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Spring 2022

# Intelligence Report

FIRST THE  
**APES**  
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THEY'RE  
COMING  
FOR  
**ART.**

**The DAO of Disruption** A ragtag group of crypto enthusiasts is taking on the world's biggest collectors

**Can the Art Market Be More Like the Stock Market?** Companies are spending millions to lure retail investors into the art space

**The Triumph of Ultra-Contemporary Art** How work by young artists became the fastest-growing segment of the market, brought to you by Morgan Stanley

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## Editor's Letter

Allow us to tell you a secret. When we began planning the fall 2021 edition of the Intelligence Report about a year ago, we asked ourselves whether we should include an article on NFTs. “The topic is moving and changing so quickly,” one of our team members said. “Who knows if NFTs will even be *relevant* in a few months?” another replied.

One issue and nine months later, NFTs continue to dominate the art-market conversation, to the delight of some and the consternation of others. Auction houses generated more than \$200 million from the sale of these digital assets last year.

Beyond the astronomical prices, however, we're interested in the concepts underpinning the world's NFT obsession: how flipping is part of the culture, how ownership does not require physical possession, how new audiences are invited into the fold. These tenets may have a more fundamental impact on the art business—for good or for ill—than any amount of money generated from NFT sales.

That's why, in this issue, we are diving into how the art market became a planet of the apes—and not just those in possession of Bored Ape Yacht Club NFTs, but those who want to disrupt the industry by changing the way we think about ownership. Companies like Masterworks, Particle, and Yieldstreet are using new technology to make fine art and NFT collecting accessible to audiences that were previously unable to afford it. And they're doing it by dividing these assets up into teeny, tiny pieces.

So what happens when a Banksy becomes an NFT that is collectively owned by thousands of people? And how would the art market change if such a thing were to become commonplace?

We spoke with the founders of fractional ownership companies, their clients, and many other stakeholders to find out. In this issue, we dive deep into what happens when the art market tries to become more like the stock market. We'll also examine whether DAOs (decentralized autonomous organizations) can actually be of use to the art trade and, of course, offer our data-led, insight-packed breakdown of the market's performance in 2021.



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**If you've ever wondered who would buy a hundredth of a Picasso—or suddenly have the urge to sell off a fraction of yours—this issue is for you.**

# Marketplace



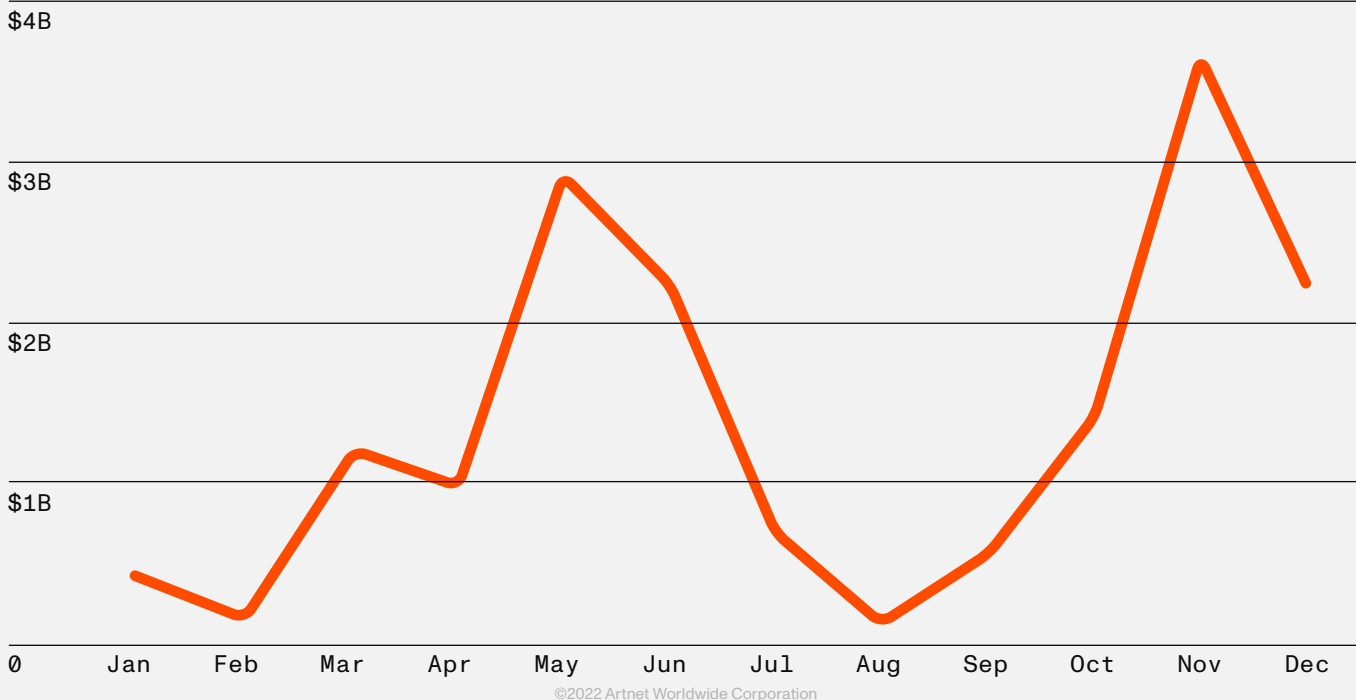
The **biggest** takeaways from the market's performance last year—and insider tips on how to get ahead in 2022.

*Andy Warhol's Dollar Sign at Sotheby's London*

# By the Numbers

## The art market is officially booming.

Total Fine-Art Sales (USD) in 2021



Auction houses send out so many triumphant, hyperbolic press releases that it can be hard to tell when they've *actually* achieved a landmark result. Allow us to confirm: Last year was, indeed, a big one for the art market.

An eye-popping \$16.6 billion worth of fine art sold at auction in 2021—more than in any other year on record in the Artnet Price Database. The sum represents a more than 60 percent increase from 2020 and a muscular 25 percent uptick from 2019, our last “normal” year. It also narrowly surpassed the market's previous peak, in 2014, when worldwide auction sales of fine art reached \$16.3 billion.

One major contributor to the buoyancy was supply, particularly at the highest end. Last year saw the sale of two of the world's most coveted troves, which together brought in more than \$1 billion. The court-ordered auction of the peerless postwar collection assembled by divorced couple Harry and Linda Macklowe—originally scheduled for 2020 but delayed by

the pandemic—was a once-in-a-generation event, totaling \$676 million at Sotheby's. (A second batch of the exes' art is expected to exceed \$200 million this spring.)

Meanwhile, the late Texas oilman Edwin Cox's Impressionist paintings generated \$332 million at Christie's, proving the enduring power of brand names to motivate international buyers.

Auction houses benefited from a gallery sector unsettled by travel restrictions. “In this climate, when many art fairs were canceled and with the dealer community not having embraced technology as fully, a lot of sellers opted to consign to auction houses rather than give property to dealers,” said Michael Plummer, cofounder of the art advisory Artvest Partners.

Another key factor: The rich kept getting richer. Billionaires experienced the steepest increase in their net worths in history last year, according to the annual World Inequality Report. The top 0.01 percent now hold 11 percent of the world's wealth, up a full

percentage point from 2020.

Experts also suggest the current U.S. inflation rate, which hit a 40-year high, could be good news for the art market. “Art has always been thought of as an effective inflation hedge,” Plummer said.

But before you reallocate your entire portfolio to art, it is worth putting last year's results in perspective. For one thing, the market has been growing at a slower rate since the mid-2010s than it was at the beginning of the millennium.

Benjamin Mandel, the head of portfolio strategy at Itaú Asset Management, estimates that fine-art auction sales experienced a compound annual growth rate of 13 percent from 2000 to 2015, driven largely by the entry of China into the international art market. That figure has since dropped to under 2 percent on average.

The big question, Mandel says, is this: “What's the next factor that pushes the market to the next level?”

**\$16.6** Billion

The total amount of money spent on fine art at auction in 2021—the highest total we've ever recorded.

**\$43,672**

The average price of a fine artwork sold at auction last year. That figure is up 23 percent from 2020, when skittish collectors were less likely to bring big-ticket items to the auction block.

**4**

The number of NFT lots that sold for more than \$15 million each last year. (They are two works by Beeple, a collection of Bored Apes, and a group of CryptoPunks.)

**\$6** Billion

The amount of money spent on postwar and contemporary art in 2021. That's the highest total the category has ever seen, outpacing every other year on record by a minimum of nearly \$1 billion.

**73%**

The sell-through rate for fine art at auction last year—higher than it's ever been. Why? Experts say auction houses' shift online has made the market more efficient, increasing the likelihood that collectors will quickly find exactly what they're looking for.

**6**

The number of women among the 100 top-selling fine artists at auction in 2021—which, despite ambient chatter about increased demand for female artists, is actually two fewer than in 2020. They are, in order, Yayoi Kusama (number 9), Joan Mitchell (36), Claude Lalanne (41), Cecily Brown (70), Frida Kahlo (71), and Agnes Martin (91).

**\$1.5** Billion

The combined revenue generated by online-only sales at Sotheby's, Christie's, Phillips, Bonhams, and Artnet Auctions last year. That's up a solid 35 percent from 2020—all the more impressive considering there was essentially no way to buy art in person for much of that year, while many in-person sales returned in 2021.

**305%**

The surge in revenue from sales at auction of work by ultra-contemporary artists—our term for artists born after 1974—between 2019 and 2021. It's the fastest-growing segment of the market by far.

From Zero to Hero

Artist	Born	No. of Artnet Price Database Searches in 2020	No. of Searches in 2021
Flora Yukhnovich	1990	0	751
Louis Fratino	1993	0	232
Isshaq Ismail	1989	0	209
Beeple	1981	0	120
Reggie Burrows Hodges	1965	0	98
Amani Lewis	1994	0	96

# What **Alan Lau** Buys (and Why)

**Museum Affiliation** Board member, M+; cochair,  
Tate's Asia-Pacific acquisitions committee;  
cochair, the Guggenheim's Asian art circle



Collector Alan Lau poses in front of Wang Xingwei's *Untitled (Palette)* (2013) and, at left, Haegue Yang's *Sonic Dance, Twin Sister* (2014) at his studio in Hong Kong.



Alan Lau's art-filled Hong Kong studio

**What was your first purchase (and how much did you pay for it)?** A graffiti work by “King of Kowloon” Tsang Tsou Choi. I think it was HK\$30,000 (\$3,850).

**What was your most recent purchase?** My most recent physical art purchase was a George Condo painting from his show at Hauser & Wirth in London last year.

On the digital side, it was an NFT by Jason Boyd Kinsella paired with a psychological portrait that came out of a Zoom interview we did about my personality. It was a long creative process. Initially there was no NFT, just a painting and an Instagram filter. I

love the way Kinsella uses psychological tools like the Myers-Briggs Type Indicator to dissect human archetypes and then applies his unique visual language to portraits.

**Which works or artists are you hoping to add to your collection this year?** So many! Gisela McDaniel, Miguel Payano, Mehdi Ghadyanloo. I'll also pay attention to new NFT projects, especially collaborations between crypto and traditional brands, like Bored Ape Yacht Club x Adidas.

**How big is your NFT collection?** I usually don't sell physical works, but I have sold some of my NFTs.

Think of NFTs as trading cards or stocks—they can be bought and sold with just one click. I have one by Pak and another from Takashi Murakami's Clone x NFT collaboration with RTFKT Studios that I don't plan to sell.

**How do you show your NFTs?** I don't know how I'm going to show them yet. Do you show them on your smartphone screen? Maybe 12 months from now, the whole world will be using NFT profile pictures. There's also the question of ownership. Do you have to see the works all the time in order to feel that you own it? Or is it enough to know that you own it?



From top: Danh Võ's *May* (2015) and *Coca-Cola* (2014)

**What do you get out of owning NFT works?** It's about joining a community. For example, owners of the Murakami NFT get to join a Discord channel for verified owners. This social-media dynamic and community aspect is something I've never experienced in all my years of art collecting.

**Are NFTs art?** NFT is an art form, broadly defined. But not all NFTs can be classified as contemporary art. There are only a handful of works that could be exhibited in a museum context, such as those by Pak, since they are a combination of art, design, and economics, playing with the

art-world system. Beyond the nomenclature, NFTs offer a new approach to engagement, creation, and ownership.

**What is the most expensive work of art that you own?**

Maybe not the most expensive, but my Ai Weiwei neolithic vases are certainly my most dear. I acquired them over a decade ago. They are from 5000 B.C., now dripped in industrial paint to symbolize destruction and rebirth. This object has lived on for 7,000 years, so I am merely a custodian—and I better not break or damage it!

**Where do you buy art most frequently?** Galleries and art fairs. But with the pandemic, 100 percent of my purchases over the past two years have been done online after looking at PDFs. This is definitely harder for more textured works. But galleries are upping their game to make better images, videos, and even live feeds so collectors can get a better grasp.

**Is there a work you regret purchasing?** In my first year of collecting, 12 or 13 years ago, I bought a scroll from one of the major auction houses. When I unboxed it, I saw that it had two parallel holes. Apparently, someone mistakenly drilled through it during installation. When I asked the auction house about it, they said the damage was listed in the condition report, which of course I didn't read. Lesson



Olafur Eliasson's *Sunset Door* (2005)



Alan Lau poses with Yayoi Kusama's *The Passing Winter* (2005)

learned: Buyer beware—and always request and read the condition report before you buy.

**What work do you have hanging above your sofa?** Xu Bing's *Square Word Calligraphy*, which I commissioned in the early 2000s. It was a fun process to decide together what prose to write.

**What is the most impractical work of art you own?** Anyone who has come to visit me knows that most of my collection is impractical! Erwin Wurm's *One Minute Sculptures*, Korakrit Arunanondchai's denim

mannequin, Yin Xiuzhen's *Portable Cities* suitcases, Olafur Eliasson's *Sunset Door*, Anri Sala's hanging drums that play themselves—all of these take up a lot of space, or require complex installation. But installation works were my first love. So while they are impractical, this is the art I live with.

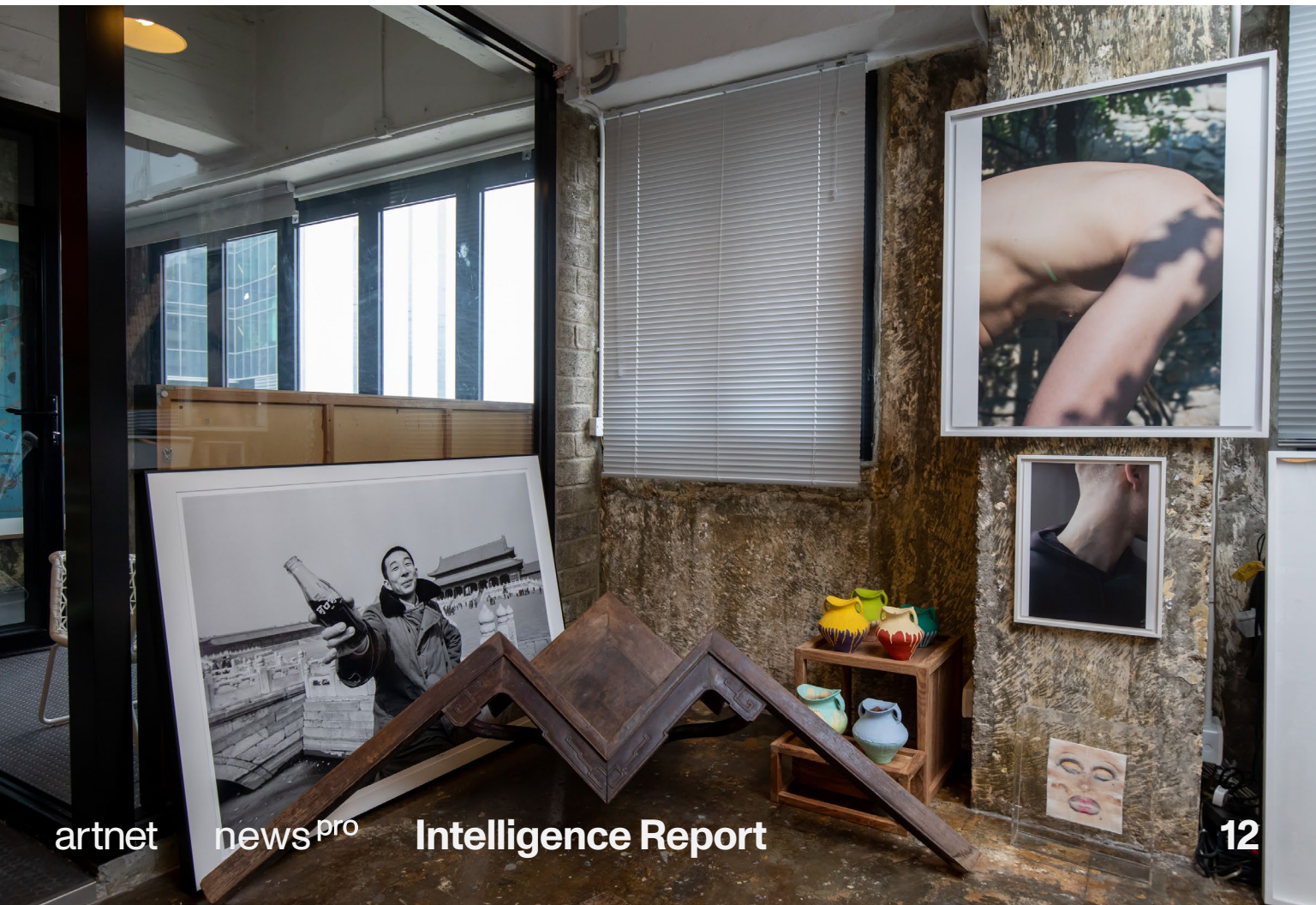
**What work do you wish you had bought when you had the chance?** A painting by Avery Singer. On a New York trip many years ago, when a fellow collector said he needed to run off to Singer's studio and look at the last few works left, I decided to see more

museum shows. That didn't turn out to be the smartest decision. But I'm happy that we now have an Avery Singer at M+, so I can go there and quench my thirst.

**If you could steal one work of art without getting caught, what would it be?** A Piet Mondrian. I want a large one, so I may need to go with a few art handlers. That's art I can live with forever.

*Interview by Vivienne Chow; photography by Paul Yeung*

Clockwise from top: Wolfgang Tillmans's *Torso* (2013); Tillmans's *Collum* (2011); Ai Weiwei's *Table With Three Legs* (2005); and Liu Heung Shing's *The First Bottle of Coke, Beijing* (1981)



# The Best-Seller Lists

The top 10 lots of 2021 in each major category—at a glance

Ultra-Contemporary  
Contemporary  
Postwar  
Photography  
Impressionist & Modern  
European Old Masters

# Ultra-Contemporary

NFTs have upended the ultra-contemporary category, which encompasses artists born after 1974. Digital collectibles took four of the top 10 prices at auction in 2021. Demand from Asia has also changed the game—half of the best-sellers were offered in Hong Kong, where wealthy millennial buyers chase brand-name artists in the same way they do luxury goods. “The purists, they’re gone—they can’t afford to be in the mix anymore,” art advisor Wendy Goldsmith said. “All this has just become the complete and utter end game of the commoditization of art.”

	Artist	Life	Title	Date	Sale Price (USD)
1	Beeple	b. 1981	<i>Everydays: the First 5,000 Days</i>	2007–21	\$69,346,250
2	Beeple	b. 1981	<i>Human One</i>	2021	\$28,985,000
3	Yuga Labs LLC	est. 2021	<i>101 Bored Ape Yacht Club</i>	2021	\$24,393,000
4	Larva Labs	est. 2005	<i>9 Cryptopunks: 2, 532, 58, 30, 635, 602, 768, 603 and 757</i>	2017	\$16,962,500
5	Adrian Ghenie	b. 1977	<i>Collector I</i>	2008	\$8,496,349
6	Huang Yuxing	b. 1975	<i>Seven Treasure Pines</i>	2016–19	\$8,320,713
7	Adrian Ghenie	b. 1977	<i>Charles Darwin at the Age of 75</i>	2014	\$7,424,853
8	Adrian Ghenie	b. 1977	<i>The Death of Charles Darwin</i>	2013	\$7,054,864
9	Jonas Wood	b. 1977	<i>Two Tables with Floral Pattern</i>	2013	\$6,510,000
10	Adrian Ghenie	b. 1977	<i>The Trip</i>	2016	\$6,183,977

Adrian Ghenie, *The Trip* [detail] (2016)



## Adrian Ghenie *Charles Darwin at the Age of 75* 2014

The combination of low output and commitment from both new buyers in Asia and established collectors like François Pinault has driven the Romanian artist's auction market into the stratosphere. Ghenie's sales totaled \$39.6 million in 2021 and his works achieved four of the top 10 ultra-contemporary prices. This lot's \$7.4 million sale at Christie's Hong Kong in December followed the strong result realized by *Collector I* (2008), in May, which approached the artist's \$9 million record, set in 2016. Ghenie's early works are the most coveted at auction.

## Huang Yuxing *Seven Treasure Pines* 2016–19

Few in the international market had heard of Huang Yuxing before mid-2020, when one of his paintings cracked \$1 million at Christie's Hong Kong. Shortly thereafter, he nabbed representation by Almine Rech (he is also represented by Whitestone Gallery in Asia). The artist's neon depictions of pooling water straddle figuration, abstraction, and landscape. This work's \$8.3 million result bested his previous record by 424 percent and exceeded its high estimate by a factor of 13. Huang's primary prices are considerably lower: Last year, other pieces were selling privately for \$100,000.



