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Private

ArtTactic®

Art & Finance Report 2025

9th edition

Touchpoint (Zoran)
Marta Djourina, 2021
Electrical discharge from the touch of a finger captured on analogue photo paper, Kirlian photography, series of unique works, each 80 x 60 cm

Gustav Klimt (1862-1918), *Bauerngarten (Blumengarten)*
Sold Sotheby's London, March 2017 for £47,900,000.


FRAGILE
UP
Le Riche
FINE ART STORAGE

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Untitled
Marta Djourina, 2019, direct exposure on analogue photo paper with different light sources, self-made film negative, unique piece, 600 x 183 cm

00 Introduction

Marta Djourina
Solo show as part of the Eberhard Roters Stipendium, Berlinische Galerie, 2021, exhibition view by CHROMA

Foreword

Wolfe Tone
Partner – US Deloitte Private Leader

As Deloitte Private serves families and family offices around the world seeking to manage and grow their holdings in art and collectibles, we increasingly see these assets woven into broader conversations about legacy, identity, and diversification, reflecting their growing importance in how families define and experience their wealth. Interest in this field also continues to rise, with art and collectible assets becoming an increasingly prominent part of wealth strategies. As noted in this ninth edition of the Deloitte Private Art & Finance report, an estimated one in four ultra-high-net-worth individuals identify as collectors, devoting significant time and resources to collections that reflect their values and support their long-term investment goals.

This year's report also signals how the coming wave of wealth transfer—unprecedented in scale—will place new responsibilities and opportunities in the hands of the next generation. For these new stewards of wealth, engagement with art and collectibles is driven by a search for greater purpose, cultural impact, and meaningful connection.

At the same time, the art market itself is entering a new era. Changing tastes, growing calls for transparency, and a stronger focus on inclusivity are reshaping expectations across the art ecosystem, encouraging fresh thinking and new approaches across the industry. This dynamic environment requires an ongoing commitment to governance, multigenerational planning, education, philanthropy, estate planning, legal matters, and asset diversification to help families preserve and grow their wealth and impact.

Produced every two years in partnership with market research firm ArtTactic, this report highlights key trends and developments at the intersection of art and wealth management. Over the past 14 years, we have tracked the evolving perspectives of stakeholders across the Art & Finance industry—including private banks, family offices, independent wealth managers, collectors, and art professionals—documenting the expanding role and significance of art and collectibles within modern wealth management strategies.

We hope this ninth edition sparks new ideas and meaningful dialogue as you navigate the evolving landscape of art, legacy, and investment.

Studio view Marta Djourina
Photo by Marie Mergler

We are delighted to present the 9th edition of the Deloitte Private Art & Finance Report.

Adriano Picinati di Torcello
Director – Global Art & Finance Coordinator
Deloitte Luxembourg

Anders Petterson
CEO and Founder
ArtTactic

Previous editions of the Art & Finance report explored **the integration of art into wealth management** and how to do it effectively. In this latest edition, we push that conversation a step further by examining the boundaries of this integration.

We have identified three strategic approaches emerging in the industry. Some wealth managers are fully embracing art-related services, as it aligns with their client base. Others are choosing to opt out, finding it inconsistent with their core identity or lacking a compelling business case. A third group is pursuing a hybrid model by partnering with external experts, a trend we have particularly observed among family offices. While still a niche area, art and finance has carved out a recognized role within holistic wealth management strategies.

Incorporating art and collectibles into wealth management can deliver significant value over time. It creates a deeper, more personal connection with clients, especially the next generation, a key focus of this year's report. The benefits of this integration extend beyond financial returns to include emotional and relational benefits. It fosters a more humanistic approach, offering both financial and non-financial meaning through personalized and memorable experiences.

In a world shaped by uncertainty, hyper-individualism, rapid technological change and fading reference points, **art and culture offer a way to reconnect.** They help us share values, find common ground, and nurture our humanity. We strongly believe that art and collectible initiatives have enduring relevance and resonance in today's evolving wealth management landscape, whether they are tailored to ultra-high-net-worth individuals (UHNWIs) or adapted for a broader private wealth clientele.

Studio view Marta Djourina
Photo by Marie Mergler

Introduction

Fourteen years of analysis in the rearview

Since 2011, the Deloitte Private and ArtTactic Art & Finance Report has offered a unique perspective on the evolving relationship between art and wealth management. Over the last 14 years, the conversation has shifted from whether art and collectibles should be part of wealth management services to how they can be meaningfully integrated. In 2011, only a quarter of wealth managers offered art-related services; today, that number has more than doubled to 51%, reflecting a gradual transformation in both perception and practice.

This year's report captures the industry at another crucial turning point. With nearly 80% of all stakeholders—wealth managers, collectors and art professionals—now agreeing that art and collectible wealth belong within a wealth management offering, the focus has shifted firmly to implementation.

A key aspect of this discussion, detailed in Section 7, is how technology can address the art market's current barriers. Innovations in artificial intelligence (AI), blockchain, tokenization, collection management services and digital tools, promise to improve transparency, valuation, provenance and traceability—longstanding challenges that have undermined confidence and trust in the market.

At the same time, the boundaries of the art and finance ecosystem continue to expand. The rapidly growing interest in luxury collectibles, such as watches, jewelry and fine wine, has broadened the definition of cultural assets and attracted a new generation of clients.

However, this progress must be measured alongside persistent challenges. Structural inequities remain deeply embedded in the art market, where a small number of artists account for a disproportionate share of value. Therefore, this year's edition introduces a new focus on the mid-market; works priced between US$50,000 and US$1 million.

This segment generated over US$1 billion in sales in 2024 and accounted for nearly one-third of all lots sold. Unlike the trophy-driven top end, which has been highly exposed to recent downturns, the mid-market has proven more resilient and diverse. It offers a natural entry point for new and younger collectors, serving as an important gateway to broaden market participation.

For the art and finance industry, recognizing and developing art wealth services for this mid-market tier represents an opportunity to expand the market, attract new audiences, and direct more wealth toward a wider range of artists, creating a more inclusive and sustainable ecosystem for the future.

This year's edition is entirely digital, aligning with our commitment to minimizing environmental impact. We hope this ninth edition can inspire, encourage and serve as a useful guide for those wishing to explore or help build a stronger foundation between the art market and the wealth management industry.

Untitled
Marta Djourina, 2018, direct exposure on analogue photo paper, self-made film negative, unique, 180 x 127 cm
Solo show as part of the Eberhard Roters Stipendium, Berlinische Galerie, 2021, exhibition view by CHROMA

The structure of this year's report will be familiar to past readers:

SECTION **01**

Wealth and the global art market

SECTION **02**

Art and wealth management survey

SECTION **03**

Art wealth protection and estate planning

SECTION **04**

Philanthropy and social impact investment in Arts, Culture and Creative sectors

SECTION **05**

Art-secured lending

SECTION **06**

Art and investment

SECTION **07**

Art and technology

SECTION **08**

Risk management and regulation

SECTION **09**

Conclusion

This year's report features an increased focus on family offices and next-generation collectors and art professionals. We have expanded the sample of family offices from 32 in 2023 to 37 this year, and our sample of collectors and art professionals has grown from 320 in 2023 to 350 in 2025. We will continue to focus on these segments in future reports.

Finally, this year's survey also examines the growing influence of AI on the art and finance industry, with a detailed analysis in Section 7.

All previous reports can be found at *deloitte-artandfinance.com*.

Untitled
Marta Djourina, 2022, direct exposure on analogue photo paper, self-made film negative, unique, 600 x 183 cm

Methodology

Deloitte Private and ArtTactic carried out the research for this report between February 2025 and May 2025. As in previous editions, alongside wealth managers, we also surveyed key stakeholders in the art and finance industry, including art collectors and professionals (e.g., galleries, auction houses, art advisors, art lawyers, art insurers and art logistics specialists).

Survey and sample

A total of 231 art professionals (up from 197 in 2023) and 119 art collectors (down from 123 in 2023) participated in the survey. These stakeholders, from regions including Europe, the US, the Middle East, Latin America and Asia, provided insights on various topics. These include art as an asset class, its role in wealth management, the impact of technology, new investment models, and current and future challenges and opportunities.

In this edition, we also increased the sample of family offices from 32 in 2023 to 37 in 2025, and private banks from 63 in 2023 to 65 in 2025. Most sections of the report include a wealth manager implications summary, highlighting the most relevant takeaways.

Deloitte Private and ArtTactic recognize that the findings are indicative and understand their limitations. However, we believe the results offer a broad reflection of current perceptions and attitudes within the global wealth management community, as well as among art professionals and collectors.

Table 1: Survey sample breakdown by year and stakeholder

Sample	2011	2012	2014	2016	2017	2019	2021	2023	2025
Private banks	19	30	35	53	69	54	59	63	65
Family offices	0	0	14	14	27	25	21	32	37
Art collectors	48	81	90	94	107	105	115	123	119
Art professionals	140	112	122	126	155	138	182	197	231
Art-secured lenders	-	-	-	-	-	-	11	20	21
Sample total	**207**	**223**	**261**	**287**	**358**	**322**	**388**	**435**	**473**

Untitled
Marta Djourina, 2024, direct exposure on analogue photo paper, self-made film negative, unique, 600 x 50 cm, detail Chromatic Eclipse, solo exhibition at zqm Berlin, curated by Miriam Jesske, exhibition view by CHROMA

External data and analysis

This report's Section 1 provides a 12-month outlook for various geographic art markets, based on ArtTactic's qualitative art market confidence survey of 122 art experts in July 2025.[1] Section 1 also includes an analysis of auction data from modern and contemporary art markets, primarily from major auction houses like Sotheby's, Christie's and Phillips. For art market profiles in regions such as China, India and Africa, we included data from other auction houses that hold significant market shares.

The regional art market overview focuses on the four largest global art markets: the US, UK, Europe and China. For these markets, we analyzed modern and contemporary art sold in these locations, without regard for the artists' nationality. For smaller regional art markets, such as Japan, South Korea, Southeast Asia, the Middle East, Latin America and Africa, we focused on the regional modern and contemporary art markets defined by the artist's nationality, regardless of where the works were sold.

In the art investment section of the report (Section 6), we examined the performance, risk and correlation between art and other asset classes, using data analysis from Artnet. For more information on the methodology used, please refer to page 400.

Art and collectible wealth estimate

The estimates for UHNWI art and collectible wealth in 2024 and forecast for 2030 (as shown in Section 1, page 61) were calculated using the following methodology:

Inputs

- UHNWI wealth: We used UHNWI wealth data by region from the Altrata *World Ultra Wealth Report 2024* for the year 2023.[2]
- UHNWI population: Population data by region for 2023 to 2024 was sourced from the Altrata *World Ultra Wealth Report 2024* and the Altrata *Residential Real Estate Report 2025*.[3]
- Portfolio allocation: The share of wealth allocated to art and collectibles by region was taken from Knight Frank's *The Wealth Report 2023*.[4]
- Asset value: The annual value change for art and collectibles is based on the Knight Frank Luxury Investment Index,[5] which reported a -1.0% change in 2023 and a -3.3% change in 2024.

Assumptions

- Portfolio allocations to art and collectibles remain consistent with the 2022 benchmark (Knight Frank's *The Wealth Report 2023*).[6]
- For 2023, the average wealth per UHNWI allocated to art and collectibles is assumed to be the same as in 2022, adjusted for a -1% value change. Therefore, the total art and collectible wealth scales with the UHNWI population growth, which was 426,330 in 2023, up from 392,410 in 2022 (the Altrata *World Ultra Wealth Report 2024*).[7]
- For 2024, the average wealth per UHNWI allocated to art and collectibles is assumed to be the same as in 2023, adjusted for a -3.3% value change. As a result, total art and collectible wealth scales with UHNWI population growth. The Altrata *Residential Real Estate Report 2025* shows the UHNWI population was 483,500 in 2024, up from 426,330 in 2023.[8]
- For the 2030 forecast, the average wealth per UHNWI allocated to art and collectibles is assumed to be similar to the 2024 level, with a conservative assumption of no value change. Therefore, the total art and collectible wealth scales with the UHNWI population growth, which is forecasted to reach 654,900 in 2030 (The Altrata *Residential Real Estate Report 2025*).[9]
- The regional distribution of wealth is assumed to remain similar for 2024 and 2030 as it was in 2023.

Calculations

- ***2023:***
  Total UHNWI art and collectible wealth for 2023 was estimated by taking the average UHNWI art and collectible wealth from 2022, adjusting for a 1% decline in art values, and multiplying by the number of UHNWIs in 2023. This resulted in an estimated total of US$2.338 trillion.

- ***2024:***
  Since 2024 regional wealth totals were not available, UHNWI population growth was used as a proxy, with a 13.4% increase between 2023 and 2024. The total wealth was calculated by taking the average UHNWI wealth from 2023, adjusting for a 3.3% decline in art values, and multiplying by the number of UHNWIs in 2024. The estimated total is US$2.564 trillion.

- ***2030:***
  The total wealth for 2030 was calculated based on the Altrata forecast for a UHNWI population increase from 483,500 in 2024 to 654,900 in 2030 (35.4% growth), and assuming no change in the value of art and collectibles. The estimated total is US$3.473 trillion.

Art and collectible wealth transfer estimate

According to Altrata's *Family Wealth Transfer 2024* report, an estimated 1.2 million individuals with a net worth of over US$5 million are expected to transfer nearly US$31 trillion in wealth over the next decade. Of this total, UHNWIs, defined as those with a net worth of US$30 million or more, account for a significant portion. While they represent only 13% of the population, they are responsible for 64% of the nearly US$31 trillion wealth transfer, which amounts to US$19.84 trillion.[10]

Based on a conservative estimate that 5% of UHNW wealth transfers are related to art and collectibles—the same estimate we used for total UHNWI art and collectible wealth—it is projected that approximately US$992 billion in art and collectibles will be transferred over the next decade. This is equivalent to roughly US$100 billion per year over the 10-year period.

Key factors driving the arguments for including art and collectibles in wealth management

These key factors are based on the responses collected over the past 14 years from wealth managers participating in the Art & Finance Report. Respondents were asked to identify the strongest arguments for integrating art and collectibles into wealth management.

To identify broader trends over time, we grouped the responses into four key categories:

Art as an asset class: this category represents the average of three key arguments:

- Art is a store of value.
- Art and collectibles offer portfolio and asset diversification.
- Art offers protection against inflation.

Wealth management industry factors: this category averages the following:

- The need to develop holistic advisory relationships with clients by considering all their assets.
- Increasing competition in the wealth management sector, which drives the need for new ideas, products and solutions.
- The rising value of art, which creates a demand for banking services to protect, enhance or monetize these assets.

Client entertainment factors: this category is solely represented by:

- Client entertainment, such as private views, organized trips, art fairs and museum exhibitions.

Client-related factors: this category averages:

- Art making up a significant portion of a client's overall asset wealth.
- Increasing client demand for wealth managers to assist with art-related issues, like tax and succession planning.
- Client demand for new investment opportunities due to the economic climate.

This categorization allows for a long-term analysis of how the rationale for including art and collectibles in wealth management has evolved and been prioritized over time.

Untitled
Marta Djourina, 2025, direct exposure on analogue photo paper, self-made film negative, unique, 600 x 183 cm

External contributions

We are delighted to feature 57 leading experts who contributed 30 articles to this year's edition. Their insights cover a wide range of initiatives and models, addressing the opportunities and challenges that the art market and the wealth management industry will face over the next decade.

We also collaborated with 8 Deloitte offices, which contributed 12 out of the 30 articles: Deloitte Luxembourg, Deloitte US, Deloitte Switzerland, Deloitte France, Deloitte Italy, Deloitte Netherlands, Deloitte Romania, Deloitte Germany, Deloitte South Korea. The broad range and geographic diversity of these contributions reflect our vision to be an independent and neutral voice in the market, and our ambition to be as international as the global art market itself.

SECTION **01**

The evolution of the collectible watch market and its impact on wealth management

This article highlights how the collectible watch market, particularly the pre-owned segment, has evolved into a significant asset class for wealth management. It explores key trends that have enhanced trust and liquidity in the market, such as the rise of certified pre-owned programs.

By Karine Szegedi
Managing Partner, Consumer and Fashion & Luxury Lead, Deloitte Switzerland
and Silvio Jobin
Watch Industry Expert, Deloitte Switzerland

Hypercars: Powering into an investment class of their own?

This article argues that hypercars have become a new investment class due to their limited production and high demand. Favored by UHNWIs, these vehicles often appreciate significantly in value, despite high ownership and maintenance costs.

By Conrad Yates
Managing Director, Le Riche Automobile Storage Consulting & Logistics

Problems in paradise: Diagnosing the ills of the art market

This article asserts that the art market's future growth lies not in high-value sales but in the mid-market. It asserts that a lack of information hinders this sector and can be unlocked by new technologies that improve due diligence and data access.

By Nicholas Eastaugh
CEO, Vasarik Limited
and Thereza Wells
COO, Vasarik Limited

Korea's 2025 art scene trends

This article reveals how Korea's art market is evolving. It explains that while the auction market has slowed, the primary market is growing, driven by a new generation of collectors who see art as both a statement of identity and investment.

By Sun Hee Gong
Partner, Deloitte
and Kyoung Ho Kim
Partner, Deloitte
and Yeong Jee Choi
Senior Consultant, Deloitte

Romania: An art market on the rise

This article explores Romania's maturing art market, driven by a new generation of collectors. While art purchases are still motivated by passion, there is a growing recognition of art as a viable financial asset, boosting demand for professional wealth management services.

By Corina Dimitriu
Partner, Deloitte Romania

SECTION **02**

The rise of next-gen wealth is reshaping Korea's wealth management landscape

This trend is explored through insights from Eunjung Lee, *Head of Hana The Next division* and Jaeho Yeom, *Senior Staff of Hana The Next division*.

Art-related wealth: Managing differing generational motivations

Christopher Bleuher, *Senior Manager,* US Art & Finance Coordinator, *Deloitte Consulting LLP* poses a Q&A to Drew Watson, *Managing Director, Head of Art Services at Bank of America*.

Next-gen, art and making an impact

By Rachida Tournier
Deputy CEO of BNP Paribas Wealth Management
and Alison Leslie
Head of Art Advisory at BNP Paribas Wealth Management

An intergenerational deep dive into fine art collection in the 21st century

Karen and Sylvain Levy offer additional insight into the generational forces driving the dynamic evolution of the art world.

SECTION **03**

Art and cultural heritage at risk: How to build awareness and manage risk in an increasingly vulnerable environment

Despite a US$57 billion art market, many cultural treasures remain uninsured, leaving them vulnerable to theft, disasters, and climate risks. This article highlights the causes of underinsurance and calls for tailored solutions to protect our shared heritage and legacy.

By Jean Gazançon
CEO, ARTE Generali
and Letizia Miranda
Head of Digital Marketing, ARTE Generali

The hidden risk in high-net-worth collections: Illiquidity, misinsurance and missed opportunities

By Doreen Dawang
VP Ecosystems Analysis, Wondeur AI

The collection management revolution in family offices: Toward a digital and holistic future

Amid generally limited digitalization, family offices face gaps in technology adoption and cybersecurity. This article examines those challenges and shows how embracing innovation can enhance asset management, safeguard legacy, and strengthen strategic value for future generations.

By Angelica Maritan
Founder, Speakart

Lifetime planning for art assets in the US estate plan

By Micaela Saviano
Tax Partner, Deloitte Tax LLP
and John Calder
Senior Manager, Deloitte Tax LLP
and Juliana Johnson
Tax Senior, Deloitte Tax LLP

Interview with Zoé Barbier-Mueller, board member of the Barbier-Mueller Museum Foundation

In this interview, Zoé Barbier-Mueller reflects on the legacy and future of the Barbier-Mueller Museum, its role in preserving global cultural heritage, and the lessons learned from managing one of the world's leading private art collections.

By Paul de Blasi
Deloitte Legal and Private Leader for West Switzerland.

The intersection of art and architecture: A tale of cultural innovation

This article highlights the enduring connection between art and architecture, showcasing their shared power to inspire creativity and shape meaningful experiences. In today's digital age, museums and art foundations play a crucial role as cultural infrastructures, safeguarding both tangible and intangible heritage as unique masterpieces and valuable assets.

By Neil Hammouni
Director, Deloitte France Real Estate Advisory Capital Project
and Samer Chinder
Assistant Director, Deloitte France Real Estate Advisory Capital Project

SECTION **04**

Navigating the future of art funding: insights from J.P. Morgan Private Bank

BJ Goergen Maloney, *Managing Director and Global Head of J.P. Morgan Private Advisory*, is interviewed by Cindy van de Luijtgaarden, *Partner Tax & Legal and Head of Private Client Services of Deloitte Netherlands*.

Navigating times of cultural crisis: The role of private sector support for NGOs amid declining public funding

By Sanne Letschert,
Director of Cultural Emergency Response
and Cindy van de Luijtgaarden,
Partner Tax & Legal and Head of Private Client Services of Deloitte Netherlands

This article highlights how cultural NGOs must demonstrate their impact to secure private funding, especially as public financial support dwindles.

Capturing culture's contribution: Demonstrating impact

By Dr. Paul Burtenshaw,
Senior Director of Project Impact, World Monuments Fund

This article highlights how the World Monuments Fund is developing new systems to measure the ESG impact of its projects, in response to growing funder demand.

The strategic role of cultural initiatives and cultural impact measurement in the evolving sustainability reporting landscape

By Ernesto Lanzillo,
Deloitte Italy Private Leader
Roberta Ghilardi,
Sustainability, Art & Finance Senior Manager
Stefano Denicolai,
Head of Institute for Transformative Innovation & Research (ITIR) – Full Professor University of Pavia
and Luca Cavone,
Researcher, Institute for Transformative Innovation & Research (ITIR) – EAAO Project Coordinator

This article examines how cultural initiatives can enhance a company's sustainability performance. It also introduces a project to help companies measure and report the sustainability impact of their corporate art assets.

Investing in the creative economy: Lessons from global fund managers

By Laura Callanan,
Founding Partner, Upstart Co-Lab
Annabelle Camp,
MBA Candidate, The Wharton School at the University of Pennsylvania
and Rifat Mursalin,
MBA Candidate, Harvard Business School

This article explores how the creative economy offers a significant opportunity for impact investors to achieve financial returns and positive social outcomes. It highlights key lessons for successful creative economy investing from fund managers around the world.

Innovative finance for the cultural and creative industries: From grants to impact investments

By Florencia Giulio,
Founder, Pulso
and Aunnie Patton Power,
Founder, The Innovative Finance Initiative

This article introduces an innovative finance spectrum for the cultural and creative industries, highlighting eight novel, repayable financing models from both public and private investors.

Are donor-advised funds a suitable model for the German art sector?

By Sabine Kachel,
Rechtsanwältin, Steuerberaterin – Deloitte GmbH, Director, Attorney of Law and Certified Tax Advisor
and Marcell Baumann,
LL,M, Deloitte Legal Rechtsanwaltsgesellschaft – Counsel - Attorney of Law

This article explores donor-advised funds (DAFs), a popular tool for tax-effective giving in the US, and examines how similar charitable structures can be implemented in Germany to support art collectors.

SECTION **05**

Why borrow against your art?

This article explains how the art lending business has become a key financial tool for wealthy individuals, allowing them to gain liquidity from their collections without having to sell them.

By Fotini Xydas,
Head of Art Finance, Citi Wealth
and Jason Carey,
Art Specialist, Citi Wealth

From private bank to art market insiders: Critical lessons we've learned about art-secured lending

This article explains that art-secured lending is a complex field where traditional fair market value is flawed. Instead, effective risk management requires a blend of data analytics, market insights and expert analysis to accurately assess value.

By Scott Milleisen,
Global Head of Lending, Sotheby's Financial Services
and Matthew Conway,
CFA, Lending Specialist, Americas, Sotheby's Financial Services

Buying time – art-secured lending: a haven for collectors seeking time and solutions in a challenging market

This article highlights how art-secured lending has become a crucial tool for collectors in a volatile market, providing them with liquidity and flexibility to navigate financial pressures and market fluctuations.

By Edmund Bernard,
Art Finance Manager EMEA, Christie's Art Finance
and Sayuri Ganepola,
Global Managing Director, Christie's Art Finance

SECTION **06**

Art as an asset class

This article examines the art market's performance in 2025, highlighting its resilience amid global economic uncertainty. It details how, despite a mixed outlook and short-term volatility in some areas, the fine art market continues to offer diversification benefits and positive long-term returns.

By Mia Fernandez
Senior Data Analyst, Artnet
and Roselle Menchavez
Data Analyst, Artnet
and Robert Cacharani
Director of Data Science, Artnet

Art going mainstream? Don't paint the asset class with a broad brush

This article explores the transformation of art from a speculative luxury into an investible asset, driven by innovations in finance and technology, as well as shifts in investor demographics. It highlights three key trends: increased market transparency, the rise of fractional ownership, and growing adoption by wealth managers and institutions.

By Aaron Filbeck,
CAIA, CFA, CFP®, CIPM, FDP Managing Director, Global Content Strategy, CAIA Association

Art: A good or bad investment?

This article argues that art should be bought out of passion, not as a pure investment, as collectors who love art tend to see the highest financial gains. It emphasizes that a deep, subjective understanding of art is key to a valuable collection, even more so than market data.

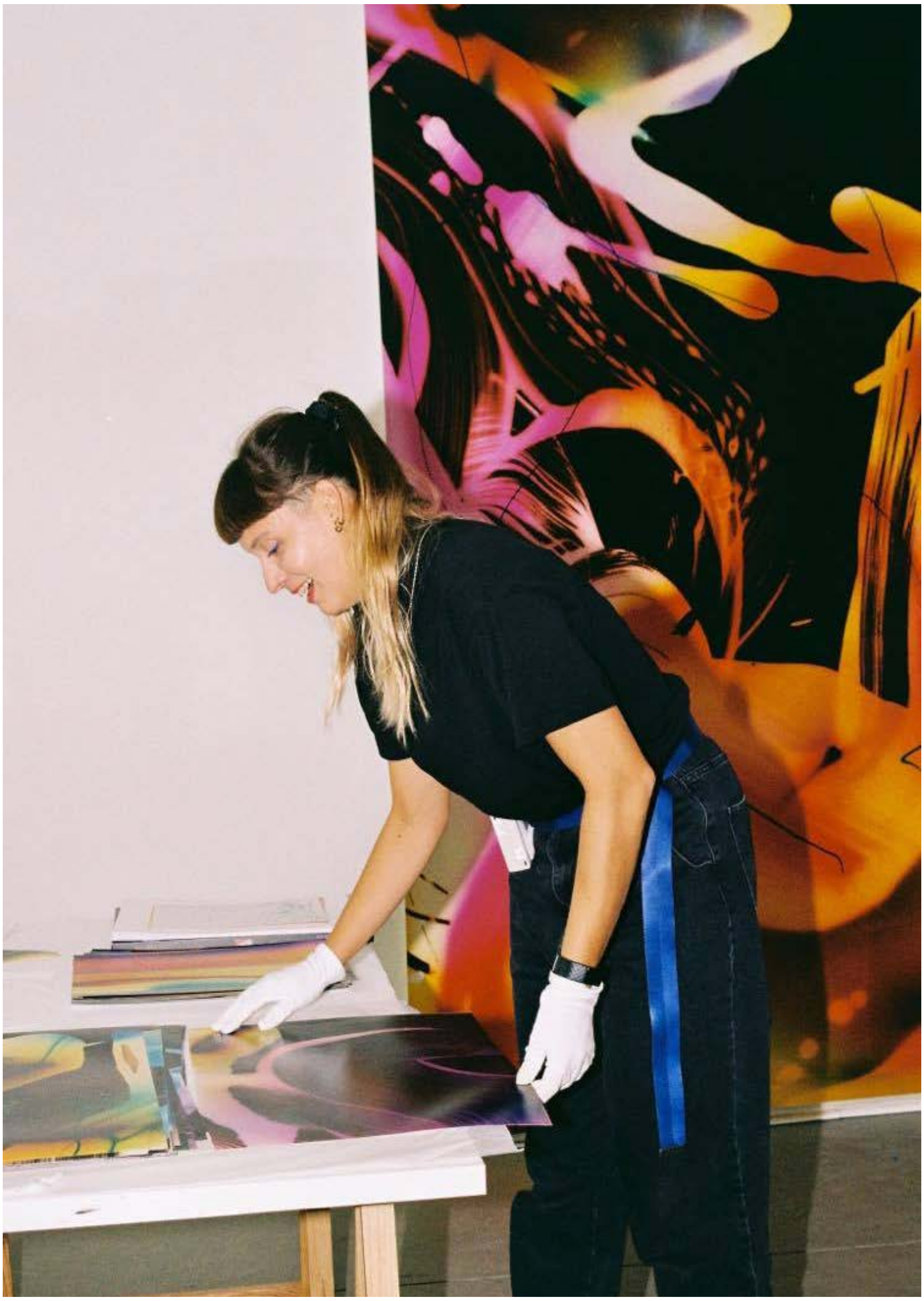
By Betsy Bickar,
Head of Art Advisory, Citi Wealth

SECTION **07**

The algorithmic reality: Exploring AI's influence and impact on the art world

This article argues that AI is rapidly transforming the art world, from its role in creation to its impact on the market. It shows how AI is democratizing art and creating new possibilities for artists, while also raising important ethical questions about its use.

By Devang Thakkar,
Global Head of Christie's Ventures



Marta Djourina
Portrait by Luis Brott, KUNZTEN

Artist acknowledgment

Born in Sofia, Bulgaria and based in Berlin, **Marta Djourina** is a visual artist whose practice explores the boundaries between photography, performance, and material-based experimentation. From an early age, her curiosity centered around **the invisible traces of light, energy, and touch**—forces that shape both images and relationships.

Djourina studied Art and Visual History with a secondary focus in Cultural Studies at Humboldt University Berlin (BA), followed by an MA in Art Technology and Art Science at TU Berlin. She later completed a degree in Fine Arts at the Berlin University of the Arts (UdK), where where she graduated as a *Meisterschülerin*. Her interdisciplinary background continues to influence her methodology, which blends rigorous research with intuitive and embodied forms of image-making.

In her artistic process, **Djourina uses analogue photography without a camera**, often creating large-scale, site-specific luminograms with various light sources—from hand-built light mobile sources or lasers to bioluminescent organisms. Her light-sensitive compositions arise in direct contact with materials, light, and her own body. **In many series, the artist becomes the medium:** her movements are translated onto photo paper, her gestures transformed into color and form through direct exposure. These works are not just representations of touch—they are the result of touch itself.

Notable among her recent projects is ***Ashes of Ice***, created as part of the initiative *Look into my Ice*, developed for *Tartu 2024 – European Capital of Culture*. The works in this series were made on-site at the Äksi Ice Age Centre near Tartu, Estonia, and now form part of a permanent public installation on the museum's facade. Working with ice melting under the concentrated sunlight of a magnifying glass, Djourina used these fragile elements to generate unique photographic traces—**ephemeral records of a disappearing environment, captured before vanishing.** These works echo her commitment to addressing ecological themes with sensitivity and poetic urgency.

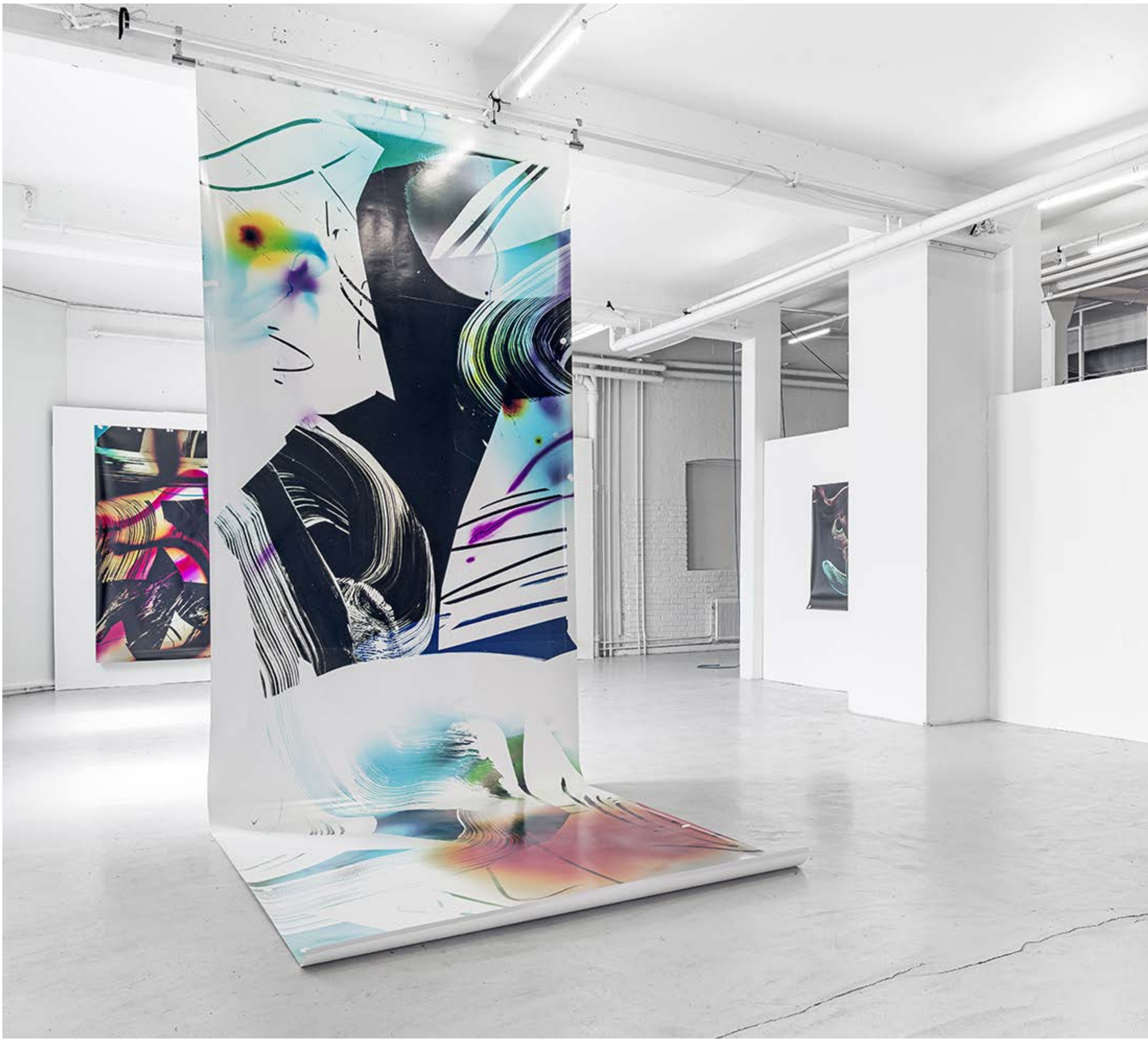
Djourina's dedication to experimenting with materials and contexts has taken her to unexpected places: from constructing pinhole cameras out of her suitcase for long-term analogue exposures during travels between Berlin and Sofia, to attaching pinhole cameras to pigeons, or inviting participants to create collective images of touch using the historical method of Kirlian photography. In each case, the artist seeks to visualize that which resists easy documentation—memory, emotion, transition, and the physical presence of absence.

