



ART COLLECTION GUIDE

2024 EDITION

WHY ART? WHY US?

Investing in art is a powerful fusion of passion and profit. Art goes beyond financial gains; it enriches your life, culture and legacy. At FalconCo, we're not just investment experts; we're your gateway to significant artists, curated expertise, and exclusive opportunities.



Private & Discreet



Transparent & Honest



Specialist & Niche



Expert Insights



Personal Enjoyment



Performance Events

OUTLOOK FOR 2024

01

54% of HNW collectors were planning to buy art over the next year, stable on 2022. Some of the most active buying plans were reported by collectors from Mainland China, with 68% intending to purchase works, along with large majorities in Japan, Brazil, and Italy. Paintings remained the most popular choice for planned purchases (84%), followed by sculptures and works on paper.

02

Despite ongoing turmoil in the financial sector, high inflation, the continuing impact of three years of COVID-19, and the ongoing effects of the war in Ukraine, 77% of HNW collectors remained optimistic about the art market's performance over the next six months, a slightly larger share than were optimistic about the stock market (74%).



2023 INSIGHTS

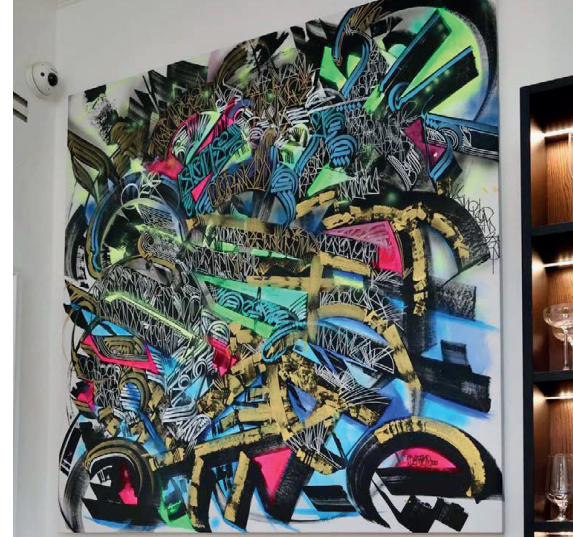
Source: The Survey of Global Collecting 2023 A report published by Art Basel & UBS.

01

When asked for the most important motivation in purchasing a work of art, self-focused drivers such as self-identity and personal pleasure were ranked highest (37% of collectors), followed by financial motivations (28%). Relationships, including social and networking motivations for collecting and being part of the art market, ranked third (14%).

02

43% of HNW collectors had used credit or loans to finance purchases of art, including 30% in 2022 and 2023. For those that used lending, the average share of the value of their collections financed through credit was 29%. The average share for UHNW collectors was higher at 39%, and one third of this segment had financed over 50% of their collections with loaned funds versus only 2% of those with wealth of less than \$5 million. Over half (54%) of financially motivated collectors used credit or loans to purchase art (versus 39% with non-financial motivations).



03

The median expenditure on art and antiques by high-net-worth (HNW) collectors surveyed across 11 markets worldwide reached \$65,000 in 2022, up by 19% on 2021. The median level in the first half of 2023 was reported at \$65,000, indicating a potentially substantial rise for the year if spending continues.

04

Median expenditure increased in nearly all markets in 2022, with some of the largest advances in the UK and Taiwan (both up by 30%), with more moderate growth in the US (5%) and Hong Kong (2%). After a decline of 6% in 2022 to \$202,000, collectors from Mainland China reported the highest median expenditure in the first half of 2023, at \$241,000, showing a strong return to spending post-lockdown.

05

The majority of spending so far in 2023 was on paintings (58%), with works on paper the second-largest component (13%). Mainland Chinese collectors' spending on paintings was nearly four times the average, and up by 20% on 2022. They were the highest average spenders in several other mediums, with the notable exception of digital art.

2023'S RECORD AUCTION

Artist: Pablo Picasso

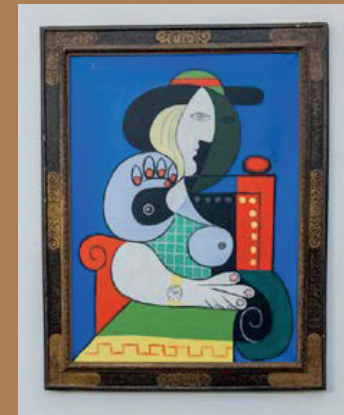
Artwork: Femme à la montre (1932)

Estimate: \$120 million

Sale Price: \$139.4 million Auction

Venue: Sotheby's New York

Date: November 8, 2023



The younger generation is becoming an increasingly important demographic, with its share of bidding activity growing to 30% in the first half of 2023.