## Beeple *Human One* 2021

It is unprecedented for an artist's sophomore outing at auction to approach \$30 million; it's unimaginable that such a price could feel anticlimactic. But *Human One*, which was consigned directly to Christie's by Beeple (Mike Winkelmann), was a follow-up to the artist's *Everydays*, which sold for \$69 million in March. The new work, which was guaranteed, still managed to nearly double its \$15 million estimate. While the hybrid nature of *Human One*, which is both a sculpture and an NFT, may have been a bid to appeal to old-school art collectors, it ended up selling to Zürich-based venture capitalist and crypto billionaire Ryan Zurrer.

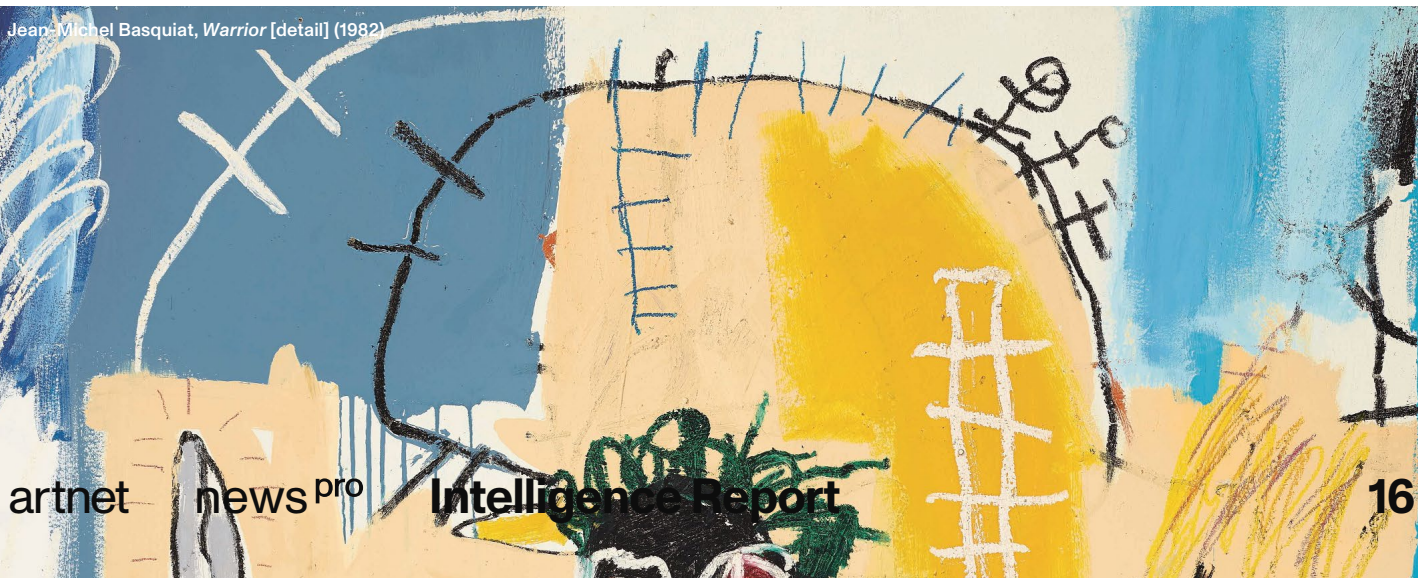


# Contemporary

Jean-Michel Basquiat continues to reign supreme in the contemporary category, which comprises artists born between 1945 and 1974. His paintings were responsible for six of the top 10 prices and generated almost \$440 million at auction last year—more than those of any other artist except Picasso. The Banksy market has also continued its meteoric rise, with the anonymous artist accounting for two of the top lots. Experts suggest the growing interest in street art reflects the taste of Asian buyers. Despite the hefty prices realized, one could argue that the once-fizzy contemporary category has reached a plateau. Only four of the top 10 lots hammered above their high estimates (two Basquiats and two Banksys).

	Artist	Life	Title	Date	Sale Price (USD)
1	Jean-Michel Basquiat	1960–88	<i>In This Case</i>	1983	\$93,105,000
2	Jean-Michel Basquiat	1960–88	<i>Versus Medici</i>	1982	\$50,820,000
3	Jean-Michel Basquiat	1960–88	<i>Warrior</i>	1982	\$41,661,839
4	Jean-Michel Basquiat	1960–88	<i>The Guilt of Gold Teeth</i>	1982	\$40,000,000
5	Peter Doig	b. 1959	<i>Swamped</i>	1990	\$39,862,500
6	Jean-Michel Basquiat	1960–88	<i>Untitled</i>	1985	\$37,269,542
7	Jean-Michel Basquiat	1960–88	<i>Untitled (One Eyed Man or Xerox Face)</i>	1982	\$30,172,181
8	Banksy	b. 1974	<i>Love is in the Bin</i>	2018	\$25,430,409
9	Chen Danqing	b. 1953	<i>Tibetan Series—Shepherds</i>	1980	\$25,174,344
10	Banksy	b. 1974	<i>Game Changer</i>	2020	\$23,114,483

Jean-Michel Basquiat, *Warrior* [detail] (1982)





## Jean-Michel Basquiat *The Guilt of Gold Teeth* 1982

Consigned anonymously by Spanish artist and musician José María Cano, this Basquiat had a wide-ranging estimate of \$40 million to \$80 million. It failed to meet even the low expectation, hammering for \$37 million at Christie's in November. Absent competitive bidding, the canvas ended up going to the third-party guarantor, reported to be the Nahmad family. (They declined to comment.) The result may have been somewhat disappointing for the seller, who loves the artist so much he once dedicated a song to him. But Cano still made a healthy profit, having purchased the painting for \$387,500 in 1998—more than 100 times less than what it sold for.

## Peter Doig *Swamped* 1990

Expectations were bright for this lot amid new interest in Doig from Latin American and Asian collectors. Since 2009, more than 20 works by the artist have exceeded \$10 million each, and this example from his celebrated "Canoe" series is a recognizable, prime-year trophy by a painter who does not produce much. At Christie's in November, it fetched \$39.9 million, setting a new record for the Scottish artist. But demand was thin for the work, which had surfaced at auction twice before. The hammer total came in at \$34.5 million, below its unpublished \$35 million estimate, on a single bid from the third-party guarantor.



## Banksy *Love is in the Bin* 2018

Banksy's total sales reached \$206.5 million in 2021, making him the ninth-most lucrative artist—alive or dead—at auction. This picture has the rare distinction of having set a record for Banksy twice: once in its original form, when it fetched \$1.4 million at Sotheby's and promptly began to shred itself, and again three years later, when it went for 18 times the non-shredded price. The European collector who bought it in 2018 originally planned to loan it permanently to the Stuttgart Staatsgalerie, but the allure of the flip proved too strong. Heated competition from nine people saw *Love is in the Bin* triple its high estimate; the winner was a collector in Asia.

# Postwar

The postwar category—which we define as work done by artists born between 1911 and 1944—is primarily driven by fluctuations in supply from the three Ds (debt, divorce, and death) rather than wider market trends. Fittingly, then, half of the top lots were part of the star-studded Macklowe collection, which was sold by court order to resolve the acrimonious divorce between real-estate tycoon Harry Macklowe and Linda, his museum-trustee wife of nearly 60 years.

	Artist	Life	Title	Date	Sale Price (USD)
1	Jackson Pollock	1912–56	<i>Number 17, 1951</i>	1951	\$61,161,000
2	Cy Twombly	1928–2011	<i>Untitled</i>	2007	\$58,863,000
3	Andy Warhol	1928–87	<i>Nine Marilyns</i>	1962	\$47,373,000
4	Cy Twombly	1928–2011	<i>Untitled (Rome)</i>	1970	\$41,628,500
5	Andy Warhol	1928–87	<i>Jean-Michel Basquiat</i>	1982	\$40,091,500
6	Andy Warhol	1928–87	<i>Elvis 2 Times</i>	1963	\$37,032,000
7	Andy Warhol	1928–87	<i>Sixteen Jackies</i>	1964	\$33,872,250
8	Gerhard Richter	b. 1932	<i>Abstraktes Bild</i>	1993	\$33,010,500
9	Cy Twombly	1928–2011	<i>Untitled</i>	1961	\$32,000,000
10	Chu Teh-Chun	1920–2014	<i>Harmonie Hivernale</i>	1986	\$29,539,348

Cy Twombly, *Untitled* [detail] (1961)



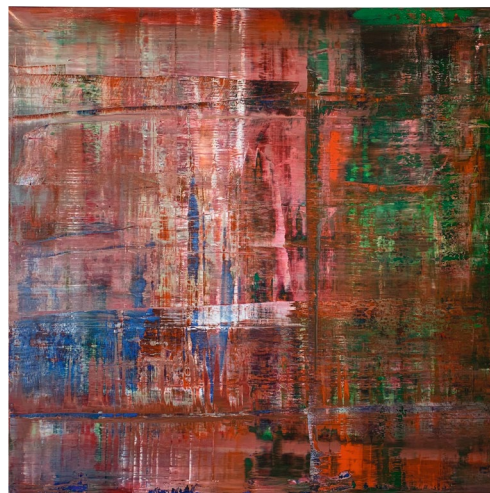


## Andy Warhol *Nine Marilyns* 1962

This black-and-white silkscreen from the Macklowe trove hammered at the low end of its \$40 million-to-\$60 million estimate. The work sold to its guarantor for a premium-inclusive \$47.4 million after an intriguing series of events. Art advisor Jude Hess initially won the picture—but the house reopened the lot later in the auction, when it sold on a single phone bid for \$1 million less than Hess had put forward. The curious incident could have been a case of buyer's remorse or confusion within the art-market stadium. It's been postulated that Hess was representing the third-party guarantor and accidentally bid against herself earlier in the evening.

## Gerhard Richter *Abstraktes Bild* 1993

Although Richter is one of the world's most celebrated postwar artists, it is still somewhat surprising to see his work crack the top 10 contemporary sales. Aggressive demand for his abstract paintings peaked in 2015, and prices have cooled down considerably since. The \$33 million achieved for this classic abstract, which also came from the Macklowe collection, is still a ways off from the German artist's auction record of \$46.4 million. It marks the first time in three years that his work has surpassed the \$30 million mark at auction.



## Jackson Pollock *Number 17, 1951* 1951

Bucking the trend of carefully choreographed auction success, this inky black Pollock achieved \$61.6 million, eclipsing its \$35 million high estimate and setting a surprise new record for the artist. (Pollock's top price hadn't budged since 2013, when a more characteristic drip painting made \$58.3 million.) The result was likely boosted by the picture's starry provenance, which includes the Metropolitan Museum of Art, media tycoon Si Newhouse, and the Macklowes, who acquired it in 1999.



# Photography

Like the Old Master sector, the photography market has a supply problem: Only a shrinking pool of the best vintage works is available. Plus, “a lot of the collectors who were actively buying the history of photography as we knew it are not buying as much anymore,” said the dealer Deborah Bell. Now, specialists in the field are getting creative. Christie’s, for instance, offered an NFT in a photo sale for the first time last year. Houses are also selling prints by artists like Cindy Sherman and Richard Price in contemporary-art evening auctions, where seven-figure prices are a matter of course. The two artists accounted for five of the top 10 photography lots, as well as for the four highest prices on this list.

	Artist	Life	Title	Date	Sale Price (USD)
1	Cindy Sherman	b. 1954	<i>Untitled</i>	1981	\$3,150,000
2	Richard Prince	b. 1949	<i>Untitled (Cowboy)</i>	1997	\$3,030,000
3	Richard Prince	b. 1949	<i>Untitled (Cowboy)</i>	2000	\$2,190,000
4	Cindy Sherman	b. 1954	<i>Untitled</i>	1981	\$2,070,000
5	William Henry Fox Talbot	1800–77	<i>William Henry Fox Talbot's Gifts to His Sister: Horatia Gaisford's Collection of Photographs and Ephemera</i>	1820–45	\$1,956,000
6	Cindy Sherman	b. 1954	<i>Untitled</i>	1981	\$1,590,000
7	Barbara Kruger	b. 1945	<i>Untitled (Your Manias Become Science)</i>	1981	\$1,170,000
8	Justin Aversano	b. 1992	<i>Twin Flames #83, Bahareh &amp; Farzaneh, accompanied by Twin Flames Full Physical Collection</i>	2017–18	\$1,110,000
9	Ansel Adams	1902–84	<i>Moonrise, Hernandez, New Mexico</i>	1941	\$930,000
10	Andreas Gursky	b. 1955	<i>Chicago Mercantile Exchange</i>	1997	\$682,907

Richard Prince, *Untitled (Cowboy)* [detail] (1997)





## Cindy Sherman *Untitled* 1981

This print sold at Christie's for \$3.1 million, Sherman's fourth-highest auction result. Why was this price substantially less than the \$3.8 million that the same image fetched at Sotheby's in 2014? As one expert noted, the top end of Sherman's market has flatlined over the past few years. Another untitled 1981 print, depicting the artist lying on her back in a bright orange sweater, fetched \$2 million in the same November sale—around \$800,000 less than the image fetched in 2012. Both works were offered anonymously by the New Jersey neurosurgeon and dedicated Pictures Generation collector Abe Steinberger.

## Ansel Adams *Moonrise, Hernandez, New Mexico* 1941

This iconic image fetched \$930,000 at Christie's, surpassing its healthy \$700,000 high estimate. When the picture last sold, in 1996, it achieved \$36,650, making the latest price "an extraordinary jump for Ansel Adams," art advisor Megan Fox Kelly said. Years ago, Adams's work was primarily the domain of photography specialists. But over time, and with the increased reach provided by online viewing and bidding, he's begun to attract crossover interest. It doesn't hurt, Fox Kelly noted, that this image is "particularly beautiful."



## Justin Aversano *Twin Flames* 2017

Christie's became the first major auction house to offer an NFT in a photography sale when it put Justin Aversano's series, consigned directly from the artist, on the block in October. *Twin Flames* soared past its \$150,000 high estimate to bring in \$1.1 million. The lot comprises a photography portfolio of more than 100 portraits of twins and an NFT depicting the Boston-based, Iranian-born sisters Bahareh and Farzaneh Safarani. Aversano was inspired to create the project after he learned that his mother had suffered a miscarriage while pregnant with him. "I apparently absorbed the twin in the womb," he has said. "I carry that twin with me, always."



# Impressionist & Modern

Two top-flight collections made the often sleepy Imp-Mod category—defined as work made by artists born between 1821 and 1910—perhaps the hottest of the year. Sotheby's nabbed the Macklowe collection, and Christie's secured the Cox collection, which was assembled by the late Texas oil magnate Edwin L. Cox. All told, eight Imp-Mod paintings fetched more than \$50 million each. (For perspective, only two works in any category exceeded \$50 million in 2020.) "People were concerned about how deep the highest end of the market was," said art advisor Megan Fox Kelly. The results proved that demand was there—but as one private dealer noted, "true A+ pictures" might have made even more, pushing individual prices past \$100 million.

	Artist	Life	Title	Date	Sale Price (USD)
1	Pablo Picasso	1881–1973	<i>Femme assise près d'une fenêtre (Marie-Thérèse)</i>	1932	\$103,410,000
2	Mark Rothko	1903–70	<i>No. 7</i>	1951	\$82,468,500
3	Alberto Giacometti	1901–66	<i>Le Nez</i>	1947	\$78,396,000
4	Vincent van Gogh	1853–90	<i>Cabanes de bois parmi les oliviers et cyprès</i>	1889	\$71,350,000
5	Claude Monet	1840–1926	<i>Le Bassin aux nymphéas</i>	1917–19	\$70,353,000
6	Paul Cézanne	1839–1906	<i>L'Estaque aux toits rouges</i>	1883–85	\$55,320,000
7	Gustave Caillebotte	1848–94	<i>Jeune homme à sa fenêtre</i>	1876	\$53,030,000
8	Claude Monet	1840–1926	<i>Coin du bassin aux nymphéas</i>	1918	\$50,820,000
9	Claude Monet	1840–1926	<i>Waterloo Bridge, effet de brouillard</i>	1899–1903	\$48,450,000
10	Vincent van Gogh	1853–90	<i>Jeune homme au bleuet</i>	1890	\$46,732,500

Vincent van Gogh, *Jeune homme au bleuet* [detail] (1890)



## Mark Rothko

### *No. 7* 1951

The price of this work, from the Macklowe sale, reflects the financial impact of a guarantee. After the hammer came down, a premium-inclusive price of \$89.3 million flashed on screen—a record for the artist at auction. But a few minutes later, that figure mysteriously dropped to \$82.5 million, bumping it to second place. Observers suspect that the work went to the third-party guarantor, said to be Taiwanese billionaire Pierre Chen, in a deal that granted him a considerable discount on the sticker price. A representative for Chen's foundation said this information isn't "fully correct" but that it doesn't comment on acquisitions.

## Alberto Giacometti

### *Le Nez* 1947

Depending on who you talk to, *Le Nez*, a bronze head with a dramatically elongated nose, is either a "haunting" meditation on life after World War II or an "awkward" and "slightly comedic" composition. One of the priciest works from the Macklowe trove, it hammered for \$68 million, just missing its \$70 million low estimate. (Giacometti sculptures have gone for as much as \$141 million at auction.) The buyer was 31-year-old Chinese-born tech billionaire Justin Sun. He plans to donate this work, along with new acquisitions by KAWS and NFT artist Pak, to his APENFT Foundation, which is linked to an NFT marketplace of the same name.



## Gustave Caillebotte

### *Jeune homme à sa fenêtre* 1876

The Getty Museum purchased this work, the final lot of the Cox sale, and swiftly put it on public view. Expected to bring above \$50 million, the rare and imposing painting of the artist's brother sold for a premium-inclusive \$53 million, shattering the artist's \$22 million record. Some experts said the canvas had notable condition problems, particularly in the black at the center. "There has never been anything like it on the auction market, making it not only a rare opportunity to get such a signature Impressionist painting but also making it one of those difficult-to-estimate lots," said Megan Fox Kelly.

# European Old Masters

The challenges facing Old Master collectors make for a unique and unpredictable market. The biggest issue in the category—which embraces European artists born between 1250 and 1820—is supply, with most of the top-notch works having been snapped up by museums. The pandemic exacerbated this problem, as sellers were understandably reluctant to let go of trophies in an uncertain time. Making matters more difficult, collectors who don't specialize in the category often show up—and boost prices—when big international names like Botticelli, Leonardo, or Rembrandt enter the picture. These artists “are world brands,” noted Harry Smith, the chairman of art advisory Gurr Johns.

	Artist	Life	Title	Date	Sale Price (USD)
1	<b>Sandro Botticelli</b>	1444–1510	<i>Portrait of a Young Man Holding a Roundel</i>	1480	\$92,184,000
2	<b>Bernardo Bellotto</b>	1721–80	<i>View of Verona With the Ponte delle Navi</i>	1745–47	\$14,558,095
3	<b>Leonardo da Vinci</b>	1452–1519	<i>Head of a Bear</i>	early 1480s	\$12,193,695
4	<b>Giuseppe Castiglione</b>	1688–1766	<i>Imperial Portrait of Consort Chunhui</i>	1736	\$10,821,323
5	<b>Anthony van Dyck</b>	1599–1641	<i>Portrait of Jacob de Witte; Portrait of Maria Nutius</i>	c. 1628	\$8,166,160
6	<b>Jean-Baptiste-Siméon Chardin</b>	1699–1779	<i>La fontaine</i>		\$8,005,855
7	<b>Jean-Honoré Fragonard</b>	1732–1806	<i>Un philosophe lisant</i>	c. 1776	\$7,518,797
8	<b>Richard Parkes Bonington</b>	1802–28	<i>The Palazzi Manolesso-Ferro, Contarini-Fasan and Venier-Contarini on the Grand Canal, Venice</i>		\$7,387,800
9	<b>Joseph Mallord William Turner</b>	1775–1851	<i>Purfleet and the Essex Shore as Seen from Long Reach</i>	1808	\$6,609,679
10	<b>Piero Pollaiuolo</b>	1443–96	<i>Portrait of a Youth</i>		\$6,291,764

Anthony van Dyck, *Portrait of Maria Nutius* [detail] (c. 1628)





## Bernardo Bellotto *View of Verona with the Ponte delle Navi* 1745-47

Bernardo Bellotto painted this monumental composition when he was in his mid-20s. Experts say the below-estimate £10.5 million hammer price was less a reflection of the painting's quality than of the artist's and subject's minimal name recognition. "The sophisticated millionaire market might ask, 'Where is Verona? Is that in Spain?'" art advisor Harry Smith noted. Bellotto is also considerably less well-known than his uncle Canaletto, to whom he is often compared. The \$14.6 million premium-inclusive price still managed to set a new record for the painter. "It was a tremendous painting," Smith said, "and I would have happily advised someone to buy it."

## Leonardo da Vinci *Head of a Bear*

The size of a Post-it note, this \$12.2 million composition is almost certainly the most expensive work per square inch sold in 2021. (Fun fact: In 1860, *Head of a Bear* changed hands at Christie's London for just £2.50.) The piece, reportedly consigned by billionaire Thomas Kaplan, represented perhaps the last opportunity to buy a Leonardo drawing from a private collection. The result serves as a perfect illustration of the supply problem in the Old Master sector. This diminutive silver-point is now the second-most expensive work by the world-famous artist ever sold at auction, behind the \$450.3 million paid for *Salvator Mundi* in 2017.



## J.M.W. Turner *Purfleet and the Essex Shore as Seen From Long Reach* 1808

The odds were stacked against this stormy maritime scene from the beginning. It is a relatively early work by an artist who's prized for his later material. "It just feels too much like the 19th century," Smith said. "If you have the picture on your wall, no one would really know it's a Turner." Most collectors are chasing Turners with whirling color and an abstracted view of the sea. "This," Smith concluded, "is just too conventional." The painting sold at Sotheby's London for a premium-inclusive £4.8 million, on the low end of its £4 million-to-£6 million estimate.