In May 2025, Marta Djourina was awarded the prestigious EMOP Arendt Award, given during the European Month of Photography Luxembourg for her innovative contribution to contemporary photography. The jury recognized her ability to rethink photography as a performative and experimental language—one rooted in material processes and yet conceptually expansive. Her work continues to challenge the notion of photography as a medium solely tied to representation; instead, she employs it as a tool of research, resonance, and relation.

Djourina's work has been shown in numerous solo and group exhibitions at institutions such as the Berlinische Galerie – Museum of Modern Art, Sofia Arsenal – National Gallery of Contemporary Art, Eskenazi Museum of Art (USA), FeldbuschWiesnerRudolph (Berlin), MNAHA Luxembourg, Goethe Institute Bulgaria, LAGE EGAL Brussels and ICA Sofia. She has been the recipient of various awards, including the BAZA Award for Contemporary Art (2021), the Eberhard Roters Grant (Berlinische Galerie, 2020), the Marianne Brandt Photography Prize (2022), and the AArtist Residency by the German Federal Foreign Office (2022). Her first comprehensive monograph, *FOXFIRE*, was published by DISTANZ Verlag in 2024 and translated into Bulgarian, German, and English.

Beyond the studio, Djourina is deeply committed to arts education and artistic research. In September 2024, she joined the research group Thinking Tools at the Royal Academy of Fine Arts Antwerp as Artist Researcher. She regularly leads workshops and lectures internationally, creating space for collaborative forms of artistic inquiry and has been teaching at the University of the Arts Berlin from 2020 until 2025.

Across all of her work, Djourina invites viewers to rethink the nature of light—not only as a technical element, but as a metaphor for perception, touch, and transformation.



2025 Key report findings

Summarized version

Untitled (detail)
Marta Djourina, 2018, direct exposure on analogue photo paper, self-made film negative, unique, 600 x 183 cm
3:e Våningen, Gothenburg, Sweden
Exhibition view: Daniel Grizelj

SECTION **01**

Wealth and the global art market

Art and collectible wealth trends

Art and collectible wealth on the rise: We estimate that UHNWIs' art and collectible wealth increased from US$2.174 trillion in 2022 to US$2.564 trillion in 2024. Our projections suggest this figure could reach around US$3.473 trillion by 2030, supported by the global UHNWI population's growth.

The great wealth transfer: 1.2M individuals with net worths above $5M will transfer nearly $31 trillion over the next decade. UHNW individuals ($30M+) make up 13% of this group but account for 64% ($19.84 trillion) of the transfer. Assuming 5% of UHNW wealth transfers involve art and collectibles, about $992 billion will change hands, roughly $100 billion annually over 10 years.

Beyond traditional art: The art and finance strategy has expanded to include not only art and antiques but also luxury and personal collectibles. Regardless of the specific asset, the core services remain the same, highlighting a strong business case for catering to a broader range of passion assets for both wealth allocation and client coverage.

A growing client base: The number of potential clients for art wealth management services is substantial. Close to 121,000 UHNWIs[11] in 2024, rising to an estimated 163,725 UHNWIs in 2030, could be prime candidates. Around 25%[12] of wealthy investors identify as "collectors," with those holding US$5 million or more in investable assets devoting significant time and resources to their often-extensive collections.

The global art market has slipped back into stagnation: Changing tastes drive stagnation. Opacity erodes trust. Costs and elistism deter collectors. The status quo is no longer sustainable. Meaningful reform is not just an opportunity; it is a necessity for the art market's long-term health and relevance. Younger art professionals and collectors are sending a clear message: the market must become more transparent, inclusive, cost-efficient and modern.

Mid-market opportunity and resilience: Artworks valued between US$50,000 and US$1 million have showed resilience during the global art market slowdown. The overall mid-market segment remains significantly underexploited.[13] In 2024, it accounted for approximately US$8 billion in global auction sales[14] (all auction houses), or just 4% of lots sold (around 16,000 out of 400,000).

SECTION **02**

Art & Wealth management survey

General wealth management perspectives

Support for art in wealth services remains strong: A large majority of art and finance industry stakeholders still believe that art should be included in wealth management services. In 2025, the average consensus among wealth managers, collectors and art professionals reached 79%.

Fewer wealth managers from our survey are offering art-related services, falling from 63% in 2023 to 51% in 2025. This trend held true for both private banks (50%) and family offices (52%). This decline may reflect a more cautious or selective approach amid perceived regulatory complexity and operational challenges. Independent third-party providers are increasingly vital to bridge the expertise gap, enabling compliant and scalable art services.

Holistic advice drives inclusion of art in wealth strategies. In 2025, 87% of wealth managers cited the need for integrated advisory relationships as the primary reason for including art. This reinforces art's role in comprehensive wealth planning.

Client-related factors at the core of why art should be included in wealth management services: Sixty-five percent of wealth managers said their clients are increasingly seeking their assistance with art-related issues, a significant jump from 44% in 2023. In contrast, the importance placed on art as an asset class factors has decreased, dropping from 60% in 2023 to 52% in 2025. This shift highlights that wealth management is pivoting from a purely financial-services model to a more holistic, purpose-driven one, spurred by evolving client expectations and generational change. In this context, art and collectibles can play a strategic role.

Integrating art-related services into modern holistic wealth management recognizes art's dual role as both an alternative capital asset and a form of personal expression with intrinsic value. This comprehensive approach ensures clients' assets are managed not only for financial gain, but also for personal fulfilment and legacy building. It allows for the creation of fee-based advisory relationships that deepen client connections, address legacy, lifestyle and impact goals, and foster multigenerational loyalty and engagement.

Average share of 10,4% of wealth associated with art and collectibles: Based on our 2025 wealth manager survey, we conservatively estimate that clients allocate an average of 10.4% of their wealth to art and collectibles, remaining broadly consistent with the 10.9% reported in 2023.

Third-party expertise is not optional; it is essential for supporting the development of art-related wealth management services. However, it is increasingly difficult to source and find the right partners.

Combining passion with investment still dominates in art buying, but emotional and cultural motivations are rising: While combining passion with investment still drives most collectors (59% in 2025), this share has steadily declined from 76% in 2014. Simultaneously, purely emotional and cultural motivations for collecting have reached their highest levels on record. This highlights a growing pivot toward collecting for identity, meaning and legacy rather than just financial return.

Collecting has become more professional and purpose-driven. Demand for collection management grew significantly, climbing from 52% in 2023 to 63% in 2025, with art and estate planning showing an identical increase over the same period.

Enduring demand for Art market research and information: Art market research and information are still highly valued, edging up from 90% in 2023 to 91% in 2025.

Art-secured lending and social impact investment are gaining traction. This trend highlights a broader shift in values, where financial decisions are increasingly aligning with purpose, sustainability and personal identity.

Family office perspectives

Average art allocation drops from 13.4% in 2023 to 8.8% in 2025. No family offices in our 2025 survey reported clients with more than 30% invested in art. Instead, most now indicate moderate allocations: 40% in the 3–5% range and 30% in the 6–10% range.

Family offices lead private banks in integrating art into wealth offering: Likely due to their more personalized and legacy-oriented approach to wealth management.

Client demand for art services remains steady. 52% of family offices cited client-related factors as the main driver for offering art-related services in 2025.

Family offices shift focus from financial utility to legacy, asset protection and purpose. Of the 52% of family offices offering art-related services, only 7% identified art investment as a key focus area in the next 12 months.

Art lending: low priority, already embedded or lack of knowledge? Similarly, 13% of family offices planned to focus on art-secured lending services in the coming 12 months. This could signal that these services are either already integrated within existing art offerings, or there is limited knowledge of the art-secured lending market among family offices.

Estate planning is now the top priority for family offices. A striking 67% cited it as a key focus in the next 12 months in 2025, a sharp increase from 41% in 2023.

Interest in art philanthropy surges, reflecting purpose-driven wealth. In 2025, 51% of family offices pinpointed art-related philanthropy as a principal emphasis in the coming year—more than double the 23% in 2023.

Collection management and protection gain ground as core priorities. In 2025, 46% of family offices planned to focus on collection management in the coming 12 months, up from 36% in 2023.

Next-gen perspectives

Integrating Art into holistic strategies key to serving next-gen collectors: Next-gen collectors (72%) increasingly value identity, legacy and cultural impact over financial returns. A holistic strategy enables advisors to connect art to broader goals like philanthropy, education and family governance.

Next-gen collectors seek both passion-led and investment-led art-related wealth management services. They are driven by emotional motivations like patronage (67%), cultural legacy (55%), social impact (38%), financial returns (52%), diversification (52%) and store of value (55%).

Financial motivations decline among next-gen collectors: Financial return is no longer the dominant driver for young collectors, with only 52% citing it as a key motivation in 2025, a significant drop from 83% in 2023.

Next-gen clients seek purpose-driven art services that go beyond transactions, emphasizing education (84%), philanthropy (54%) and social impact investment (48%).

One-stop shop for next-gen collectors: Young collectors want comprehensive solutions that support them, from entering the art market to navigating its complexities.

SECTION **03**

Art wealth protection & estate planning

Asset protection

Valuation and insurance:
The widening gap between collection value and insurance coverage is an escalating threat, as over-relying on auction data for valuations often results in collections being over- or under-insured. As art collections become more financially significant, independent and unbiased valuations are critical for effective asset protection.

Professional collection management gains ground in estate planning: With 63% of collectors and 68% of art professionals prioritizing collection management, structured inventories are vital for smooth estate transitions. Yet only 34% of collectors used dedicated software compared to 65% of wealth managers surveyed (up from 43% in 2023).

Trusted market research is crucial for estate planning: Ninety-one percent of collectors and 77% of art professionals considered art market research the most relevant service wealth managers can provide. With 63% of collectors expressing low trust in current market data.

Building a network of independent, trusted experts is vital: Wealth managers should partner with external valuation firms, insurers, legal advisors and researchers. By acting as the orchestrator of these services, wealth managers can ensure neutrality, boost client confidence, and deliver seamless execution.

Estate planning

Art is now central to estate planning, and wealth managers must step up: Once managed separately, art collections are now viewed as integral estate assets with significant legal, financial and emotional value. The percentage of wealth managers incorporating art into their clients' estate plans has more than doubled since 2017, reaching 81% in 2025. However, a significant gap persists among collectors who do not work with wealth managers. For collectors without a wealth manager, only 14% had a formal plan communicated to family or advisors, and fewer than 40% of heirs were even aware of the impending inheritance.

Estate planning, philanthropy and museums: Only 6% of collectors planned to donate to public museums in 2025, a figure unchanged in recent years. This stagnant trend underscores the need for deeper engagement between museums and private collectors.

Family office perspectives

Strong focus on asset protection and legacy planning: Between 2023 and 2025, family offices sharpened their focus on asset protection and legacy planning through art-related services. Art collection management surged from 73% to 93%, and art insurance reached the same level, while art advisory and legal support held steady at 73% and valuation dipped from 80% to 73%. Looking ahead, family offices plan to enhance their legal and risk management capabilities, underscoring the continued strategic importance of these areas.

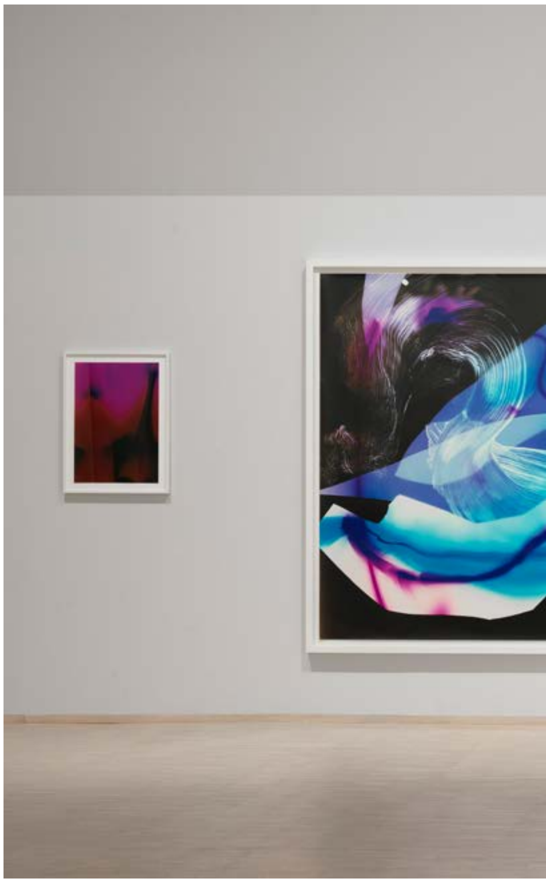
Next-gen perspectives

Next-gen collectors and art professionals consistently express higher expectations for most services, especially advisory and valuation. In fact, 96% of next-gen collectors found art valuation services most relevant, and 80% said art advisory, compared to just 64% and 48% of their older counterparts.

Independent valuation is core to estate planning: Eighty-eight percent of next-gen collectors earmarked valuation as a priority, up from 70% in 2023.

Demand for market transparency and research: An overwhelming 96% of next-gen collectors—and 75% of next-gen art professionals—considered art market research an essential service.

The data paints a clear picture—the next generation of art heirs is largely uninformed and unprepared: 61% of collectors had not discussed their art collection with their heirs at all. Another 21% had only mentioned it without any in-depth discussion about what inheriting the art entails.



SECTION **04**

Philanthropy and social impact investment in Arts, Culture and Creative sectors

We have reached a pivotal moment: With public funding in decline, the arts, culture and creative sectors are at a critical inflection point, demanding a new funding ecosystem that blends public, private and philanthropic capital. To achieve this, these sectors must collaborate more effectively, developing innovative finance models and long-term partnerships. For wealth managers, the growing alignment of art philanthropy with social impact investing offers a strategic opportunity.

Need for transparency and accountability: Amid declining public support and growing private interest, these sectors must embrace the language of impact, evidence and accountability to thrive, but on their own terms.

Demand for art philanthropy services is growing: In 2025, 69% of art professionals considered art philanthropy a relevant service, up from 56% in 2023. Likewise, 54% of next-gen collectors shared this sentiment, up from 50% in 2023, with 67% motivated by the desire to support artists. Nearly half of collectors (48%) valued this offering in 2025.

Cautious commitment to cultural impact investing: While 54% of wealth managers (among the 53% with an art provision) offered social impact investment services in art and culture, only 17% intended to prioritize them in the following year.

Volatile interest in purpose-driven art investment: Although 39% of collectors and 48% of next-gen collectors saw social impact investment in culture as a relevant wealth service in 2025, demand for these products dropped sharply among next-gen collectors—from 66% in 2023 to 42% in 2025.

The creative economy remains an under-explored yet promising frontier. Only 50 active funds have been identified in this space globally. Together, they manage over US$22 billion in assets under management (AUM).

Need for innovation: By leveraging innovative approaches and creative partnerships, both philanthropy and social impact investment can amplify their influence, fostering a vibrant and resilient cultural landscape.

Marta Djourina
Solo show as part of the Eberhard Roters Stipendium, Berlinische Galerie, 2021, exhibition view by CHROMA

Family office perspectives

Cultural investments are losing ground to more scalable environmental, social and governance (ESG) themes: Among family offices, interest in social impact investment in the arts fell from 31% in 2023 to 23% in 2025. Macroeconomic volatility may be driving family offices to prioritize established sectors like climate and health tech over less standardized cultural investments. This trend highlights the critical need for more mature, data-driven models in the art space.

Next-gen perspective

A shift from transactions to purpose-driven guidance: Next-gen clients seek expert advice on how to use their collections to support artists, fund institutions and drive social impact. Merely offering philanthropy is not enough; tailored, value-aligned guidance is now essential.

Interest in art philanthropy is rising among younger generations: In 2025, 68% of next-gen art professionals identified art philanthropy as a highly relevant service for their clients. Among next-gen collectors, its relevance grew to 54%, up from 50% in 2023.

Untitled (detail)
Marta Djourina, 2024, direct exposure on analogue photo paper, self-made film negative, unique, 180 x 127 cm

SECTION **05**

Art-secured lending

Solid average growth of 10% as the art market softens: The market for art and collectibles-secured loans is projected to reach an estimated US$33.9 billion to US$40 billion by the end of 2025. Looking forward, growth is forecasted to accelerate, reaching average rates of 11.3% in 2026 and 11.7% in 2027. We estimate the market size will reach US$42 billion to US$50.1 billion by 2027.

Art-secured lending revenue up: We estimate that the art-secured lending market will generate US$2.30 billion in revenue in 2025, up from US$2.2 billion in 2023.

Europe and the UK are poised to be the next development zone. While the US is the clear leader in the art-secured lending market, Europe and the UK are considered the next key growth areas. Hong Kong is also a future growth market for private banks.

Recognition of art as a viable asset for customized credit solutions: Sixty-five percent of wealth managers (68% private banks and 60% family offices) that offer art-related services reported providing art-backed loans. Although slightly down from 70% in 2023, this underscores that art is increasingly viewed as a viable asset for customized credit solutions.

Client demand is the main driver for growth: An impressive 73% of wealth managers (75% private banks and 67% family offices) reported a rise in client interest for art-secured loans in 2025. This is more than double the 36% who observed the same trend in 2023.

Art-secured lending mainly used to invest in other businesses: In 2025, nearly three-quarters (73%) of wealth managers with an art-secured lending provision said their clients were leveraging art loans primarily to invest in other business ventures, a significant jump from 43% in 2023.

Art-secured lending is increasingly valued as a flexible liquidity tool, though its uses are shifting Many collectors leverage their art collections to unlock liquidity without selling, making art loans a valuable option for wealth preservation and succession planning.

Charitable giving: Donors can unlock the value of their artwork by either taking a loan against their collection to gift cash, or donating art that institutions can use as loan collateral, offering immediate funding while preserving the original gift.

Family offices:

Family offices lean into art-backed lending as a strategic liquidity tool: Art-secured lending is now a core component of family offices' suite of financial offerings, even with a slight dip in adoption. In 2025, 60% of family offices reported offering art-backed loan services, a modest decrease from 67% in 2023.

Raising liquidity for business purposes: For family offices already offering art financing, 67% said that the use of art as collateral was primarily to fund other business ventures, nearly double the 36% who said this in 2023.

Next-gen:

Higher demand from next-gen collectors and art professionals: Six percent of next-gen collectors in 2025 used art-secured lending however 61% of younger collectors said they would consider using art as collateral for a loan, compared to just 40% of older collectors. This sentiment is also shared by art professionals (54% of younger professionals versus 37% of older art professionals).

SECTION **06**

Art and investment

Art[15] performance shows signs of improvement this year: Despite a challenging start to 2025, the Artnet Fine Art Index rebounded from a 15-year low by the first half of 2025, posting a 12-month return of 4.9%.

Art[4] underperforms the S&P 500 over the last two decades: From a long-term perspective, Artnet's Fine Art (Top 100) continues to underperform equities, with a 20-year compound annual growth rate (CAGR) of 3.2% compared to the S&P's 10.4%. The 10-year CAGR shows even greater divergence, with Fine Art (Top 100) at a negative CAGR of -2.9% compared to the S&P 500's 13.3%.

The case for art as a substantial standalone investment is becoming increasingly questionable: After more than 14 years of tracking art's long-term performance across market segments, returns are steadily declining. That said, passive investment in art still offers value in capital preservation and inflation protection. For those looking to launch or invest in an art-focused investment product, it will be essential to design a strategy capable of generating alpha, which a passive approach has struggled to achieve.

Appetite for art as an investment is waning across all stakeholder groups, reflecting growing skepticism about its financial returns amid volatility and shifting collector priorities. Interest in art investment products remains, but at slightly reduced levels. Among art professionals, interest fell from 26% in 2023 to just 12% in 2025. For collectors, the figure similarly declined from 32% in 2023 to 17% in 2025. Wealth managers showed a more modest dip, moving from 23% to 16% over the two-year period.

Art as a store of value: As a store of value justifies wealth management services focused on protection, succession and strategic monetization. Wealth managers' confidence in art as a store of value rebounded from 14% in 2023 to 25% in 2025.

Social impact investment on the rise: Collector interest in culture-linked social impact investment products rose from 24% in 2023 to 32% in 2025.

Recalibrating value—from financial to emotional and social motivations: Financial return is no longer the primary driver for acquiring art and continues to lose influence. Instead, collectors are increasingly motivated by emotional resonance, cultural connection and social value, highlighting a renewed focus on art's intrinsic and experiential qualities.

Both traditional and technology-driven fractional ownership and tokenization initiatives. While they have yet to achieve widespread acceptance, they have proven the interest in co-ownership models. For the next-gen, owning a fraction of an artwork is less about control and more about taking part in a cultural narrative (see article page 206).

Family office perspective

Despite rising interest in art, family offices remain wary about structured financial products. In 2025, interest in art funds sat at just 27%, with even lower appetite for art-backed loans (11%), auction guarantees (15%), fractional models (12%), and social impact offerings (16%). Simplicity and clarity remain key to unlocking engagement.

Untitled
Marta Djourina, 2018, direct exposure on analogue photo paper, self-made film negative, unique, 180 x 127 cm
Solo show as part of the Eberhard Roters Stipendium, Berlinische Galerie, 2021, exhibition view by CHROMA

Next-gen perspective

Redefining the financial dimension of art ownership: Next-gen collectors are not abandoning art's monetary aspects; they are redefining them by integrating purpose, access and performance into a more holistic investment mindset. Findings from both next-gen collectors and art professionals indicate a generational evolution away from fads and novelty toward structure, stability and strategic alignment.

Next-gen collectors are moving beyond buzz. While direct ownership of art remains foundational for this group, it is increasingly complemented by an interest in art investment funds. In 2025, 48% of next-gen collectors expressed interest in these funds, down from 55% in 2023.

The younger generation's dual motivation is shaping demand. They view collecting art not only as an aesthetic, intellectual and lifestyle pursuit, but also as an asset class they expect to outperform over the long term. This twin mindset drives the need for new financial products that balance cultural value with capital preservation and growth.

SECTION **07**

Art and technology

Stakeholders consensus about the role of technology: Wealth managers, art professionals and collectors share a strong consensus on technology's influence on the art market, particularly for valuation accuracy, transparency, provenance and traceability, as well as art education. The technology impact indicator—an average measure of 12 impact areas—showed a stable average of 60% for wealth managers, 65% for art professionals and 60% for collectors in 2025. However, the industry's perspective seems to be shifting from early enthusiasm toward a more pragmatic understanding of what digital transformation can achieve in the near term.

Technology is likely to transform art and wealth management services: This year, we have seen a stronger belief that technology will have a significant impact on art and wealth management services. The average reading across the six technology categories increased from 48% in 2023 to 55% in 2025.[16] This suggests a turning point, with trust in practical technologies rising. Tools like blockchain for provenance and ownership tracking, and artificial intelligence (AI) for valuation, are seen as solutions to long-standing art market challenges like opacity and illiquidity, enabling wealth managers to better integrate art into estate planning, risk management, art-secured lending, art investment and financial reporting.

Family office perspectives

Tech priorities refocus toward practicality: Their emphasis on collection management rose from 48% in 2023 to 67% in 2025, revealing a major push to digitize inventories, streamline documentation and improve integration with broader estate planning and wealth strategies. While belief in blockchain for traceability remained strong (54%), confidence in its decentralized finance (DeFi) potential declined from 52% to 46%, reflecting some skepticism around its short-term utility and regulatory readiness.

AI and risk management: Seventy percent of family offices identified risk management as the most impactful application of AI in 2025, highlighting ongoing concerns about trust and credibility in the art market.

Data-driven decision-making gains traction: The uptake of AI, big data and analytics (rising from 55% in 2023 to 58% in 2025) shows growing interest in tools that improve valuation accuracy and market insight.

Next-gen perspectives

Measured expectations: From 2021 to 2025, next-gen collectors and art professionals became more measured in their optimism about tech's role in the art market. While the younger generation's early enthusiasm centered on transparency, provenance and valuation, their priorities are shifting toward education, engagement, broader accessibility and market transparency.

Collection management tools: Support for these technologies among next-gen collectors surged from 46% in 2021 to 68% in 2025, elevating them from logistical aids to core infrastructure for legacy planning and estate integration.

AI and art market data-driven insights: Next-gen collectors (81%) and art professionals (72%) showed a generational alignment around the value of real-time data and tech-enabled decision-making.

SECTION **08**

Risk management and regulation

Frustration is outpacing optimism: Despite a striking 82% of wealth managers saying modernization was essential in 2025, expectations for near-term reform are fading. This growing disillusionment was also shared by collectors and art professionals, who are becoming impatient with the art market's persistent resistance to compliance, transparency and operational efficiency.

Modernization or marginalization: Without modernization, the art market risks losing the next generation of digitally savvy, impact-driven buyers who are turning away from outdated, opaque systems just as a major generational wealth transfer approaches.

Global convergence on AML regulation in the art market: Recent legislative and enforcement actions reflect a coordinated global push to classify art market participants (AMPs) as regulated entities.

Self-regulation still favored, but under pressure: In 2025, most stakeholders still preferred self-regulation over government control, with 64% of art professionals and 72% of collectors supporting this approach. But evolving market risks necessitate that self-regulation adapts rapidly to avoid credibility loss.

Trust in art market data is improving, but still leaves many unconvinced: In 2025, just 27% of wealth managers, 38% of collectors and 48% of art professionals reported a high trust in art market data. This is a critical issue because AI, regardless of its level of advancement, is only as reliable as the information upon which it is built.

Tokenization: The regulatory landscape for tokenized assets is complex and evolving. As this new market grows, clear and fair regulations will be crucial for its success.

Family office perspectives

Family offices increasingly focused on structural issues in 2025, such as secret commissions (68%), conflicts of interest (73%) and the lack of title registries (68%), signaling a turn toward concerns about market integrity and transparency.

New technologies offer better risk management tools: Likewise, anxiety over authenticity, forgery and lack of provenance—historically seen as the market's core risks—declined from 83% in 2023 to 68% among family offices. This may signal growing confidence in new technologies like blockchain and AI-based verification tools.

Next-gen perspectives

Loss of relevance to younger generations: The art market risks losing its appeal to the next generation if it continues to resist modernization. In 2025, 58% of next-gen collectors believed the art industry's business practices needed to be updated. Without adaptation, the market risks alienating the very demographic it needs to survive the coming generational wealth transfer. Notably, next-gen collectors expressed greater concern than their older counterparts about the issues that threaten the art market's reputation, including a lack of transparency and standards.

Guiding the next-gen Great Wealth Transfer

Is the art market at a turning point?

As we publish the 2025 edition of the Deloitte and ArtTactic Art & Finance Report, the global art market finds itself at a moment of uncertainty and potential transformation. Following the boom of 2021–2022, sales have steadily declined due to a turbulent macroeconomic environment marked by geopolitical instability and financial volatility.

These pressures have eroded collector confidence, reduced liquidity, and disrupted long-term investment strategies. The central question is whether this downturn is cyclical or a sign of a deeper, systemic shift in how the art market functions.

Simultaneously, an unprecedented intergenerational wealth transfer is underway. More than US$85 trillion in global wealth is expected to change hands in the coming decades, with trillions tied up in art and collectibles.

This raises a critical question: will the next generation of collectors embrace the motivations and behaviors of their predecessors, or will they reshape the market around new values of transparency, purpose and accessibility?

Why the next generation matters

The future of the art market depends heavily on the choices of the next generation. Unlike their parents and grandparents, who favored Old Masters and blue-chip artists, next-gen collectors are drawn to women artists, Surrealists and contemporary figures. Their collecting is often guided by social causes, such as climate change, gender equality, identity and racial justice, making art a reflection of their values, not just a marker of wealth.

Digital culture also plays a defining role. Social media has become their primary source of discovery, where visibility and peer endorsement can rival institutional validation. Many prioritize experiences and access over ownership, reflecting broader consumer shifts.

Our survey findings (see page 26) confirm the next generation's frustrations with the current system: they see opaque pricing, high transaction costs and elitism as significant barriers. They consistently demand greater transparency, inclusivity, professionalism and technological innovation.

Unless the market adapts, it risks losing relevance with the very custodians of tomorrow's cultural and financial heritage.

How should wealth managers respond?

This generational shift is also mirrored in the broader wealth management industry. According to the Capgemini *World Wealth Report 2025*, 81% of next-gen HNWIs plan to switch wealth management firms within one to two years of inheriting wealth. Furthermore, 88% of relationship managers report that these clients are showing a stronger interest in alternative assets, including art and luxury.[17]

Despite this, only 29% of firms currently offer tailored solutions for this group, even though half of next-gen HNWIs are already making passion-driven investments that combine cultural meaning with financial returns.

For wealth managers, this underscores the urgent need to design strategies that integrate financial performance with cultural relevance, experiential depth and purpose. Given their emotional resonance and investment characteristics, art and collectibles are uniquely positioned to strengthen engagement with next-gen clients.

Facilitating intergenerational wealth transfer

The transfer of art and collectible wealth is rarely just about assets; it is also about values, identity and legacy. These four pillars illustrate how wealth managers can play a vital role in making this transition both efficient and meaningful.

Expanding into this space allows wealth managers to become trusted advisors in both financial and legacy planning, an approach that resonates strongly with next-gen clients seeking purpose-driven, holistic wealth strategies.

The key foundations for intergenerational transfer of art & collectible wealth
($992 billion over the next 10 years)

Pillar 1

Preserve and protect legacy

- Estate and legacy planning
- Art appraisal
- Art collection management
- Art authentication and provenance research
- Art tax and legal services

Pillar 2

Educate and empower the next generation

- Education and next-gen onboarding
- Art market analysis
- Unique experiences and exclusivity

Pillar 3

Bridge generations through dialogue

- Philanthropic and cultural impact
- Art advisory
- Shared cultural experiences

Pillar 4

Unlock value and innovate

- Art financing
- Innovative art and cultural investment products
- Tech-driven solutions promoting transparency and improved access

Touchpoint (Zoran)
Marta Djourina, 2021
Electrical discharge from the touch of a finger captured on analogue photo paper, Kirlian photography, series of unique works, each 80 x 60 cm. Exhibition view at Foreign Office of Germany, Berlin during the residency prgoramm AArtist in Residence at Auswärtiges Amt; Exhibition photo CHROMA

Priorities

Wealth management education
Despite the increasing integration of art and collectibles into wealth management services over the last decade, most relationship managers still lack structured training in this area. Education should not stop at valuation and investment; it should also cover changing collector behaviors, the evolving nature of the art and collectible markets, and the challenges and opportunities facing the broader cultural and creative sectors (CCS).

Training should also cover tax and legal frameworks, governance, philanthropy and succession planning, as well as the rising importance of sustainability and impact investing. Given that nearly four out of five next-gen HNWIs plan to move their business elsewhere shortly after inheriting,[18] the ability to confidently advise on art-related assets could be a key differentiator for firms aiming to retain and attract next-gen clients.

Art and tech solution partnerships and consolidation
The market is experiencing a wave of technological innovation, from blockchain-based provenance solutions and tokenization platforms to AI-driven valuations and new data transparency tools. While promising, these solutions often operate in silos. The challenge and opportunity lie in combining them strategically to maximize benefits and accelerate time-to-market.

Strategic partnerships and consolidation will be crucial for delivering comprehensive solutions that build trust, improve liquidity and attract new entrants. This is particularly vital in the lower- and mid-tier segments, where most transactions occur and where the audience for future growth lies.

By enabling greater transparency, accessibility and confidence in these often underserved segments, technology can unlock meaningful volume, broaden participation, and help build a more resilient and balanced art ecosystem.

Development of innovative solutions and social investment products
Beyond market infrastructure, there is an urgent need to design financial products that channel capital into the CCS. Impact-driven funds, cultural infrastructure financing and blended capital models could provide long-term support to artists, institutions and creative entrepreneurs.

