while Gen Z and Boomers were on par as the highest spenders on photographic works.

Figure 3.11 Average HNWI Spending by Medium and Generation H1 2024

a) Paintings, Works on Paper, Prints, Multiples, and Sculptures



b) Installations, Photography, Film or Video Art, and Digital Art



3.3 Expenditure by Artist Characteristics

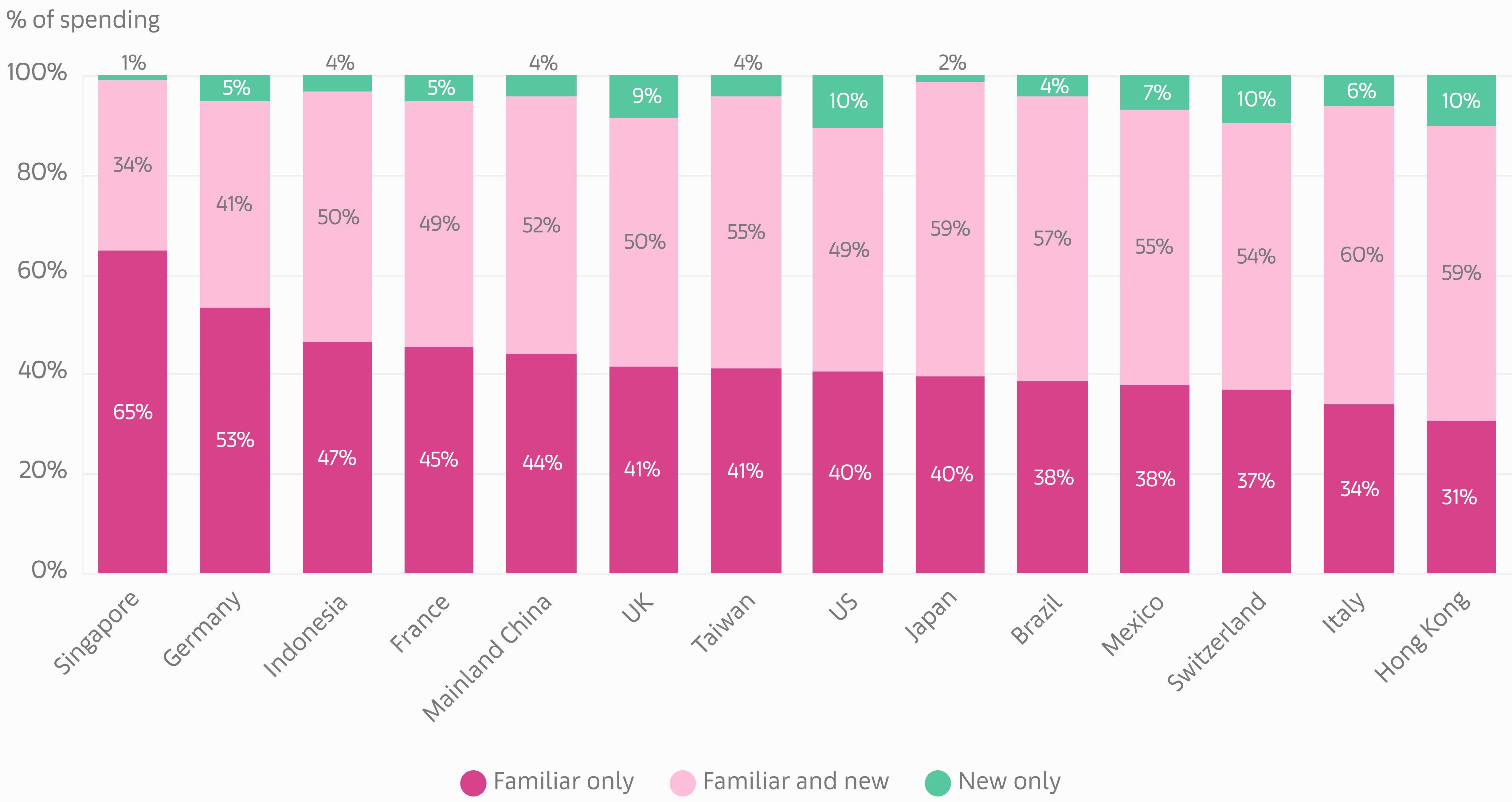
Although the motivations for purchasing works by specific artists vary widely, there has been an observable tendency for collectors towards risk aversion during uncertain times, with many focusing on sectors and particular artists they are familiar with when the overall context is more unpredictable. Immediately following the pandemic, surveys of HNWIs showed that 43% of respondents were only buying artists they knew or were familiar with in 2022, but this dropped to 39% by mid-2023. In the current survey, the willingness to focus primarily on new artists edged backwards again slightly, although many HNWIs had open minds, buying works from both new and familiar artists. Across all markets:

- 42% of HNWIs had only bought works created by artists they were familiar with or had bought before;
- 51% had bought both works created by artists they were familiar with and ones they had discovered for the first time in 2023 or 2024; and
- 7% had only bought works from artists they had discovered for the first time in 2023 or 2024.

While the share of HNWIs only buying new artists' works was a small minority (on par with findings for the last few years), those buying the works of at least some new artists accounted for a majority of 58%. There were some regional differences, with the greatest share of respondents only buying works of familiar artists in Singapore (65%) and Germany (53%), both increasing significantly from 2023 (when they were around 40% each). In all other markets, a majority of HNWIs bought at least some newly discovered artists' works during the year. Respondents in Hong Kong were the most open, with 69% buying some new works, including 10% only buying the works of newly discovered artists. While this was a consistent trend for Hong Kong HNWIs, those in Mainland China were considerably more risk averse year-on-year, with 44% sticking only to familiar works versus 27% in 2023. Italy, Japan, and Brazil, on the other hand, saw a much greater share of HNWIs open to exploring new artists, although mostly in conjunction with purchasing familiar works.

Younger HNWIs had been slightly more open to buying newly discovered artists, but behaviors were relatively similar between generations, and there were few consistent differences across spending or wealth levels in 2024. One factor that did appear to differentiate behavior was their motivation for collecting, with financially motivated HNWIs being much more likely to stick only to familiar artists (66%) versus 35% of those with non-financial motivations.

Figure 3.12 Spending on Familiar versus Newly Discovered Artists by Region 2023 and H1 2024



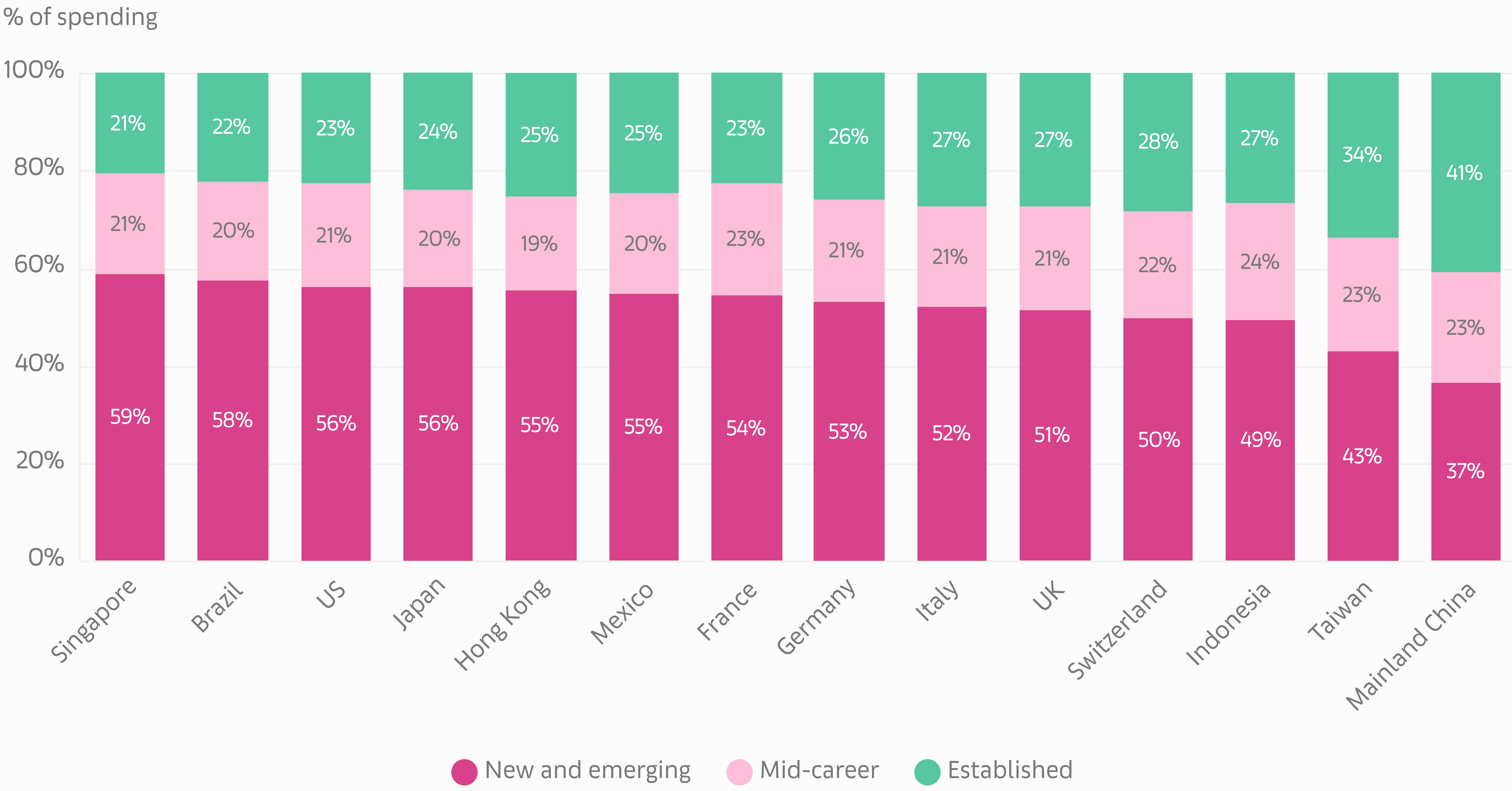
Artists that are 'newly discovered' are not necessarily all new or emerging artists, however, the willingness of a majority of HNWIs to explore new artists suggests that they are critical in supporting the careers of some artists at early stages. Looking in further detail at the artworks they had purchased in 2023 and 2024 to date, HNWIs reported that they had focused on artists from a range of different career stages. Using the previously defined segments of artists from Chapter 2, of the spending by HNWIs:

- 52% was on works by new (27%) and emerging (26%) artists (up from 44% in the previous survey);
- 21% was on mid-career artists' works (down by 6%); and
- 26% was on those by established top-tier artists (down by 2% on 2023 and 5% on 2022).

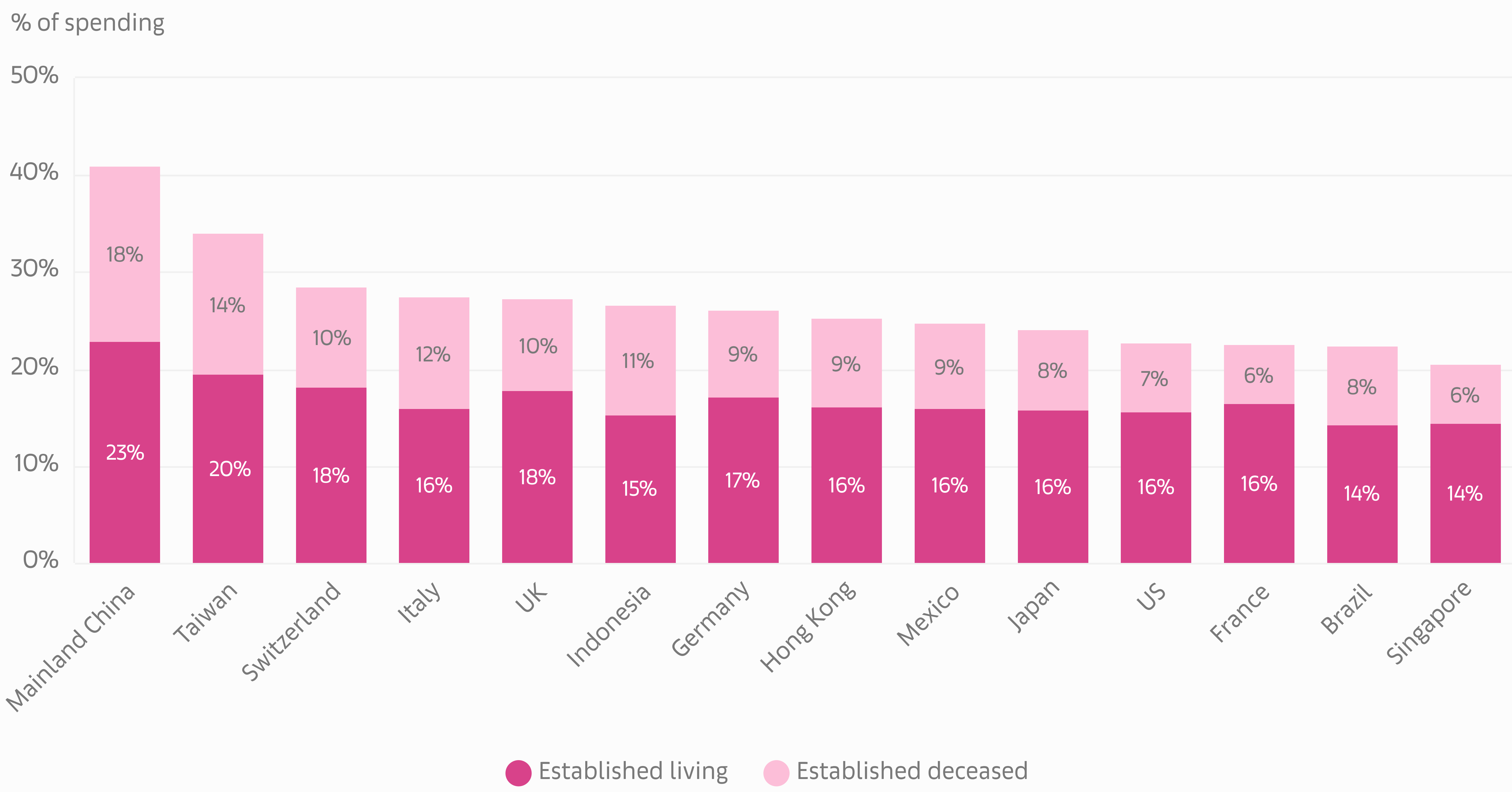
These figures were relatively stable across generations, with younger HNWIs reporting a slightly higher share of spending on new and emerging artists, ranging from 55% for Gen Z respondents to a low of 50% for Boomers. There were some variations between regions, and HNWIs from Mainland China had the highest share of spending on established artists (41%, also the largest in 2023) along with those from Taiwan (34%). The highest share of spending on new and emerging artists' works was by HNWIs in Singapore and Brazil. Spending on top-tier artists was divided between established living artists, accounting for 17% of the total (or 64% of top-tier spending), while deceased artists' works accounted for 9% (36% of the total for top-tier). However, respondents in Mainland China and Taiwan, who focused most on these sectors, also had the largest share of deceased artists in their top-tier spending (44% and 42% respectively).

Figure 3.13 Expenditure on Artworks by Artist Career Stage 2023 and H1 2024

a) By Region



b) By Living versus Deceased Top-Tier Artists



3.4 Buying Channels

Aside from the changing levels and content of spending, how HNWIs access sales and conduct transactions has continued to develop in 2023 and 2024. After a dramatic increase in e-commerce during the pandemic, the art market settled into a mode of dual operations, with online sales maintaining a relatively high share even as live auctions, exhibitions, and art fairs returned to a regular schedule. An increasing volume of transactions has also been taking place outside the traditional art trade, both offline and through online platforms, supporting direct sales from artists, creators, and resellers.

The pandemic was pivotal in the growth of e-commerce, with the value of online sales doubling in value in 2020 to account for 25% of total art market sales. As the market returned to a more regular pattern of events, the share of e-commerce fell back to 18% by 2023, which, although less than the peak, was still more than double the level in 2019 or any year before. Spurred on in part by the substantial improvement in digital sales platforms, collectors have become more engaged with online channels and more comfortable with purchasing sight unseen even if it is not always the preferred way to buy art.

To assess these preferences and how sales were being accessed, HNWIs were asked about their spending through different channels in 2023 and 2024. 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. Excluding art fairs, 91% had purchased from a dealer or gallery in 2023 and 88% had done so already in the first half of 2024 (or 95% if art fairs are included). This share was up from 86% of HNWIs making a purchase from a dealer in the surveys of 2023.[26]

Dealers were the most used channel for purchasing art in 2023 and 2024, with 95% of respondents buying either at a gallery, online, through social media, or at an art fair

26 As noted already, the sample changed considerably year-on-year and the questions have also changed slightly in format, meaning that statistics from previous surveys are meant to be for broad reference only. See Arts Economics (2023) *A Survey of Global Collecting, An Art Basel and UBS Report*, available at theartmarket.artbasel.com.

Buying in person from a dealer's premises or gallery remained the most common way for HNWIs to access dealer sales as it was in most previous surveys, with the exception of 2021, when gallery websites and online viewing rooms (OVRs) led as collectors were more comfortable buying online in the immediate aftermath of the pandemic. In the first half of 2024, of those respondents that had purchased from a dealer:

- 74% had purchased at their gallery or premises (slightly less than 2023 at 77% although up from 73% on 2022);
- 72% had purchased directly through their website or OVR without viewing the work in person first (from 74% in 2023 and 69% in 2022);
- 61% had made a purchase using either an email or phone call to the dealer without a viewing (roughly on par with both 2022 and 2023); and
- 43% bought on Instagram without viewing the work in person, from 41% in 2023.

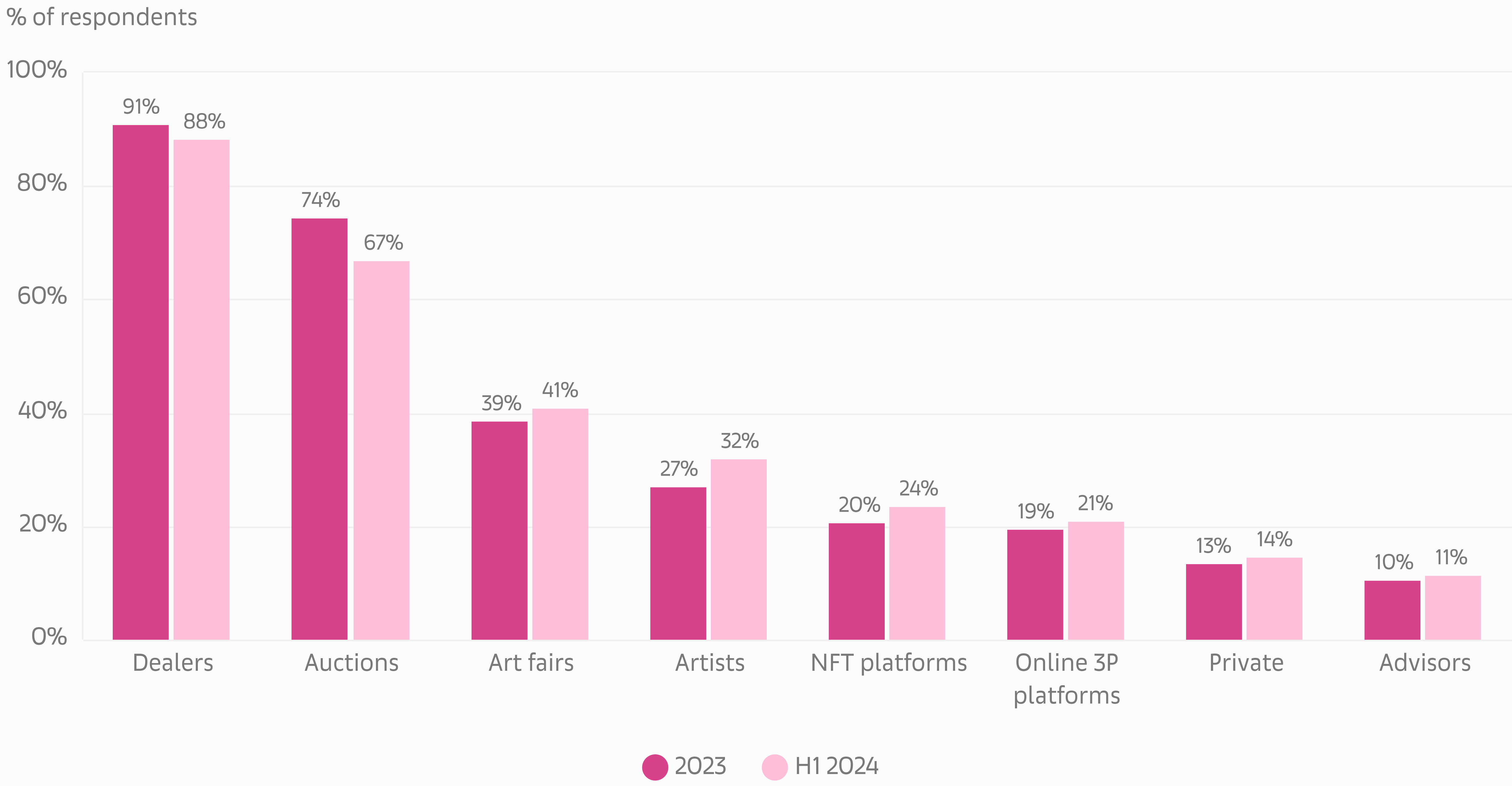
Many HNWIs transacted with dealers in multiple ways, with around 30% of those buying from a dealer in 2023 and a similar 28% in the first half of 2024 having used all four sales channels. Only 11% bought exclusively from dealers through their gallery premises in either period, down from 25% in 2022, showing the importance of the new multichannel approach many dealers have taken in making sales.

Apart from purchasing directly from dealers, HNWIs also accessed sales through art fairs, with 39% having made a purchase at a fair in the full year of 2023 and a slightly higher 41% already in H1 2024. These shares were down on previous surveys, including a reported 74% in 2022 and 54% in 2021. Of those buying at art fairs, 77% had made a purchase at a live event in 2023 (and 80% in the first half of 2024), while 42% had bought both at a live event and an art fair OVR (44% so far in 2024). There was a relatively high 18% that only purchased at art fair OVRs during 2023, with a similar 20% in the first half of 2024.

Auctions were the second most widely used sales channel, with 74% of respondents having bought at auction in 2023, and 67% so far in 2024, both down slightly on previous surveys (77% in 2022). Almost one-third of respondents had made a purchase directly from an artist already this year and 27% did so in 2023, down from 43% in 2022. The most popular way for accessing artist-direct sales was through Instagram, with 60% of those having purchased directly from an artist doing so through this platform in 2024 (that is, having found an artwork on Instagram and purchased it directly from or through a link to an artist). 57% had purchased from artists' studios and 39% had commissioned work (representing 15% of the entire sample).

A minority of HNWIs had used external online platforms to buy art in 2023 and 2024, with NFT platforms showing a significant decline in use from 59% of respondents in the 2022 surveys to less than one-quarter in this sample. The use of other online third-party platforms was also less than half the level of 2022, with 21% using them to buy art so far in 2024.

Figure 3.14 **Share of HNWIs Using Sales Channels for Purchasing 2023 and H1 2024**



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Apart from being the most widely used sales channel, HNWIs also spent the most through dealers in 2023 and 2024. In the first half of 2024, almost half (49%) of their total expenditure on art and antiques was through a dealer, with a further 11% through art fairs, implying 60% of the value of transactions made by HNWIs was through dealers either directly or indirectly, up from 46% in 2022. Breaking down the 60% of spending through dealers in 2024:

- 28% was associated with a visit to their gallery or premises;
- 25% was through their website or OVR, but without viewing the work in person;
- 18% was at art fairs (including 11% at live events and 7% at OVRs);
- 18% was by email or phone without viewing the work in person; and
- 11% was via Instagram without viewing the work in person.

In other words, of the spending through dealers, only 39% of the transactions by value were concluded at an in-person gallery or art fair visit, while 43% was from online sources (their website or social media), with the remainder through personal contact by phone or email.

Spending through dealers was consistently the highest across all regions, although with some variation, from a low of 39% in Mainland China (where auctions were also an important channel at 27%) to a high of 55% in the US. The share of art fair spending ranged from 8% in the US and Mexico to 16% in the UK, and rose with the age of the respondent (from 9% for the youngest Gen Z buyers to 15% for Boomers).

The second-largest channel for spending overall was auctions at 20%, down by 3% year-on-year and by 6% from 2022. The biggest share of auction-based spending was by HNWIs from Mainland China (27%), with an above-average share in the US (25%) and Singapore (23%). Gen Z respondents also had a higher-than-average share (23%), suggesting this could be an important entry point to buying.

HNWIs were also actively buying outside of galleries, auctions, and fairs, with 7% of their total spending through external online platforms, including 4% through NFT platforms. Although included in artist and dealer spending shares, there was a further 10% purchasing through Instagram, giving a total of 17% using online and social media platforms, down from 20% in 2022. The shifting definitions in these segments highlights the increasing challenge when trying to distinctly measure sales via various channels. It is often the case that an online platform or art fair could be used as the initial platform for discovering and sourcing new works and artists, with the actual sale itself made through a gallery, at auction, or directly with the artist.

This also factors into the consistently low share of spending allocated to art advisors at just 2% in the first half of 2024 (versus 4% in 2022). Collectors frequently work with advisors to gather information and options regarding artists and their works, alongside getting advice on a range of other issues related to transacting, but still make the actual purchase through a dealer or auction house. It is notable that although higher-spending HNWIs tended to make a larger share of sales through advisors, those with non-financial motives for collecting made twice the share of sales through advisors compared to those with financial motives. The role of art advisors and the value of transactions they work on with collectors is discussed in more detail in Exhibit 2.

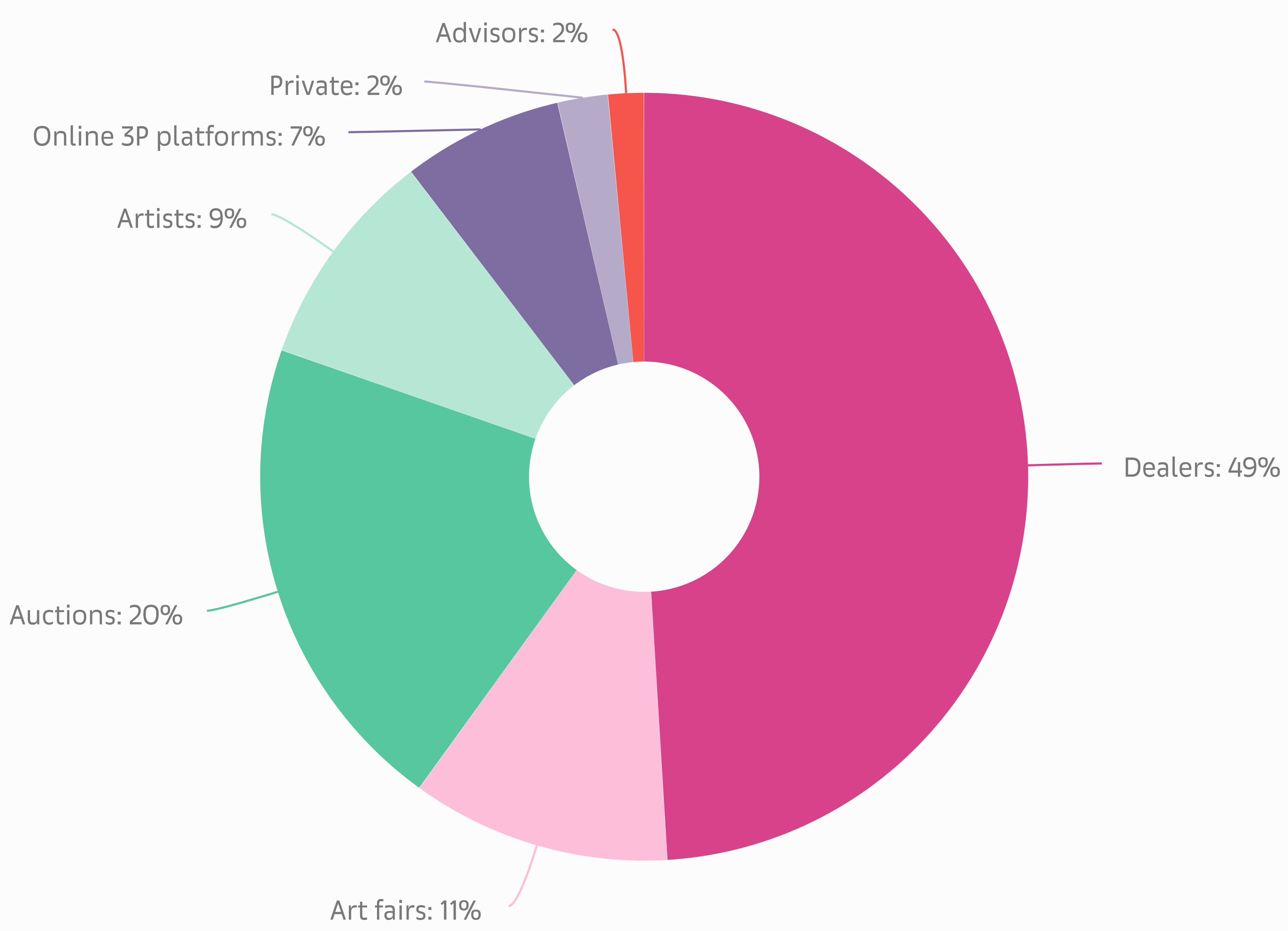
HNWIs made a relatively stable share of 9% of their purchases by value directly from artists. This included buying through artists' studios (4%), via Instagram (3%), and direct commissions (2%). These shares were relatively stable across regions and generations, with Gen Z respondents reporting a slightly higher-than-average share (12%). The largest share by a significant margin was in Taiwan (18%, evenly dispersed between these three access points), with higher-than-average shares also in Mexico, Brazil, Hong Kong, and the UK (all 11%).

Purchasing directly from HNWIs or other private parties accounted for a small share of spending (2%), half the share reported in the last few years, and as noted above, only 14% of respondents had used this channel at all.

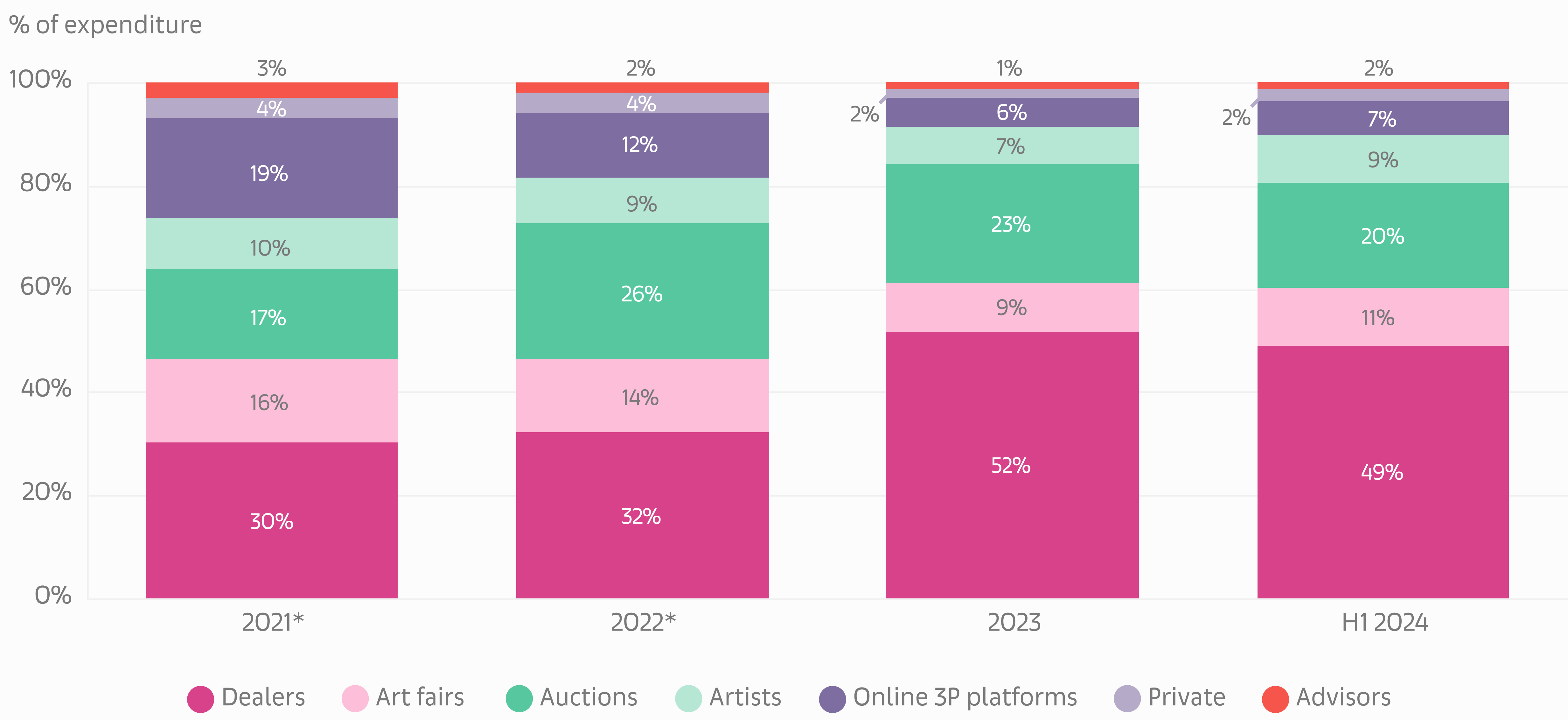
IMAGE Thomas Houseago, presented at Art Basel by Xavier Hufkens

Figure 3.15 Share of HNWI Expenditure by Sales Channel

a) H1 2024



b) 2021–H1 2024



 *Results from previous surveys by Arts Economics/UBS

As well as being the most widely used channel and accounting for the largest share of spending, dealers were the most preferred way to purchase art, as in most previous years. Just under half (47%) of the sample said they would prefer to buy from a dealer (up from 36% in 2022) and a further 19% preferred buying from them at art fairs (up by 3% year-on-year). Dealers had the highest share of preferences in all regions, but this ranged from a low of 37% in Mainland China and 38% in Singapore, where auctions were also popular, up to 60% in Italy.

Although HNWIs in Singapore had a lower-than-average share of first preferences for dealers, they had the highest share favoring art fairs (25%), with higher-than-average shares also in Brazil (24%) and a number of the Asian markets (including Hong Kong, Japan, Indonesia, and Taiwan, all with a share of 21%). While dealers were the most popular choice by a significant margin across all generations, art fairs were slightly more popular with Boomers (23%) than Gen Z respondents (17%) and for wealthier and higher-spending HNWIs.

Auctions were the third most popular channel overall, with 18% of respondents selecting them as their first preference, just below art fairs, and considerably lower than in 2023, when they were chosen by almost one-third of the sample. Auctions were most favored in Mainland China (28%) and Singapore (27%) as noted above, with higher shares also in Mexico (24%) and the US (24%). They were significantly more popular with financially motivated buyers (35%) than those not motivated by investment concerns (13%), which is likely to relate to their transparent and available price information compared to other channels.

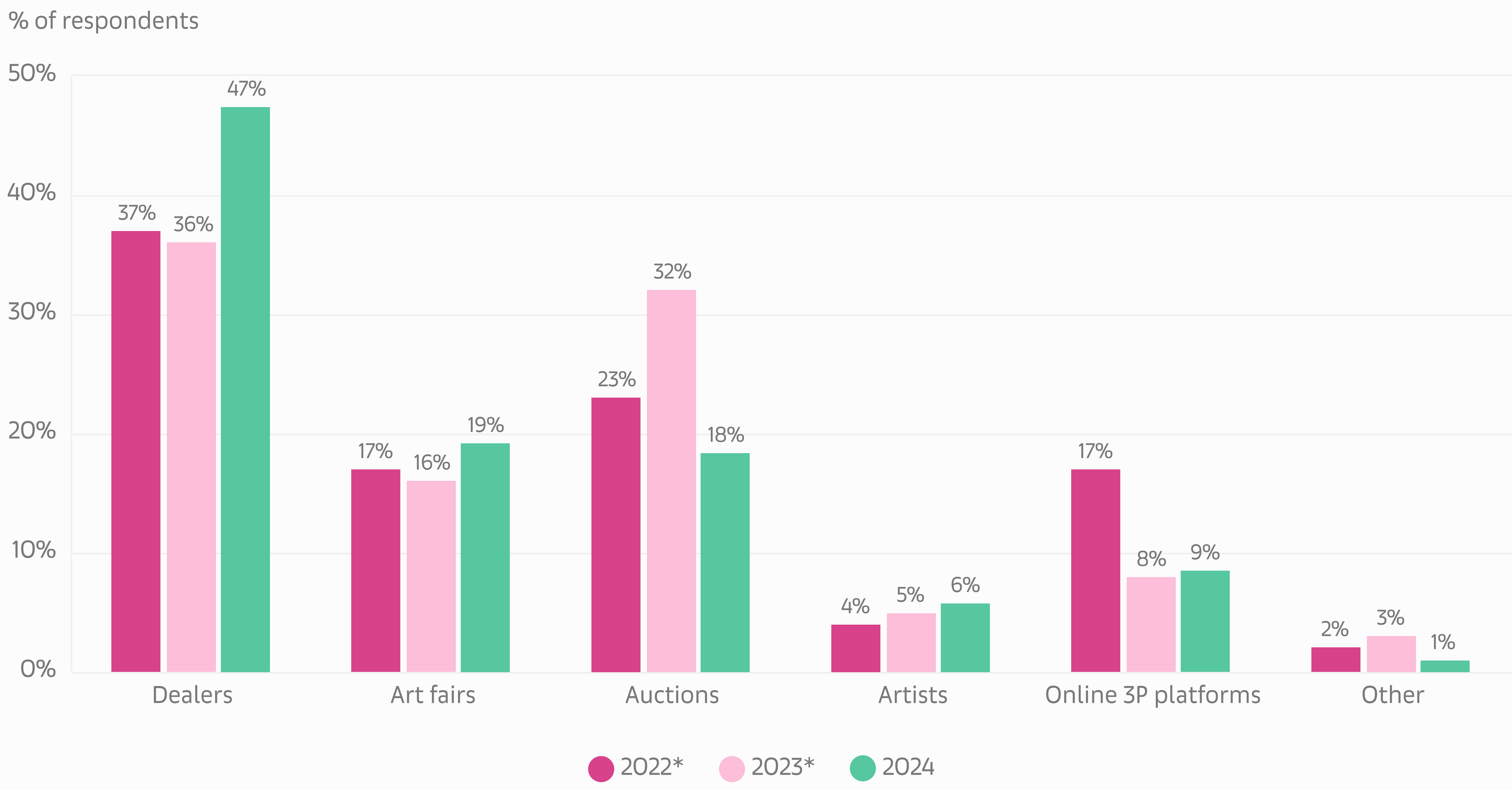
The popularity of external online platforms increased year-on-year to 9% in 2024, including NFT platforms (5%) and other online third-party platforms (4%), but this was still below the level choosing these two categories in 2022, with the biggest fall in the popularity of NFT platforms (from 9%).[27] Online third-party platforms were most popular among HNWIs in Brazil (17%, including 11% favoring NFT platforms) and Switzerland (14%, split evenly between the two channels). These platforms were also slightly less popular with the youngest HNWIs, but the differences between generations were minimal.