# HOW A BUNCH OF BORED APES TOOK OVER THE ART MARKET

**Fractional Art Ownership Is Turning Art Into Stocks—  
But Not Everyone Stands to Make a Profit** By Katya Kazakina

# Last year, Sygnum bank in Switzerland issued 4,000 shares of an unusual asset: a 1964 painting by Pablo Picasso.



Pablo Picasso, *Fille au béret*, Mougins, December 12, 1964 (1964)

**E**ach share of *Fille au béret*—a painting of a young girl in a bright blue cap—was valued at CHF1,000 (\$1,070). The pitch to potential clients was this: The sale of each segment would be recorded in a smart contract on the blockchain. The painting, meanwhile, would be stored in a freeport until it was sold for a profit.

More than 60 investors jumped at the opportunity last year.

“What before only very few people could own in full is now available to many in a fractionalized manner,” Mathias Imbach, chief executive officer of Sygnum, which specializes in digital assets, said at the time.

The transformation of this charming Picasso from mantelpiece trophy to tradable asset marked the beginning of a much bigger trend—one that has the potential to change the way the art market operates and fundamentally expand who can participate.

“It’s the natural outgrowth of the financialization of the art market,” said art advisor Wendy Cromwell. “There’s been so much reporting on wealth generation through art that the financial community took notice and jumped on the bandwagon. It’s not about art. It’s about money.”

Since the onset of the pandemic, the notion of art ownership has been radically expanding beyond the physical. And so owning and trading

fractions of artworks and collectibles—a 10th of Magic Johnson’s sneakers, a hundredth of a Warhol, a thousandth of a Picasso—moved from the fringes of the art investment conversation to the epicenter.

Artist Pak sold 266,445 shares of the NFT project *Merge* for \$91.8 million on the platform Nifty Gateway in December. A month earlier, more than 17,000 people joined forces as a decentralized autonomous organization (DAO) to raise \$47 million in a bid to buy an original printing of the U.S. Constitution at Sotheby’s. (For more on how DAOs can work for the art market, see p. 38.) And Masterworks, a start-up that allows investors to purchase shares in Basquiats and Kusamas for as little

Owned by Masterworks:  
Mark Bradford, *Value 47* (2009–10)

Jean-Michel Basquiat, *All Colored Cast (Part III)* (1982),  
also owned by Masterworks



as \$20, is now regarded as a Silicon Valley “unicorn,” valued at \$1 billion.

In some ways, the art world is merely reflecting broader trends. The pandemic left scores of middle-class professionals at home with spare time and stimulus checks burning holes in their pockets. Dollar investors who plowed their savings into GameStop, AMC, and other

meme stocks emerged as a market-moving force. Now, the same dynamic is playing out in the art industry, which has been discovered by crypto millionaires and decentralized collectives.

Think of it as El Dorado. Everyone wants to get rich—fast. And the entry point is relatively inexpensive. “It’s like buying a ticket to a movie,” said

Alberto Mugrabi, a scion of a major art-collecting and -trading family. “It’s an investment to go dream.”

But do these small-scale investors actually stand to make real money? And is the traditional art market prepared for a future in which masterpieces are divided into shares and traded like stocks and bonds?

“It’s like buying a ticket to a movie,” Alberto Mugrabi said. “It’s an investment to go dream.”

Whether or not the art world is ready, it’s happening. Newbies are going head-to-head with art-market stalwarts. Pak’s \$91.8 million NFT price surpassed top auction results for blue-chip heavyweights like Jeff Koons and David Hockney. The bidding war between ConstitutionDAO and billionaire hedge-fund manager Ken Griffin resulted in an auction record for a printed text of \$43.2 million.

Around these new players, a whole cottage industry is growing. Art funds that tokenize blue-chip works are on the horizon. Art appraisers have never been busier.

Masterworks, meanwhile, has emerged as one of the biggest buyers in the market. Last year, the company bought about 65 works of art to the tune of more than \$300 million, according to its SEC filings. It shopped at Christie’s, Sotheby’s, and Phillips (both at auction and privately); top galleries such as White Cube and Skarstedt; and directly

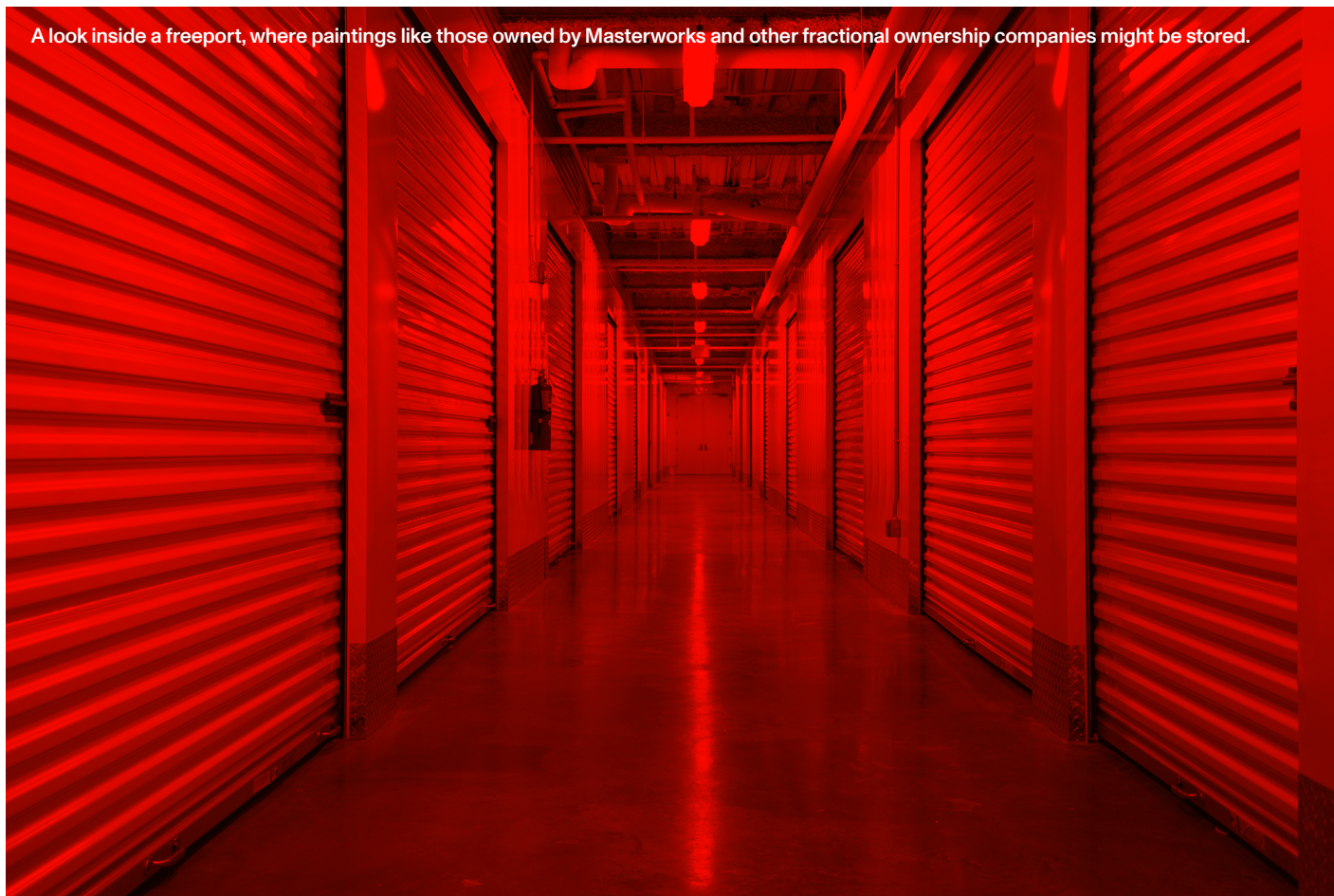
from major players like the Mugrabi family and billionaire Steven Tananbaum, the filings state. Many of its appraisals are done by Winston Art Group.

Last year’s loot included five Basquiats bought for a combined \$61 million and nine paintings by Kusama ranging for between \$1.9 million and \$4.8 million each. Masterworks also picked up Joan Mitchell’s *12 Hawks at 3 O’Clock* (1960) for \$14.2 million from High Fashion Concepts, a limited liability company operated by the Mugrabis.



From left: Ed Ruscha, *Ripe* (1967); George Condo, *Staring Into Space* (2014–15); Banksy, *Sunflowers from Petrol Station* (2005)

A look inside a freeport, where paintings like those owned by Masterworks and other fractional ownership companies might be stored.



During the November auctions in New York alone, Masterworks dropped more than \$60 million at Christie's, snapping up works including Banksy's *Sunflowers from Petrol Station* (2005), Ed Ruscha's *Ripe* (1967), and Christopher Wool's monumental untitled canvas spelling HA AH (1990).

Masterworks adds a roughly 11 percent fee to the purchase price and then offers these works like IPOs, effectively flipping them to investors. The company charges a 1.5 percent annual management fee and earns 20 percent of any profit realized when the works are sold. Masterworks declined to respond to a detailed list of questions about its business.

So far, Masterworks has sold only three artworks from its portfolio. One of them is George Condo's painting *Staring into Space* (2014–15), which fetched \$2.9 million at Christie's Hong Kong in December (it had been purchased for \$1.6 million in 2020). Investors in this offering could expect a 32 percent return after fees, the company said.

In many ways, the shift from the single owner to the fractional owner boils down to two factors: psychology and technology.

Art used to be the ultimate trophy, something for the ultrarich to behold and display. But the rise of retail investors is changing the power dynamics. Masterworks now has 360,000 investors, most of whom own shares of artworks without ever seeing them in the flesh.

"Fractional-share interest in art is best suited for people who are focused on art as an asset class and may not have the time or interest to engage with art, artists, or the art community more broadly," said Dan Desmond, executive director of the Blue Rider Group at Morgan Stanley.

Masterworks founder Scott Lynn did not want to be interviewed for this story, but his representative's explanation for that decision spoke volumes. The company, the rep noted, wants to limit its exposure to the art world (and art publications). "Our investors aren't art people," he

said. "They are just investors."

Art resonates with this audience because it is an asset that doesn't correlate to stocks, bonds, or other financial instruments. It's also seen as a hedge against inflation. And while investors aren't interested in going to exclusive gallery dinners, fractional art ownership is a fun novelty investment—buzzy NFTs or historic works by Picasso are more exciting to discuss over cocktails than index funds.

"It's not a purely financial play," said Drew Watson, head of art services for Bank of America's private bank. There is an "intellectual and social" appeal to "being able to talk with your friends about owning a piece of the work of art that's been securitized and is part of your overall investment allocation."

Watson's team has seen an uptick in curiosity among clients over the past year. Inquiries are coming from an emerging wealth segment—often, the newly crypto-rich—as opposed to old money or those who made their fortunes in

hedge funds and real estate. (Those kingpins can afford to collect the actual artworks.)

The irony is, of course, that in this new fractional art world, the people least interested in art could end up owning some of the most coveted paintings and sculptures.

**F**ractional ownership of blue-chip art was a tiny niche as recently as two years ago. To be sure, collectors and dealers have often formed syndicates to buy artworks, and cash-strapped museums sometimes pool funds for joint acquisitions. But this represents a whole new level, with a considerably lower price point and an incomparably larger pool of people able to buy in, thanks to new technology.

Consider the case of Javier Lumbreras, the founder of investment company Artemundi, who paid \$3 million for *Fillette au béret* at a Swedish auction house in 2016. The Picasso painting had impressive provenance: It passed through the hands of legendary Swiss art dealer Ernst Beyeler, Los Angeles County Museum of Art cofounder Sydney R. Barlow, and Swedish collector Bertil Neuman. Lumbreras planned to hold the work and resell it for a profit.

Then last year he saw an opportunity he couldn't have imagined half a decade earlier. As NFTs exploded and cryptocurrencies surged in popularity, Lumbreras partnered with Sygnum to tokenize the painting. It was listed at CHF4 million (\$4.3 million), 38 percent more than Lumbreras bought it for. Investors were offered 4,000 shares, each priced at CHF1,000.

Effectively, investors bought Lumbreras out for a profit (though his company retains 10 percent of the shares). He stands to make more over time: The company charges a onetime fee of 8.9 percent of the original purchase price, or \$89 per token, for taking care of the work, loaning it out, and storing it at a Swiss freeport (shareholders can visit whenever they like). If the company sells the painting within five to

A group called PleasrDAO bought an NFT of the Shiba Inu meme that launched the infamous Dogecoin cryptocurrency, which it went on to fractionalize into 17 billion \$DOG tokens.



eight years, it will make an additional 2.5 percent commission.

According to Lumbreras, these complex transactions wouldn't be possible without blockchain technology. Investors can use any currency, fiat or crypto, to buy a securitized ERC-20 token, based on the Ethereum blockchain, representing their stake. "In a fund you have to sign 6,000 pages of paper," he said. "Here, you are done with a click."

It's democratization—but only, Lumbreras admitted, to a degree. To buy a token, investors must pass know your client and anti-money laundering requirements and have at least CHF500,000 (\$540,540) in liquid assets. The minimum investment is five tokens.

"We are not trying to appeal to the traditional art-collecting world," Lumbreras said. "It's for people who want to invest in a very safe asset."

For Blanca De Castro Infante, a wealth manager at a Swiss bank, investing in a fraction of the Picasso was an experiment. Part of her goal was to gain firsthand knowledge about this hot new investing trend. "There's a lot of hype there," she said. "The motivation was to try my own medicine."

While she enjoys going to galleries, De Castro Infante said she is a "laywoman" when it comes to art. "I like art, but I don't collect myself. I don't have the means to. So I thought: Well, just go for it."

“We are not trying to appeal to the traditional art-collecting world,” Lumbreras said.

**L**umbreras's talking points—fractionalization leads to transparency; art is a safe investment; prices for blue-chip art are bound to go up—are echoed by many of the key players behind these initiatives. But not everyone agrees.

“Investors should expect lower returns on art compared with other types of investments,” Bank of America’s Watson said. “The art market is volatile, illiquid, and heavily influenced by collecting trends.”

Michael Moses, an economist who examined 50,000 repeat art sales over the past 50 years, warned that only 0.5 percent of the works returned 100 percent or more. What about a more modest 10 percent compound annual return? “My guess, it’s less than 10 percent of all works,” Moses said.

Melanie Gerlis, the author of the 2014 book *Art as an Investment? A Survey of Comparative Assets*, concurred. “When I think of the costs and the time of making art, owning art, and all the things we know about the weird hierarchy and the black magic that goes on behind the scenes to make an artist successful,” she said, “there’s no way it’s as good an investment as a tech stock.”

You won’t hear much about these risks from fractional-art specialists like Masterworks (unless you read the fine print).

Instead, on its website, Masterworks highlights the impressive historical appreciation of carefully chosen repeat sales by artists in its portfolio. The price of a cheerful flower painting by Warhol increased by a factor of 90 over 28 years; a record \$110 million Basquiat was originally purchased for \$19,000, representing a windfall of more than 5,200 percent over 33 years.

The reality is more complex.

Take Wool’s HA AH, recently offered to investors on the Masterworks platform. The company bought the work for \$7 million at Christie’s in November; it was the sole bidder. The price represented a 40 percent dip since 2014, when the same painting fetched \$10.7 million at auction.

The chart of comparable “word” paintings by Wool on the Masterworks website omits any disappointing results, including unsold works. While Wool’s auction sales declined 63 percent in 2021 from their peak in 2015, according to the Artnet Price Database, Masterworks presents an ascending trajectory, charting 31 percent growth since 1990.

There’s a certain information and access asymmetry between Masterworks and its investors. For example, the company is a frequent financial backer of guarantees to auction houses, receiving fees for taking on the risk and occasionally buying the works when no one else bids. Those fees have amounted to about a 12 percent discount that wouldn’t be available to other buyers. It is unclear if and how those savings are passed onto investors.

In addition, Masterworks often receives preferential payment terms. While most buyers are required to pay within 30 days of the purchase (and top clients get 90 days), Masterworks has secured as long as six months—enough time to sell the shares off to investors.

**S**o far, the fractional ownership marketing strategy seems to be working. The next step is scaling up. Lumbreras said

Sygnium is pitching tokenized artworks to “very conservative money managers and banks.” Masterworks is said to have approached money managers at major investment banks to add fractional art to their diversified offerings to clients, according to a person familiar with the plan.

How soon this becomes a reality is anyone’s guess.

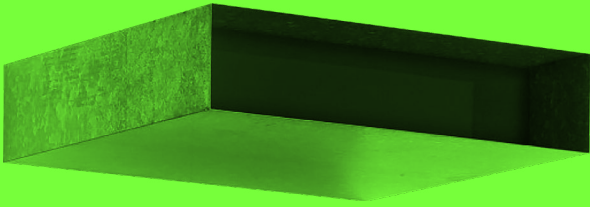
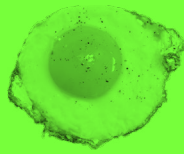
“It’s still very early days,” Watson said. “They would need more of a track record to be palatable for the large financial institution.”

Tokenized artworks are likely to appeal to individual investors and family offices before banks. “Short-term, I can’t see banks including these tokens as an asset class,” said De Castro Infante. “It’s not their métier. We have analysts who look at solvency and liquidity metrics to see whether the bond is good or bad. We have traders who look at demand and supply of commodities. But we don’t have this knowledge about art.”

Still, those who have been in the art investment game for years see the arrival of new investors as validation.

“Everyone has been talking about art as an asset class for so long, but now it’s really happening,” said Elizabeth von Habsburg, managing director of Winston Art Group. “People are seeing that it’s a financial instrument for better or for worse. They realize there’s more they can do with art than buy it, hold it, or loan against it. They are making the pie bigger.”

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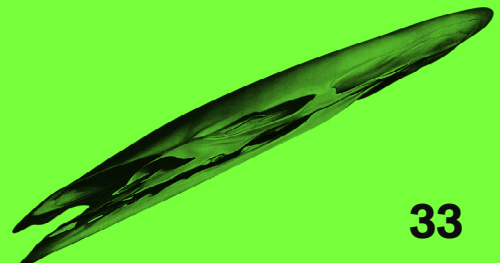
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Picasso



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# Meet 3 Fractional Investors: a Real-Estate Exec, a Podcaster, & a Corporate Lawyer



## Joey Quiros

33

New York City

Real-Estate Agent at Compass

Owner of an NFT from Damien Hirst's "The Currency" project

### How did you first find out about "The Currency"?

Through Zima Red, one of the NFT-focused podcasts that I listen to.

### What inspired you to invest?

NFTs and Web3 are going to fundamentally change the way we live. One of those changes will be the way art is collected and consumed, specifically a democratization of ownership, making art even more in demand than it is. I believe that "The Currency" represents one of the first, if not the first, crossovers of a major traditional artist into Web3. To own a small piece of that is an opportunity I feel lucky to be a part of.

### What has been the most surprising part of owning an NFT?

How much I've become interested in the history of art. It's particularly fascinating to see cycles where new forms are delegitimized by the establishment only to be celebrated by those same groups in the future.

### Do you own any other art yourself?

Yes—all NFTs. I don't know if I could see myself purchasing art that doesn't have an NFT component at this point.

**"NFTs and Web3 are going to fundamentally change the way we live."**



## Katie Rothstein

24

Los Angeles

Web3 consultant and host of the *Crypto Girls* podcast

Member of ConstitutionDAO

### What interested you about being part of a DAO?

First, they give groups of people the ability to raise large amounts of money very quickly—shout out to the lagging government regulation that makes this possible for the time being. Second, the “decentralized” nature of the organizations. It’s so cool to be able to essentially invest in an idea from its genesis and then be guaranteed a seat at the table as it comes to life.

### How did you get involved with ConstitutionDAO?

I had no idea what a DAO was. I saw a link on Twitter for a crowdfund that essentially was like, “We’re raising money to buy a copy of the Constitution at Sotheby’s and donate it to a museum.”

Once they had raised maybe \$2 million or \$3 million, I thought, “OK, this is probably legit.” I threw them a few hundred dollars and got some tokens in return. It wasn’t until after I put in my money that I actually understood this wasn’t a normal crowdfund.

### What about it inspired you?

I was an art history major, and I’ve always loved libraries and rare documents. I just thought it would be funny to say that I was part of a group who came together on Twitter and bought the Constitution. I also liked the idea of sticking it to private collectors who view art only as an asset and spend millions of dollars on artwork only to lock it away in a safe.

### How did you feel about the auction?

It was chaos! There was a lot of confusion around which Sotheby’s specialist was bidding on behalf of ConstitutionDAO. We thought we had won for about 10 minutes after the auction. At the end of the day, I was a little sad [to lose] but not surprised. The whole situation did a lot to raise awareness about the power of DAOs, crypto, and Twitter organizing, and this is only the beginning.



## Kristopher Brown

54

New York City

Attorney at Goodwin Procter

Fractional owner of Banksy’s *Love is in the Air* through the start-up Particle

### How did you first learn about fractional NFT ownership?

It really came together for me when I read the article on Particle in the *New York Times*. Adam Lavine [the company’s cofounder] shared it with me, as I am an alum of Brown University, where his son Shingo is in college, and have mentored Shingo on crypto and life sciences. He knew of my interest in doing innovative things with the blockchain, like being the first person to make a crypto donation to an Ivy League university.

### Why did you feel it was right for you?

I am a huge fan of Banksy but also of disruptive technologies and novel means of using technology to spread opportunity. Applying the shared-ownership concept in the NFT/art setting seemed like an idea worth exploring.

