

PART 1 OF 3

A Decade in Review

WHILE ART AS AN ASSET CLASS HAS BEEN PROVING ITS METTLE IN RECENT YEARS, not all categories of paintings—Old Masters, 19th-century European, Impressionist and modern, American, Latin American, Asian contemporary, and postwar and contemporary—have performed alike. To compare the return on investment in hypothetical portfolios representing each of the auction house categories, we have analyzed data drawn from more than 800,000 auction records over the past decade, which reveal disparate market performance. For this first of three installments in this column, we examined works by Old Masters, 19th-century European artists, and Impressionist and modern painters.

As our charts show, Old Masters have behaved much like a blue-chip stock, with slow, steady growth and minimal volatility, aside from a dip in 2009 during the financial crisis. Over the course of the decade, a \$100,000 investment in an Old Master paintings portfolio would have grown to \$204,000. That same investment in 19th-century European paintings would have accrued to just \$166,000. Our findings also show that the number of sales in this art category have dropped by 30 percent in the past five years. From an investment standpoint, Impressionist and modern paintings performed the best of the three, producing a nearly threefold increase in value, from \$100,000 to \$285,000. Interestingly, while the number of sales is on the rise in this category, the best showings for individual works were delivered early in the decade. **BY ROMAN KRAEUSL**



Among the top performers in our three categories over the last 10 years are *The Battle Between Carnival and Lent* by Pieter Brueghel the Younger, an undated copy of his father's 1559 painting of the same name, above left, which sold for \$10.7 million at Christie's London in December 2011, and Ivan Konstantinovich Aivazovsky's *View of Constantinople and the Bosphorus*, 1856, right, which fetched \$5.2 million at Sotheby's London in April 2012.

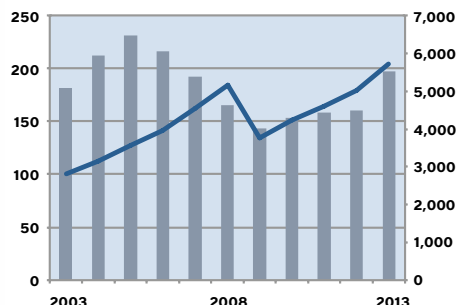
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MARKET PERFORMANCE BY PAINTING CATEGORY, DECEMBER 31, 2003–DECEMBER 31, 2013

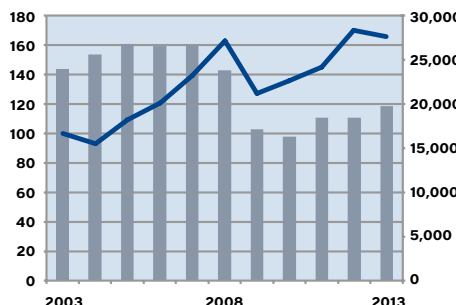
In a comparison, an investment of \$100 in a portfolio of Old Master paintings would have yielded a nominal 9.93% return on investment per year. A portfolio of 19th-century European works would have earned only a bit more than half that, with a 5.98% return on investment, while Impressionist and modern canvases delivered the best performance of the three categories, producing an average annual return of 11.87%. It should be noted, however, that our indices are not adjusted for inflation, nor do they take into account peripheral fees such as insurance and storage costs.

— Index 2003–13 — Number of Sales

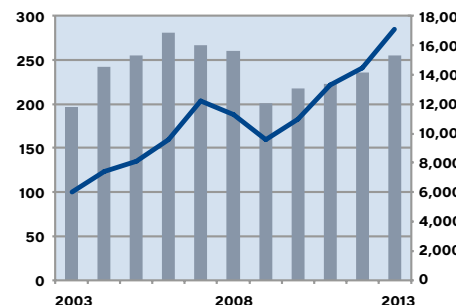
OLD MASTERS



19TH-CENTURY EUROPEAN ARTISTS



IMPRESSIONIST & MODERN ARTISTS



FROM LEFT: CHRISTIE'S; SOTHEBY'S

TOP 10 ARTISTS BY CATEGORY, DECEMBER 31, 2003–DECEMBER 31, 2013

Volume alone does not tell the whole story, as these tables illustrate. In the first category, for instance, British artist J.M.W. Turner, often placed in the Old Masters sales in London, holds the record for the most expensive work, with his *Modern Rome—Campo Vaccino*, 1839, selling for \$45,088,300 at Sotheby's in 2010; Rembrandt takes the lead in terms of the average price of a painting sold, with \$12.1 million.