This requires engagement across multiple stakeholders:

- Governments seeking to strengthen cultural policy;
- Wealth managers advising on passion-driven investments;
- Patrons and collectors supporting cultural ecosystems; and
- Impact investors prioritizing sustainability.

With 50%[19] of next-gen HNWIs already making passion-driven investments, the creation of credible, innovative investment products could transform culture into a recognized asset class.

Art market associations to drive modernization
The art market remains fragmented, with persistent challenges around pricing opacity, inefficiency and elitism. Art market associations and professional bodies must take the lead in modernizing the industry. They need to foster dialogue among stakeholders—artists, galleries, auction houses, advisors and ancillary services—while also including wealth managers and next-gen collectors.

A key priority will be standardizing practices and promoting the responsible use of technology, particularly AI. Given the persistently low levels of trust in art market data among stakeholders, AI solutions for valuation, pricing and provenance will only succeed if they are transparent, verifiable and based on widely accepted standards.

By developing common frameworks, publishing credible market analyses, and championing initiatives that boost both efficiency and inclusivity, associations can help rebuild confidence and align the art market with the expectations of a new generation of participants.

Accelerating global recognition of culture as a socio-economic catalyst
Finally, the CCS must be recognized as key drivers of sustainable development. Developing global metrics to measure cultural impact, embedding culture more explicitly within environmental, social and governance (ESG) frameworks, and advocating for a dedicated UN Sustainable Development Goal (SDG) for culture would signal its importance on the global stage. Public authorities and policymakers must also grant greater visibility to culture's role as a catalyst for economic diversification, social cohesion and innovation.

The big picture

Growth of an innovative art and finance industry

The transformation of the wealth management sector, the global art market and the CCS is rapidly creating new needs and opportunities at the intersection of art and finance.

- As HNWIs seek holistic wealth management offerings;
- As wealth management adapts to new realities;
- As art and collectible assets represent a sizeable portion of UHNWI wealth and require the same attention as other assets;
- As luxury collectible assets follow the same patterns as art and collectibles;
- As a global wealth transfer is underway, and a new generation introduces new values;
- As the need grows for new, sustainable and innovative financial mechanisms for the CCS;
- As social impact investment develops and finds interesting applications for the CCS;
- As purpose-led investment and innovation are increasingly demanded in the cultural sector;
- As the art sector strives to improve its efficiency;
- As trust, transparency and regulations rise on the agenda;
- As technology matures and offers new ways to do business;
- As know-your-customer (KYC), anti-money laundering (AML) and fractional ownership regulations develop;
- As culture is recognized as a major engine for sustainable socio-economic growth; and
- As all of this is part of a global phenomenon...

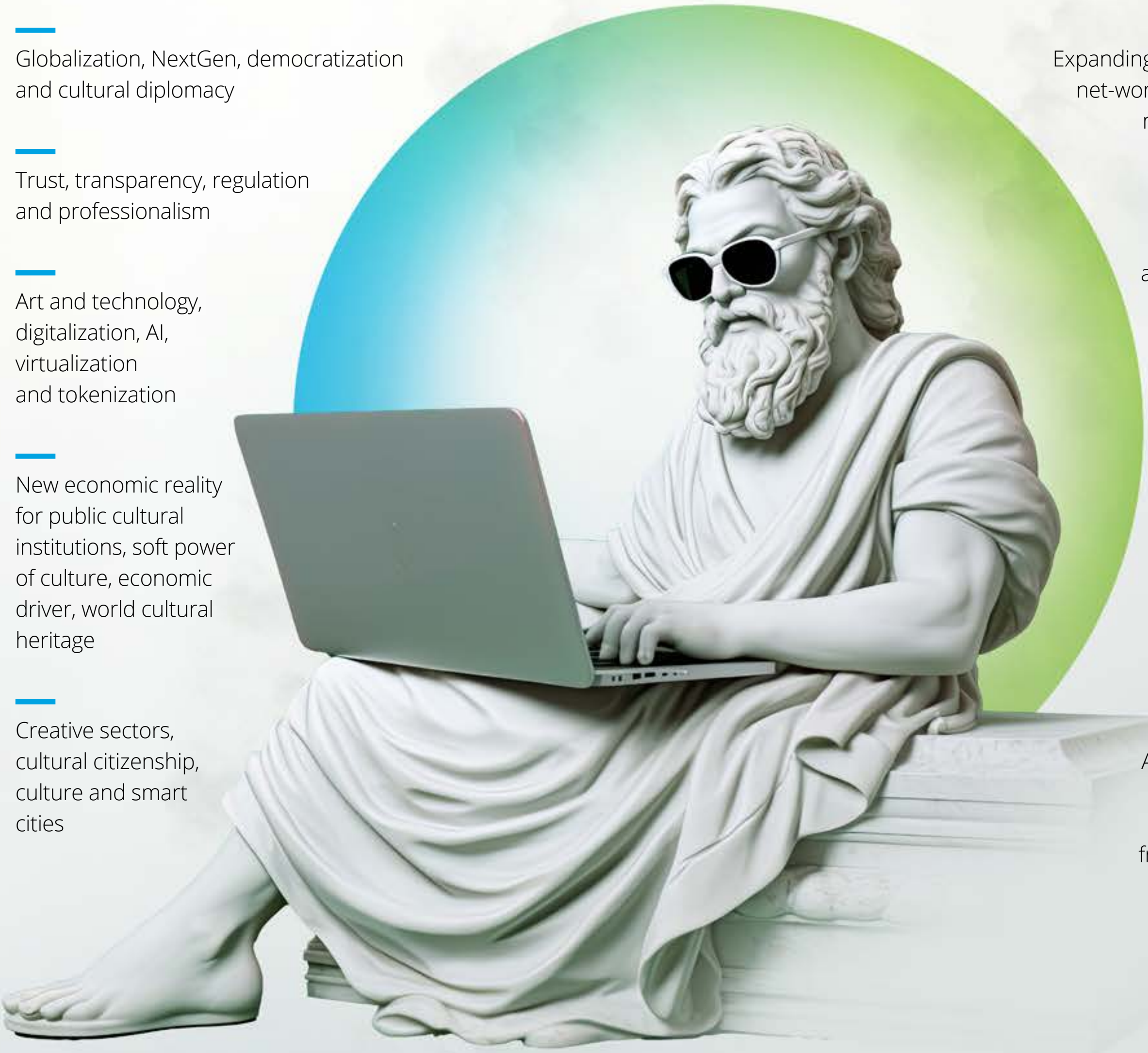
...these elements provide a solid foundation for the growth of an innovative art and finance industry in the years to come.

The big picture:
a unique set of macro trends to a new art & finance world

ART & FINANCE

ART TRENDS

- Globalization, NextGen, democratization and cultural diplomacy
- Trust, transparency, regulation and professionalism
- Art and technology, digitalization, AI, virtualization and tokenization
- New economic reality for public cultural institutions, soft power of culture, economic driver, world cultural heritage
- Creative sectors, cultural citizenship, culture and smart cities



FINANCE TRENDS

- Expanding class of ultra-high-net-worth (UHNWI) buyers, new generation and holistic offering
- Financialization: art as a capital asset
- Risk management, collection management and asset protection
- Tax and estate assistance, philanthropy and sustainability
- Art-secured lending, social impact investment and fractional ownership models

Source: Deloitte Private & ArtTactic Art & Finance Report 7th Edition

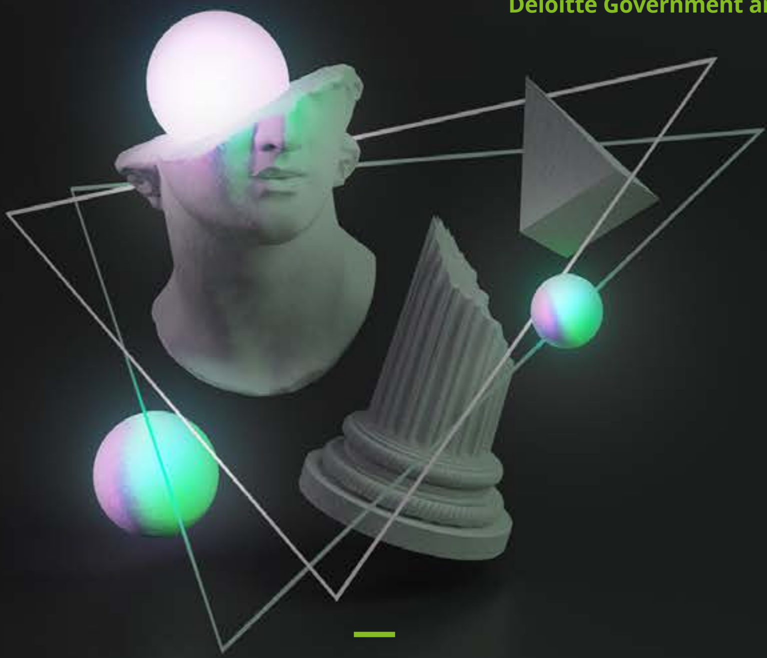
Global art & finance ecosystem

The art and finance industry is uniquely positioned at the intersection of **three interconnected sectors.**

CULTURE

- Large public museums
- Private museums
- Corporate collectors
- Private collectors
- Public authorities (country, region, city, etc.)
- Architects and designers

Deloitte Government and Public Services



FINANCE

- Private bankers
- Wealth managers
- Family offices
- Private investors/collectors
- Art/collectible fund promoters
- Art insurance companies
- Art trading companies

Deloitte Private Wealth – UHNWIs and Family Offices

VISUAL ART SECTOR

- Artists
- Companies selling art
- Digital art companies
- Art logistics companies
- Art fairs
- Art and media companies
- ArtTech companies

CREATIVE INDUSTRIES

Deloitte Private – Private companies and Private Equity

Deloitte Private Art & Finance is the first to market in offering art-related services to the financial, cultural, and art business sectors, supporting financial institutions, family offices, ultra-high-net-worth individuals (UHNWIs), art businesses, and public stakeholders with their art and collectible assets, activities, and projects. Bringing together professionals in consulting, tax, legal, audit, and business intelligence, the practice delivers multidisciplinary solutions with a global focus.

By addressing issues that matter to clients and stakeholders, Deloitte enhances client value, strengthens revenue and visibility across its network, positioning itself as the partner and leader in the art and finance ecosystem..

Interested?

Visit our *Deloitte Art & Finance* website to discover how we can help you.

Since 2008, Deloitte Private Art & Finance has been tracking the development and evolution of the art and finance industry. **We have organized 17 Art & Finance conferences, which you can explore *here*.**

For the past 14 years, **Deloitte Private has collaborated with ArtTactic to produce nine Art & Finance reports, which are available *here*.** These reports specifically focus on the role of art and collectibles within wealth management services.

An illustration of our services offering

CONSULTING

- Growth, business and digital strategy
- Operations and process optimization
- Technology and innovation (e.g.,blockchain)
- Regulatory strategy and compliance
- Market research and education
- Startup launching and growing support

RISK ADVISORY

- Cyber risk (e.g., strategy, security, vigilance, resilience, data protection and privacy)
- Financial and regulatory risk
- Operational risk
- Strategic and reputation risk

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

- Social and economic impact of cultural project

FINANCIAL ADVISORY

- Anti-money laundering trainings
- Forensic investigations
- Counterparty screening
- KYC solution
- Control efficiency report
- Mergers and acquisitions
- Real estate advisory

LEGAL

- Contracting and document review
- Banking and finance
- Commercial law
- Corporate law
- Technology law
- Dispute resolution (including tax litigation)
- Private client legal services
- Regulatory and compliance

AUDIT & ASSURANCE

- Statutory audit of financial statements for art businesses
- Disruptive event advisory
- Business assurance

TAX

- Succession and estate planning
- Intellectual property
- Purchase and sale of art pieces
- Corporate and commercial law
- Family foundation governance
- Indirect tax
- Trade and customs duty; export compliance
- Art & Collectible investment vehicle structuring
- Accounting
- Corporate tax compliance
- Indirect tax compliance
- HNWI and family office compliance
- Government grants, credits and Incentives

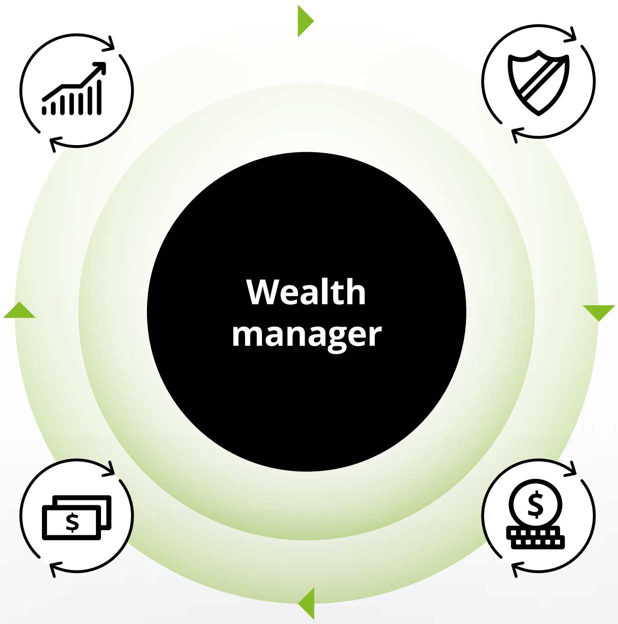
Illustration of art and wealth management services

ACCUMULATING WEALTH
– growing assets

- Museums endowments
- Art investment
- Art funds
- Stock of art business
- Private Equity in start-ups
- Financing of art business
- Social impact investments
- Fractional investments/STOs

PROTECTING WEALTH
– managing risks

- Art advisory
- Valuation
- Assets consolidation
- Reporting
- Art insurance
- Passive portfolio management
- Art collection management
- Tokenisation
- Family governance



TRANSFERING WEALTH
– creating legacy

- Philanthropy advice
- Art-related and estate planning
- Securitization
- Real estate advisory

CONVERTING WEALTH
– creating an income stream

- Art-secured lending
- Cultural destination business models
- Museum pricing consultancy

Not included

Client entertainment - Internal education - Art sponsoring - Corporate collection

Addressing our clients' top issues

HOW DO WE:

Create wealth outside of the operating business?

Family office design and management, wealth management and education

Serve our community and contribute to things that are important to our family?

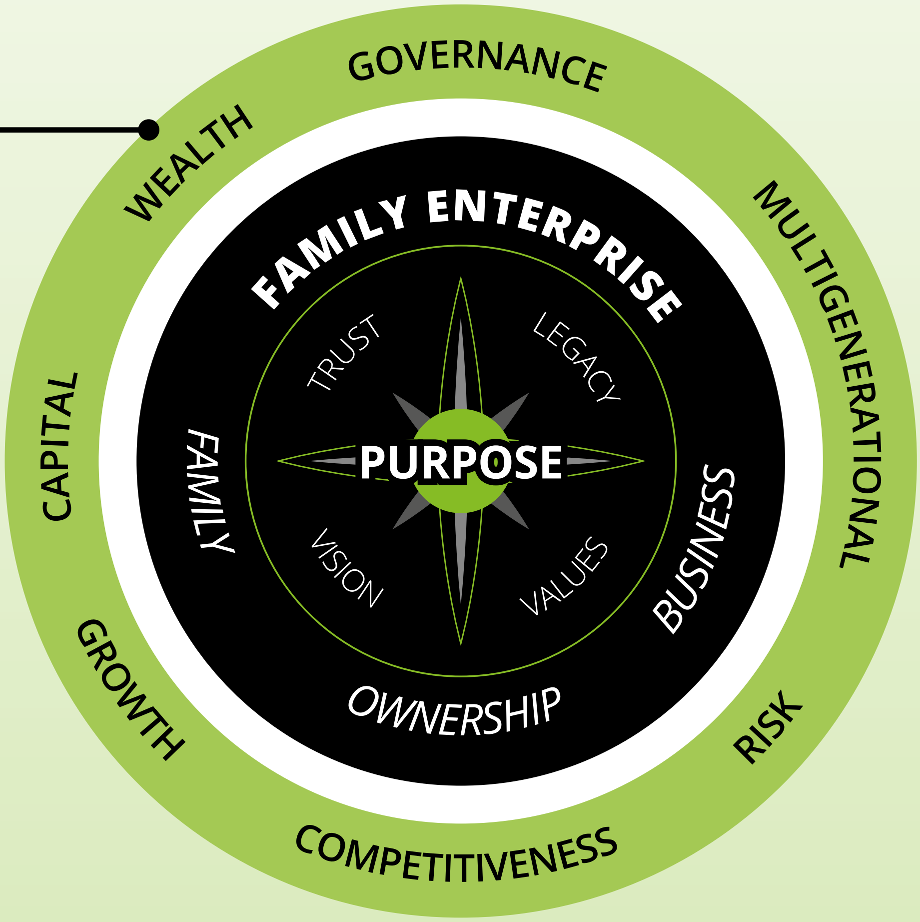
Philanthropy, social impact

Optimize our tax position across jurisdictions?

Tax effectiveness

Protect and structure our wealth to meet our objectives and mitigate uncertainty?

Estate planning, legal agreements



Deloitte Private Art & Finance focuses on the ultra-wealthy and their families' specialized needs for their art and collectible assets and projects, offering a multidisciplinary approach fueled by core values, vision, trust and legacy.

Endnotes

1. ArtTactic, *Contemporary Art Market Confidence Report July 2025*, 2025.
2. Altrata, *World Ultra Wealth Report 2024*, 2024.
3. Altrata, *World Ultra Wealth Report 2024*; Altrata, *Residential Real Estate 2025*, July 2025.
4. Knight Frank, *The Wealth Report 2023*, 2023.
5. Knight Frank, *The Wealth Report 2024*, 2024; Knight Frank, *The Wealth Report 2025*, 2025.
6. Knight Frank, *The Wealth Report 2023*.
7. Altrata, *World Ultra Wealth Report 2024*.
8. Altrata, *Residential Real Estate 2025*.
9. Ibid.
10. Altrata, *Family Wealth Transfer 2024*, 2024, p. 1.
11. Using 25% of Altrata's estimated UHWNI population figure of 483,500 in 2024. Source: Altrata, *Residential Real Estate 2025*, p. 6.
12. UBS, *UBS Investor Watch: For love not money*, 2017, p. 4.
13. "Problems in Paradise: Diagnosing the ills of the art market", p. 96
14. Estimates are based on auction sales totals derived from *The Art Basel & UBS Art Market Report 2025*.
15. Indices are composed of auction sales of paintings and works on paper produced by the top 100 performing artists in the category.
16. The technology impact indicator is an average measure of 12 key areas that stakeholders believe technology will have the most impact on. These are: 1) creating more liquidity; 2) creating more transparency; 3) improving valuation; 4) providing information and education; 5) authenticity related issues; 6) improving provenance and traceability; 7) increasing demand for art investments; 8) reducing transaction costs; 9) leading to a more regulated market; 10) broadening the collector/investor base for art; 11) improving engagement/interaction (sharing, connecting); and 12) incorporating art and collectible assets in wealth management.
17. Capgemini, *World Wealth Report 2025*, 3 June 2025.
18. Capgemini, *World Wealth Report 2025*, p. 9.
19. Capgemini, *World Wealth Report 2025*, p. 26.

01

Wealth and the global art market

Untitled
Marta Djourina, 2018, direct exposure on analogue photo paper, self-made film negative, 350 x 183 cm, unique work; Exhibition view "The Space between Us - Marta Djourina and Lisa Peters", 2020, Goethe Insitute Bulgaria, Sofia; Exhibition photo: Radostin Sedevchev

Untitled
Marta Djourina, 2023, direct exposure on analogue photo paper, 10 x 1,3 m, unique work; Exhibition view "Outer Glow", 2023, Kunstverein Junge Kunst e.V., Wolfsburg; Exhibition photo: CHROMA

Highlights

An estimated US$1 trillion in art and collectible wealth could be passed down to the next generation by 2034. This equates to roughly US$100 billion per year over the next decade.

Art and collectible wealth trends

Global wealth rebounds: After a brief downturn in 2022, global high-net-worth individual (HNWI) wealth increased by 4.2% in 2024 compared to 2023.[20] The United States led the way, with its HNWI wealth growing by 9.1% and its HNWI population by 7.6%.[21] The global population of ultra-high-net-worth individuals (UHNWIs) also continues to expand, projected to increase by more than a third (35%)[22] between 2024 and 2030. Specifically, the number of global UHNWIs grew from 395,070 in 2022[23] to 426,330 in 2023[24], holding an estimated US$49.2 trillion[25] in wealth. Their population totaled an estimated 483,500 in 2024[26] and is forecasted to reach 654,900 by 2030.

Art and collectible wealth on the rise: As the number of UHNWIs grows, so does the wealth allocated to art and collectibles. We estimate that UHNWIs' art and collectible wealth increased from US$2.174 trillion in 2022 to US$2.564 trillion in 2024. Our projections suggest this figure could reach around US$3.473 trillion by 2030, supported by the global UHNWI population's growth.

The great wealth transfer: Altrata's *Family Wealth Transfer Report 2024*[27], estimates 1.2M individuals with net worths above $5M will transfer nearly $31 trillion over the next decade. UHNW individuals ($30M+) make up 13% of this group but account for 64% ($19.84 trillion) of the transfer. Assuming 5% of UHNW wealth transfers involve art and collectibles, about $992 billion will change hands, roughly $100 billion annually over 10 years.

Beyond traditional art: The art and finance strategy has expanded to include not only art and antiques but also luxury and personal collectibles. Regardless of the specific asset, the core services remain the same, highlighting a strong business case for catering to a broader range of passion assets for both wealth allocation and client coverage.

A growing client base: The number of potential clients for art wealth management services is substantial. Close to 121,000 UHNWIs[28] in 2024, rising to an estimated 163,725 UHNWIs in 2030, could be prime candidates. Around 25%[29] of wealthy investors identify as "collectors," with those holding US$5 million or more in investable assets devoting significant time and resources to their often-extensive collections.

Art market trends

The global art market has slipped back into stagnation: After a brief post-pandemic rebound, international art market sales in 2024 fell below the longterm average. Our survey responses reveal a striking consensus on structural barriers, along with cultural and generational divides, that are reshaping participation and growth.

Changing tastes drive stagnation: More than half of wealth managers (55%), collectors (52%), and art professionals (57%) cited shifting consumer preferences and competition from other luxury collectibles as the primary reason the art market has stalled.

Opacity erodes trust: A lack of transparent pricing is a major barrier identified by more than half of respondents (51–59%), particularly art professionals. Without clearer valuation and traceability, the market risks alienating new buyers.

Costs and elitism deter collectors: High transaction costs (60% of collectors) and a perception of elitism (49% of collectors and 48% of professionals) are discouraging participation. This is especially true among younger generations, who increasingly demand inclusivity and efficiency. These initial results demonstrate that the status quo is no longer sustainable. Meaningful reform is not just an opportunity; it is a necessity for the art market's long-term health and relevance.

Younger art professionals and collectors are sending a clear message: the market must become more transparent, inclusive, cost-efficient and modern. Their frustration reflects not only individual pain points, but also deeper structural issues that could undermine the art market's future relevance and vitality if left unaddressed.

Auction sales decline: Over the past decade, auction sales growth has slowed. Sales in the top four fine art categories[30] at Sotheby's, Christie's and Phillips peaked at US$10.2 billion in 2022, but have since fallen sharply. Sales were down 24.2% in 2023 and an additional 25.8% in 2024. The 10-year compound annual growth rate (CAGR) for these categories stands at a negative -4.1%, reflecting the challenges of the past decade, although the 20-year CAGR remains a positive 3.7%.

Signs of tentative stabilization: The first half of 2025 suggested the market downturn may be easing, with total auction sales at Christie's, Sotheby's and Phillips down a more modest 6.2%. New York was a bright spot, posting a 1.2% gain, while London recorded its weakest first-half total in over a decade. Hong Kong also saw a significant decline of 17.5% in H1 2025, following a 27.5% drop in 2024.

Supply-side contraction: The very high end of the fine art market[31] has seen a dramatic drop in auction sales, with a 55% decline in sales of artworks for US$1 million or more between 2022 and 2024. The most expensive lots, those above US$10 million, suffered a 68% decline over the same period. Importantly, this contraction appears to be a pullback in supply rather than a collapse in demand, as many sellers are waiting for more favorable market conditions.

Luxury collectibles take a bigger share: The luxury collectibles segment has become one of the fastest-growing areas of the auction market, reflecting a broader shift in wealth allocation toward tangible, lifestyle-driven assets. In 2024, luxury categories accounted for a decade-high share of 18.8% of total auction sales at Christie's, Sotheby's and Phillips. This momentum continued in the first half of 2025, with luxury collectibles representing 20.2% of total auction sales by value.

A shifting landscape of preferences: This year's survey findings show that the most frequently cited factor for market stagnation is changing consumer preferences and growing competition from other luxury collectibles. Over half of wealth managers (55%), collectors (52%) and art professionals (57%) agreed that evolving tastes and the allure of emerging luxury segments—from watches to digital assets—are drawing attention away from traditional art collecting.

Mid-market opportunity and resilience: Artworks valued between US$50,000 and US$1 million showed resilience. The article "*Problems in Paradise: Diagnosing the ills of the art market*" (page 96) suggests the overall middle-value art segment remains significantly underexploited. In 2024, it accounted for approximately US$8 billion in global auction sales[32] (all auction houses), or just 4% of lots sold (around 16,000 out of 400,000) and could experience a two- to threefold growth, implying a total addressable market of US$16 billion to US$24 billion. Pre-contemporary works, where attribution, provenance and data access are critical, offer the greatest growth potential.

Single-owner collection sales fall as sellers wait: Total auction sales from single-owner collections hit a record US$4.19 billion in 2022 (including buyer's premium). Since then, however, sales from these consignments have contracted sharply, falling to US$1.19 billion in 2024, with the first half of 2025 generating US$675 million.

Online sales show higher volume: In the first half of 2025, online-only auctions generated US$366.6 million (a 10% decrease year-on-year), accounting for 9.2% of the market share, the highest since the 2021 peak. The volume of lots sold rose significantly by 12.9% year-on-year, with 27,522 lots sold. This increase in volume points to the democratizing effect of online channels, which provide opportunities at more accessible price points for a wider pool of buyers.

Financial guarantees are now critical: Financial guarantees have become a crucial tool in the auction market, supporting nearly two-thirds of evening sales since 2021, compared with less than half pre-COVID-19. With third-party guarantors now dominating, guarantees now serve as both a risk hedge and an investment strategy, particularly for artworks in the US$500,000 to US$10 million range. While less profitable, they remain essential for securing consignments and maintaining market confidence.

Art market confidence deteriorates amid uncertainty, but mid-market shows resilience: The first half of 2025 brought little relief for the global contemporary art market, as sentiment slipped back into negative territory. Yet the mid-market (US$50,000 to US$1 million) offered a rare bright spot, with its Confidence Indicator rising from 45 in January 2025 to 50 in July 2025, suggesting resilience even as the broader market remains at a crossroads. While a sustained recovery may not be imminent, pockets of opportunities are emerging.

Weakness in mature markets, strength in emerging hubs: By mid-2025, sentiment in the world's two largest art markets, the US and UK, had weakened, with fewer expecting short-term growth and more anticipating stagnation or decline. In contrast, the Middle East and Southeast Asia stood out as areas of promise, showing rising confidence and emerging as potential drivers of market growth. In addition, Europe and China shifted from a deeply negative outlook toward a more neutral one.

Next-gen trends

Reshaping the market: The next generation of collectors is charting a new course than previous generations. They are more interested in digital art forms[33], emerging and experimental artists, and social causes tied to art. Highly influenced by social media, they value technological innovation in their collections. To remain competitive, wealth managers must adapt their services to align with these new values and asset preferences.

Millennials and Generation Z as a force: A recent report by Sotheby's and ArtTactic[34], shows that millennials and Gen Z are becoming a powerful force in the Surrealism market. Millennials' share of Sotheby's bidder pool nearly doubled from 12.6% in 2018 to 23.8% in the first half of 2025. Gen Z's share rose from just 0.5% to 6.2% over the same period. Importantly, these younger collectors are actively acquiring not only works by their peers but are also bidding on established 20th-century artists associated with the Surrealism movement.

Regional art market trends

US versus UK and Europe: The US remains the world's largest art market by far, representing more than half of all global modern and contemporary auction sales at Christie's, Sotheby's and Phillips. However, its dominance is showing cracks, with auction sales declining by nearly 30% in 2024 and a negative five-year trend, despite strong wealth creation among US HNWIs. This could suggest a pause in demand rather than a lack of financial capacity. In contrast, the UK and continental Europe are showing signs of stabilization. Auction sales fell less severely, and market sentiment is more optimistic, underscoring London and Paris' resilience as cultural and transactional hubs.

Asia's divergence: Asia presents a divided picture. China, which has the fastest-growing pool of UHNWIs worldwide, saw its art sales drop by more than 40% in 2024, continuing a multi-year decline. South Asia, led by India, is a different story entirely; strong gross domestic product (GDP), rapid wealth creation, and a surging art market with double-digit gains make it one of the most dynamic regions globally. South Korean artists have also been on an upward trajectory since 2020, with auction sales 12% higher in 2024. However, auction sales of Japanese artists fell by a third in 2024 after a steady increase in sales between 2020 and 2023.

Middle East momentum: While still a niche market, the Middle Eastern art market is attracting growing interest. Although sales declined in 2024, the first half of 2025 already showed signs of recovery. The long-term outlook is positive, supported by cultural investment, wealth expansion, and the rise of Qatar, Dubai, Abu Dhabi and Saudi Arabia as major art centers. Collectors and institutions are optimistic, with nearly half expecting growth, signaling the region's ambition to play a larger role over the next decade.

Latin America's breakout: Latin America was 2024's standout performer. Despite modest economic growth and even shrinking wealth bases, art sales surged by more than 50% year-on-year, driven by local engagement and heightened international attention. With a healthy five-year growth rate, Latin America has emerged as a key growth engine, demonstrating that cultural dynamism and global visibility can offset economic headwinds.

Africa rebounds after a weak 2024: Despite robust economic growth and rising wealth, the African art market performed poorly in 2024, with auction sales falling almost by half. The first six months of 2025, however, showed a strong market rebound as both domestic and international recognition of African artists continues to grow.

Untitled
Marta Djourina, 2025, direct exposure on analogue photo paper, self-made film negative, 320 x 183 cm, unique work

Introduction

This section explores how trends in global wealth, the allocation of wealth to art and collectibles by UHNWIs, and the international art market are reshaping the art and finance industry.

Over the last 14 years, we have monitored how the art market has proven its resilience, adapting to significant global crises like the 2007–2008 financial crisis and the COVID-19 pandemic. However, the next two years are expected to bring continued volatility and uncertainty. Ongoing geopolitical tensions, trade wars and tariffs, supply chain disruptions, and shifting investor sentiment are expected to create a challenging environment for the art and finance industries.

Section 1 is divided into three main parts:

PART **01**

Art and collectible wealth review

We highlight key trends and recent developments in the art market, featuring insights from global experts to provide valuable context and analysis.

INDUSTRY **INSIGHTS**

The evolution of the collectible watch market and its impact on wealth management

This article highlights how the collectible watch market, particularly the pre-owned segment, has evolved into a significant asset class for wealth management. It explores key trends that have enhanced trust and liquidity in the market, such as the rise of certified pre-owned programs.

By Karine Szegedi
Managing Partner, Consumer and Fashion & Luxury Lead, Deloitte Switzerland
and Silvio Jobin
Watch Industry Expert, Deloitte Switzerland

INDUSTRY **INSIGHTS**

Hypercars: Powering into an investment class of their own?

This article argues that hypercars have become a new investment class due to their limited production and high demand. Favored by UHNWIs, these vehicles often appreciate significantly in value, despite high ownership and maintenance costs.

By Conrad Yates
Managing Director, Le Riche Automobile Storage Consulting & Logistics

PART **02**

Global art market review

INDUSTRY **INSIGHTS**

Problems in paradise: Diagnosing the ills of the art market

This article asserts that the art market's future growth lies not in high-value sales but in the mid-market. It asserts that a lack of information hinders this sector and can be unlocked by new technologies that improve due diligence and data access.

By Nicholas Eastaugh
CEO, Vasarik Limited
and Thereza Wells
COO, Vasarik Limited

PART **03**

Regional breakdown

INDUSTRY **INSIGHTS**

Korea's 2025 art scene trends

This article reveals how Korea's art market is evolving. It explains that while the auction market has slowed, the primary market is growing, driven by a new generation of collectors who see art as both a statement of identity and investment.

By Sun Hee Gong
Partner, Deloitte
and Kyoung Ho Kim
Partner, Deloitte
and Yeong Jee Choi
Senior Consultant, Deloitte

INDUSTRY **INSIGHTS**

Romania: An art market on the rise

This article explores Romania's maturing art market, driven by a new generation of collectors. While art purchases are still motivated by passion, there is a growing recognition of art as a viable financial asset, boosting demand for professional wealth management services.

By Corina Dimitriu
Partner, Deloitte Romania

Untitled
Marta Djourina, 2022, direct exposure on analogue photo paper, self-made film negative, 350 x 183 cm, unique work; Exhibition view at Positions Art Fair, FeldbuschWiesnerRudolph Gallery, 2022; Exhibition photo: CHROMA

PART **01**

Art and collectible wealth review

Following a downturn in 2022, global wealth enjoyed a robust rebound in 2024 on the heels of a buoyant 2023.