### Has fractional ownership gotten you interested in fine-art collecting?

Absolutely. In fact, I used some bitcoin to acquire one of Damien Hirst’s physical prints, called *Politeness*.

### What are the perks of fractional ownership?

I like the feeling of owning a piece of something so interesting and important. It could also be fun to own a digital piece of an iconic song, movie, or even a digital house in the metaverse, entitling me to unique experiences others don’t get. For my alma mater, Brown University, it would be fun to, say, collectively donate \$20,000 with 10 other people to buy a rare book and ensure that book is taken care of. In return, we all would get fractional-benefactor NFTs, which we could show to our friends and family but also to a third party who goes online to check out the digital version of the book. Just like in the past when someone got to put their name on a building, we could have our names associated with that book.

# These 5 Companies Are Leading the Charge on Fractional Ownership

By Eileen Kinsella

If investment is your only motivation for buying art, why go to the trouble of actually owning it at all? That's the unofficial pitch from a spate of new companies using blockchain technology to sell shares of valuable paintings, NFTs, and other collectibles. Gone are the headache and cost of insurance, shipping, and storage. Also gone, of course, is the joy of living with art.

Here's an introduction to some of the biggest players banking on the idea that the future of art ownership is fractional.

## MASTERWORKS

<b>Name</b>	Masterworks
<b>Established</b>	2017
<b>Founder</b>	Scott Lynn, a venture capitalist and online advertising entrepreneur
<b>Funding</b>	\$110 million in Series A funding last year, led by the venture fund Left Lane Capital
<b>The Sales Pitch</b>	Investors can cash in on the art market by purchasing and trading shares in works by established artists like Andy Warhol, Jean-Michel Basquiat, Keith Haring, and Yayoi Kusama.
<b>How It Works</b>	When Masterworks purchases a painting, it registers the asset with the Securities and Exchange Commission and then offers shares in the work to investors, IPO style. The company says it offers investors about one new painting every four to five days. Masterworks adds an approximately 11 percent fee on top of the original purchase price when it lists the work on its website and charges a 1.5 percent annual management fee. When an artwork is sold, the company takes 20 percent of any profits; the rest is distributed among the shareholders. Investors who want to exit before the sale of the underlying work can sell their shares on Masterworks' secondary market.
<b>Min. Investment</b>	\$20



<b>Name</b>	Yieldstreet
<b>Established</b>	2015
<b>Founders</b>	Milind Mehre, cofounder of online marketing company Yodle, and Michael Weisz, a finance and real-estate executive. Rebecca Fine oversees the art platform; she was a founder of Athena Art Finance, which was acquired by Yieldstreet in 2019.
<b>Funding</b>	\$328.5 million, including \$150 million in Series C funding last year
<b>The Sales Pitch</b>	Yieldstreet's Art Equity Funds offer clients the opportunity to invest in collections of works by a range of artists with significant potential for appreciation. Each fund has its own theme—one, for example, focuses on African American artists working from the Harlem Renaissance to the present, including Jacob Lawrence, Norman Lewis, Faith Ringgold, and Glenn Ligon.
<b>How It Works</b>	Distributions are made to investors as the artworks are sold over the life of each fund, which is set at five years with the possibility to extend for an additional one to two years.
<b>Min. Investment</b>	\$10,000

# particle

<b>Name</b>	<b>Particle</b>
<b>Established</b>	2021
<b>Founders</b>	Loïc Gouzer, former chairman of Christie's postwar and contemporary art department; Adam Lavine and his son Shingo Lavine; and crypto brokerage Voyager cofounders Phillip Eytan and Oscar Salazar, Uber's founding CTO
<b>Funding</b>	\$15 million in seed funding, including from Voyager and Atrium
<b>The Sales Pitch</b>	Particle utilizes blockchain technology "to revolutionize the way people own, collect, experience, and enjoy art masterpieces." Its first purchase: Banksy's <i>Love is in the Air</i> , for \$12.9 million. Particle clients get to own a specific piece of an artwork (like the lower right corner, for example) rather than a general share.
<b>How It Works</b>	The company divides each artwork into a 100-by-100-square grid, resulting in 10,000 unique "Particles," which are then minted as NFTs and offered for sale on the Avalanche blockchain platform. (The first Banksy offering made \$10 million in its first few weeks, with more than 8,000 Particles sold; secondary sales surpassed \$1.5 million on February 14.) Buyers get digital certificates with images of the squares they own; the certificates double as tickets to the physical location where the painting is stored. One percent of the Particles are donated to the Particle Foundation, which maintains physical ownership of the works and tours them to museums and galleries around the world.
<b>Min. Investment</b>	\$1,500

# RARES

<b>Name</b>	<b>Rares</b>
<b>Established</b>	2020
<b>Founders</b>	Gerome Sapp, a retired NFL player; Matt Hall, a former Peloton executive; and Hector Tantoh, a consultant and logistics expert
<b>Funding</b>	\$4 million in a seed funding round led by MaC Venture Capital and a \$1 million pre-seed round
<b>Sales Pitch</b>	Rares offers users the chance to purchase shares in the rarest sneakers in the world and the opportunity to make money by selling those shares on the secondary market.
<b>How It Works</b>	Like Masterworks (but for shoes), Rares acquires sneakers, registers them with the SEC, and offers them to investors on its app. Once the shares are sold out, users can immediately begin trading them on the secondary market as the value of the shoe fluctuates. Users who hold on to their shares until Rares sells the shoes (a period of around eight to 12 months), get paid out based on the final price. The company also charges a 1 percent fee to cover its brokerage costs.
<b>Min. Investment</b>	\$25

# ARTORY

# WINSTON ART GROUP

<b>Name</b>	<b>Artory/Winston Art Fund</b>
<b>Established</b>	2021
<b>Founders</b>	Elizabeth von Habsburg, art appraiser and president of Winston Art Group, and Nanne Dekking, founder of digital art registry Artory
<b>Funding</b>	Artory closed a \$4.5 million round of fundraising in September, led by Borderless Capital
<b>Sales Pitch</b>	The group seeks to combine Winston's expertise in authentication and due diligence with Artory's facility with tokenization and fractionalization to transform physical artworks into robust, accessible financial products that appeal to investors in crypto and real alternative assets alike.
<b>How It Works</b>	Like Yieldstreet, the Artory/Winston Art Fund specializes in offering investors shares in curated collections rather than individual artworks. The first grouping, worth a combined \$5 million, will focus on emerging art and be sold after a relatively short holding period. More diversified offerings—which span blue-chip, mid-career, and emerging art—may exceed \$20 million and will be held for five to seven years. Investors will purchase and trade a token representing their ownership stake in each fund on eco-friendly blockchain Algorand. The token's certificate includes ownership, provenance, value, and other information and is continually updated through the lifecycle of the underlying artworks.
<b>Min. Investment</b>	\$100

# Seven Questions About **How**

# DAOs

## **Actually** Work for the Art Market

By Amy Castor

**Imagine this: A collective of crypto enthusiasts fights bitterly for a Yayoi Kusama pumpkin sculpture at Christie's, bidding it up to a record \$8 million. They win, pay in cryptocurrency, and have the prize shipped to an art-storage facility.**

**In the utopian version of this story, thousands of members of this online group vote to donate the sculpture to a museum in Buffalo, New York, which puts it on view in a public park. In the dystopian version, the members decide to destroy the physical sculpture, turn it into an NFT, and sell fractionalized shares of their new digital asset. The IRL work is reduced to dust; its memory now lives exclusively online.**

**Both of these developments are theoretically possible in the future, as decentralized autonomous organizations, or DAOs, continue to gain popularity in the crypto space. Several of these newfangled entities are already scooping up high-profile NFTs in the name of democratizing art.**

**Crypto supporters claim that DAOs give regular people the chance to have unprecedented influence. Forget CEOs and central leaders. Instead, decisions are made collectively on the blockchain. But in a market as elitist, opaque, and illogical as the one for fine art, could DAOs really take hold? And will they become a force for good or ill?**

**We surveyed experts in both the crypto and fine-art worlds to answer some of the most pressing questions about the future of DAOs and art.**

## **First things first. What is a DAO?**

In the simplest terms, a DAO is a way to gather a bunch of people (and crypto) together to buy things or to fund a project. You can think of a DAO as a venture-capital firm—or any type of business, really—but on the blockchain. Instead of having the rules and contracts spelled out on paper, everything is written in code.

Although one of the earliest DAOs, called “The DAO,” got off to a bad start (it was hacked in 2016), it managed to pool \$150 million in crypto before it shut down. And even that is small potatoes compared with the funds that started flowing into DAOs late last year, including from top venture capital firms like Andreessen Horowitz.

Today, DAOs hold about \$10.7 billion in cryptocurrency assets and collectively have around 1.6 million members, according to data analytics site DeepDAO.

## **How does one join a DAO?**

To become a member of a DAO, you have to purchase the DAO's governance token. Typically, the more tokens you hold, the more voting power you have in how the pooled funds are spent.

To some observers, joining a DAO is no different from buying stock—except there is a lot less regulation. “As far as I can tell, the idea behind a DAO is to create a joint stock corporation designed around basic majority shareholder voting without doing the paperwork necessary to do a joint stock corporation,” said Nicholas Weaver, a researcher at the University of California, Berkeley.



The first printing of the United States Constitution, which sparked a bidding war between a DAO and a hedge-fund titan at Sotheby's last fall.

## What are some of the most high-profile objects DAOs have bought, or tried to buy?

After raising more than \$40 million in crypto in a week, ConstitutionDAO bid on a rare copy of the U.S. Constitution at Sotheby's in November. The group lost to the hedge-fund kingpin Ken Griffin, who—armed with the knowledge of just how much his opponents had raised—outbid the DAO by a slim margin. He ended up paying \$43.2 million, more than double the estimate and a record for a historical document at auction.

That was not the only time a DAO has bid up the price of an item. At Christie's in November, SpiceDAO won a \$3 million rare storyboard book of Alejandro Jodorowsky's never-made *Dune* adaptation, paying nearly 100 times its high estimate.

The group tossed around the idea of burning the book and creating NFTs of each page to sell online. (A free and accessible copy is already available digitally.) It also wanted to create a film adaptation, seemingly unaware that owning an NFT does not automatically bestow

title to copyright.

Andreessen Horowitz-backed PleasrDAO, which is dedicated to buying “culturally significant pieces,” has also purchased notable items, including the sole copy of the album *Once Upon a Time in Shaolin* by the Wu-Tang Clan. After locking the \$4 million object in a vault somewhere in New York, the collective created an NFT to represent a deed of ownership.

It also paid \$4 million in crypto for an NFT of the Shiba Inu meme that launched the infamous Dogecoin cryptocurrency, which it proceeded to fractionalize into 17 billion \$DOG tokens to sell on secondary markets.

These structures raise concerns among regulators, even those who embrace cryptocurrencies. One pro-crypto SEC commissioner has warned that fractionalized NFTs resemble illegal securities offerings. Exactly how such assets will be treated and traded in the future remains to be seen.

## Has a DAO ever attempted to buy fine art?

Yes. Newly formed ratDAO has a lofty goal to buy blue-chip art on a “large scale,” in the words of its founder, Shan Xu, a recent graduate of the University of Houston with a degree in economics and no background in art. So far, ratDAO has made one purchase: a Banksy print, *Pulp Fiction* (2004), from Hexagon Gallery for \$99,500. (Technically, an LLC made the purchase on behalf of the DAO.)

“We are just a bunch of internet kids that bought a Banksy,” Xu said.

ratDAO currently has 758 members. Rather

than destroying physical artworks, Xu envisions showing acquisitions in a gallery in New York City that will double as a kind of members-only clubhouse. (There are also plans to create NFTs of the physical art and display them in the metaverse.) When the DAO goes live later this year, it will be represented by an appropriately named \$CHEESE token.

“We are hoping to get into higher art, like a Basquiat or a Monet,” Xu said. “We’ll be the first [DAO] to own tokenized versions of these pieces.”



Banksy, *Pulp Fiction* (2004)

BANKSY

## Is the DAO investor population even interested in fine art?

DAOs seem more focused on NFTs than on physical art objects. Ultimately, DAOs are about pumping up the value of the governance token and any fractionalized tokens they create from NFTs. They don't need physical art to do that.

In fact, physical art is a hassle. You have to transport it, insure it, store it somewhere, keep it in good condition, and then figure out a way to digitize it so you can share it with the group.

At the end of the day, DAOs bring liquidity to NFT markets. With a group, you have more buying power. And the flashier the NFTs a DAO collects, the greater the interest in its governance tokens.

Essentially, DAOs strive to offer the best of the fungible and nonfungible worlds—a governance token that is easier to trade with the exclusivity of a one-of-a-kind digital asset.



SpiceDAO picked up a storyboard of Alejandro Jodorowsky's never-made *Dune* adaptation (1975) at Christie's for \$3 million.

## What legal roadblocks exist for a DAO to successfully buy art?

When it comes to acquiring fine art, DAOs quickly run into challenges. The main one is fundamental: Who is the DAO, really? While DAOs claim greater transparency because all voting and transactions take place on the blockchain, their membership is often opaque.

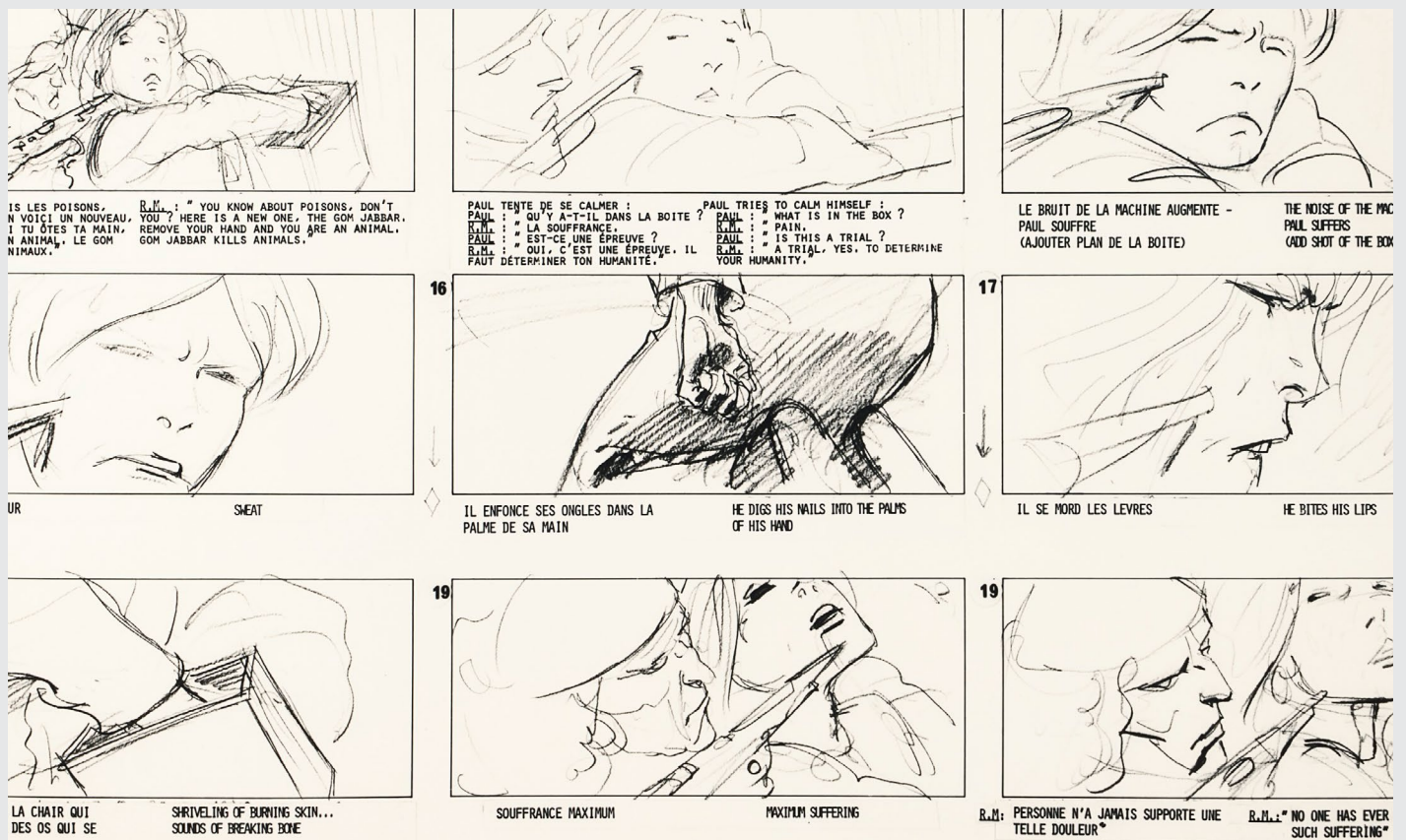
That can be a problem, especially in the art industry, which has long been a target for money laundering. Art dealers cannot simply accept millions of dollars in cryptocurrency from anonymous parties. And auction houses have to conduct even stricter due diligence on prospective buyers. Before ConstitutionDAO could bid on the U.S. Constitution, it had to form an LLC in Delaware. Technically, SpiceDAO didn't even purchase the rare *Dune* book from Christie's—its cofounder Soban Saqib, a 25-year-old NFT collector, did so from his home in Colorado. The DAO later bought it from him.

"As the seller, I would be worried about anti-money-laundering rules and OFAC," said

attorney Anne-Laure Alléhaut, of the firm Patterson Belknap Webb & Tyler, referring to the U.S. Treasury Department's Office of Foreign Assets Control, which maintains a list of sanctioned countries and blocked persons. "You want to bring in new bidders, but they come with risks. DAOs could be treated like LLCs in certain jurisdictions, but what really matters is where the funds are coming from."

Beyond that, she explained, intermediaries have a fiduciary responsibility to the sellers and might not want to risk transacting with a DAO. "Is allowing a DAO to bid on a piece of art in the best interest of the seller, considering the legal uncertainties?"

What's more, the future of DAO regulation remains unclear. After the first-ever DAO was hacked in 2016 and had to shut down, the SEC followed up with an investigative report describing its tokens as securities.



Storyboard plates from *Dune*, after drawings by Christopher Foss, Jean Giraud-Moebius, and H.R. Giger (1975)

## Would a gallery even sell to a DAO, or would a museum accept a donation from one?

Galleries and museums are still a bit leery of DAOs. The majority of the near-dozen institutions contacted for this story declined to comment. Pace—the only mega-gallery with its own NFT platform and one of the few that accepts crypto—is, perhaps unsurprisingly, at the vanguard.

"We admire their influence and, most importantly, what they stand for," said Christiana Ine-Kimba Boyle, Pace's online sales director, adding that the gallery has been in discussions with a few DAOs. "The concept of fractionality is not new within the art world. Collectors have banded together to buy artworks for decades—especially those with high value."

Her view isn't shared by everyone. Ben Lee Ritchie Handler, global director of Los Angeles's Nicodim Gallery, is put off by DAOs' focus on

profit and concerned about what might happen to a piece after it is sold.

"As a gallery, our primary goal is to put our artists' creative output in the best possible context, be it in an institution, a public collection, or a collector's home," he said. "We want to draw eyeballs and opinions based on artistic merit, not a price tag."

Handler was horrified to learn that SpiceDAO was considering destroying the rare *Dune* book.

A generous reader could compare such an act to Robert Rauschenberg's famous erasure of a drawing by the Abstract Expressionist Willem de Kooning in 1953. But to Handler, SpiceDAO's plan felt less like an artistic endeavor than "a public beheading in service of capitalism."

These graphs explain what **popped** in 2021—and what **flopped**



# Data



By Julia Halperin

# Dive

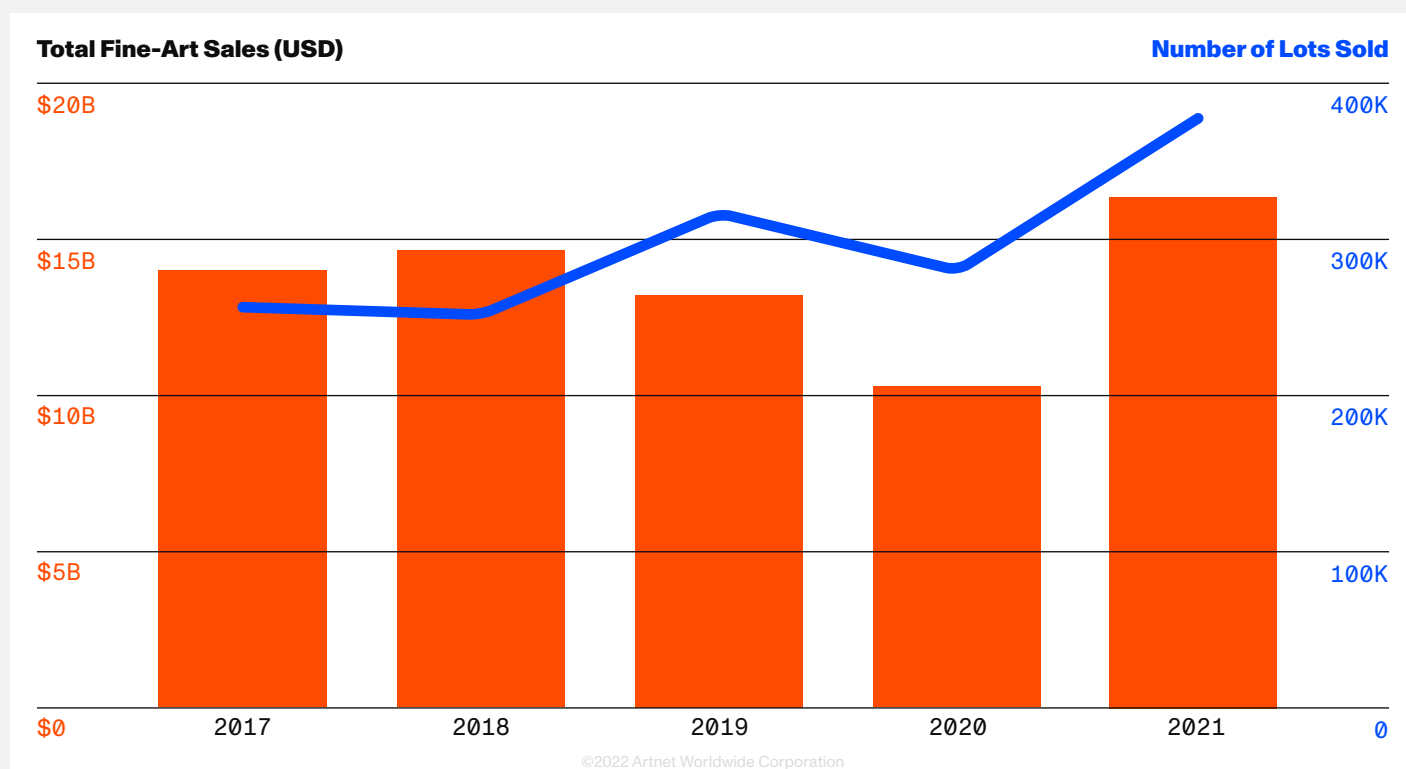
# How Much Art Sold at Auction in 2021?

