

FREEMAN'S

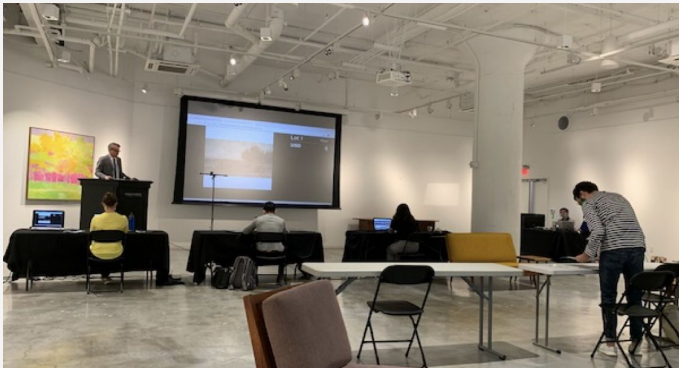
The Global Art and Auction Market

PAST, PRESENT AND FUTURE

A Presentation by Alasdair Nichol

THE PAST | Before Covid-19

A Noticeable Change in the Auction Room





JANUARY/FEBRUARY 2020

- Museums in China and Hong Kong closed indefinitely
- Museums in Italy shut down
- Sotheby's relocated its Hong Kong auctions to NYC
- Art Basel launched online viewing rooms after canceling Hong Kong Fair

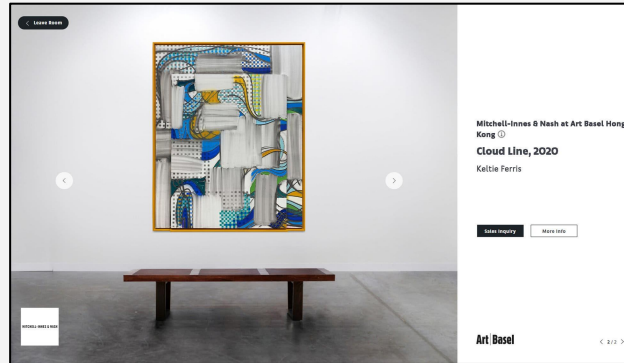
MARCH 2020

- Museums in NYC, Boston, and Washington, D.C. closed *en masse*
- Frieze canceled its NYC fair
- Christie's, Phillips and Sotheby's rescheduled their major spring auctions
- Louvre closed
- U.S. Museums pressed Congress for a \$4-billion arts and culture bailout

APRIL 2020

- Sotheby's furloughed nearly 200 employees
- Museums across the U.S. laid off staff or closed permanently
- The Metropolitan Museum laid off more than 80 employees and fears a \$150-million shortfall
- Survey found that 95% of artists have lost income