According to Capgemini's *World Wealth Report 2025*[35], HNWI financial wealth grew by 4.2% in 2024, driven by strong equity market returns. This was supported by the *UBS Global Wealth Report 2025*[36], which showed that global wealth accelerated from 4.2% in 2023 to 4.6% in 2024. A report by the Boston Consulting Group (BCG)[37] echoed these findings, estimating that global net wealth reached US$512 trillion in 2024, a 4.4% increase, though this was below the 5.3% average growth of the prior four years.

According to Capgemini, US HNWIs enjoyed the most significant growth in 2024, with their wealth increasing by 9.1% and their population by 7.6%. In contrast, Asia-Pacific HNWIs saw a more moderate growth (4.8% in wealth and 2.7% in population), while European HNWIs experienced a modest 0.7% wealth increase and a 2.1% population decline.[38]

The global population of UHNWIs is projected to increase by more than one-third (35%) between 2025 and 2030,[39] from 483,500 individuals to 654,900.[40] In 2023, 426,330 UHNWIs held a collective wealth of US$49.2 trillion.[41]

The *UBS Global Wealth Report 2025* highlights a growing, yet often overlooked, investor category: "everyday millionaires" (EMILLIs) with assets between US$1 million and US$5 million. Their global numbers have more than quadrupled since 2000 to around 52 million at the end of 2024, and their total wealth of US$107 trillion is nearly as much as the US$119 trillion held by those with more than US$5 million in wealth.[42]

While the growth rate of EMILLIs varies globally, a long-term upward trend is evident in nearly all markets. Given their growing numbers and wealth, EMILLIs are becoming increasingly important participants in the art market's lower to middle-tier (artworks valued below US$1 million), a segment often overlooked by wealth managers. Providing tailored support to this demographic is a significant business opportunity, which is explored in "*Problems in Paradise: Diagnosing the ills of the art market*" (page 96) and in our analysis of the mid-market on page 92.

Art and collectible wealth from 2024 to 2030

Art and collectibles have become a critical component of global wealth, both as a store of value and as an expression of cultural capital. Recent research[43] shows that a significant portion of private wealth, particularly among UHNWIs, is consistently allocated to art. This allocation is driven not just by financial goals like diversification, legacy planning and wealth preservation, but also by the cultural, philanthropic and social impact dimensions of art ownership.

Against a backdrop of shifting global markets and evolving collector behaviors, this section provides updated estimates of the scale of art and collectible wealth, exploring differences across wealth tiers and regions. It also highlights the opportunities this presents for wealth managers seeking to better serve clients in an increasingly complex and diversified landscape.

We estimate that the wealth UHNWIs held in art and collectibles was US$2.564 trillion in 2024, a figure projected to grow to an estimated US$3.473 trillion by 2030 (see the full methodology on page 17). This projection assumes that wealth tied to art moves in line with projected UHNWI population growth[44] and that allocation to art and collectibles have remained constant around 5%.[45] For 2023 and 2024, we have adjusted the estimate of total wealth allocated to art and collectibles with the decline in art market values during these two years, using the Knight Frank Luxury Investment Index (KFLII).

Although this report primarily focuses on wealth managers serving UHNW clients, it is equally important to recognize the opportunities within the rapidly expanding population of EMILLIs (holding US$1 million to US$5 million in assets). If their allocation to art were similar to UHNWIs, it would represent an estimated US$4.52 trillion in 2024. This represents a significant opportunity for wealth managers, who can offer tailored solutions for clients with smaller, but increasingly valuable, art collections.

According to this year's Deloitte Private & ArtTactic survey of wealth managers and family offices, a significant share of clients' wealth is associated with art and collectibles. We estimate a conservative average of **10.3%** for wealth managers, **10.9%** for private banks and **8.8%** for family offices. (See Section 2, page 153 and 184 for more details). This is in line with a 2017 UBS report[46] that found most collectors view their valuables as part of their total wealth, with collections representing 10% of their total wealth on average.

Collectors surveyed this year by Deloitte Private and ArtTactic reported a slightly higher average allocation to art of 12.9%, with next-gen collectors reporting their average allocation was 9.7%. Knight Frank's *The Wealth Report 2023* noted a global average of 5% of financial wealth allocated to art and other collectibles.[47] Although this figure has not been updated since, we have continued to use this allocation as a conservative estimate for UHNWI allocation to art and collectibles and in our calculation of global art and collectible wealth.

Art Basel and UBS' *Survey of Global Collecting 2024*[48] showed how art allocations by HNWIs have fluctuated over time. The average allocation was 22% in 2020 and 2021, peaking at 24% in 2022 but then declining to 19% in 2023 and 15% in 2024. The report suggests this decline may be due to a more cautious approach by HNWIs, who are shifting their focus to more-liquid financial or income-producing assets. Another contributing reason may be the art market's downturn that started in 2023 and has continued into the first half of 2025.

The *Survey of Global Collecting 2024* also found that art allocation is closely tied to a collector's total wealth. In 2024, the average allocation for UHNWIs with over US$50 million was 25% in 2024 (down from 29% in 2023). This is more than double the average allocation of 12% for individuals with less than US$5 million in personal assets. The data further shows that 42% of UHNWIs dedicated 30% or more of their wealth to art, while only 4% of those with less than US$5 million did the same.[49]

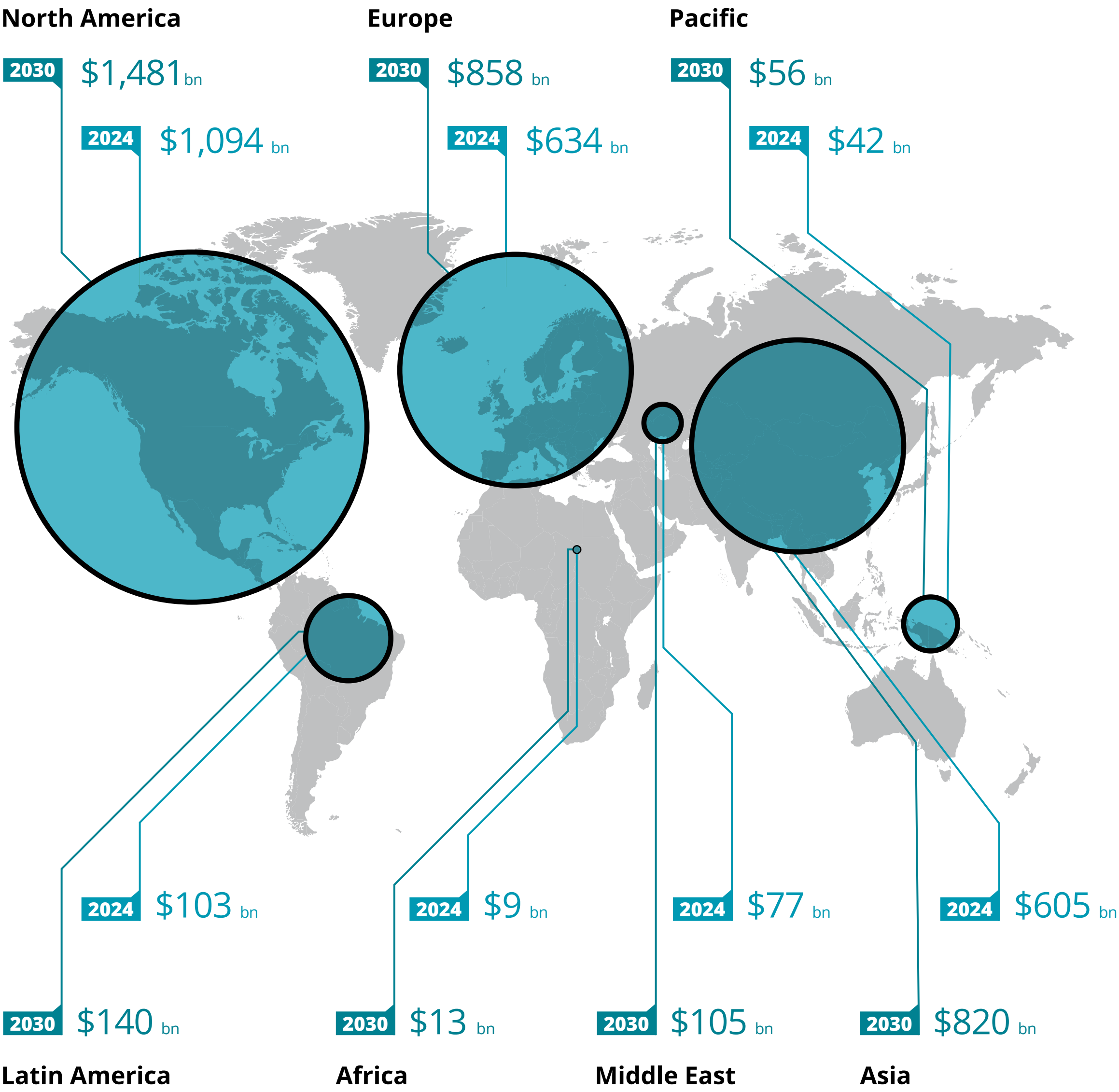
These findings highlight the growing importance of art and collectibles as a key part of wealth, particularly for UHNWIs, where allocations can reach a quarter of total assets. The varying level of engagement with art as an asset class across wealth tiers, regions and generations—influenced by both market conditions and broader portfolio preferences—highlights its role in portfolio diversification, legacy planning, philanthropy and social impact strategies. As the "great wealth transfer" to the next generation unfolds, it will be crucial to see how art and collectibles are integrated into future portfolios.

Figure 1: Art and collectible wealth 2024–2030 (all figures are in US$ billion)

Source: Altrata, Knight Frank.

Estimated wealth allocated to art and collectibles	North America	Latin America	Africa	Europe	Middle-East	Asia	Pacific	Overall
Total UHNWI Art and Collectibles Wealth in 2024	1,094	103	9	634	77	605	42	2,564
Total UHNWI Art and Collectibles Wealth in 2030	1,481	140	13	858	105	820	56	3,473

From the [Altrata World Ultra Weatlh Report 2025] issued end of September 2025 the Global UHWN wealth in June 2025 was estimated at USD 59.8 trillion for a world's UHNW population of 510,810. The number of UHNW individuals in 2030F is estimated at 676,970.



The great wealth transfer

According to Capgemini's *World Wealth Report 2025*, the wealth management landscape is on the cusp of a fundamental transformation, driven by an unprecedented transfer of wealth to younger generations, including Generation X, millennials and Generation Z. This new group of clients, referred to as next-gen HNWIs, will inherit a staggering US$83.5 trillion[50] in wealth by 2048, with women receiving a significant share by 2035. Some estimates are even higher; Cerulli, for example, projects a US$124 trillion transfer in the US alone by 2048.[51]

According to Altrata's *Family Wealth Transfer 2024* report, an estimated 1.2 million individuals with a net worth over US$5 million are expected to transfer nearly US$31 trillion in wealth over the next decade. Of this total, UHNWIs, defined as those with a net worth of US$30 million or more, account for a significant portion. While they represent just 13% of the population, they are responsible for 64% of the nearly US$31 trillion transfer, which amounts to US$19.84 trillion.[52]

Based on a conservative estimate that 5% of UHNW wealth transfers are related to art and collectibles—the same estimate we used for total UHNWI art and collectible wealth—it is projected that approximately US$992 billion in art and collectibles will be transferred over the next decade. This is equivalent to roughly US$100 billion per year over the 10-year period.

For wealth managers, this generational shift presents a dual opportunity. Older generation collectors are increasingly seeking expert advice on succession planning, valuations and liquidity strategies for their art holdings. Meanwhile, the rising cohort of next-gen HNWIs views art as both a passion and a financial asset, and often a vehicle for social purpose.

In this year's survey, a significant 72% of next-gen clients reported their desire for more holistic wealth management services, citing this as the strongest argument for why wealth managers should include art and collectibles in their wealth management offering. This demand for a holistic approach goes beyond simple transactions, creating an opportunity for wealth managers to offer tailored solutions that connect acquisition, finance, succession and philanthropy within a single advisory framework.

By positioning art as a bridge between a client's personal values and their long-term wealth strategy, advisors can deepen relationships across generations and tap into a still under-served asset category.

Art, luxury and wealth trends

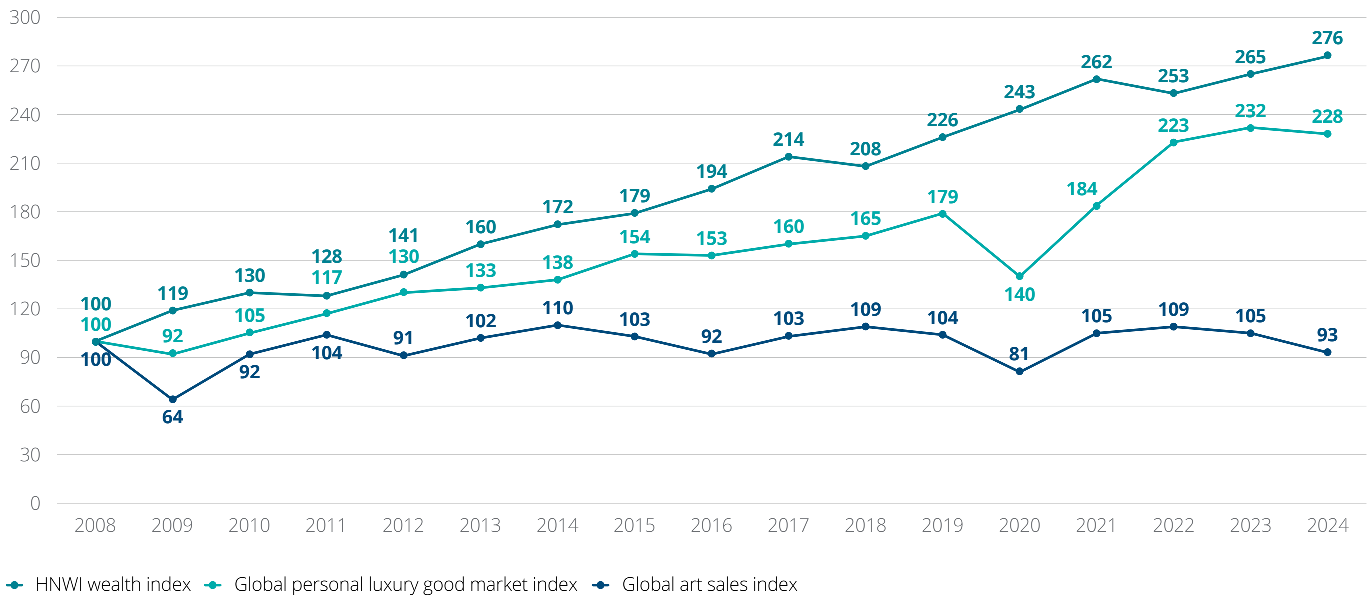
Based on *The Art Market Report 2025*,[53] the global art and antiques[54] markets declined for the second consecutive year in 2024, at a faster pace than in 2023. International sales fell by 12% in 2024 to an estimated US$57.5 billion, following a 4% decrease in 2023.

The art market's negative 16-year annual nominal growth rate[55] of -0.5% contrasts sharply with the broader luxury goods sector, which saw a CAGR of 5.3% during the same period.

When juxtaposed with data from Capgemini's annual World Wealth Report, this suggests that the art market has not kept pace with the growth of HNWIs and their wealth. Between 2008 and 2024, global HNWI financial wealth grew 6.5% annually, from US$33 trillion to US$90.5 trillion. Over the same period, the HNWI population (including UHNWIs and mid-tier millionaires) mushroomed from 8.6 million to 23.4 million. These trends indicate that the overall art market has failed to attract the attention of the broader HNWI population and their growing wealth.[56]

Figure 2: HWNI wealth growth vs. global art market sales growth vs. luxury goods sales growth, in US$ (index base year: 2008)

Source: Art Basel and UBS' The Art Market Report, Capgemini's World Wealth Reports from 2010 to 2025, and Bain-Altagamma's Luxury Goods Worldwide Market Study.



Luxury collectibles gain market share as personal luxury spending expands

The luxury collectibles[57] segment has become one of the fastest-growing areas of the auction market, reflecting a broader trend toward tangible, lifestyle-driven assets. In 2024, luxury categories accounted for a decade-high share of 18.8%[58] of auction sales at Christie's, Sotheby's and Phillips, despite a 19.7% fall in sales value. This momentum continued into the first half of 2025, with luxury collectibles representing 20.2% of total auction sales by value, even as overall auction sales contracted by 26%.

This growth is also evident in the number of items sold. The number of luxury lots rose by 21.9% year-on-year, increasing from 22,960 in the first half of 2024 to 27,985 in the first half of 2025. Online-only sales volumes grew even more dramatically, surging by 37.2%, highlighting the role of digital channels in expanding market access.

This rise aligns with a long-term trend in personal luxury spending. According to a Bain & Company and Altagamma study, the global personal luxury goods market has more than doubled in size over 16 years, growing from €159 billion (US$234 billion) in 2008 to an estimated €363 billion (US$393 billion) in 2024.[59] This sustained growth reinforces luxury as a key marker of wealth, with luxury collectibles increasingly appealing to HNWIs.

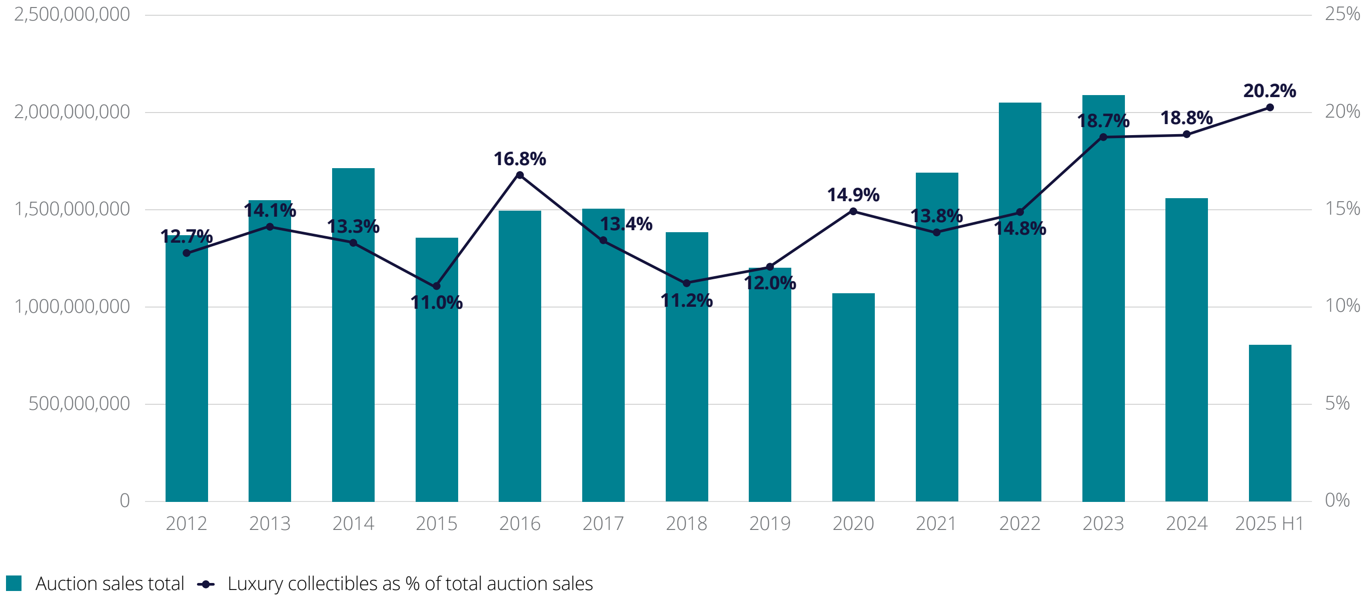
For wealth managers, this trend suggests that an art and finance strategy should extend beyond art and antiques to include luxury collectibles and personal luxury items. The same wealth management services, such as valuation and succession planning, apply to these "passion assets", making them a valuable tool for deepening client relationships.

While there is no statistic regarding the number of UHNW collectors, we can reasonably estimate that many of them collect. A 2017 UBS report[60] found that approximately 25% of wealthy investors considered themselves to be "collectors", with most having cultivated their collections for over 20 years. The report also noted that wealthier collectors (with US$5 million or more in investable assets) dedicated more time and money to their collections, and believed they gained more monetary and sentimental value in return.[61]

For wealth managers, this suggests a significant market opportunity. Based on an estimated 120,875 UHNWIs[62] in 2024, the potential for art wealth management services is substantial. This market is expected to grow even further, with a projected 163,725 UHNWIs in 2030.

Importantly, the growth of this market is not confined to the ultra-wealthy: EMILLIs, with assets of US$1 million to US$5 million, are an expanding group of participants. Their growing presence illustrates that the financialization of collectibles is spreading beyond the top tier of the ultra-wealthy, solidifying this segment as a key avenue for wealth expression, diversification, and long-term value preservation.

Figure 3: Luxury collectibles, auction sales (US$) and as % of total auction sales, 2012–H1 2025
Source: ArtTactic, based on data from Christie's, Sotheby's and Phillips.



INDUSTRY **INSIGHTS**

The evolution of the collectible watch market and its impact on wealth management

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Introduction

The collectible watch market has experienced significant growth and transformation in recent years, particularly within the pre-owned segment.

This article explores the latest market trends, with a focus on the new generation of buyers, millennials and Generation Z, and highlights key developments relevant to the wealth management community, including family offices.

Drawing on the *Deloitte Swiss Watch Industry Insights 2024: Spotlight on the pre-owned market* report, we delve into the dynamics reshaping the industry and provide valuable content backed by key findings and data.

The collectible watch market includes high-value timepieces prized for their rarity, craftsmanship, and historical significance. While entry prices can start relatively low, such as for certain Swatch models, high-end collectible watches can reach hundreds of thousands or even millions of CHF. The market attracts enthusiasts and investors who view these watches as luxury items and tangible assets with potential for long-term value appreciation.

As our research shows, global consumer interest in buying pre-owned has doubled since 2020, while indifference has halved.[72] This demonstrates a much larger penetration of the pre-owned watch business among all consumer stats, both geographically and demographically.

Key highlights

I. MARKET GROWTH AND STABILITY:
despite recent normalization, the pre-owned watch market continues to outpace the primary market, with predictions that it will match the size of the primary market within the next decade.[73]

II. INCREASED CONSUMER INTEREST:
global demand for pre-owned watches has doubled since 2020, driven by factors like affordability, immediate availability, and investment potential.

III. VINTAGE AND NEO-VINTAGE APPEAL:
there is a growing demand for rare and vintage watches, as well as neo-vintage models that combine vintage aesthetics with modern technology, particularly among Gen Z and female consumers.

IV. CERTIFIED PRE-OWNED (CPO) MARKET:
the introduction of certifications and warranties has enhanced trust in the pre-owned market, with consumers willing to pay a premium for CPO watches.

V. CELEBRITY INFLUENCE:
high-profile investments by celebrities in pre-owned watch platforms are reshaping market perceptions and driving growth.

Market dynamics and trends

The rise of the pre-owned market

The pre-owned luxury watch market has seen volatile growth, driven by both internal dynamics and external factors, such as the COVID-19 pandemic. The pandemic-induced boom sparked a price surge in 2021, which then stabilized in 2024. Despite the correction, the market remains robust, with prices still substantially above pre-pandemic levels.[74]

Consumer behavior and preferences

The core reasons for buying pre-owned watches have remained consistent, with affordability the most significant factor. The appeal of discontinued models, immediate availability, and investment potential also drives consumer interest.

Notably, the investment aspect has slightly declined due to market stabilization. Sustainability and specific models tied to events are less influential compared to price and availability.

Generational influence

Millennials and Gen Z are the largest contributors to the growing interest in pre-owned watches.

Millennials, in particular, are financially established and inclined towards pre-owned watches as a cost-effective alternative to new models. Gen Z, while less financially established, show a strong preference for affordability and sustainability, reflecting their broader consumer values.

The role of certified pre-owned (CPO) watches

The CPO market has become fundamental to the pre-owned segment, offering greater transparency and trust. Brands like Rolex, Breitling, and Vacheron Constantin have introduced CPO programs, ensuring rigorous inspection, authentication and warranties. This development has significantly boosted consumer confidence and willingness to invest in pre-owned watches.

Market players and strategies

Diverse selling models

The pre-owned market features various selling models, including 1P (stock-based), 2P (consignment), and 3P (marketplace). Each model presents different risks and rewards, with platforms like Chrono24, eBay, and Bezel playing significant roles in the digital space.

1P: Stock-based model

Under a 1P platform, the business holds physical stock that it owns and sells directly to customers. This traditional retail model involves substantial capital investment and financial risks, as the business must invest in stock and bear the full inventory cost. Companies like Bucherer, Watchfinder & Co., and Watches of Switzerland operate under this model, purchasing inventory upfront and selling it through their channels.

2P: Consignment model

In a 2P platform, businesses manage the sale of products without owning the inventory legally, although the seller physically holds the products. Auction houses like Christie's, Sotheby's, and Phillips, as well as platforms like Wristcheck, operate under this model. The business takes possession of the product only when a sale is made, significantly lowering financial risk.

3P: Linking model

A 3P platform connects buyers and sellers and often operates as a marketplace, like Chrono24, eBay, or Bezel. Businesses do not hold or manage inventory; instead, they facilitate the sale of products from other sellers, earning commissions on transactions. This model requires investments in technology and logistics to maintain market trust.

Brand involvement

Brands are increasingly involved in the pre-owned market, with some launching their own CPO programs. For example, Rolex's (2022) and Vacheron Constantin's (2024) CPO programs have rapidly expanded, offering authenticated pre-owned watches through authorized dealers. Independent brands like Richard Mille (2015) and F.P. Journe (2016) have also established successful CPO programs.

Auction houses

Auction houses remain pivotal in the pre-owned market, handling high-value transactions and offering rare, limited-edition and vintage watches. Their expertise in authentication and transparency ensures buyer confidence, making them key market players.

Impact on wealth management

The growth of the pre-owned watch market presents significant opportunities for wealth management professionals and their clients, particularly family offices. Collectible watches are increasingly viewed as tangible assets with long-term value appreciation. The introduction of CPO programs enhances the liquidity and trustworthiness of these investments, making them more appealing to sophisticated investors.

Investment potential

One in five consumers views pre-owned watches as investments, prioritizing technical excellence and historical significance.[75] The stabilization of prices and the growing popularity of vintage and neo-vintage models further reinforce the market's investment potential.

Collectible watches, particularly those with limited production runs or unique features, are seen as both luxury artefacts and sound financial assets. As demand for vintage watches grows, buyers are increasingly viewing them not just as items of personal enjoyment, but as tangible assets with the potential for long-term value appreciation.

Diversification of investment portfolios

For wealth management professionals, including family offices, collectible watches offer a unique opportunity to diversify investment portfolios. Unlike traditional assets like stocks and bonds, collectible watches can provide a hedge against market volatility and inflation.

These assets' tangible nature adds a layer of security, being less susceptible to market fluctuations, easy to transport and store, and readily liquidated when needed. Additionally, the emotional connection and prestige associated with luxury watches make them desirable assets for high-net-worth individuals (HNWIs).

Enhanced liquidity and trust

CPO programs have significantly amplified the liquidity and trustworthiness of pre-owned watches. Buyers can be confident they are acquiring authentic timepieces in excellent condition, backed by warranties and rigorous inspections.

This increased transparency and trust make pre-owned watches more appealing to investors, who can rely on the certification and guarantee provided by reputable brands.[76] As a result, wealth management professionals can confidently recommend pre-owned watches as viable investment options to their clients.

Celebrity influence and market perception

High-profile investments by celebrities like Cristiano Ronaldo and Charles Leclerc in platforms like Chrono24 have elevated market perceptions and attracted new buyers. This convergence of celebrity influence and innovative platforms is redefining the way luxury watches are perceived and appreciated, driving growth in the pre-owned market.

Celebrity involvement not only boosts the market's credibility but also its visibility, making it more attractive to potential investors.

Strategic considerations for wealth managers

Wealth management professionals should consider several strategic factors when advising clients on investing in collectible watches.

Firstly, they should evaluate the historical performance and market trends of specific watch brands and models. Watches from brands like Rolex, Patek Philippe, and Audemars Piguet have consistently shown strong performance and value retention.[77]

Secondly, condition and provenance are crucial factors that can significantly impact a watch's value. Certified pre-owned watches with documented history, their original box and authenticity are more likely to appreciate in value.[78]

Additionally, wealth managers should educate clients on the importance of diversification within the collectible watch segment. Investing in a mix of vintage, neo-vintage, and modern watches can provide a balanced portfolio that mitigates risks and maximizes potential returns.

It is also essential to stay informed about the market's emerging trends and developments, such as the growing popularity of independent watchmakers and the influence of sustainability on consumer preferences.

Conclusion

The pre-owned watch market is undergoing a remarkable transformation, driven by shifting consumer preferences and the evolution of digital marketplaces. The introduction of CPO programs has enhanced trust and transparency, making pre-owned watches a viable investment option.

Wealth management professionals and family offices should consider the growing appeal of collectible watches as part of their investment strategies, leveraging the opportunities presented by this dynamic market.

To learn more about the pre-owned watch market, delve into our *Deloitte Swiss Watch Industry Insights 2024: Spotlight on the pre-owned market* report.

INDUSTRY **INSIGHTS**

Hypercars:

Powering into an investment class of their own?

Conrad Yates
Managing Director,
Le Riche Automobile Storage Consulting & Logistics.

The Directors of Le Riche Storage and Consultancy Limited have more than 30 years of extensive experience in the automotive sector. They currently operate a high-security concierge storage facility on Guernsey, providing offshore hypercar ownership solutions to global collectors.

Much like art, watches and fine wine, investing in rare cars is often a pursuit driven by passion and personal interests. While they provide exhilarating enjoyment, collectible cars can also offer a healthy return on investment under the right circumstances.

The market for collectible cars spans such a diverse range of subcategories, all with their own unique approach to investment, that an attempt to comment on the asset class as a whole is largely futile. However, it is fair to say that "hypercars", a fairly new phenomenon, appeal to the type of collector who transcends the ordinary motoring enthusiast in terms of budget and expectation.

Hypercar ownership goes beyond the high-performance characteristics of a mere supercar, boasting extremely limited numbers, prices measured in the millions, bespoke craftsmanship, and technology derived from Formula 1 (F1) racing. Hypercar buyers aspire to align themselves with ideals embodied by cutting-edge design, competition pedigree and brand heritage.

Redefining highest quality

A growing community of ultra-high-net-worth (UHNW) collectors harbor aspirations to own the most unique cars in production, and manufacturers have taken notice. Many have created exclusive divisions that produce only a handful of hypercars to order for the world's elite collectors. Demand is so high that they often sell out before the first vehicle even rolls off the production line.

A prime example of this trend, the Ferrari F80 is a forthcoming hypercar. It features a 3.0-liter twin-turbocharged V6 hybrid engine delivering 1,200 horsepower, allowing it to accelerate from 0 to 60 miles per hour (mph) in just over two seconds. Constructed from lightweight aluminum and carbon fiber, the F80 has been praised as a "once-in-a-decade" hypercar, offering F1-level performance for road use. Only 799 units will be made, each with a price tag of nearly US$4 million.[79]

Exclusive access behind the red rope

Part of the appeal is that no matter your resources, not everyone can walk into a showroom and buy a new hypercar. New owners are often chosen by manufacturers, in what is a heady symbiotic relationship. Manufacturers like Ferrari and McLaren allocate their limited production hypercars to loyal long-time collectors, past and present F1 stars who race their cars, and influential celebrities.

McLaren F1

If you find yourself on a hypercar client list, you join a pantheon of elites where the actual price of the car is largely irrelevant. And the secondary market often reflects this.

Hypercar owners are feted by the hosts of concours events and exhibitions, who know these cars will attract crowds. For many collectors, showcasing their passion asset to a global audience is often the icing on the cake. Better still, owning a hypercar made by an F1 manufacturer often confers access to all areas at the race circuit, as well as the after party.

The investment opportunity

The allure of these exotic, precision-built creations, coupled with limited production runs and elevated secondary market prices, creates a significant investment opportunity.

The 1992 launch of the groundbreaking McLaren F1 is often credited with creating the niche hypercar market. Designed by the renowned Gordon Murray, it was radically unlike any road car that came

Gordon Murray Automotive T50s

before it, featuring a central driving position, carbon fiber construction and a top speed of 240 mph. Only 106 of these cutting-edge machines were produced, each priced at around £540,000. Today, that same car could sell for as much as £16 million, an impressive increase of more than 1,000%.[80]

These days, a hypercar often begins appreciating in value even before it leaves the factory. For example, the GMA T50, limited to just 100 units, had a list price of £2.36 million when orders were placed several years ago. However, due to high demand, new owners who finally received their cars in early 2025 found that their market value was now nearly double what they had initially paid.[81]

Navigating a smooth journey

While the opportunity is clear, accessing the market is a challenge. Most manufacturers limit new models to a select group of preferred buyers, using tightly controlled lists to manage demand. They also use restrictive contracts to curb speculative resales, with a breach of these clauses leading to owners being struck off the hallowed lists and banned from future releases.

Like a superyacht or jet, owning a hypercar also comes with staggering ongoing maintenance costs. For example, the three-year service plan for an Aston Martin Valkyrie, of which 275 units were made, costs US$450,000—more than the purchase price of a Porsche 911 Turbo or Ferrari 488.[82]

Hypercars ideally need to be stored in high-security, dehumidified environments, and transporting them often requires specialized carriers with bespoke loading platforms due to their ground-hugging aerodynamic features.