Last year was a big one for the auction market. In fact, it was the biggest ever. A whopping \$16.6 billion worth of fine art sold in 2021—more than any other year on record. That total is up more than 60 percent from 2020 and 25 percent from pre-pandemic 2019. It also narrowly surpassed the market's previous peak, in 2014, when worldwide fine-art sales at auction reached \$16.3 billion.

Experts attribute the tidal wave to a perfect storm of factors, though two stand out. There was a historic amount of pent-up demand from 2020, when many major sales were canceled or postponed due to COVID. Plus, the market enjoyed a surplus of top-notch supply from sources like the Macklowe collection and the Edwin Cox estate. (Those two collections alone brought in around \$1 billion.)

Notably, the market's growth last year was driven in almost equal measure by value and volume. As collectors let go of trophies they'd held on to throughout 2020, the average price of a work of art climbed 23 percent, to \$43,672. But the number of works sold also rebounded dramatically, hitting a new high of 378,999, up by almost one-third year over year.

"Because more people are using technology to browse and buy objects rather than catalogues or visiting an auction house, it's a more efficient process," said Michael Plummer, cofounder of the art advisory Artvest Partners. "There's a greater comfort level there now."



# Which Continent's Art Market Came Out on Top?

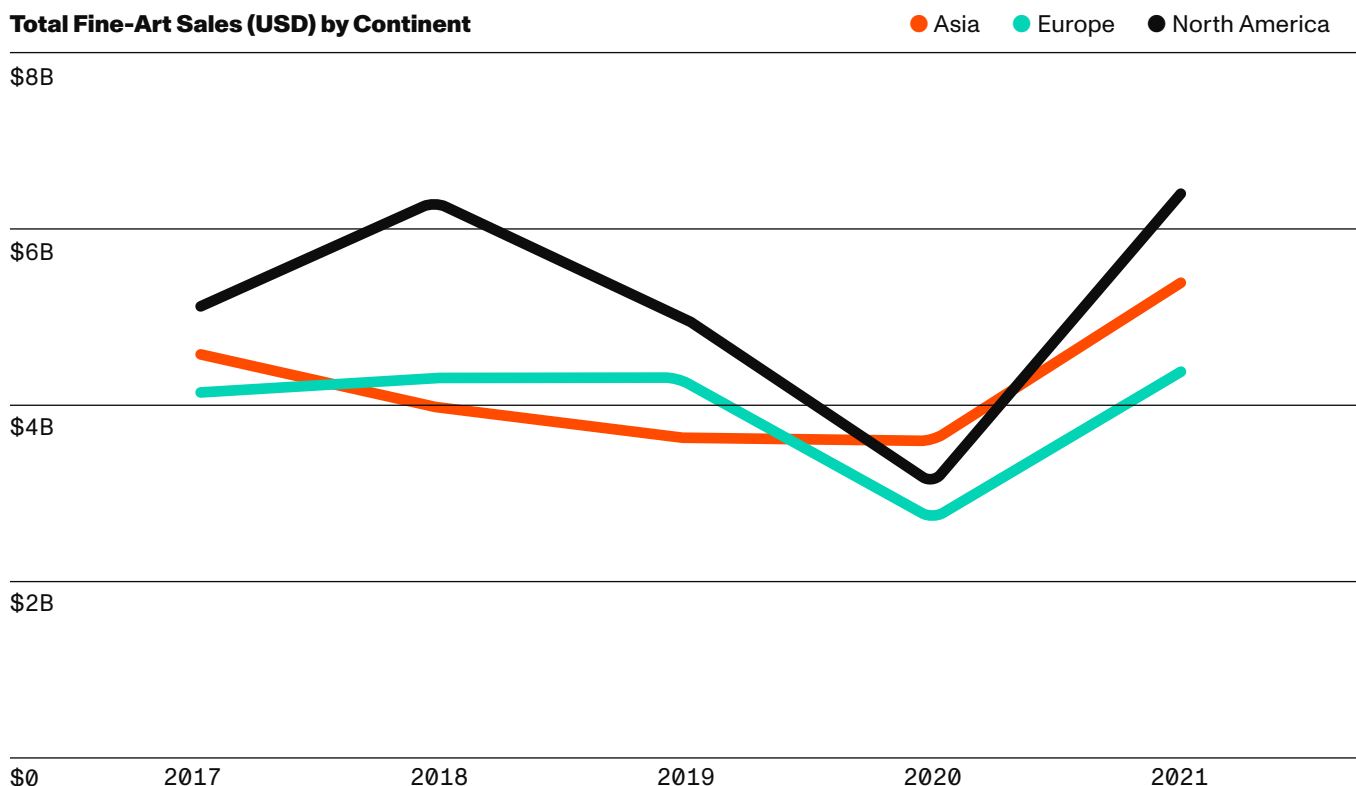
Asia narrowly overtook North America as the biggest fine-art market in the world in 2020, but its dominance didn't last. North America reclaimed its place at the top of the leaderboard last year, with \$6.4 billion worth of fine-art auction sales to Asia's \$5.4 billion.

The clearest explanation for this reversal is that auction houses largely reverted to their traditional schedules in 2021, and that meant selling their most valuable collections in New York (even as they continued to livestream the action to salesrooms around the world).

A deeper look at the data also reveals how these regional markets are evolving differently. The recovery of the market in North America was fueled in large part by an increase in high-value works on offer; the average price shot up 70 percent year over year.

Meanwhile, the more modest growth in Asia's market was driven primarily by an increase in supply. The number of lots offered spiked by more than 50 percent between 2020 and 2021. As international auction houses lean further into Asia and the continent's buyers continue to invest in hot, young contemporary artists—whose work, even at the high end, rarely sells for more than \$5 million—it makes sense that quantity, rather than price, would drive Asia's growth.

Total Fine-Art Sales (USD) by Continent

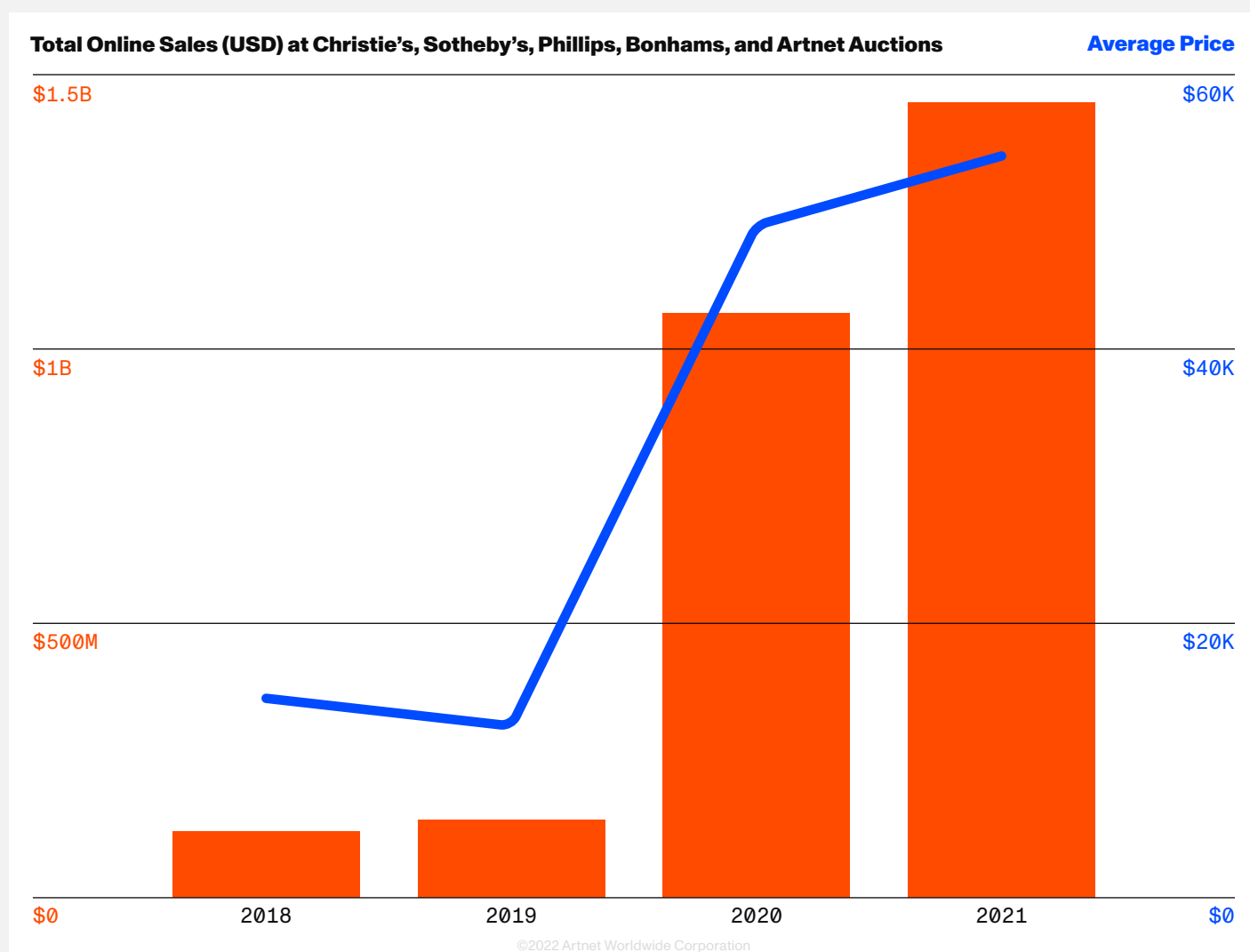


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# How Much Art Sold in Online-Only Sales Last Year?

This graph makes one thing clear: The pandemic changed the game for online sales—for good. Even as collectors ventured back into sales-rooms for live auctions, revenue from online-only sales continued to climb. Last year, the Big Three houses, along with Bonhams and Artnet's own auction platform, generated a combined \$1.5 billion online, up 35 percent year over year. That's a staggering 12-fold increase from 2019, before the pandemic forced auction houses to (finally) drag their operations into the 21st century.

In the race for digital dominance, Sotheby's—which began investing heavily in tech infrastructure before the pandemic—remained at the forefront, generating \$778.5 million in online-only sales in 2021. Christie's came in second, with \$620.8 million. Phillips landed in last place, with just \$15 million, less than both Bonhams and Artnet Auctions.



# Which Countries Bounced Back Fastest From the Pandemic?

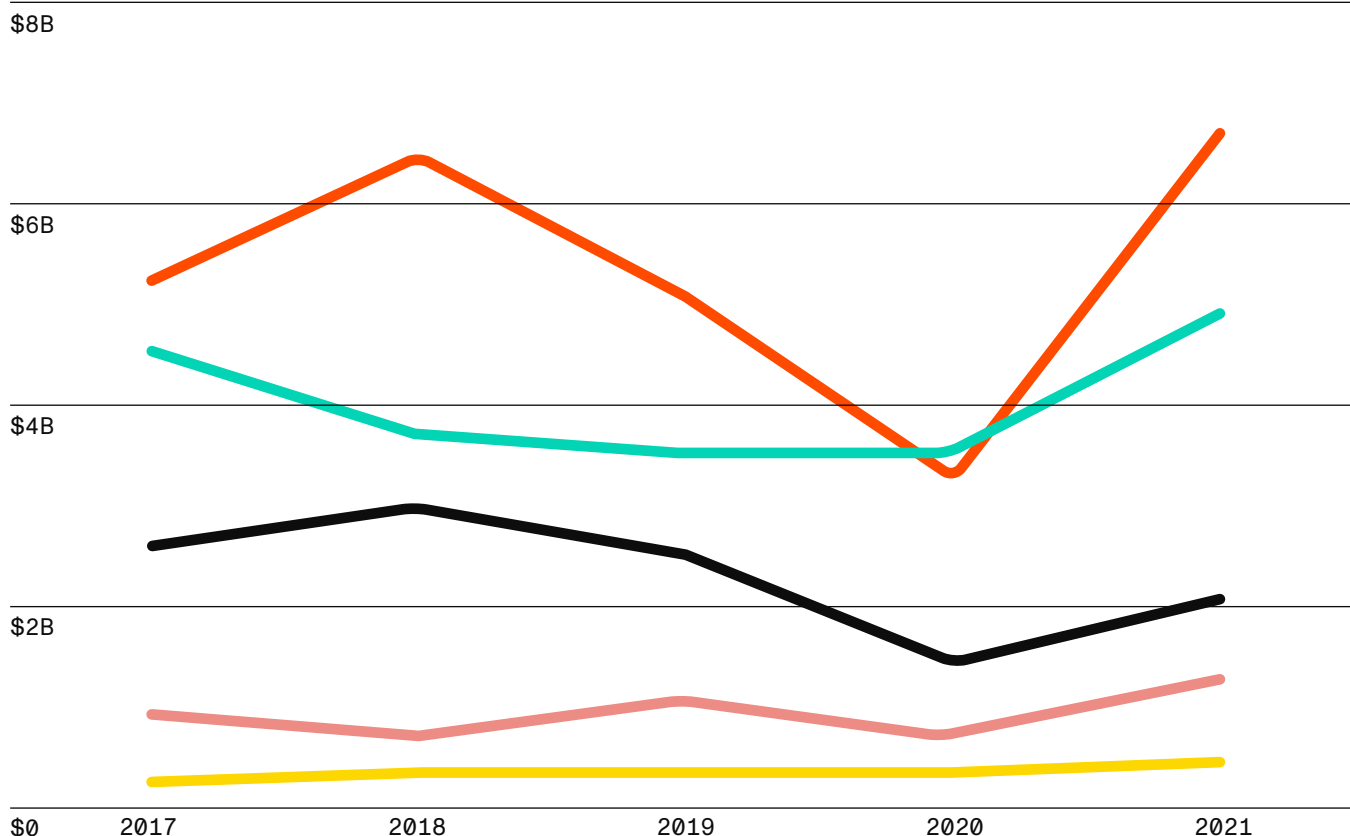
The U.S. reclaimed pole position in the global fine-art market last year, with \$6.3 billion in sales. But beyond the face-off between America and China, some of the most intriguing action took place in Europe, where France continued to battle the U.K. for dominance.

The birthplace of the baguette saw its best performance ever last year, passing the \$1 billion mark in total fine-art auction sales for the first time. France's market has been enjoying increased attention as international dealers like White Cube and Mariane Ibrahim put down roots there and Art Basel unveiled its plan for a Paris edition in October 2022. Meanwhile, the U.K.'s art market continued to feel the effects of Brexit. Last year, the country generated just under \$2 billion in auction sales, a 38 percent increase from 2020—but a nearly 11 percent decrease from 2019.

Finally, don't sleep on South Korea. The country, which will host the first edition of Frieze Seoul this fall, saw its art market grow faster than any other region in Asia. Its fine-art auction sales reached an all-time high of \$255.5 million last year, more than double its 2020 total.

Total Fine-Art Sales (USD) by Country

● U.S. ● China ● U.K. ● France ● Germany



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# Which Auction House Led the Pack in 2021?

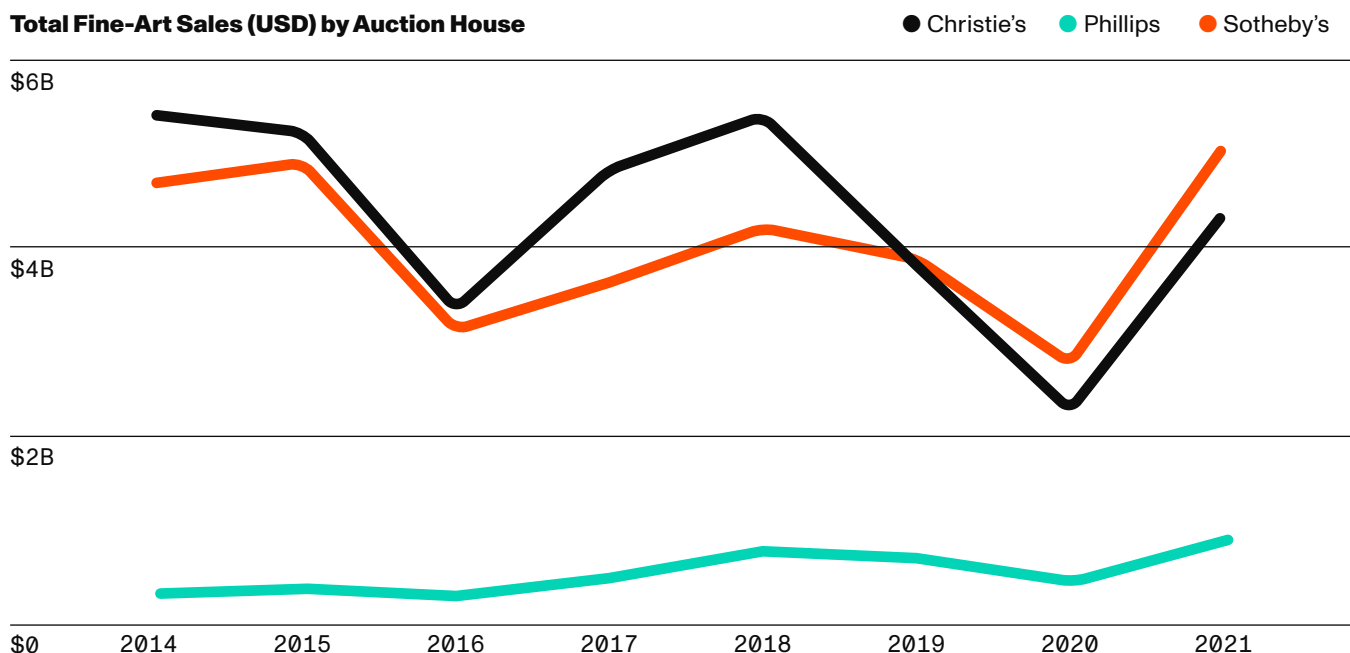
The Big Three auction houses all experienced major comebacks from 2020. Sotheby's—which sold the coveted Macklowe collection—came out on top, with \$4.8 billion worth of fine-art auction sales. Its market performance, coupled with what sources say is brutal cost cutting behind the scenes, sets the house up well for a rumored IPO, which could take place later this year. Rival Christie's came in second place, with \$4.3 billion. Despite delivering its best year ever, Phillips was a distant third, posting \$745.6 million worth of fine-art sales under the hammer.

Yet these figures can only tell us so much. They don't account for private sales, a significant source of income for auction houses that accelerated faster than ever during the pandemic. The numbers also reflect total revenue rather than profit—which means they don't factor in any deals with consignors that might eat into the houses' margins.

Still, the overall results suggest that success in the auction sector, which has long been associated with rainmaking executives, may be taking a new form. Sotheby's and Christie's have both seen significant departures in recent years (including Amy Cappellazzo, Brett Gorvy, Liz Sterling, and Kevie Yang, to name a few). Meanwhile, Phillips has hoovered up industry veterans like Cheyenne Westphal and David Norman. These additions likely added significant costs to Phillips's P&L, but they have yet to better the house's position in the pecking order.

Digital infrastructure continues to grow in importance, further rearranging the old formula for peak performance among the gavel gang.

Total Fine-Art Sales (USD) by Auction House

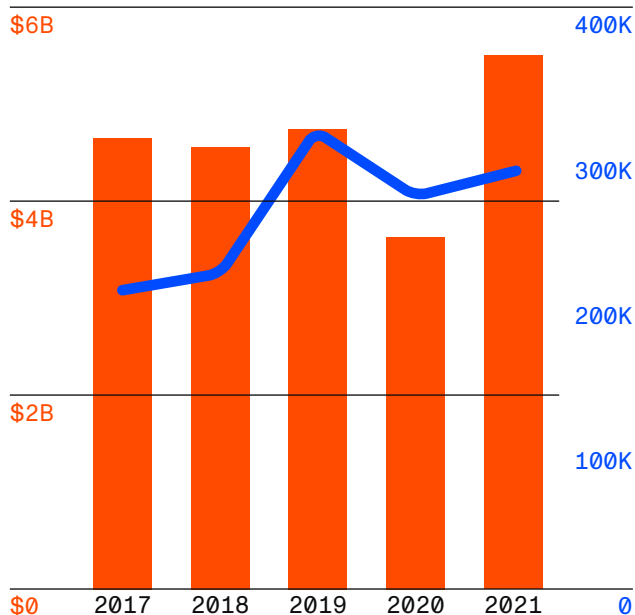


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# How Much Decorative Art Sold at Auction?

