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# Investing in Art

A practical guide to art as an asset class — and how Coyne Fine Art sources investment-grade artworks (not just decor)



*George Morrison, Dappled Light Shadows (Red Rock Variation: Lake Superior Landscape), 1993. Sold to Virginia Museum of Fine Arts in December 2025.*

## Interested in starting an art investment collection?

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# Art as an Asset Class

Art is a global market with characteristics that differ from public equities and traditional real estate: it is heterogeneous, relatively illiquid, and highly sensitive to quality and provenance. For that reason, **selection** (what you buy) and **entry price** (what you pay) often matter more than broad market direction.

**\$57.5B**

Global art market, 2024

**40.5M**

Transactions, up 3% YoY

**43%**

US share of global sales

**0.04**

Correlation with S&P 500

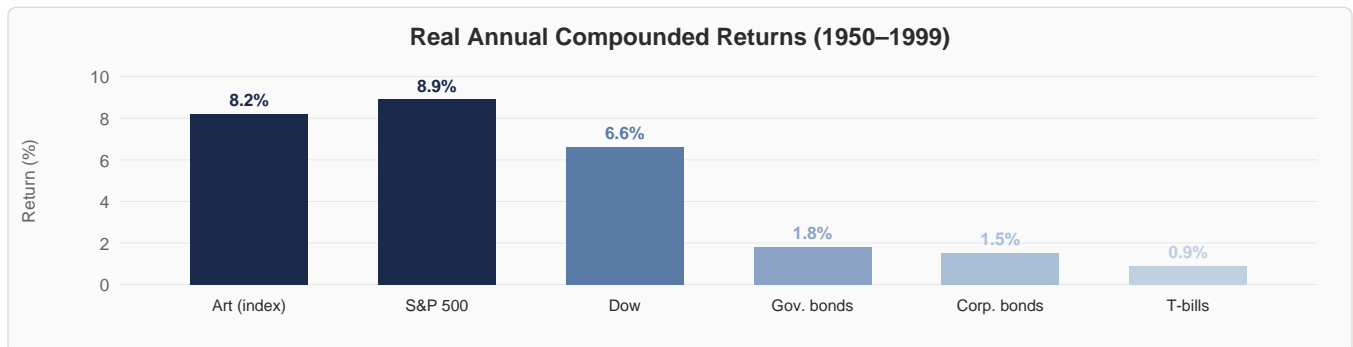
## Market Snapshot

- Global art market sales reached \$57.5B in 2024 (Art Basel & UBS, 2025), down from a post-pandemic peak of \$67.8B in 2022 but stable within the \$50–\$70B range the market has maintained for two decades.
- Despite the value decline, **transaction volume rose 3% to 40.5 million**, signaling healthy underlying demand, particularly in the mid-market.
- The US remained the largest market at 43% of global sales by value. Sales are split roughly 45% auction / 55% dealer & gallery globally.
- **Private sales surged:** Christie's private sales rose 41% and Sotheby's 17% year-over-year in 2024, as high-end collectors increasingly favored discretion and negotiated pricing over public auction.

## What Research Suggests About Returns & Diversification

Because art is not a centralized exchange-traded asset, return measurement relies on indices built from auction data (often using repeat-sales methods). Academic work by Mei & Moses (2002) found that, over 1950–1999, an art index produced a real compounded return of ~8.2% per year (vs. 8.9% for the S&P 500), comparable to large-cap US stocks, and reported a **near-zero correlation with equities (0.04)** — a finding that has been broadly confirmed by subsequent research, including TVP-VAR analyses through 2024.

They also described a **masterpiece effect**: top-priced works tended to underperform, often because buyers overpaid for trophies. More recent data from Artprice reinforces this pattern — in 2024, works above \$50,000 saw a 21% decline in transactions, while mid-market sales (under \$50,000) remained stable or grew. This is not an argument against art; it is an argument for **disciplined buying**.



Data source: Mei & Moses (2002) repeat-sales index; real (inflation-adjusted) annual compounded returns, 1950–1999. Indices have limitations: they cover a small slice of the market and do not include transaction costs, taxes, or private sales.

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# Strategy 1: Blue-Chip Art

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Blue-chip typically refers to works by widely recognized artists with long histories of institutional support and consistent secondary-market demand. These markets can offer deeper liquidity and clearer comparable sales, but they also come with higher entry prices and a real risk of overpaying for headline-driven trophies. They are the safest store of value in the art market.