Those preferring to buy directly from artists rose marginally to 6%, with 3% opting to buy from an artist's studio, 2% from Instagram, and 1% directly commissioning a work. Buying from artists appeared to be preferable with some level of collecting experience, with only 1% of those in the market for less than two years preferring to do so versus 8% for those collecting for more than 20 years. Newer collectors had much stronger preferences for buying through a dealer instead (60%), underlining the important role dealers play in the early stages of building collections.

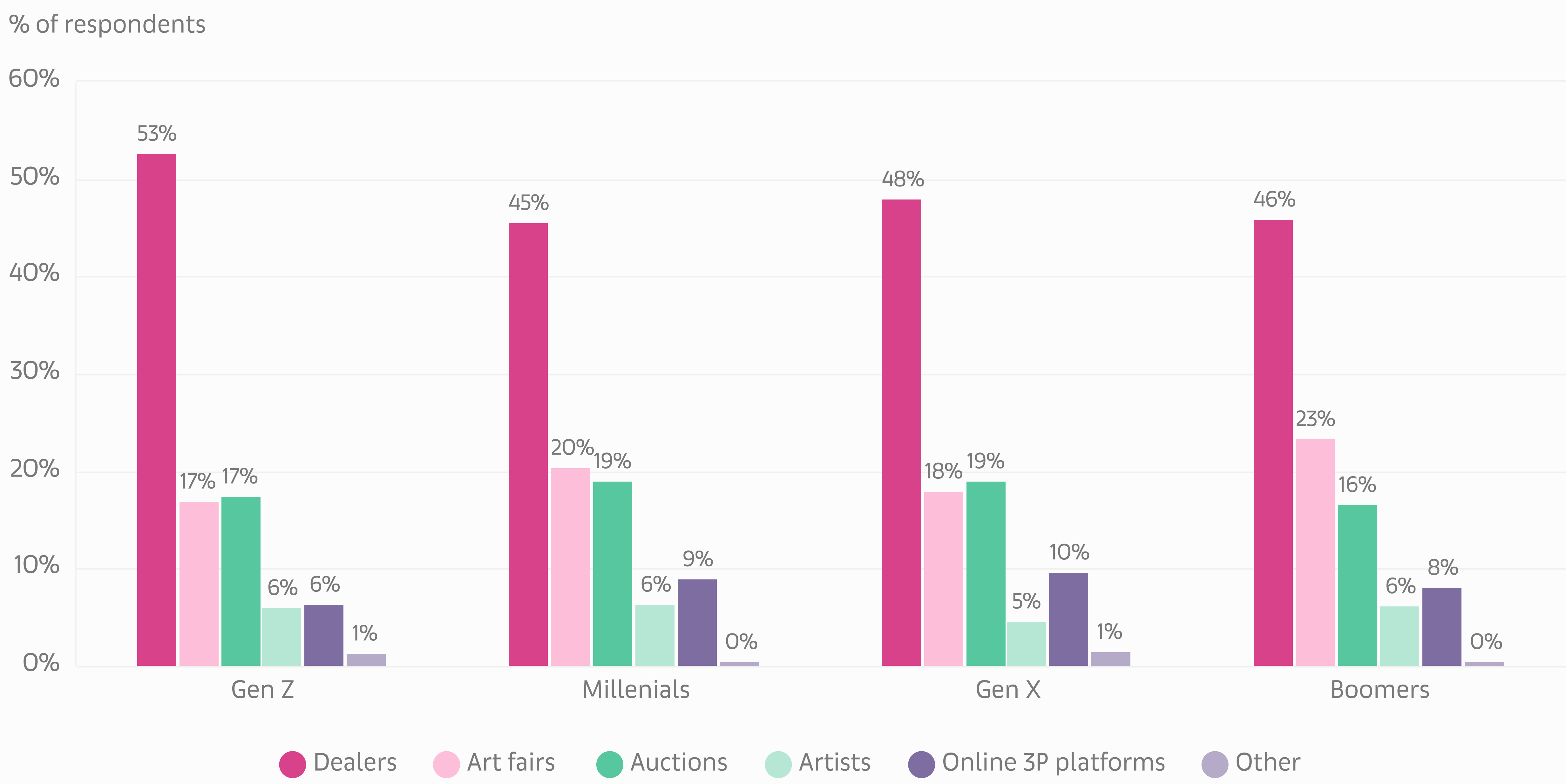
27 In previous research in 2022 and 2023, Instagram was included with online 3P platforms and the total preferences reported as 17% in 2022 and 8% in 2023. Figure 3.16a uses adjusted figures for online 3P platforms in these periods, removing Instagram to ensure better comparability. Instagram was, however, more specifically included in dealer and artist channels, which may account for some of the rise in their popularity. As with all of the longitudinal analysis provided in the report, annual comparability is for general reference and the comparisons of broader trends.

Figure 3.16 HNWI Preferences for Purchasing Art

a) 2022–2024



b) By Generation 2024



 *Results from previous surveys by Arts Economics/UBS

3.5 HNWIs and Dealers

A clear finding from the research in this and previous years has been that, regardless of region, age, or other demography, most HNWIs would prefer to buy from a dealer. However, 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 those respondents who preferred buying from dealers directly, preferences were mixed on how they accessed the sale:

- 20% preferred buying from a visit to their gallery or premises (less than half the share in 2022 or 2023);
- 29% preferred buying via their website or OVRs, but without viewing the work in person;
- 28% preferred buying by email or phone without viewing the work in person; and
- 23% preferred buying through Instagram.

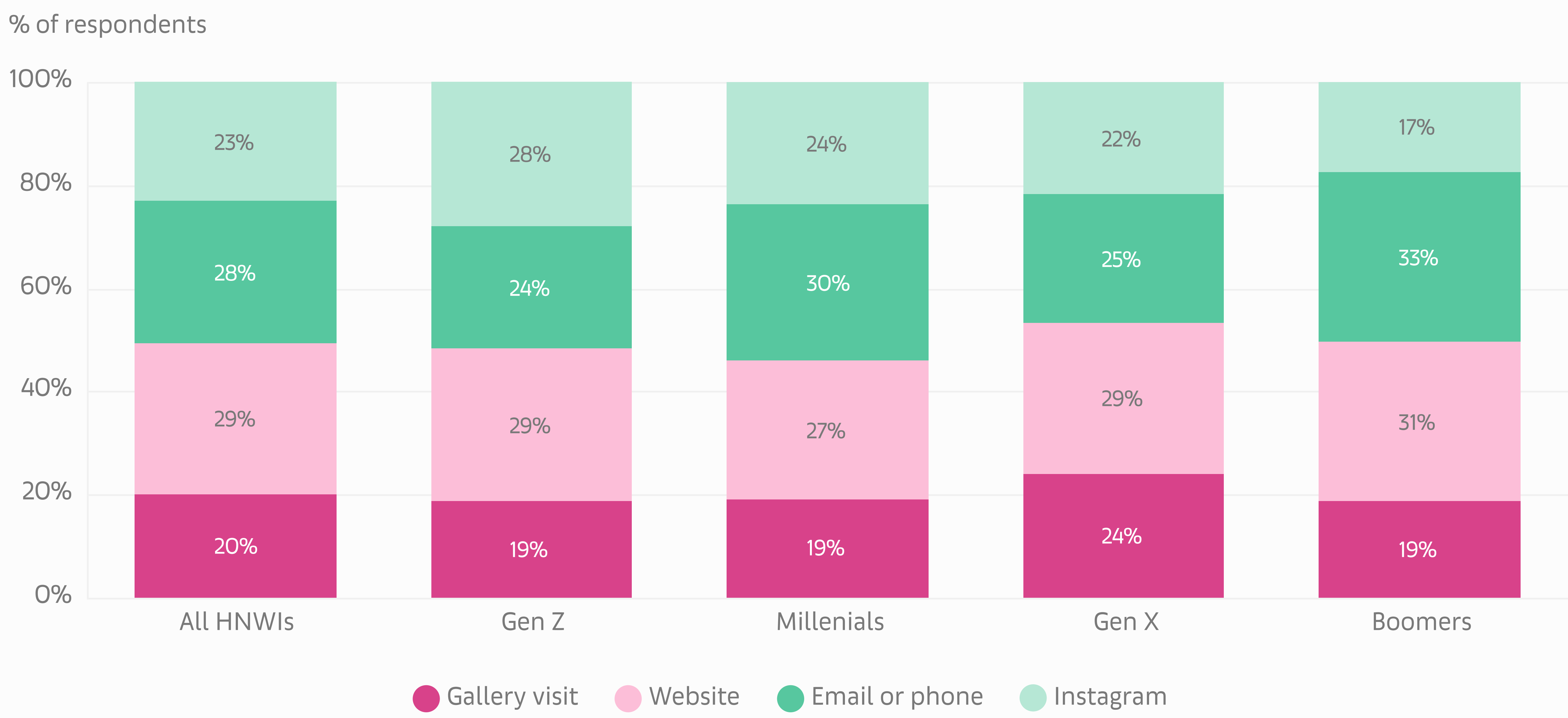
This shows that despite being the most frequent way HNWIs had purchased, and associated with the largest share of spending, buying at a gallery had a lower share of first preferences than other access routes. Buying directly through a dealer's website was the second most commonly used and second-largest route for spending through dealers, but the most preferred by HNWIs in 2024. Although the sample and segments were expanded year-on-year and dealer-specific Instagram more explicitly included, only 30% of HNWIs surveyed in 2023 preferred online sales (and 3% preferred Instagram generally), and this was 37% in 2022 (with an additional 5% preferring Instagram) – both significantly less than the 52% indicated above for websites and social media channels in 2024. As gallery exhibition visits have increased to a higher level than prior to the pandemic (discussed in Chapter 4), these findings indicate that while HNWIs want 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.

Buying directly through a dealer's website was the second most commonly used and second-largest route for spending through dealers, but the most preferred by HNWIs in 2024

There were some regional variations in these preferences, with higher-than-average shares of HNWIs preferring to purchase in person from galleries in Mainland China (at 53% and the most preferred route) as well as France (26%) and the US (25%), although still below buying online in both latter cases. Instagram was most popular in Hong Kong (37%) and Taiwan (33%), and slightly more popular among Gen Z respondents (28%), with Boomers showing a stronger preference for buying by phone or email.

When asked about buying from dealers at art fairs, HNWIs were more heavily skewed to remaining offline, with close to 60% preferring purchasing at live events rather than online viewing rooms (from 71% in 2023).

Figure 3.17 HNWI Preferences for Purchasing from a Dealer in 2024



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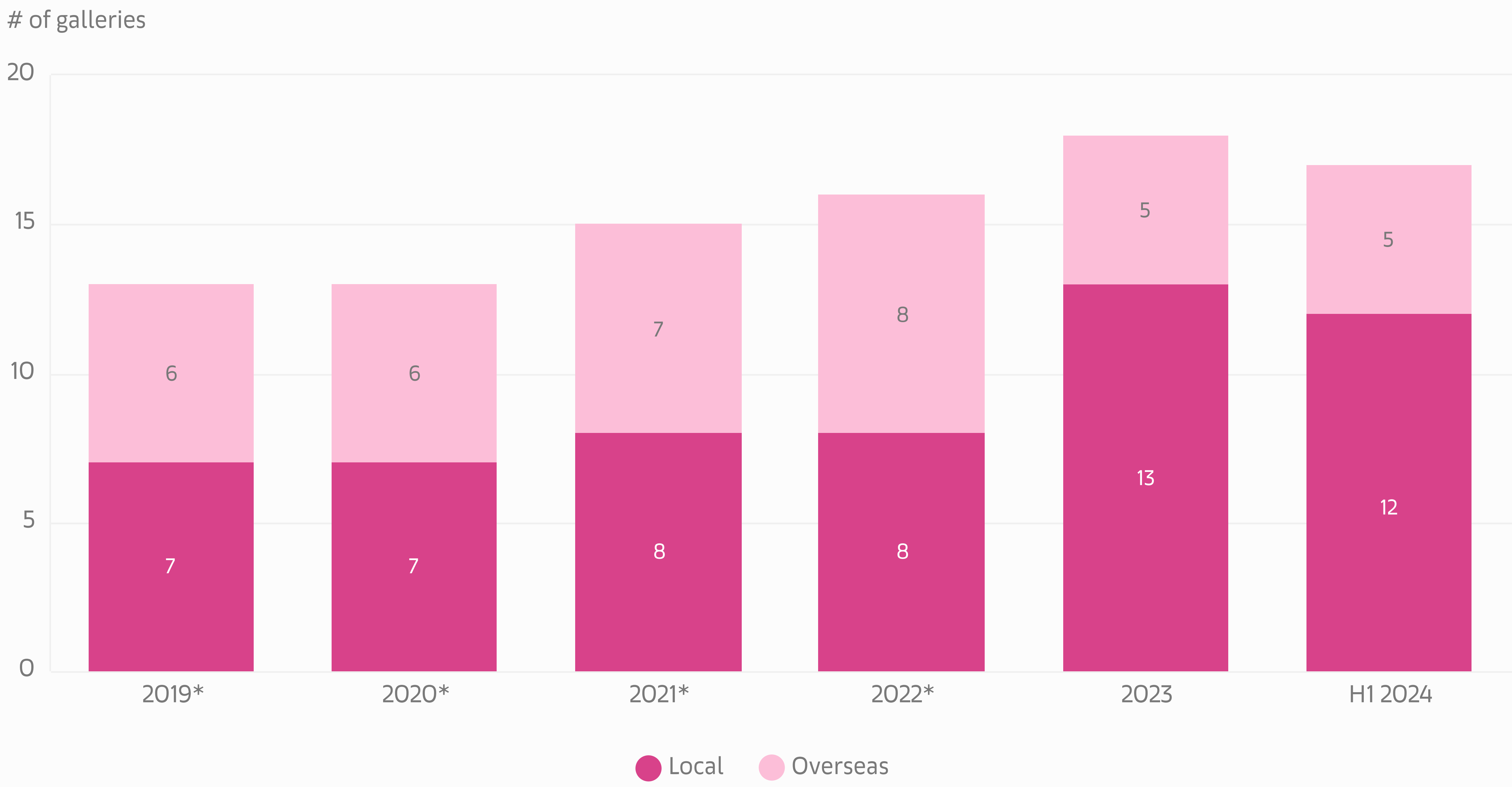
The number of galleries that HNWIs purchased from was higher in this sample than in previous years, with an average of 18 in 2023 and 17 so far in 2024, up from 16 in 2022 and just 13 in 2019.[28] HNWIs also had a significantly larger home bias when it came to the dealers they purchased from, with a majority of 70% local galleries in 2024 and 72% in 2023, versus 50:50 in the surveys of 2022. While the share of local galleries dropped overall year-on-year, nearly all regions that have data going back to 2019 (11 of the 14) showed an increase in local share over five years. Local galleries were a minority in 2019 in markets such as the US (47%) and Germany (46%) and this shifted to a majority share in 2024 (60% and 70% respectively), while other markets have simply shifted their majority share up to a higher level. These figures do not indicate anything regarding the share by value of spending carried out locally versus overseas, but they do imply that HNWIs are doing more business locally than they used to before the pandemic. Chapter 1 highlighted a more stagnant view of cross-border trade in art generally in 2023 and early 2024, and this more local view was also reflected in the relatively narrow regional focus of HNWIs for their future purchases (discussed in Chapter 4).

HNWIs from Singapore reported dealing with the largest number of galleries (21) despite being one of the smallest art markets in the study, while the US was second with 20 and the most overseas galleries (eight or 40% of their total). Although some markets were not previously sampled, of those that were, there has been a tendency towards an expansion in the number of galleries bought from over time, with the largest increases since pre-pandemic 2019 for Singapore (adding 12), Hong Kong (up by seven), the US (six), Germany (five), and the UK (four). Other markets were relatively stable and a few saw a drop in averages, with Brazil down four, and France and Mainland China both down two.

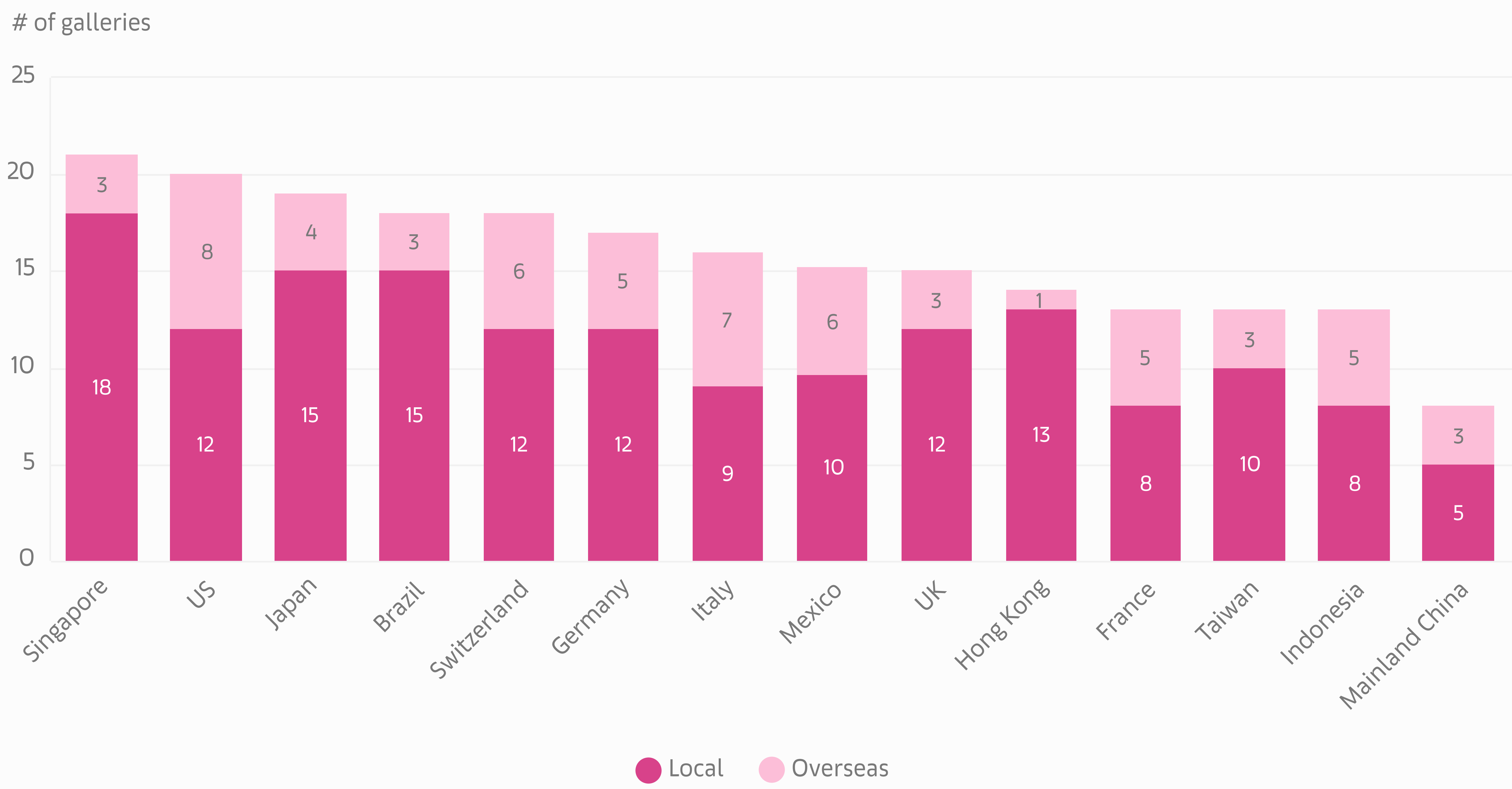
28 A small share of respondents who reported dealing with 100 or more galleries in either 2023 or 2024 were removed as outliers in calculating average number of galleries for these periods.

Figure 3.18 Total Number of Galleries HNWIs Purchased from

a) 2019–H1 2024



b) By Region 2024



 *Results from previous surveys by Arts Economics/UBS

While a more localized market may present a number of issues for dealers in some regions, a promising factor for the continued vibrancy of the gallery infrastructure was the apparent willingness of HNWIs to work with new galleries. Research over the past few years revealed a tendency for collectors to stay with familiar galleries, however, this expanded sample of HNWIs in 2024 showed a strong willingness to purchase from new galleries. Over all markets, and including only those who had bought from at least one gallery in both 2023 and 2024 (93% of the sample):

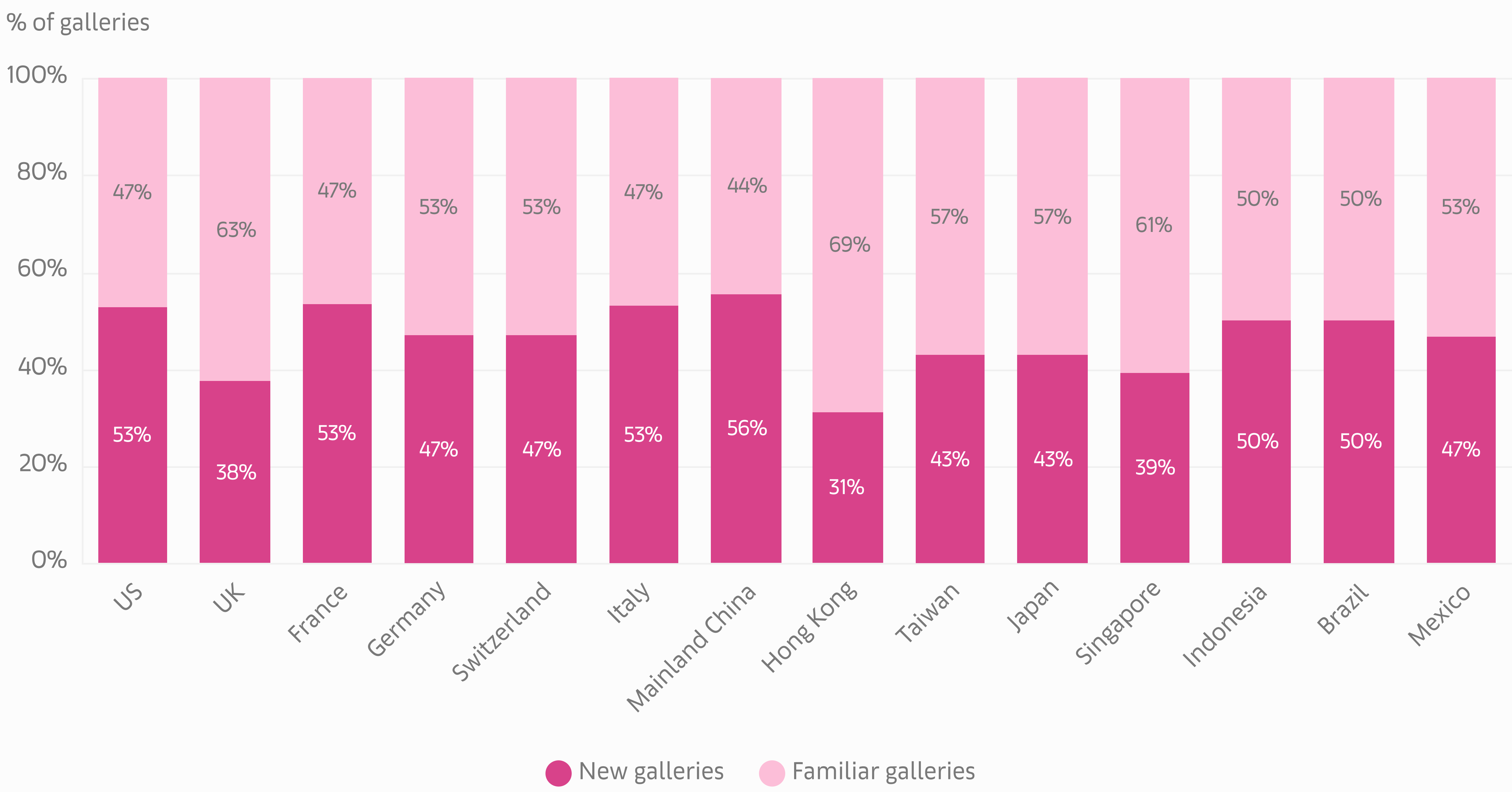
- 70% bought from a mix of new galleries and those they had relationships with before 2023/2024;
- 18% only bought from galleries they were buying from for the first time in 2023/2024; and
- Only 12% had not dealt with any new galleries.

Across all markets (and again considering only respondents actively buying from galleries in both periods), almost half (47%) of the galleries purchased from in 2024 were new to them in 2023/2024. In other words, an average of eight of the 17 galleries HNWIs were dealing with were new relationships in terms of purchases in the last 18 months, five being local and three from overseas. Of the local galleries they dealt with, 42% were new (five of the 12 local galleries). Of those from overseas, 60% were new (or three of the five).

The share of new galleries varied by market, but all regions showed a high level of HNWI purchasing from new businesses, ranging from 31% in Hong Kong up to 56% in Mainland China. Although they were smaller in number than local galleries, it is clear that HNWIs were more focused on new galleries in their overseas transactions in the first half of 2024, particularly in some of the Asian markets, which could encourage a more global focus in future if those relationships continue to develop.

Figure 3.19 Share of New versus Familiar Galleries HNWIs Purchased from in H1 2024

a) All Galleries



b) Local Galleries

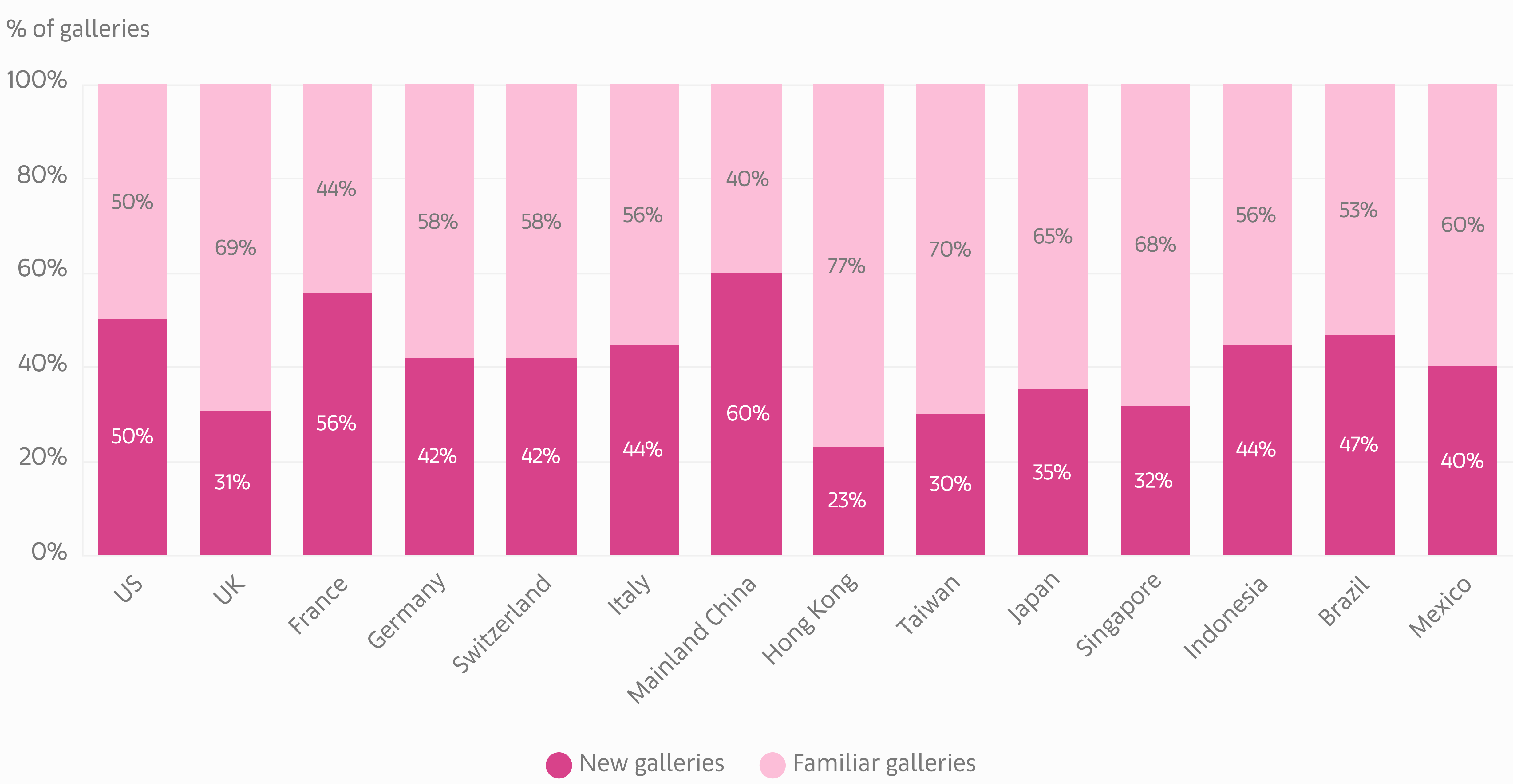
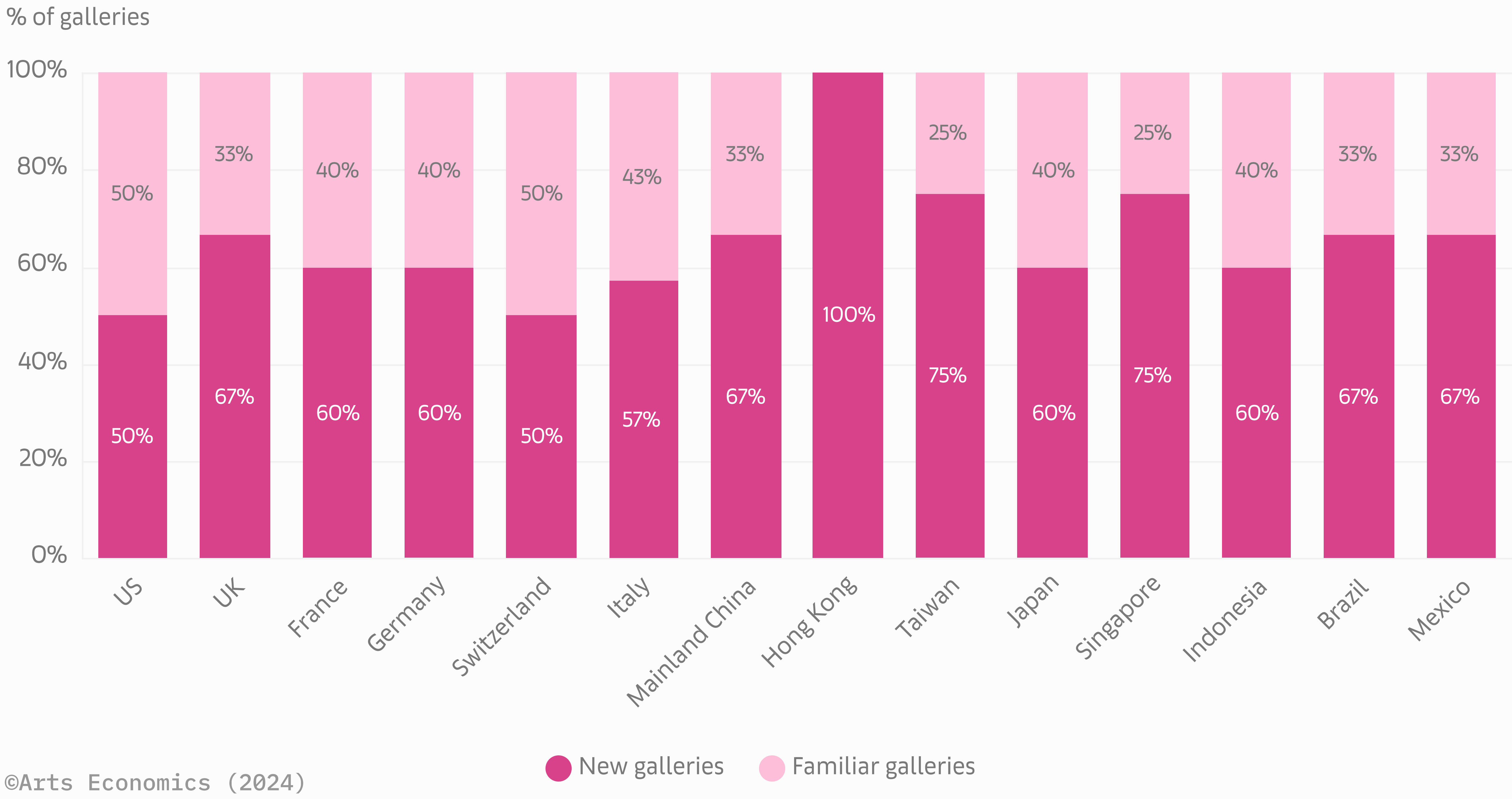


Figure 3.19 Share of New versus Familiar Galleries HNWIs Purchased from in H1 2024

c) Overseas Galleries



3.6 HNWI Purchasing Decisions

How much HNWIs spend, through which channels, and what they end up buying is influenced by a wide range of their own personal characteristics, preferences, and motivations, as well as the amount of time and effort they spend personally researching the market and ultimately, the available supply. Many rely on external advice from different sources to help guide their purchasing decisions and more generally with the various activities related to managing their collections. As outlined in previous reports, there is usually a process that collectors engage in when buying art, with different stages, from the discovery phase through to purchase and 'consumption', and then how they exhibit, maintain, and use their collections post-purchase, all of which are influenced by their motivations for collecting.[29]

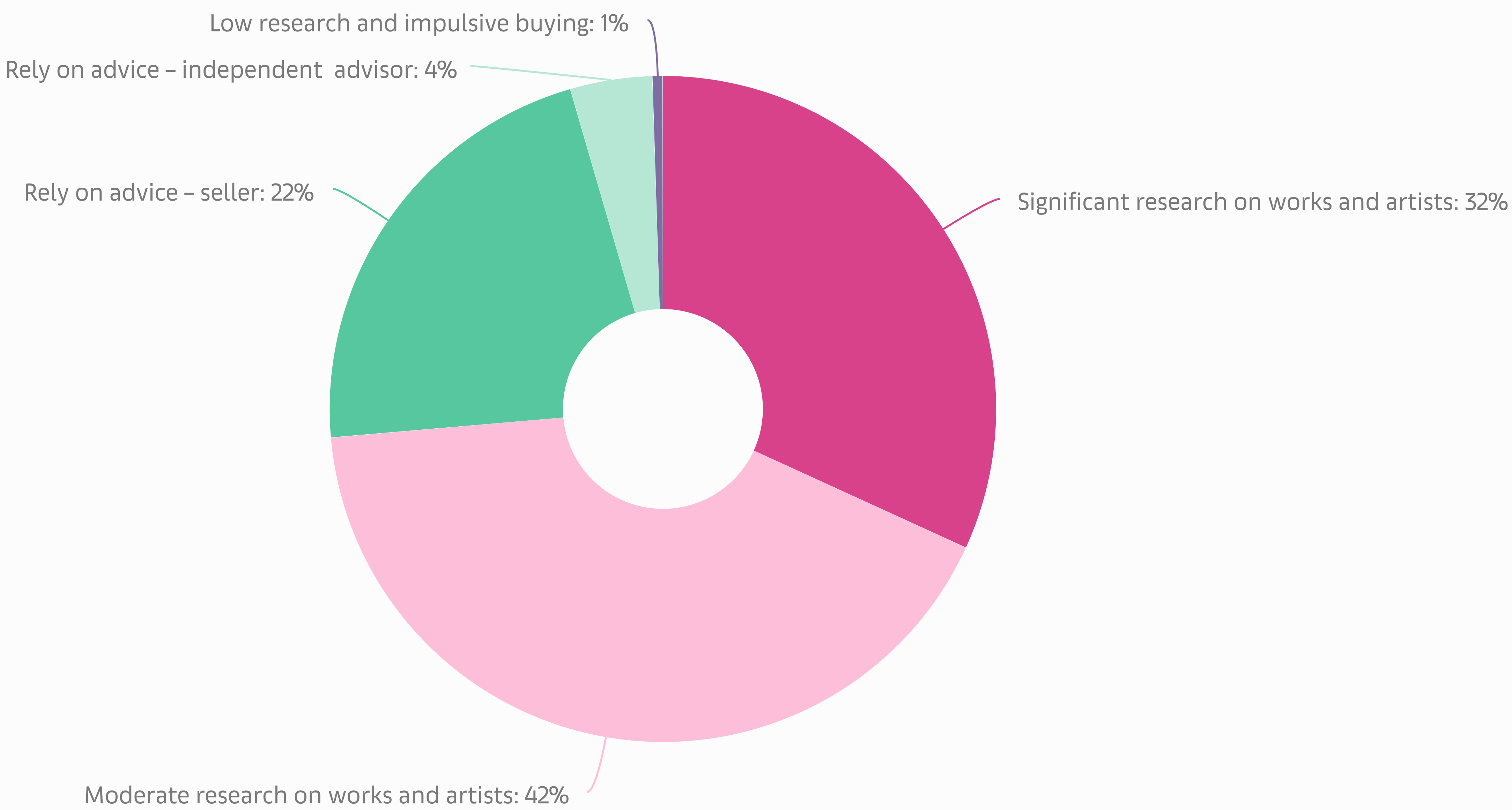
When asked about the research they conducted prior to buying a work, most HNWIs (74%) reported spending either a significant or moderate amount of time researching and learning about the artists and works they wanted to buy. This was a majority for HNWIs of all ages, spending levels, and levels of experience, although, as in previous research, it was higher for more established collectors. It was also higher for financially motivated buyers (90% versus 68% for those motivated by non-financial drivers).

