

Art Investment Strategies for the 21st Century

In many ways investing in art is similar to investing in property or equities - the security of your capital is first priority, the quality of the investment determines the eventual return, and prices are determined by supply and demand. **The majority of art works sold in New Zealand are not investments: most new work produced by current artists will not even return your original cost.** Purchasing new works by yet-to-be-proven artists is high risk - you may reap spectacular rewards but on a percentage basis, you are more likely to make a loss on your investment. Buying art for investment must therefore be a carefully planned strategy with well-established criteria:

Do buy only the best and most significant work your available funds will allow

- ❖ **Do** buy what you like - enjoying your art is part of the satisfaction and provides the dividend while you own it
- ❖ **Do** buy work by artists represented in Public Galleries, or in major private and corporate collections - this ensures the artist is independently recognised by art professionals and experienced collectors.
- ❖ **Do** focus on the work of established, senior or recently deceased artists, which gives you the opportunity to select the best from their life's work.
- ❖ **Do** buy one or two major works rather than spreading your investment over a large number of insignificant works.
- ❖ **Do** build up a relationship with a dealer who will want to resell the work for you later.
- ❖ **Do** visit public exhibitions, view works by the artists which interest you and read as much as you can about them. If your chosen artists are not in the literature, ask your dealer for further information before including them in your investment portfolio.

Don't buy a large number of works all at once; each purchase must meet all of the criteria.

- ❖ **Don't** buy new work by artists who have painted similar subjects in the same style for years. While their work may be good technically, it usually means resale prices will be a fraction of the price of new works. Look for artists who have experimented with different styles, media and subjects.
- ❖ **Don't** follow the crowd and buy the work of an artist just because they have received a large amount of publicity or your friends are buying that artist's work.
- ❖ **Don't** buy reproductions even if they are signed and editioned by the artist. A signed reproduction (poster) is not a work of art and is not a limited edition print although they have often been promoted as such. A genuine artist's print is produced one at a time usually by the artist in small editions of perhaps 25 or 30 maximum and is a legitimate art work which may increase in value.
- ❖ **Don't** buy from a supplier who will not give an unconditional written guarantee regarding the authenticity and condition of the work.
- ❖ **Don't** buy paintings which are unsigned and have no provenance. (Provenance is the history of the painting since it was produced). If a painting is reproduced in the literature or has been exhibited in a public gallery this adds value and may authenticate the work.
- ❖ **Don't** buy a painting which is not typical for that artist. For example, don't buy a landscape by an artist whose best works are, say, still life or portraiture. An experienced dealer will tell you instantly what style and subject an artist is best known for.
- ❖ **Don't** buy works of doubtful authenticity. Provenance is an important method of confirming authenticity, but works of art should be instantly recognisable as the work of that artist. If we have to read the signature to determine who painted a work, we generally won't offer it for sale!

Investing in fine New Zealand art is both satisfying and rewarding providing the guidelines are followed.