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Few months ago, but a geological era ago in terms of scenario, we paid attention to art advisory and related investments. The lockdown between March and May showed a sudden interruption in market negotiations and a severe impact upon prices.



Considering only the biggest competitors like Christie's, Sotheby's and Phillips, figures show a decrease in sales of 97% in May 2020. From 2,9bn\$ in 2019 to 93mn\$. Public open auctions and fairs, of course, have been closed and online auctions were not able to catch the interest of usual buyers.



We can consider also the impact of private sales, whose prices and negotiations are not diffused, but this niche of the market exists in any case and could be influenced by sales forced by needs of liquidity with severe impacts upon current quotations of many authors. Differently from financial markets, it does not exist support, like market makers institutionally focused on the creation of systematic supply&demand forks of prices.



When this exists, it is offered by a salesman and not by intermediaries, with the generation of possible conflicts of interest, easily understandable through the widening of the prongs of forks. It is well known that art investments are not related to masterpieces as to emerging artists not yet or well evaluated and consolidated, factors that make up the basis for a needed diversification of the portfolios. The actual gamble is in term of illiquidity; it was easy to purchase, it is hard to sell now.



In terms of art advise management we can try to design some feasible strategies able to be implemented in these circumstances. Illegal circuits are dangerous competitors, not adequately regulated, especially in terms of anti-money laundering policies and transparency of price, certification of authenticity and future marketability. A huge impact is observable in terms of prices deviation, an appealing opportunity for experts in front of unadvised vendors forced to sell.



An interesting perspective is offered by the development of on-line platforms for the digital identity of artistic goods through blockchain technologies, able to identify artists, works (in a wide sense) and collectors. A disruptive approach for most people, however able to create unerasable memory of transactions, prices and frequency of exchanges. A strong, but still hidden, tool for beating the misalignment of information. A dangerous perspective is designed in absence of physical auctions; art lovers like to examine pieces, to live the events, to compare the behaviour of other buyers, even if the experience of the past shows the frequency of distance buyers motivated by the protection of their privacy. "Smart auctions" are not smart.



A feasible reading of the current situation shows the persistence of traditional customs and rituals that will resurge as soon as possible. Leave of absence and price decrease seem to be medium-term feared consequences of this crisis. As an owner of artistic goods, if you do not have the cogent and urgent motivation, wait for the end of the pandemic and admire your property.



As a buyer of artistic goods, if you have available funds, this is a good time to market, if you have sufficient literacy in the matter. The market itself shows better “education” in comparison with the past crisis. As an artist, this is an era of change, you can astonish us with your innovation and take flair and inspiration from the crisis!

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