The design market had a banner year in 2021. Total sales in the category reached \$5.5 billion, up 50 percent from 2020 and just over 12 percent from 2019. Some experts believe the boost was driven by wealthy people spending more time at home—whether it was their first, second, or third—and paying greater attention to their surroundings. Nothing like an endless gauntlet of Zoom meetings to make you rethink the furniture and decor behind you!

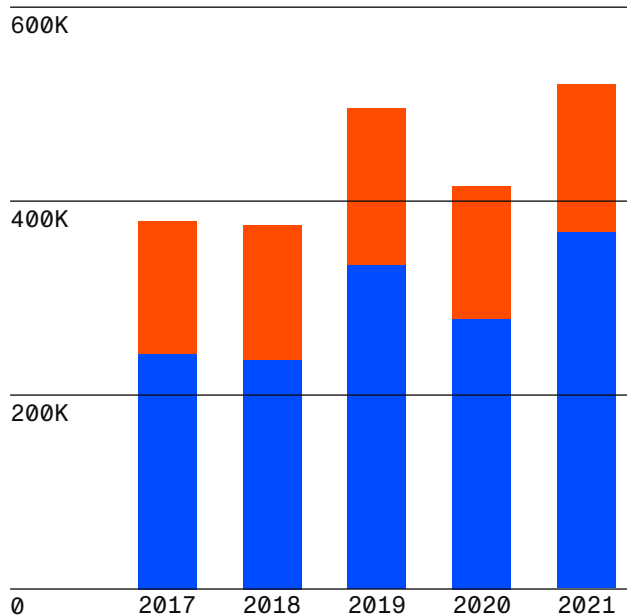
**Total Decorative-Art Sales (USD) and Lots Sold**



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**Fine-Art Lots Sold and Bought in**

● Bought in ● Lots Sold



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# How Many Works Offered at Auction Found Buyers?

One of the most surprising developments in the auction market last year was just how efficient it became. The sell-through rate—the ratio of fine-art lots sold to lots offered—hit 73 percent, a new high. That's a five-point climb from 2020, the previous pinnacle. Whence the success? Experts say it was a combination of strong demand from buyers, highly commercial sales put together with surgical precision by auction-house experts, and the increasing ease with which collectors can browse offerings online to locate exactly what they're looking for.

# What Category Was the Most Lucrative?

“There is such a hunger out there for primary-market art from living artists it’s really quite incredible,” said Artvest’s Michael Plummer. It was only a matter of time before that hunger spilled over into the auction houses, where buyers who were unable to get works by coveted young artists from galleries drove prices to astronomical levels.

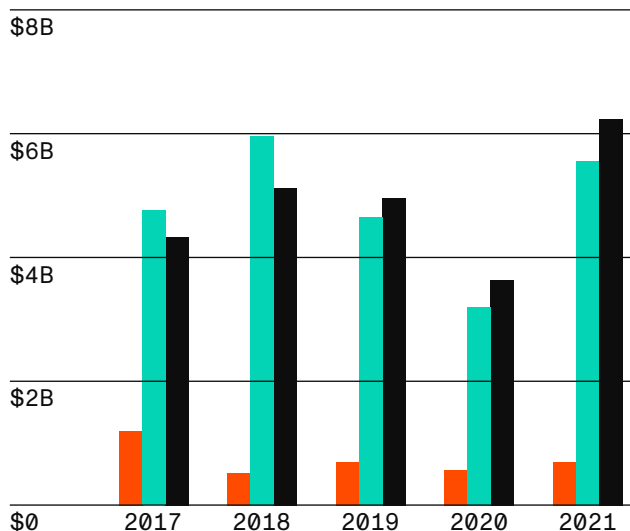
Total sales of ultra-contemporary art—our term for work made by artists born after 1974—shot up almost 190 percent year over year, to \$742.2 million. Not only was this category the fastest growing in the 2021 auction market (by far) but it officially outpaced Old Masters, which generated \$702 million in sales last year. (For perspective: Ultra-contemporary covers art made over the course of fewer than 50 years; Old Masters, more than six centuries.)

Every fine-art category saw its 2021 sales increase compared with both 2020 and 2019. But the most lucrative remained postwar and contemporary, which surpassed \$6 billion in annual sales for the first time ever. The previous high, achieved during the last market peak, in 2014, was \$5.1 billion—nearly \$1 billion less than last year’s total.

A note on methodology: Our categories don’t always coincide with auction-house ones. Because they were born before 1910, for example, Willem de Kooning and Francis Bacon are included in our Modern category, even though they are usually offered in postwar and contemporary sales at auction. These days, however, auction houses seem to be collapsing traditional categories left and right—so consider us trendsetters.

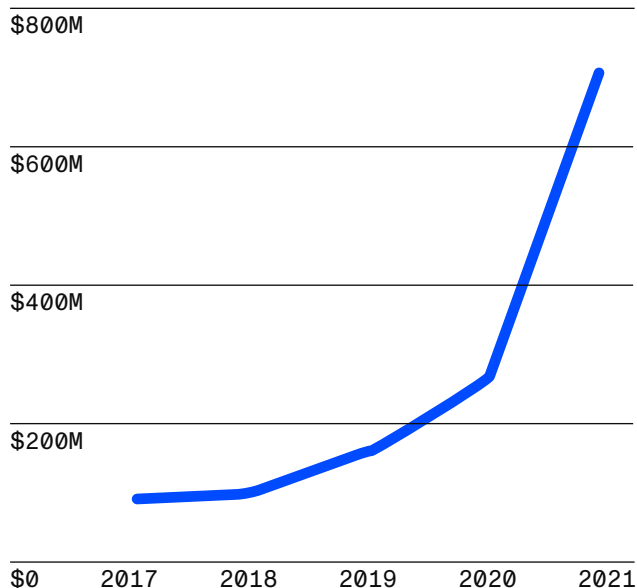
**Total Fine-Art Sales (USD) by Category**

● Old Masters ● Impressionist & Modern  
● Postwar & Contemporary



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**Total Sales (USD) for Ultra-Contemporary Art**



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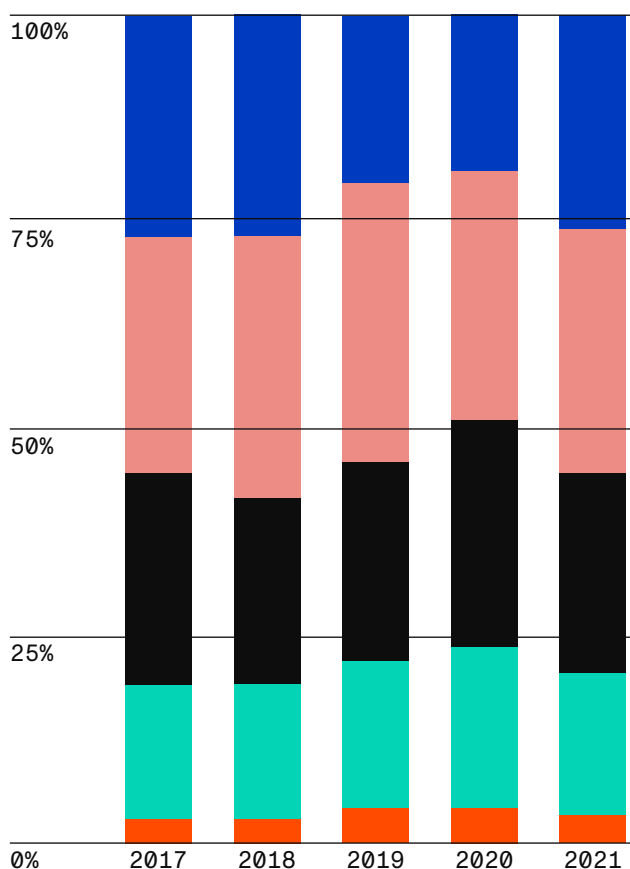
# What Price Point Was Most Popular?

The fine-art auction market delivered increased sales in every price bracket compared with 2019 and 2020. The largest slice of the market in 2021 remained the \$1 million-to-\$10 million bracket, whose sales increased 50 percent year over year. With the exception of 2020, every year since 2017 has seen this segment bring in between \$4.1 billion and \$4.7 billion.

The biggest spikes took place at the art market's highest end. As confidence returned to the industry, sales of art worth over \$10 million skyrocketed almost 130 percent year over year, to \$4.3 billion. That sum represents a 66 percent jump from 2019, when even the pre-pandemic marketplace experienced a dearth of eight-figure treasures. It remains to be seen whether the presence of star-studded collections like the Macklowes' will make 2021 an outlier or whether the strength of last year's market will tempt others to bring masterpieces out of safekeeping, creating a virtuous cycle.

**Share of Total Fine-Art Sales (USD) by Price Bracket**

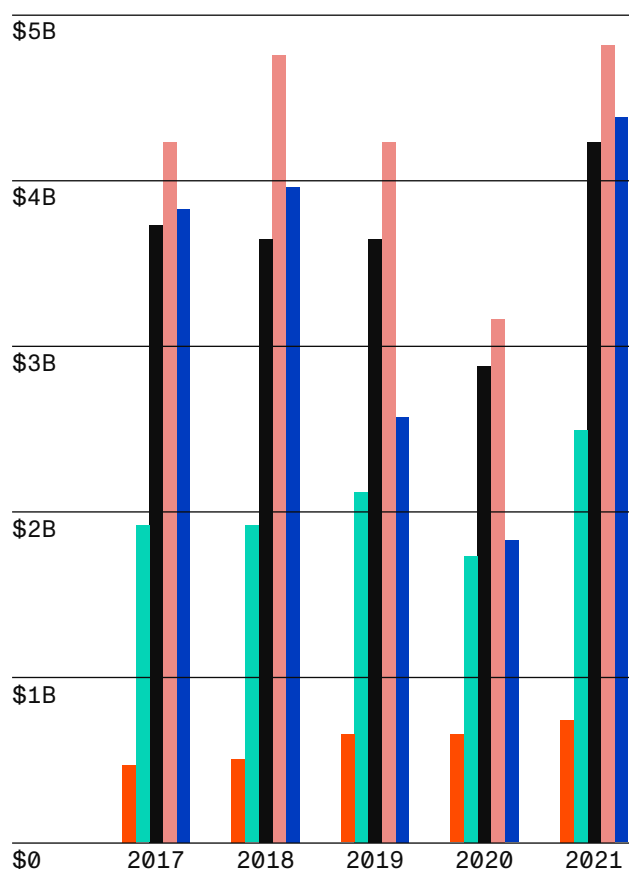
● \$0–10K ● \$10K–100K ● \$100K–\$1M  
● \$1M–10M ● \$10M+



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**Total Sales (USD) for Price Bracket**

● \$0–10K ● \$10K–100K ● \$100K–\$1M  
● \$1M–10M ● \$10M+

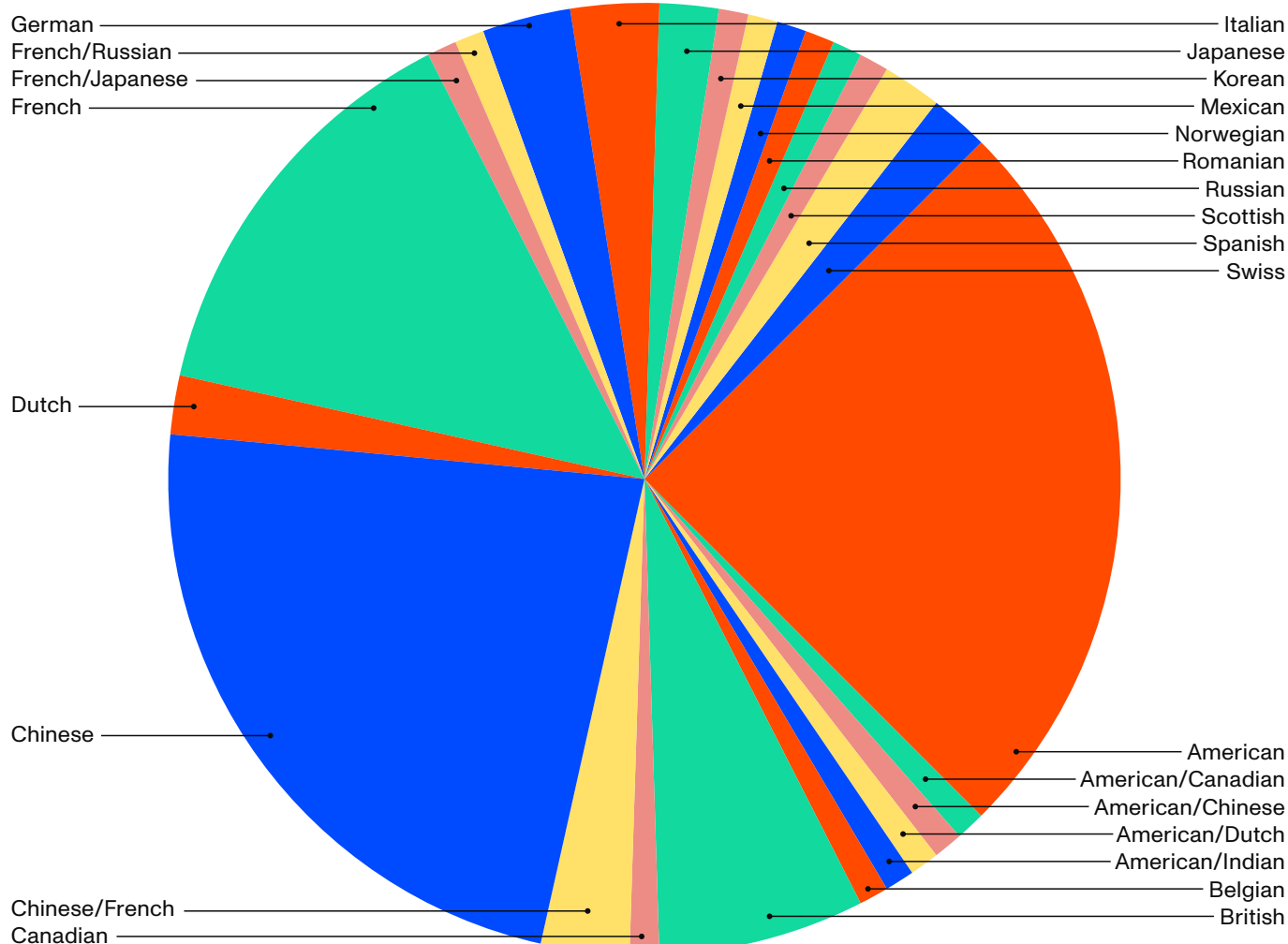


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# Where Are the Top 100 Best-Selling Artists From?

It is perhaps unsurprising that the world's two biggest national art markets—the U.S. and China—produced the most best-selling artists. A quarter of the top 100 names at auction hail from the U.S., including the two collectives behind the lucrative NFT projects CryptoPunks and the Bored Ape Yacht Club. A slightly smaller proportion—23 percent—come from China. It's worth noting that the top 10 best-selling artists are considerably more geographically diverse than the full list. They include Pablo Picasso (Spanish), Gerhard Richter (German), Vincent van Gogh (Dutch), and Yayoi Kusama (Japanese).

**Top 100 Artists by Nationality in 2021**



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# Who Are the Most Bankable Artists?

See the 10 best-selling artists  
in each category last year—  
and how the list has changed  
from 2020.

New to the top 10 since 2020.....	NEW
Up from 2020.....	↑
Down from 2020.....	↓
No change from 2020.....	=

# European Old Masters



Richard Parkes Bonington, *The Palazzi Manolesso-Ferro, Contarini-Fasan and Venier-Contarini on the Grand Canal, Venice*

		Name	Life	Lots Sold	Lots Offered	Sell-Through Rate	Total Sales
1	NEW!	Sandro Botticelli	1445–1510	2	2	100%	\$92,423,742
2	↑	Bernardo Bellotto	1721–80	6	13	46%	\$15,639,476
3	NEW!	Anthony van Dyck	1599–1641	9	13	69%	\$15,143,594
4	NEW!	Leonardo da Vinci	1452–1519	1	1	100%	\$12,193,695
5	NEW!	Jean-Baptiste-Siméon Chardin	1699–1779	4	5	80%	\$10,881,855
6	NEW!	Giuseppe Castiglione	1688–1766	3	5	60%	\$10,836,538
7	NEW!	Richard Parkes Bonington	1802–28	11	15	73%	\$10,729,283
8	NEW!	J.M.W. Turner	1775–1851	13	16	81%	\$9,908,923
9	NEW!	Jean-Honoré Fragonard	1732–1806	23	26	88%	\$9,830,328
10	NEW!	Albrecht Dürer	1471–1528	452	496	91%	\$9,290,851

# Impressionist & Modern



Vincent van Gogh, *Cabanes de bois parmi les oliviers et cyprès* (1889)

		Name	Life	Lots Sold	Lots Offered	Sell-Through Rate	Total Sales
1	=	Pablo Picasso	1881–1973	2,700	3,151	86%	\$671,187,714
2	NEW!	Claude Monet	1840–1926	23	26	88%	\$305,691,737
3	NEW!	Vincent van Gogh	1853–90	13	15	87%	\$237,314,156
4	↑	Alberto Giacometti	1901–66	164	195	84%	\$153,700,429
5	↑	Mark Rothko	1903–70	7	8	88%	\$142,320,685
6	NEW!	Willem de Kooning	1904–97	105	128	82%	\$110,900,539
7	↓	Alexander Calder	1898–1976	438	513	85%	\$109,922,617
8	↓	Sanyu	1901–66	87	97	90%	\$101,353,179
9	↓	René Magritte	1898–1967	102	124	82%	\$94,758,908
10	NEW!	Paul Cézanne	1839–1906	25	30	83%	\$89,472,946

# Postwar



Andy Warhol, *Sixteen Jackie's* (1964)

		Name	Life	Lots Sold	Lots Offered	Sell-Through Rate	Total Sales
1	↑	Andy Warhol	1928–87	1,217	1,477	82%	\$347,558,759
2	↑	Gerhard Richter	b. 1932	270	317	85%	\$247,305,568
3	↑	Yayoi Kusama	b. 1929	750	801	94%	\$183,478,446
4	↑	Cy Twombly	1928–2011	78	92	85%	\$182,882,863
5	↓	Zao Wou-Ki	1920–2013	408	453	90%	\$172,366,975
6	NEW!	François-Xavier Lalanne	1927–2008	274	299	92%	\$128,395,117
7	↓	Roy Lichtenstein	1923–97	441	494	89%	\$113,556,877
8	NEW!	David Hockney	b. 1937	594	660	90%	\$81,830,448
9	↓	Chu Teh-Chun	1920–2014	135	183	74%	\$74,378,344
10	↓	Joan Mitchell	1925–92	64	71	90%	\$65,500,360

# Contemporary



Jean-Michel Basquiat, *In This Case* (1983)

		Name	Life	Lots Sold	Lots Offered	Sell-Through Rate	Total Sales
1	=	Jean-Michel Basquiat	1960–88	72	88	82%	\$439,591,716
2	=	Banksy	b. 1974	1,022	1,317	78%	\$206,496,558
3	=	Yoshitomo Nara	b. 1959	570	644	89%	\$136,371,595
4	=	George Condo	b. 1957	140	152	92%	\$76,559,423
5	NEW!	Peter Doig	b. 1959	64	80	80%	\$54,631,713
6	↓	Zeng Fanzhi	b. 1964	43	50	86%	\$50,378,533
7	NEW!	Christopher Wool	b. 1955	57	77	74%	\$41,545,548
8	=	Keith Haring	1958–90	424	539	79%	\$41,408,291
9	↓	Zhou Chunya	b. 1955	93	110	85%	\$40,835,324
10	NEW!	Richard Prince	b. 1949	66	83	80%	\$38,783,704

## Ultra-Contemporary

Adrian Ghenie, *Collector I* (2008)

		Name	Life	Lots Sold	Lots Offered	Sell-Through Rate	Total Sales
1	NEW!	Beeple	b. 1981	8	9	89%	\$98,843,836
2	↓	Matthew Wong	1984–2019	33	33	100%	\$48,549,147
3	↓	Adrian Ghenie	b. 1977	25	27	93%	\$39,589,703
4	NEW!	Larva Labs	est. 2005	21	22	95%	\$30,890,402
5	NEW!	Yuga Labs LLC	est. 2021	7	7	100%	\$30,420,109
6	NEW!	Avery Singer	b. 1987	22	23	96%	\$21,530,758
7	↑	Huang Yuxing	b. 1975	61	68	90%	\$19,935,777
8	↓	Jonas Wood	b. 1977	117	158	74%	\$19,253,581
9	↓	Ayako Rokkaku	b. 1982	148	153	97%	\$19,160,831
10	↓	Nicolas Party	b. 1980	40	53	75%	\$18,468,426

# THE TRIUMPH OF ULTRA-CONTEMPORARY ART

One segment of the art market is growing faster than all the rest: ultra-contemporary art. Auction sales in the category—which refers to work made by artists born after 1974—did not merely continue climbing during the pandemic, rather they exploded, spiking 305 percent from 2019 to 2021.<sup>1</sup> A closer look at this niche brings insight and visibility to the youngest talents with strengthening secondary markets.

In collaboration with Artnet, Morgan Stanley will explore what's behind the unprecedented growth in demand for new art. First, we'll

illustrate how the market has grown, which regions are showing the way, and which artists are leading the pack, using data from the Artnet Price Database and Artnet Analytics.

Then, we'll take a look at various participants in the art market beyond auctions to see how galleries, art fairs, museums, artists, and collectors are seizing this moment as an opportunity to reach new audiences in new ways.