MARKET INSIGHT



The ongoing passion for luxury collectibles pushed the Knight Frank Luxury Investment Index (KFLII) 16% higher in 2022. Art (up 29%) and classic cars (25%) led the table, propelled by record-breaking sales and some huge and unique collections coming to the markets.

MOTIVATIONS FOR ART INVESTMENT & COLLECTION

Welcome to the realm of art investment and collection, where the pursuit of more than financial gains takes centre stage.

This is an exploration of why people are drawn to acquire art, captivating both investors and collectors alike. Delve into the multifaceted motivations that drive individuals to embark on this enriching journey, revealing how art transcends traditional investment and offers a canvas of possibilities.

Let's explore some broad reasons below, while always remembering that each reason for collecting or acquiring art is deeply personal. At FalconCo, we strive to align and tailor our approach to your unique preferences. Each motivation is a testament to the powerful allure of art, weaving a narrative that goes beyond investment and echoes your unique passion and vision. Your journey in art investment and collection is designed to be as extraordinary as the art itself.





Holistic Returns

Experience returns that encompass financial growth and personal enrichment.



Stability In Instability

Find stability and solace in art during times of market volatility.



Resilience In Turbulence

Witness art's unwavering value in the face of challenges.



Investment Potential

Explore the potential for art to appreciate over time.



Emotional Fulfilment

Experience the emotional depth that art brings to your life and space.



Becoming A Patron

Support artists and become a part of their journey.



A Lasting Legacy

Create a mark that resonates through generations.



Cultural Contribution

Contribute to culture and society through your art collection.

MARKET INSIGHT



Contemporary art
has outperformed the
FTSE 100 by 407%
between January 1st 2000
to December 31st 2022.

UNDERSTANDING THE ART MARKET

In the realm of art acquisition, there exists a dual avenue: the primary market and the secondary market. These distinct channels are pivotal in shaping the art landscape, offering collectors a nuanced perspective and a dynamic range of opportunities.

Primary Market

This domain encompasses the initial sale of artworks directly from the artist or their authorised representative, often galleries with contractual agreements. Here, galleries and artists collaborate to present fresh creations to the world. This market cultivates direct interaction between artists and collectors, facilitating studio visits and exclusive previews. It serves as a launchpad for artists to gain exposure, establish reputations, and lay the foundation for future endeavors.

Secondary Market

In contrast, the secondary market is where artworks change hands subsequent to their primary sale. This market comprises private sales conducted by dealers, public auctions orchestrated by renowned auction houses, and the bustling platforms of art fairs. Here, artworks become more sensitive to market demand and various factors impacting an artist's career trajectory. This arena witnesses record-breaking prices at auctions, influenced by recent developments in the artist's journey and the reverberations of public attention.





Symbiotic Relationship

Although distinct, these markets share an intrinsic interdependence. The primary market shapes an artist's foundation and reputation, nurturing their potential for future success. This, in turn, enhances the value of their works in the secondary market. Collectors traversing both realms contribute to this symbiotic relationship, bridging the gap between artistic inception and market maturity.

Collector's Advantage

For collectors, the secondary market holds particular significance. Artworks that migrate to this arena often attain higher prices than their initial primary market value. The secondary market is marked by heightened sensitivity to market dynamics, responding to factors like recent career achievements and public recognition. This volatility can lead to record-setting auction prices and fluctuations driven by media attention.

Price Indicators and Caution

The secondary market offers a more reliable gauge of an artwork's value, as prices here are influenced by market forces. Yet, caution remains paramount. The pursuit of high prices can occasionally inflate final auction values beyond market norms. As buyers, it's vital to tread carefully, navigating these waters with discernment and due diligence.

In essence, the primary and secondary markets intertwine, creating a dynamic ecosystem that supports artists and collectors alike. The primary market fuels artistic innovation, while the secondary market responds to market dynamics and achievements, sculpting the value trajectory of artworks. By understanding these realms and the delicate balance they strike, collectors can navigate the art world with a refined perspective, embracing both the artist's journey and the market's pulse.

COMPARING PRIVATE & PUBLIC AVENUES IN THE ART WORLD

Embark on a journey through the intricate tapestry of the art world, where collectors navigate two primary avenues for art acquisition and sales: the private and public spheres. Each avenue holds distinct characteristics, offering collectors diverse opportunities to engage with the art market. Let's explore these avenues and their unique offerings.



Traditional Art Galleries

Anchored in history, renowned galleries connect artists and collectors, ensuring fair pricing and professional sales management.



Art Fairs

Dynamic events gather galleries, artists, and collectors under one roof, fostering a vibrant atmosphere for art discovery.