Just over one-quarter (26%) stated that they relied on external advice when deciding what to buy rather than researching themselves, including 22% seeking guidance from a gallery, dealer, or other seller and 4% from an advisor. This is considerably higher than in 2023, when only 6% used external advice (5% from the seller and 1% from an advisor). Although the difference may be sample-specific, it is also likely that the continued uncertainty surrounding external economic and geopolitical factors and the course of the art market itself may have induced a great sense of need to seek professional guidance. The use of an independent advisor was not related to spending levels, but tended to be higher for older HNWIs and those with greater net wealth. It was also strongly correlated with the size of their collections, ranging from 3% for those who owned less than 50 works up to 15% for those with larger collections in excess of 100 works (and 33% in excess of 250 works).

29 The Arts Economics (2023) *Survey of Global Collecting 2023* outlined Andrew Dillon's four-stage process of collecting, which involved the distinct phases of knowledge development, target framing, acquisition, and control and use. See Arts Economics (2023) *Survey of Global Collecting 2023,* and the original paper on which this is based, A. (2019) 'Collecting as Routine Human Behaviour: Motivations for Identity and Control in the Material and Digital World.' *Information & Culture.* Volume 54: 255-280.

Only a tiny fraction of less than 1% of respondents said they did not like to spend time learning about or doing background research on artists, but preferred to buy more impulsively, significantly lower than previous research (10% in 2023). Although this was marginally higher for those spending less than $100,000 in 2023 or 2024, it was a relatively stable share across the sample, showing that most HNWIs were mindfully engaged in their activities in the art market and thoughtful about what they were going to buy in the current context.

Figure 3.20 Extent of HNWI Research on Artists and Works of Art in 2024



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While these results show clearly that many HNWIs conduct their own research, alongside this, many often also rely on external advice on what and how to purchase as well as how to manage their collections. In this sample, whether they did their own research or not, nearly all HNWIs reported relying on some kind of external advice when making decisions about their collections.

Most respondents reported using multiple sources of advice: 80% used more than one, and 44% used three or more. When asked whose advice they primarily relied on, the most frequently chosen option was artists, with 46% of respondents seeking their insights when making purchasing or collection-based decisions (although only 5% stated that they were the only source they used from the options in Figure 3.21). Curators were also an important source for just over one-third of the sample (34%), with the share tending to rise with the respondents' age, wealth, and size of collection. The use of external advice generally rose with collection size, with shares up to double the level for those with extra-large collections of over 250 works versus those with less than 50. The one exception was the use of recommendations and apps from online platforms (which were not used at all by those with extra-large collections).

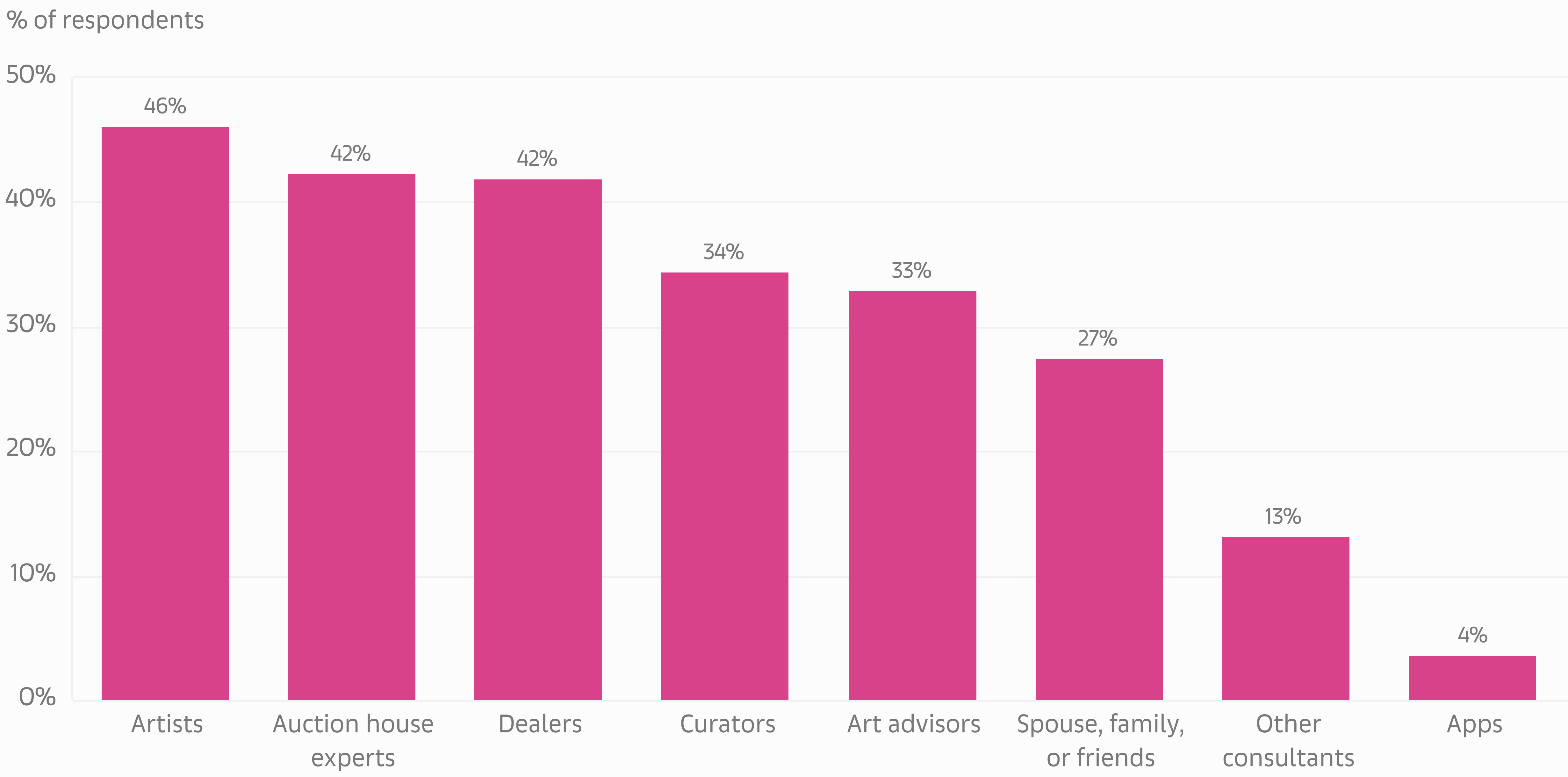
Art trade professionals were a key resource. Dealers and auction house experts were on par, with 42% of HNWIs turning to them for advice, and only minimal variation in that share by age and other factors. Art advisors were used by one-third of the sample, reinforcing the point made above that collectors frequently work with advisors to gather information, options, and advice for purchasing, even though they might still make the actual purchase through a dealer or auction house. A higher-than-average share of respondents reported using them for advice in major markets such as Mainland China (50%) and the US (42%), and they were also engaged by almost 80% of those with extra-large collections. Art advisors were much more likely to be used than other types of consultants, with only 13% engaging financial, legal, or other advisors prior to making a purchase. It is notable that Silent Generation respondents were, however, more than twice as likely to employ these types of consultants, with a take-up of 29%, which could be connected to succession planning for their collections, where legal advice would be in higher demand.

More respondents used art advisors than the external advice of their spouses, families, or friends. While the share of HNWIs taking guidance from these personal contacts did not vary greatly by age, financially motivated respondents were much less likely to turn to friends and family (19%) than those motivated by non-financial drivers, particularly, as might be expected, those related to the preservation of family and historical traditions (45%). Motivations for collecting are discussed in more detail in Chapter 4.

The least used source of external advice by HNWIs was recommendations from apps or online platforms. Just 4% of HNWIs relied on these in purchasing decisions, and this was a small minority across all regions and generations, ranging from 2% for Gen X respondents, 3% for millennials, 4% for Boomers and Gen Z, to the highest take-up of 9% by those from the Silent Generation. While some of these platforms are designed to assist new collectors, the share of use was lowest for those with the least experience (1% for those collecting for less than two years) and highest for more experienced buyers (5% for those collecting for over 20 years). When asked directly about how they felt about the impact of AI recommendations for collecting and purchasing decisions, there was a relatively low share of respondents that had a strongly negative view (only 3%), with 14% indifferent, and the remaining 83% on a spectrum from somewhat to very positive. Therefore, the low take-up does not appear to be due to collectors' negative views around AI, but may be more to do with how useful they feel these applications currently are or how they stack up against other sources of advice.

IMAGE Anna Uddenberg, presented at Art Basel by Kraupa-Tuskany Zeidler, Meredith Rosen Gallery

Figure 3.21 Source of External Advice for Purchasing and Collection Management 2024



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Although they used a range of sources of advice at different times and for different transactions, it is clear that most HNWIs valued research and were willing to put time and effort into gathering information and learning before they made a purchase. Nearly all respondents also used some kind of external advice, with only 0.3% (10 out of the 3,663 HNWIs) reporting not using any. The role of art advisors in providing advice and other services and their impact in the market in 2024 is discussed in Exhibit 2, which presents the results of a survey by the Association of Professional Art Advisors, a non-profit membership organization of the world's leading art advisors, curators, and corporate art curators.

IMAGE David Douard, presented at Art Basel by Magician Space

Exhibit 2. The Impact of Art Advisors on Collecting

Alex Glauber, President, Association of Professional Art Advisors (APAA)

Art advisors perform an increasingly important and expansive role in the wider art ecosystem. The profession of giving collectors acquisition advice and broader curatorial strategy has existed for centuries. Traditionally, this role was filled by dealers or curators who often worked in an ad hoc manner, with some at times obscuring their true role and compensation to the detriment of the collector and our collective ability to define their role within the art market. The field of art advisory as we know it now has coalesced over the past four decades and, more recently, has ballooned due to the exponential growth of the art market over the last decade and a half. With that said, the field still lacks standardization; there is no single methodology or system of credentialing, but professional associations such as the Association of Professional Art Advisors (APAA) have developed to define and promote best practices.

When advisors do their jobs well, they become an essential part of the art market's central nervous system, touching each step of the collecting journey. They bring greater efficiency and functionality to an inherently inefficient, and at times antiquated, market system. Consider how retail markets have experienced technological disruption over the last decade in an effort to disintermediate and streamline the transactional process to the end-user. The artworld has tried this as well, in order to scale its audience and transaction volume, but it has yet to succeed substantially. One of the potential reasons is that the art market has to some extent thrived on some level of inefficiency. As there is no intrinsic value to art, art's value and meaning are socially ascribed and taste is subjective. Consensus building is a key function of the art market; in the words of the famed dealer Leo Castelli, 'My responsibility is the myth-making of myth material—which, if handled properly and imaginatively, is the job of a dealer.' Ultimately, a key role of the market is to build many forms of value: cultural, intellectual, social, and economic. These are all difficult to quantify and convert into a price. None of this can occur without friction within the cultural economy. Put another way, the connection between a collector and an object relies heavily on the journey that brought the individual into contact with it because the art market is an experiential economy.

One explanation for the growth of the art advisory field is that advisors provide an analog solution for an industry that is in many ways incompatible with the same technological disruption that has transformed other retail and luxury markets. From the standpoint of a gallery, dealer, or auction house, each advisor is an aggregate of multiple points of demand. As the supply side seeks new audiences, advisors act as conduits to clusters of collectors; bringing greater efficiency to the process by educating their clients and focusing their attention.

In order to explore the role of advisors in more detail, the APAA collaborated with Clare McAndrew to reimagine our annual member benchmarking survey. In addition to providing transactional data for Q1 and Q2 of 2024, a series of questions was developed aimed at elucidating the types of collectors that members advise, as well as the services advisors provide. The goal was to articulate a framework revealing how and where APAA advisors are supporting collector decision-making.

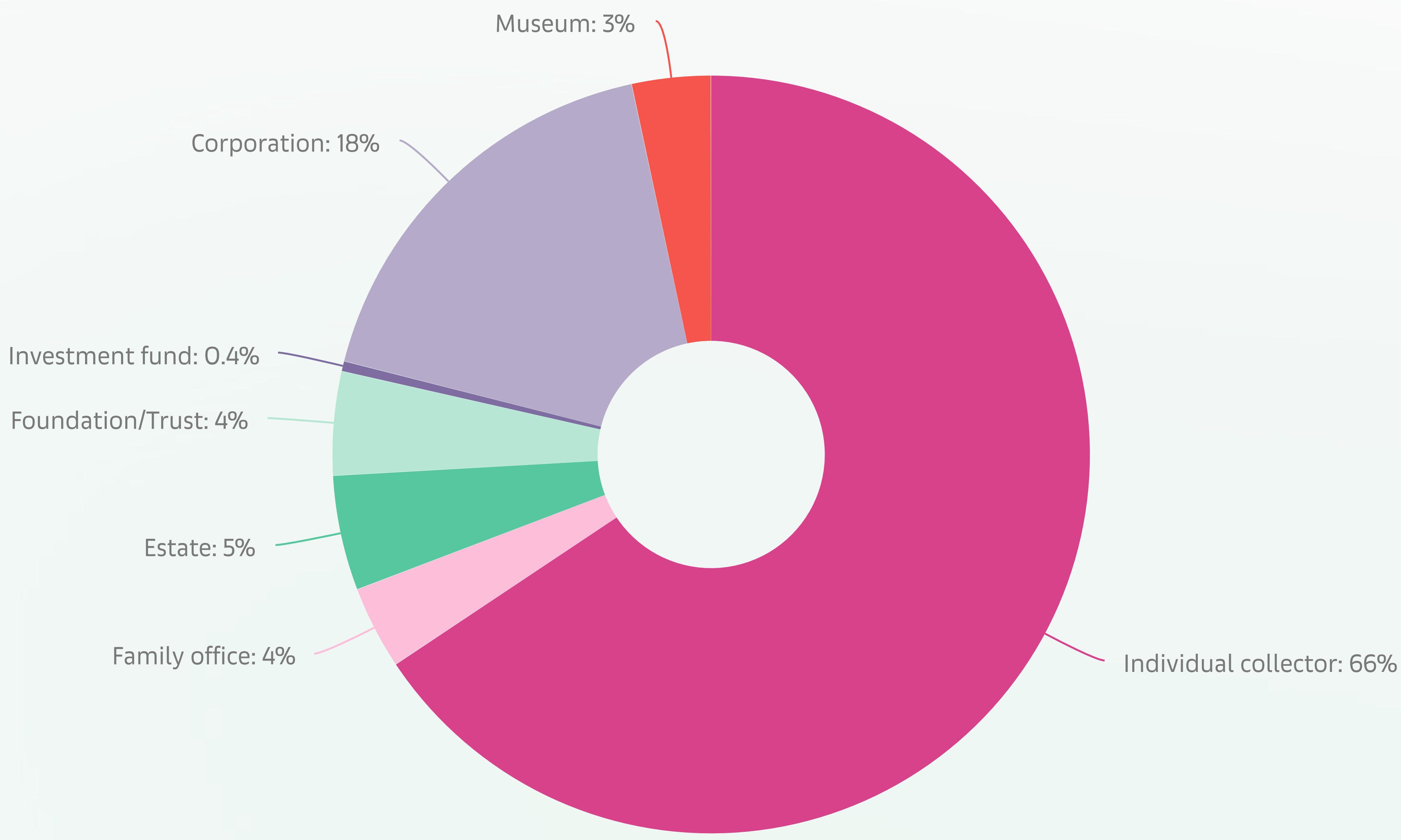
The Association of Professional Art Advisors is a not-for-profit membership organization of the world's leading art advisors, independent curators, and corporate art curators. The association is dedicated to promoting standards of connoisseurship, scholarship, and ethical practice in the profession, and to increasing public awareness of the role and responsibilities of reputable art advisors. Founded in 1980, the APAA is the only international standard-setting organization with a code of ethics for the practice of art advisory. It is a global organization consisting of more than 175 members across 33 cities, all of whom are committed to serving their clients with transparency, integrity, and professionalism. As members do not hold inventory or accept remuneration from anyone other than their clients, conflicts of interest are mitigated and the interests of advisor and client are more closely aligned.

The survey data is compiled from 81 individual advisors and advisory practices (70% of the APAA's independent art advisor membership) and excludes corporate curator members. Due to confidentiality limitations, many APAA advisors were unable to disclose exact sales figures, so the actual impact of APAA advisors is estimated to be much higher than the total values aggregated in the survey findings. Our members reported artwork value and total financial impact using a variety of currencies.

Key Findings

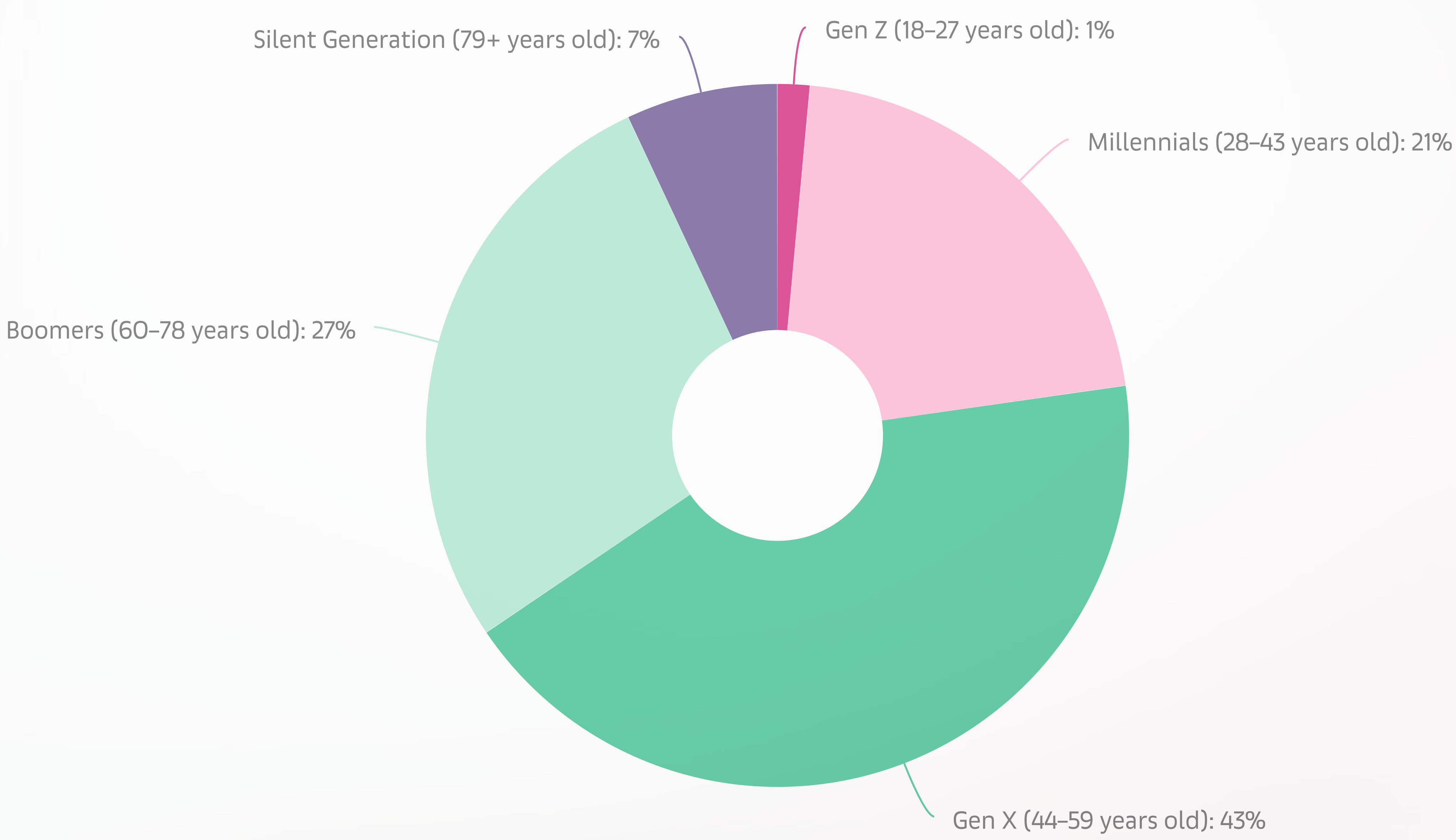
The majority of APAA advisors operate independent advisory practices, while approximately 10% of the membership includes curators and in-house corporate curators, who are not included in the survey. The largest subset of clients in the past five years was individual collectors, accounting for 66% of their collective client bases, with an additional 9% accounted for by family offices and estates. The next largest subset of clients was corporations, which accounted for 18% of APAA advisors' clients.

Figure 1. APAA Advisor Clients by Professional Segment 2019–2024



Looking more closely at the demographics within the individual collector segments, the survey revealed that APAA advisors work most frequently with Gen X collectors, who account for 43% of the overall sample. The next largest generational group of clients was Boomers, followed closely by millennials. It would be reasonable to assume that the Gen Z and millennial segments will continue to grow at a greater rate than the others as younger professionals amass fortunes or come into inheritances that facilitate consumptive behavior. As this generation begins to collect, advisors may play an instrumental role in helping define an individual's taste, shepherding them through the market landscape, and facilitating acquisitions that carry out the collector's goals.

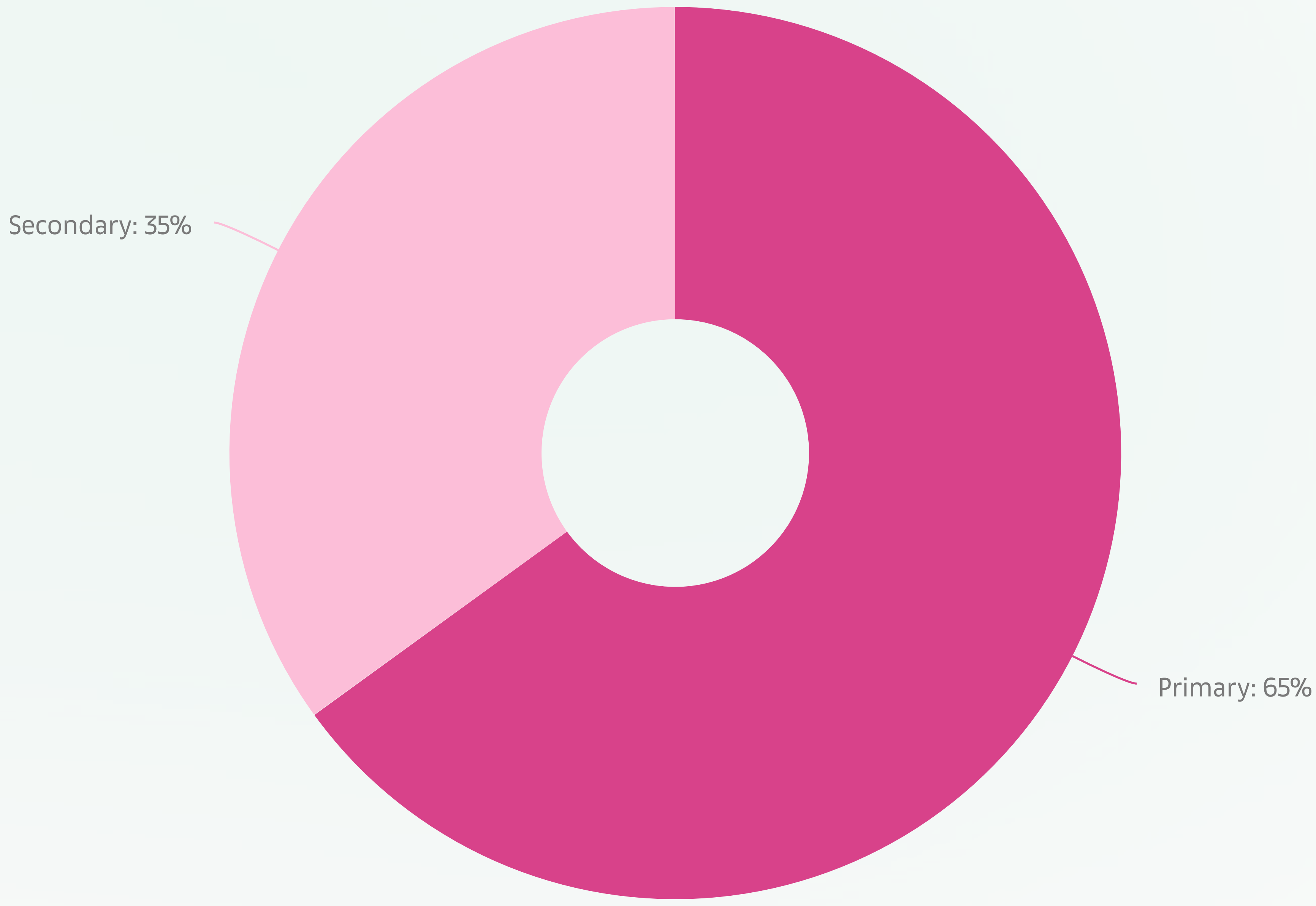
Figure 2. APAA Advisor Clients by Generation 2019–2024



Before reviewing specific transaction data and trends, it is worth considering a few truisms about the art market. While consumed, art is a durable good and generally does not have a finite utility. That means that every day there is potentially more art in the world than ever before, which in turn leaves collectors with more options when considering what to collect and where to focus their attention and resources. Although the secondary market and much of the higher end of the primary market is still driven by scarcity, with a limited amount of works by certain artists available for sale at any one time, over the last decade and a half, the primary market has grown, with existing galleries adding artists and exhibition opportunities (new venues and more art fairs) as well as new galleries opening across the globe. Away from the high end, the secondary market has also grown in volume with more frequent and larger auctions, especially in the mid-season and day-sale categories. Increasingly, this means that advisors serve as filters and editors for their clients as the sheer volume and frequency of collecting opportunities can be paralyzing to collectors given their finite nature of attention and budgetary resources. Effective advisors recognize it is often more challenging and important to figure out which works to say 'no' to than which to say 'yes:' with each acquisition decision coming with an opportunity cost.

In the first half of 2024, the 81 advisors surveyed had already facilitated well over $500 million in transactions, with almost 80% of those being acquisitions rather than deaccessions. If this pattern continues through H2 2024, the proportion of acquisitions will be 17% higher compared to 2023's annual data of acquisitions versus deaccessions, while the financial value of all transactions for 2024 will be 10% higher than in 2023. This suggests that these advisors are much more active in building collections than editing or dismantling them. Furthermore, 65% of that value was concentrated on the primary market, meaning that APAA advisors provide a valuable function to galleries and their artists by serving as a conduit to new collectors whose acquisitions offer direct financial support to artists and the gallery ecosystem as a whole. Throughout the process of educating their clients and refining their taste, advisors help forge more meaningful and lasting connections between artists, artworks, and collectors. This ultimately leads to more enduring and resonant collections.

Figure 3. Value of APAA Advisors' Business in Primary versus Secondary Market H1 2024



Focusing further on the data of acquisitions, two-thirds of the artworks acquired by APAA advisors on behalf of their clients were purchased at galleries, followed by relative parity between auctions and art fairs. Advisors also noted that the distinction between art fair and gallery acquisitions is often blurred, as purchases were often initiated after seeing the work of an artist at a fair and then followed up with the representing gallery at a later date. Even with this blurred transaction point, the total reported acquisition price is comparable between galleries and art fairs, especially at the mid-tier level ($100,000 to $1 million).

Figure 4. **Number of Acquisitions by APAA Advisors by Sales Channel H1 2024**

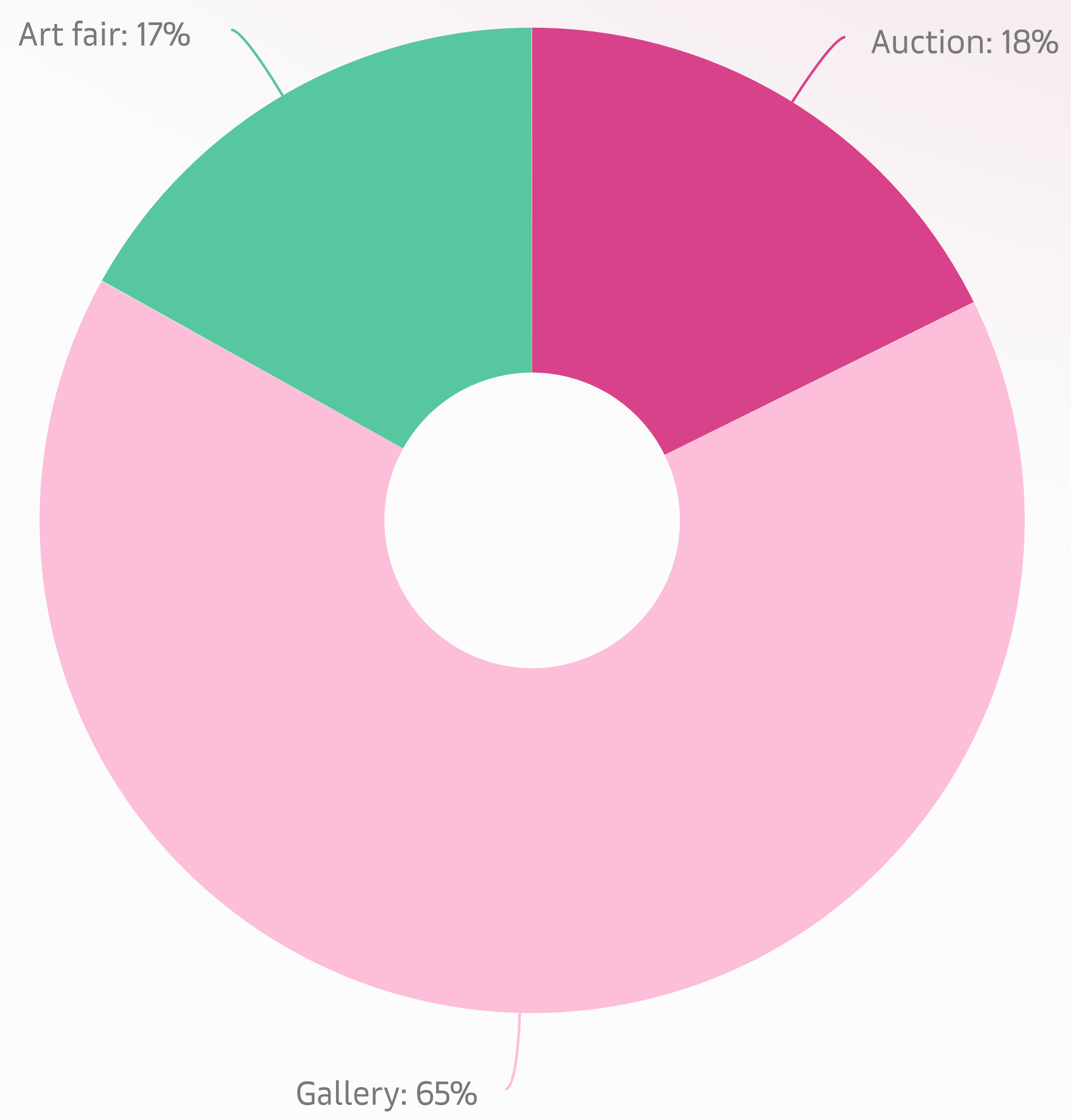
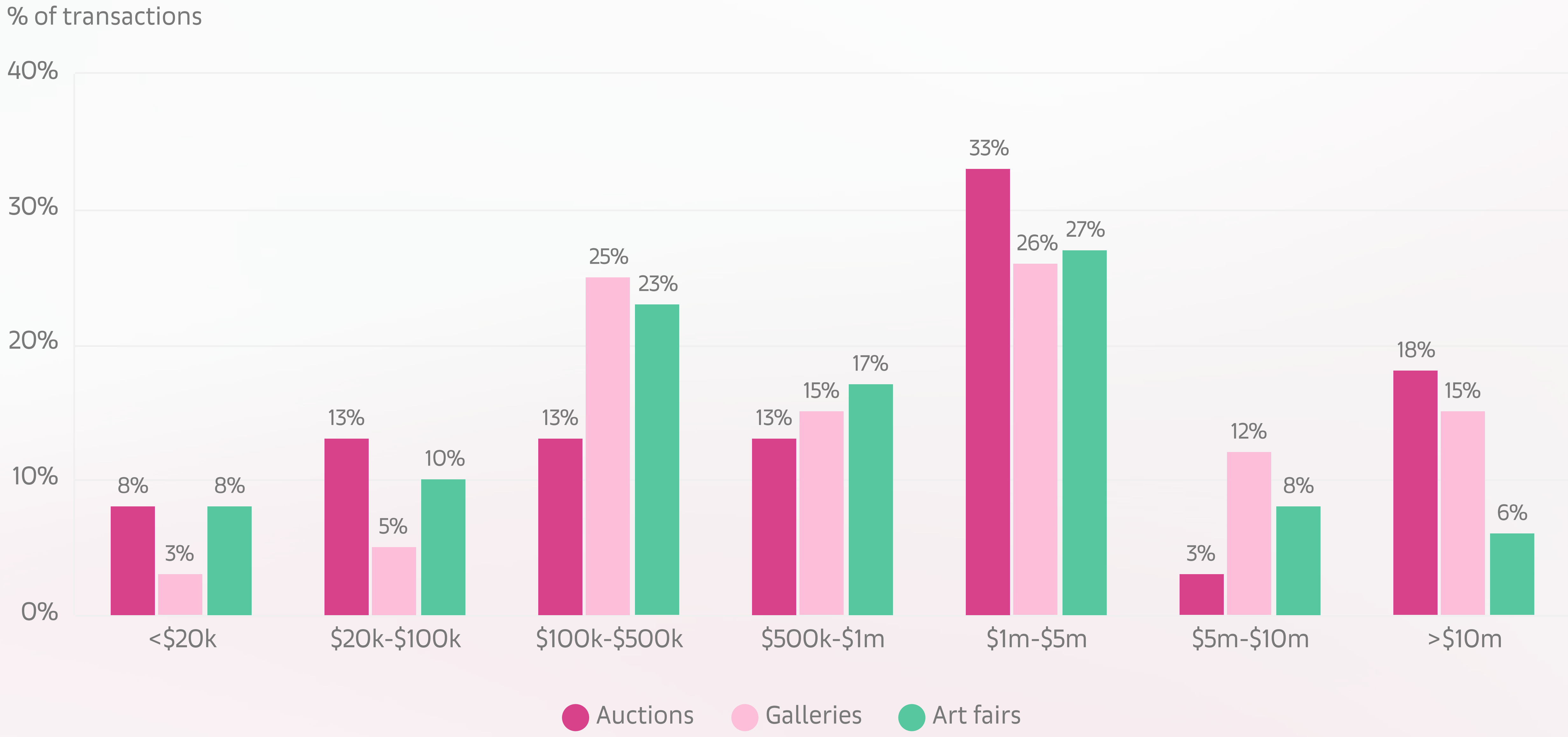


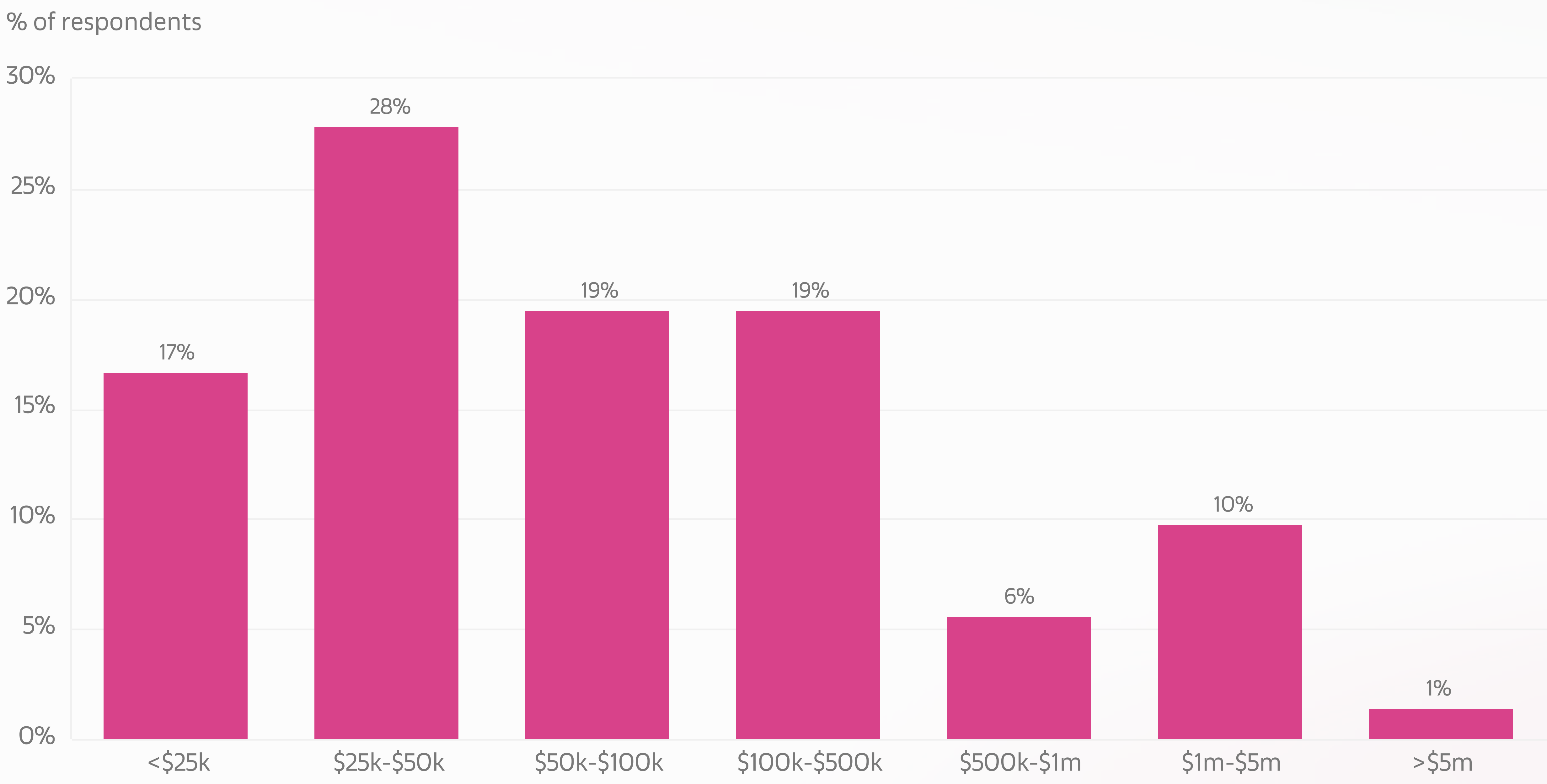
Figure 5. **Advisor Transactions by Total Acquisition Purchase Price and Sales Channel H1 2024**



Many advisors (and their clients) use art fairs for research and on-the-ground discovery, choosing to pursue a work or an artist after further consideration, rather than buying at an art fair on the spot. This means that art fairs continue to be an important venue for collection building as they provide both a concentration of material and transactional urgency that makes their attendance essential. Despite the trend of more and more acquisitions being made from a jpg and without having seen the work in person before committing, APAA advisors had already attended an average of five art fairs in H1 2024, putting the annual average on pace to exceed the 2023 average, which totaled eight.