## By Artnet News and Morgan Stanley

<sup>1</sup> Artnet Intelligence Report Spring 2022

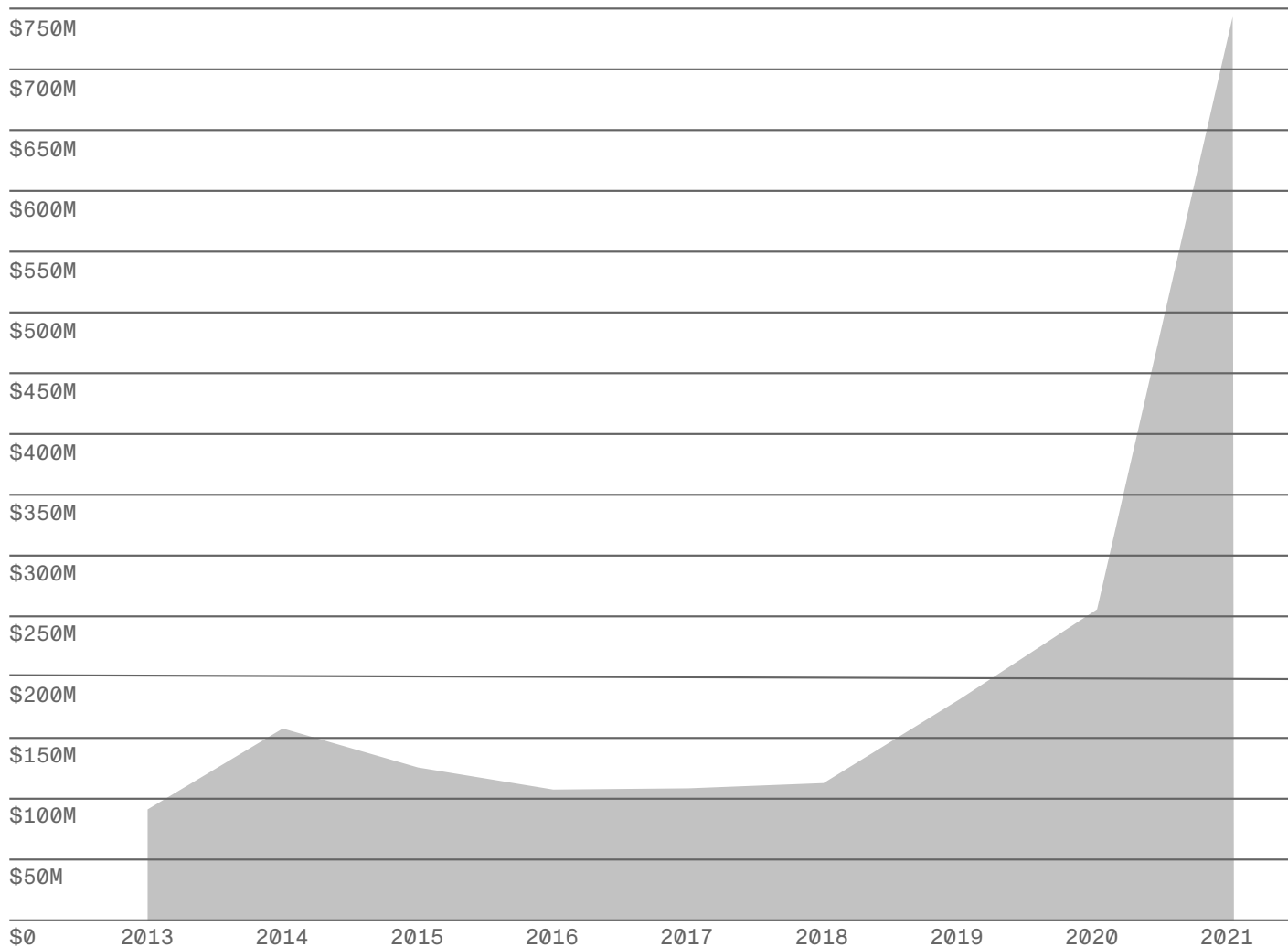
Disclaimer: This material is intended for informational purposes only and is not investment advice, a recommendation or an offer to purchase or sell any artwork. Please refer to important information, disclosures and qualifications at the end of this material.

# PART ONE THE DATA

## 1 ULTRA-CONTEMPORARY SALES WORLDWIDE

Sales (USD) of Ultra-Contemporary Art

All Global Auction Houses: 2013–21



2022 Artnet Worldwide Corporation  
Source: Artnet Intelligence Report Spring 2022

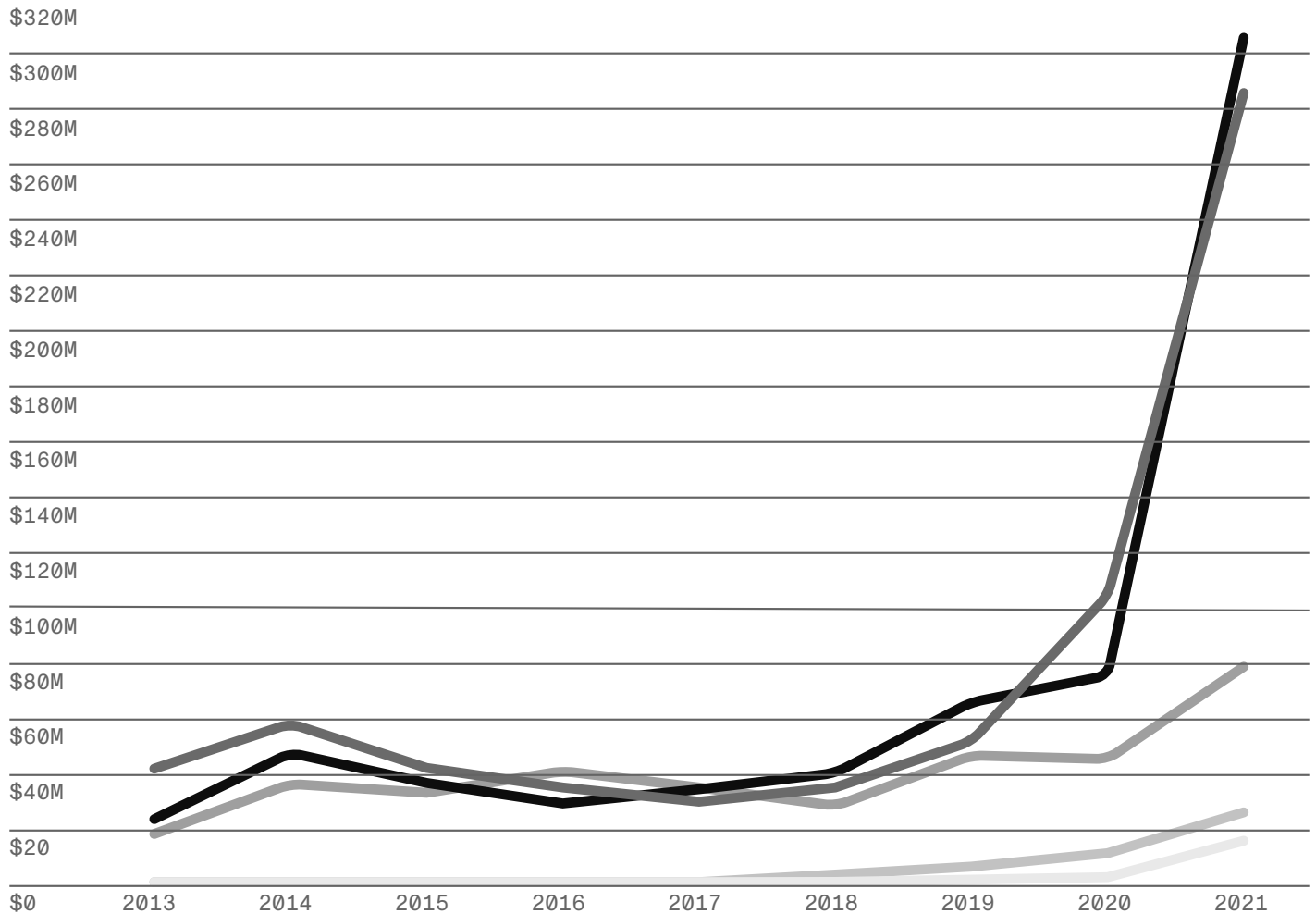
Although ultra-contemporary established itself as a fast-growing category during the last decade, the past two years of auction market activity have propelled it to new heights. The genre's previous peak took place across 2013 and 2014, when worldwide sales increased from roughly \$91.8 million to just under \$159 million. The next few years saw a relative lull. The major change took place during the pandemic: after rising to \$183.4 million in 2019, auction sales of ultra-contemporary artworks swelled by roughly 40 percent year over year to \$256.4 million in 2020, then nearly tripled, to \$742.2 million last year. Driving this activity were a number of factors that we will explore in the upcoming charts.

# 2 ULTRA-CONTEMPORARY SALES BY REGIONAL MARKET

## Top Regional Markets for Sales (USD) of Ultra-Contemporary Art

All Global Auction Houses: 2013–21

● U.S. ● China ● U.K. ● Japan ● South Korea



2022 Artnet Worldwide Corporation  
Source: Artnet Intelligence Report Spring 2022

One of the more remarkable aspects of ultra-contemporary art's recent surge has been its overwhelming concentration in just two regional markets. During the previous peak, in 2013–14, the U.S., U.K., and China all contributed fairly equally to the category's success; no more than about \$22 million in sales separated the third-place British market from the first-place Chinese market in either year.

The story changed dramatically in the past two years. In 2020, the gap separating third-place U.K. auctions from first-place Chinese auctions rose to nearly \$60 million, almost triple the discrepancy between the two regions during the category's previous market peak. In 2021, the gap between sales of ultra-contemporary works in the third-place British and first-place U.S. auction markets increased even further, to an astonishing \$225 million. The U.S. and China together generated almost \$589 million in sales in the category that year, with less than \$19 million worth of sales separating one from the other. On their own, each country's 2021 total sales surpassed all worldwide sales of ultra-contemporary artwork in any previous year on record.

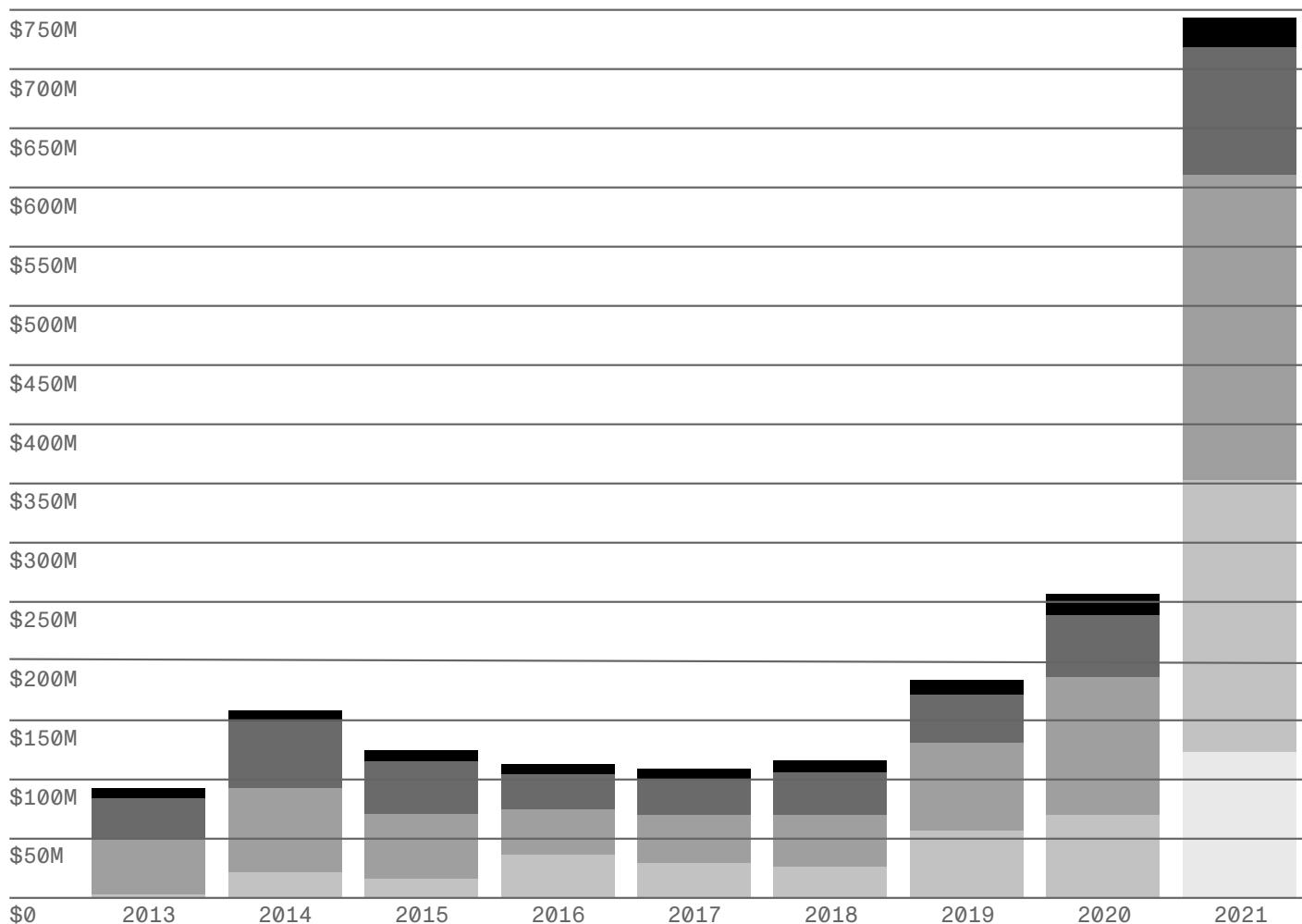
All other regional markets were essentially accessories throughout this eight-year period. Japan, which had the fourth-highest auction sales of ultra-contemporary art in 2021, contributed less than 2 percent to the category's global total that year.

# 3 ULTRA-CONTEMPORARY SALES BY PRICE BAND

## Sales (USD) of Ultra-Contemporary Art by Price Band

● \$0–10K ● \$10K–100K ● \$100K–\$1M ● \$1M–\$10M ● \$10M+

All Global Auction Houses: 2013–21



2022 Artnet Worldwide Corporation  
Source: Artnet Intelligence Report Spring 2022

The growth in sales of ultra-contemporary art at auction has obeyed the precepts of art sales at auction in general: the greater the overall value of sales, the higher the concentration of sales in the uppermost price brackets. The previous peak, in 2014, doubled as the first time individual ultra-contemporary works sold for between \$1 million and \$10 million. Once the genre crossed that threshold, however, it has not gone a single year without at least one sale in that previously unprecedented price bracket.

Between 2015 and 2020, the only change to the category came in the total dollar value of sales within each of the four price brackets already achieved. Notably, the considerable rise in 2019 and 2020 corresponded to the largest uptick in sales in the two highest price brackets at the time. From 2018 to 2019, total sales more than tripled in both the \$100,000-to-\$1 million and \$1 million-to-\$10 million bands; from 2019 to 2020, total sales more than doubled from their previous highs.

It's only fitting that the all-time high in ultra-contemporary art sales coincided with the genre's introduction to the "trophy lot" price bracket above \$10 million. In 2021, the genre generated about \$122.7 million worth of sales in this territory, en route to a worldwide total of nearly three-quarters of a billion dollars. Notably, all sales in this top bracket were of non-fungible tokens (NFTs): works by Beeple, the creators of Bored Ape Yacht Club, and the creators of CryptoPunks.

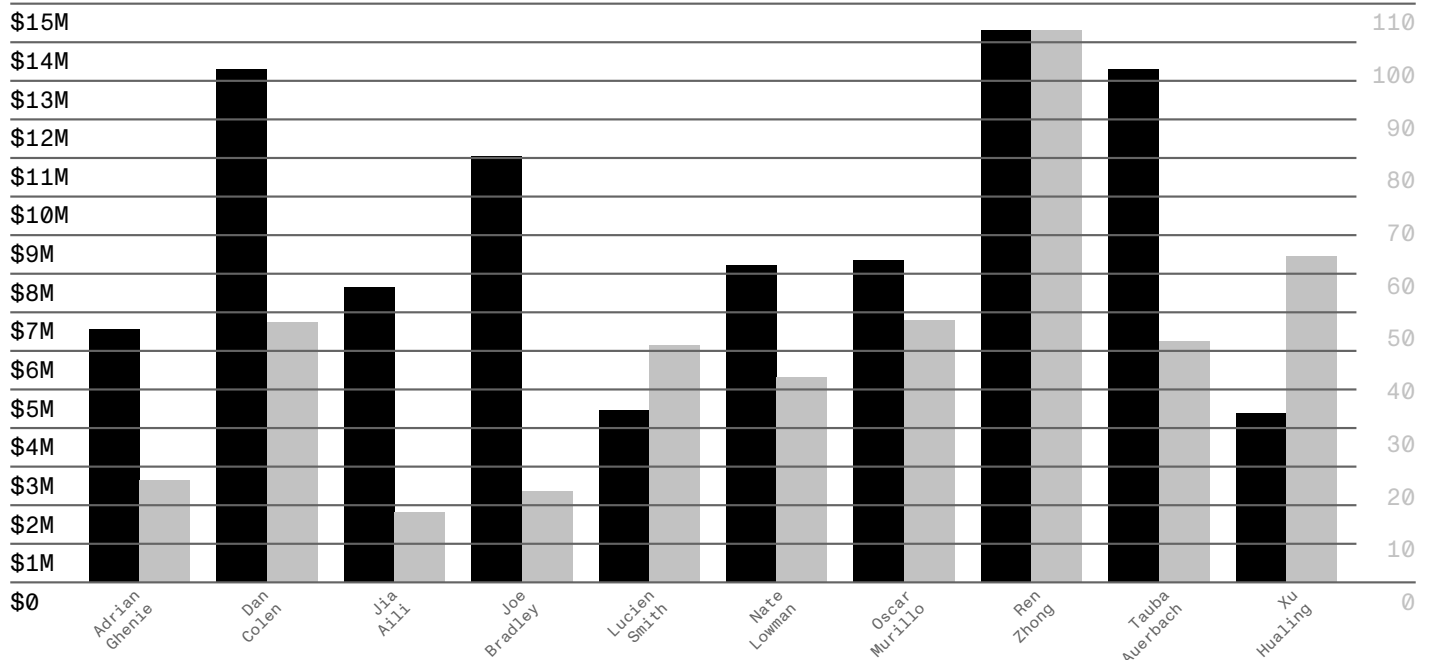
# 4 TOP 10 ULTRA-CONTEMPORARY ARTISTS' TOTAL SALES: 2013-14 VS. 2020-21

## Top 10 Ultra-Contemporary Artists by Total Sales (USD)

All Global Auction Houses: 2013-14

● Sales Value

● Lots Sold

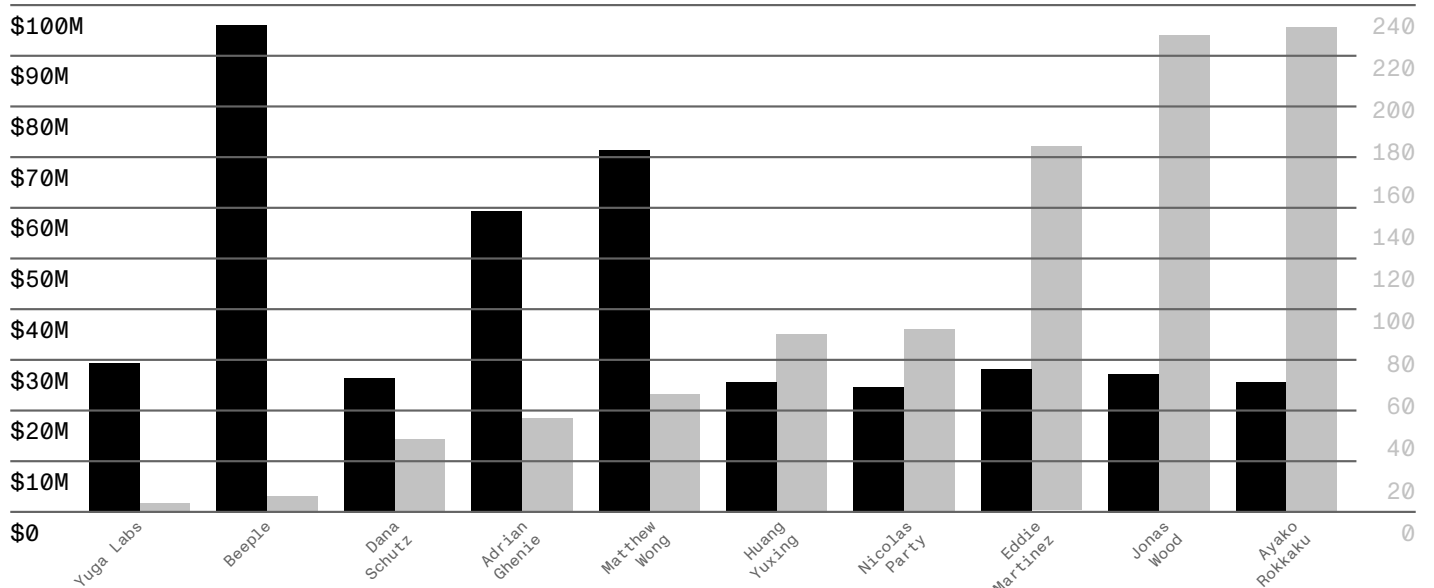


## Top 10 Ultra-Contemporary Artists by Total Sales (USD)

All Global Auction Houses: 2020-21

● Sales Value

● Lots Sold



2022 Artnet Worldwide Corporation  
Source: Artnet Intelligence Report Spring 2022

When comparing the 2013-14 spike in ultra-contemporary art sales with the 2020-21 peak, one other factor deserves attention: the two rises derived from demand for two almost entirely different sets of artists. Of the top 10 artists by sales value in each two-year period, only Adrian Ghenie appears on both lists. This comparison speaks to a larger change in taste that has contributed to the rise of ultra-contemporary art, which we will explore.