It is no wonder that discerning collectors seek expert advisors, asset managers, offshore structuring and concierge services to protect and enhance their hypercar assets. Strategic, tax-efficient purchases and careful use of these vehicles can significantly offset the inevitable costs of ownership.

The management of these investments has created a complex industry of its own, especially for owners who wish to drive and enjoy these assets across multiple customs jurisdictions.

Conclusion

Whether driven hard as the manufacturer intended or stored for optimum financial return, a hypercar remains one of the few alternative investments where extravagance and financial return can coexist. As these cars become ever more rarefied, there has never been a more exciting time for enthusiasts to explore the investment opportunities of this emerging sector.

Ferrari F80

Untitled
Marta Djourina, 2019, direct exposure on analogue photo paper, self-made film negative, 350 x 183 cm, unique work; Exhibition view "VOCAB - Marta Djourina and Gary Schlingeider", 2020, Burster Gallery, Berlin; Exhibition photo: Silke Brühl

PART **02**

Global art market review

A

Is the global art market reaching its low point?

The global auction market continued to face significant challenges in 2024. Sales at major houses like Christie's, Sotheby's and Phillips dropped by 26% in 2024, following a 19% contraction in 2023.[63] This marked the second consecutive year of negative growth for the art market, signaling a period of sustained downturn.

Even the luxury collectibles sector, which showed resilience in 2023, saw a 25% drop in sales in 2024, although it maintained its market share at 18.8% (up from 18.7% in 2023). In the first half of 2025, luxury collectibles increased their share of the auction market to 20.2%.

This decline was particularly prominent at the very high end of the fine art market.[64] Sales of artworks priced at US$1 million+ fell by 55% between 2022 and 2024. At the very top, sales of lots above US$10 million also contracted sharply, with a 68% decline over the same period. This contraction primarily reflects a pullback in supply rather than a collapse in demand, as many sellers under little pressure to sell have chosen to hold back, waiting for better market conditions.

Despite these challenges, some segments held their ground. The watch segment of the luxury collectibles market performed similarly to previous years. Although the total sales value fell, the volume of lots sold saw only a modest 7% decrease, indicating strong buyer engagement at lower price points.

Supply-side constraints, particularly the absence of major "single-owner" collections, significantly impacted sales of works over US$1 million. However, when exceptional works with strong provenance were offered, buyers were still willing to pay premium prices.

Over the coming year, the global art market faces a precarious landscape shaped by persistent geopolitical tensions and economic uncertainty. However, there are signs that it may have bottomed out after two years of decline.

The first half of 2025 showed tentative signs of stabilization, with total sales at major auction houses declining by 6.2%[65] compared to the same period in 2024. While still a decrease, this less severe drop suggests the prolonged downturn may finally be easing. New York was a relative outlier with a modest 1.2% increase in auction sales, while London continued to struggle, posting its lowest first-half sales total in over a decade. The Hong Kong auction market also saw a 17.5% fall in the first six months of 2025, after a 27.5% decline in 2024.

Another notable shift is the performance of online-only auctions, which saw a 10%[66] drop in value but a 12.9% increase in the number of lots sold. This trend points to evolving buyer behavior and a growing engagement with digital platforms. Online auctions may become an increasingly important part of the market, reshaping how art is bought and sold and leading to new selling strategies.

Looking ahead, the investment climate will likely remain cautious. These factors could continue to pressure the market, especially over the next 12 months.

Survey findings 2025

Why has the art market stagnated?

The global art market has essentially plateaued since the 2008–2009 financial crisis, averaging approximately US$61 billion[67] in annual sales between 2008 and 2024. According to Figure 4, total global sales have now fallen below this 16-year average, marking its lowest level recorded since the COVID-19 pandemic in 2020.[68] This contraction has effectively erased much of the momentum from the post-pandemic rebound of 2021 and 2022.

This part aims to explore the underlying reasons behind the market's stagnation and recent downturn. To better understand these dynamics, we expanded this year's surveys to ask stakeholders—including wealth managers, art professionals and collectors—why the art market is not growing. Their insights, combined with broader geopolitical, economic and wealth indicators, are intended to shed light on the forces currently shaping the art market's trajectory and contribute to the debate about its long-term development.

This period of contraction also prompts more fundamental questions:

- **Should the art market grow, or not?**
  - Is perpetual growth in the best long-term interest of the art market's stakeholders?
- **Is the structural inefficiency of the art market, long tolerated or even exploited, finally catching up with it?**
  - Could this be the inflection point that forces overdue transformation in the way the art world operates?

We also consider what shifts may be necessary to restore sustainable growth in the future or to rethink what a "healthy" art market may look like.

Figure 4: Global art sales in US$ billion
Source: Art Basel & UBS, The Art Market Report 2025.

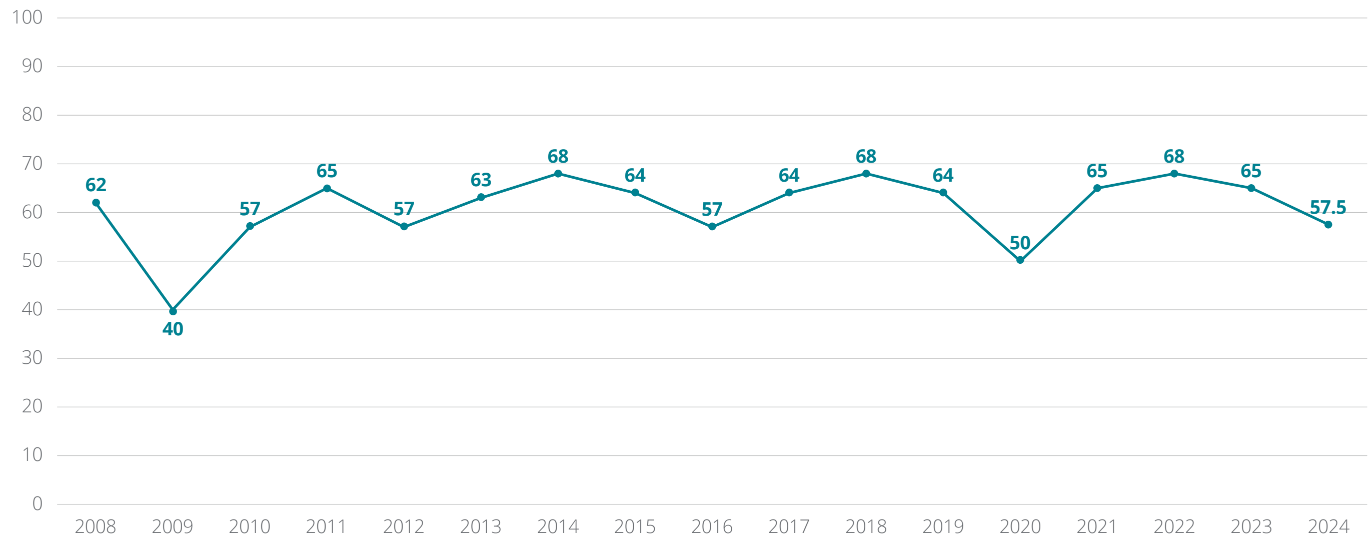


Figure 5: All stakeholders: What do you consider the most important reasons for the stagnant growth in the art market over the last 16 years?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025.

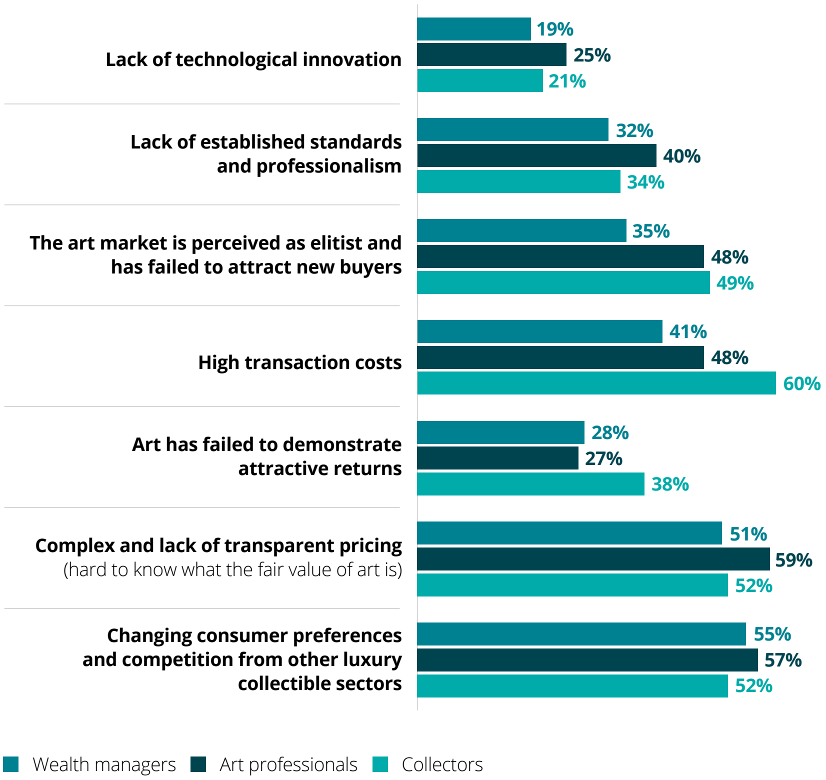


Figure 6: Next-gen versus older collectors:
What do you consider the most important reasons for the stagnant growth in the art market over the last 16 years?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025.

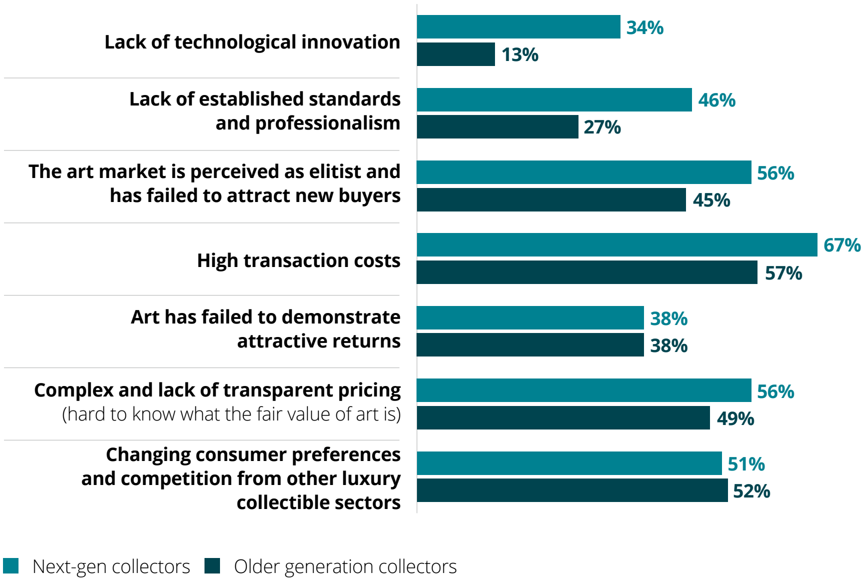


Figure 7: Next-gen versus older art professionals:
What do you consider the most important reasons for the stagnant growth in the art market over the last 16 years?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025.

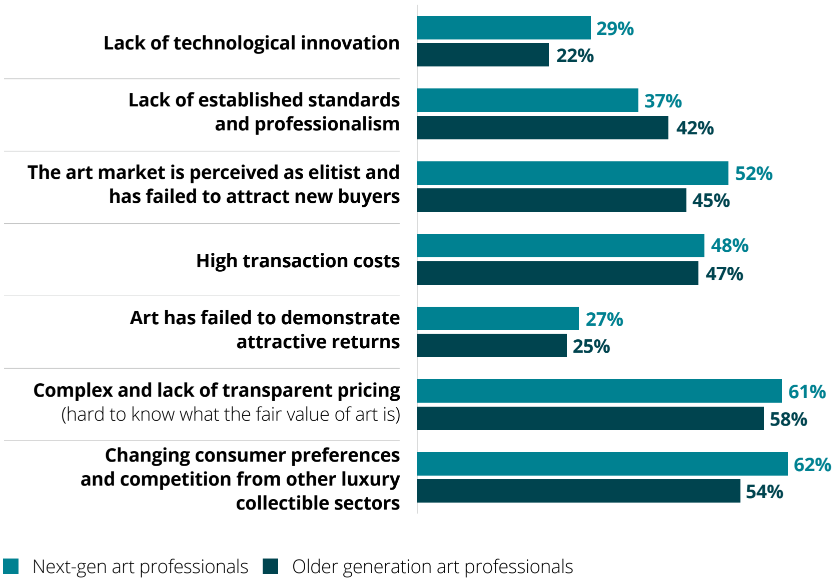


Figure 8: Summary of the 2025 survey findings

Source: Deloitte Private & ArtTactic Art & Finance Report 2025.

Sales in the global art market have experienced relatively stagnant growth over the last 16 years. What do you think are the most significant reasons for this?

Reason	Wealth managers	Collectors	Art professionals	Analysis
Changing consumer preferences/ competition	55%	52%	57%	Strong consensus across all groups as the leading reason for stagnation. Reflects market shifts toward other luxury collectibles and evolving tastes.
Complex and lack of transparent pricing	51%	52%	59%	All groups cited this as a major barrier. Highest among art professionals, who are likely to face the issue more directly. Transparency is a systemic issue.
High transaction costs	41%	60%	48%	Most problematic for collectors, suggesting cost barriers are felt most acutely by those purchasing. Less concern among wealth managers.
Perceived elitism in the art market	35%	49%	48%	Collectors (especially younger ones) and professionals cited this more than wealth managers. This indicates reputational challenges in attracting new audiences.
Lack of standards and professionalism	32%	34%	40%	More cited by professionals and young collectors, signaling internal industry concern and a generational expectation for modern business practices.
Art has failed to demonstrate attractive returns	28%	38%	27%	A moderate concern across all groups, particularly collectors, suggesting disillusionment with art as an investment.
Lack of technological innovation	19%	21%	25%	Ranked lowest across all groups, though younger stakeholders voiced more concern. This suggests that the art market has come a long way in its digital transformation since the COVID-19 pandemic.

Data analysis and interpretation

Our survey's insights from wealth managers, collectors and art professionals reveal a growing consensus around the key challenges facing the industry, as well as diverging views on the deeper cultural and structural barriers deterring a new generation of buyers.

A shifting landscape of preferences: Across all groups, the most frequently cited factor for market stagnation was the shift in consumer preferences and growing competition from other luxury collectible sectors. In 2025, more than half of wealth managers (55%), collectors (52%) and art professionals (57%) agreed that evolving tastes and the allure of emerging luxury segments, from watches to digital assets, are drawing attention away from traditional art. This signals an urgent need for the art market to adapt to contemporary consumer values, and raises questions about the long-term attractiveness, liquidity and value of certain art segments. For family offices and wealth managers, this means understanding their clients' collections and, where appropriate, initiating thoughtful disposal and acquisition plans.

Transparency and pricing: The second major theme across all perspectives is the art world's complex and opaque pricing structure. In 2025, more than half of wealth managers (51%), collectors (52%) and art professionals (59%) cited a lack of transparency as a key factor hindering growth. This issue is particularly pronounced among art professionals, who are on the front lines of pricing negotiations and client relations. The data suggests that restoring trust through clearer valuation frameworks and standardization could unlock broader participation.

Cost as a barrier to entry: For collectors especially, high transaction costs posed a significant barrier, with 60% identifying it as a leading deterrent. This concern was also noted by wealth managers (41%) and art professionals (48%). The financial burden of buying, selling and maintaining art appears to disproportionately impact buyers, suggesting a misalignment between value and cost.

Elitism and exclusion: In 2025, nearly half of collectors (49%) and art professionals (48%) cited perceived elitism as a deterrent to new, particularly younger, buyers. While wealth managers (35%) were somewhat less concerned, the data clearly illustrates that the market's reputation for being exclusive and unwelcoming is a significant hurdle in attracting a broader and more diverse generation of buyers.

Calls for professionalization and innovation: A further concern relates to the lack of standards and professionalism, particularly among young collectors (46%). This sentiment reflects a generational shift in expectations for transparency, service and ethics. Only 32% of wealth managers saw this as a major concern. Simultaneously, while technological innovation ranked lower as a barrier overall, it gained prominence among younger stakeholders. Almost one-third of next-gen collectors (34%) and art professionals (29%) called for modernization through digital tools, platforms and engagement models. In contrast, only 19% of wealth managers regarded a lack of technological innovation as a main factor in the stagnant art market.

Art as investment is a changing narrative: Lastly, there was some skepticism about art's ability to deliver attractive financial returns. While less prominent overall—only 28% of wealth managers and 27% of art professionals cited this as a key factor—it was still notable among both younger and older collectors (38%). This suggests a potential recalibration of art's role in portfolios, shifting from a pure investment asset to lifestyle choice or legacy item.

Next-gen trends

Next generation disillusionment: A call for a more transparent, inclusive and efficient art market

The challenges facing the art market today are keenly felt by its younger participants, particularly art professionals and collectors under the age of 45. Their survey responses reveal a clear disillusionment with the market's current state and highlight specific barriers that are deterring their deeper engagement.

A key concern among both groups was the lack of pricing transparency. In 2025, 61% of young art professionals and 56% of young collectors reported frustration with the market's opacity. This was higher than the 51% of wealth managers who shared this view.

Cultural and consumer shifts were also cited. While 62% of next-gen art professionals believed that changing consumer preferences and competition from other luxury sectors were impacting the market, only 51% of younger collectors agreed. This suggests that art professionals may be more attuned to shifts toward alternative asset classes, like luxury collectibles, than collectors themselves.

Similarly, high transaction costs were also seen as a major obstacle. Sixty-seven percent of young collectors and 48% of young art professionals reported this as a top concern. These figures were significantly higher than those of older stakeholders who cited this as a problem (for example, only 39% of wealth managers), indicating that cost inefficiencies are a particularly acute barrier for newer market entrants.

The perception of elitism was another dominant theme. Over half of next-gen professionals (52%) and collectors (56%) believed the art market was still too exclusive and had failed to attract a broader base of buyers. This reflects a broader generational demand for more inclusive and democratized access to cultural goods.

Interestingly, while lack of attractive returns was noted as a challenge by only 27% of art professionals and wealth managers, a significantly higher 38% of both young and older collectors shared this concern. This may reflect their greater emphasis on the financial aspect of art ownership.

Concerns about the lack of professionalism and clear standards were reported by 46% of next-gen collectors and 37% of art professionals, again higher than their older counterparts. Similarly, the lack of technological innovation was felt more acutely by younger stakeholders, with 34% of next-gen collectors and 29% of professionals citing it as a limitation, compared to just 17% of wealth managers.

In summary, younger art professionals and collectors are sending a clear message: the market must become more transparent, inclusive, cost-efficient and modern. Their frustration reflects not only individual pain points but also deeper structural issues that, if unaddressed, could undermine the art market's future relevance and vitality.

Family office trends

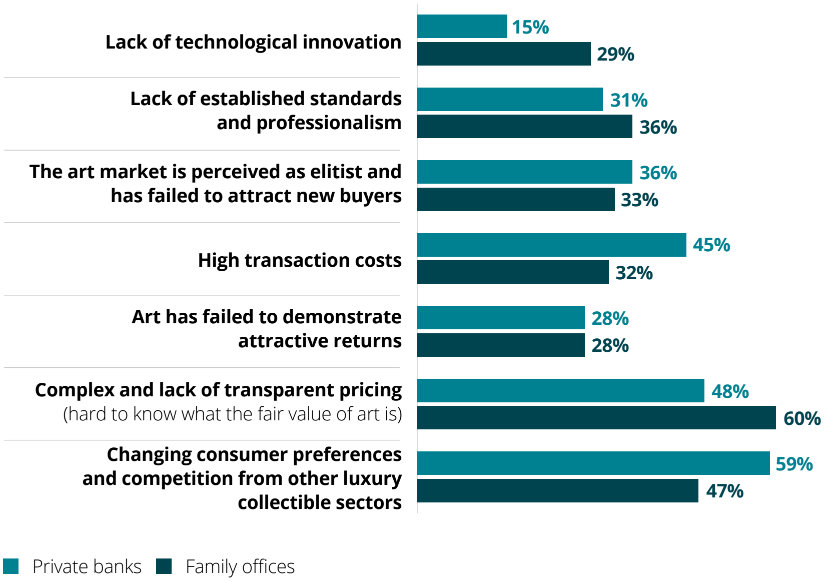
Accountability and trust in data and pricing: In 2025, 60% of family offices felt that complex and unclear pricing was a major barrier, a higher percentage than private banks at 48%. Family offices, which often manage wealth across generations, may be more sensitive to the long-term risks associated with opaque markets and unregulated pricing. Their fiduciary responsibility likely drives a demand for more accountability and data.

Higher standards for market professionalism: Thirty-six percent cited a lack of standards and professionalism to be a hurdle in attracting younger buyers, which was above the 31% reported by private banks. This suggests that family offices value credibility and governance, possibly due to the broader and more structured decision-making processes they use across family generations.

Above-average concern about tech innovation: Twenty-nine percent of family offices pointed to a lack of technological innovation as a drawback, a higher percentage than the 15% reported by private banks. This indicates that some family offices are increasingly progressive, especially those involving younger family members or managing next-gen wealth transitions. They may be actively seeking more digital tools, platforms and engagement methods.

Moderately concerned about returns: Only a quarter of family offices—28%, the same as private banks—were concerned that art had not delivered attractive returns. While returns still matter to family offices, they may be evaluating art through a more holistic lens, balancing cultural value, legacy and diversification.

Figure 9: Family offices: What do you think are the most important reasons for the stagnant growth in the art market over the last 16 years?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025.



Conclusion: An industry at a turning point?

The art market is facing a critical moment, suffering from significant misalignments. Structural barriers like opaque pricing and high costs are intersecting with cultural and generational divides. The next phase of growth will require more than just financial strategies; it demands transparency, inclusivity, modernization and a completely new value proposition for a new generation of collectors.

Failure to address these issues carries real consequences. If the market does not adapt, it risks continued stagnation or, worse, contraction. This could lead to a further reduction in business activity, with smaller galleries, advisory firms and ancillary service providers struggling to survive. The market could become even more concentrated and elitist, reinforcing the perception that it is inaccessible and out of step with contemporary cultural and investment values.

From a wealth management perspective, the current state of the art market presents both a challenge and an opportunity. While persistent inefficiencies—such as opaque pricing, high transaction costs and inconsistent professional standards—make it difficult to fully integrate art into holistic wealth strategies, they also underscore the growing need for trusted, independent guidance.

In this evolving landscape, collaboration between wealth managers and art professionals will be essential. By combining financial acumen with deep market expertise, these partnerships can offer collectors more strategic, transparent and structured support. Together, they are uniquely positioned to demystify the art market, align collecting with broader financial goals, and help restore confidence in an increasingly complex cultural asset class.

In short, these initial findings show that the status quo is no longer sustainable. Meaningful reform is not just an opportunity; it is a necessity for the long-term health and relevance of the art market.

Untitled
Marta Djourina, 2019, direct exposure on analogue photo paper, self-made film negative, 388 x 183 cm, unique work

B Next-gen collector behaviors

Understanding the behavior of next-gen collectors is crucial for both the art market and wealth managers. For the art market, these younger collectors represent the future, as they are expected to take over from their parents' purchasing activities. From a wealth management perspective, they are on the cusp of inheriting large amounts of wealth tied to art and collectible assets.

Georgina Adam, *The Art Newspaper*'s editor-at-large, researched how the next generation of art collectors differs from previous ones and what this means for the art market. Georgina Adam's new book, ***NextGen Collectors and the Art Market***, will be published in 2026.[69]

Here is a summary of some of the book's key findings:[70]

New tastes, not tradition: Unlike their parents or grandparents, these collectors are not focused on Old Masters or established blue-chip names like Jasper Johns or Rauschenberg. Instead, they gravitate toward women artists, Surrealists, and contemporary figures such as Jean-Michel Basquiat, KAWS, and Banksy.

Driven by causes: Their collecting reflects strong social concerns. Issues like climate change, gender equality, identity and racial justice are critical to them, whereas these causes often mattered less to older generations of collectors.

Distrust of authority: Next-gen collectors hold an inherent skepticism toward institutions, from governments to churches to museums. This deep-seated distrust shapes how they engage with the art world.

Influence of digital culture: For this generation, social media is the primary way they discover new artists and trends. They follow influencers, seek visibility, and value the "social endorsement" that comes with being part of an online community.

Experiences over ownership: Many prefer access to art rather than outright possession, a reflection of the modern "sharing economy" mindset. They are more likely to spend on travel, events and experiences than on traditional status objects.

While Geogina Adam believes that an iconic work like a Picasso will remain a symbol of status and wealth, she seems convinced that the art trade must adapt what it offers to the tastes, influences and motivations of this new generation.

According to an interview[71] with Guillaume Cerutti, President of the Pinault Collection and Chairman of the Board of Christie's International, conducted for Lombard Odier in 2025 by Adriano Picinati di Torcello, Global Art & Finance Coordinator at Deloitte Luxembourg, a significant generational shift is occurring in the art market.

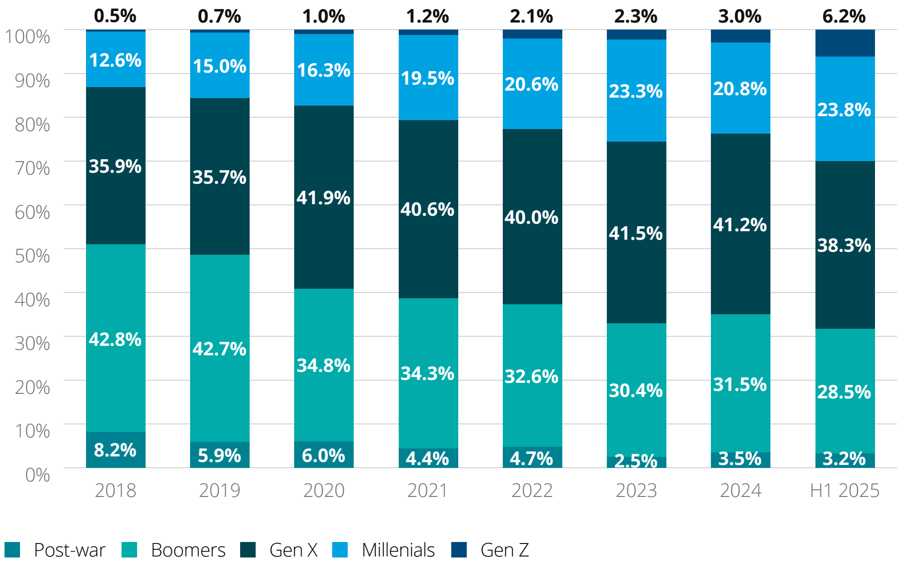
At Christie's, millennials and Gen Z now make up 41% of bidders in luxury categories, where they show a strong preference for 20th and 21st-century art, luxury items, and have a particular interest in collectibles in Asia. Notably, one-third of Christie's clients are new each year, and these new collectors are more likely to buy across categories rather than specialize, a trend that distinguishes them from previous generations. Online sales now account for a significant proportion of transactions and are reshaping the way buyers engage with art.

A recent analysis of the Surrealism market by Sotheby's and ArtTactic offers more insight into these generational changes. It revealed that millennials and Gen Z are becoming an increasingly powerful force. Millennials' share of Sotheby's bidder pool nearly doubled from 12.6% in 2018 to 23.8% in the first half of 2025, while Gen Z's share rose from just 0.5% to 6.2% over the same period.

Importantly, these younger collectors are not only active in acquiring works by their own generation of artists but also in bidding on established names in the classic surrealism category (early 20th-century artists). Their growing presence is especially visible in the women surrealist segment, where millennials accounted for almost half of all bids (47.4%) in the first half of 2025, marking a clear generational shift in demand.

Figure 10: Bidders by generation for surrealist art at Sotheby's, 2018–H1 2025

Source: Sotheby's Insight Report: A Century of Surrealism.



These next-gen collectors are also more drawn toward digital art forms, emerging and experimental artists, and social causes tied to art. Additionally, they are highly influenced by social media and value technological innovation in their collections.

For wealth managers, it is crucial to understand these behavioral and investment shifts. To remain competitive, they must adapt their art wealth management services to align with these distinct preferences and values, becoming more tech-savvy and value-aligned, with a focus on areas like sustainability and philanthropy.

c The long-term view: Auction market from 2000 to 2025

Christie's and Sotheby's: A 25-year auction sales perspective

The auction market continued its downturn in 2024, although signs of stabilization appeared in the first half of 2025. Auction sales in the top four fine art categories at Sotheby's, Christie's and Phillips peaked at US$10.2 billion in 2022. Since then, sales have fallen sharply, down 24.2% in 2023 and a further 25.8% in 2024.

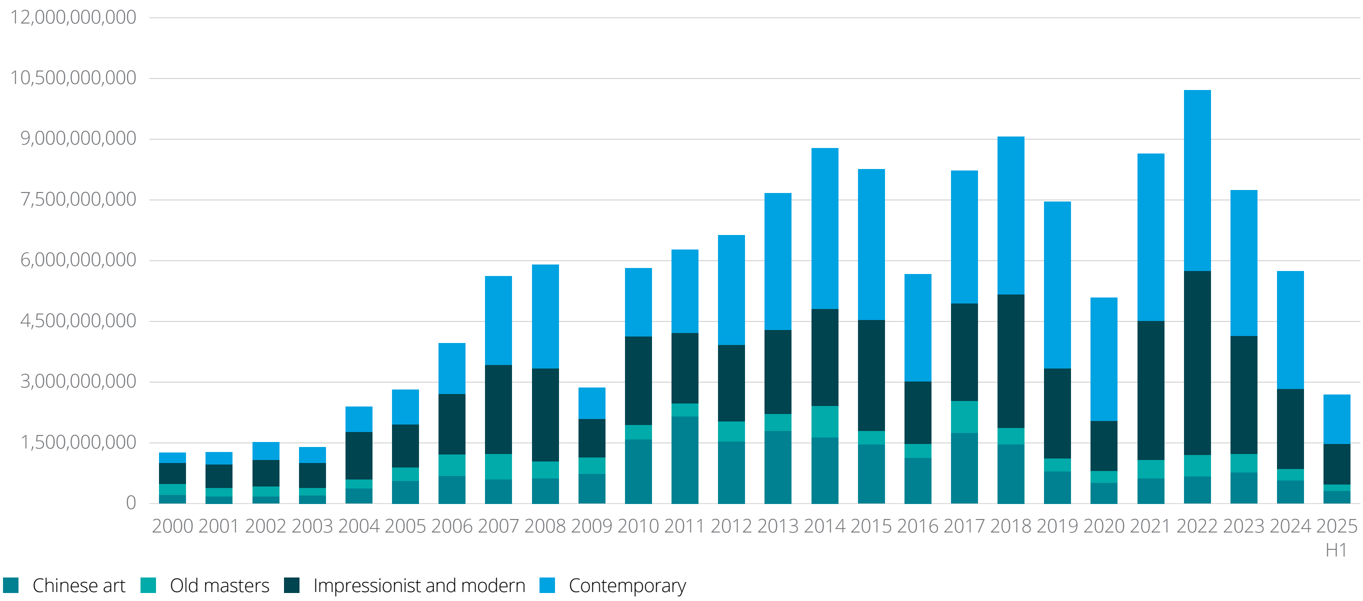
Over the long term, these categories posted a 20-year CAGR of +3.7%, though the 10-year CAGR stands at -4.1%, reflecting the past decade's challenges. The 2024 results represent the lowest total since the 2020 COVID-19 pandemic. However, in the first six months of 2025, sales in the top four categories declined by only 9.6% compared to the same period in 2024, suggesting the market may be nearing a turning point.

Long-term shifts

Over the last 25 years, the art market has transitioned decisively toward contemporary art. This category's share of sales has grown from 34% in the early 2000s to nearly half today. Impressionist and modern art, while cyclical, has remained resilient and continues to form the backbone of high-value auction sales. Chinese art saw a boom in the 2010s, reaching more than 20% of the market, but has since contracted to single digits for the three auction houses. Old Masters, which once held over 11% of sales, now represent only 5%. The result is a market increasingly concentrated in contemporary art and impressionist and modern art, which together have accounted for more than 86% of sales since 2020.

Figure 11: Auction analysis: Top collecting categories at Sotheby's, Christie's and Phillips, 2000–H1 2025 (US$)

Source: ArtTactic, based on data from Christie's, Sotheby's and Phillips.



2000–2008

Rapid expansion across all categories

During this period, total sales grew strongly with a CAGR of 21.2%, averaging US$2.9 billion annually. Contemporary art was the fastest-growing segment, with a 32.6% CAGR, pushing its market share to 34.2%. Impressionist and modern art also grew rapidly (20.6% CAGR), remaining the largest category at 40.6%. Chinese art saw a 14.7% CAGR, supported by new demand from Asia, while Old Masters grew more modestly at 5.0% CAGR, maintaining a 12% share but beginning to lose ground.

2009–2019

Consolidation and the rise of contemporary art

Following the financial crisis in 2009, sales continued to expand, with total turnover growing at a 9.1% CAGR, averaging US$7.0 billion annually. Contemporary art extended its dominance with a 16.2% CAGR, accounting for 42.1% of sales by the end of the decade. Impressionist and modern art grew at a solid 8.1% CAGR, but its market share slipped to 30.6%. Chinese art's growth slowed significantly (0.8% CAGR), although its share peaked at 20.9%, reflecting strong demand from mainland buyers. Old Masters declined (-2.2% CAGR), falling to just 6.5% of sales.