Halfway through 2024, assuming similar performance in H2 as H1, APAA advisors were already on track to acquire approximately 23% more artworks in 2024 than 2023. 64% of respondents reported that the majority of artworks purchased for clients in 2023 were priced at under $100,000, with the most common price point landing between $25,000 and $50,000 (with a similar majority of 61% in 2022). Even with a shift towards lower average prices for individual works, aggregate acquisition value for 2024 is on track to surpass 2023's by 26%.

Figure 6. Advisors by Most Common Price of Artworks Acquired or Deaccessioned in 2023



The average acquisition price for transactions carried out by advisors on behalf of their clients in H1 2024 was just under $100,000 (versus an average 2.2% lower in 2023).

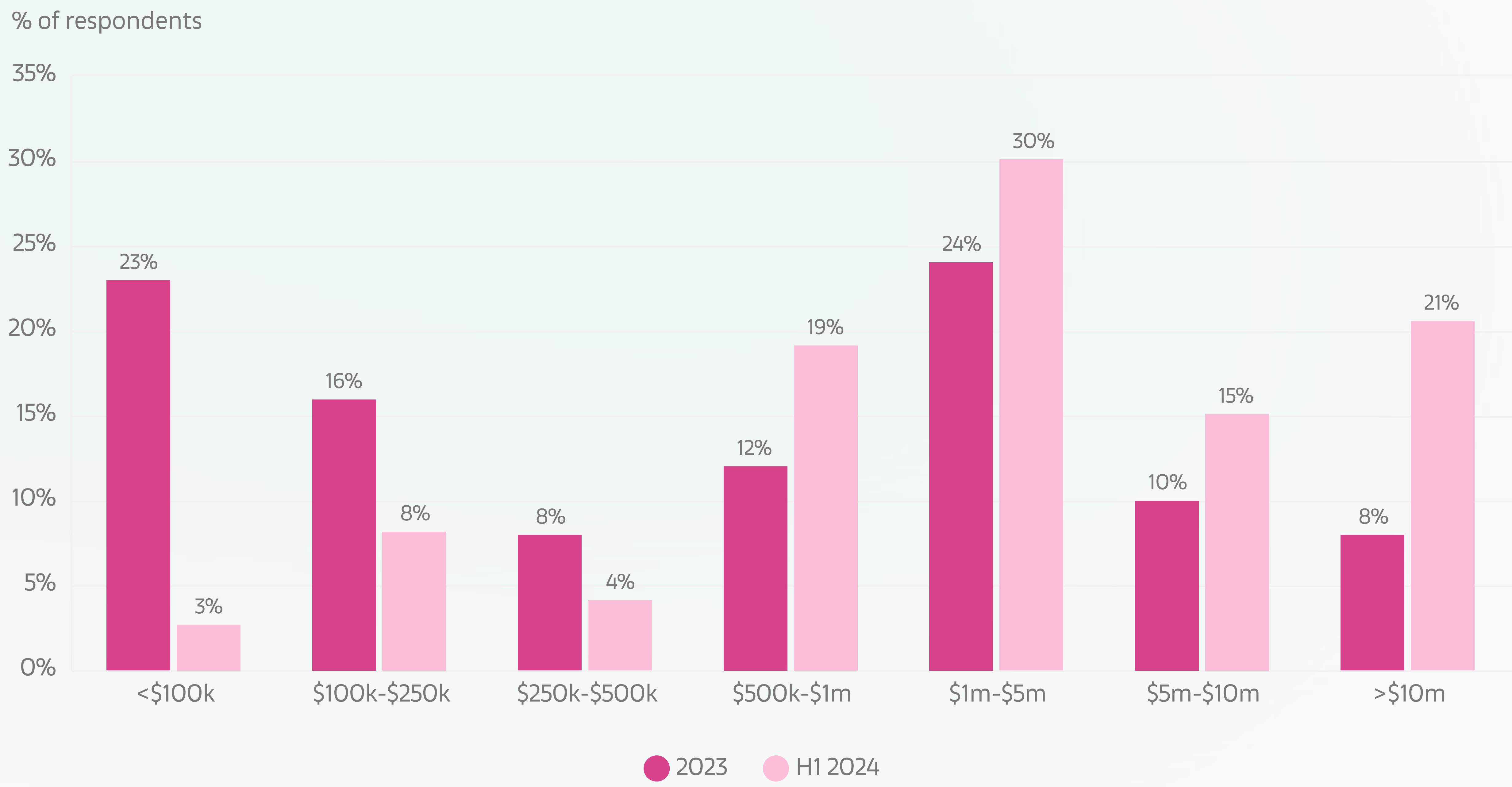
On average, advisors purchased nearly four times as many works through galleries in the first half of 2024 (averaging 38 per advisor) as they did at auction or at art fairs (10 each), although the average price at auctions was highest ($142,000 per transaction, versus $117,000 through art fairs and just over $74,000 through galleries).

The acquisition data at auction reveals an interesting development that could portend a broader art market trend. Halfway through 2024, the number of works acquired at auction by APAA advisors was already over 80% of those acquired in the full year of 2023, which suggests that year-end totals could show substantial growth year-on-year. It is notable that this upward trend in volume is coming alongside a drop in purchase prices at auction for advisors of just over 65% (from $235,000 in 2023 to $142,000 in the first half of 2024). This parallels what was already underway in the auction market in 2023, with greater buoyancy and volumes at the lower end of the market. Advisors also noted a good deal of price dispersion between the primary and secondary market, which had meant that collectors' buying power was typically stronger at auction than privately (especially on the primary market), which they sought to take advantage of on behalf of their clients.

While the survey clearly showed that APAA advisors were more active on the acquisition side by both value and volume, deaccession strategies and executions are still an important part of art advisory. It is not uncommon for a collector's taste to evolve, rendering earlier acquisitions less compelling or relevant to an evolving collection. With the addition of each new object, there are often fewer physical spaces in a collector's home(s) and financial resources to accommodate the next acquisition. Therefore, editing a collection can simultaneously bring greater focus and resources to its augmentation.

Through the first half of 2024, APAA advisors facilitated deaccessions totaling over $115 million, which, if replicated in the second half of the year, would represent a 24% drop in financial value compared to 2023. This is despite the volume of deaccessioned artworks being on track to significantly exceed those in 2023 by almost 50%. This trend reflects the findings of the HNWI surveys in 2024, and it could potentially indicate a shift away from a seller's market towards one for buyers in some segments. However, it also strongly indicates that collectors are selling from the bottom of their collections, deaccessioning more but lower-value works, with APAA advisors having been more focused on streamlining clients' collections and paring down unwanted or insignificant artworks as opposed to selling opportunistically to capture appreciation, as had been the case over the last decade prior to the market cooling.

Figure 7. **Advisors by Total Deaccession Sales Value Range 2023 and H1 2024**



Even in a softer market, the art advisory field shows no signs of abating. Part of this is due to the fact that the industry has no barriers to entry or required credentialing, which means anyone can call themselves an 'art advisor.' As the APAA membership grows in numbers and geographic reach, we aim to bring greater clarity to the tenets of best practices and how advisors can serve their clients' interests with transparent and ethical conduct. When done correctly, advisors can help systematize the collecting process, making it more efficient and effective for the entire arts ecosystem. As more collectors enter the marketplace, a market defined by its opacity, illiquidity, and the subjectivity of price and value, advisors will continue to play an essential role in educating collectors on how the market functions, and how their individual taste fits within it.

While galleries sometimes also fulfil this role, their duty is first and foremost to the artists they represent. As gallery programs continue to grow, new collectors are often overwhelmed by the sheer volume of collecting opportunities. Good advisors serve their clients with the same dedication and singular commitment that galleries do their artists. Far from making the collecting journey more formulaic and sterile, the right advisor adds value to the short-term experience of collecting and the long-term resonance of a collection.

Information on the Association of Professional Art Advisors can be found at artadvisors.org.

IMAGE Mak2, presented at Art Basel by de Sarthe

4. EVENTS AND OUTLOOK

4.1 Event Attendance

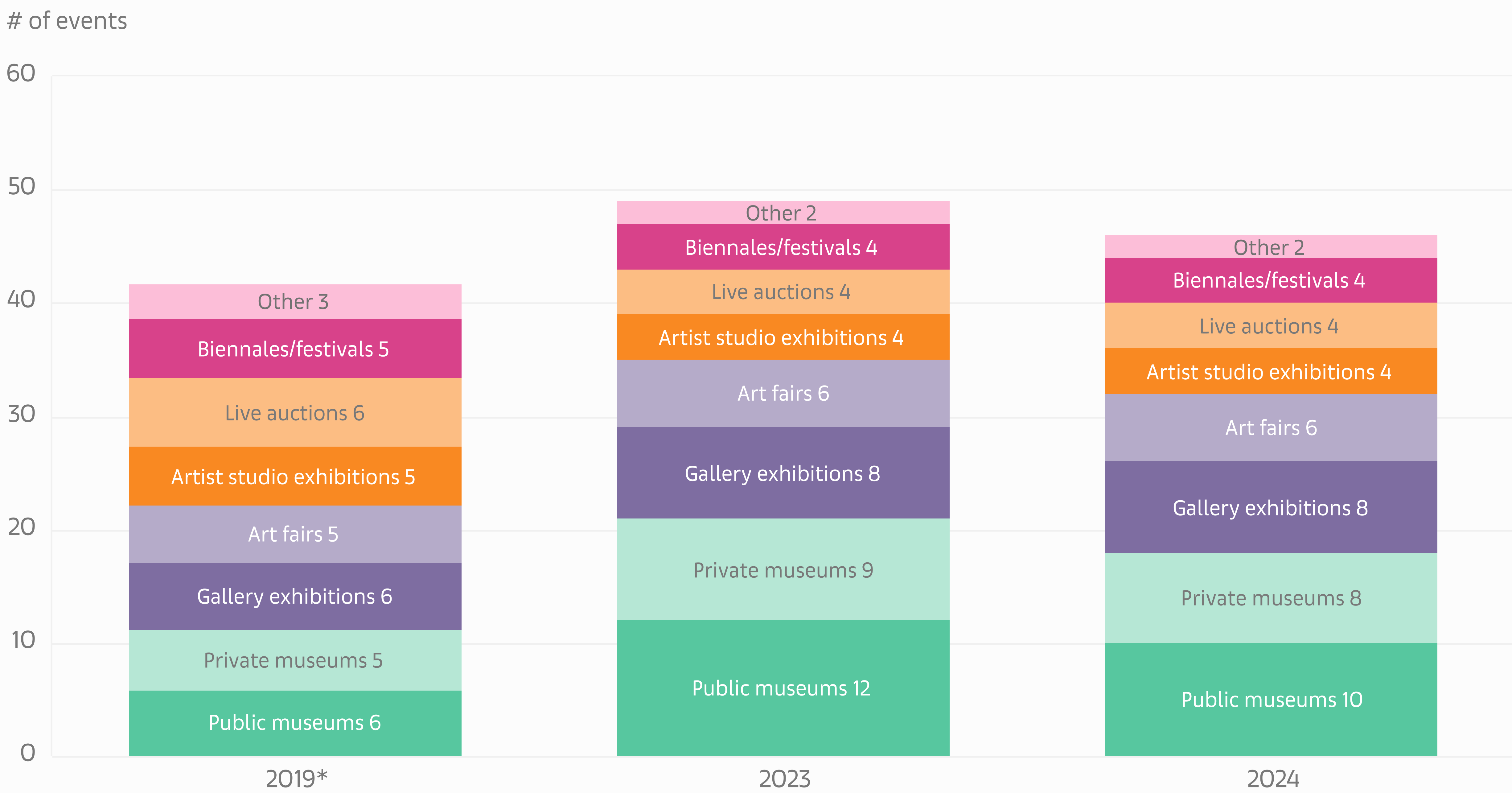
While the experience of the pandemic and its aftermath helped to advance the interest and comfort levels of many collectors in transacting online, this came in tandem with a strong return to attending fairs, exhibitions, and other events. Similar research in 2019 revealed that HNWIs attended an average of 41 art-related events in total, including six gallery exhibitions and five art fairs. This fell substantially in 2020 and studies in the intervening years showed a sustained impact on their activity, with lower attendance at certain events, and averages down by around 20%. However, in this wider sample of HNWIs, there was evidence of very high event attendance again in the last two years. Across all 14 markets, the average number of art-related events attended was 49 in 2023, with respondents hoping to attend 46 events in 2024, based on those already attended and plans for the remainder of the year.

The most widely attended events were museum exhibitions, which averaged 10 in 2024, down slightly on 2023 at 12. HNWIs also attended an average of eight exhibitions at private collections or foundations. Both gallery exhibitions and art fairs were a stable eight and six respectively in both 2023 and 2024. All of these events saw an uptick in attendance compared to figures reported in a smaller sample of similarly screened HNWIs in 2019, with current respondents attending one more fair and two more gallery exhibitions than in 2019. However, there was evidence of a decline in attendance at some other events, with visits to artists' studios, live auctions, biennales, and other large arts festivals all lower than pre-pandemic sampling.

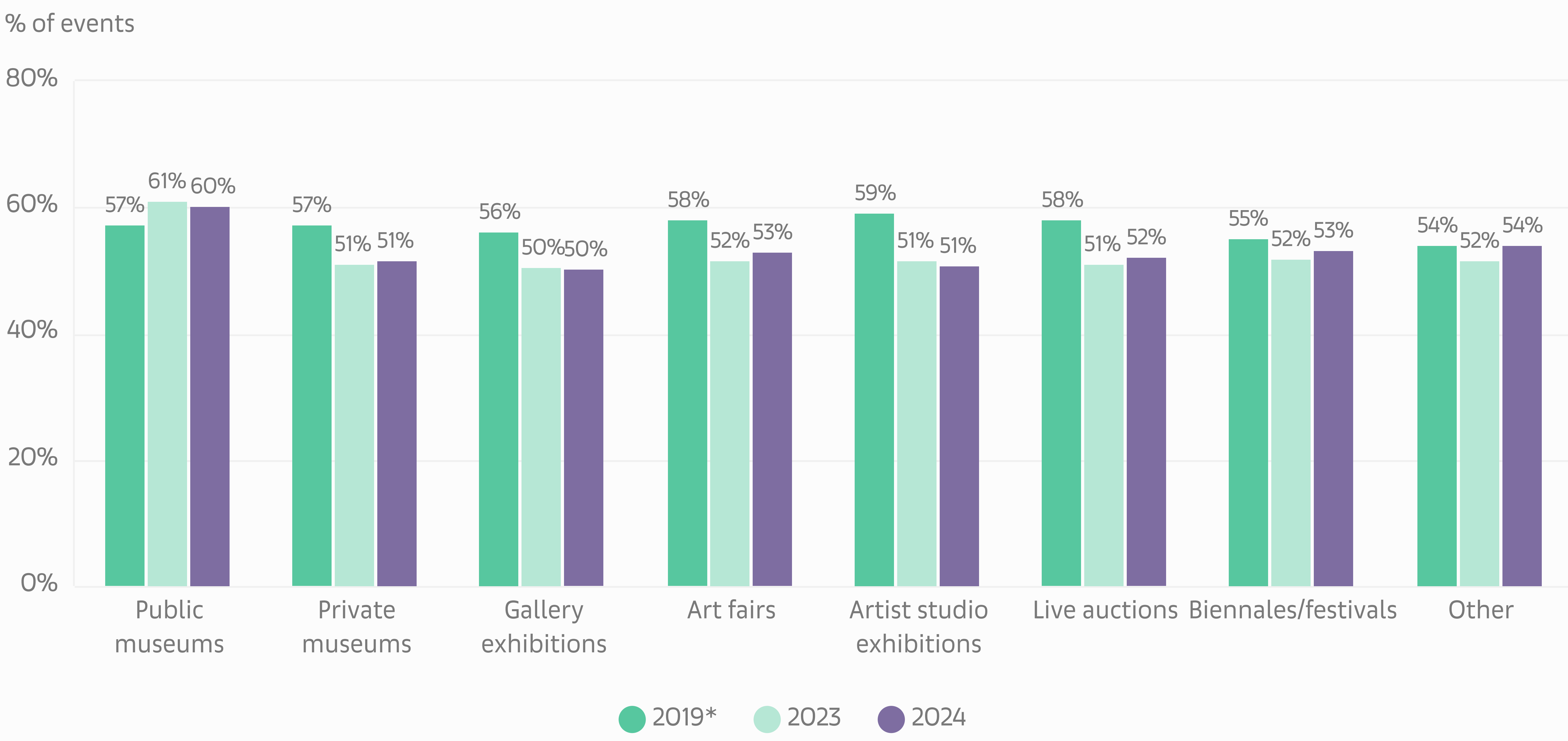
In 2023 and 2024, HNWIs attended events overseas and in their local regions, with a fairly balanced share leaning slightly to home (54% local events). While the pandemic suspended overseas travel around the world, there was no sign of this having had a lasting effect, with increases in the share of overseas events attended, except for public museum exhibitions. The share of local art fairs dropped from 58% in 2019 to 53% in 2024, and gallery exhibitions shifted from a majority of local events to an even split with those overseas.

Figure 4.1 Exhibitions and Events Attended by HNWIs 2019, 2023, and 2024

a) Number of Events Attended



b) Share of Local Events



 *Based on previous surveys

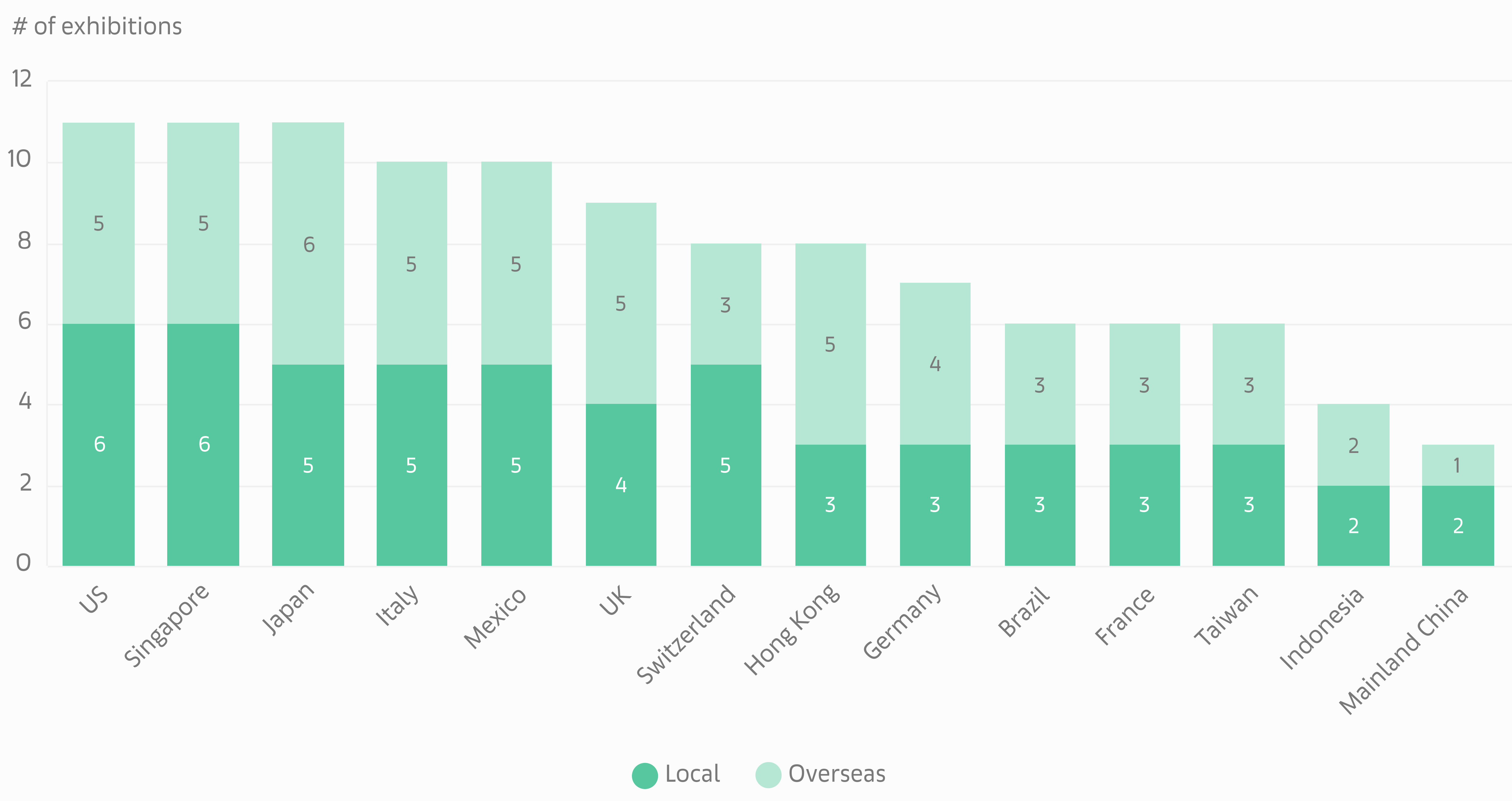
Looking in more detail at gallery exhibitions, the highest attendance by region was by HNWIs in the US, Singapore, and Japan, averaging 11 in 2024. Some of the lowest attendance was by those in Mainland China, with respondents attending just three exhibitions, including only one overseas. HNWIs tended to visit a mix of overseas and local exhibitions regardless of where their regional base was, with the highest share of local exhibitions for Mainland Chinese and Swiss respondents, and the lowest in Germany and the UK.

Mainland Chinese HNWIs also reported the lowest art fair attendance, with two fairs on average, one local and one overseas. The highest attendance, on the other hand, was reported by respondents from Italy and Switzerland, averaging nine fairs, and those from the US and Singapore at eight, split evenly between local and overseas events. Attendance varied marginally by age, with HNWIs at either end of the spectrum visiting a slightly higher number of fairs: Boomers attended eight on average in 2023 and seven for Gen Z versus around six for their Gen X and millennial peers, although these converged more in 2024. Newer buyers of up to five years also attended more fairs in 2024 (seven) than those in the market for longer (five).

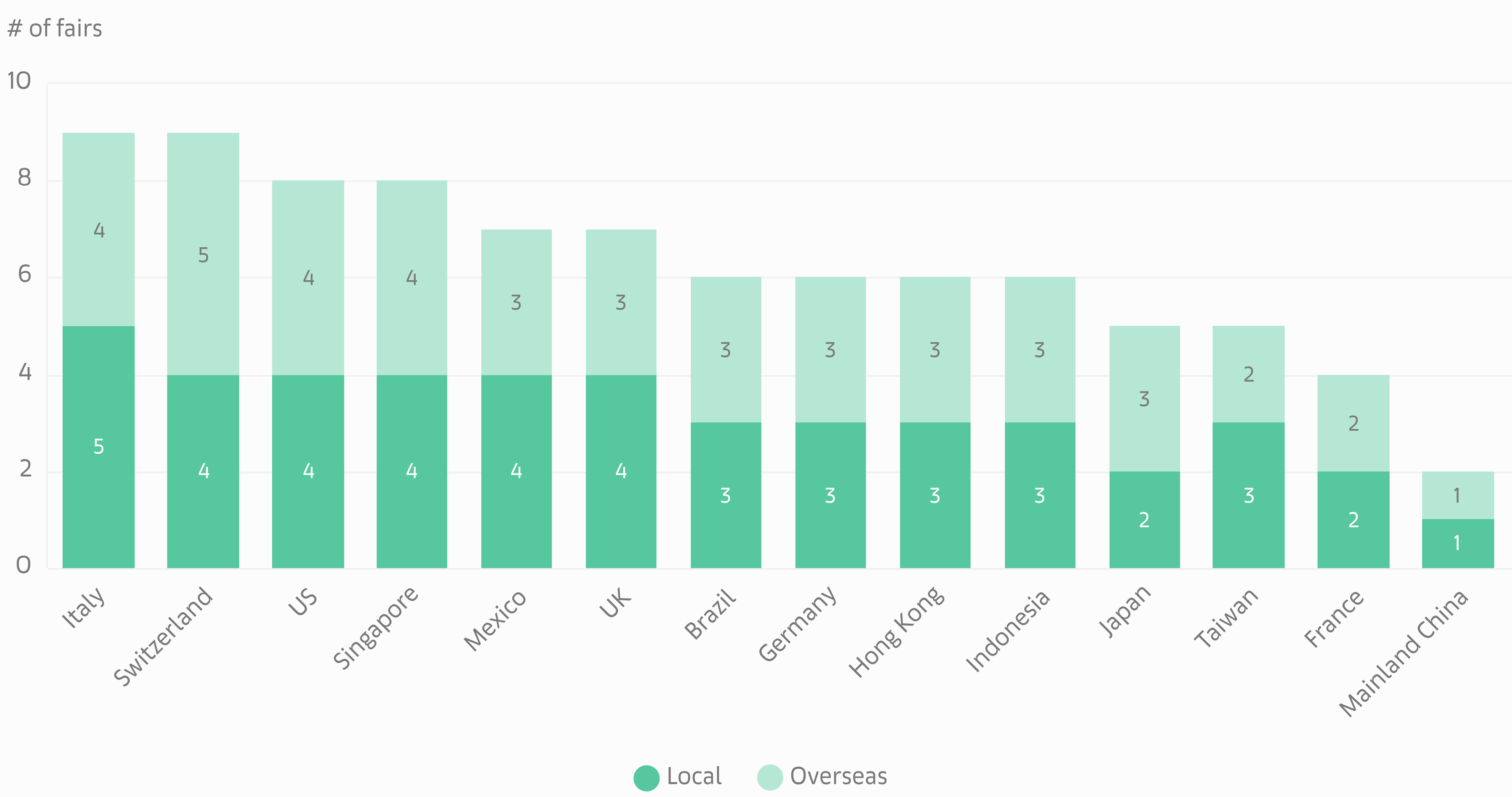
IMAGE Klaus Rinke, presented at Art Basel by Thomas Brambilla

Figure 4.2 Local versus Overseas Events Attended by HNWIs by Region 2024

a) Gallery Exhibitions

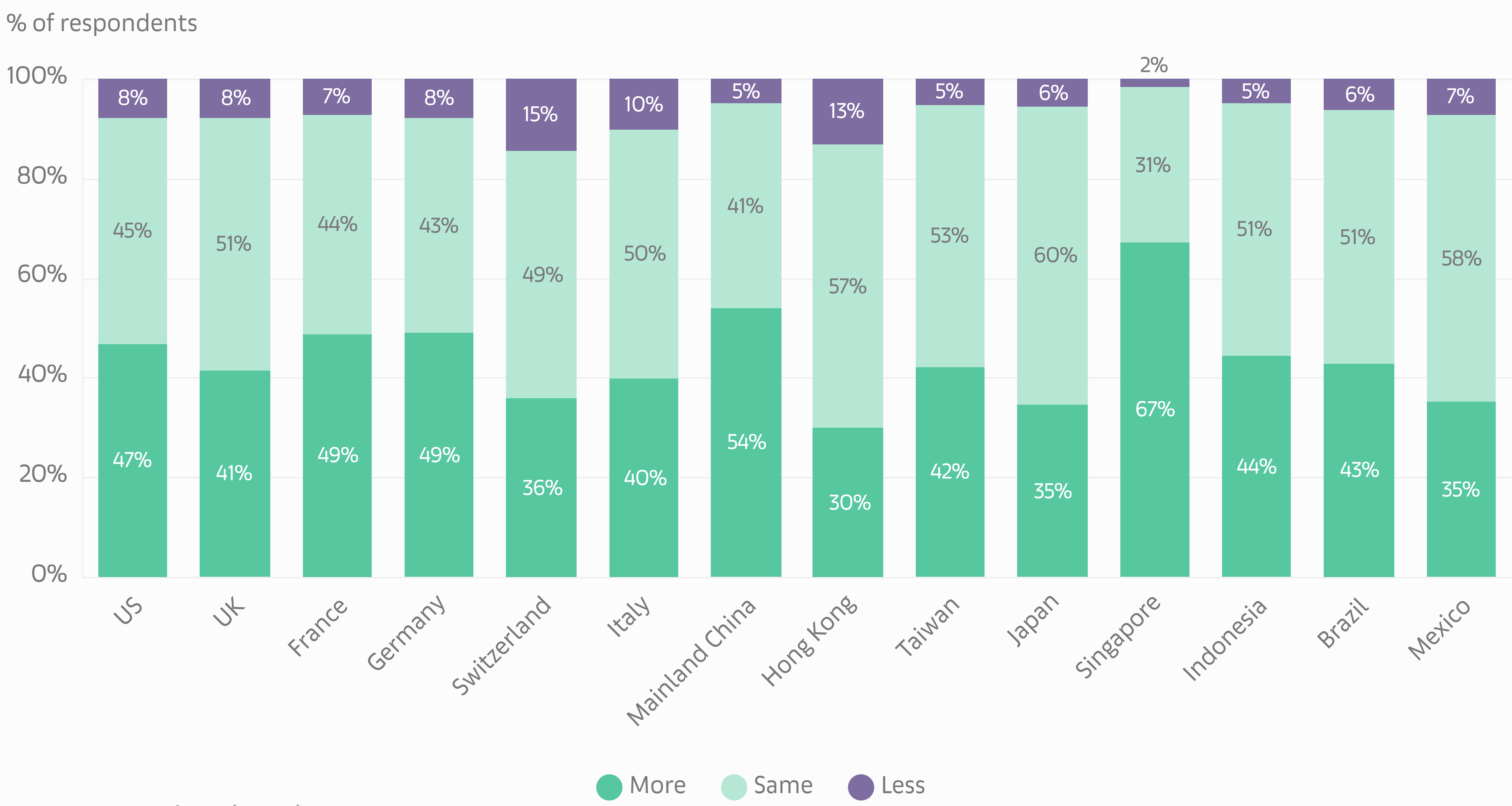


b) Art Fairs



Looking ahead to 2025, most HNWIs (92%) were planning to attend art-related exhibitions and events, with just under half (48%) hoping to get to around the same number and 44% hoping to attend more than in 2024. This was fairly consistent across all regions, with an above-average share planning to go to fewer events in Switzerland (15%) and Hong Kong (13%). HNWIs from Mainland China, who had among the lowest attendance rates overall in 2023 and 2024, were among the most hopeful to attend more in future, with over half (54%) planning an increase in 2025.

Figure 4.3 Planned Attendance at Events by HNWIs by Region 2025



While there was no evidence of a shift to more local events in 2023 and 2024, finding more sustainable ways to attend events is likely to remain of interest for many HNWIs, with 79% of respondents stating that they were very or moderately concerned about the sustainability and carbon footprint of the art market and its related activities.

4.2 Buying and Selling Plans for 2024 and 2025

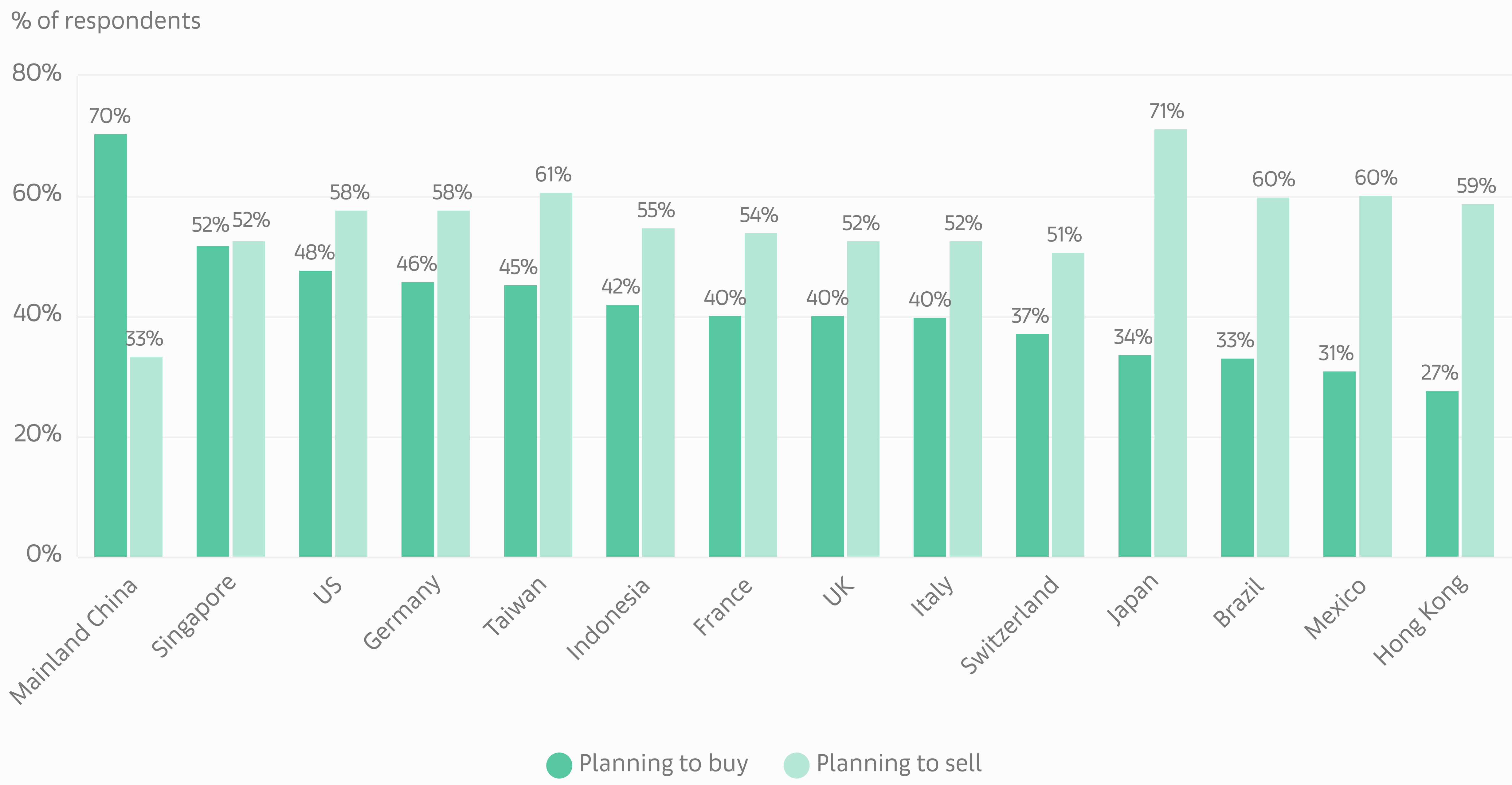
When asked about their plans over the next 12 months, 43% of those surveyed across all markets intended to purchase more artworks for their collections. This share was down on previous surveys in 2023 and 2022, when just over half of the HNWIs surveyed were planning a purchase, and significantly lower than the private collectors sampled from Art Basel VIP guests in 2024 (discussed in Exhibit 3), where nearly all (97%) intended to buy an artwork. Consistent with previous research, however, was that some of the most active buying plans were reported by HNWIs from Mainland China, with 70% intending to purchase works in the coming year, with above-average shares also in Singapore (52%) and the US (48%). The lowest shares of those with purchasing intentions were in Hong Kong (27%), Mexico (31%), and Brazil (33%). Silent Generation and Gen X respondents had a higher share planning to buy art (53% and 46% respectively) versus just 40% of millennials and 42% of Gen Z HNWIs.

