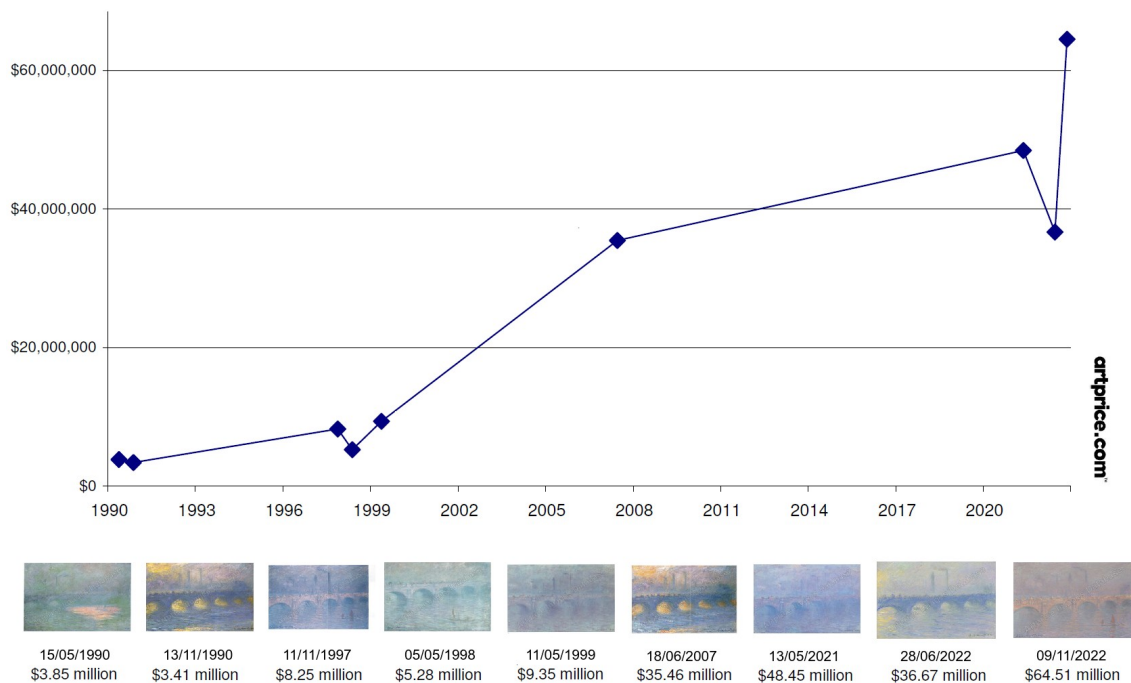


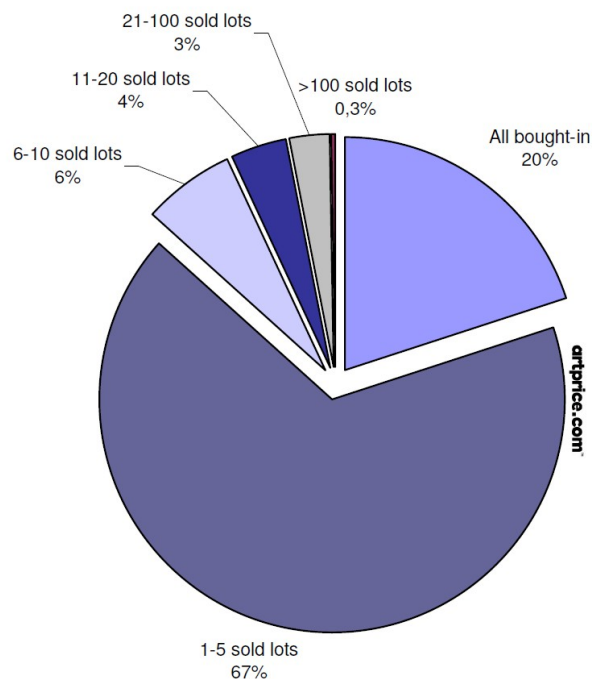
Artmarket.com: Assessing the liquidity of artworks with Artprice tools (Part 1 of 2)

The ease with which an artwork can be traded depends on several factors starting with the supply/demand balance for works by the artist who created it and the rarity of the individual piece in question. But, in reality, even a rare masterpiece can turn out to be difficult to sell if there are few collectors able to participate in its auction or if its value is very uncertain. The tools developed by Artprice make it possible to anticipate the different scenarios by identifying the dynamics behind each artist's market, a process that involves identifying all the genuinely similar works by each artist.