## What “Blue-Chip” Performance Looks Like in the Data

Across auction price segments, the \$10M+ (ultra-high-end) segment delivered the strongest long-run growth — rising 700% from 2009–2022 — but it also shows the highest volatility (down 40% in 2023). Even after that pullback, the segment was still up 380% from 2009–2023. According to Knight Frank, art appreciated 54% over the past decade, and a \$1 million investment in blue-chip art in 2005 would be worth roughly \$5.4 million today. This is why blue-chip investing is less about chasing headlines and more about **disciplined buying**: quality, condition, provenance, and price all matter.

That said, art is difficult to follow purely by auctions alone. As market conditions changed dramatically after the zero-interest-rate era, sellers pulled back from auction in an abundance of caution — artificially pulling down public results. Yet privately, many of the most significant galleries reported **record sales**. Christie’s private sales rose 41% in 2024; Sotheby’s rose 17%. This suggests a large discrepancy between what is measurable at auction and what is actually transacting.

As an aside: analyzing the post-2023 correction, the hardest-hit sector *by far* has been hyper-contemporary art — the most speculative segment. There was a time when brand-new paintings consistently hammered at ten times their estimates due to rampant speculation. That has largely left the scene, leaving many holders with works for which they grossly overpaid. Meanwhile, blue-chip and historically significant art has proven far more resilient — a pattern consistent with every prior market correction.

## Our Blue-Chip Approach

- We focus on works representative of an artist’s **strongest periods** (not just any signature). Authentic but low-quality works by blue-chip names can be terrible investments.
- We prioritize **liquidity & comparables**: a proven track record of sales, and a realistic path to resale.
- We avoid “**trophy fever**”: paying for marketing narratives rather than object quality.
- We treat blue-chip art as a **long-term hold with a plan** (private sale vs. auction, timing, and buyer profile).

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# Strategy 2: Historical Rediscoveries & Market Reappraisals

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This strategy focuses on artists and movements with real historical importance — often with museum and scholarly validation — whose markets are still inefficient or underpriced relative to quality. The goal is not to speculate on trends, but to buy works that can benefit from long-term reappraisal: exhibitions, new scholarship, estate representation, and expanded collector demand.

This is not theoretical. A broad institutional reckoning is underway: museums are actively correcting historical blind spots, with 23 major institutions maintaining dedicated collection-diversification funds totaling over £68 million. The global market for women artists grew 24% year-over-year in 2023–2024, now representing 18% of the total art market — up from 12% in 2020. For artists of color and Indigenous artists, the same institutional momentum is building rapidly.

## Where the “Edge” Comes From

- A clear thesis about why the market may re-rate (institutional momentum, scholarship, category scarcity).
- Strong object selection (period, quality, condition, provenance).
- Disciplined entry pricing: we would rather pass than overpay.
- Exit planning: private placement to the right buyer is often better than a rushed public sale.



*Lois Dodd, Red Curtain, Day Window, 1972. Currently on loan to her first major European retrospective in The Hague, Netherlands.*

## What We Monitor in Reappraisal Markets

- **Museum exhibitions and acquisitions** — institutional validation that reshapes an artist’s market. Documented cases show 66–220% secondary-market price increases following major retrospectives.
- **Scholarly activity** — catalogues raisonnés, monographs, and curatorial research that deepen the critical record.
- **Estate or gallery representation** — improved market structure and transparency.
- **Comparable sales depth** — evidence of repeat demand (not a single outlier result).

# Selected Realized Examples

Below are selected transactions from Coyne Fine Art's own trading history, included as illustrations of how research-driven buying can play out. Amounts are rounded, and results are shown on a gross basis (before taxes and individual carrying costs). **Past results do not predict future outcomes.**

Artist	Work	Hold	Total Cost*	Exit	Gross Result
Jaune Quick-to-See Smith	<i>I See Red: I Feel Green</i>	0.6 yrs	\$35,000	\$32,000	-9%
Joan Semmel	<i>Composición</i>	1.7 yrs	\$28,000	\$29,000	+4%
Lois Dodd	<i>Boulder and Tree</i>	1.2 yrs	\$5,000	\$7,000	+38%
George Morrison	<i>1993 Horizon</i>	2.1 yrs	\$48,000	\$72,000	+52%
Jaune Quick-to-See Smith	<i>I See Red: Redskin War Shirt</i>	0.8 yrs	\$38,000	\$60,000	+56%
Denyse Thomasos	<i>Inside Wyoming</i>	1.5 yrs	\$20,000	\$50,000	+156%

\*Total cost includes acquisition plus direct deal costs (e.g., framing/conservation when applicable). Values are rounded.



Denyse Thomasos, *Inside Wyoming*, 2001. Loaned to Art Gallery of Ontario in 2022; later featured in a touring retrospective and the Whitney Biennial. Sold at Phillips Auction, 2023, for \$63,500 (\$50K hammer + buyer's premium).