While those planning to purchase art was down on previous surveys, those planning to sell increased, with 55% of HNWIs indicating that they intended to sell works from their collections over the next year. (This was also reflected in the research on art advisors in Exhibit 2, which showed the volume of works being deaccessioned by collectors potentially up by 50% in 2024.) The greatest shares of respondents planning to sell were from Japan (71%) and Taiwan (61%), also the highest in 2023, and the lowest were from Mainland China (33%, also the lowest for the last three years). The ratio of prospective buyers was twice that of sellers in Mainland China, indicating the continued potential for expansion in collections in this region over the next year. The lowest ratios, on the other hand, were in Japan and Hong Kong, where the share of potential sellers outweighed buyers by a similar ratio, possibly signaling some downsizing of collections in these regions.

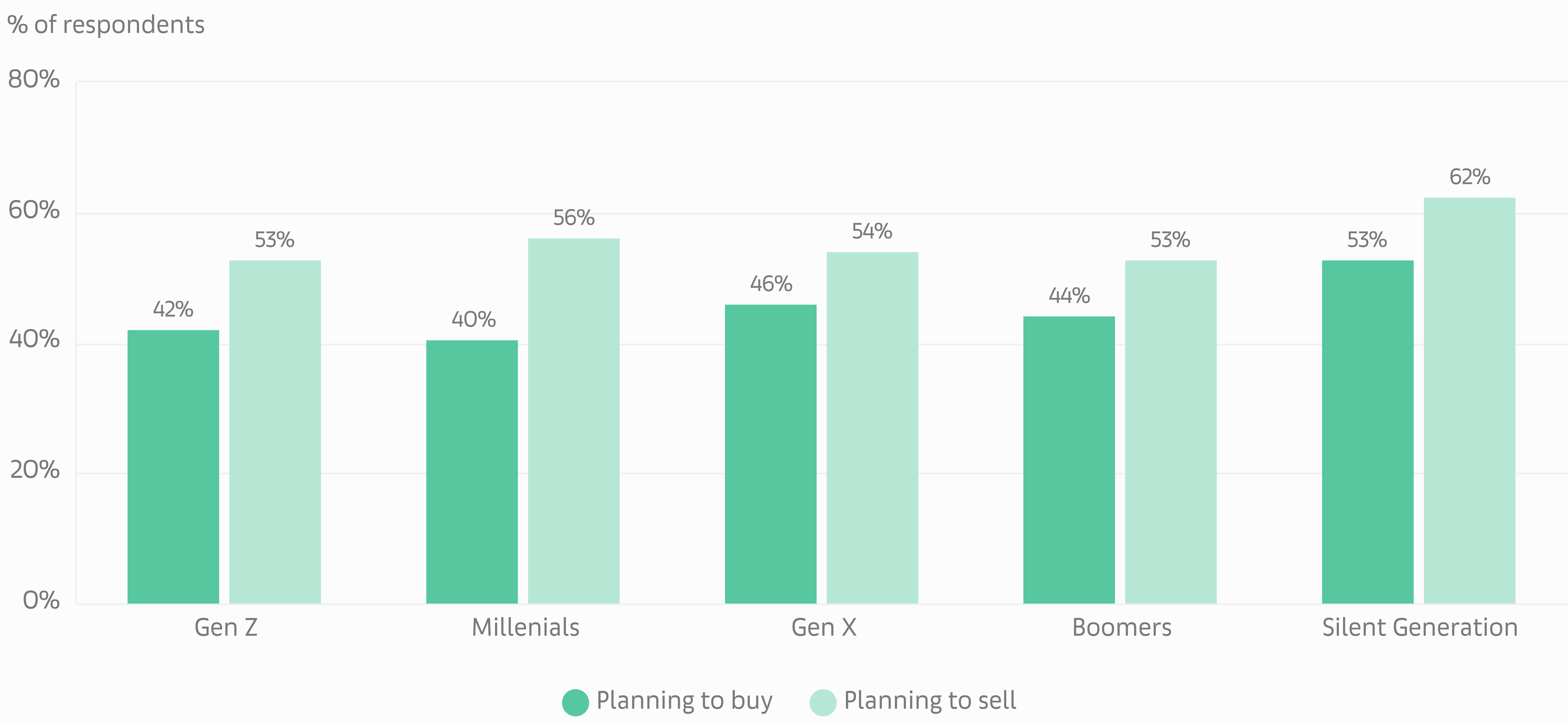
The margins in share of those signaling intentions to buy versus sell was relatively small by generation, with potential sellers greater than those planning to buy over all segments. Millennials had the largest ratio between sellers and buyers, with 56% intending to sell versus 40% intending to buy, while the relatively smaller segment of Silent Generation respondents had the highest share planning both sales and purchases.

Figure 4.4 HNWI Intentions for Purchases and Sales of Art in the Next 12 Months

a) By Region



b) By Generation



In most previous research, the share of those planning to buy has exceeded those planning to sell. In 2023, for example, 54% of respondents planned to buy versus just 26% making plans to sell (down from 39% potential sellers in 2022). The primary reason for HNWIs holding off from selling in the previous surveys of 2023 was uncertainty about how the market would perform over the coming year, with the majority saying that they would hold off in the short term as they believed the prices of their artists' works would improve in future.

While the change in this ratio in the current survey could signal concerns over the market's direction and the potential for a forthcoming buyers' market, these plans are coupled with high levels of optimism about the performance of the market over the next year (reported below). The high share of sellers could therefore be indicative of more hopeful forecasts on pricing or the perception that there could be better opportunities for sales in some segments in the near future than there are at present. Or it could also simply reflect an increased effort by HNWIs to edit and focus their collections, for a variety of reasons, with some hoping to sell off lower-value works or ones that no longer fit with their collecting, space, or other requirements.

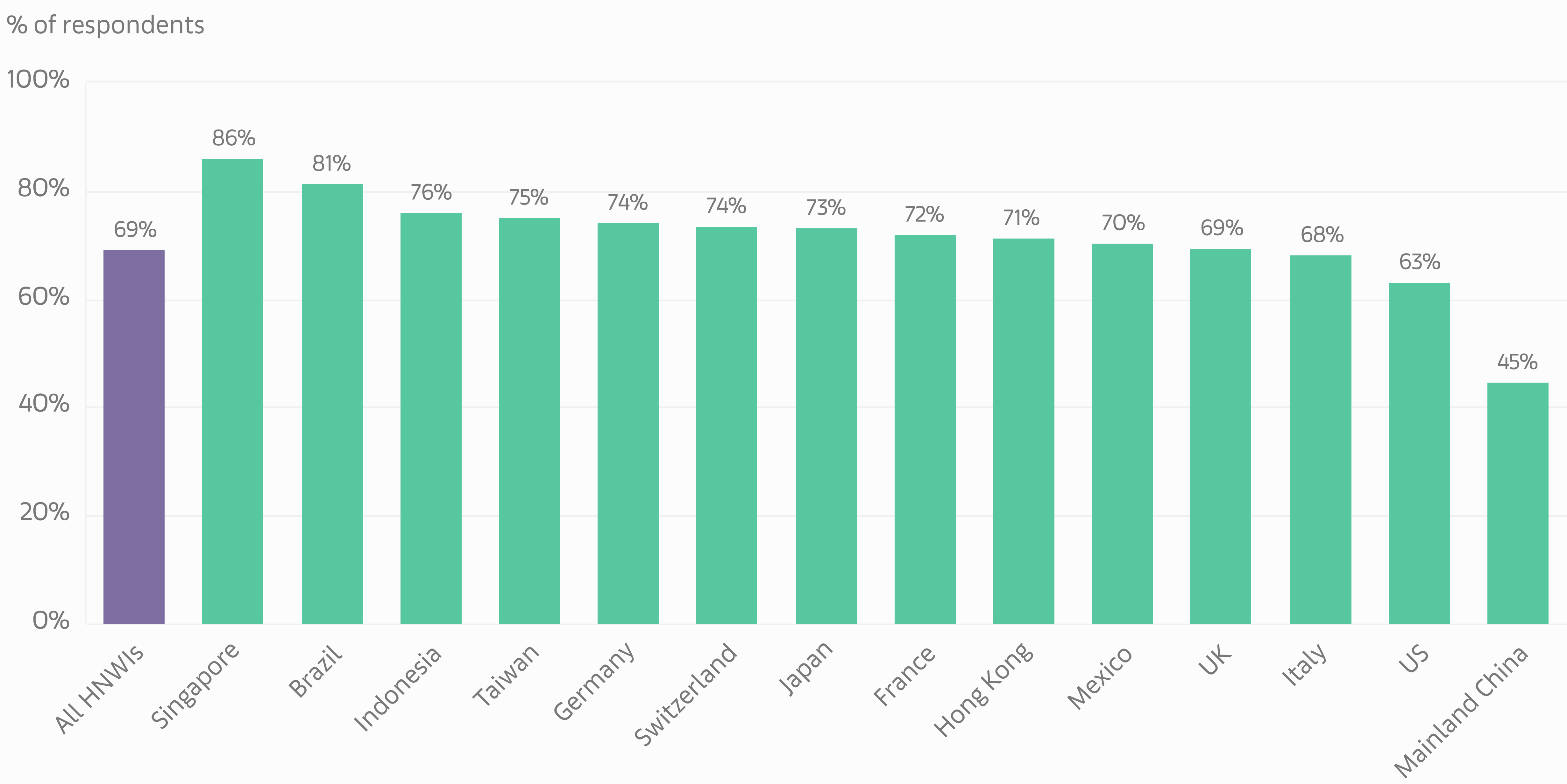
In the current sample, it was notable that financially motivated HNWIs (who were more likely than other respondents to have resold works in the past), were much more likely to be buying in the next 12 months and less likely to be selling: 67% of HNWIs whose primary motivation for collecting was financial stated that they were planning to buy over the coming year (versus 36% of those with other motivations) and 41% were planning to sell (versus 59% of non-financially motivated respondents). While financially motivated collectors may be hoping for a buyers' market, and supply may increase if sellers outweigh buyers, what actually comes onto the market and what parts of collections are sold off will determine whether these factors have a significant impact on sales trends over the next year. The research from art advisors on the deaccessioning plans of collectors and other indications in the market so far in 2024 suggests that rather than creating a supply-driven boom in value as they may have done in other years, trends towards greater selling will likely primarily affect sales volumes, with collectors tending to sell from the bottom of their collections, deaccessioning more but lower-value works, and advisors reportedly focused on 'streamlining client collections' with the disposal of more unwanted or insignificant artworks rather than trying to capture price appreciation (see Exhibit 2).

While there may be a wide variety of factors influencing buying and selling plans, in reality, the changing ratios from previous years are also likely to be due in part to the changing composition of the sample, to a much wider pool of HNWIs and art buyers. This current sample showed a very strong tendency to sell works generally, for example: 69% of HNWIs surveyed across all 14 markets had resold works from their collections in the last two years, along with 22% who had done so some time before that, versus just less than half of the sample in 2023 and 61% in 2019. Of those hoping to sell works over the next 12 months, only a very small minority (7%) had never sold a work from their collection before, and just less than 30% had not sold one in 2023 or 2024, which shows a relatively high level of comfort with the disposal of artworks from their collections.

While there are a variety of motives for reselling works, the very rapid resale of works after they are purchased can indicate financial motives. Across all 14 markets, only 5% of HNWIs bought and resold works within a year (on par with research in 2023), however, 47% reported that the average period they resold in was up to three years (up from 39% in 2023). Most respondents (92%) did so within five years, increasing from 83% in 2023 and 73% in 2021. This was a high and consistent majority across all regions and generations, reinforcing the findings of previous research that, of those HNWIs who resell works, most do so within a relatively short period of time.

IMAGE Mona Filleul, presented at Art Basel by Air de Paris

Figure 4.5 Share of HNWIs that Resold Works by Region 2023 and 2024

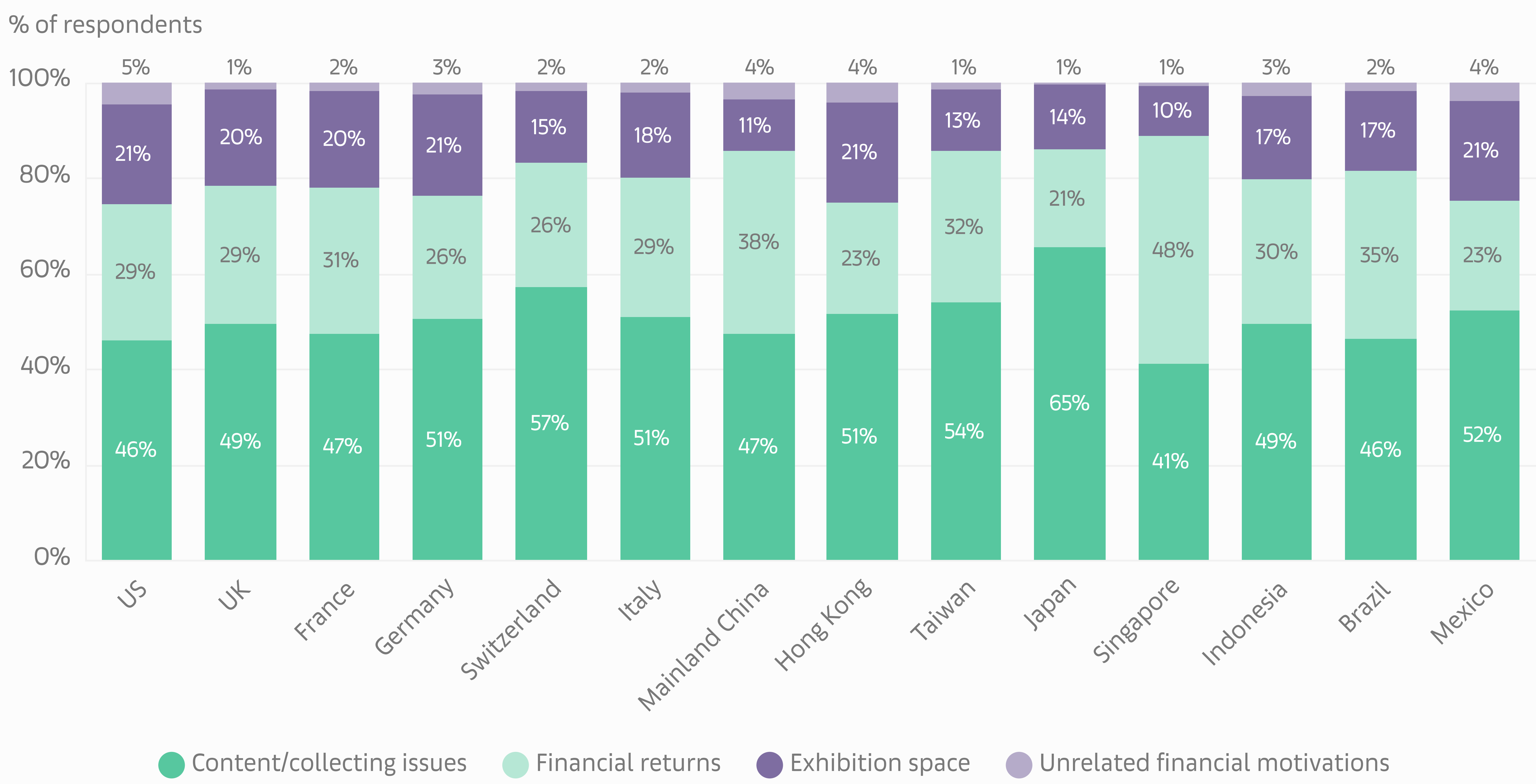


While the high share of HNWIs reselling works and short length of time between buying and selling suggest a fluidity that is similar to investors moving in and out of assets in financial markets, the motivations for reselling varied widely and many were non-financial. Across all markets, when asked for the main reason for selling works from their collections:

- 49% stated that it was content-related or collecting motivations, such as removing works that they felt no longer fitted in their collections from an aesthetic or quality perspective;
- 30% said it was primarily to realize financial returns, such as taking advantage of favorable price changes for artists whose works they had bought;
- 18% noted exhibition or storage space as the main driver, with changes to or limits on their physical space creating the motive for sales; and
- 3% said they had unrelated but financial motives, such as needing access to cash and liquidity for reasons that were removed from collecting.

Content-based factors were the largest motivator in nearly all regions, with the notable exception of Singapore, which had the highest share of respondents having resold works and the highest share motivated by financial returns. While resales were least common in Mainland China, for those that did resell, financial factors accounted for a larger-than-average share of 38%. The least likely to resell for financial gain were HNWIs from Japan, Mexico, and Hong Kong, where less than one-quarter of respondents cited these as their prime motivator.

Figure 4.6 HNWI Main Motivations for Reselling Works 2023 and 2024



Collectors also have different motivations for buying works and building their collections, with multiple background, contextual, and other drivers that lead them to buy specific works through specific channels. To investigate these motivators in the current sample, HNWIs across all markets were asked for the most important motivation or consideration in purchasing a work of art for their collections from a choice of six key drivers:[30]

1. Financial investment, including the expectation of gaining a financial return on investment or balancing risk in an overall portfolio of wealth;
2. Self-focused motivations, including self-identity or self-esteem, personal pleasure, the desire to improve one's self-image, or other aesthetic and decorative drivers;
3. Relations to others, including social and networking motivations for collecting and being part of the art market;
4. A compulsion, passion, or addiction to collecting;
5. The preservation or continuation of family or historical traditions; and
6. Support of artists and culture or other philanthropic motivations.

As in the previous surveys in 2023, the highest-ranking motivation was self-focus and pleasure (40%), and this was the highest motivator for buying art in all markets with the exceptions of Singapore, where financial motivations ranked higher, and Brazil, where they were roughly on par.

The highest-ranking motivation for purchasing a work of art was self-focus and pleasure (40%)

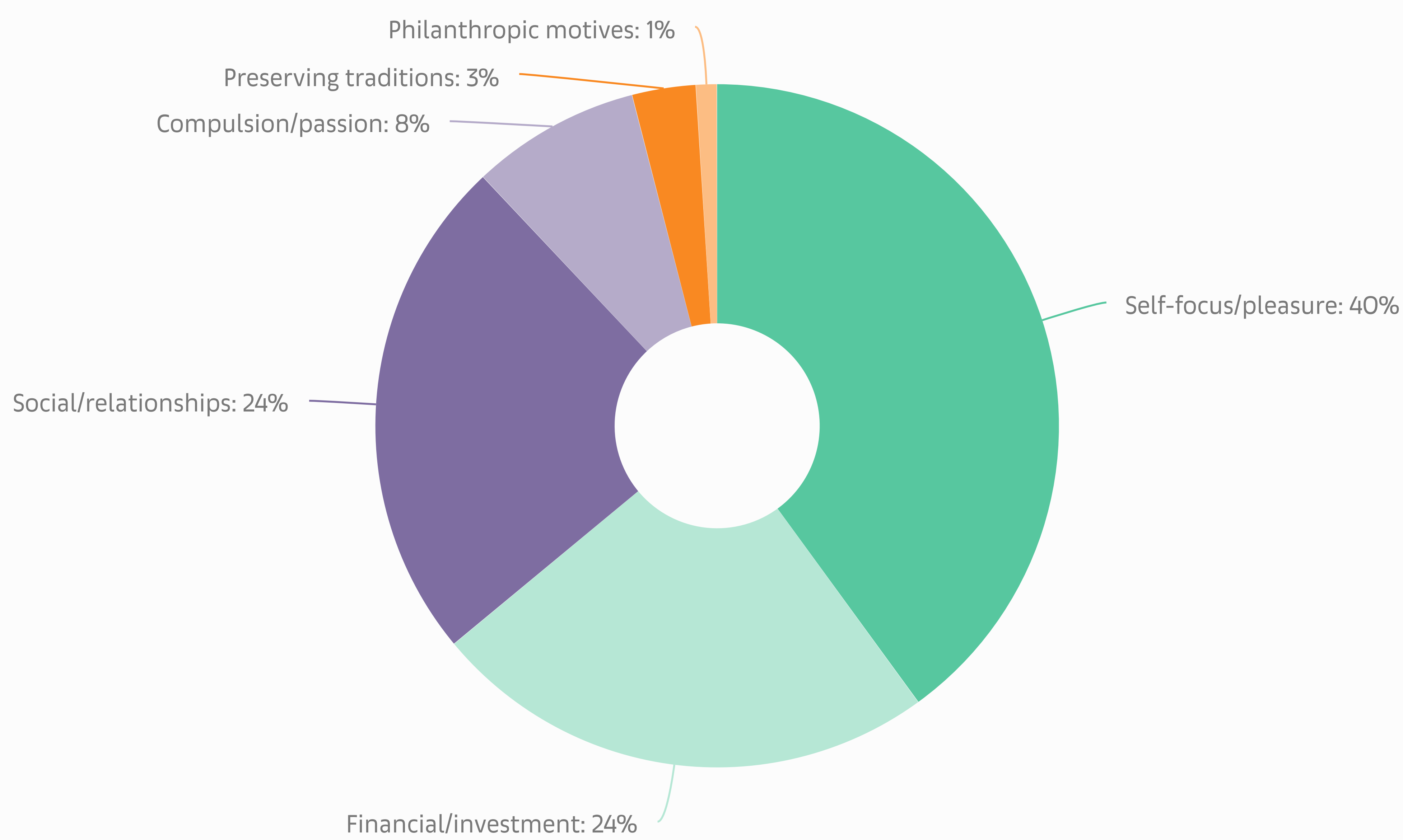
Financial motivations ranked an equal second highest (24%, down by 4% on 2023), with social motivations, such as building connections and making friendships with like-minded individuals, also accounting for a 24% share. Aside from Singapore, Asia again had a lower share of financially motivated buyers, with only 16% in Japan, 19% in Indonesia, and 20% in Hong Kong ranking these as their key driver for collecting. Financial motives were also lower in Mexico (19%, where social drivers were more important at 30%).

30 The series of questions related to motivations and collecting were designed for this research based on previous collaborative research by Arts Economics with Professor of Psychology, Andrew Dillon of the University of Texas.

The rankings were consistent across generations, and as seen in the surveys of 2023, financial drivers were somewhat less important for wealthier respondents, particularly UHNWIs with wealth of over $50 million. As in 2023, the share of financially motivated buyers declined as levels of spending increased, however, in this sample, this held only up to around $10 million, past which point the limited segment of very high spending HNWIs was much more likely to be driven by financial considerations than any other factor.

Only 8% of HNWIs reported that their primary motivation was a passion or compulsion to purchase art, with the highest shares in Mainland China (24%) and Hong Kong (13%, and also the highest in 2023). Preserving family and historic traditions was the prime motivator for just 3%, and only 1% cited that their main motivator was philanthropic, also the lowest in previous surveys.

Figure 4.7 **HNWI Motivations for Purchasing Art 2024**



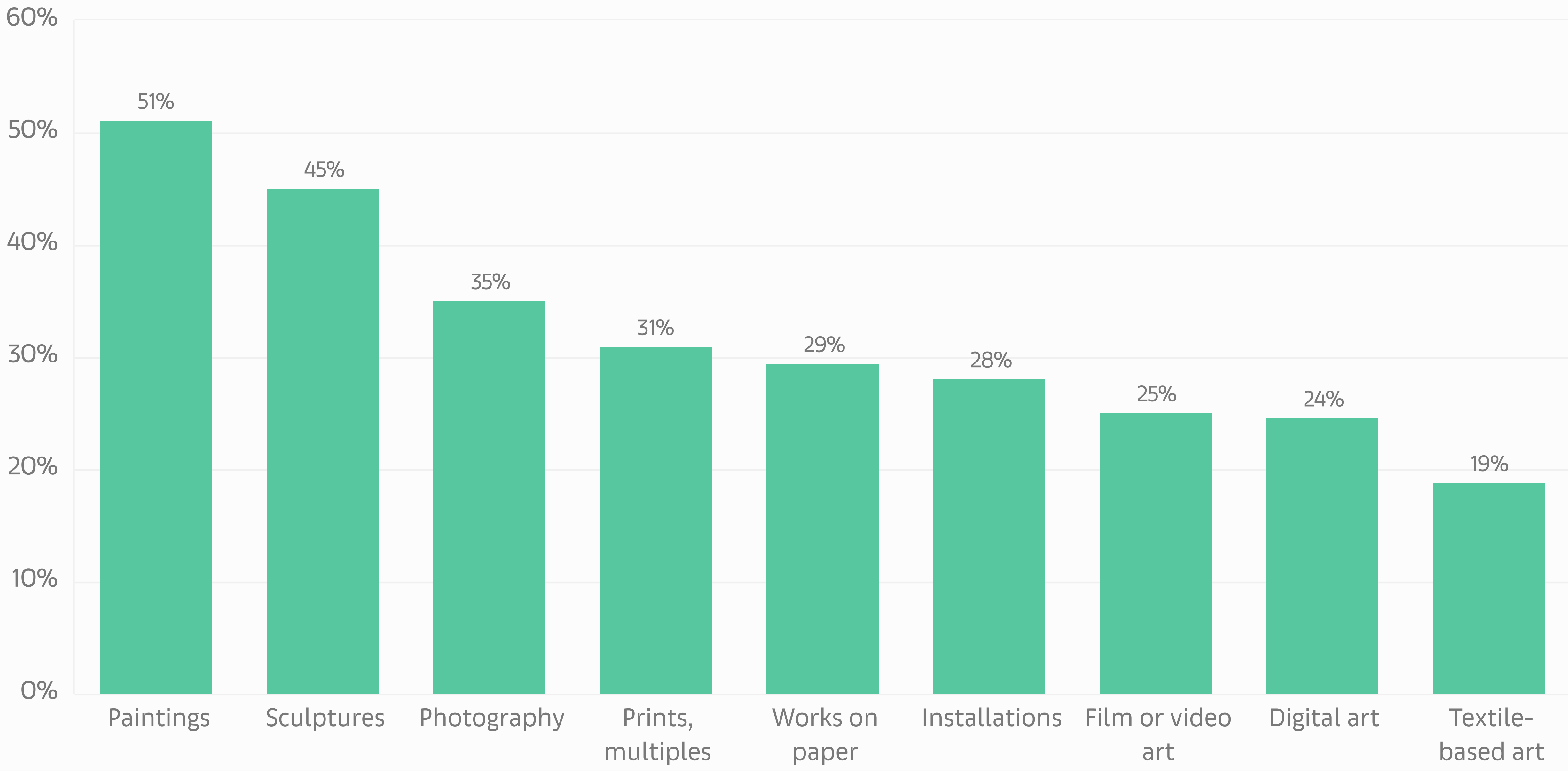
Although it ranked very low as the prime motivation for collecting, there was still a relatively high share of HNWIs planning on donating or gifting some of the works from their collections to museums or charities over the next 12 months. Over all markets, 37% of respondents said they would engage in philanthropic giving, up from 32% in 2023. The highest shares of HNWIs planning to donate works to museums included respondents from Switzerland (48%), Italy (45%), Brazil (44%), and the UK (40%). 10% of the sample intended to make donations to family and friends in the next year and as seen in Chapter 2, most respondents had plans for these donations in the longer term. Including those who either planned to donate charitably or to family and friends (or both), 43% of HNWIs hoped to gift works from their collections in the next 12 months.

For HNWIs intending on buying in the next year, paintings were the most common choice, with 51% interested in purchasing a painting, while sculptures were also popular (45%). Despite discussions of changes in the type of mediums collectors may be interested in over time, paintings and sculptures were consistently the most popular across all generations. Figure 4.8b sets out the mediums that HNWIs from the four largest generational groups planned to purchase over the next 12 months. Paintings and sculptures were the two most popular across all age groups (and for the Silent Generation not included in the figure). Photography was another key medium of interest, being the third most popular choice for both younger Gen Z and millennial respondents and Boomers, while their Gen X peers favored works on paper.

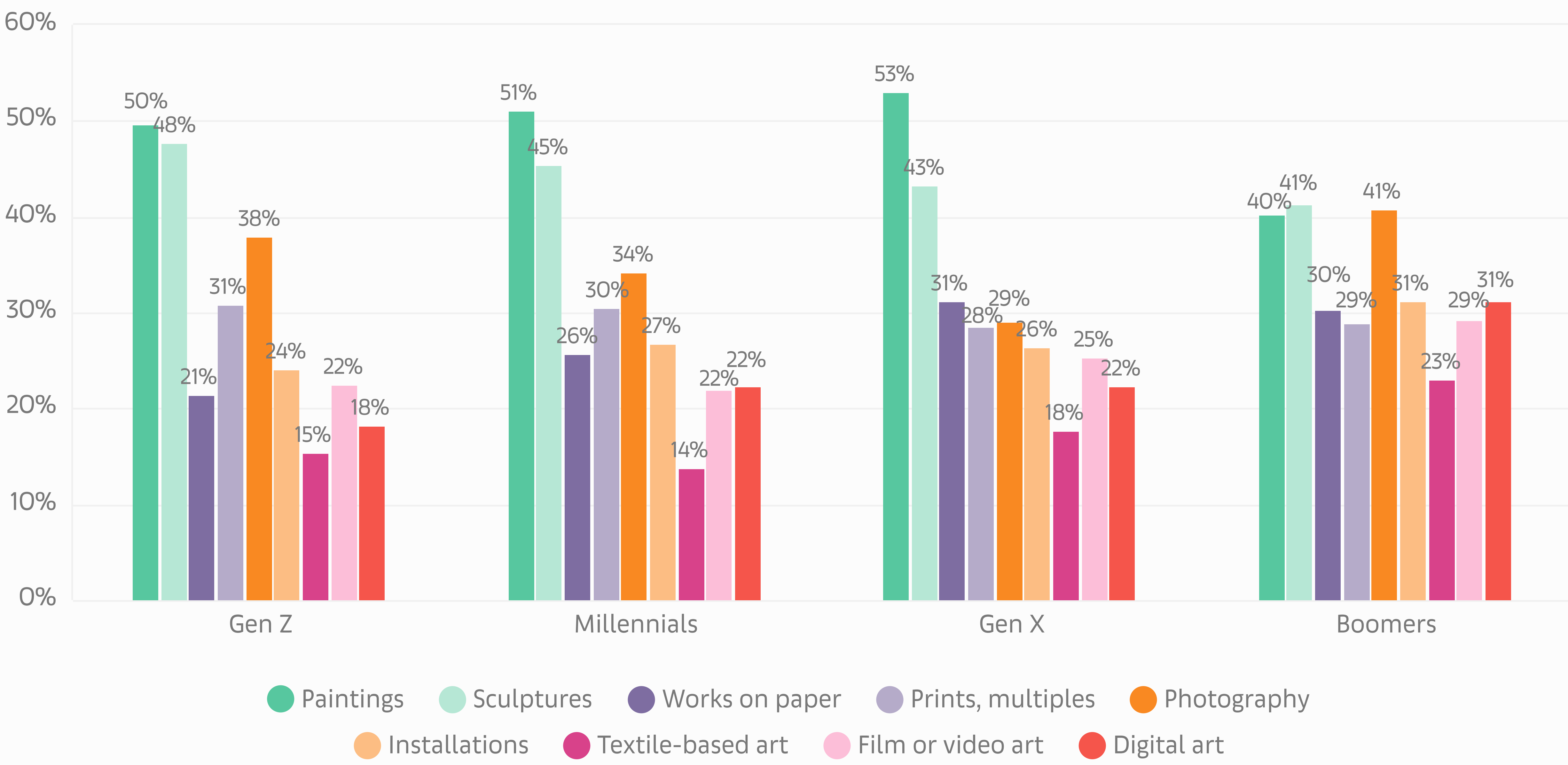
While previous research in 2022 found that around half of the HNWIs surveyed planned to buy digital art, this dropped significantly to just 19% in 2023. Although slightly higher in the current sample overall (24%), it was among the lowest choices for Gen Z respondents (18%), while a higher-than-average 31% of Boomers were interested in buying a digital artwork.

Figure 4.8 HNWI Intentions for Purchases of Art by Medium in the Next 12 Months[31]

a) All HNWIs



b) By Generation



31 This figure and Figure 4.9 include only those respondents who signaled an intention to buy over the next 12 months.

While the preferences for purchasing were not dramatically different by generation, there were some notable variations by region. Paintings and sculptures tended to be the most popular choices in nearly all markets, with the majority of HNWIs planning to make a purchase in either medium, particularly in the larger markets, including 74% in Mainland China, 61% in the US, and 59% in the UK. Other mediums were popular in certain markets, such as Brazil and Italy, where prints and multiples were more favored than paintings. Photographic works were also key in many regions, particularly the UK (47%) and Singapore (45%), while works on paper were most popular in some Asian regions, including Mainland China (47%), Taiwan (34%), and Japan (33%). The US and Italy had the strongest appetite for digital art, with 34% and 31% of respondents respectively hoping to make a purchase. There was higher-than-average interest in textile-based mediums in Germany (28%), while installations were popular in Taiwan (39%) and Switzerland (38%).

When asked to drill down further into the artists they were looking at and what, if any, regions were of most interest, a high majority of around 78% of HNWIs said they were focused on artists from specific places (versus around half the sample in 2023).[32] A majority of respondents from all markets had a regional focus for their forthcoming purchases, with the lowest specific focus or most open-mindedness in Mainland China, where 57% had no particular preference by region.

For those focusing on specific regions, Table 4.1 shows a relatively narrow and localized focus for many HNWIs, with the most commonly selected region they wished to concentrate on purchasing from being their own. This local focus ranged widely, from 9% of respondents with a regional focus in Mainland China to over 95% in Hong Kong and Taiwan. Some of the most popular choices of regions of interest overall were the US, France, and the UK, although this was influenced by a bigger share of respondents in the US and the dominance of local first choices. Once respondents' home markets were excluded, the most popular overall regional choices included France, Canada, Japan, Mexico, and Germany.

32 This proportion was roughly equivalent in both the wider sample of all HNWIs and among those that had signaled they were planning to buy in the next 12 months.

Table 4.1 Six Leading Artist Regions of Interest to HNWIs for Future Purchasing

US	UK	France	Germany	Switzerland	Italy	Mainland China
US	UK	France	Germany	Switzerland	Italy	France
Canada	France	Italy	France	Japan	France	US
Mexico	Ireland	Germany	Denmark	France	Germany	UK
Japan	Germany	Japan	Poland	Russia	Japan	Japan
Cuba	Japan	Belgium	Belgium	Brazil	Switzerland	Mainland China
Russia	Netherlands	Switzerland	Austria	Germany	Hong Kong	Germany
Hong Kong	**Taiwan**	**Japan**	**Singapore**	**Indonesia**	**Brazil**	**Mexico**
Hong Kong	Taiwan	Japan	Singapore	Indonesia	Brazil	Mexico
France	France	France	France	France	France	Japan
US	Hong Kong	Hong Kong	Japan	Japan	Japan	US
UK	US	US	Indonesia	Italy	Mexico	Switzerland
Japan	UK	UK	Malaysia	Turkey	Hong Kong	France
Mainland China	Japan	Mainland China	Thailand	Asia	US	Canada

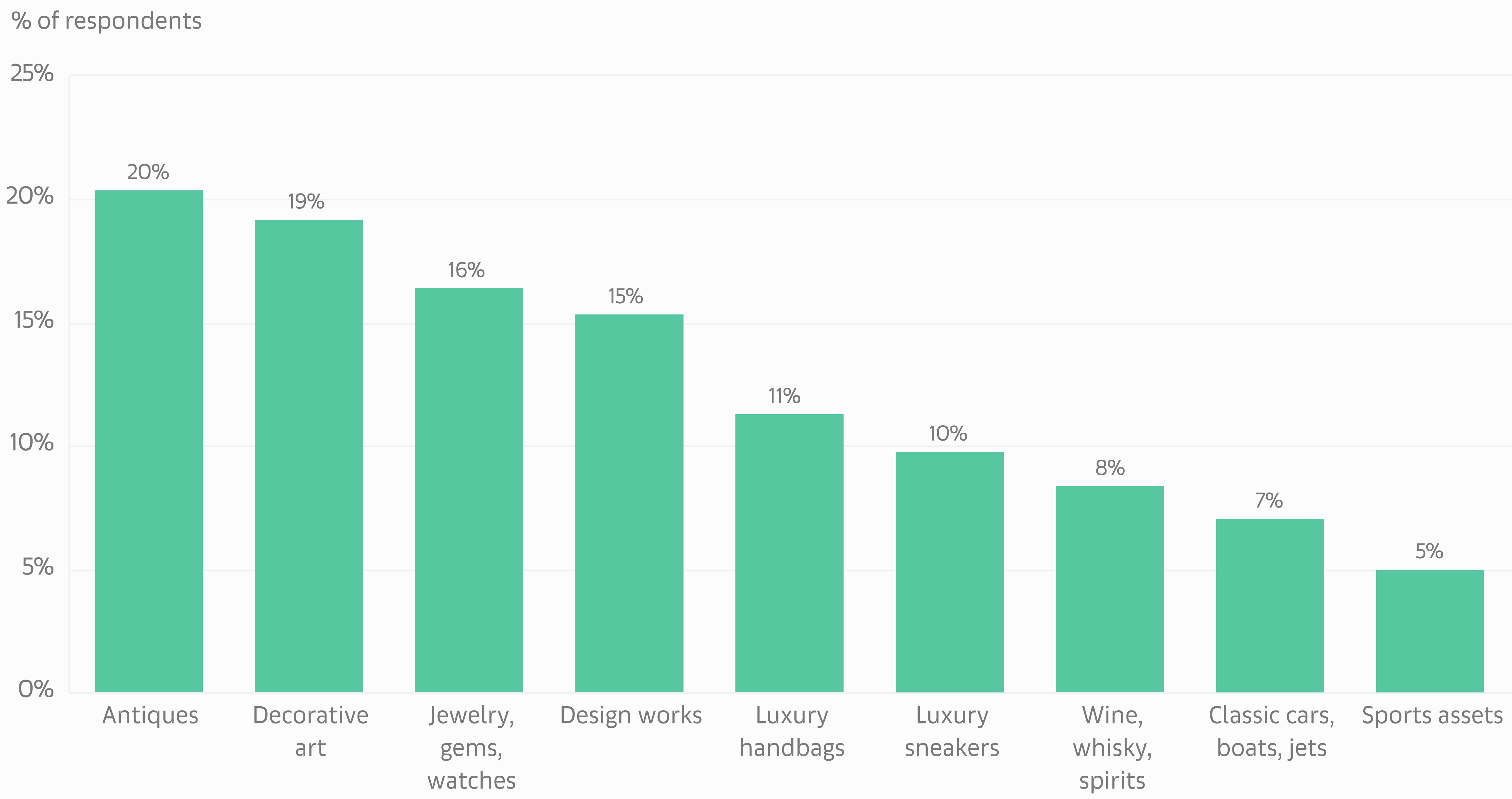
HNWIs were also asked about their buying intentions across other collectibles, including antiques, decorative art, design works, and luxury items. The shares of respondents planning to make a purchase were considerably lower for these collectibles segments than the fine art mediums above, with antiques and decorative art being the most popular.