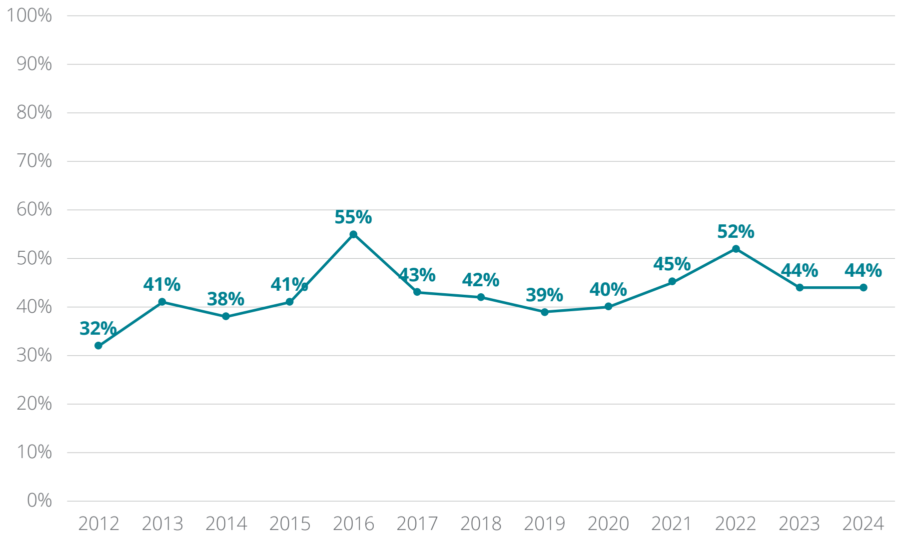
2020–H1 2025

Volatility and consolidation

This most recent period has been marked by sharp volatility, triggered by the COVID-19 pandemic and the subsequent art market boom. Since 2022, the auction market has been on a declining trajectory. Total auction sales fell at a -11.0% CAGR during this five-year period, averaging US$6.7 billion annually. Contemporary art, despite short-term corrections, remained the dominant driver but declined at -15.3% CAGR, although still holding a record 48.4% share. Impressionist and modern art proved relatively resilient, contracting at a slower -4.1% CAGR while increasing its share to 37.6%. Chinese art dropped steeply (-9.0% CAGR) to just 8.5% of the market, its lowest level in 25 years. Old Masters continued its long decline (-8.8% CAGR), now representing only 5.5% of sales.

Figure 12: Christie's, Sotheby's and Phillips auction sales as a share (%) of global auction sales

Source: ArtTactic and Art Basel and UBS' The Art Market Report.



Top three auction houses account for nearly half of the global auction market: Since the COVID-19 pandemic, Christie's, Sotheby's and Phillips have solidified their dominance in the international auction market. In 2024, they were responsible for 44% of public auction sales, a decrease from 52% in 2022 but holding steady from 2023. This high level of concentration underlines their central role in shaping the art market's future.

With their extensive global reach, digital infrastructure, and ability to attract both established and emerging collectors, these top auction houses are uniquely positioned to expand access and build confidence in the market. They could be particularly instrumental in developing the mid-market (US$50,000 to US$1 million), which we cover in more detail Part E (page 92).

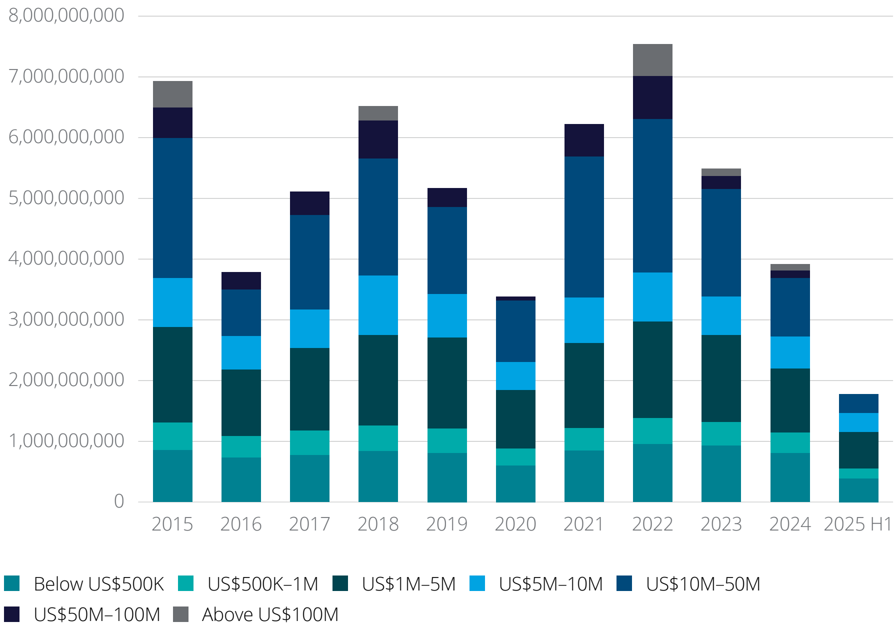
The mid-market aligns with the financial capacity of EMILLIs, a fast-growing collector base. By tailoring services and platforms to this demographic, the top houses have a significant opportunity to broaden market participation, channel new wealth into art, and strengthen the market's long-term growth foundations.

D

The medium-term view: 10-year auction trends

Figure 13: Impressionist, modern and contemporary art auction sales 2015–H1 2025 (US$)

Source: ArtTactic and based on auctions of impressionist, modern and contemporary art at Christie's, Sotheby's and Phillips.



Top end of the market continued to weaken in 2024, but stabilized in H1 2025: Auction sales for impressionist, modern and contemporary art at Christie's, Sotheby's and Phillips fell further in 2024 to US$3.92 billion, a 28.6% drop from 2023 and 48% decline from the art market's 2022 peak. This downturn was particularly sharp at the very high end, with a 43.3% drop-off in sales of lots selling above US$10 million between 2023 and 2024. In the first half of 2025, only 16 lots were sold above US$10 million, generating US$310 million, compared to 33 lots that brought in US$628.3 million in the same period in 2024. This trend suggests that the market's decline in 2023 and 2024 was largely driven by supply issues, as sellers became more hesitant to part with high-value art in a soft art market.

Bought-in rates remain historically low: Since the beginning of the COVID-19 pandemic in 2020, bought-in rates—percentage of unsold lots—have hovered at a historically low 15%, which is below the 10-year historic average of 17.9%. This low rate is likely due to a combination of factors, including a higher number of auction guarantees during this period (see page 112) and a higher rate of lots being withdrawn before and during auctions.

Figure 14: Price segment analysis: Impressionist, modern and contemporary art auction sales 2015–H1 2025 (by lots sold)

Source: ArtTactic and based on auctions of impressionist, modern and contemporary art at Christie's, Sotheby's and Phillips.

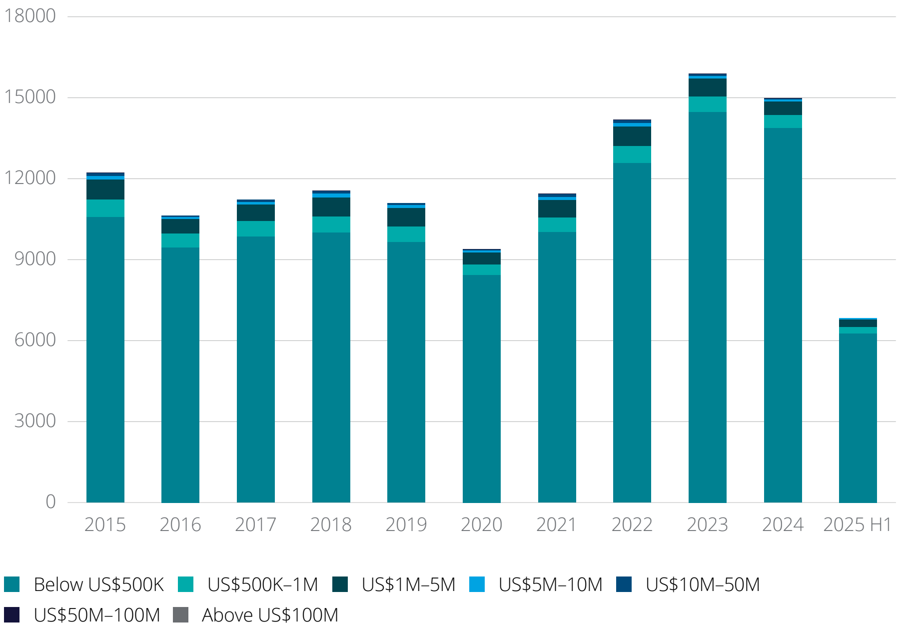
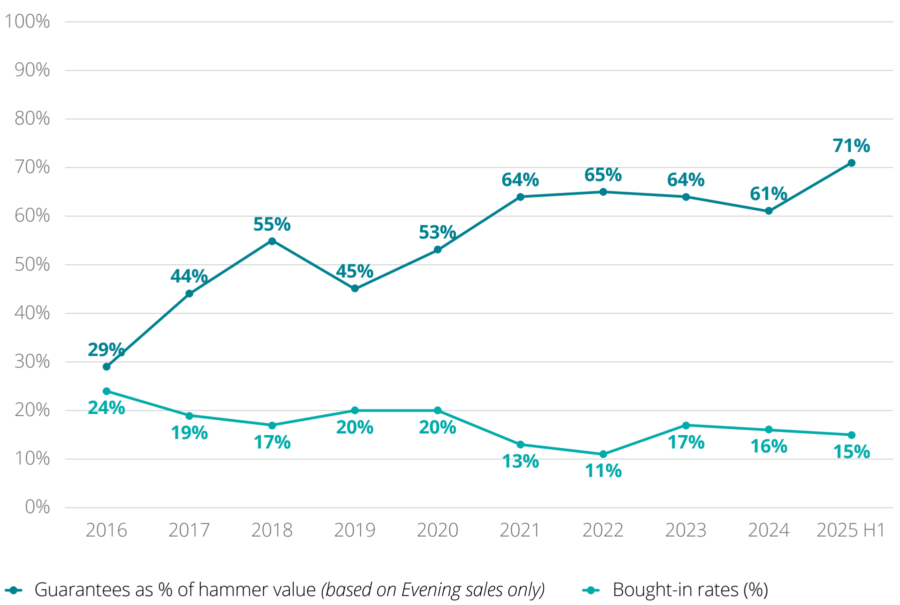


Figure 15: Bought-in rates versus % share of guarantees of total value

Source: ArtTactic and based on auctions of impressionist, modern and contemporary art at Christie's, Sotheby's and Phillips.



E Emerging trends: A closer look at the mid-market

While the Art & Finance Report 2023 focused on the top end of the market, this edition extends the analysis to the mid-market, which we have defined as works priced between US$50,000 and US$1 million. This segment generated over US$1 billion in sales in 2024, representing 25.8% of the auction sales value and 31.7% of lots sold, making it a substantial, yet often overlooked, part of the art market. By contrast, the US$1 million+ segment—while it drives headlines—accounted for only a small fraction of lots sold (4.2%) despite generating a much larger share of the total value (70.7%).

The top end of the market, which fueled the 2021–2022 boom, has been most exposed to the recent downturn. Sales in the US$1 million+ category fell to US$2.77 billion in 2024, a 33.6% drop from 2023, and a decline of more than 50% from 2022 levels. While stabilizing in the first half of 2025 (down 15.9% year-on-year), this slowdown highlights the vulnerability of relying too heavily on blue-chip names and trophy works.

The mid-market's fortitude

By contrast, the mid-market has proven to be far more resilient. In 2024, the segment generated US$1.01 billion in sales compared to US$1.17 billion in 2023, a 14% decline year-on-year. This was a much softer contraction than the 33.6% drop in the US$1 million+ bracket. For wealth managers, this relative stability indicates that the mid-market is better positioned to withstand market cycles while still potentially offering significant potential for long-term growth, as illustrated by Figure 16 and 17 on page 93.

For the growing cohort of EMILLIs (with assets of US$1 million to US$5 million), the mid-market is a natural entry point. With typical art allocations at 5–10%, this group can comfortably spend between US$50,000 and US$500,000, positioning them squarely within this segment. Therefore, EMILLIs represent an important opportunity for the art and finance industry to broaden its client base beyond UHNWIs.

The mid-market also offers opportunities for innovation. Unlike the top tier, which is concentrated in a narrow set of "investable" blue-chip artists, the mid-market is more diverse, dynamic and open to new entrants. Advances in technology—such as the transparency and market access tools suggested by Eastaugh and Waltz in their article on page 96—could unlock greater liquidity, improve confidence, and drive new capital into this tier. If properly developed, the mid-market could generate US$16 billion to US$24 billion in sales, making it a critical growth frontier for the art and finance ecosystem.

For the art market to expand, attract new audiences and direct more wealth toward artists, the wealth management industry must look beyond the trophy-driven top end and recognize the mid-market as the space for long-term growth.

Mid-market versus high-end: Price segment analysis

The mid-market, with artworks priced between US$50,000 and US$1 million, plays a central role in the overall art market. Over the past decade, the number of works sold in this segment has consistently and significantly exceeded those in the US$1 million+ category. For example, even in a relatively weaker year like 2020, more than 3,500 mid-market works were sold compared with just 560 works above US$1 million. In stronger years, such as 2022, this gap widened even further, with 5,700 mid-market sales versus fewer than 1,000 in the US$1 million+ segment. Over the last decade, both volume and sales value have remained relatively stable in the mid-market.

This large and consistent volume of sales highlights a critical advantage: the mid-market offers a substantial pool of investable works, allowing for far broader market participation. Collectors who may not operate at the ultra-high end still have ample opportunities to acquire high-quality pieces. The mid-market segment, therefore, has the potential to expand the art market by bringing in new buyers, fueling growth and diversifying the collector base.

The mid-market could also be a sweet spot for art-related wealth services. Works at the higher end of the range are financially valuable enough to justify services like advisory, financing, insurance and estate planning, while remaining accessible to a much wider pool of collectors. In contrast, the low end of the market, although high in volume, does not typically warrant the same level of financial structuring or wealth management solutions.

Figure 16: Price segment analysis (by value US$): mid-market vs. high-end

Source: ArtTactic and based on auctions of impressionist, modern and contemporary art at Christie's, Sotheby's and Phillips.

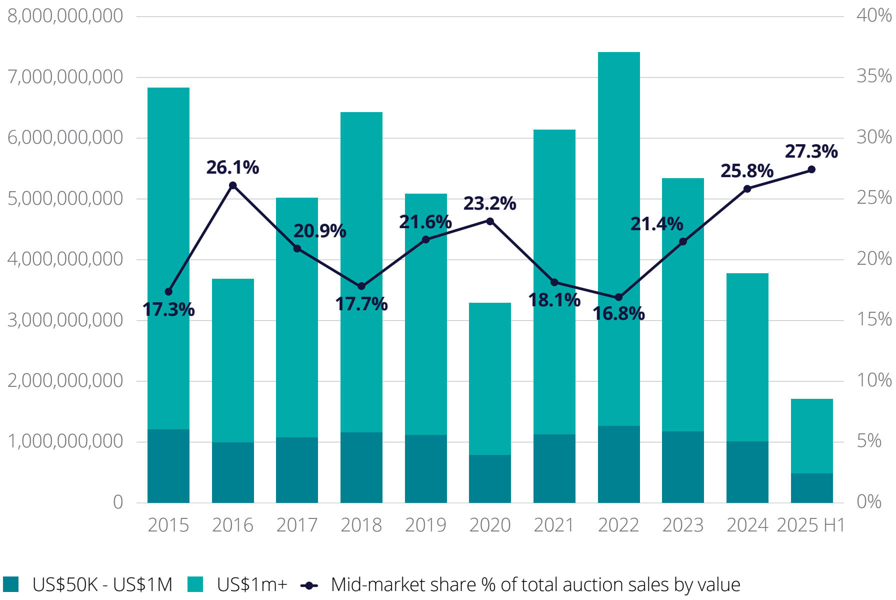
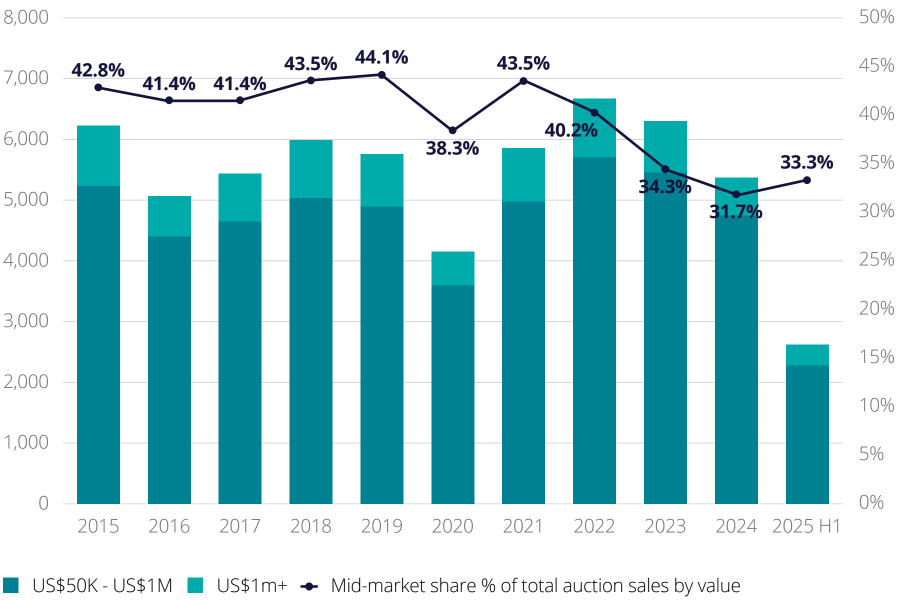


Figure 17: Price segment analysis (by lots sold): mid-market vs. high-end

Source: ArtTactic and based on auctions of impressionist, modern and contemporary art at Christie's, Sotheby's and Phillips.



The US$1 million+ segment is highly concentrated, with a much smaller number of works available and a correspondingly narrow buyer pool. While esteemed, its exclusivity limits its capacity to drive overall market expansion. It caters to the wealthiest tier of collectors but offers relatively few entry points for new participants.

Market share figures reinforce these dynamics. Between 2015 and 2019, the mid-market accounted for around 40–44% of total lots sold, underscoring its importance as a market cornerstone. Although its relative share has declined in more recent years, falling to the low 30% range by 2023 and 2024, the segment still far outpaces the US$1 million+ tier in terms of absolute sales volume.

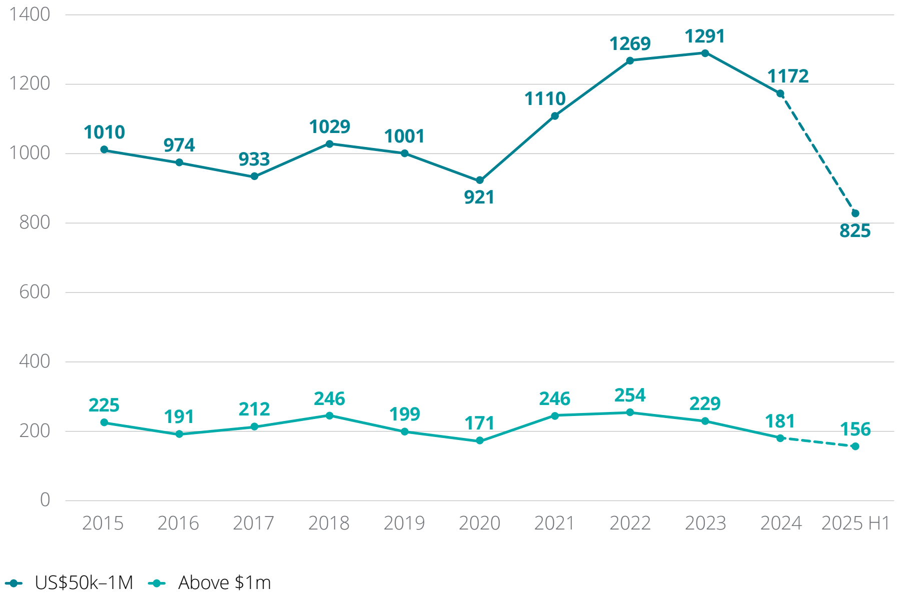
Together, these trends underline the mid-market's role as the engine of growth for the art market, with 27% of sales value and 33% of volume in the first half of 2025. Its breadth, accessibility and suitability for financial services make it the segment most capable of expanding the buyer base and integrating art into broader wealth strategies. By contrast, the US$1 million+ market, though prestigious, remains limited in volume and reach, accounting for only 5% of transactions by the number of lots sold.

Number of artists by price segment

Between 2020 and 2024, the number of artists active in the mid-market segment (US$50,000 to US$1 million) increased from 921 to 1,172, representing a growth of around 27%. By contrast, the number of artists in the high-end segment (above US$1 million+) remained largely unchanged over the same period, rising only slightly from 171 to 181, an increase of just 5.8%.

Figure 18: Number of artists by price segment: Mid-market vs. high-end

Source: ArtTactic and based on auctions of impressionist, modern and contemporary art at Christie's, Sotheby's and Phillips.



This expansion in the mid-market indicates a broadening of the artist base at a price range that already accounts for a substantial share of auction sales by volume (33%) and value (27%). A larger pool of artists in the US$50,000 to US$1 million range suggests a more diverse and dynamic segment, in contrast to the relatively static nature at the very top end of the market.

The size and growth of the mid-market's artist population also align with the financial capacity of EMILLIs. This convergence highlights the potential for the mid-market to play a more prominent role in the expansion of the art and finance industry in the future.

Overall, the data suggests that while the market's top end remains concentrated and relatively static, its mid-market is becoming more inclusive, diverse and well-positioned for future development.

Why the mid-market matters

Since 2022, the mid-market has emerged as an increasingly important yet under-recognized segment of the art market. Accounting for more than a quarter of auction sales value at Christie's, Sotheby's and Phillips, and nearly a third of lots sold in 2024, its market share has expanded from just 16.8% in 2022 to 25.8% in 2024. Unlike the US$1 million+ segment, which has been highly volatile, the mid-market has shown relative resilience, with sales down by only 14% in 2024 compared with a 34% drop at the top end.

This stability is accompanied by a broadening of the artist base, which grew by 27% between 2020 and 2024. Together, these trends highlight the mid-market as both a gateway for new collectors and an incubator for the future of art and finance services. By bringing this neglected segment into the spotlight, the industry has a clear opportunity to expand its client base, diversify revenue streams, and foster a more inclusive and sustainable art market.

Figure 19: Mid-market: Auction sales value 2015–H1 2025 (US$)

Source: ArtTactic and based on auctions of impressionist, modern and contemporary art at Christie's, Sotheby's and Phillips.

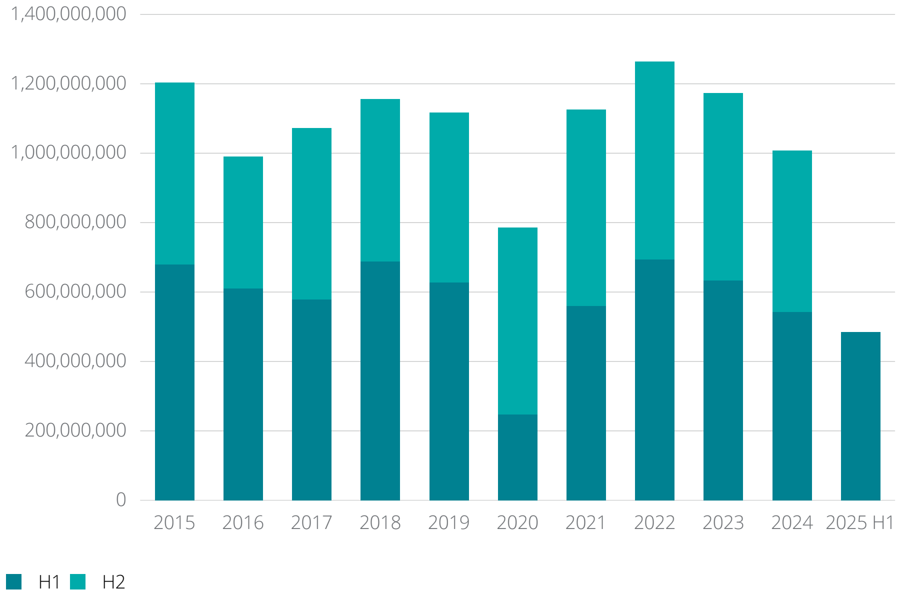
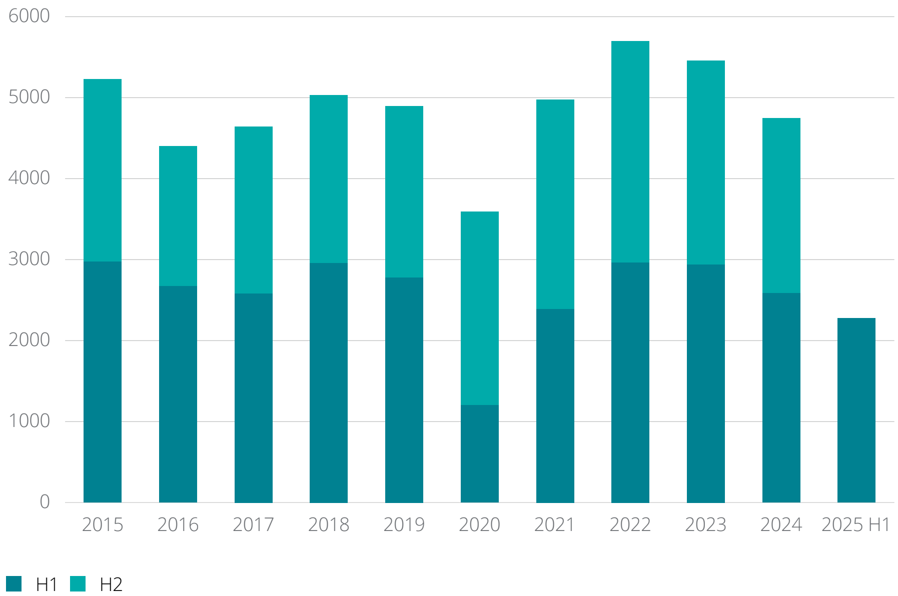


Figure 20: Mid-market: Auction sales by lots sold 2015–H1 2025

Source: ArtTactic, based on auctions of impressionist, modern and contemporary art at Christie's, Sotheby's and Phillips.



INDUSTRY **INSIGHTS**

Problems in paradise:

Diagnosing the ills of the art market

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1. There's plenty of room in the middle

Whether you believe the art market is in crisis or poised for recovery, recent data shows a sharp decline in trading values over the past two years, following a post-pandemic bounce. This drop is mainly due to a slowdown in ultra-high-value sales, especially works over US$10 million.[83] While rebuilding that sector may seem logical, such works are rare, with owners holding on to them.[84]

We believe that a more sustainable path is expanding the number of artists and artworks, applying the same standards used for high-end sales. Achieving this requires technology to replace manual processes, enabling scalable data collection, storage and verification for 10 times more artists and up to four times more artworks.

In his famous lecture, "Plenty of Room at the Bottom", Nobel Prize-winning physicist Richard Feynman argued that we should focus on an untapped sector: the benefits of the small.[85] This key insight led directly to the nanotechnology revolution.

A similar declaration can be made about the future of the art market but, in this case, there is plenty of room in the middle—artworks worth between US$50,000 and US$1 million. These represent a potential source of transformative market growth, given the right conditions.

High- and ultra-high-value artworks, while aggressively sought after, are relatively few. This makes them particularly vulnerable to market factors, including supply and demand, fluctuating interest, and macroeconomic forces.

On the other hand, works in the mid-range are more buffered, with a much greater supply of comparable objects and significantly less competition individually. Over the last decade, this mid-sector has remained stagnant when it really should be growing.

CONCLUSION ONE:
The middle market should be the next big growth area for art, with much greater sales volumes and significantly enhanced values.

2. Risk, due diligence and access to knowledge

Knowledge is often limited regarding middle-market artworks, featuring lesser-known artists and short or vague object and exhibition histories. However, these are not problems of supply, but of information. Therefore, this sector's growth can be significantly boosted through better quality data.

An important implication of caveat emptor is that the onus of risk and, therefore, any associated due diligence lies with the buyer. At the same time, sellers hold the artwork's information, providing buyers with product descriptions that can be difficult to scrutinize. The competitive nature of auctions and the exclusivity attached to gallery sales urge action, rather than reflective risk analysis.

Consequently, expertise is a major issue. Unlike high-value artworks with generally agreed-upon authorship, these lower-value works may lack consistent opinions. In our professional opinions—such as for an Old Master attribution or the importance of an emerging artist—may be valid at sale, not later at resale.

Provenance research is also time-consuming and rarely revisited, while condition assessments may lack depth. Scientific analyses, viewed as costly and complicated, are often reserved for problematic works, which can make their presence seem more of a red flag than a clarifier.

Thoroughly checking a painting involves multiple experts who must be sourced, hired, given access, and whose findings must be compared, particularly when opinions differ. Mid-market artworks generally face more disagreement and risk, which in turn reduce buyer interest and value.

However, the underlying problem here is one of knowledge and information, not intrinsic worth. Uncertainty can be reduced with better access to objective, high-quality data, which is increasingly achievable across a broader range of artworks.

CONCLUSION TWO:
Access to robust knowledge resources will introduce necessary trust and, therefore, foster growth in the mid-market. Better yet, this access will introduce the market to an enormous range of artists and artworks as yet largely unknown.

3. Impact: Estimating the potential

To grow the middle market, the financial potential must be significant to attract interest from investors. In 2024, this sector for auction houses was US$23.4 billion, with the high-end accounting for 49% of the auction market, and the middle market representing only 34% (around US$8 billion).[86]

Further, in 2024, over ten times more artworks were sold in the middle market (4% versus 0.3% of total sold), revealing a huge gap in per-object value.[87] By finding ways of directly addressing this disparity and increasing middle-market works' per-object values, significant growth can be achieved.

The value of art is heavily influenced by factors like fame, provenance and market competition, and a well-known artist's name can dramatically increase an artwork's worth. However, the market regularly features the names of only about 500 artists, when there are hundreds of thousands in practice. Better recognition through documentation and retrieval tools could enhance trust and transparency for around 5,000 lesser known, yet still important artists.

The relationship between artists and artwork value is also severely non-linear, with only a few commanding the top prices and a steep drop beyond that. Understanding lesser-known artists and their stories would support fairer valuations and create more interest and competition for individual works.

To drive value in the middle market, better quality data is required that goes beyond simple valuations, including clearer authorship and fuller context. This detailed information helps to individuate artworks, fostering more informed markets, greater trust, and increased competition.

We have already seen how online services like Artsy and Artnet have boosted sales of artworks, including online sales, by providing information on auction results and market trends. The expectation—indeed, need —for accessible data is clearly there.

More sophisticated and integrated art data services can be leveraged to expand the market further, providing access to and transparency about deeper and greater knowledge of art and artist information.

Given the right conditions and support services, we estimate that the middle market could double or even triple, representing US$8 to US$16 billion in the auction sector alone.

CONCLUSION THREE:
The scope for expanding the middle market is real, achievable, and financially significant.

4. Solutions: Increase information access to grow the market

In his seminal paper, *The Market for Lemons*, the economist George Akerlof made the vital point that information asymmetry destroys markets.[88] For the art market to cure its information asymmetry, we need viable solutions to the information problem, something the current market framework cannot handle.

Market knowledge is concentrated within a "knowledge elite".[89] This includes wealthy collectors, gallery owners and auction houses, as well as a constellation of specialist experts who effectively dictate trends, pricing and artistic value. The result limits access for those without significant financial, social and informational capital.

Expanding access to critical knowledge is a major scalability challenge, although two key current developments could transform this:

1. Broader access to reliable, expansive core data on artists and their art; and
2. Credible measures of market risk for artworks.

With independent, near-real-time and trusted information, buyers can gain a deeper insight into artworks in a way that is not currently available. By consolidating information more widely, it becomes possible to look at risk factors, such as the attribution history of an individual painting or the popularity of a style over time. This allows the creation of robust risk indices.

While the effort required to achieve this is substantial, several enabling technologies already exist.

CONCLUSION FOUR:
New technologies will be required to enable this change, but most of these are already available, simply needing greater adoption.

5. Implementation: Making invisible artists visible

There are structural flaws in the way knowledge about mid-market artworks is provided, limiting their market potential. Figure 21 illustrates the various components critical to forming an efficient, scalable middle market. These can be addressed with the systematic use of new technologies, focused on four key areas:

1. Identification and tracking

Reliable object identification is crucial—not just blockchain, but systems that uniquely and consistently identify objects and link them to associated data.