Lois Dodd, *Boulder and Tree*, 1989. Purchased at Phillips Auction Oct. 2024. Sold to a private collector in Florida, Dec. 2025. Dodd set three consecutive auction records in 2024.

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# How Coyne Fine Art Builds Investment-Grade Collections

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Most people encounter art as decoration. Investing starts differently: it begins with quality, history, and pricing. Aesthetics matter — you should enjoy what you live with — but our first filter is whether a work makes sense as an asset: scarcity, documentation, demand, and a believable resale path.

## Our Selection Framework

- **Market map:** Where does demand come from (collectors, museums, institutions) and how deep is the secondary market?
- **Object quality:** Period, rarity, scale, medium, condition, and whether it represents the artist at their best.
- **Documentation:** Provenance, exhibition history, literature, and authentication/estate considerations.
- **Pricing discipline:** Comparable sales, replacement cost, and negotiation strategy.
- **Exit planning:** The likely buyer profile and the best venue (private placement vs. auction) on a realistic timeline.

For as little as a few thousand dollars, you can own surprisingly high-quality art. The piece shown here by Elsie Driggs — whose work is on permanent display at the Whitney Museum — was not expensive, and is completely original.

We do not deal in prints or other derivative products. Every work we source is an original, unique artwork with documented provenance. In 2024, 81% of contemporary artworks sold at auction went for under \$5,000 — a reminder that building a meaningful collection does not require a seven-figure budget.



*Elsie Driggs, whose work is on permanent display at the Whitney Museum.*

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# Risks, Costs & Practicalities

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Art can be rewarding — financially and culturally — but it behaves differently than liquid markets. The right way to approach it is with clear expectations about timeline, costs, and downside.

## Key Risks

- **Illiquidity:** Selling can take months, and the best exit is often patient and targeted.
- **Transaction costs:** Shipping, insurance, conservation/framing, and sales commissions can materially affect net returns.
- **Price dispersion:** Two similar works can sell for very different outcomes depending on quality, condition, and timing.
- **Authenticity & condition:** Due diligence matters; documentation is part of value.
- **Market cycles:** Even blue-chip segments can draw down sharply in certain years.

## Market Resilience

History offers reassurance. After the 2008 financial crisis, global art sales fell ~36% but regained pre-recession levels in roughly 20 months — faster than many traditional asset classes. During COVID-19, the market declined 22% but adapted rapidly, with online sales surging 50%. Structural resilience comes from UHNW collectors who continue acquiring through downturns and from private sales channels that insulate the market from public volatility.

## Lending & Liquidity

Many collectors use credit strategically — 43% of HNW collectors reported using loans for art purchases (2023 survey). Deloitte estimates the global art-secured lending market at \$29B–\$34B, with 8–11% annual growth projected toward \$40B by 2025. Lending can improve flexibility, but it introduces interest-rate and collateral risks and should be evaluated with qualified advisors.

## Tax Considerations

Art offers planning advantages worth discussing with a qualified tax advisor. Charitable donations of appreciated artwork held over one year can be deducted at **full fair market value** (when donated to a qualifying museum), while eliminating capital gains. Inherited art receives a **cost-basis step-up** to fair market value at death, erasing unrealized gains. Combined with structures like charitable remainder trusts and private foundations, art can be a powerful component of estate and philanthropic planning.

## Index Limitations (Why Selection Matters)

Art indices are useful context, but they do not equal investable returns: most cover only public auctions, exclude private sales, and omit costs like buyer's premiums, shipping, insurance, and taxes. A Stanford study noted true annual returns may be closer to 6.5% than the 10% some published indices suggest. This reinforces our core thesis: **in art, the return is made at the point of purchase, through selection and price discipline.**

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# Start the Conversation

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If you're exploring art as part of your portfolio, the best first step is a short call. We'll talk through budget, goals, time horizon, and the mix of blue-chip versus rediscoveries that fits your risk tolerance.

## Get in Touch

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Call / Text: (216) 533-4321

Web: [coynefineart.org/invest](https://coynefineart.org/invest)

## What to Include in Your First Email

- Your target budget per work (or total initial allocation)
- Your time horizon (e.g., 3–5 years, 5–10 years)
- Your preference for blue-chip vs. emerging reappraisals (or a mix)
- Any artists, movements, or mediums you're drawn to (painting, works on paper, sculpture)

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## Sources & Suggested Reading

- Art Basel & UBS (2025). *The Art Market 2025* (Arts Economics).
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**Disclosures:** This document is educational and does not constitute an offer to buy or sell any security or financial product. Art markets are unregulated and subject to sudden changes. Any examples are illustrative and do not represent client accounts. Past performance is not indicative of future results.