Although there was a lower share (15%) of Gen Z respondents than their older peers planning to buy antiques, this segment was still the most popular choice for these younger HNWIs, next to jewelry, gems, and watches and decorative art. These were the three most popular collectibles segments for purchasing across other generations, with Boomers also favoring design works. Gen X respondents had the largest share planning to buy antiques and decorative art, while millennials led in luxury collectibles such as handbags and sneakers (although still a minority of 11% and 10% respectively).

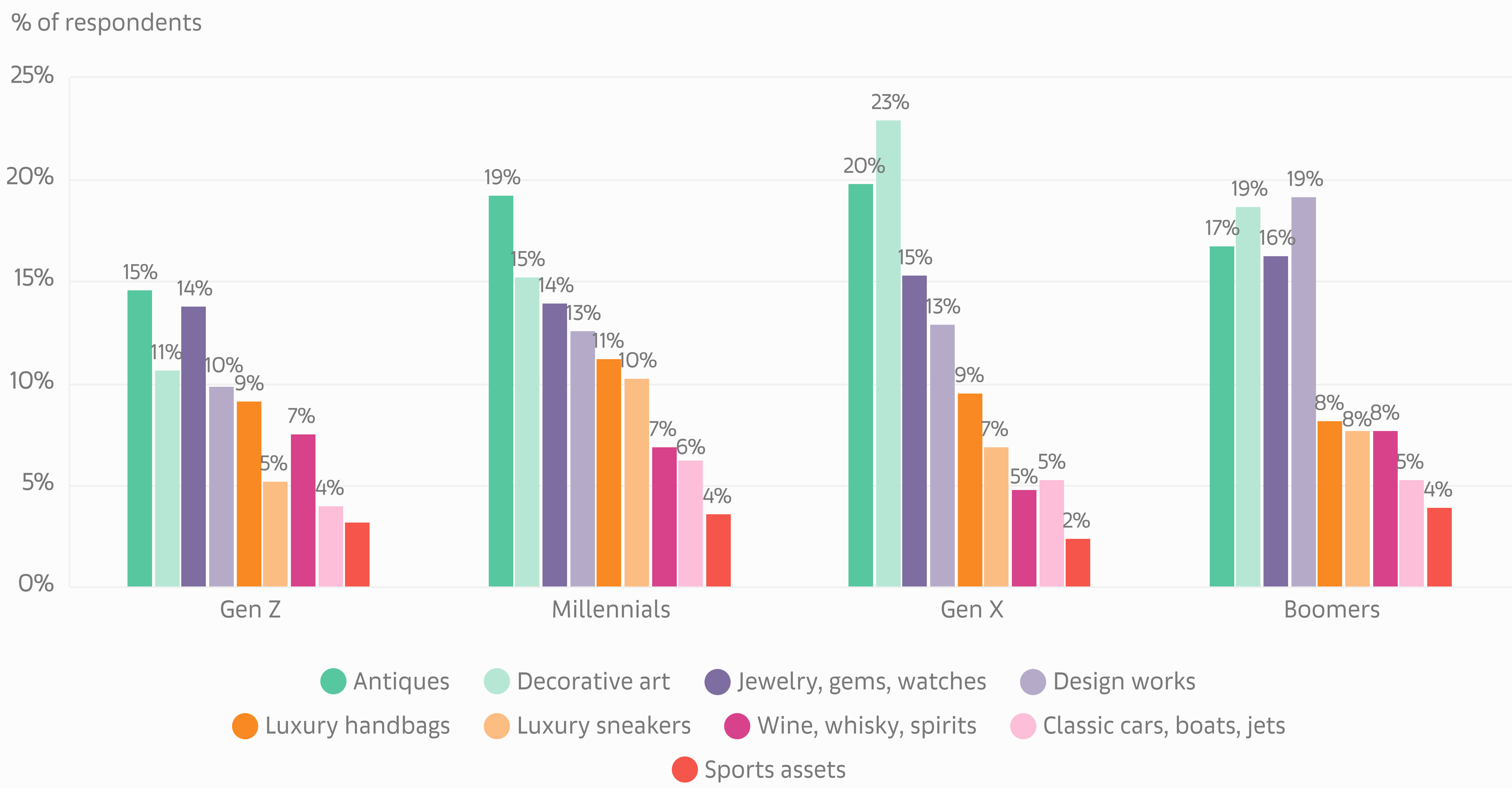
There were again notable differences between regions. Just over one-third of Mainland Chinese HNWIs intended to buy antiques versus only 3% in Singapore, with respondents there reporting among the lowest purchasing intentions in nearly all of the collectibles segments. US and Swiss HNWIs had the highest intentions to buy decorative art (at 28% and 26% respectively), while US respondents also reported the highest for design works (22%). Mainland Chinese HNWIs led in jewelry, gems, and watches (30%); luxury handbags (18%); and wines, whisky, and spirits (15%). HNWIs in Switzerland were the most likely to be planning a purchase of luxury sneakers (15%) and, by a considerable margin, classic cars, boats, or jets (19%).

Figure 4.9 HNWI Intentions for Purchases of Collectibles in the Next 12 Months

a) All HNWIs



b) By Generation



4.3 HNWI Outlook in 2024

In mid-2024, the path of the art market for the remainder of the year was not entirely clear, with mixed signals in different sectors. This paralleled the wider context, as continuing tensions and uncertainties in the political and financial spheres in some areas created a diverse outlook by region and segment against a backdrop of generally slow progress on big aggregates such as global growth and disinflation. Despite this lack of clarity on how some markets and economies might fare, the HNWIs surveyed remained optimistic on the whole, as seems to be often the case. A majority of 91% were optimistic about the global art market's performance over the next six months, up from 77% in similar polling at the end of 2023, and once again representing a larger share than were optimistic about the stock market (88%) over the same period. A very small minority of 3% of HNWIs were pessimistic about the art market's short-term future, with 7% unsure of how it would fare over the next six months.

Optimism was strong across all regions, ranging from the lowest share of 82% of respondents in Mainland China to a high of 97% in Singapore and Indonesia. There was little change in outlook over the medium and long term also, with optimism moderating only slightly due to increasing uncertainty about longer-term trends. Optimism rose in nearly all regions compared to 2023, with HNWIs in some of the European markets such as the UK, Germany, and Italy as well as Brazil, Hong Kong, and Japan showing substantial increases in share year-on-year. One exception was Taiwan, which had reported the highest levels of optimism in 2023, but fell to the lowest in 2024, although still a substantial majority.

There were few significant differences between generations, or consistently between wealth levels, although more experienced buyers of 20-plus years were slightly less optimistic about the short-term progress of the global art market than others. This trend reversed over the longer time periods, indicating that while experienced HNWIs may have concerns about the immediate state of the market in 2024, they were confident about its longer-term performance, and more confident than those in the market for a shorter period.

Table 4.2 Outlook of HNWIs by Region over the Short-, Medium-, and Long-term

a) Outlook for the Global Art Market

	US	UK	France	Germany	Switzerland	Italy	Mainland China	Hong Kong	Taiwan	Japan	Singapore	Indonesia	Brazil	Mexico
Next 6 Months														
Optimistic	87%	92%	92%	94%	86%	94%	82%	96%	84%	94%	97%	97%	92%	96%
Neither/ Not sure	7%	8%	4%	5%	7%	5%	13%	4%	15%	6%	2%	3%	6%	4%
Pessimistic	6%	1%	4%	1%	7%	1%	5%	0%	1%	0%	0%	1%	1%	0%
Next 12 Months														
Optimistic	88%	86%	92%	96%	74%	84%	84%	93%	68%	85%	91%	90%	82%	91%
Neither/ Not sure	9%	14%	6%	3%	20%	12%	9%	6%	28%	16%	8%	9%	17%	9%
Pessimistic	3%	0%	2%	1%	7%	3%	7%	0%	4%	0%	0%	1%	1%	0%
In 10 years														
Optimistic	86%	89%	92%	95%	91%	73%	84%	83%	89%	82%	86%	89%	85%	68%
Neither/ Not sure	12%	10%	8%	4%	8%	21%	13%	12%	11%	17%	14%	11%	15%	31%
Pessimistic	1%	1%	0%	1%	1%	7%	3%	5%	0%	1%	1%	0%	1%	1%

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Table 4.2 Outlook of HNWIs by Region over the Short-, Medium-, and Long-term

b) Outlook for the Global Stock Market

	US	UK	France	Germany	Switzerland	Italy	Mainland China	Hong Kong	Taiwan	Japan	Singapore	Indonesia	Brazil	Mexico
Next 6 Months														
Optimistic	86%	94%	92%	94%	81%	86%	76%	92%	85%	94%	92%	97%	83%	95%
Neither/ Not sure	9%	5%	7%	5%	13%	9%	12%	7%	13%	7%	8%	3%	17%	5%
Pessimistic	5%	1%	1%	1%	6%	4%	12%	1%	2%	0%	0%	0%	0%	0%
Next 12 Months														
Optimistic	88%	82%	94%	95%	78%	79%	78%	93%	72%	79%	92%	87%	81%	93%
Neither/ Not sure	9%	18%	2%	3%	15%	17%	15%	6%	24%	20%	7%	12%	18%	7%
Pessimistic	3%	1%	4%	1%	8%	4%	7%	0%	4%	2%	0%	1%	1%	0%
In 10 years														
Optimistic	90%	90%	93%	91%	76%	84%	82%	88%	78%	88%	90%	85%	73%	88%
Neither/ Not sure	9%	9%	4%	7%	18%	12%	12%	11%	20%	12%	10%	15%	25%	12%
Pessimistic	1%	1%	2%	2%	6%	3%	6%	1%	2%	1%	0%	1%	2%	0%

Looking forward, while optimistic, HNWIs reported high levels of concern over a number of issues in the market. From a list of some of the key topics connected to the current state of the art market in 2024, the top concern (90% of respondents concerned or very concerned) was the existing and rising barriers to the free movement and exchange of art and antiques internationally (which was also the second-highest ranking concern in 2023). The rise of legal issues in the art trade, such as restitution cases, fakes, and forgeries, was the second-highest concern (having been the highest in 2023). However, from the top-ranking position in 2023, regulation and identification requirements when transacting, such as 'Know Your Customer' (KYC) regulations, moved down substantially to tenth place, presumably as the art market and its participants have increasingly adjusted to these requirements as with other industries.

Ethical considerations concerning artists and how they are compensated and promoted was the third-highest-ranking concern in 2024, and many HNWIs commented on specific issues related to diversity, inclusion, and fair representation in the market, and the differences in opportunities and outcomes that currently exist. Some also flagged concerns over the creative and intellectual rights of artists. There has been much discussion over the last two years regarding the impact of AI on artists, both in terms of their creativity and intellectual property and copyrights. When asked directly about how they felt AI could impact these rights for artists, a majority in this sample thought it had been positive so far, although more established HNWIs still had concerns regarding these rights and their effect on creativity.

The top concern about the market in 2024 was the existing and rising barriers to the free movement and exchange of art and antiques

Given the high share of HNWIs that showed intentions to sell works from their collections, albeit for a variety of reasons, it is not surprising that art market fluctuations and changes in prices and demand for artists and different sectors was in the top five concerns, with a higher share of financially motivated HNWIs worried about these shifts over others. The level of concern was considerably higher than for the sample of established collectors reviewed in Exhibit 3, where only around half of the respondents had high or moderate concerns over this issue.

While this sample demonstrated a high level of activity online, many HNWIs were concerned about the security of their personal and financial data when transacting digitally, ranking in the top five issues, and with only 3% unconcerned. Cybersecurity has been an ongoing concern in the art market for many years, with risks in this area an inevitable by-product in this and all industries as they become more globally interconnected and reliant on digital technologies. However, the very high-profile cyberattack at Christie's earlier in May along with the rising incidence of cybercrimes in the dealer and auction sectors during and after the pandemic are likely to have highlighted the issue for collectors, as it has for the art trade.

IMAGE Duane Linklater, presented at Art Basel by Catriona Jeffries

Figure 4.10 HNWI Concerns Regarding the Art Market 2024

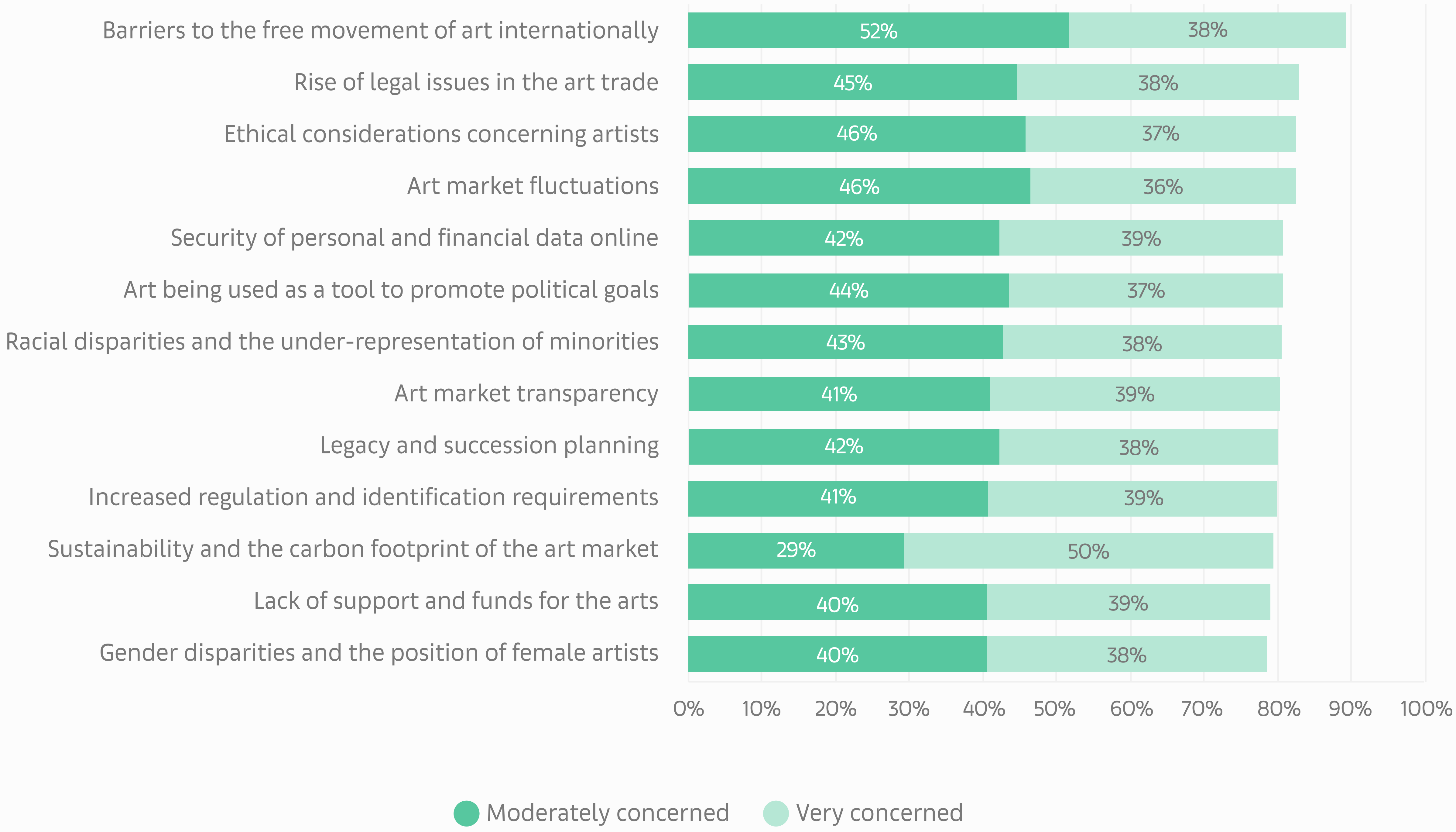

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IMAGE Fuyuhiko Takata, presented at Art Basel by Waitingroom

Exhibit 3. Art Basel VIP Survey

The survey of HNWIs outlined in the previous chapters covered a broad range of individuals, primarily screened by their level of wealth and whether they had purchased art in 2023 and 2024. The respondents in the sample had been purchasing art from a range of two years to more than 25 years. While many reported attending art fairs, some were not regular, repeat visitors and may have had different levels of experience and expectations from the events they attended. To look more closely at the views and behaviors of more regular fairgoers and established collectors, Arts Economics designed a separate survey in 2024, which was distributed to a database of VIP guests from Art Basel's fairs, with the anonymous results independently gathered and analyzed here.

Art Basel VIP guests include a range of different categories of fair attendees that have a high level of engagement in the art market, including private collectors, museum directors, artists, advisors, journalists, and others. This survey screened respondents to ensure that they were actively collecting, eliciting responses from just over 1,400 private art collectors from 28 different markets, with just under half of the sample from European countries and 30% from the US.[33] An important differentiator from the wider HNWI survey is that this sample was not screened on their personal wealth or net assets. While some respondents may have been HNWIs, this was not a criteria for inclusion, with the sample instead primarily representing highly engaged and active participants in the art market and its events.

The age profile was older than the wider HNWI survey, with half of the sample in the Boomer generation or older (that is 60 years or more), 39% Gen X, and 11% millennial or Gen Z (that is, under 44 years of age, with less than 1% being Gen Z). As might be expected, many of these respondents were therefore relatively well established collectors, with an average of 20 years collecting art, double that of the wider survey. Most had been collecting for more than 10 years, and just over half (56%) had done so for more than 20 years. In contrast, only 8% were new to the market, with collections started within the last five years.

Many had already built very substantial collections of art, purchasing extensively across a variety of mediums, with an average collection size of approximately 161 works – almost four times that of the HNWI sample. However, this included exceptionally large collections (with 4% having more than 500 works, including NFTs, multiples, works on paper, and others). The median collection size was still a substantial 75 works, and a majority (63%) owned more than 50 works.

33 A small number of respondents noted that they were both private collectors and had roles in the art market, such as advisors or curators, but the questions were focused on their private collecting activities.

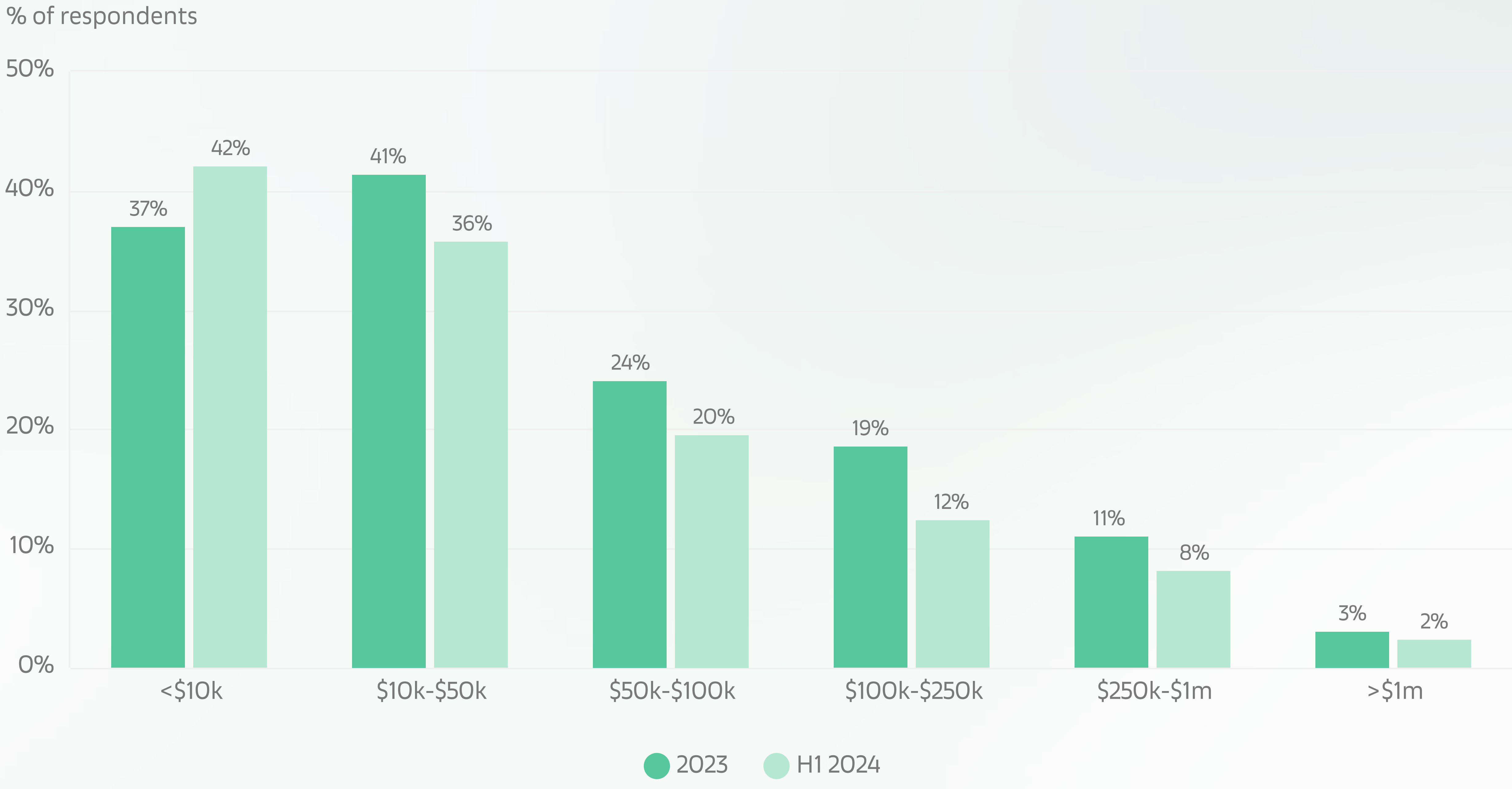
Spending by Collectors

When asked about their recent spending, 44% of respondents had spent $100,000 or more on art for their collections in 2023, with an average overall of $485,450 (about a third higher than the wider pool of HNWIs). Around 15% had spent over $500,000 and 8% of those over $1 million. However, even though they were higher spenders, the price points for the individual works that had been purchased tended to be predominantly lower over 2023 and 2024. Only 3% had bought an individual work of art in 2023 that was priced at over $1 million, and the most common price level for purchasing individual works was under $50,000: 64% of collectors had purchased works in at least one of the segments under $50,000 in 2023, with the most popular range being between $10,000 and $50,000 (41%). These findings align with research in 2023, which revealed that in both the dealer and auction markets, sales were more buoyant at the lower end, and significantly thinner for $1 million-plus works during the year.

The trend to focusing on lower-priced works appeared to continue in 2024, with the share of collectors buying works priced at less than $10,000 growing from 37% in 2023 to 42%. The share of those purchasing works for over $100,000 declined in the first six months of 2024, including a drop to just 2% of respondents having bought an individual work for more than $1 million.

More than half of the collectors surveyed had purchased over a few different price ranges during 2023 and 2024 (with only 47% sticking to just one of the price ranges in Figure 1 in 2024), which indicates some diversity in their interests. While around one-third of the respondents who had bought works for over $1 million stuck to only million-dollar works, 30% had also purchased in the sub-$100,000 range.

Figure 1. Share of Collectors Purchasing in Different Price Ranges 2023 and 2024

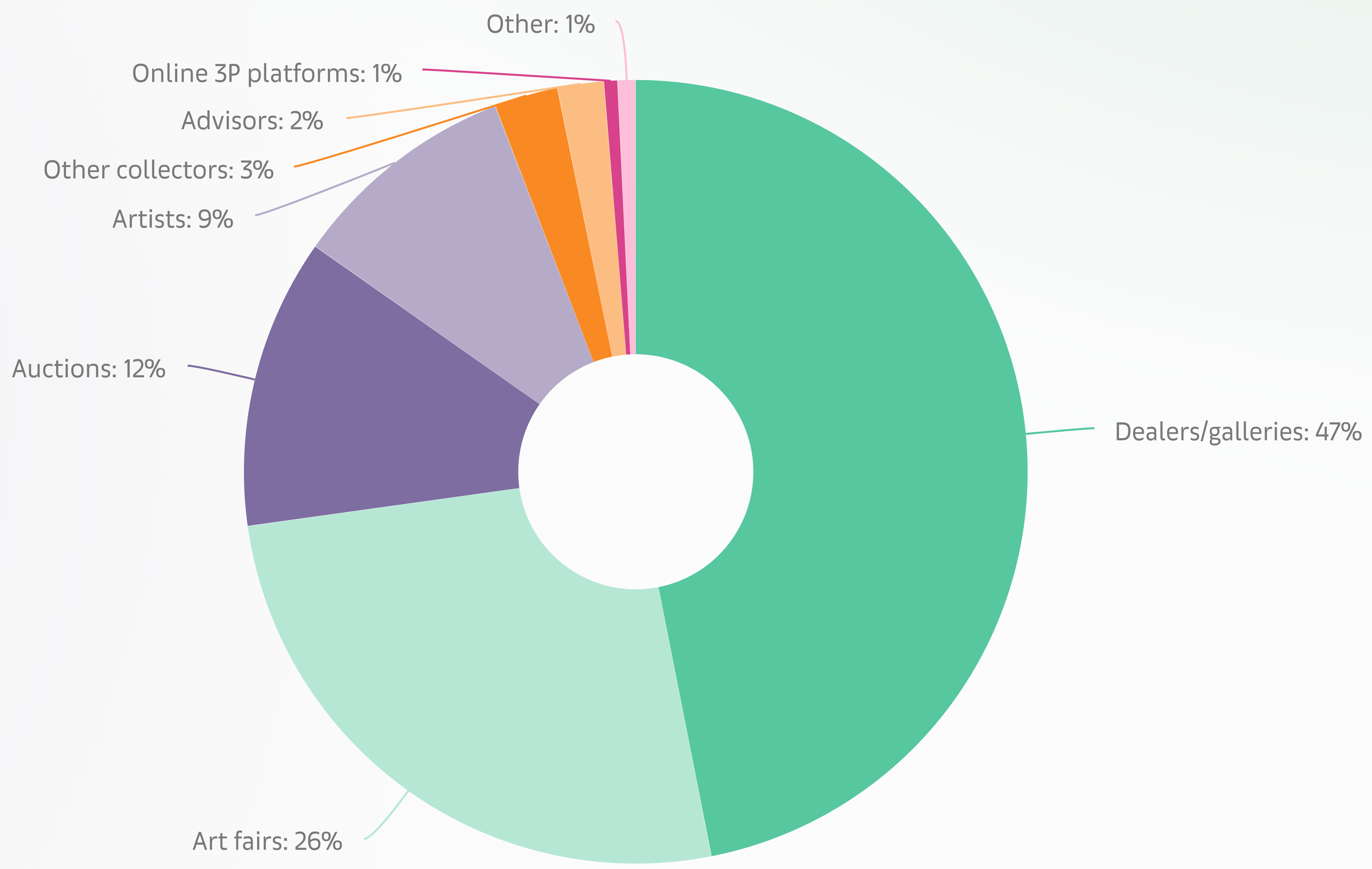


Like the wider cohort of HNWIs, these collectors made a high share of purchases through dealers. In 2023 and 2024, 73% of their reported spending on art was either directly through a dealer (47%) or through a dealer at an art fair (26%). While the share directly through dealers was roughly on par with global HNWIs, unsurprisingly, spending through art fairs accounted for a much greater proportion, more than double that of the wider survey. This was a relatively consistent finding across generations, with a slightly lower-than-average share of dealer-based spending by millennial and younger collectors of 70% (due to a lower share of spending at art fairs at 23%).

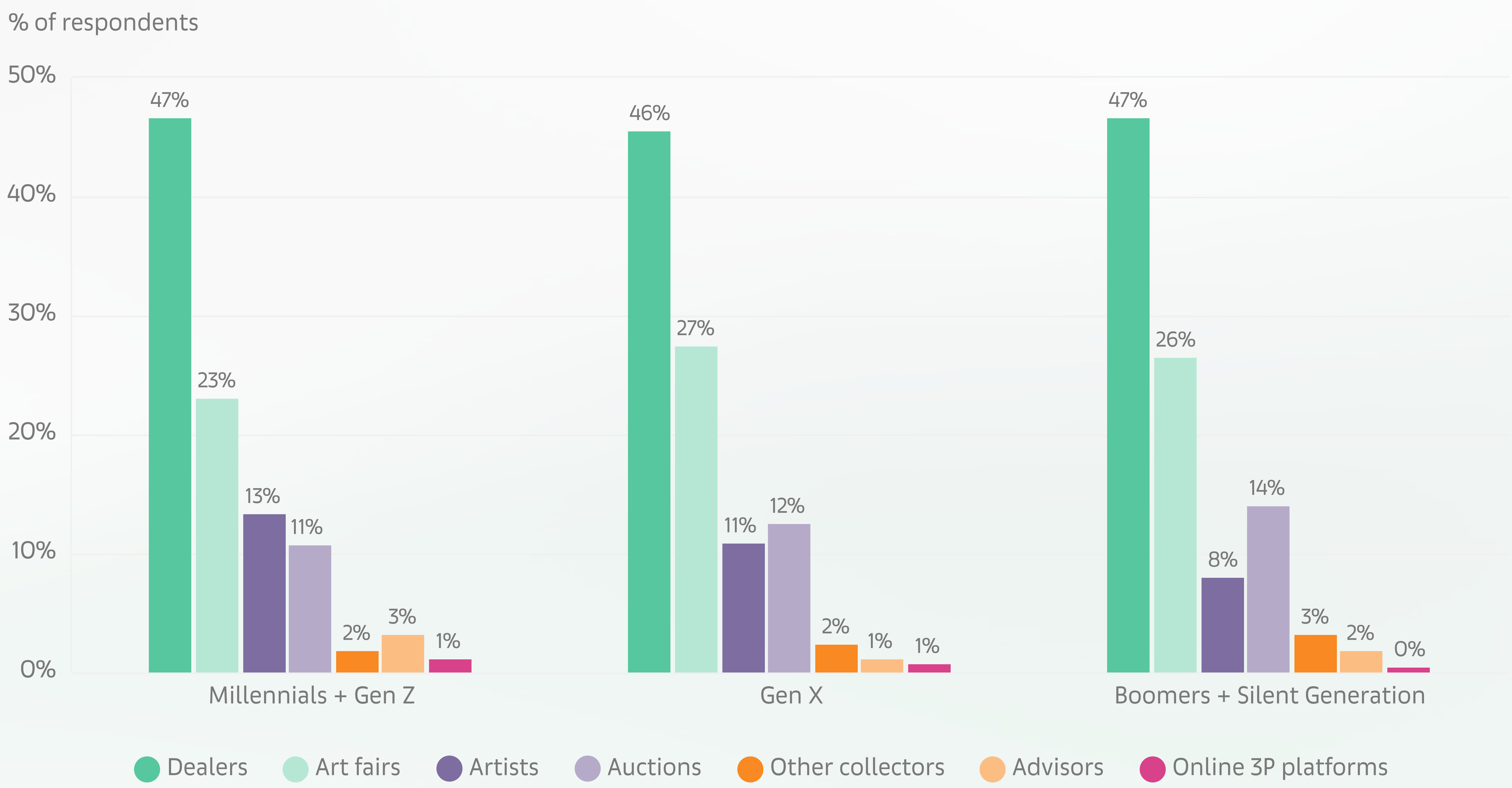
Auctions, on the other hand, featured significantly less, accounting for 12% of spending, with a slightly higher 14% for older collectors in the Boomer and Silent Generation segments. Purchasing directly from artists accounted for 9% in total, including 7% from their studios, 2% from works commissioned by collectors, and a tiny fraction (around 0.5%) through Instagram. Buying from artists was highest among the youngest collectors (13% for millennial and Gen Z versus just 8% for Boomer and the Silent Generation). Works purchased through an art advisor were reported as 2%, again potentially underestimating the role they play in sales prior to finalizing a transaction.

Figure 2. Share of Collector Spending by Sales Channel 2023 and 2024

a) All Collectors



b) By Generation



Focusing on spending via dealers, collectors accessed sales through different routes during the year, with offline transactions dominating. Of the spending directly through dealers (excluding art fairs), 85% was in person through their gallery or premises, more than double the findings from the HNWI survey, which averaged 39%. Buying online or without viewing the work in person accounted for just 15% of spending in this sample (versus 43% in the wider survey), showing that this set of collectors transacted much more offline and were focused more on in-person sales experiences. As noted above, the share of spending at art fairs (26%) was more than double that of the HNWI survey (11%). In line with the wider survey, most of this was at live events, with an even greater majority of 96% of art fair spending, again underlining the importance of in-person transacting for these collectors.

Putting together all of the spending by these collectors through dealers in 2023 and 2024, both directly and indirectly through art fairs:

- 55% was in person at a gallery or dealer's premises (more than double the share of the wider pool of HNWIs);
- 34% was in person at art fairs (5% higher than the wider survey);
- 10% was through dealer websites, online platforms, Instagram, or email (without an in-person viewing of the work); and
- 2% was via art fair OVRs or online platforms.

In other words, 88% of the spending that collectors made through dealers was based on in-person transactions either at fairs or directly at a gallery or other dealer premises. Although it was a minority for all age groups, younger collectors spent a significantly larger share online: 22% for millennial and Gen Z respondents, versus 9% for Gen X and 11% for Boomers and the Silent Generation.

Dealers were also the most preferred channel for sales. When asked how they would most prefer to purchase artworks for their collections, 75% chose dealers, including 46% preferring to buy directly and 29% through art fairs. Buying from artists was the favored channel for 14%, with most of those (12%) preferring to visit an artist in their studio or premises to purchase the work (and 2% opting to commission works while less than 0.5% preferred to find works by an artist on Instagram and purchase them directly there). Only 5% of the sample chose auctions. While the share preferring direct sales through dealers was roughly on par with the wider HNWI survey, the biggest differences between the two samples were the considerably greater share of collectors in this sample that preferred art fairs and buying from artists along with the lower preference for auction sales.

While dealers were the first preference across all generations, Gen X collectors had the highest preference for art fairs (32%) as well as auctions (6%). There was also a higher preference for auctions among higher spenders: 13% of those collectors that had spent more than $1 million on art in 2023 preferred auctions, more than double the share of those that had spent less than that level.

Advisors were more popular both with younger collectors and higher spenders (4% for millennial and Gen Z collectors and those spending over $1 million, versus 2% for Boomers and older collectors). The age profile was similar for buying directly from artists, with 29% of millennials and Gen Z respondents choosing this as their preferred method to buy art, outweighing preferences for art fairs (19%).