OLD MASTERS

ARTIST	SALES IN USD	# OF SALES	ARTIST'S RECORD	PRICE	AUCTION HOUSE, DATE
Pieter Brueghel the Younger	\$167,599,511	119	<i>The Battle Between Carnival and Lent</i> , undated	\$10,745,800	Christie's London, 2011
Canaletto	\$122,533,751	27	<i>Grand Canal looking North-East from Palazzo Balbi to the Rialto Bridge, Venice</i> , ca. 1773	\$32,648,600	Sotheby's London, 2005
Joseph Mallord William Turner	\$113,787,009	12	<i>Modern Rome—Campo Vaccino</i> , 1839	\$45,088,300	Sotheby's London, 2010
Francesco Guardi	\$108,276,678	123	<i>Venice, a View of the Rialto Bridge, Looking North, from the Fondamenta del Carbon</i> , 1768	\$42,904,900	Sotheby's London, 2011
Rembrandt Harmensz. van Rijn	\$85,056,176	7	<i>Portrait of a Man with Arms Akimbo</i> , ca. 1658	\$33,188,600	Christie's London, 2009
George Stubbs	\$65,937,513	24	<i>Gimcrack on Newmarket Heath, with a trainer, a jockey, and a stable lad</i> , ca. 1765	\$36,009,500	Christie's London, 2011
Lucas Cranach	\$62,921,636	46	<i>Portrait of Princess Sybille of Cleves, Wife of Johann Friedrich the Magnanimous of Saxony</i> , 1524	\$7,657,000	Christie's New York, 2008
Peter Paul Rubens	\$61,660,560	63	<i>Portrait of a Commander, Three-quarter-length, Being Dressed for Battle</i> , 1612–14	\$13,628,200	Christie's London, 2010
Anthony van Dyck	\$59,035,560	67	<i>Self-portrait</i> , 1640	\$13,631,600	Sotheby's London, 2009
John Constable	\$44,737,019	56	<i>The Lock</i> , 1824	\$35,179,100	Christie's London, 2012

19TH-CENTURY EUROPEAN ARTISTS

ARTIST	SALES IN USD	# OF SALES	ARTIST'S RECORD	PRICE	AUCTION HOUSE, DATE
Ivan Konstantinovich Aivazovsky	\$139,077,584	381	<i>View of Constantinople and the Bosphorus</i> , 1856	\$5,208,510	Sotheby's London, 2012
Lawrence Alma-Tadema	\$78,618,403	45	<i>The Finding of Moses</i> , 1904	\$35,922,500	Sotheby's New York, 2010
Alfred James Munnings	\$76,544,469	236	<i>The Red Prince Mare</i> , 1921	\$7,848,000	Sotheby's New York, 2004
Joaquín Sorolla y Bastida	\$70,399,595	140	<i>Pescadores Valencianos</i> , 1895	\$5,943,760	Sotheby's London, 2012
William Adolphe Bouguereau	\$66,609,659	115	<i>Pietà</i> , 1876	\$2,770,500	Christie's New York, 2010
Albert Anker	\$66,158,113	99	<i>Die ältere Schwester</i> , 1889	\$7,979,930	Koller Auktionen, Zurich, 2011
Jean-Baptiste Camille Corot	\$53,367,014	309	<i>Juive d'Alger</i> , ca. 1870	\$4,754,000	Sotheby's New York, 2007
Giovanni Boldini	\$37,911,793	94	<i>Portrait of Giovinetta Errazuriz</i> , 1892	\$6,578,500	Sotheby's New York, 2010
John Atkinson Grimshaw	\$37,519,008	175	<i>Liverpool Custom House and Wapping</i> , 1876	\$1,206,700	Sotheby's London, 2006
Jean-Léon Gérôme	\$36,254,486	101	<i>Femme Circassienne voilée</i> , ca. 1880	\$4,101,560	Christie's London, 2008

IMPRESSIONIST & MODERN ARTISTS

ARTIST	SALES IN USD	# OF SALES	ARTIST'S RECORD	PRICE	AUCTION HOUSE, DATE
Pablo Picasso	\$2,280,044,466	431	<i>Nude, Green Leaves, and Bust</i> , 1932	\$106,482,500	Christie's New York, 2010
Claude Monet	\$1,036,302,305	227	<i>Le bassin aux nymphéas</i> , 1919	\$80,533,000	Christie's London, 2008
Henri Matisse	\$480,979,914	110	<i>Les coucous, tapis bleu et rose</i> , 1911	\$46,019,400	Christie's Paris, 2009
Pierre-Auguste Renoir	\$470,524,249	699	<i>L'ombrelle</i> , 1878	\$15,214,000	Christie's London, 2013
Amedeo Modigliani	\$458,598,436	45	<i>Nu assis sur un divan (La Belle Romaine)</i> , 1917	\$68,962,500	Sotheby's New York, 2010
Fernand Léger	\$449,755,401	234	<i>Etude pour la femme en bleu</i> , 1912-13	\$39,241,000	Sotheby's New York, 2008
Marc Chagall	\$422,609,842	478	<i>Les trois acrobates</i> , 1926	\$13,003,750	Christie's New York, 2013
Joan Miró	\$411,491,364	212	<i>Peinture (Etoile bleue)</i> , 1927	\$37,038,286	Sotheby's London, 2012
Gustav Klimt	\$293,901,459	18	<i>Portrait of Adele Bloch-Bauer II</i> , 1912	\$87,936,000	Christie's New York, 2006
Camille Pissarro	\$280,892,214	209	<i>L'hiver</i> , 1872	\$14,601,000	Christie's New York, 2007