Approaches like the Art Identification Standard (AIS DID) provide an open definition for specifying uniqueness.[90] On the other hand, tracking systems like that of Authentify Art enable easy object logging and digital interfacing through tags, which use radio frequency identification (RFID) and near-field communication (NFC) technology.[91]

2. Artwork characterization

This includes assessing the artwork's condition, authenticity, and attribution. Cloud services like Articheck are well-established ways for conservators to document artworks' physical state.[92]

Authentication is evolving, with new services like The Art History Laboratory offering scalable scientific analysis.[93] Additionally, artificial intelligence (AI) authentication based on image classification, such as Art Recognition, is emerging as a scalable, cost-effective complement to more traditional connoisseurial methods.[94]

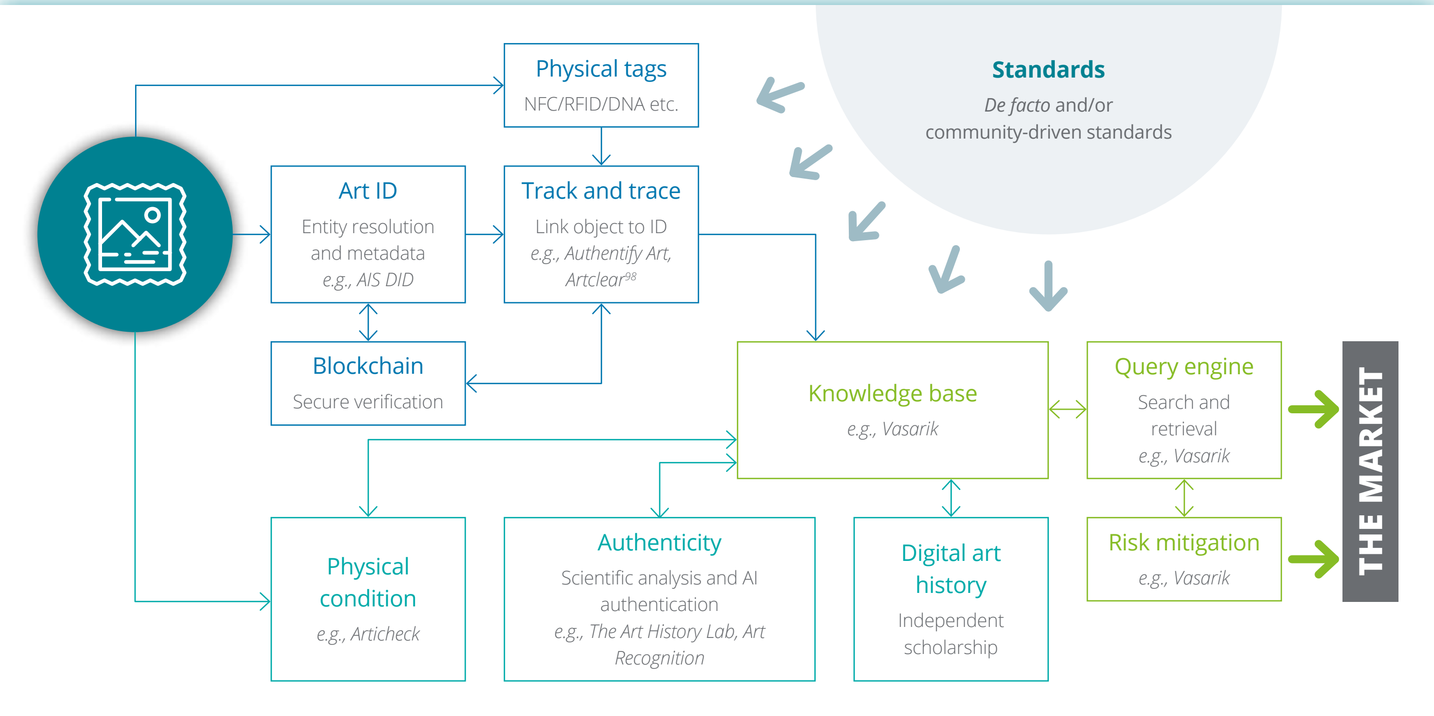
3. Knowledge management

Artwork information remains fragmented. While sales data is consolidated by some services, other key information is dispersed and hard to access. Resources like the Getty vocabularies or the Netherlands Institute for Art History may notionally be open, but they are in practice disconnected and difficult to navigate.[95]

We believe that the art market needs a holistic, independent and AI-powered knowledge source that offers quick access to reliable, objective information on artworks and artists. This tool would streamline due diligence by centralizing data on identity, provenance, sales and forensics, while also supporting insurers and wealth managers with risk analysis, and uncovering overlooked art and artists.

Figure 21: Structure of the art market technology ecosystem

Source: Vasarik Limited, 2025



4. Standards

Due diligence is especially critical for the middle market, where artworks currently have less data and lower visibility.
In addition to the new information opportunities outlined here, new metrics can help buyers assess risk, enabled by broader data collection and integrated knowledge systems.

Many of the necessary technologies required for this revolution already exist or are rapidly emerging. Interoperability is vital, however, and can be achieved through application programming interfaces (APIs) and shared standards.

Some of these are emerging de facto, while others are actively under development, easing the burden of building this knowledge economy. This will have a profound impact on the market, especially the middle-market growth we expect.

CONCLUSION FIVE:
The new technologies required to achieve this middle-market boom are either already in place or will be very soon.

KNOWLEDGE, CULTURAL HERITAGE AND THE ART MARKET

We live in an information economy—so what does that mean for art, culture and heritage? How would broader access to art knowledge reshape how we create, share and experience it?

Museums and galleries have made major strides in digitizing collections, often supported by tech giants. But core issues like fragmented access and poor data quality persist. Today, you cannot reliably search for artwork information and get trustworthy, complete results. That failure affects everyone in the art market and those around it.

Initiatives like Europeana[96] try to bridge gaps between institutions, but they do not solve the bigger problem of making data truly usable.

REASSESSING THE MIDDLE MARKET: A US$16 TO US$24 BILLION GROWTH OPPORTUNITY

The middle-value art segment (US$50,000 to US$1 million) appears to be significantly undervalued. In 2024, this tier accounted for about US$8 billion in auction sales, but just 4% of total lots sold (around 16,000 works out of 400,000).[97]

Yet its structure, split roughly half-and-half between Contemporary and Pre-Contemporary art, indicates untapped potential. Pre-Contemporary works—where value hinges substantially on attribution, authenticity and provenance—may benefit most from improved data access, driving what we project could reach double to triple growth in value.

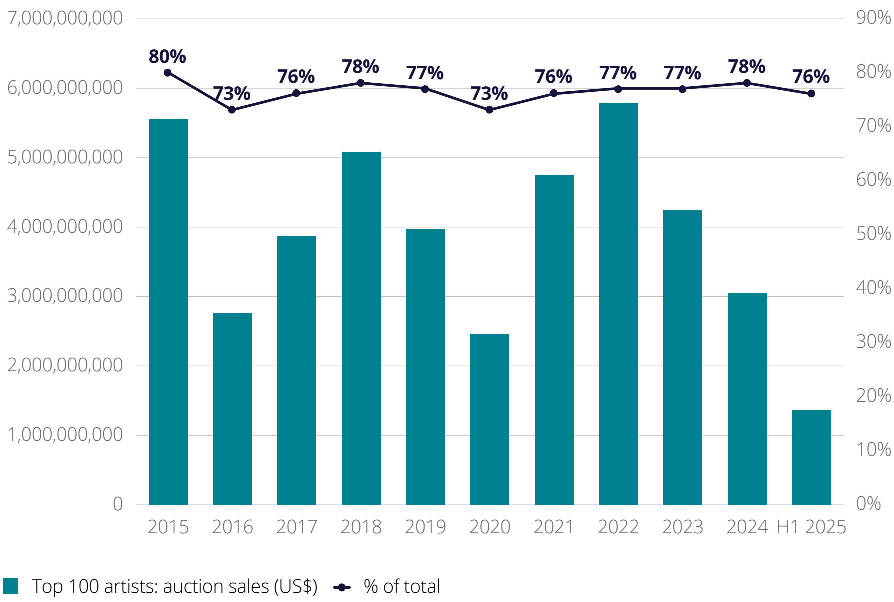
With dealer activity assumed to mirror auction patterns, this implies a total addressable market of US$16 to US$24 billion. For those modelling art-based assets, we believe this middle tier consequently warrants much closer attention.

Untitled
Marta Djourina, 2020, direct exposure with diferent light sources on analogue photo paper, self-made film negativem, unique, 380 x 127 cm; Exhibition BRAVE NEW WORLD; Verein Berliner Künstler, 2021; Exhibition view: CHROMA

F

The top 100 artists from 2015 to the first half of 2025

Figure 22: Top 100 artists: Auction sales (US$) and share of total auction sales
Source: ArtTactic and based on auctions of impressionist, modern and contemporary art at Christie's, Sotheby's and Phillips.



Top 100 artists accounted for more than three-quarters of the total auction value: The top 100 artists by auction sales value generated a total of US$42.9 billion, accounting for an average of 76.4% of total sales between 2015 and the first half of 2025. This group represents just 0.85% of the total artist population, highlighting their outsized role in driving overall market sentiment and auction sales. The top five artists over this period were:

1. Pablo Picasso (US$3.74 billion)
2. Claude Monet (US$2.33 billion)
3. Andy Warhol (US$2.04 billion)
4. Jean-Michel Basquiat (US$1.95 billion)
5. Gerhard Richter (US$1.33 billion)

Post-war and contemporary generation of artists accounted for 55 out of the top 100 artists: Specifically, post-war artists made up 26 of the top 100 best-selling artists at auction, followed by 29 contemporary artists (including young contemporary). The remaining spots were filled by 21 impressionist artists and 24 modern artists. In terms of value, modern artists accounted for 35% of the total sales value of the top 100 artists, followed by impressionist artists at 19%. Post-war artists accounted for 23% of the auction sales value, while contemporary artists contributed 24%.

Figure 23: Top 100 artists by % share of artists 2015–H1 2025

Source: ArtTactic and based on auctions of impressionist, modern and contemporary art at Christie's, Sotheby's and Phillips.

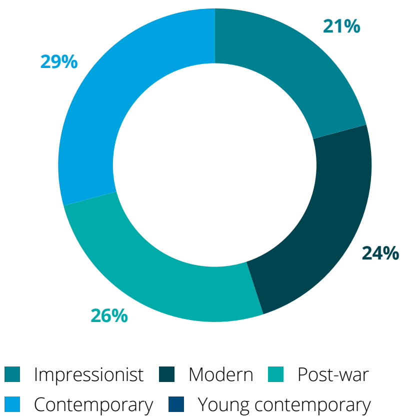
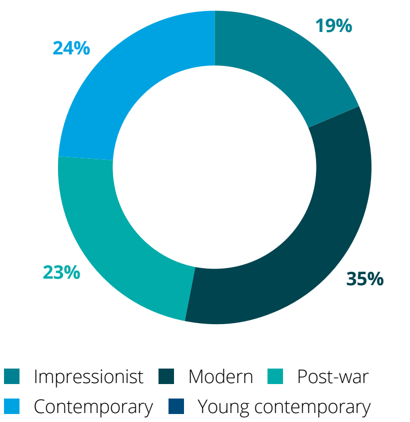


Figure 24: Top 100 artists by % share of sales 2015–H1 2025

Source: ArtTactic and based on auctions of impressionist, modern and contemporary art at Christie's, Sotheby's and Phillips.



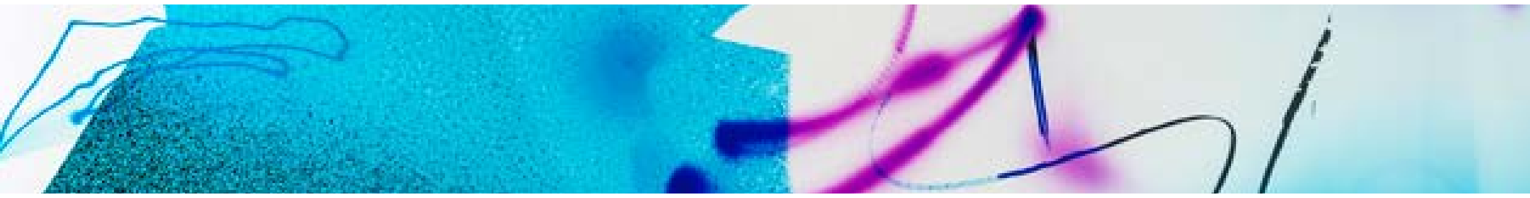
Top 25 artists

Top 25 artists by volume

(number of lots sold) 2015–H1 2025

Source: ArtTactic and based on auctions of impressionist, modern and contemporary art sold at Christie's, Sotheby's and Phillips.

ARTIST	CATEGORY	OVERALL SOLD LOTS
Pablo Picasso	Modern	2068
Andy Warhol	Post-War	1642
Yayoi Kusama	Post-War	1159
Marc Chagall	Modern	995
Alexander Calder	Modern	983
Jean Dubuffet	Modern	811
Zao Wou-Ki (Zhao Wuji)	Post-War	809
Yoshitomo Nara	Contemporary	803
Gerhard Richter	Contemporary	706
George Condo	Contemporary	700
Lucio Fontana	Modern	667
Damien Hirst	Contemporary	635
Alighiero Boetti	Contemporary	611
KAWS	Contemporary	609
Henri Matisse	Impressionist	588
Bernard Buffet	Post-War	575
Joan Miró	Modern	570
Sam Francis	Post-War	564
Pierre-Auguste Renoir	Impressionist	557
Salvador Dalí	Modern	483
Man Ray	Modern	476
Richard Prince	Contemporary	463
Raoul Dufy	Impressionist	457
Henry Moore	Modern	449
Léonard Tsuguharu Foujita	Modern	428



Top 25 artists by auction value

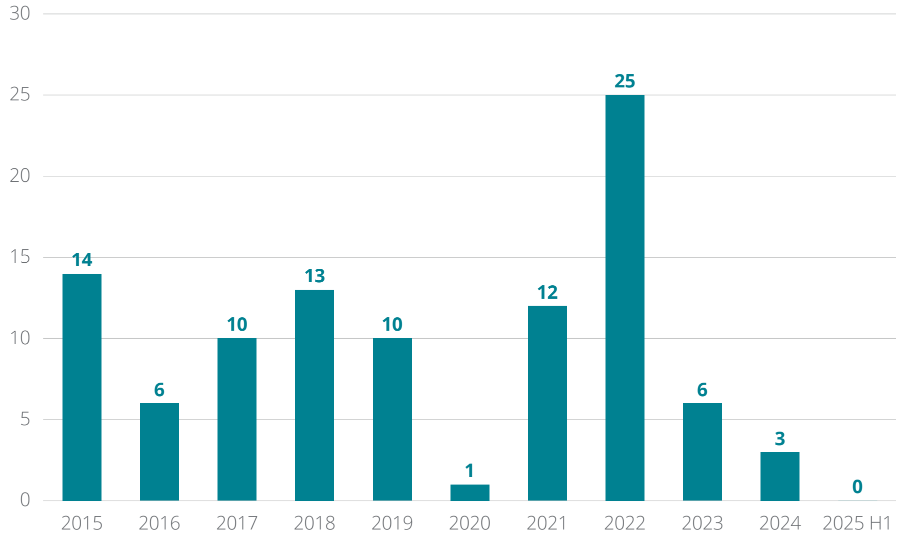
(in US$)
2015–H1 2025

Source: ArtTactic and based on auctions of impressionist, modern and contemporary art sold at Christie's, Sotheby's and Phillips.

ARTIST	CATEGORY	OVERALL SALES VALUE
Pablo Picasso	Modern	3,741,955,572
Claude Monet	Impressionist	2,330,379,149
Andy Warhol	Post-War	2,037,107,788
Jean-Michel Basquiat	Contemporary	1,933,498,396
Gerhard Richter	Contemporary	1,326,727,805
René Magritte	Modern	1,174,029,585
Francis Bacon	Modern	1,065,630,123
Mark Rothko	Modern	966,345,222
Cy Twombly	Post-War	922,318,719
Zao Wou-Ki (Zhao Wuji)	Post-War	900,116,564
Alberto Giacometti	Modern	882,566,878
David Hockney, R.A.	Contemporary	850,384,472
Vincent van Gogh	Impressionist	829,851,010
Willem de Kooning	Modern	812,073,068
Roy Lichtenstein	Post-War	777,915,885
Alexander Calder	Modern	704,646,283
Amedeo Modigliani	Modern	648,938,309
Yayoi Kusama	Post-War	647,338,734
Lucio Fontana	Modern	624,218,839
Joan Miró	Modern	595,702,345
Marc Chagall	Modern	578,140,028
Joan Mitchell	Post-War	563,323,277
Paul Cézanne	Impressionist	554,162,437
Jean Dubuffet	Modern	518,325,946
Ed Ruscha	Contemporary	507,457,986

Figure 25: Top 100 auction prices 2015–H1 2025

Source: ArtTactic and based on auctions of impressionist, modern and contemporary art at Christie's, Sotheby's and Phillips.



Top 100 prices from 2015 to the first half of 2025

Post-pandemic price inflation at the ultra-high end of the art market: The evolution of the top 100 prices since 2015 shows significant price inflation at the very top of the market. Forty-three of these prices were established since 2021, with 13 in 2021, 27 in 2022, six in 2023 and three in 2024. In the first half of 2025, no new artworks entered the top 100 rankings.

Thirty-six artists accounted for the top 100 prices: A total of 31 artists comprised the 100 top prices achieved at auction between 2015 and the first half of 2025. Pablo Picasso made up 12 of these top prices, followed by Claude Monet (12 lots), Mark Rothko (five lots), Francis Bacon (seven lots), Andy Warhol (five lots) and Jean-Michel Basquiat (six lots). Four out of the top 10 prices were set in 2022, with Andy Warhol's *Shot Sage Blue Marilyn* (1964) fetching a record US$170 million (excluding buyer's premium). This data highlights the strong concentration of a small number of artists at the very top end of the market.

The average price of the 10 most expensive lots sold at public auction between 2000 and 2015 was US$106.3 million, compared to US$150.8 million for the 10 most expensive lots sold between 2015 and the first half of 2025. This demonstrates price inflation at the very peak of the market.

Figure 26: Top 10 auction prices 2015–H1 2025

Source: ArtTactic and based on auctions of impressionist, modern and contemporary art at Christie's, Sotheby's and Phillips.

Artist	Title	Year	Premium price	Year sold
Andy Warhol	Shot Sage Blue Marilyn	1964	US$195 M	2022
Pablo Picasso	Les femmes d'Alger (Version "O")	1955	US$179.4 M	2015
Amedeo Modigliani	Nu couché	1918	US$170.4 M	2015
Amedeo Modigliani	Nu couché (sur le côté gauche)	1917	US$157.2 M	2018
Georges Seurat	Les poseuses, ensemble (petite version)	1888	US$149.2 M	2022
Alberto Giacometti	L'homme au doigt	1947	US$141.3 M	2015
Pablo Picasso	Femme à la montre	1932	US$139.4 M	2023
Paul Cézanne	La Montagne Sainte-Victoire	1890	US$137.8 M	2022
René Magritte	L'empire des lumières	1954	US$121.2 M	2024
Vincent van Gogh	Verger avec cyprès	1888	US$117.2 M	2022

Figure 27: Top 10 auction prices 2000–2014

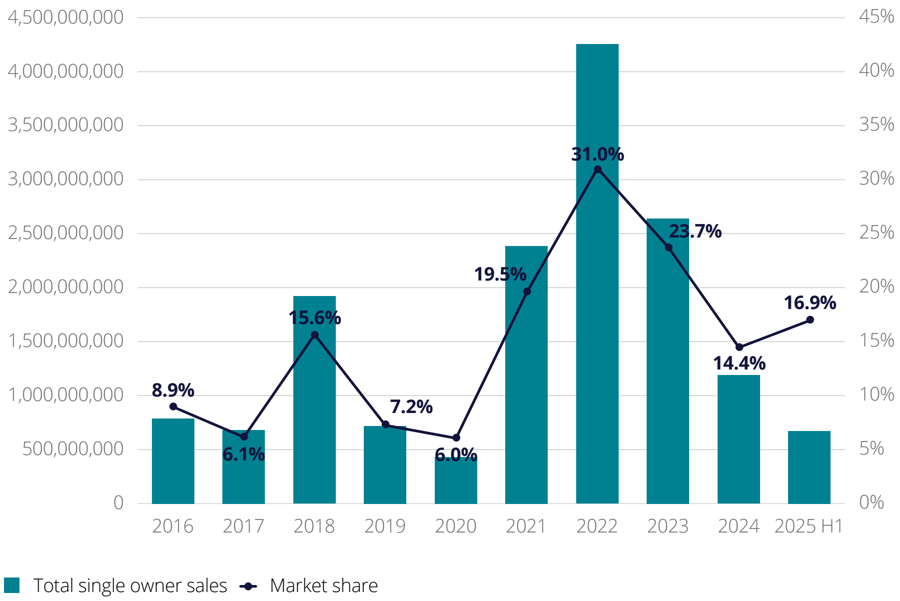
Source: ArtTactic and based on auctions of impressionist, modern and contemporary art at Christie's, Sotheby's and Phillips.

Artist	Title	Year	Premium price	Year sold
Francis Bacon	Three Studies of Lucian Freud	1969	US$142.4 M	2013
Edvard Munch	The Scream	1895	US$119.9 M	2012
Jasper Johns	Flag	1958	US$110 M	2010
Pablo Picasso	Nude, Green Leaves and Bust	1932	US$106.5 M	2010
Barnett Newman	Anna's Light	1968	US$105.7 M	2013
Andy Warhol	Silver Car Crash (Double Disaster)	1963	US$105.4 M	2013
Pablo Picasso	Garçon à la pipe	1904	US$104.2 M	2004
Pablo Picasso	Dora Maar au chat	1941	US$95.2 M	2006
Mark Rothko	Orange, Red, Yellow	1961	US$86.9 M	2012
Francis Bacon	Triptych	1976	US$86.3 M	2008

G Single-owner collections from 2016 to the first half of 2025

Figure 28: Single-owner collections: Auction sales (US$ million) 2016–H1 2025

Source: ArtTactic, based on data from Christie's, Sotheby's and Phillips.



Single-owner collection sales fall as consignors sit on the fence

Total auction sales from single-owner collections hit a record US$4.252 billion in 2022 (including buyer's premium), driven by landmark events like the Paul G. Allen Collection (US$1.62 billion), the Macklowe Collection (US$685 million), and the Cox Collection (US$333 million). Since that peak, however, sales have fallen sharply, dropping to US$1.19 billion in 2024, with the first half of 2025 generating US$675 million. The share of single-owner collections in total auction sales at Sotheby's, Christie's and Phillips also declined, from 31% in 2022 to 23.7% in 2023, and just 14.4% in 2024.

This drop is not only due to the absence of blockbuster estates but also the reluctance of consignors to bring collections to a softer market. Instead, they are waiting for improved conditions to sell.

As the ongoing transfer of wealth from an older generation of collectors continues, the pipeline of single-owner collections ready to come to market has been steadily building. Many estates and families are simply waiting for a more favorable time, creating a backlog of significant collections that could reshape upcoming sales.

H

Online sales from 2013 to 2024

Figure 29: Online art sales (US$ million) and % of global art sales

Source: ArtTactic, Art Basel and UBS' The Art Market Report 2025.

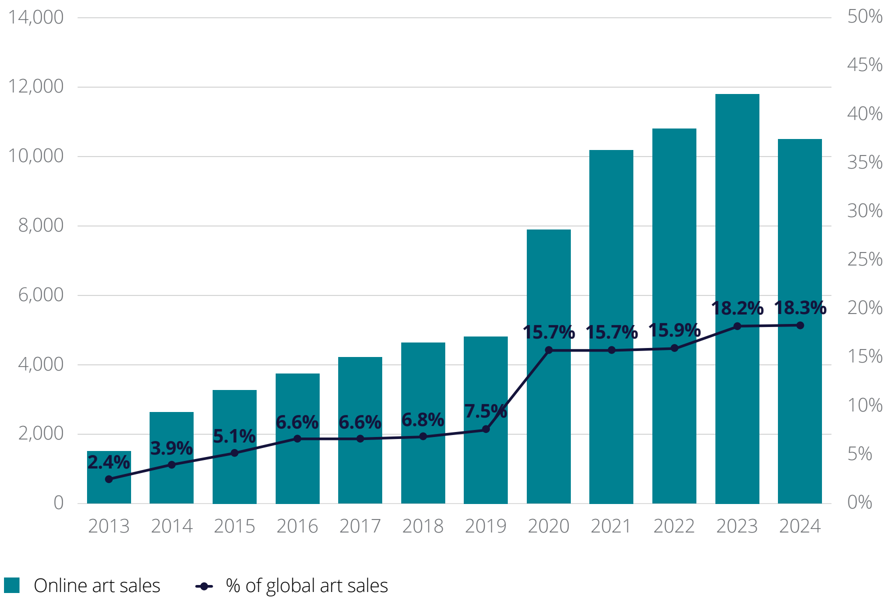
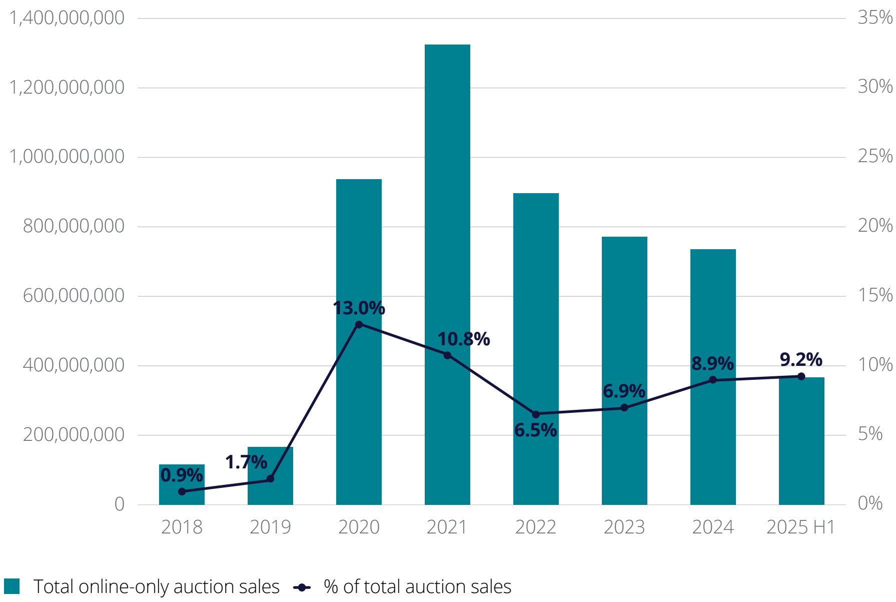


Figure 30: Online-only auction sales (US$ million) at Christie's, Sotheby's and Phillips

Source: ArtTactic, based on data from Christie's, Sotheby's and Phillips.



Online sales broaden the collector base and democratize access to the art market

The rise of e-commerce has been pivotal in broadening participation in the art market, lowering entry barriers, and creating a more transparent marketplace. Although online sales were already on an upward trend before the pandemic, their value almost doubled in 2020 as digital platforms became the primary, and often the only, channel for transactions. After peaking at US$13.3 billion in 2021, online sales declined as in-person auctions resumed, falling by 17% in 2022 and another 11% in 2024 to US$10.5 billion. Despite this, online sales remain 76% higher than they were in 2019, underlining their enduring significance.

This structural shift is reflected in the rapid expansion of online-only auctions at Christie's, Sotheby's and Phillips. Sales in this category rose from just US$167 million in 2019 to a peak of US$1.32 billion in 2021, before stabilizing at US$736 million in 2024—still nearly five times higher than pre-pandemic levels. Between 2018 and 2024, online-only sales posted a CAGR of 36%, demonstrating how digital channels have transformed from a niche format into a core part of the auction industry.

In the first half of 2025, online-only auctions generated US$366.6 million, a 10% decrease year-on-year, but still accounted for 9.2% of the total market share—the highest proportion since the 2021 peak. While average prices fell by 20.2% to US$13,321 (from US$16,700 in the first half of 2024), the number of lots sold increased significantly to 27,522, up 12.9% year-on-year. This combination of lower average prices and higher volumes points to the democratizing effect of online channels, opening opportunities at more accessible price points for a wider pool of buyers.

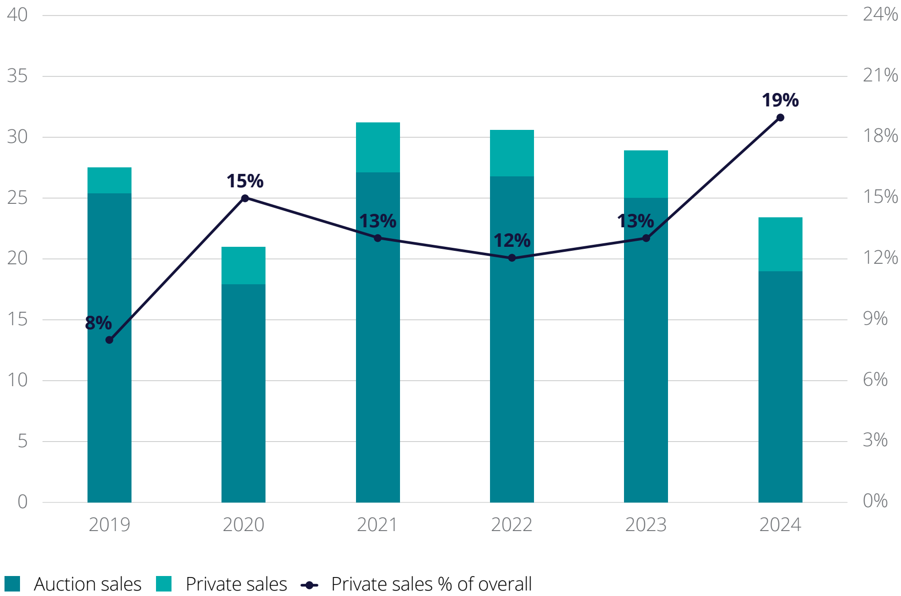
These dynamics highlight the resilience of online transactions and their role in expanding the collector base. Digital platforms are enabling new entrants, including younger collectors, to engage with art in ways that were previously limited by geography, access or market opacity. Far from being a temporary response to the COVID-19 pandemic, online sales have become a permanent feature of the global art market, broadening participation and diversifying revenue streams.

Looking ahead, integrating online-only channels and platforms with financial products and wealth management services could further accelerate growth. When paired with advisory tools, lending products and fractional ownership models, digital platforms could serve as a bridge between the art market and the broader wealth management ecosystem, positioning online sales as a key driver of market expansion in the coming decade.

Untitled
Marta Djourina, 2019, direct exposure on analogue photo paper, self-made film negative, 350 x 183 cm, unique work; Exhibition curated by RAM Berlin; Exhibition view: Andreas Baudisch

Private sales between 2019 and 2024

Figure 31: Private sales (US$ billion) at Christie's, Sotheby's and Phillips
Source: Art Basel and UBS' The Art Market Report 2025.



Uncertainty drives increase in private sales at major auction houses in 2024: During periods of market uncertainty, private sales at auction houses typically increase as consignors aim to reduce the risk of works going unsold in public auctions, preferring the discretion of off-market transactions. According to *The Art Market Report 2025*, private sales grew by 13% in 2024 to US$4.4 billion, representing 19% of total auction house sales. This is the highest share recorded since 2019.

Christie's and Sotheby's have not reported their private sales figures for the first half of 2025. However, according to ARTnews, Sotheby's private luxury sales rose by 350% year-over-year, mainly driven by exceptional growth in the luxury segment, which we covered in more detail on page 64.

J Auction guarantee analysis

Auction guarantees drop back to pandemic levels, as investors become more cautious: In 2024, the level of auction guarantees hit its lowest point since 2020, with US$1.77 billion in guaranteed sales. This represents a 36.9% decrease from 2023 and is 55.4% lower than the 2022 peak. However, auction guarantees still made up a record 60.9% of total evening sales value in 2024.

In the first half of 2025, auction guarantees accounted for US$924.5 million of auction sales, or 70.5% of total evening auction sales for impressionist, modern, post-war and contemporary art. Since the pandemic (2021 to the first half of 2025), an average of 64.8% of total evening sales value has been supported by auction guarantees, up from an average of 44.8% between 2015 and 2020.

This demonstrates the growing importance of auction guarantees as a way for consignors to hedge risk and for guarantors to invest.

Less profitability may indicate a more cautious approach among guarantors: Since 2021, the estimated profitability from auction guarantees has been under pressure. Estimated returns have fallen from a peak of 21.4% in 2021 to 8.9% in 2022, 5.4% in 2023 and 6.4% in 2024. Increased market uncertainty and the overall decline in auction sales have made guarantors more wary. The average estimated return on guarantees from 2023 to the first half of 2025 dropped to 5.7%, down from an average of 13.8% between 2019 and 2022. It is debatable whether the current risk-return ratio is attractive enough to sustain growth in the auction guarantee market in the next 12 months.

Figure 32: Auction sales: Guaranteed vs. non-guaranteed sales by value (US$)

Source: ArtTactic and based on evening auctions of impressionist, modern and contemporary art at Christie's, Sotheby's and Phillips.

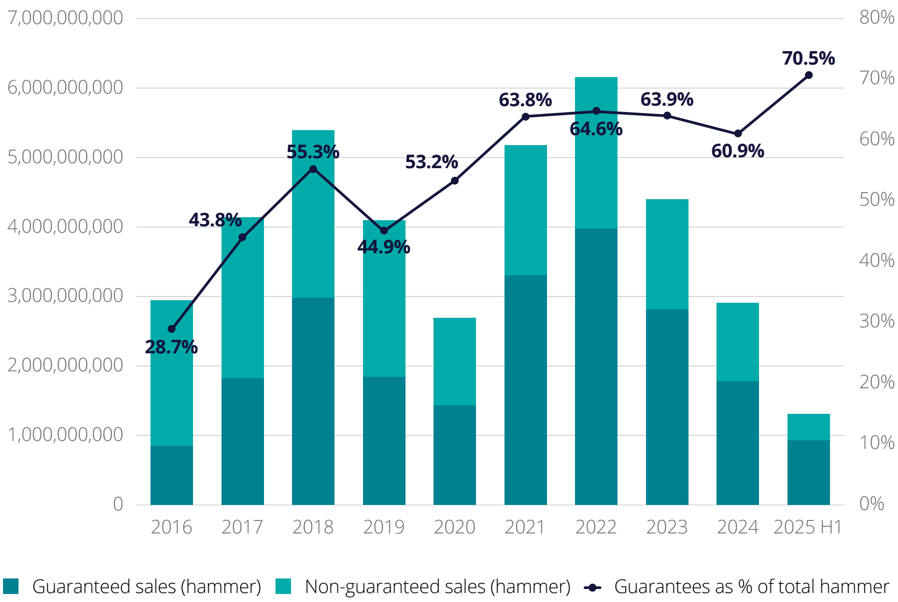


Figure 33: Auction sales: Guaranteed vs. non-guaranteed sales by lots sold

Source: ArtTactic and based on evening auctions of impressionist, modern and contemporary art at Christie's, Sotheby's and Phillips.