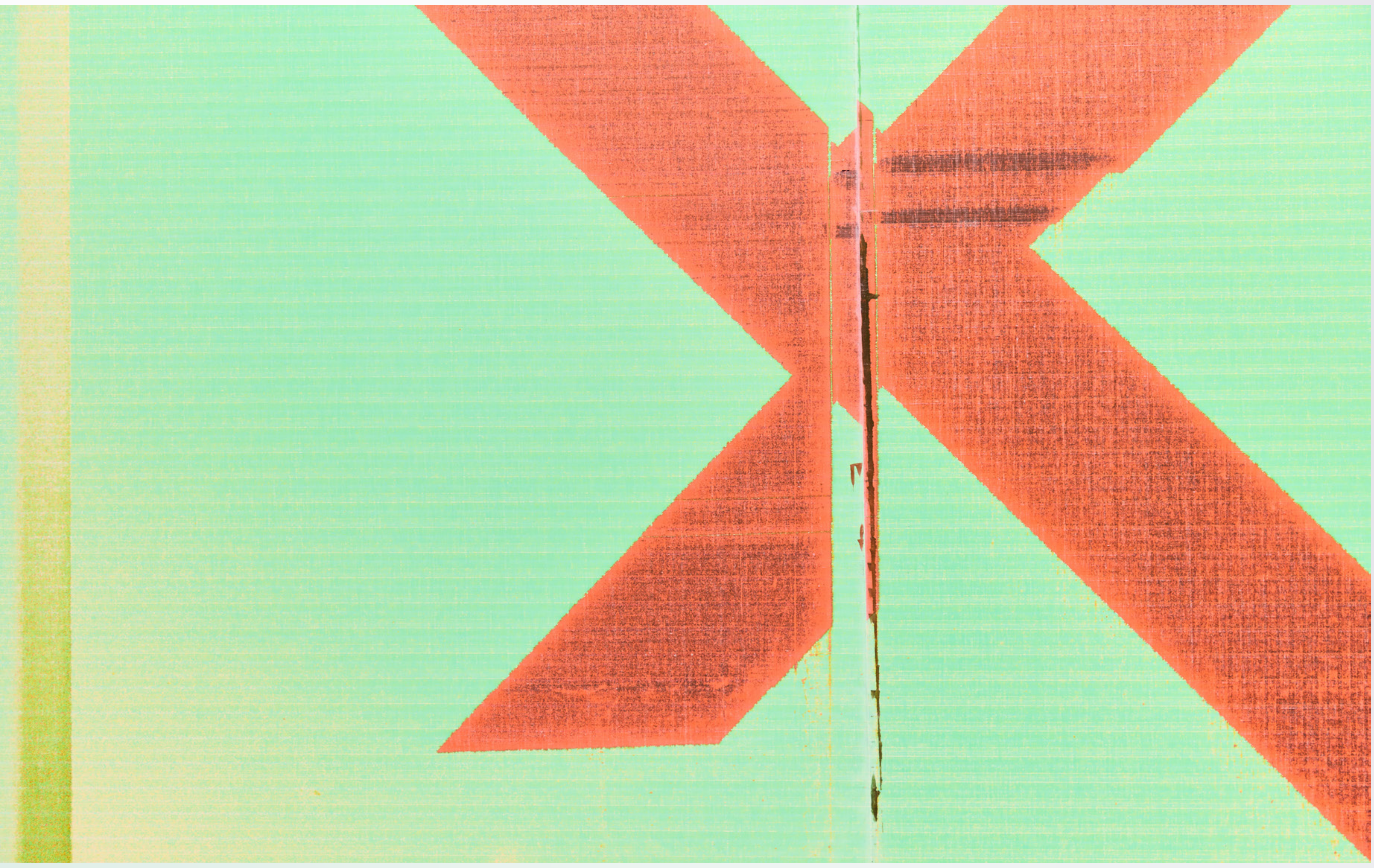
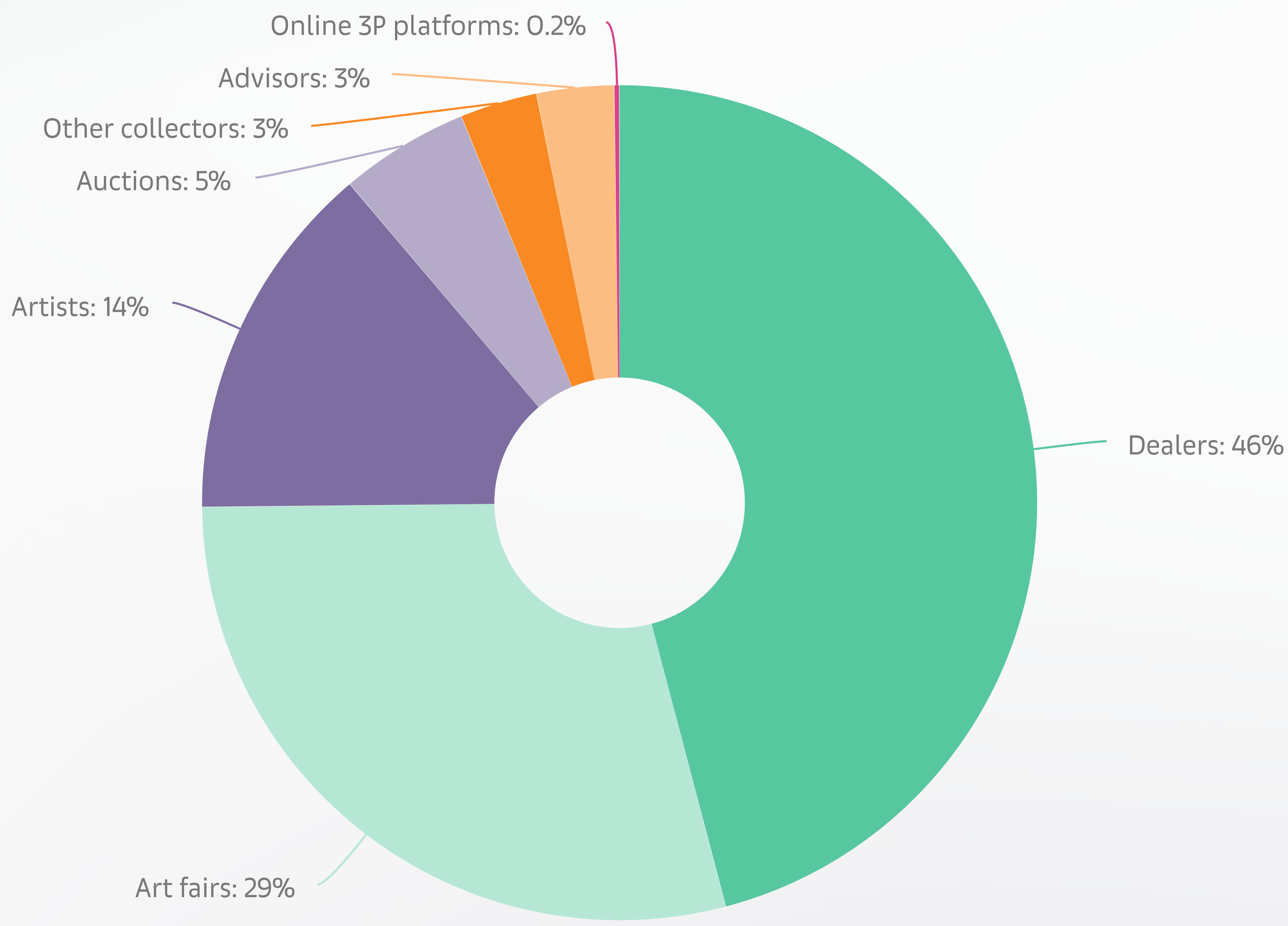


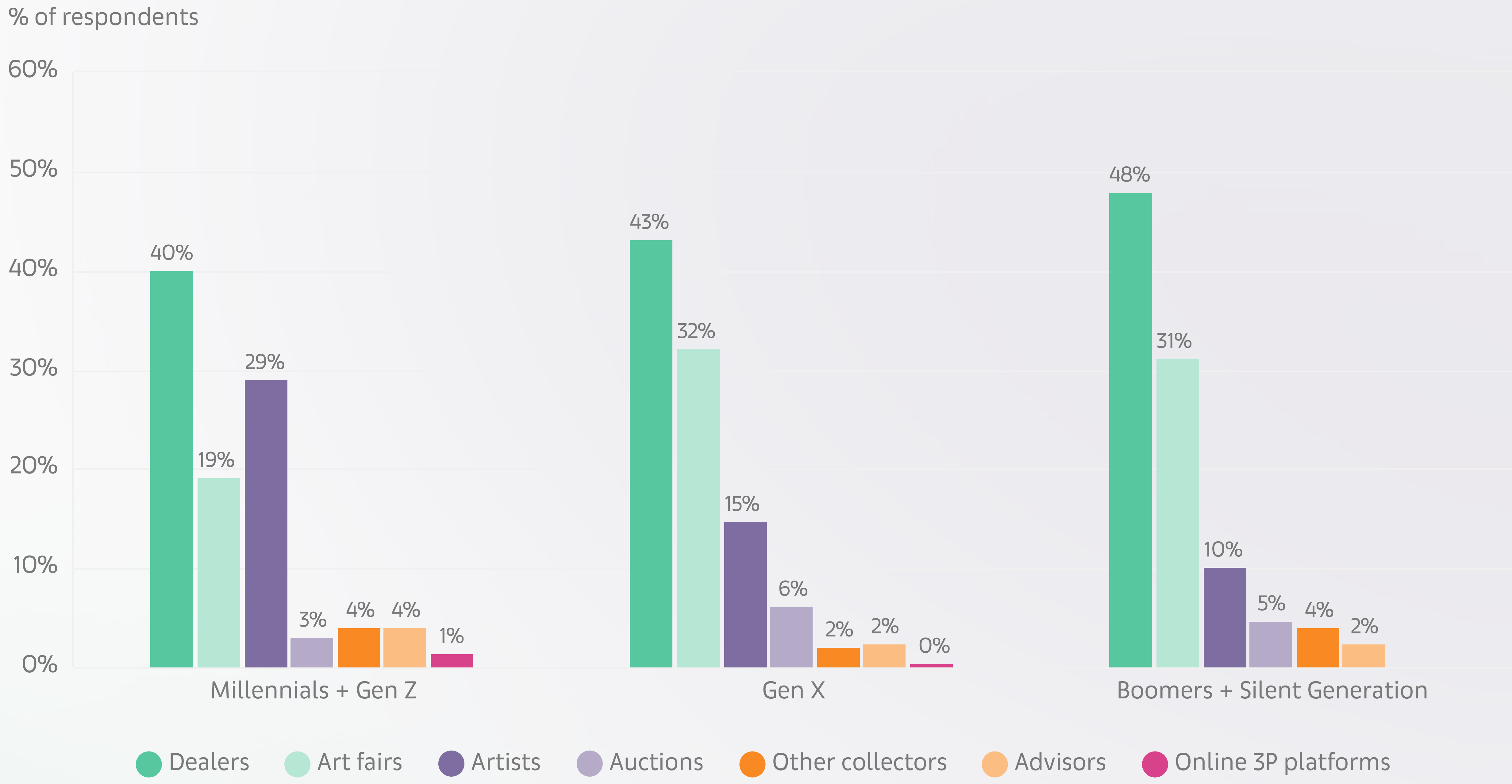
IMAGE Wayde Guyton, presented at Art Basel by Gió Marconi

Figure 3. Collector Preferences for Different Sales Channels 2023 and 2024

a) All Collectors



b) By Generation



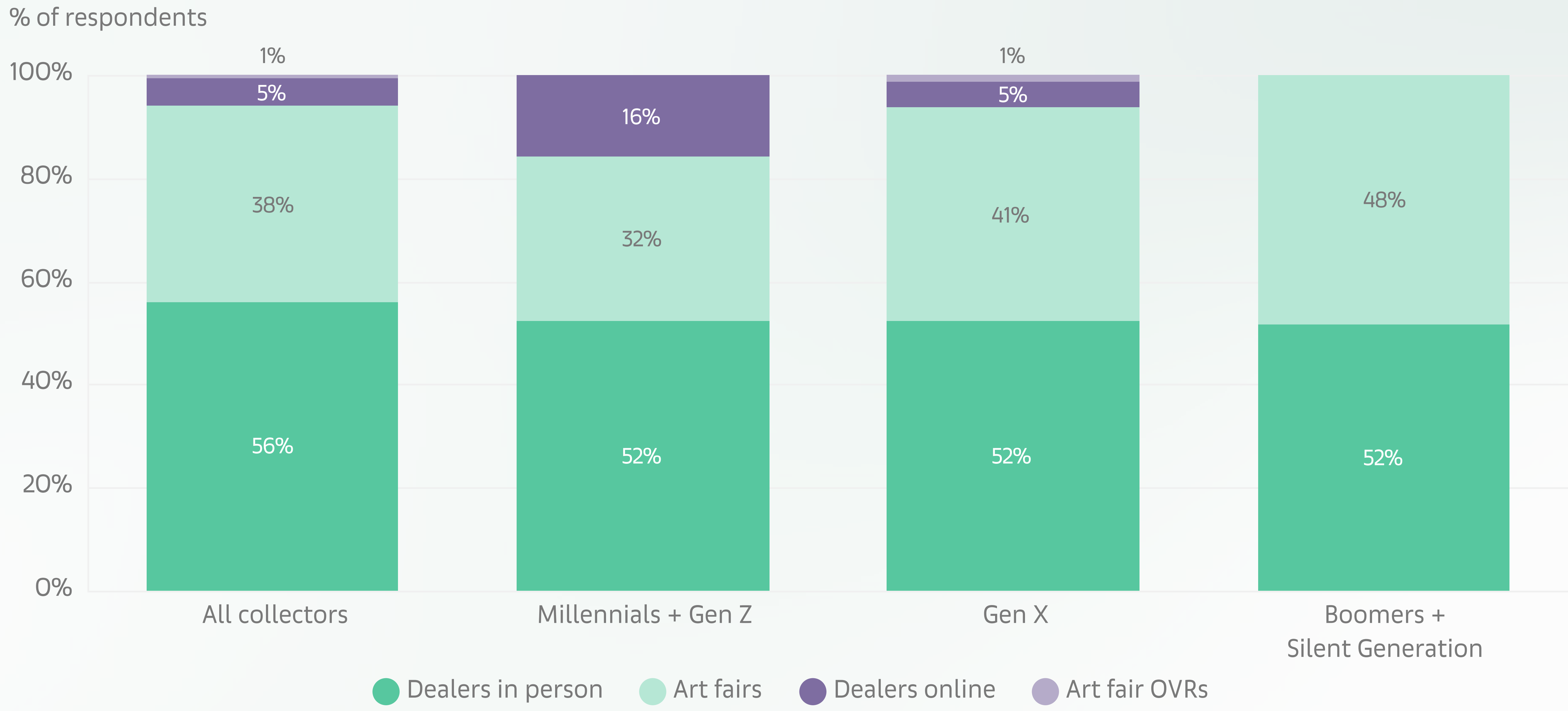
Looking in more detail at the majority of respondents that preferred dealers, of those that favored buying directly (excluding art fairs), just over 90% would choose to buy in person at their gallery compared to 10% through a dealer's online channels. This is a significantly different result than the wider HNWI survey, where only 20% of those preferring dealers opted for in-person transactions, indicating that the level of experience and familiarity with dealers, through attending significantly more exhibitions (discussed below), at fairs, and possibly within VIP programs has positively shaped preferences towards buying in person.

Again, putting together all of the collectors who preferred to buy through dealers in 2023 and 2024, both directly and indirectly through fairs:

- 56% preferred buying directly from a dealer through a visit to their gallery or premises;
- 38% preferred buying at art fairs;
- 5% preferred buying from a dealer through their website, online platforms, Instagram, or email, but without viewing the work in person; and
- 1% preferred buying via art fair OVRs.

This shows that most collectors (94%), if given a choice, would prefer to buy in person, and these preferences were reflected in significantly higher spending in person than online. There is again a generational component to this finding, with younger collectors having a higher preference for buying online (16% versus only 6% overall and none of those from the Boomer and Silent Generation segments). These findings combined with the ones on spending indicate that although it is a minority for collectors at all levels, the share of online spending through dealers and the preference for doing so is significantly higher for younger collectors.

Figure 4. Collector Preferences for Buying Art from Dealers 2023 and 2024



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To assess why these collectors preferences were skewed toward dealers and art fairs more than the wider sample and what added value they provided for them above other channels, respondents were asked to rank different sales channels on various aspects of their collecting activities.

In terms of carrying out transactions in the art market, dealers were valued above the other channels for being safe and confidential places to buy art.[34] They also ranked higher by a considerable margin in both ensuring that a collector's personal and financial information was securely held and protected from fraudulent activities (71% ranked them highest) and that details of the transactions being made were secure and confidential (69%). Auction houses and art fairs were ranked relatively similarly on these safety, security, and confidentiality aspects of transacting (around 15% each). They were all ahead of online third-party platforms, chosen by only 1% of the sample as the best place specifically for protection of personal information. From a list of around 20 current issues in the art market, the security of a collector's personal and financial data when purchasing art using online platforms and apps was shown to be one of the biggest concerns for this group overall, ranking second highest, with 62% of collectors moderately or very concerned about this in 2024 (21% were neutral and 17% unconcerned). It was also the top-ranked issue for

34 Collectors were given a choice of buying through dealers directly (including both online or offline), auctions (online and offline), art fairs, and online third-party platforms.

younger collectors, with 73% of millennial and Gen Z respondents reporting concerns about their online security when transacting.

A high majority of collectors (68%) rated dealers above art fairs, auctions, and online platforms for providing a convenient and low-stress environment in which to buy art. This was somewhat lower for younger collectors, with 55% of millennial and Gen Z respondents ranking dealers the least stressful place to purchase, 19% rating art fairs best, 15% online platforms, and 12% auctions.

Over all respondents, 65% ranked dealers highest in terms of access to expertise and specialist advice on artists and their works, with a high majority regardless of the age of the collector, including 70% for the younger cohort.

Although still leading other channels, a smaller share (41%) of collectors thought dealers were the best channel for providing transparent information on prices and commissions when purchasing, with auctions being the second most highly rated overall at 29%. Auctions were the highest rated by younger millennial and Gen Z collectors, with one-third feeling that they led in terms of price and commission transparency, ahead of dealers (27%), art fairs (21%), and online platforms (18%). Art market transparency was also a key concern for many collectors in 2024, ranking third overall, with 60% of collectors moderately or very concerned about unlisted prices, undisclosed fees, and related issues (with 22% neutral and 18% not concerned at all). This was the second-highest concern for younger collectors, ranking just below online security for millennial and Gen Z respondents.

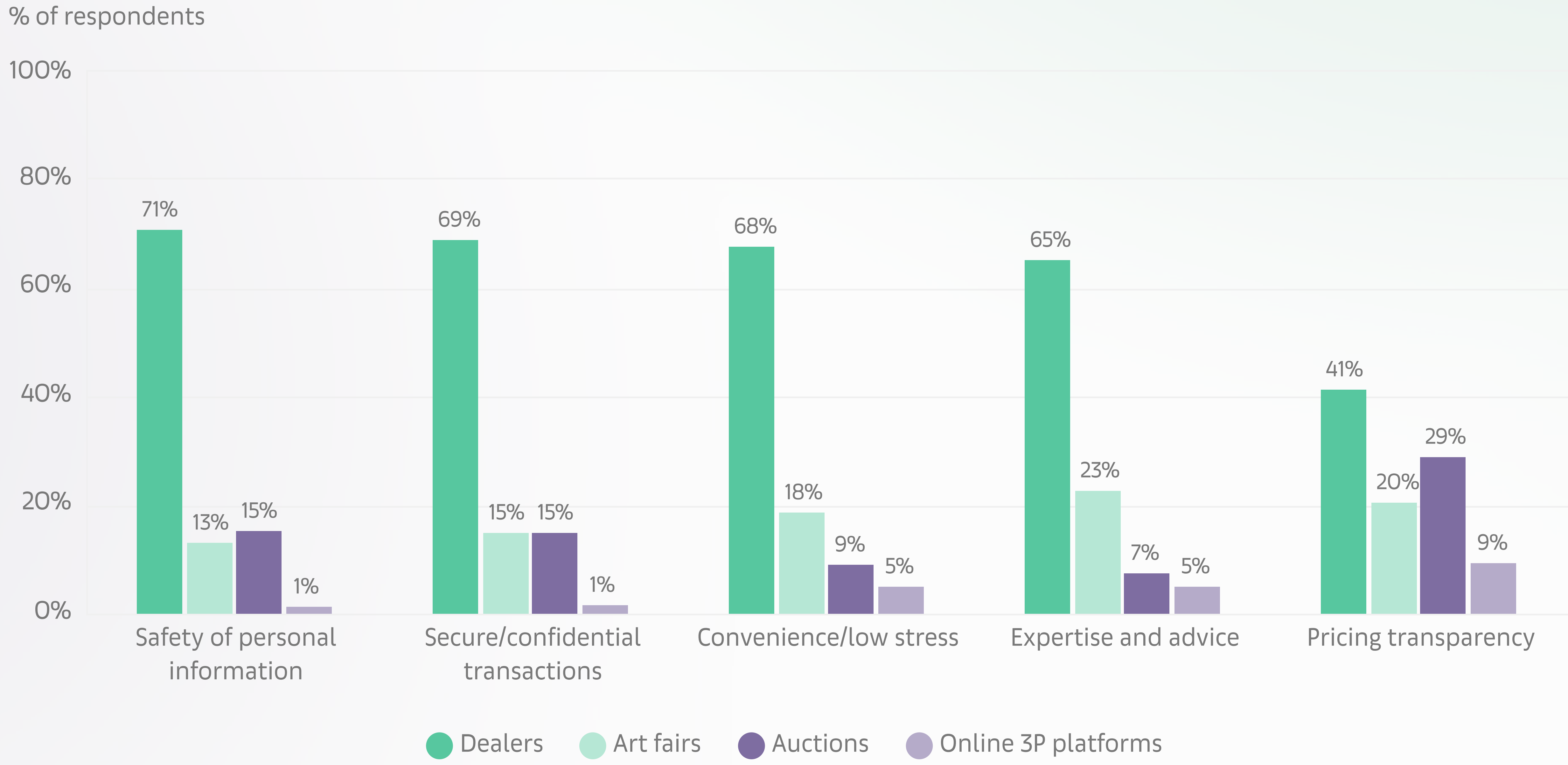
Considering the content and range of works offered for sale, art fairs ranked higher than dealers by a substantial margin in terms of providing access to artworks from a diverse range of artists from different regions and backgrounds (71%), as well as allowing opportunities to explore a wide selection of artworks across different styles and mediums (75%). While individual dealers tended to specialize in one or a few sectors, art fairs clearly provided access to a significantly wider range of artists through exhibitions by multiple dealers. Auction houses also offered a much more diversified range of sales covering artists and works across different regions, backgrounds, and periods. Despite their level of specialization, this group of collectors still felt that dealers ranked above auction houses in terms of the range of artists and works of art they allowed them to access.

Art fairs were ranked highest for discovering new and emerging artists, with 55% of collectors choosing them ahead of dealers (40%). Dealers still ranked highest on providing access to authentic, guaranteed artworks with solid provenance (67%), with art fairs in second place (21%). Just over half of the sample (52%) also felt dealers were the best at giving them access to artworks by top-tier artists (again, followed by art fairs at 33%).

Finally, as might be expected, art fairs scored highest for social and networking aspects of collecting, including providing opportunities to network among collectors, artists, and others in the artworld (77%), as well as opportunities for enjoyable social interactions (79%). Just over half of the sample (53%) believed that art fairs provided the best opportunities among the channels for education and learning about artists, art market trends, and other aspects of collecting, with 30% choosing dealers. A further 12% felt they learnt most through online third-party platforms, which was the highest share allocated to this channel across the various issues outlined in Figure 5 and was rated higher by younger collectors (24% of millennial and Gen Z respondents).

Figure 5. Collector Ranking of Sales Channel Characteristics 2023 and 2024

a) Transacting in the Art Market



b) Access and Range of Artworks

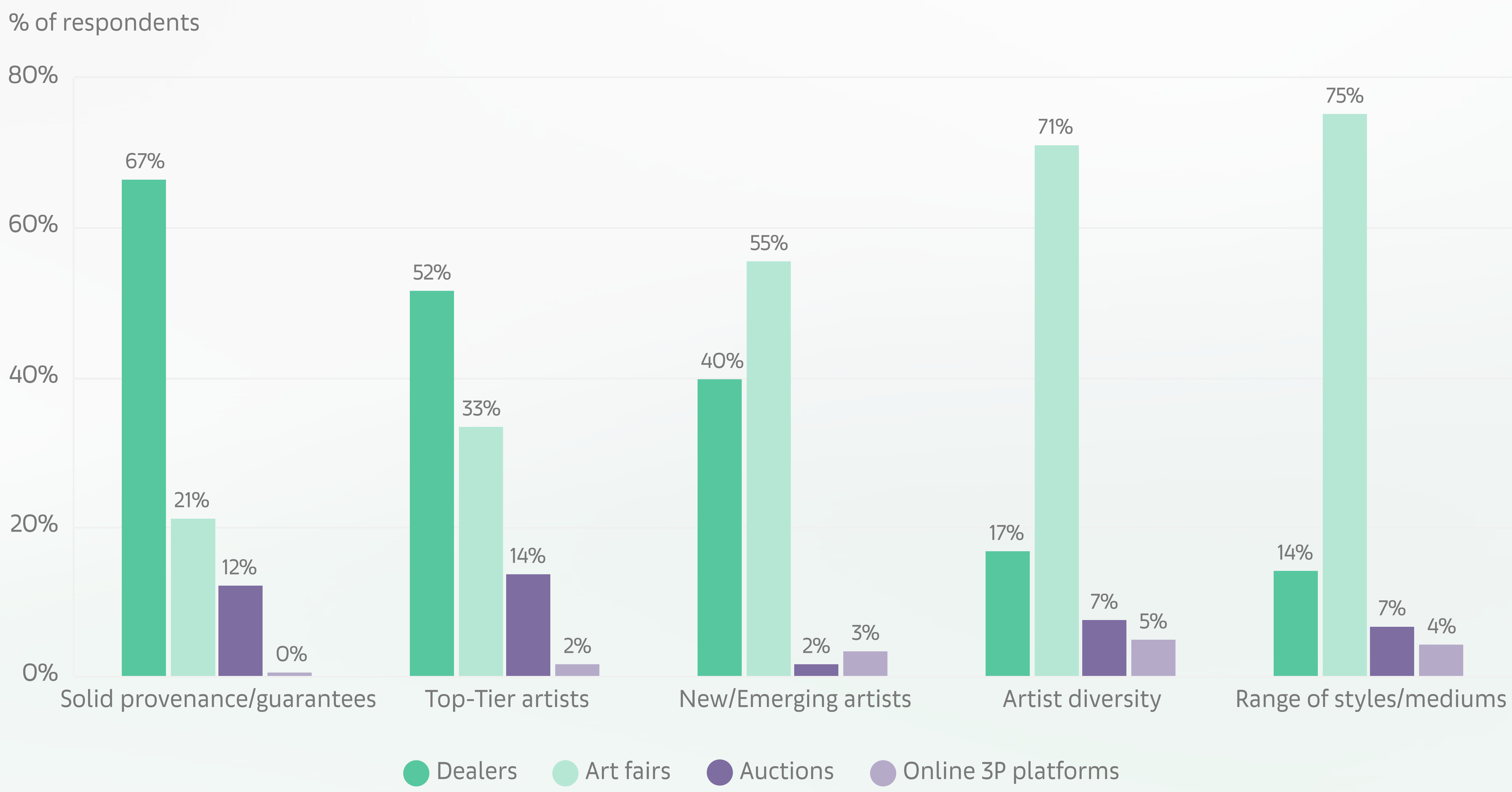
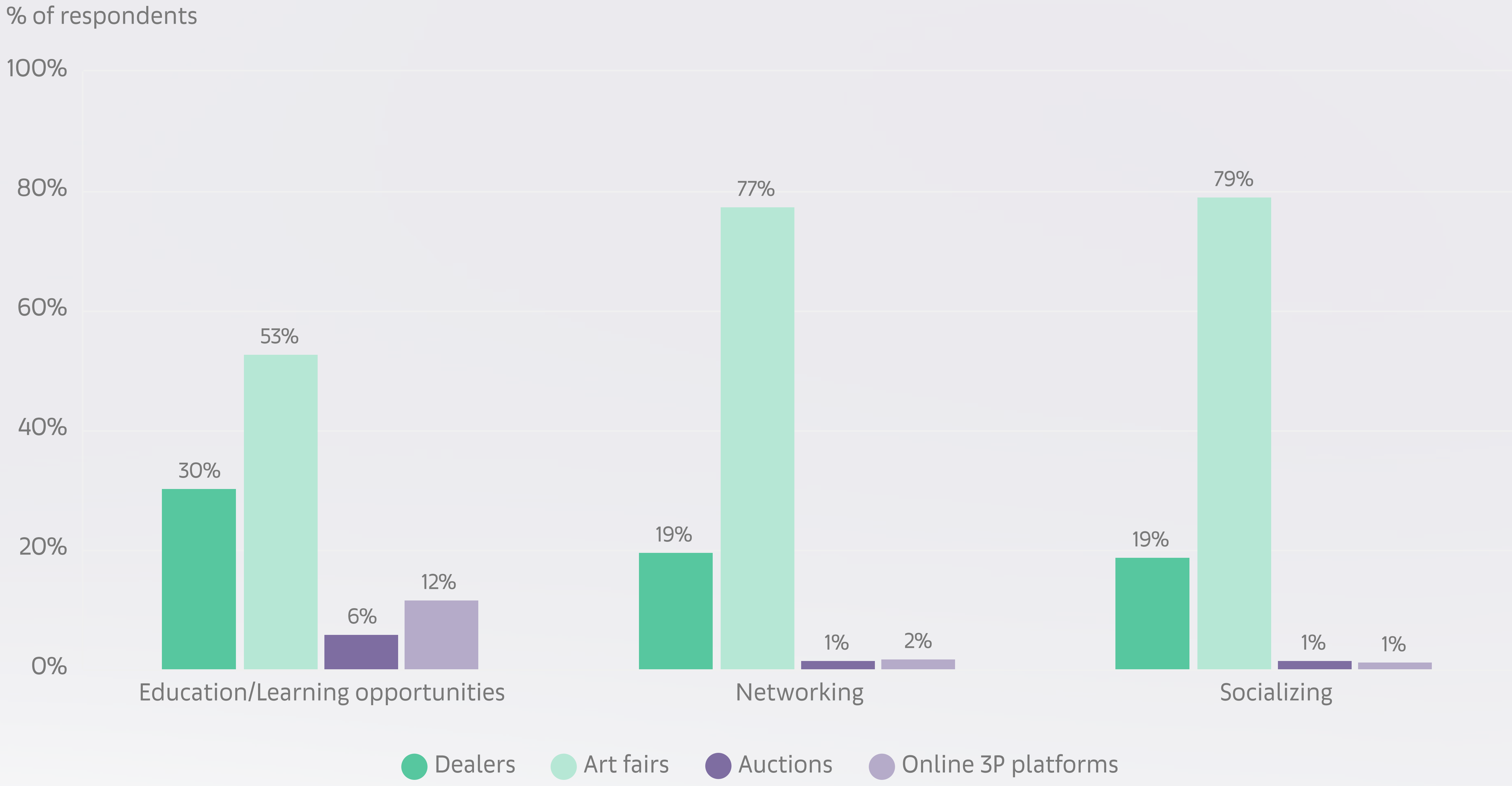


Figure 5. Collector Ranking of Sales Channel Characteristics 2023 and 2024

c) Networking and Social Aspects

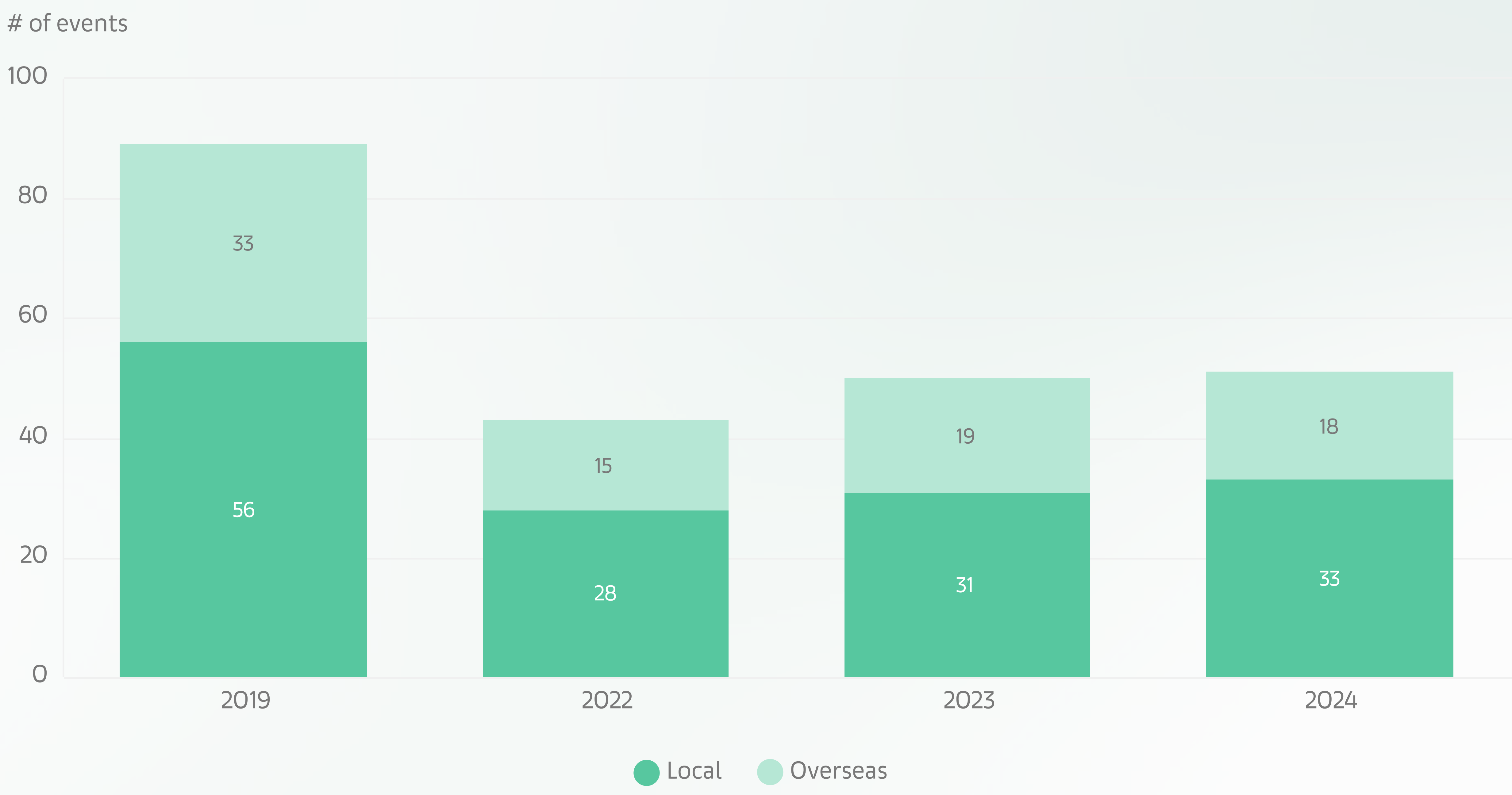


Event Attendance

The preferences of collectors are driven by their familiarity with using various channels, including the different kinds and amounts of events they attend. The wider survey highlighted a high attendance by HNWIs at events (46 in 2024, including six art fairs), but the results were influenced by a relatively small number attending a very large number of events. In this sample, the average was slightly higher at 51, and most collectors had higher attendance, with the median three times that of the HNWI survey.

While, like the wider sample, there was evidence of significant activity across a range of events in 2023 and 2024, these collectors showed a substantial reduction in the total number of events they attended compared to 2019, prior to the pandemic. The average number of events attended fell by over 40% from a high of 89 in 2019 (with a median of 54) to 51 in 2024 (median of 28), with a reduction in both local and overseas attendance.

Figure 6. Total Art-Related Events Attended 2019, 2022, 2023, and 2024*



©Arts Economics (2024) *Attended and planning to attend

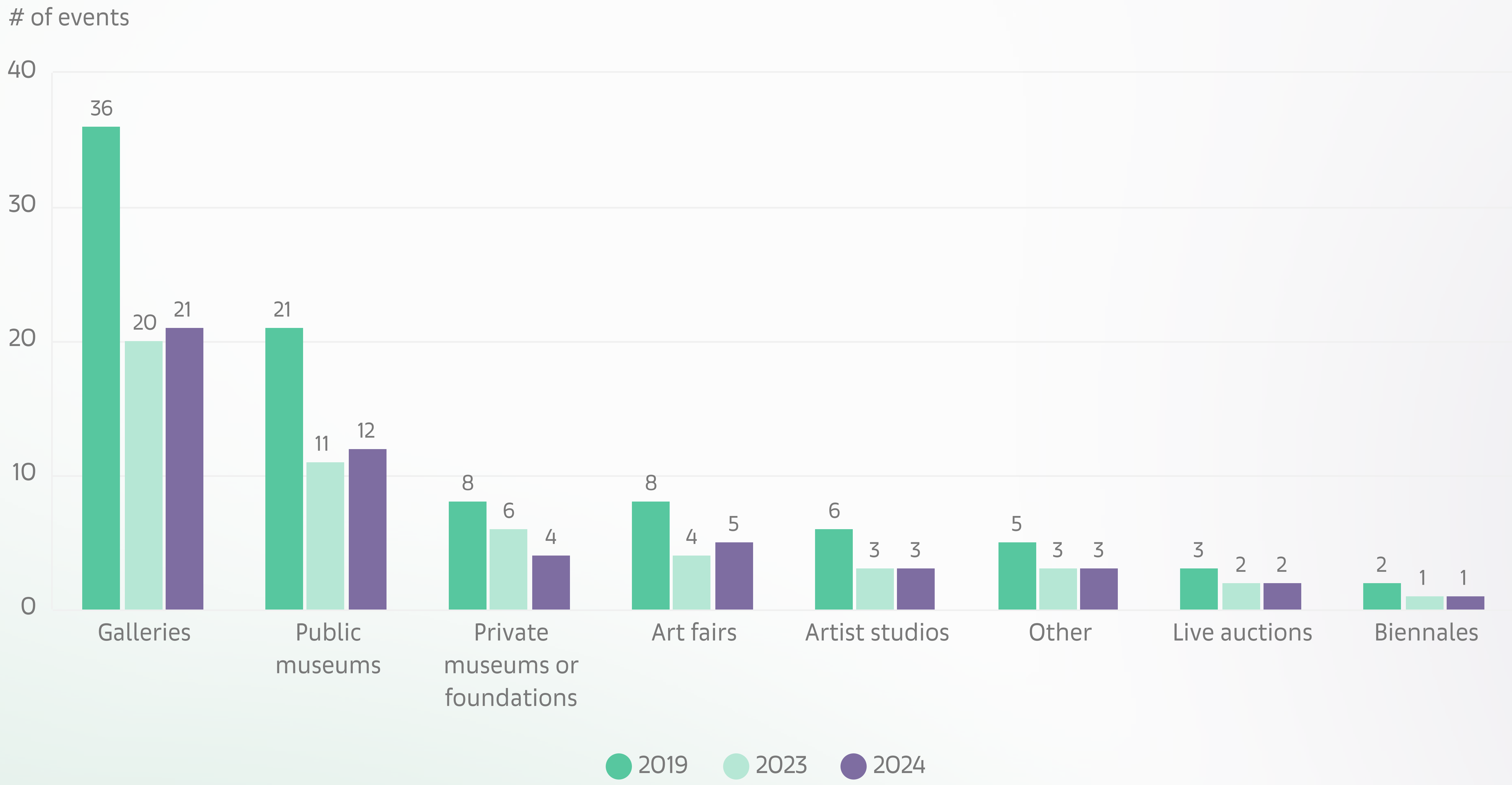
Gallery exhibitions were by far the most frequently attended events for these collectors, with an average of 20 shows in 2023, and a slight increase to 21 expected for 2024, versus less than half that average for the HNWI sample. Around 70% of the gallery shows attended by collectors in this sample were local events. Average attendance in 2024 was down by 15 exhibitions on 2019 or a decline of 42% in number, with a slightly larger drop in overseas events, and collectors going to half as many of these as they previously did. Research from the gallery sector suggests that after a significant fall in 2020, most galleries were back to the pre-pandemic volume of exhibitions, therefore, the decrease in attendance is not necessarily connected to there being less exhibitions for collectors to attend.[35]

Public museum shows were down by 42% from an average of 21 exhibitions in 2019 to an expected 12 in 2024 (just ahead of the wider HNWI average of 10), with a relatively consistent share of just over 60% of those being local events. Attendance at private museum exhibitions halved to four shows, with the biggest decline in number between 2023 and 2024 as overseas averages dropped from four to two.