THE PAST Gallery and Auction House Adaptations



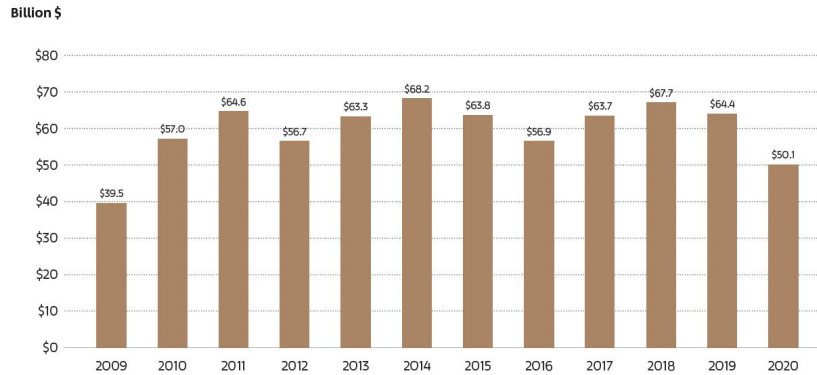
ART BASEL HONG KONG, MARCH 2020

Online Viewing Rooms

Remote Sales and the Gamification of Auctions

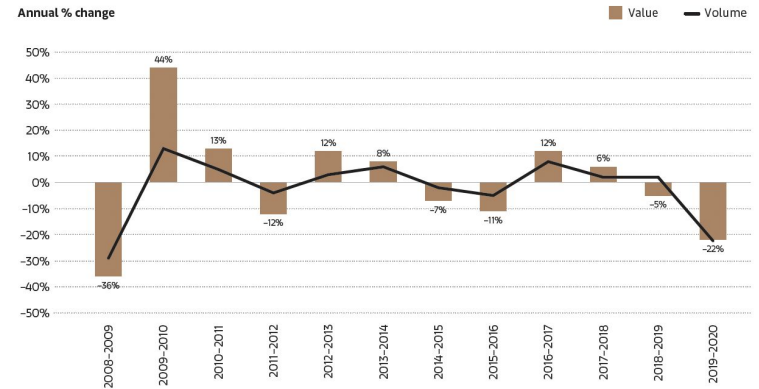


Figure 1.1 | Sales in the Global Art Market 2009–2020



© Arts Economics (2021)

Figure 1.2 | Growth in Sales in the Global Art and Antiques Market



© Arts Economics (2021)

In 2020, total global art and antiques sales reached an estimated \$50.1 billion, **down 22% on 2019**.

Public auction sales of fine and decorative art and antiques were \$17.6 billion in 2020, **a decline of 30% from 2019**. **Post-War and Contemporary Art** is the auction market's largest and fastest-growing sector in terms of buyer demand.

Private auction sales were estimated to have reached over \$3.2 billion in 2020 (**up 36% on 2019**).





FREEMAN'S
LIVE



liveauctioneers



ARTSY



BIDSQUARE



invaluable

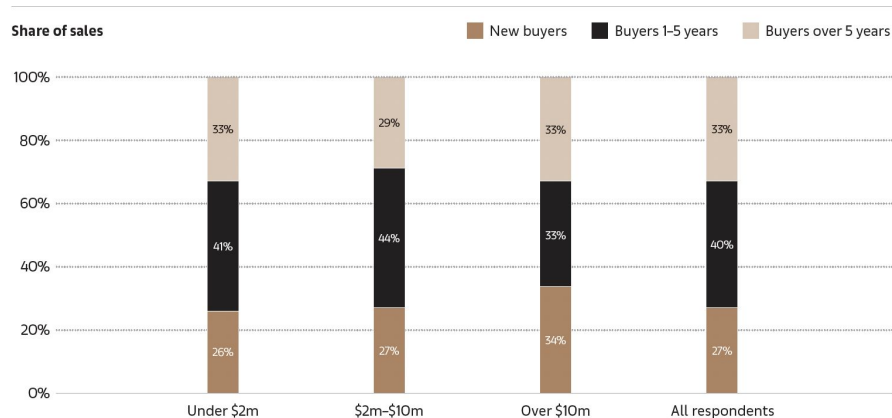
Online sales of art and antiques reached a **record high** of \$12.4 billion, **doubling in value** on the previous year, and accounting for a **record share of 25% of the market's value**.

Online channels helped **reach new auction buyers**.

In the fine art auction sector, **22%** of the lots sold in 2020 were in online-only sales, **double the share in 2019**.

Creating their own bidding platforms while expanding relationships with existing aggregate sites, increasing **digital advertising**, and pursuing **technology advancements** to improve the online viewing and bidding process were primary focuses of auction houses unable to interact with their clients face-to-face.

Figure 3.7 | Share of Sales to Buyer Groups by Purchase History in 2020



© Arts Economics (2021)

Second-tier auction houses reported that 27% of the sales they made were to **new buyers** in 2020, an **increase of 5%** on 2019.

Millennial high net worth collectors were the highest spenders in 2020, with 30% having spent over \$1 million versus 17% of Boomers.

66%

of collectors said the pandemic increased their interest in collecting.





OCTOBER 2020

White Glove, Single-Owner Sale of 12 Bronzes of Ludwig Van Beethoven by Antoine Bourdelle

NOVEMBER 2020

Single-lot sale of Tiffany Windows **Doubles Presale High Estimate**

DECEMBER 2020

Freeman's **Best American Art Sale Ever** Realizes \$5.2M

FEBRUARY 2021

Freeman's **Best Fine Art Sale Ever** Realizes \$6.4M and Sets **New World Auction Record** for Carl Moll's *White Interior* at \$4.75M

MARCH 2021

Freeman's Sells Red-Underglaze Meiping "Dragons and Waves" Vase for \$2.3M

JULY 2021

Freeman's Sells Signer Charles Carroll's Copy of the Declaration of Independence for \$4.42M



THE PRESENT | The Dominance and Diversification of Luxury

From Diamonds to Dinosaurs, Nike to Nintendo...