# PART TWO THE LANDSCAPE

The increased focus on young artists is perhaps most pronounced in the auction sphere—but it has touched nearly every part of the art world, from art fairs and galleries to collectors, artists, and museums. Below, we shine a spotlight on various participants in the industry to examine how each has shifted in an effort to foreground new art, attract new audiences, and make room for innovation.

## Auction Houses

As evidenced by the charts in the previous section, ultra-contemporary is the fastest-growing segment of the art market at auction. The top three auction houses—Sotheby's, Christie's, and Phillips—generated \$572.8 million from ultra-contemporary art in 2021, up a whopping 222 percent from 2020.<sup>2</sup> (These figures include both traditional media and NFTs.)

Christie's—which has embraced the sale of NFTs most enthusiastically of the three houses—is strongest in the ultra-contemporary category, with \$282.2 million in annual sales. Sotheby's follows with \$167.3 million; Phillips comes in third with \$123.3 million.<sup>3</sup>

In a sign of just how important the market for young art has become, Sotheby's launched a new marquee sale in New York in November called "The Now," specifically dedicated to art made within the past few decades. It marked the first time an evening sale had been devoted to this category. The 23-lot auction made \$71.8 million.<sup>4</sup>

While the market darlings of the previous young-art boom in 2013 and 2014 were primarily men who specialized in process-based abstraction (dubbed "Zombie Formalists" in the art press<sup>5</sup>), a large proportion of today's fast-rising stars are women and artists of color who produce figurative painting as well as new-media artists. Of the top 25 ultra-contemporary artists at auction in 2021, nine were women; 10 were artists of color (two of whom are female).<sup>6</sup>

Another prominent area of growth is auction sales of work by ultra-contemporary African artists. They have increased 434 percent over the past two years, to almost \$40 million in 2021 from \$7.5 million in 2019.<sup>7</sup> Leading figures include Cinga Samson (b. 1986), whose *Two piece 1* sold for \$378,000, more than 10 times its high estimate of \$35,000 at Phillips in June, and Ismail Isshaq (b. 1989), whose *Unknown Faces 8* soared to \$275,000 against an estimate of \$15,000 to \$20,000 at Christie's in December.<sup>8</sup>

## Art Fairs

The industry's largest art fairs have traditionally focused on showing the work of younger artists—but in recent years, they have made changes in an effort to ensure that they remain a place for discovery. In 2018 and 2019, Art Basel, Frieze, FIAC, and other fairs introduced new progressive pricing systems for booth fees, as well as other discounts, to ease the burden on young galleries.<sup>9</sup>

Art Basel Miami Beach also hosted a special section dedicated to NFTs for the first time in 2021. Furthermore, the fair revised its rules about who can participate. There is no longer a minimum age requirement for galleries to apply (previously, galleries had to be at least three years old). Applicants are also no longer required to have a permanent space or stage a set number of

exhibitions per year (provided they do, in fact, stage shows).<sup>10</sup>

These changes are designed in part, organizers said, to increase the diversity of exhibitors (and therefore of the artists on view and the clientele in the aisles). Historically, Art Basel Miami Beach had admitted very few Black-owned galleries and almost no galleries from Africa. The 2021 edition marked the debut of four galleries owned by Black Americans, three from Africa, eight from Latin America, and one from Korea.<sup>11</sup>

Smaller regional fairs are also targeting young art and collectors. Singapore's S.E.A. Focus fair intentionally kept prices low this year (starting at \$650).<sup>12</sup> Art X Lagos launched a new section in partnership with an NFT marketplace for its 2021 edition that highlighted the growing digital art scene on the continent.

2 Artnet Intelligence Report, Spring 2022

3 Artnet Intelligence Report, Spring 2022

4 <https://news.artnet.com/market/sothebys-contemporary-evening-sale-2-2037228>

5 <https://news.artnet.com/market/survivors-of-the-zombie-apocalypse-1383025?artnet-logout-redirect=1>

6 Artnet Intelligence Report, Spring 2022

7 <https://news.artnet.com/news-pro/ultra-contemporary-african-art-detective-2060089>

8 <https://news.artnet.com/news-pro/ultra-contemporary-african-art-detective-2060089>

9 <https://news.artnet.com/market/art-fair-booth-prices-1343036>

10 <https://news.artnet.com/market/art-basel-exhibitor-criteria-2042503>

11 Pogrebin, Robin. "More Galleries of Color Debut at Art Basel Miami - The New York Times." The New York Times - Breaking News, US News, World News and Videos, 4 Dec. 2021.

12 <https://news.artnet.com/news-pro/singapores-sea-focus-nft-southeast-asia-2061197>

# Galleries

Mega-galleries long associated with established, blue-chip artists have added numerous younger names to their rosters over the past three to four years. Pace has taken on Loie Hollowell (b. 1983), Robert Nava (b. 1985), and Marina Perez Simão (b. 1981). The gallery also hired Kimberly Drew, an art-world social media expert, to increase its outreach to young artists.<sup>13</sup> And in November, its new online sales director, Christiana Ine-Kimba Boyle, launched an NFT platform that produces digital projects with contemporary artists.

Gagosian has so far steered clear of NFTs, but it hired curator and writer Antwaun Sargent, who has begun a program of shows by young Black artists including Awol Erizku (b. 1988),

Alexandria Smith (b. 1981), and Amanda Williams (b. 1974), marking the Gagosian solo debut for each. The gallery also represents ultra-contemporary names Nathaniel Mary Quinn (b. 1977), Titus Kaphar (b. 1976), and Jonas Wood (b. 1977).<sup>14</sup> Hauser & Wirth has picked up its own young stars: Avery Singer (b. 1987), Angel Otero (b. 1981), and Nicolas Party (b. 1980).<sup>15</sup>

Last year, David Zwirner launched a millennial-friendly e-commerce company that seeks to expand the audience for emerging art by partnering with a select group of small and midsize galleries. Zwirner also represents Harold Ancart (b. 1980), Lucas Arruda (b. 1983), Noah Davis (1983–2015), and Andra Ursuța (b. 1979).

# Collectors

The demand for work by young artists is being driven in part by a new generation of collectors, who are interested in acquiring the art of their peers. “The buying pool is much larger than before,” Kevie Yang, head of Phillips Art Advisory, told Artnet News last year. “It used to take years for the artist’s primary prices to go from \$50,000 to, say, \$200,000. Now it can take a year or even less.”<sup>16</sup>

According to Art Basel’s midyear art market report released in the summer of 2021, millennial collectors surveyed outspent all other generations, including parting with an average of \$20,000 on digital art. In addition, female high-net-worth

collectors spent more than double their male peers on average, upping their art investment one-third from 2020, to \$410,000.<sup>17</sup>

Asian collectors are playing a big role in the shift toward the young. Many of the works by international ultra-contemporary artists that broke records at Hong Kong auctions over the past year, including examples by Avery Singer, Joel Mesler (b. 1974), Jonathan Chapline (b. 1987), and Amoako Boafo (b. 1984), were snapped up by Asian collectors aged 45 or younger.<sup>18</sup> Asian collectors in general accounted for one-third of all bids by value in Sotheby’s worldwide sales, according to the auction house.<sup>19</sup>

# Artists

Some of the artists generating buzz—such as Njideka Akunyili Crosby (b. 1983), Lynette Yiadom-Boakye (b. 1977), and Emily Mae Smith (b. 1979)—have educational backgrounds similar to those of the generation of art stars that preceded them. (Crosby went to the Yale School of Art, Yiadom-Boakye to Central Saint Martins, and Smith to Columbia University.) Several of the emerging talents out of West Africa—including Amoako Boafo, Serge Attukwei Clottey (b. 1985), and Otis Kwame Kye Quaicoe (b. 1988)—studied together at the Ghanatta College of Art and Design.<sup>20</sup>

On the other hand, many artists focused on new media do not have advanced formal training in fine art. The 19-year-old NFT phenomenon Victor Langlois, aka Fewocious, sold his 2021 work *Hello, i’m Victor (FEWOCIOUS)* and *This Is My Life*

for \$2.2 million at Christie’s New York last June—making him the youngest artist to sell at the auction house, as well as the first to crash its site due to high demand.<sup>21</sup>

Beeple (aka Mike Winkelmann, b. 1981) studied chemical engineering before he began making digital art. The \$69 million sale of his *Everydays: the First 5000 Days* at Christie’s in March was followed by the \$29 million sale of *Human One* in November.<sup>22</sup> Only after he made a splash at auction did he set out to create his first gallery show, which opened at Jack Hanley Gallery in New York in March.<sup>23</sup>

Most artists working in the NFT space, however, do not have the kind of market clout to sell directly through auction houses. The vast majority offer their works for sale instead in a steadily increasing number of NFT marketplaces.

13 <https://news.artnet.com/art-world/kimberly-drew-joins-pace-gallery-2070448>

14 [https://gagosian.com/exhibitions/2022/awol-erizku-memories-of-a-lost-sphinx/?utm\\_source=Gagosian&utm\\_campaign=bcc752c516-PR-Park-and-75-Three-Solo-Exhibitions&utm\\_medium=email&utm\\_term=0\\_643383da07-bcc752c516-177894578](https://gagosian.com/exhibitions/2022/awol-erizku-memories-of-a-lost-sphinx/?utm_source=Gagosian&utm_campaign=bcc752c516-PR-Park-and-75-Three-Solo-Exhibitions&utm_medium=email&utm_term=0_643383da07-bcc752c516-177894578)

15 <https://www.hauserwirth.com/>

16 <https://news.artnet.com/news-pro/art-detective-art-bros-1970970>

17 [https://d2u3kfw92fzu7.cloudfront.net/The\\_Art\\_Market\\_Mid\\_Year\\_Review\\_2021.pdf](https://d2u3kfw92fzu7.cloudfront.net/The_Art_Market_Mid_Year_Review_2021.pdf)

18 <https://news.artnet.com/news-pro/young-asian-collectors-pro-1970287>

19 <https://www.sothebys.com/en/press/2021-historic-year-in-review>

20 <https://news.artnet.com/art-world/otis-kwame-kye-quaicoe-1953341>

21 <https://news.artnet.com/market/the-artnet-nft-30-report-part-two-2048037>

22 <https://news.artnet.com/market/most-expensive-nft-art-yearend-2052822>

23 <https://www.jackhanley.com/exhibitions/beeple>

# Museums

Some of the oldest, most traditional museums are exploring new ways to share their art, and new ways to bring in younger audiences.

One of Italy's most august museums, the Uffizi has slowly begun integrating contemporary art into its programming, mounting shows by such living artists as the British sculptor Antony Gormley, Arte Povera pioneer Giuseppe Penone, and the Belgian artist Koen Vanmechelen.<sup>24</sup> Meanwhile, the Frick Madison, the Brutalist temporary home of the classic Frick Collection, invited contemporary queer artists, including Jenna Gribbon (b. 1978) and Salman Toor (b. 1983), to hang their work alongside its Old Masters.<sup>25</sup>

In an effort to reach new audiences—and make money at the same time—some institutions are also experimenting with new fundraising techniques. Four Italian museums, including the Uffizi and the Pinacoteca di Brera, are selling digital facsimiles of masterpieces by Raphael and Leonardo da Vinci to raise money for the real works' conservation. The replicas were

shown at Unit Gallery in London on screens that have the same dimensions as the originals and were sold as NFTs in editions of nine priced from £100,000 to £500,000.<sup>26</sup>

Other museums are opting to fund acquisitions of work by women and artists of color, who are underrepresented in their collections, by deaccessioning pricey paintings by male artists. The San Francisco Museum of Modern Art, for example, invested more than \$50 million from the sale of a Mark Rothko painting into purchasing work by Mickalene Thomas, Barry McGee, and Rebecca Belmore, among others.<sup>27</sup>

These changes may accelerate as leadership roles continue their generational shift. The majority of museums that have completed their executive searches over the past year—including the Peabody Essex Museum, in Massachusetts, the Bronx Museum of the Arts, in New York, and the Saint Louis Art Museum—have chosen women and BIPOC candidates to lead their organizations.<sup>28</sup>

24 Pogrebin, Robin. "Uffizi Gallery, Basion of Tradition, Evolves (Slowly) With the Times - The New York Times." *The New York Times* - Breaking News, US News, World News and Videos, 31 Jan 2022.

25 [https://www.frick.org/living\\_histories](https://www.frick.org/living_histories)

26 <https://www.theartnewspaper.com/2022/02/11/eternal-return-italian-museums-to-sell-digital-copies-of-masterpieces>

27 <https://news.artnet.com/art-world/using-funds-deaccessioned-rothko-sfmoma-acquired-11-new-works-address-representational-gaps-permanent-collection-1585570>

28 <https://news.artnet.com/art-world/u-s-museums-director-vacancies-2038335>

## Artnet Price Database

From Michelangelo drawings to Warhol paintings, Le Corbusier chairs to Banksy prints, you will find over 14 million color-illustrated art auction records dating back to 1985. Artnet covers more than 1,800 auction houses and 385,000 artists, and every lot is vetted by Artnet's team of multilingual specialists. Whether you are appraising a collection, researching an artist's market history, or pricing an artwork for sale, the Price Database will help you determine the value of art.

## Disclosures

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This report reflects results from 469 auction houses worldwide from January 1 through December 31, 2021. To consider how 2021's results stacked up against previous years, we compared them with worldwide auction sales from the equivalent period from 2014 through 2020.

Artnet's Fine Art and Design Database includes fine art objects such as paintings, photographs, prints, and sculptures by artists ranging from Old Masters to contemporary artists and beyond. The Decorative Art Database contains antiques, antiquities, and collectibles. Both databases include only items with low estimates of \$500 and above.

Every single lot included in the Artnet Price Database is verified against auction catalogues or directly with the auction houses and then categorized by a team of multilingual art history specialists to ensure the highest level of accuracy and allow for detailed data analysis. We include only Chinese auction houses that have been vetted by the China Association of Auctioneers, a national association in China that is seeking to standardize the auction industry. This report reflects the numbers in Artnet's Price Database as of January 25, 2022.

All sales prices are adjusted to include the buyer's premium. Price data from previous years have not been adjusted for inflation. All results are logged in the currency native to the auction house where the sale took place, then converted to U.S. dollars based on the exchange rate on the day of the sale.

We defined online-only sales as those held exclusively online with no live bidders in attendance.

We defined artistic categories as follows: "European Old Masters" covers European artists born from 1250 to 1820; "Old Masters" covers artists born from 1250 to 1820 from any country; "Impressionist and Modern" concerns artists born between 1821 and 1910; "Postwar" concerns artists born between 1911 and 1944; "Contemporary" covers artists born in any country from 1945 to 1974; and "Ultra-Contemporary" covers artists born after 1974. To avoid anomalies, all category breakdowns in the "Data Dive" section (except ultra-contemporary) and the Impressionist and Modern and postwar artistic categories exclude Chinese artists (but include Chinese artists with dual nationalities).

Notes on geographic terms: North America covers auction houses in the U.S., Canada, and Mexico. China includes results from both the mainland and Hong Kong.

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**Front Cover** Illustrations by Flatbush Brown, 2022

**Marketplace** A Sotheby's technician shows Andy Warhol's *Dollar Sign* at Sotheby's London. Photo: Stephen Chung / Alamy Stock Photo **What Alan Lau Buys (and Why)** Collector Alan Lau poses in front of Wang Xingwei's *Untitled (Palette)* (2013) and, at left, Haegue Yang's *Sonic Dance, Twin Sister* (2014) at his studio in Hong Kong; From top: Danh Võ's *May* (2015) and *Coca-Cola* (2014); Alan Lau poses with Yayoi Kusama's *The Passing Winter* (2005); Clockwise from top: Wolfgang Tillmans's *Torso* (2013); Tillmans's *Collum* (2011); Ai Weiwei's *Table With Three Legs* (2005); and Liu Heung Shing's *The First Bottle of Coke, Beijing* (1981). Photography: © Paul Yeung for Artnet. **The Best-Seller List** Cindy Sherman, *Untitled* (1981). Courtesy of Christie's Images, Ltd.; **Ultra-Contemporary** Adrian Ghenie, *The Trip* [detail] (2016). Courtesy of Sotheby's; Adrian Ghenie, *Charles Darwin at the Age of 75* (2014). Courtesy of Christie's Images, Ltd.; Huang Yuxing, *Seven Treasure Pines* (2016–19). Courtesy of Christie's Images, Ltd.; Beppele, *Human I* (2021). Courtesy of Christie's Images, Ltd. **Contemporary** Jean-Michel Basquiat, *Warrior* [detail] (1982). Courtesy of Christie's Images, Ltd.; Jean-Michel Basquiat, *The Guilt of Gold Teeth* (1982). Courtesy of Christie's Images, Ltd.; Peter Doig, *Swamped* (1990). Courtesy of Christie's Images, Ltd.; Banksy, *Love Is in the Bin* (2018). Courtesy of Sotheby's. **Postwar** Cy Twombly, *Untitled* [detail] (1961). Courtesy of Christie's Images, Ltd.; Andy Warhol, *Nine Marilyns* (1962). Courtesy of Sotheby's; Gerhard Richter, *Abstraktes Bild* (1993). Courtesy of Sotheby's; Jackson Pollock, *Number 17, 1951* (1951). Courtesy of Sotheby's. **Photography** Richard Prince, *Untitled (Cowboy)* [detail] (1997). Courtesy of Christie's Images, Ltd.; Cindy Sherman, *Untitled* (1981). Courtesy of Christie's Images, Ltd.; Ansel Adams, *Moonrise, Hernandez, New Mexico* (1941). Courtesy of Christie's Images, Ltd.; Justin Aversano, *Twin Flames #83. Bahareh & Farzaneh* (2017–2018). Courtesy of Christie's Images, Ltd. **Impressionist & Modern** Vincent Van Gogh, *Jeune homme au bleu* [detail] (1890). Courtesy of Christie's Images, Ltd.; Mark Rothko, *No. 7* (1951). Courtesy of Sotheby's.; Alberto Giacometti, *Le Nez* (1947). Courtesy of Sotheby's; Gustave Caillebotte, *Jeune homme à sa fenêtre* (1876). Courtesy of Christie's Images, Ltd. **European Old Masters** Anthony van Dyck, *Portrait of Jacob de Witte; Portrait de Maria Nutius*, [detail] (1736). Courtesy of Sotheby's; Bernardo Bellotto, *View of Verona With the Ponte delle Navi*, (1745–47). Courtesy of Christie's Images, Ltd.; Leonardo da Vinci, *Head of a Bear*. Courtesy of Christie's Images, Ltd.; J.M.W. Turner, *Purfleet and the Essex Shore as Seen From Long Reach* (1808). Courtesy of Sotheby's.

**Rise of the Art World of the Apes** Illustrations by Flatbush Brown; Pablo Picasso, *Fillette au béret, Mougins, December 12, 1964* (1964) Photo Seraina Wirz / © Succession Picasso / 2021, ProLitteris, Zürich.; Mark Bradford, *Value 47* (2009–10). Courtesy of Masterworks.; Jean-Michel Basquiat, *All Colored Cast (Part III)* (1982). Courtesy of Masterworks. Ed Ruscha, *Ripe* (1967). Courtesy of Christie's Images, Ltd.; George Condo, *Staring Into Space* (2014–15). Courtesy of Christie's Images, Ltd.; Banksy, *Sunflowers from Petrol Station* (2005). Courtesy of Christie's Images, Ltd.; Interior of ARCIS, Image courtesy of ARCIS ©2018; Illustration of DogeCoin. Photo by Yuriko Nakao/Getty Images.

**Fractional Ownership** Courtesy of Joey Quiros; Courtesy of Katie Rothstein; Courtesy of Kristopher Brown; **DAOs** The first printing of the United States Constitution at Sotheby's. Photo: Ed Jones/AFP via Getty Images; Banksy's *Pulp Fiction* (2004). Courtesy of ratDao; A storyboard of Alejandro Jodorowsky's never-made *Dune* adaptation (1975). Courtesy of Christie's Images, Ltd.; Storyboard plates from *Dune*, after drawings by Christopher Foss, Jean Giraud-Moebius, and H.R. Giger (1975). Courtesy of Christie's Images, Ltd.

**Data Dive** Andreas Gursky, *Chicago Mercantile Exchange* (1997); Bernardo Bellotto, *View of Verona* (1745–47); Jean-Michel Basquiat, *Versus Medici* (1982); Piero del Pollaiuolo, *Portrait of a Youth*. All Courtesy of Sotheby's; Graphs courtesy of Artnet Data Analytics, 2022; **Most Bankable Artists** Claude Monet, *Coin du bassin aux nymphéas* (1918). Courtesy of Sotheby's; Richard Parkes Bonington, *The Palazzo Manolesso-Ferro, Contarini-Fasan and Venier-Contarini on the Grand Canal, Venice*. Courtesy of Sotheby's; Vincent van Gogh, *Cabanes de bois parmi les olivier et cyprès* (1889). Courtesy of Christie's Images, Ltd.; Andy Warhol, *Sixteen Jackies* (1964). Courtesy of Sotheby's; Jean-Michel Basquiat, *In This Case* (1983). Courtesy of Christie's Images, Ltd.; Adrian Ghenie, *The Collector I* (2008). Courtesy of Christie's Images, Ltd.