35 Global surveys by Arts Economics of the gallery sector in 2023 showed that prior to the pandemic in 2019, dealers reported holding an average of seven exhibitions in their galleries. This fell to five in 2020, but had reverted to their pre-pandemic level by 2022, when it plateaued for the next year and into 2024. See Arts Economics (2024) *The Art Basel and UBS Art Market Report*, available at theartmarket.artbasel.com.

Artist studio visits also halved to average three in 2024 (with two visits being to local artists), and the majority of respondents (66%) had no plans to visit studios at all (with a similar share not having done so in 2023 either). It was a similar case for live auctions. The average number fell from three during pre-pandemic 2019 to two, and around three-quarters of the sample did not plan to attend any live auctions in 2024, nor did so in 2023.

Figure 7. Average Number of Events Attended by Event Type 2019, 2023, and 2024



There was a decline in the number of art fairs being attended in the period since 2019, with lower average numbers reported and a higher share of nonattendance both locally and overseas. On average in 2019, collectors went to eight fairs, including four locally in their region. Most collectors (88%) had attended at least one fair that year and around one-quarter of those had gone to more than 10. The COVID-19 pandemic in 2020 stalled attendance and many fairs only ran at partial capacity if at all in 2021. However, by 2022, the events calendar had revived, and collectors were active again, but attending a lower average number of four fairs. There was a slight increase in 2024 to five (including those already attended and planned), skewed to slightly more local events (three fairs).

While only 12% of respondents did not attend any art fairs in 2019, this rose to 21% in 2024, a significant uptick but still smaller than the share of nonattenders in the HNWI sample (38%).[36] Nonattendance increased at both local and overseas events, although the relative shift was more marked for the former. 20% of collectors did not attend a fair within their region in 2019, and this expanded to one-third in 2024. While there was a higher share of nonattendance to start with at overseas fairs (41% in 2019), this increased less dramatically to 48% by 2024.

Over all collectors surveyed, just over half (56%) now go to fewer fairs than they did in 2019 (44% to fewer local fairs and 38% to fewer overseas), while 22% go to more. Looking ahead to 2025, the majority of collectors (60%) expected to go to the same number of fairs as they did this year, with 28% hoping to attend more. Only a small share of 5% thought they would reduce the number of fairs, although this was slightly higher at 10% for younger millennial and Gen Z collectors.

When collectors that planned to reduce attendance were asked to comment on why they might do so, their reasons centered mainly around the perception of there being too many art fairs to attend and the feeling that many had becoming increasingly ‘homogenous’, with what some felt was standardized or repetitive content.

> *There are just too many art fairs now taking place within a short period of time and showing more or less the same selection of artworks and galleries.*

Some commented on a reduction in the quality of the works being exhibited over time and a lack of new and innovative artworks from new artists. Many collectors had issues with overcrowding at the fairs and the difficulties of viewing and appreciating the very large number of works on display.

36 3% of the sample did not go to fairs in either 2019 or 2024. Considering only those not attending in 2024, 86% had gone to a fair in 2019.

> *Most art fairs are repeating themselves. I get overwhelmed by seeing so many works by so many artists. I prefer to observe more, talk to the artists, then decide to buy.*

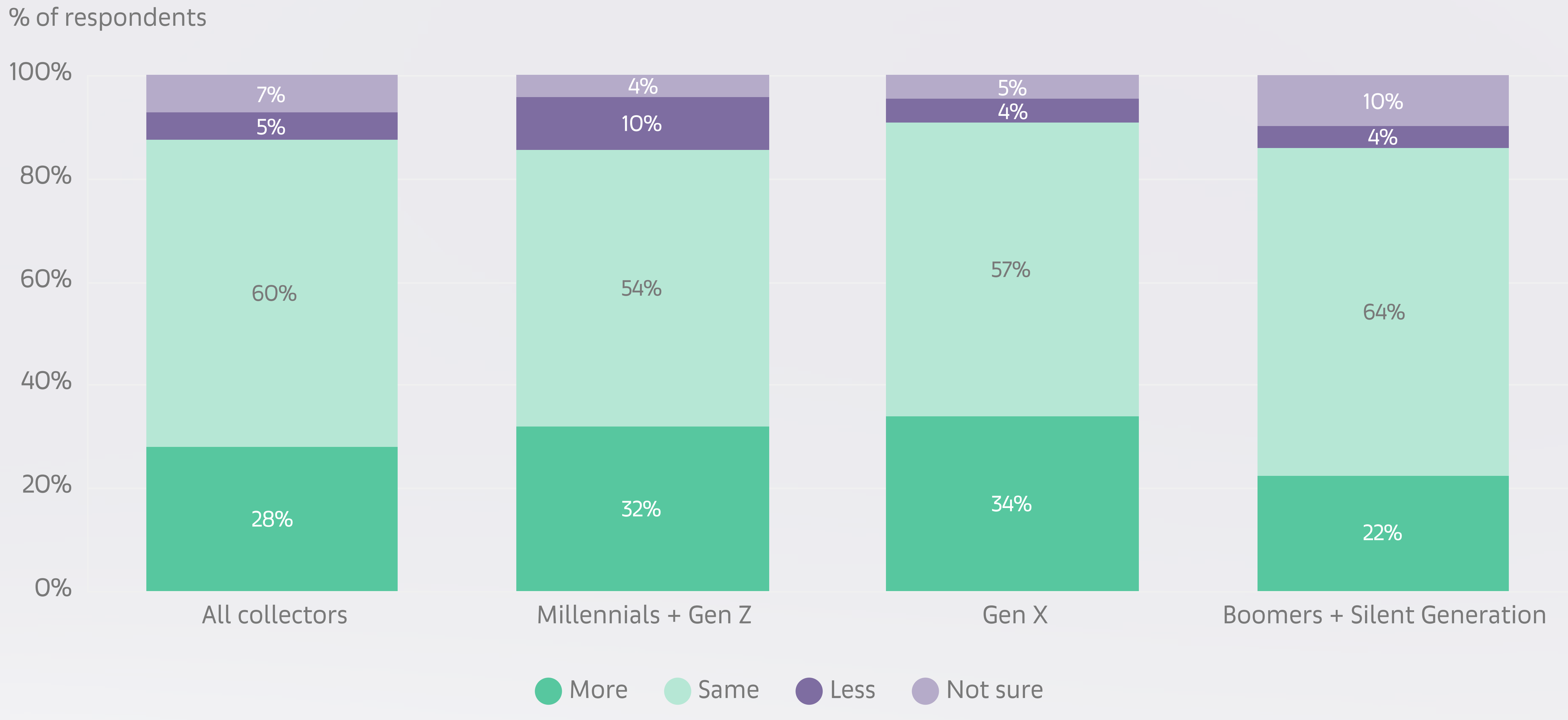
While some collectors acknowledged their appreciation of advance communications from galleries on works they were showing and events taking place, allowing them to plan their visits, others remarked that the amount of pre-selling done prior to the fair had significantly detracted from the experience of attending and was a reason for them reducing their attendance.

> *Too many interesting works are already sold when the show opens, so it becomes meaningless to travel to a fair in which you cannot buy the works you like.*

Some noted that it was simply the increasing cost and stress of traveling that was influencing them to cut down attendance, with many specific comments on issues with accommodation and other facilities during fair periods in the cities that host them.

When asked about their concerns in the market in 2024, from a list of around 20 issues, the top concern was the rising costs of participating in art fairs and its effect on the profitability of small and mid-sized galleries, with 69% of collectors moderately or very concerned (22% were neutral and 9% were not concerned). More than half of those surveyed (57%) also demonstrated a similarly high level of concern over the growing number of art fairs and its effect on the quality of exhibitions and experiences.

Figure 8. **Expected Fair Attendance 2025 versus 2024**



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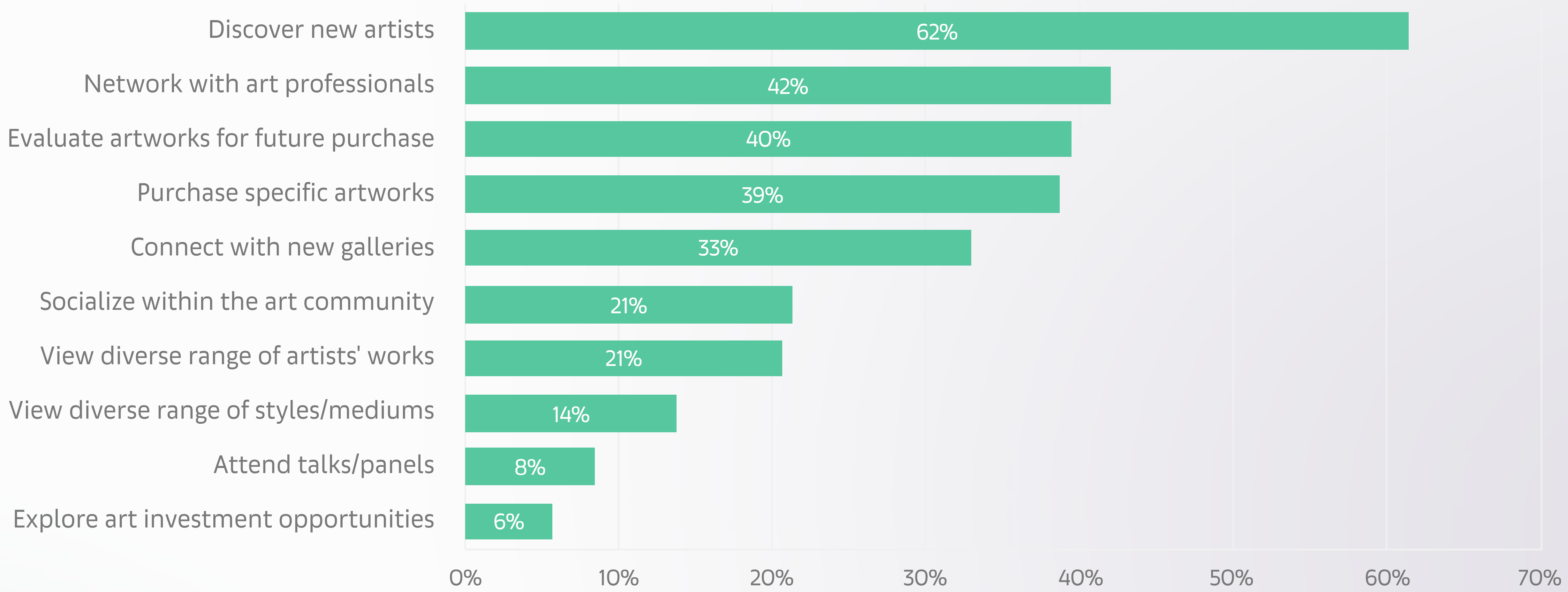
Motivations for Attending Art Fairs

Art fairs have evolved significantly over the last 20 years, from a more fragmented and thinly spread series of trade shows focused on sales to a dense cycle of events that include opportunities for networking and exchanges among art trade professionals, exhibitions of artist works for the public good, educational forums to explore issues in the artworld, and a base for numerous other private, corporate, and institutional projects, events, and programs. As noted above, art fairs were ranked higher than other sales channels for allowing collectors to explore artworks in a broad range of styles and mediums by a diverse range of artists from different regions and backgrounds.

When asked specifically about what they hoped to achieve by visiting an art fair, the most important objective for these collectors was discovering new artists that they may wish to purchase at the event, with 62% ranking this in their top three. Other reasons for going to fairs included viewing and evaluating specific artworks in person that they might wish to buy in future (40%) and purchasing specific artworks that they were interested in (39%). It is notable that these targeted and action-driven objectives ranked considerably higher than the options related to viewing and enjoying the exhibitions that fairs offered from a wide and diverse range of artists or artworks. This suggests that for this group of collectors, attending art fairs was still strongly driven by the goal of actually purchasing an artwork.

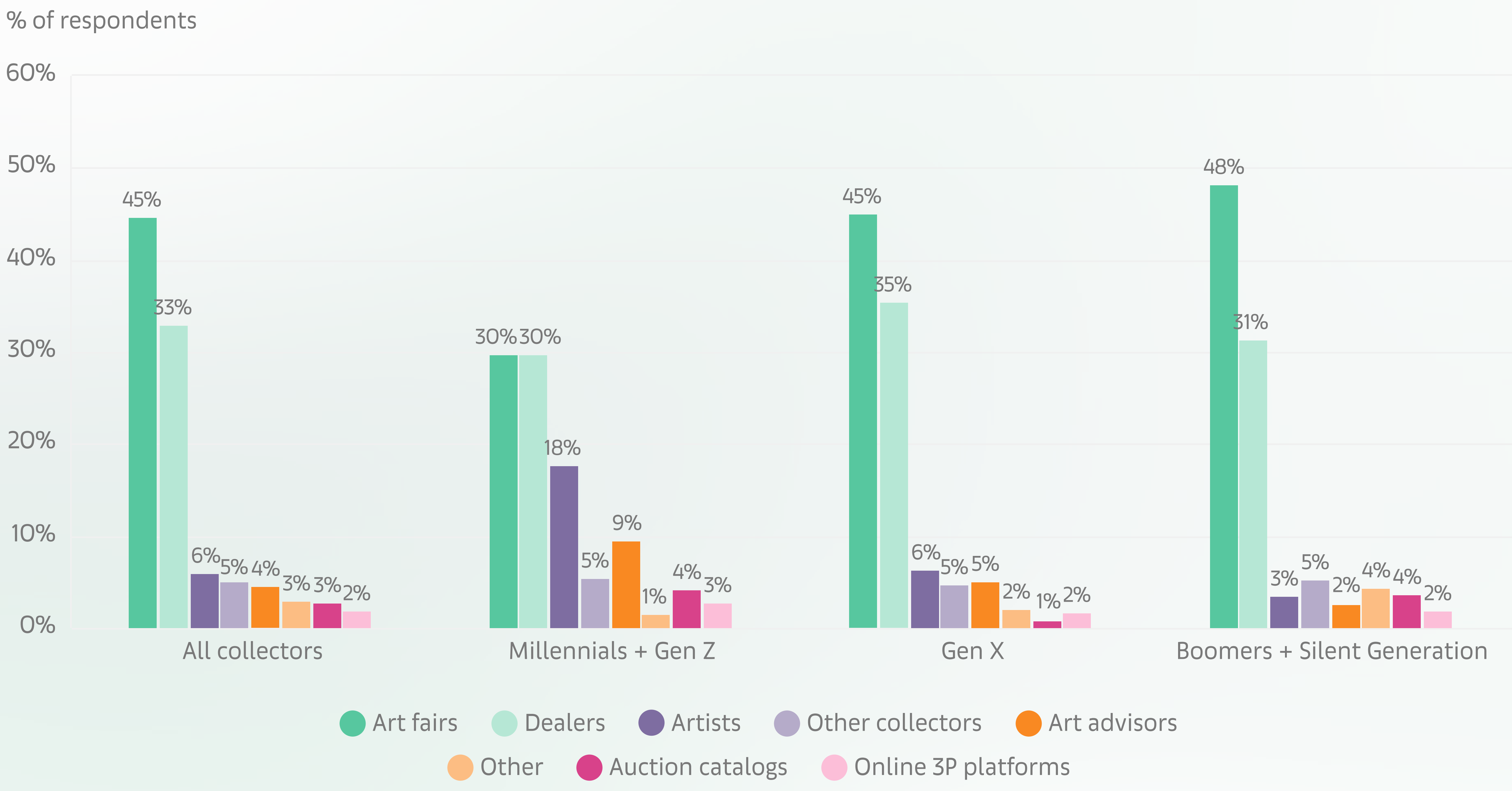
Fairs provide a base for collectors to meet and connect with others in the artworld. A higher share of collectors (42%) felt that the opportunity to network among galleries, artists, and other collectors was a prime objective over more socially based interactions that fairs extended or attending related events coinciding with the fair (21%). Only 8% said their main goal was to attend the talks and panels that fairs offered, while 6% sought to use art fairs as a means to assess and avail of opportunities to invest in art.

Figure 9. Main Objectives of Collectors when Attending Art Fairs 2024



Art fairs remained a key channel for new discoveries. Just under half (45%) of collectors reported that fairs were the most likely place for them to discover new artists or artworks they would be interested in purchasing. Around one-third of the sample felt they were most likely to make new discoveries directly through dealers, with 26% saying these were made via gallery visits and 7% through their website, email, Instagram, or other online sources. A small share of collectors (6%) made their discoveries directly from artists, with 4% of those from their Instagram pages and 2% from direct conversations with artists and visits to their studios. This was higher for the younger collectors, with 18% of millennial and Gen Z respondents reporting that they were most likely to discover new artworks in this way. Art advisors were also more important for this younger cohort, with 9% ranking them as the most likely focal point for new works to purchase, more than double the average over all collectors.

Figure 4.10 **Most Likely Sales Channels for Discovering New Artists and Artworks 2024**



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Future Purchasing and Outlook

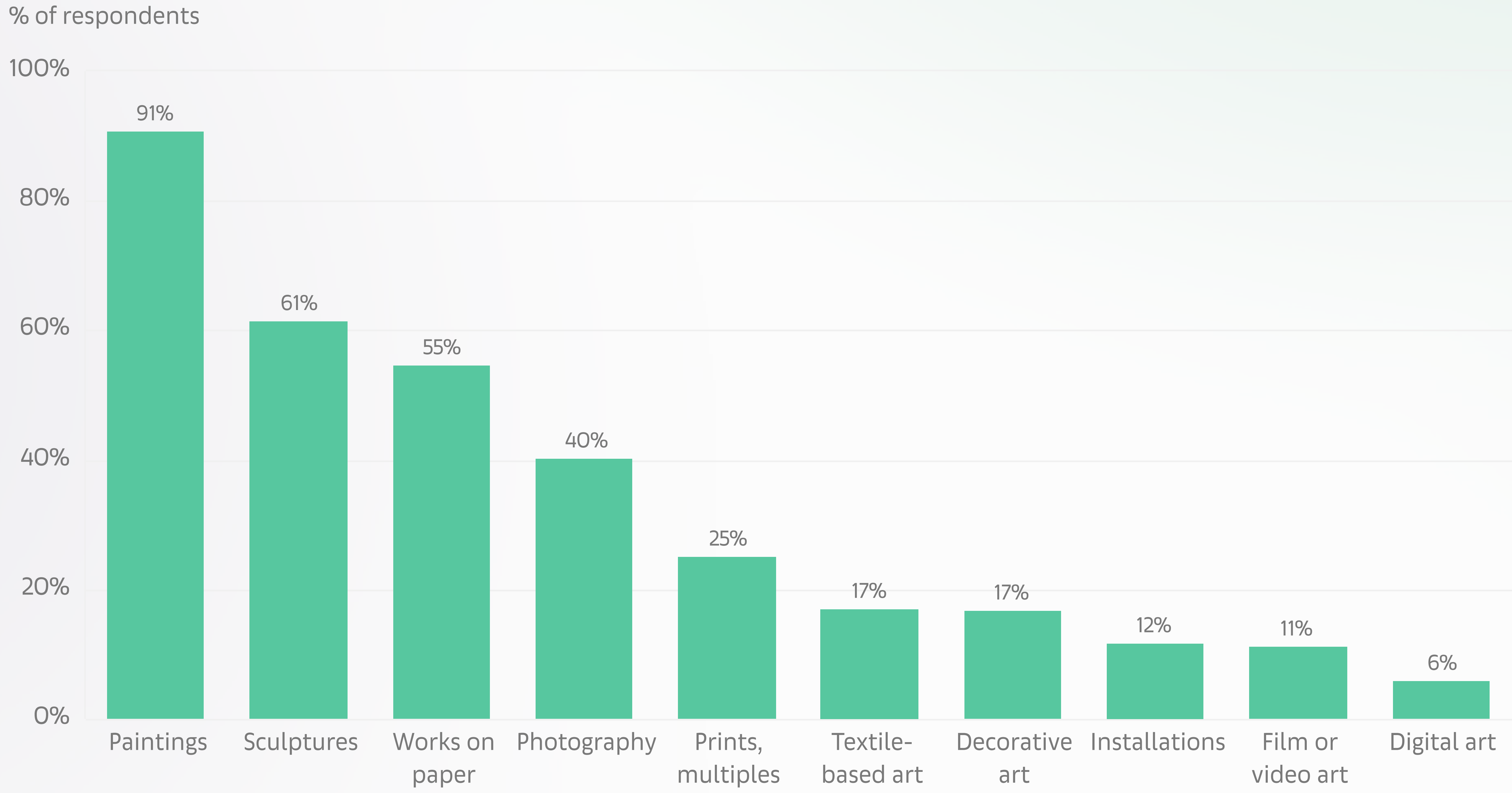
Looking ahead, art fairs will continue to be an active channel for discovery and purchasing for collectors, with only 5% planning to reduce their attendance in 2025. There was also clear evidence that these collectors planned to continue to be active in the art market, with only a small fraction (3%) either unsure or not planning to purchase a work of art over the next 12 months. This suggests, as might be expected, that this group of collectors are much more engaged in the market than the wider group of HNWIs (where only 43% were sure they were planning to buy art over the next 12 months) and likely to be key buyers in 2024 and 2025.

The 97% of potential buyers from the sample were interested in making purchases across a range of different mediums over the next year, with the most popular by a significant margin being paintings (91%, and the most popular across all ages and spending levels), sculptures, and works on paper. More traditional forms of art, including works on paper, photography, and prints were more popular than digital and video art, and millennial and Gen Z collectors showed the highest interest in the latter, with 11% planning to buy in these segments versus 6% or less in other age groups.

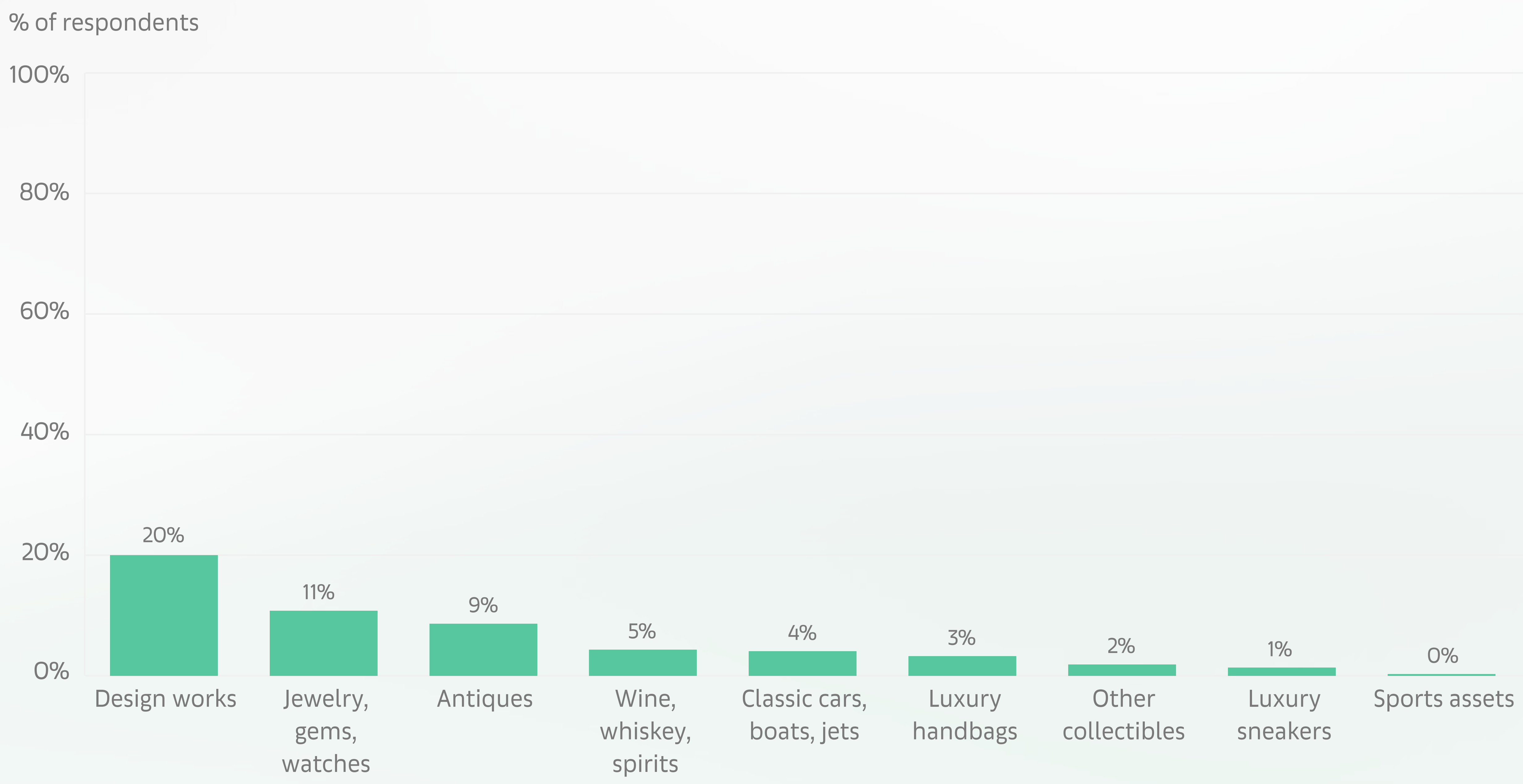
Art was more popular than other collectibles. Only a minority of collectors overall were planning to buy collectibles over the next 12 months, and the most favored were design works, with 20% overall and 31% of high spenders of over $1 million planning a purchase. Jewelry, gems, and watches were also popular, with 11% overall and 20% of younger millennial and Gen Z collectors (and 17% of $1 million-plus spenders) hoping to buy. Younger collectors showed a greater interest in purchasing antiques (17%, versus an average of 9% overall and as low as 6% of high-spending collectors).

Figure 11. Collector Purchasing Interests for Next 12 Months

a) Art

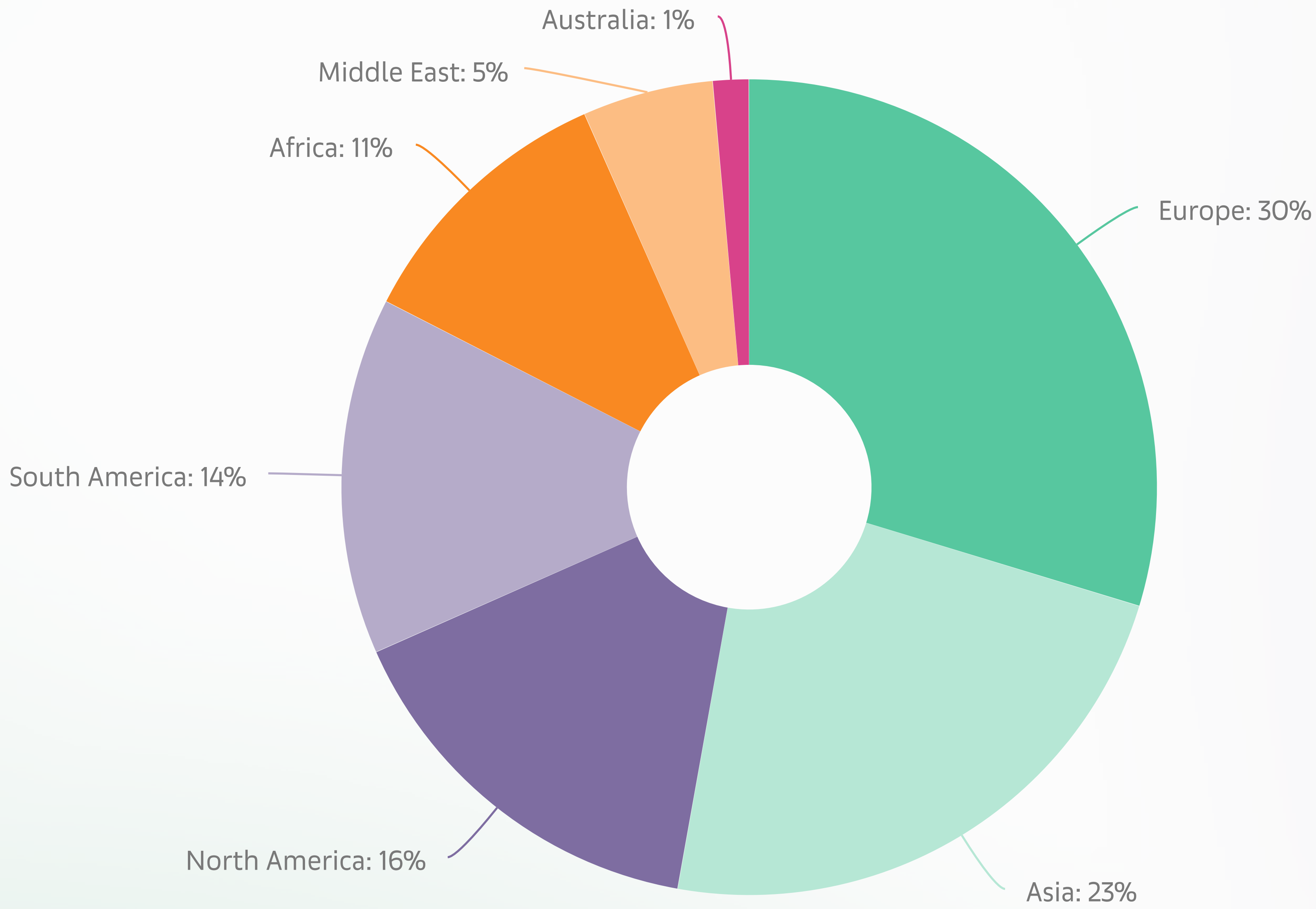


b) Collectibles



Unlike the wider sample which showed a strong home bias, these collectors were relatively open in terms of regional preferences for future artwork purchases. 74% did not have a particular preference or focus for the artists they were looking at over the coming year. Of those that did, interests were spread widely across specific regions, including Europe (notably Germany, France, Switzerland, and the UK), Asia (particularly Japan, Korea, and India), and the Americas. Higher-spending collectors tended to be more focused on artists from specific regions (39%), but preferences within this segment were still regionally diverse and not consistently connected to where the collector was based.

Figure 12. **Artist Regions of Interest for Collectors**



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Concerns regarding the art market's diversity, both in terms of regions and factors such as gender, were not ranked top among collectors in 2024. When asked about access to artists from different regional backgrounds, only 31% were moderately or very concerned that there was an under-representation of some minority races in the art market at present, with the remainder not concerned (33%) or neutral (36%). In terms of diversity, most collectors were either neutral or unconcerned about gender disparities and the position of female artists in the art market (with only 28% concerned). Some commented that they felt there had been an overfocus on gender and racial diversity in the market discussions in recent years that had taken away from the focus on merit, innovativeness, and other issues.

As noted above, some of their top concerns centered on the costs and the growing numbers of art fairs, while many also relayed worries about the safety of transacting online. A majority were also concerned about the funding of the arts and, at a more individual level, how they would preserve their collections for future generations.

Almost half of those surveyed were moderately or very concerned about rising barriers to the free movement of art and antiques internationally, such as trade regulations and import duties, and similarly, the rise of legal issues generally in the art trade. However, increased regulation and identification requirements when transacting, such as anti-money laundering (AML), which have been a higher concern in previous years, had less of an impact on this sample. Only one-third were concerned, again, like the wider sample, possibly showing an increasing acceptance of these requirements as a more normal part of transacting.

Sustainability and the carbon footprint of the art market and its related activities also seem to have become a lower-level issue of concern, with again only one-third of collectors moderately or very concerned. Their actions in reducing travel and the number of fairs and events attended may have made some progress on this issue, although it was likely an unintended consequence for many. In discussing their motivations for reducing travel and the number of fairs they attended or general comments on fairs and the market, only a tiny fraction of collectors mentioned sustainability and environmental impacts as being a driver, with most focused on costs, stress, and issues related to the fairs themselves.

Finally, when asked for their views on the impact of AI in the current art market, this sample of more engaged collectors had a much higher level of concern than the wider group of HNWIs. Just over half (51%) were worried about how AI might impact artistic creativity, expression, and quality (with 26% neutral and 23% not concerned). There was somewhat of a generational component to this issue, however, with 60% of Boomer and Silent Generation collectors showing high concern levels versus 40% of millennial and

Gen Z respondents. Concern around the use of AI for recommendations in collecting and purchasing decisions ranked slightly lower, although 41% were still moderately or very concerned about the impact it might have and how it was being used in this area, which was fairly aligned across generations.

> *Valuations and appraisals being conducted via AI makes me uncomfortable, as I see it on the rise with seemingly little to no guardrails in place, especially in markets that lack a standard appraisal model or governing body. I have seen new collectors who do not understand or know better taken advantage of, causing significant harm and distorting expectations, ultimately leading to a mistrust or fear of further participating in the art market. Checks and balances for AI services, especially for participants to educate themselves on, need to be made readily available.*

Figure 13. Top 10 Collector Concerns 2024 (Moderately or Very Concerned)

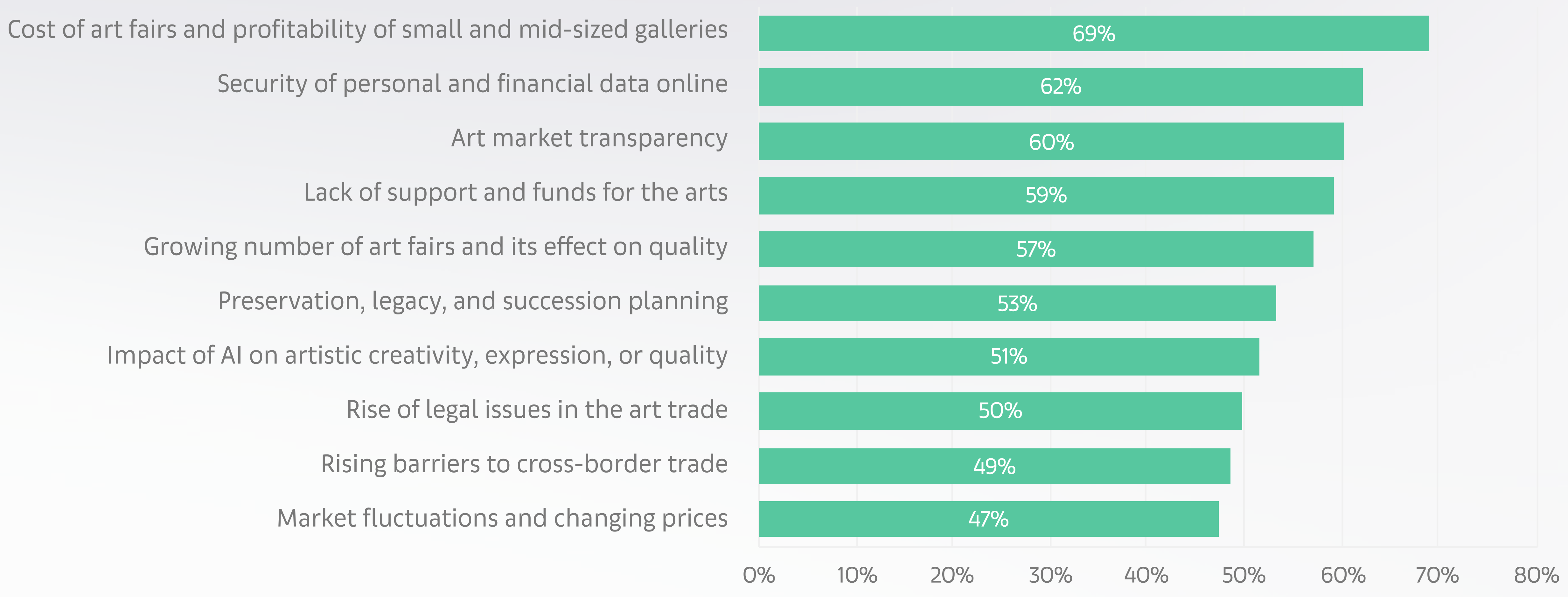

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IMAGE Ugo Rondinone, presented at Art Basel by Gladstone Gallery

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