



Helpful Tips When Investing in Art

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With low interest rates providing little incentive to leave your money in the bank coupled with caution in the equity markets, art is being seen as a prudent investment and for some the ultimate investment of passion.

Here are some helpful tips in deciding what art to invest in.

1. Discovering an artwork that appeals to you aesthetically is only one of the first steps in the collecting process. Ask yourself - does this piece represent the best possible work by this artist, within my budget? Researching the artist's body of work will help with these questions.

2. Another factor to consider is an artwork's provenance. This can make a considerable difference to the selling price. In the current market, works from private collections with an excellent public exhibition history are in high demand and occupy some of the top lots by value at auction. While the prestige of being featured in an exhibition at a world-class institution adds to an artwork's desirability and value, this is not to say that artworks kept out of the public eye are worth any less. Turner's

masterpiece 'Modern Rome - Campo Vaccino', for example, recently sold for an exceptional price of £29,792,150 to the Getty Museum in Los Angeles after not appearing on the market for 171 years.

3. Condition is another very important element that can greatly impact the value of an artwork. It is recommended to request independent condition reports before making a purchase. Similarly when identifying works privately or at auction, an independent examination of the art work's by an independent advisor with a UV light will immediately ascertain whether or not the existing condition report reflects the actual state of the work.

4. Diversification when building a collection is recommended. The changes in the market for a particular artist can affect the market for another related artist. Therefore, researching various art movements and having an awareness of the history of the artist you are interested in buying, can be of value when making purchase decisions.

5. Identify who you are buying from. Auction houses, art dealers and art advisors are all incentivized differently. Understanding the seller's motivation will assist you in making informed purchases. 1858 Ltd. works with clients to discreetly buy and sell in the market and have access to private off market works as well as helping clients to decide where and when to buy or sell using other traditional routes to market.

6. The ultimate value of a work is not confined to the artist but in the quality of the work you are considering buying. We always advise clients to buy the best work you are able to afford.

7. Be aware of the costs of buying and holding art, this includes purchase related costs such as auction house



premiums, framing, insurance, shipping and storage.

In certain circumstances, we advise our clients on art finance, this can be a good alternative to selling and means clients can retain possession avoid selling costs and related taxes whilst benefiting from any future appreciation on their art.

8. Ensure your investment is protected. We are noticing an increased demand for market and insurance valuation as well as risk assessments whereby the client asks us to review and advise on security, conservation and storage conditions.

9. Take steps to reduce the chance of valuable items being stolen. One way we assist clients is by applying an invisible DNA mark to all valuables. This provides a ten-fold reduction in theft reduction and proof beyond all reasonable doubt that the item belongs to its rightful owner upon recovery.

10. We apply DNA coding to clients prized possessions, including art works and jewellery. Such coding can reduce the risk of theft from 1 in 33 to 1 in 346 and can reduce insurance premiums by up to 10%.

11. Finally, we always advise clients to buy works they love and will enjoy. Buying with your eyes and not your ears has been a good strategy for many collectors, with the right guidance you can reap financial and emotional returns for many years to come.

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