The values of canvases (65 x 100cm) in Claude Monet's "Waterloo Bridge" series



Breakdown of artists by number of lots sold at auction in 2022



France's financial markets supervisory authority (the AMF) provides a relatively broad and open definition of the notion of "liquidity": *A financial asset (stocks, bonds, etc.) is said to be 'liquid' when it can be bought or sold quickly and without its sale having any significant impact on its price. The notion of 'liquidity' therefore reflects the ease with which an asset can be traded. By extension the notion of liquidity is also applied to markets: the more 'liquid' a market is, the easier, faster and cheaper it is to carry out transactions there.*

www.amf-france.org/fr/espace-epargnants/savoir-bien-investir/cadrer-son-projet/placements-que-savoir-sur-la-liquidite-0

But as thierry Ehrmann, CEO of Artmarket.com and Founder of Artprice points out, *the liquidity of an artwork cannot be compared to that of a financial asset. The procedure for including a given artwork in an auction catalog can take several weeks or even months, and auction transaction costs can easily reach 20% or even 30%, while galleries may charge even more. That said, among the 803,000 artists listed by Artprice, there are very different market profiles, and these differences usually depend primarily on which way the delicate balance between supply and demand is leaning.*

Artprice identifies four particularly singular profiles:

1. The "Great Masters": a very limited supply with massive demand

When Da Vinci's *Salvator Mundi* resurfaced in 2016 (after leaving Geneva's freeport), few experts were able to predict its price would reach \$450 million. Even today, the bidding battle between the two billionaires, one of whom was the Crown Prince of Saudi Arabia, Mohammed bin Salman, remains shrouded in mystery. But there can be no doubt that the extreme rarity of Leonardo's works played a key role in the "uncertainty" surrounding the work's real market value.

Indeed, it is precisely for these extremely sought-after signatures that sales guarantees were initially developed with the objective of reassuring sellers. This mechanism is becoming more systematic today; in the recent sale of the Paul G. Allen collection, all of the pieces are guaranteed by the auctioneer. Among them, a unique painting by Gustave Klimt that had been offered at auction for two years finally sold for \$104 million.

The markets for works by Grand Masters are surrounded by clusters of works with related attributions "school of", "follower of", "circle of", etc. In November 2022, Christie's in Paris sold a *Salvator Mundi* "after Leonardo da Vinci" for \$1.1 million (including fees), although the work was estimated between \$10,000 and \$15,000.

www.artprice.com/artist/17205/leonardo-da-vinci/painting/28647612/salvator-mundi

2. Blue-chip Artists: a regular supply with high demand

On the other hand, works by artists like Picasso and Monet, essentially paintings, are traded in sufficient numbers each year for it to be possible to follow the general evolution of prices. Auctions can always be directly affected by particular events, passionate overspending, or even negative circumstances, but the value of works by these artists generally follows a relatively mechanical logic based on the most recent results for similar pieces.

The Artprice100© index is focused on such signatures, and while their prices have generally soared over the past twenty years, fractionalization solutions make it possible to invest in their works without having to pay the full acquisition price (via financial participation).

Some of these artists have also produced drawings and prints, and in some cases in large quantities, and these works allow collectors to acquire ‘smaller’ pieces that can also become very valuable. In March 2022 an etching by Pablo Picasso titled *Le repas frugal* (1904) crossed the \$8 million threshold for the first time.

www.artprice.com/artist/22796/pablo-picasso/print-multiple/26211054/le-repas-frugal

3. Local Artists: an abundant supply with limited demand

As regards the lesser-known signatures in art history, the art auction market offers an abundant and extremely diversified range of works from almost every artistic period and movement (even if ‘art history’ *per se* is still largely dominated by white artists).

For many of these signatures, more or less modest sales tend to occur in a single country or sometimes in a particular region. This may be because the demand is concentrated in one place, or because the results are generally higher there, or for simply historical reasons the works of these artists are offered for sale by auction houses that have become specialized in their works.