Auction Houses

Public platforms host live bidding for artworks, providing a chance to participate in the excitement while accessing curated selections.



Off-Market Transactions

Discreet private sales offer exclusivity and direct access to coveted artworks, often revealing hidden gems.



Dealers

Experienced art dealers provide personalised expertise, guiding collectors towards pieces aligned with preferences and investment goals.



Digital Age Platforms

Online accessibility breaks down geographical barriers, democratising art for global collectors.

MARKET INSIGHT



Global art sales
increased by 3%
in 2022 to an
estimated \$67.8 billion.

KEY ARTISTS AND THEIR IMPACT

In the vibrant tapestry of street art's evolution, key artists have left an indelible mark, shaping the movement's trajectory and inspiring generations. FalconCo takes pride in its role as advisor, guiding collectors and investors to acquire remarkable works from these influential figures.



Eduardo Kobra



Alec Monopoly



Montegrappa



ABOUT EDUARDO KOBRA

Born in 1975 in south Sao Paulo, Kobra has become one of the most recognisable and celebrated muralists of our time.

With works across five continents, he currently holds the record for the largest graffiti mural in the world. Eduardo Kobra's ability to achieve photorealism while maintaining his playful, colour theme is fantastic, making for a striking contrast against the setting it is placed in. Specifically, his cunning use of brushes, airbrush, and spray cans serve as a means of bringing to life notable figures from the past, emphasising their true dignified nature and beauty.

Deviating from notable figures, Kobra has also stayed true to the everyday human subject, maintaining his bold colour use to bring these individuals to light in his works. Kobra's works are truly a labour of love, using methodical grid planning and masterful shading and swirling effects to complete massively scaled portraits that are typically done on buildings, walls, and murals. Nevertheless, historical figures are Eduardo Kobra's strong suit, evoking memories of moments past that still resonate with audiences today.

ABOUT ALEC MONOPOLY

The artist, originally from New York City, primarily works in urban environments of major cities around the world, captivating audiences through his installations and live paintings. He works across many different mediums to subversively depict various iconic pop culture characters.

Monopoly is best known for his tuxedoed and top-hatted graffiti characterization of Monopoly Man.

In November 2010 he had his first solo gallery show in New York City and later that year took part in an exhibition at the Mondrian Hotel as part of Art Basel Miami Beach. In 2013, he hosted a yacht party at Art Basel Miami Beach, to sell exclusive merchandise in an effort to raise money for the Barstool Fund which is raising money for small businesses as a part of a COVID-19 relief effort.

His rise to fame came from exposing the true problems of our society, Capitalism Vs Religion and Wealth. Alec Monopoly's artistic origins stem from his mother, an artist. He later abandoned traditional academically driven art classes to pursue an individual methodology.



ABOUT MONTEGRAPPA

Founded in 1912 as a “Manifattura pennini d’oro e penne stilografiche” (“Manufacturer of gold nibs and fountain pens”) Montegrappa has been manufacturing writing implements.

In the highest reaches of the luxury segment, bespoke pens are detailed with hand-painting and burin-engraving— unquestionably the pinnacle of artisanal accomplishment. Created over hundreds of hours, many of the private commissions made by Montegrappa Atelier are miniature works of art. Surely there can be few more emphatic expressions of a love for writing than Italian luxury pens as exquisite as these.

It is in this realisation that the secret of all luxury writing instruments is revealed: a desire to lend sincerity and authenticity to the words we write. Behind every luxury pen is a story of meticulous work, patience, and a talent for transforming prestige materials into a beautiful machine capable of bring our innermost thoughts to life.



MARKET INSIGHT



Despite a year of intense economic and political pressures, sales maintained their momentum, with a rise of 5% to \$11.9 billion in 2022.

THE FALCONCO WAY

Your journey is our focus. Your dedicated consultant will engage in understanding your interests, motivations, and vision. We offer a secure and non-obligatory space for exploring ideas that align with your desired future outlook.



Your journey with FalconCo is a collaboration focused on your aspirations and the boundless possibilities of art.



**Dedicated
Advisor**



**Consultative
Approach**



**Insights
& Ideas**



**Tailored
Service**



**Offerings
that Align**



**Logistics, Storage
& Insurance**



**Ongoing Artist
& Market Updates**



**Exclusive Events
& Exhibitions**

MARKET INSIGHT



The global contemporary art market recorded an absolute record volume of transactions in 22/23: more than 123,000, a density 100 times greater than that recorded at the beginning of the millennium.



www.falconco.ae | info@falconco.ae

Standard Chartered Tower, Level 5,
EMAAR Square, Dubai, UAE