ABOVE FANCY LIGHT YELLOW DIAMOND RING, SOLD AT FREEMAN'S IN MAY 2021 FOR \$308,700



CLOCKWISE, FROM LEFT A RARE SEALED COPY OF THE LEGEND OF ZELDA SET A NEW RECORD IN OCTOBER 2021, SELLING FOR \$870,000; STAN, A T-REX, SOLD FOR \$31.8M IN 2020 IN A 20TH CENTURY EVENING SALE; MICHAEL JORDAN'S NIKE AIR SHIPS, 1984, SOLD ON OCTOBER 24, 2021 FOR \$1.47 MILLION

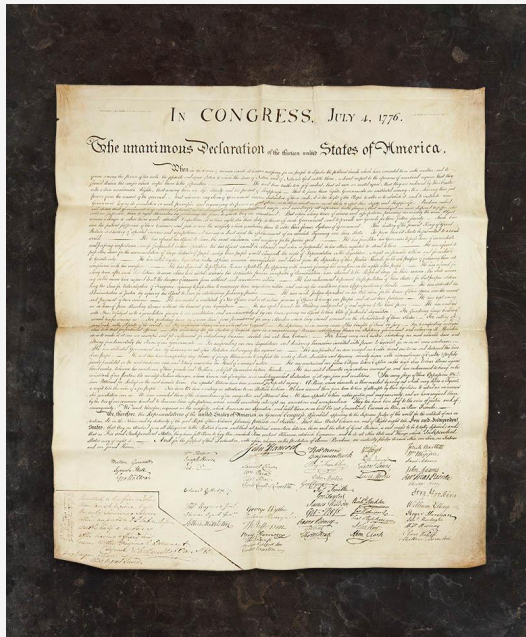


THE PRESENT | Regionalism

A Growing Appreciation for American-Made Objects

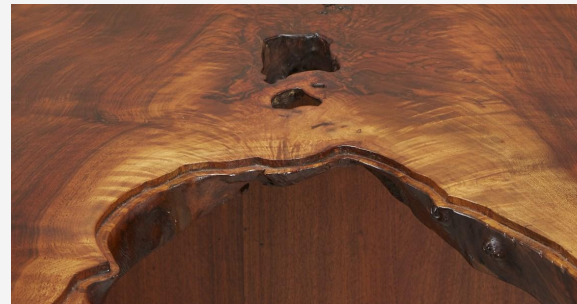


ABOVE A PRIVATE COLLECTION OF SIX RARE WORKS BY ALBERT YORK SOLD AT FREEMAN'S IN JUNE 2021, GARNERING SIGNIFICANT INTEREST AND SETTING NEW WORLD AUCTION RECORDS



ABOVE SIGNER CHARLES CARROLL'S COPY OF THE DECLARATION OF INDEPENDENCE, SOLD AT FREEMAN'S FOR \$4.42M IN JULY 2021

RIGHT GEORGE NAKASHIMA, THE IMPORTANT "HOLTZ" TABLE, SOLD AT FREEMAN'S FOR \$137,500 IN APRIL 2020



*"Many people have come to appreciate more acutely the sense of **regional identity** that was increasingly lost with globalization."*

Art Market Monitor, 2021



THE PRESENT | Provenance

Single-Owner Collections, Estates, and Museum Deaccessions



ABOVE PIERRE-AUGUSTE RENOIR, *ROSES*, DEACCESSIONED BY THE VIRGINIA MUSEUM OF FINE ART, **MORE THAN TRIPLED PRESALE ESTIMATE**, REALIZING \$302,400 AT FREEMAN'S IN FEBRUARY 2021.