For example, no less than 124 works by the German artist Hans Von Faber du Faur (1863-1940), son of Otto Von Faber du Faur, were sold in 2022 for an average price of \$200, to which were added 89 unsold lots. However, they were all offered in a single session hosted online on 14 July 2022 by the German auctioneer, Michael Zeller.

4. Confidential Artists: a limited supply with little demand

Artprice recorded a historic record number of art auction transactions in 2022: more than 1 million lots attributed to more than 170,000 artists. Of these, 34,000 artists had one or more works offered at auction, but none reached the reserve price. In addition, more than two-thirds of all artists whose works were offered at auction in 2022 only appeared between one and five times. Unfortunately, this frequency is too low to calculate with any confidence the evolution of their prices.

Nevertheless, it is sometimes among these signatures, a little out of fashion or forgotten, that the most amazing rediscoveries are made. This category also includes young visual artists who have not yet experienced their moment of glory.

Using these four very different profiles, Artprice can begin the process of calculating the liquidity of artists on the art market. This parameter should be of interest to all collectors for whom the liquidity of works is of some importance, as well as to all users of new platforms offering solutions for financial investment solely in art.

Images:

[<https://imgpublic.artprice.com/img/wp/sites/11/2023/02/image1-claude-monet-values-of-canvas-waterloo-bridge-series.png>]

[<https://imgpublic.artprice.com/img/wp/sites/11/2023/02/image2-breakdown-of-artists-lots-sold-at-auction-2022.png>]

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Discover Artmarket and its Artprice department on video: www.artprice.com/video

Artmarket and its Artprice department was founded in 1997 by its CEO, thierry Ehrmann. Artmarket and its Artprice department is controlled by Groupe Serveur, created in 1987.

See certified biography in Who's who ©:

[Biographie thierry Ehrmann 2022 WhosWhoInFrance.pdf](#)

Artmarket is a global player in the Art Market with, among other structures, its Artprice department, world leader in the accumulation, management and exploitation of historical and current art market information in databanks containing over 30 million indices and auction results, covering more than 800,000 artists.

Artprice by Artmarket, the world leader in information on the art market, has set itself the ambition through its Global Standardized Marketplace to be the world's leading Fine Art NFT platform.

Artprice Images® allows unlimited access to the largest Art Market image bank in the world: no less than 180 million digital images of photographs or engraved reproductions of artworks from 1700 to the present day, commented by our art historians.

Artmarket with its Artprice department accumulates data on a permanent basis from 6500 Auction Houses and produces key Art Market information for the main press and media agencies (7,200 publications). Its 7.2 million ('members log in'+social media) users have access to ads posted by other members, a network that today represents the leading Global Standardized Marketplace® to buy and sell artworks at a fixed or bid price (auctions regulated by paragraphs 2 and 3 of Article L 321.3 of France's Commercial Code).

Artmarket with its Artprice department, has been awarded the State label "Innovative Company" by the Public Investment Bank (BPI) (for the second time in November 2018 for a new period of 3 years) which is supporting the company in its project to consolidate its position as a global player in the market art.

Artprice releases its 2022 Ultra-Contemporary Art Market Report:

<https://www.artprice.com/artprice-reports/the-contemporary-art-market-report-2022>

The Artprice 2022 half-year report: the art market returns to strong growth in the West:

<https://www.artprice.com/artprice-reports/global-art-market-in-h1-2022-by-artprice-com>

Artprice by Artmarket's 2020 Global Art Market Report published in March 2022:

<https://www.artprice.com/artprice-reports/the-art-market-in-2021>

Artprice's 2020/21 Contemporary Art Market Report by Artmarket.com:

<https://www.artprice.com/artprice-reports/the-contemporary-art-market-report-2021>

Index of press releases posted by Artmarket with its Artprice department:

serveur.serveur.com/Press_Release/pressreleaseEN.htm

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- L'Obs - The Museum of the Future: <https://youtu.be/29LXBPJrs-o>
- www.facebook.com/la.demeure.du.chaos.theabodeofchaos999 (over 4 million followers)
- <https://vimeo.com/124643720>

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