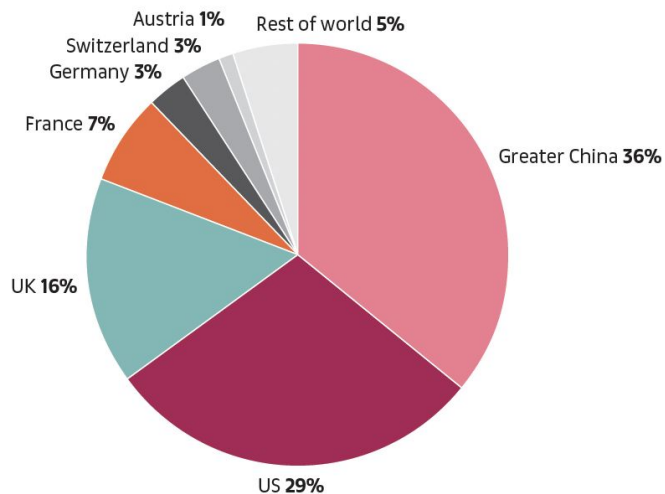
LEFT THE PENNSYLVANIA IMPRESSIONIST COLLECTION OF VIRGINIA AND STUART PELTZ, TO BE OFFERED AT FREEMAN'S ON DECEMBER 5

THE PRESENT | The Asian Market



ABOVE CHINESE CARVED VASE SOLD AT FREEMAN'S FOR \$2.3M IN MARCH 2021

In 2020, **Greater China surpassed the US** to become the **largest global market**, holding the largest share by value



ABOVE DETAIL OF CHINESE SCROLL, SOLD AT FREEMAN'S FOR \$113,400 IN OCTOBER 2021

THE FUTURE | Trend Forecasting

How can auction houses **reduce our carbon footprint?**



Digital Technology and Sustainability

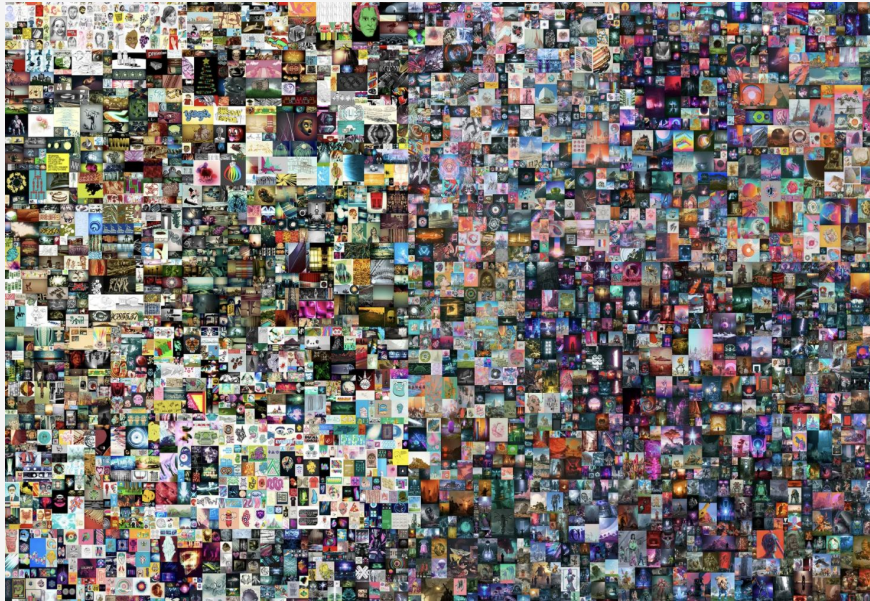


ABOVE FREEMAN'S NEW DIGITAL CATALOGUE, INCLUDING 360° VIDEO

LEFT SOTHEBY'S INVITES AUDIENCE BACK INTO THE AUCTION ROOM, SET DESIGNED BY HAMILTON SET DESIGNER DAVID KORINS



THE FUTURE | Trend Forecasting



BEEPLE, *EVERYDAYS: THE FIRST 5000 DAYS*, SOLD IN 2021 FOR \$69.4 MILLION

The Increasing Rise of Non-fungible Tokens (NFTs)



FIRST FURNITURE NFT, MISHA KAHN, *IT MUST HAVE BEEN THE CLAMS (CHAIR)*, SOLD IN 2021 FOR \$47,500

What will the art and auction worlds look like in the age of

The Metaverse?

A composite image featuring five white sheep with black faces and legs standing in a lush green field. In the background, a dense forest of green trees separates the field from a city skyline with various skyscrapers under a blue sky with light clouds. The text "Thank You" is centered in the middle of the image.

Thank You