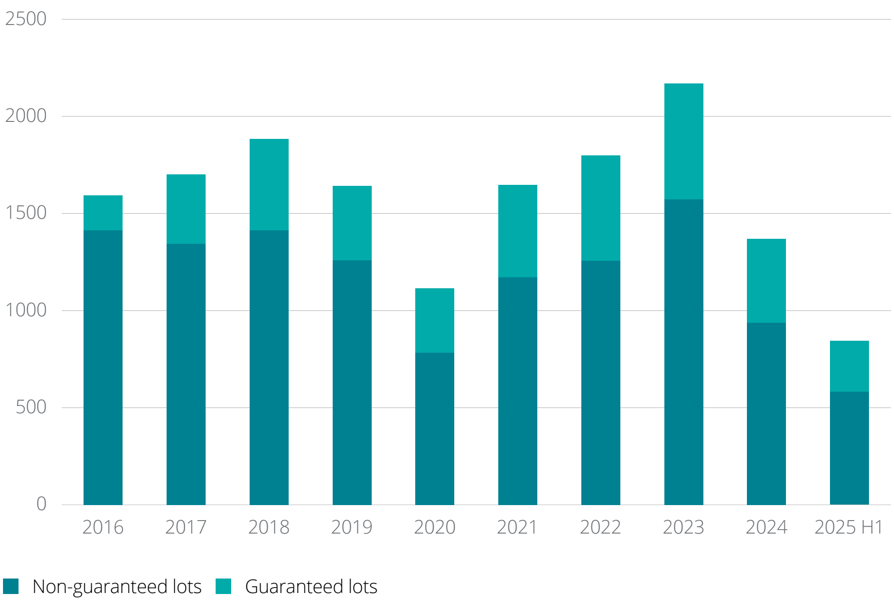
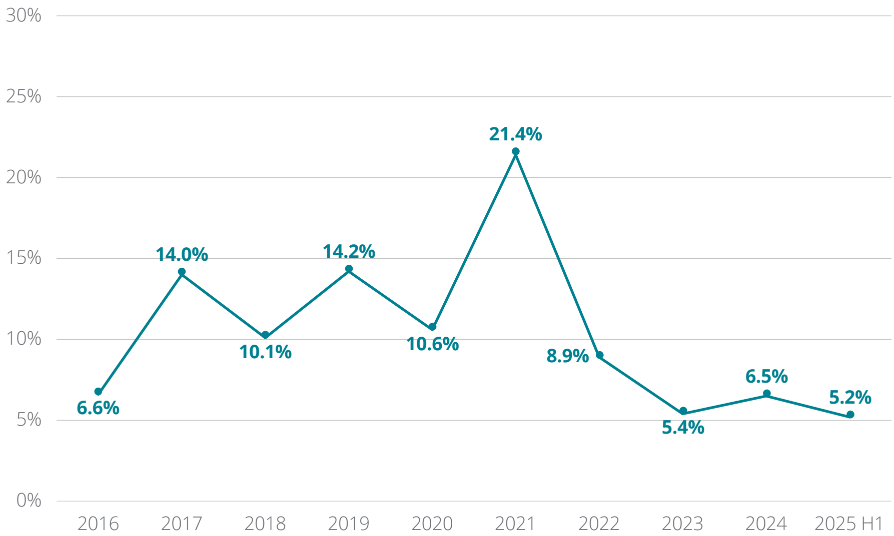


Figure 34: Auction guarantees: Estimated average return*

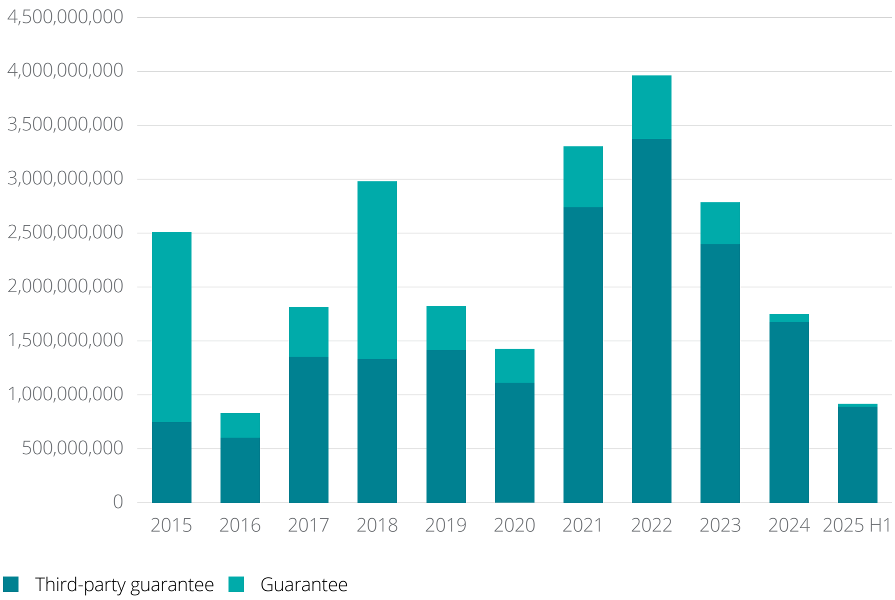
Source: ArtTactic and based on evening auctions of impressionist, modern and contemporary art at Christie's, Sotheby's and Phillips.



** Estimated average return on guarantees is based on the difference between the hammer price and the low estimate , assuming the guarantee is set at the low estimate.*

Figure 35: Auction guarantees: By type and by value (US$)

Source: ArtTactic and based on evening auctions of impressionist, modern and contemporary art at Christie's, Sotheby's and Phillips.



Auction houses passing risks to third-party guarantors: Between 2016 and the first half of 2025, the majority (74%) of guaranteed value was offered by a third-party rather than the auction house itself. The trend toward third-party guarantees has become particularly prominent since 2020, and in the first six months of 2025, 96% of guaranteed value was offered by third-party guarantors. This shows that the guarantee market over the last five years has been, and continues to be, almost exclusively supported by external investors. These investors use the guarantee market not just as an investment opportunity but also as a way to acquire artworks at what they consider fair value.

Auction guarantees by price segment between 2016 and the first half of 2025

The trophy art market accounted for more than 59.6% of the guaranteed sales value, but only 8.5% of lots are guaranteed: The US$10 million to US$50 million price segment accounted for 44.8% of auction guarantee value (hammer price of guaranteed lots) between 2016 and the first half of 2025. The US$50 to US$100 million segment accounted for 11.2% of the total guaranteed sales value, with guaranteed lots selling above US$100 million making up 3.7%. However, in terms of lots sold, this ultra-high price segment (above US$10 million) accounted for only 8.5%.

The US$500,000 to US$10 million segment is the sweet spot for the auction guarantee market: Artworks selling in this range accounted for 38.9% of guaranteed sales value between 2016 and the first half of 2025, and the majority (51%) of guaranteed lots sold.

Two out of five guaranteed artworks sold for below US$500,000: Artworks sold for less than US$500,000 accounted for 40.6% of guaranteed lots between 2016 and the first half of 2025. Despite this, artworks in the sub-US$500,000 price range only accounted for 1.5% of the total guaranteed sales value.

Figure 36: Auction guarantee value by price segment 2015–H1 2025

Source: ArtTactic and based on evening auctions of impressionist, modern and contemporary art at Christie's, Sotheby's and Phillips.

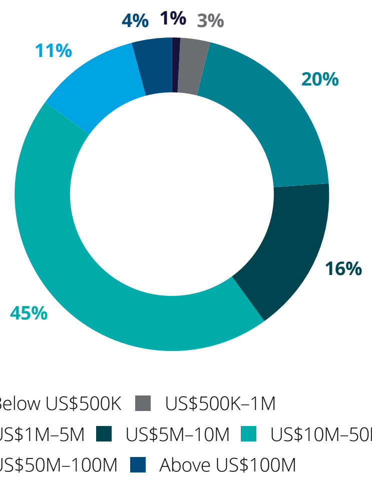
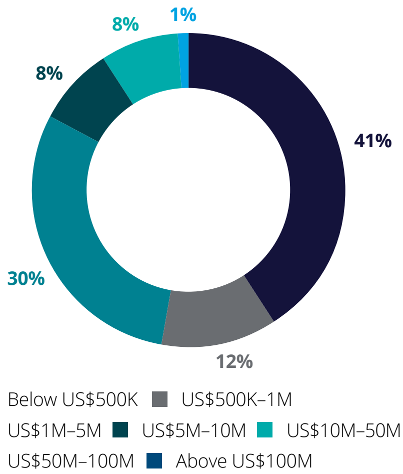


Figure 37: Auction guarantee lots by price segment 2015–H1 2025

Source: ArtTactic and based on evening auctions of impressionist, modern and contemporary art at Christie's, Sotheby's and Phillips.



Financial guarantees have become a cornerstone of the auction market, supporting nearly two-thirds of evening sales since 2021, compared to less than half before the COVID-19 pandemic. They provide consignors with downside protection and offer investors structured opportunities to participate, even as returns have narrowed to mid-single digits.

With third-party guarantors now accounting for the vast majority of guarantees, this tool has evolved into both a risk hedge and an investment strategy, particularly in the US$500,000 to US$10 million range. Despite lower profitability, guarantees remain essential for securing consignments and sustaining confidence in an uncertain market.

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Art market outlook 2025

Art market confidence deteriorates in the face of continued economic uncertainty

The first half of 2025 offered little relief for the global art market. After a brief glimmer of optimism at the start of the year, market sentiment once again retreated into negative territory. ArtTactic's *Contemporary Art Market Confidence Report July 2025* reflects a market grappling with persistent uncertainty from political turbulence, economic volatility, and a fragile global outlook.

The Art Market Confidence Indicator's sharp decline from 54 in January 2025 to 30 in July 2025 suggests that a recovery may still be some way off. While the contraction in auction sales appears to be stabilizing, a lack of conviction among buyers and consignors, particularly at the high end, continues to weigh on the public market.

While experts were cautiously optimistic about the economic outlook in January 2025, ahead of Trump's second term, there are growing indications that the economic uncertainty will likely persist in the coming six months. The Economic Indicator dropped significantly, falling from 56 in January 2025 to 34 in July 2025, as more respondents anticipated further market and economic volatility this year.

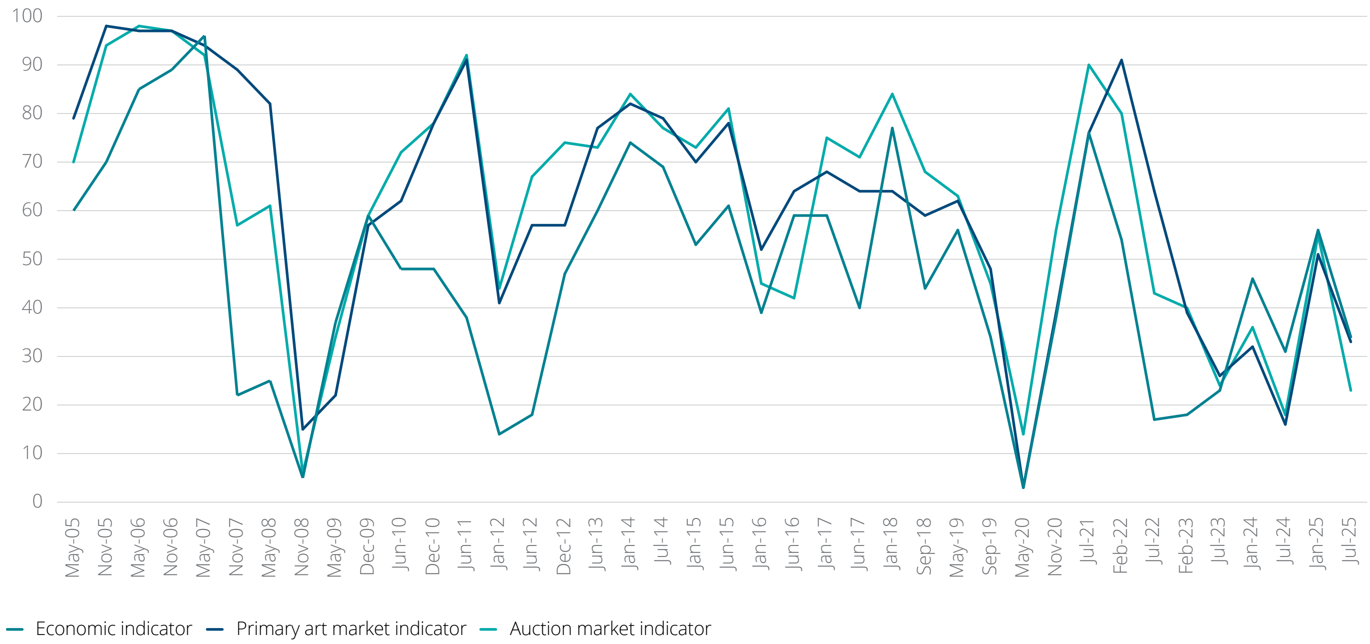
The IMF's *World Economic Outlook Update July 2025* projected global growth to reach 3.0% this year and 3.1% next year, an upgrade of 0.2 percentage points compared to its April 2025 forecast. This upgrade reflects stronger-than-expected US consumption and resilience in several emerging markets, though the IMF cautioned that trade tensions and tariff measures continue to pose risks.

Yet, amid the prevailing caution, there are also signs of resilience. The lower end of the market continues to show strength, and the mid-tier segment is quietly regaining momentum. Meanwhile, the growing optimism around next-gen artists and a modest uptick in 12-month growth expectations point to a market that, despite current headwinds, remains dynamic and adaptive.

Now well into the second half of the year, the art market finds itself at a crossroads. While a sustained recovery may not be imminent, pockets of opportunities are emerging.

Figure 38: ArtTactic Confidence Indicators 2005–July 2025

Source: ArtTactic's Contemporary Art Market Confidence Report July 2025.



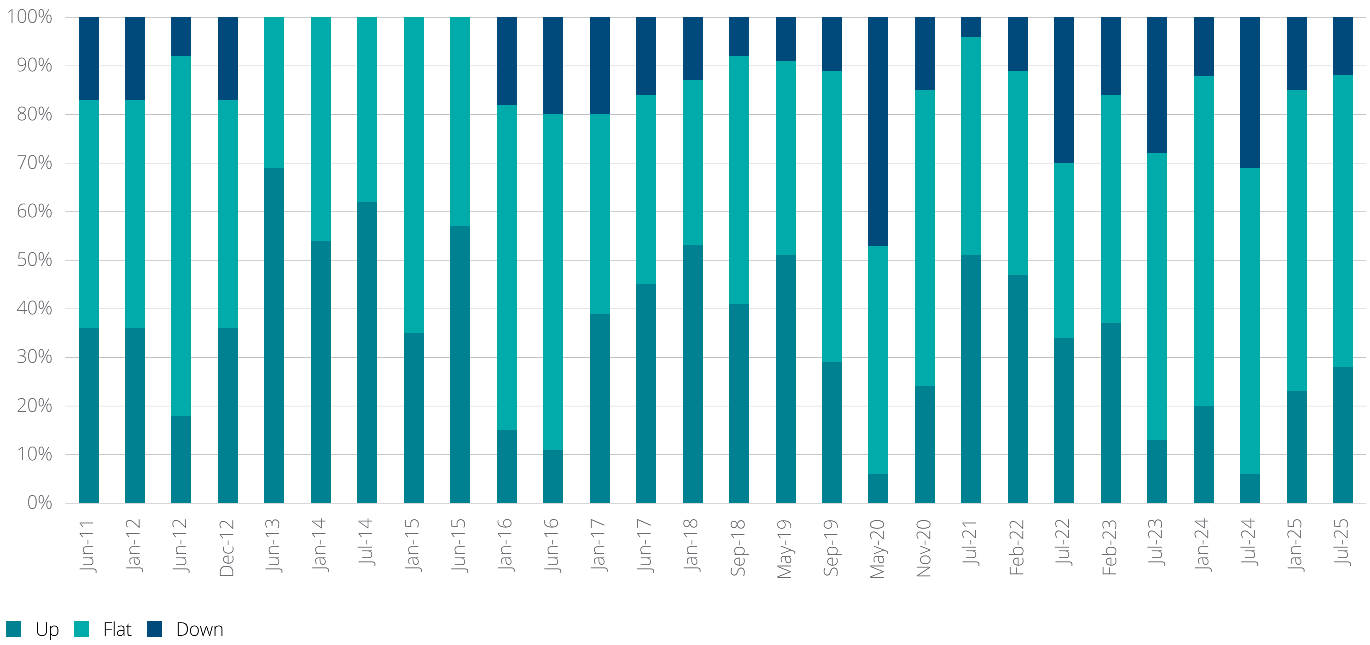
A reading below 50 implies that there is more negative than positive sentiment among the art market experts surveyed.

Is the market recovery around the corner?

According to ArtTactic's *Contemporary Art Market Confidence Report July 2025*, the art market downturn is now in its third year, with few signs of an imminent recovery. Among the art market experts surveyed, 60% believed the market would remain at current levels over the next 12 months, while 28% anticipated growth (a slight increase from 23% in January 2025), and 13% foresaw further decline (compared to 15%). Overall, this sentiment suggests a neutral-to-mildly positive outlook as the market moves into the next 12 months. Market participants will be searching for any signs of green shoots in the short term.

Figure 39: ArtTactic Confidence Map: Art market direction in the next 12 months

Source: ArtTactic's Contemporary Art Market Confidence Report July 2025.

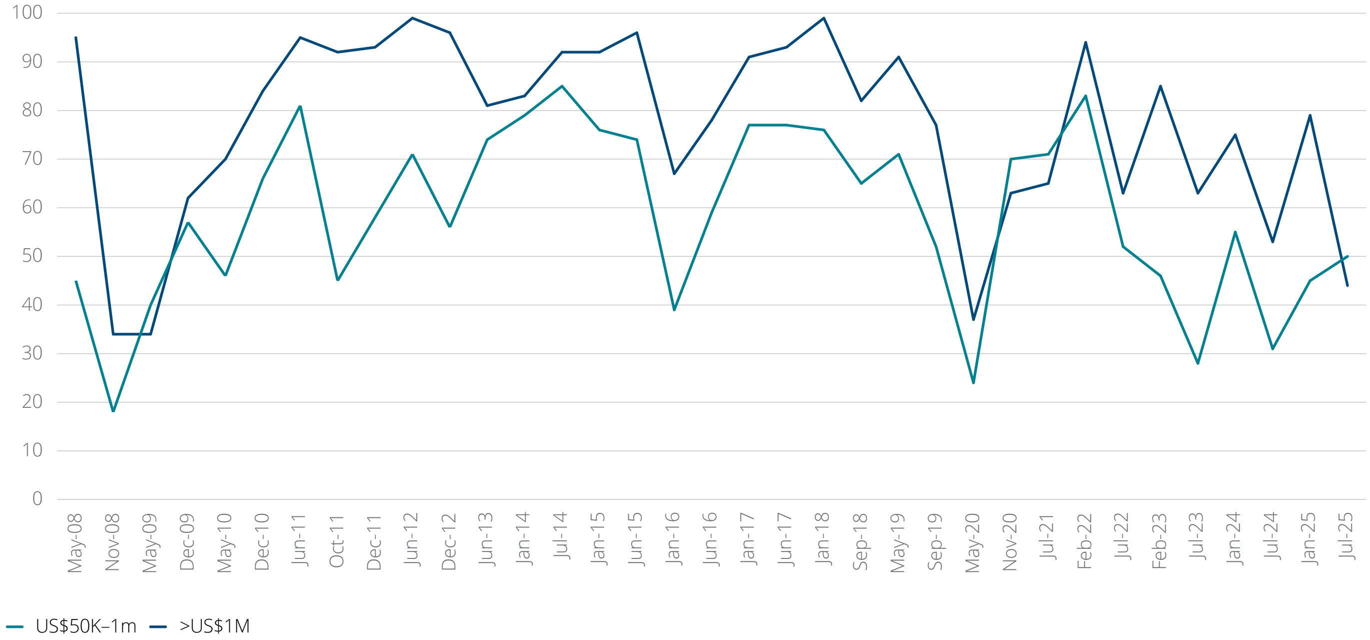


Increasing confidence in the mid-market

Confidence in the high-end (US$1 million+) segment has taken a hit as auction volumes in this category continue to contract, with consignors remaining jittery about selling in today's soft market. The Confidence Indicator for the US$1 million+ price range came in at 44 in July 2025, down from 79 in January 2025. However, the mid-market (US$50,000 to US$1 million) held up well, with a reading of 50 in July 2025, up from 45 in January 2025, which reflects an equal amount of positive and negative sentiment among experts. This signals that investors and collectors are increasingly looking for opportunities in the mid-market segment.

Figure 40: ArtTactic Art Market Confidence Indicator: By price segment

Source: ArtTactic's Contemporary Art Market Confidence Report July 2025.



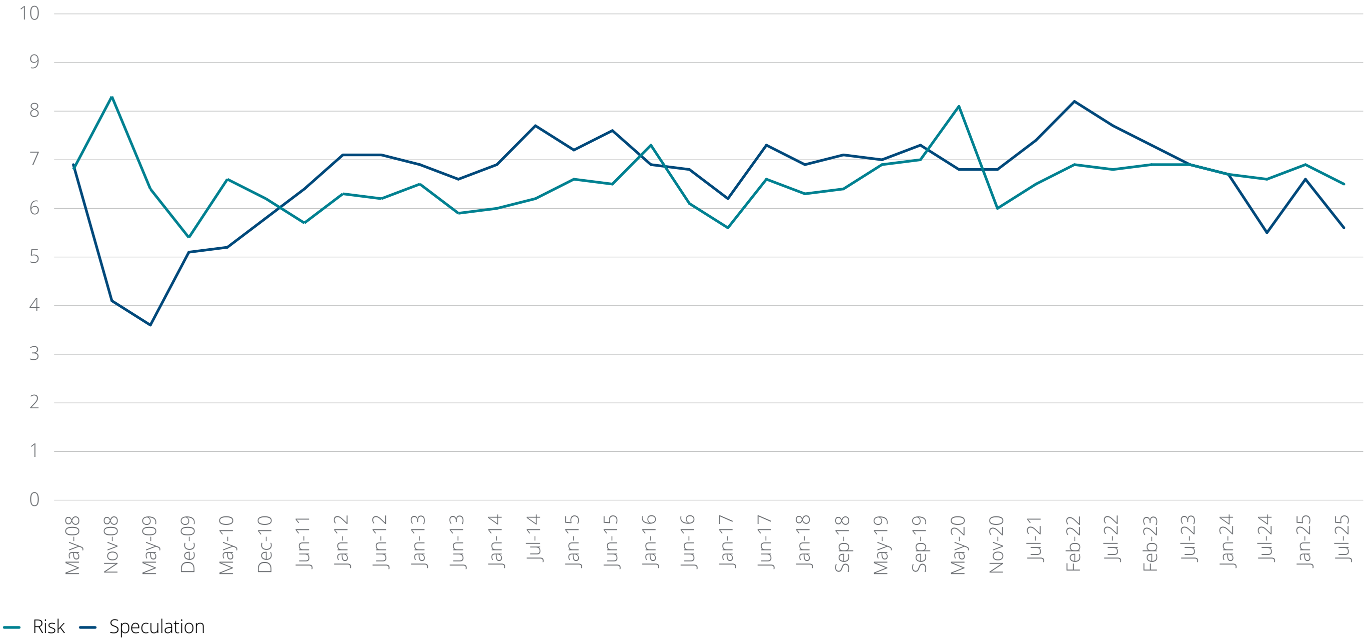
A reading below 50 implies that there is more negative than positive sentiment among the art market experts surveyed.

Lower risk perception: The perceived risk level in the contemporary art market was 6.5 in July 2025, down from 6.9 in January 2025 and below the 10-year historic average of 6.7. Economic and geopolitical uncertainty was cited as the main macro-risk factor, while some experts pointed to the increasing economic pressure on galleries in today's soft market as a key risk to the future of many artists.

Speculation at historic low: Speculation fears were gradually re-emerging after a challenging year for speculators, marked by a contracting market and increased risks associated with short-term flipping. In July 2025, the ArtTactic Risk and Speculation Barometer decreased to 5.6 (on a scale of 1 to 10), down from 6.6 in January 2025, which was significantly below the 10-year historical average of 6.9.

Figure 41: ArtTactic Risk and Speculation Barometer 2005–July 2025

Source: ArtTactic's Contemporary Art Market Confidence Report July 2025.



The graph reflects art market experts' view on art market risks and speculation, and is based on a scale of 1 to 10, where 1 = no risk/ speculation and 10 = very high level of risk/ speculation.

PART **03**

Regional breakdown

Untitled
Marta Djourina, 2019, direct exposure on analogue photo paper, self-made film negative, unique work, 390 x 250 cm, 3 parts
Exhibition view, The Others Art Fair with DISPLAY, curated by Marie DuPasquier

Regional breakdown

		GLOBAL TREND	UNITED STATES	UNITED KINGDOM	EUROPE	CHINA
	Real GDP growth 2025*	**3.0%**	1.9%	1.2%	1.0%	4.8%
ECONOMIC REVIEW	**Real GDP growth trend** (2024 vs 2025)	**Negative**	Negative	Positive	Positive	Negative
ECONOMIC REVIEW	**HNWI wealth growth** 2024 to 2025**	**4.2%**	8.9%	-0.4%	0.7%	2.4%
ECONOMIC REVIEW	**Real GDP growth outlook** 2026*	**3.1%**	2.0%	1.4%	1.2%	4.2%
ECONOMIC OUTLOOK	**Economic outlook trend** (2025 vs 2026)	**Positive**	Positive	Positive	Positive	Negative
ECONOMIC OUTLOOK	**Wealth outlook 2028** (growth in UHNWI population between 2023 and 2028)***	**28.1%**	25.6%	24.5%	22.3%	47.0%
AUCTION MARKET REVIEW	**Art market modern and contemporary sales 2024** (US$ million)	**4,031**	2,118	611	223	496
AUCTION MARKET REVIEW	**Market share %** in 2024	**100.0%**	52.6%	15.2%	5.5%	12.3%
AUCTION MARKET REVIEW	**Art market sales growth** 2023 to 2024	**-26.9%**	-29.2%	-12.3%	-28.1%	-42.2%
AUCTION MARKET REVIEW	**5-year sales CAGR** (2019-2024)	**-2.2%**	-3.2%	-8.3%	-0.6%	-10.1%
ART MARKET OUTLOOK	**Art market outlook** 2026	⊕ *UP: 28%* ⊜ *FLAT: 60%* ⊖ *DOWN: 13%*	⊕ *UP: 25%* ⊜ *FLAT: 53%* ⊖ *DOWN: 23%*	⊕ *UP: 9%* ⊜ *FLAT: 55%* ⊖ *DOWN: 36%*	⊕ *UP: 22%* ⊜ *FLAT: 53%* ⊖ *DOWN: 25%*	⊕ *UP: 20%* ⊜ *FLAT: 48%* ⊖ *DOWN: 32%*
ART MARKET OUTLOOK	**Trend** 2025 vs 2026	**Neutral**	Negative	Positive	Positive	Positive

* IMF World Economic Outlook, July 2025

** Source: Capgemini World Wealth Report 2025

*** Knight Frank Wealth Report 2024

	MIDDLE-EAST	SOUTH ASIA	SOUTH EAST ASIA****	LATIN AMERICA	JAPAN	SOUTH KOREA	AFRICA
	3.4%	6.4%	4.1%	2.2%	0.7%	0.9%	4.0%
	Positive	Negative	Negative	Negative	Positive	Negative	Neutral
	0.9%	8.8%	4.8%	-2.6%	8.2%	-3.8%	4.7%
	3.5%	6.4%	4.1%	2.4%	0.5%	1.6%	4.3%
	Positive	Neutral	Neutral	Positive	Negative	Positive	Positive
	28.3%	50.1%	21.5%	18.2%	12.9%	29.5%	17.0%
	30	156	33	144	165	16	40
	0.7%	3.9%	0.8%	3.6%	4.1%	0.4%	1.0%
	-34.5%	9.6%	-19.8%	53.2%	-33.1%	12.2%	-47.4%
	1.0%	13.6%	10.3%	11.0%	-2.0%	-3.4%	-14.1%
	⊕ ***UP: 46%*** ⊜ ***FLAT: 36%*** ⊖ ***DOWN: 18%***	⊕ ***UP: 26%*** ⊜ ***FLAT: 53%*** ⊖ ***DOWN: 21%***	⊕ ***UP: 30%*** ⊜ ***FLAT: 54%*** ⊖ ***DOWN: 15%***	⊕ ***UP: 28%*** ⊜ ***FLAT: 47%*** ⊖ ***DOWN: 25%***	⊕ ***UP: 16%*** ⊜ ***FLAT: 64%*** ⊖ ***DOWN: 20%***	⊕ ***UP: 31%*** ⊜ ***FLAT: 61%*** ⊖ ***DOWN: 7%***	⊕ ***UP: 16%*** ⊜ ***FLAT: 47%*** ⊖ ***DOWN: 32%***
	Positive	Positive	Positive	Neutral	Positive	Negative	Negative

**** South East Asia growth rate in UHNWI population between 2023 and 2028 is based on the simple average growth of the following countries: Indonesia (34.1%), Malaysia (34.6%), Singapore (15.7%), Thailand (14.7%) and Vietnam (30%).

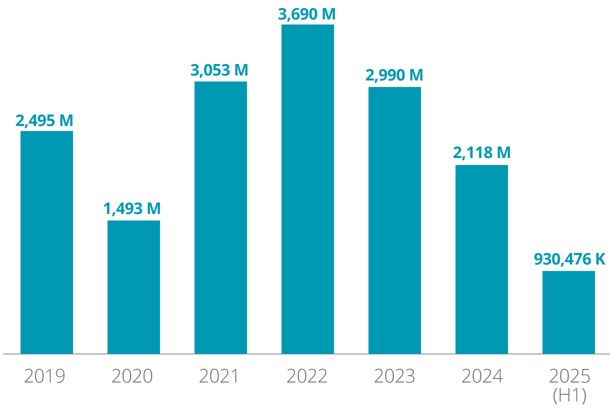
Regional profiles

UNITED STATES

Economic and wealth indicators	Modern and contemporary art market*
UHNWI wealth population 2023 253,066	**Auction sales in 2024 (US$ million)** US$2.1 billion
UHNWI wealth population growth 2023-2028 25.6%	**Sales growth 2023-2024** -29.0%
Real GDP growth 2025 1.9%	**Global market share 2024** 53.0%
GDP growth outlook 2026 2.0%	**Art market outlook 2026** UP: 25% FLAT: 53% DOWN: 23%

5-year CAGR (2019-2024) **-3.2%**

Auction sales in US$



Auction sales in the world's largest art market fell by 29% in 2024. Sales slowed further in the first half of 2025, and the majority, 53%, of experts believe the US art market will consolidate around these levels over the next 12 months. A minority, 25% of experts believe the market will strengthen in the coming year, with 23% predicting that the market could weaken further.

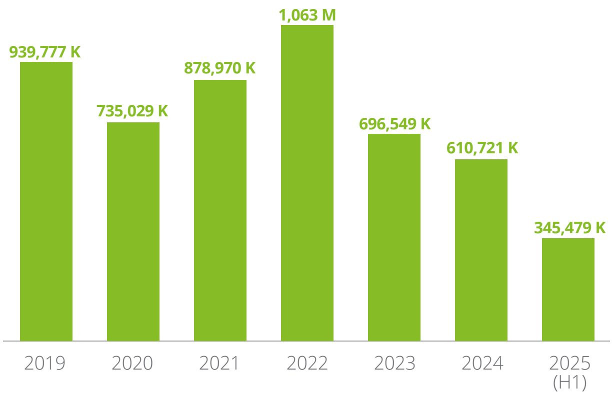
** Art market analysis is based on modern, post-war and contemporary evening and day auctions—Sotheby's, Christie's and Phillips in New York.*

UNITED KINGDOM

Economic and wealth indicators	Modern and contemporary art market*
UHNWI wealth population 2023 23,072	**Auction sales in 2024 (US$ million)** US$611 million
UHNWI wealth population growth 2023-2028 24.5%	**Sales growth 2023-2024** -12.0%
Real GDP growth 2025 1.2%	**Global market share 2024** 15.2%
GDP growth outlook 2026 1.4%	**Art market outlook 2025** UP: 9% FLAT: 55% DOWN: 36%

5-year CAGR (2019-2024) **-8.3%**

Auction sales in US$



The UK art market experienced a decline in auction sales of 12% in 2024. This is coupled with a weaker sales performance in the first half of 2025, which has dampened the short-term outlook, with 36% of experts believing the market could weaken further in the next 12 months.

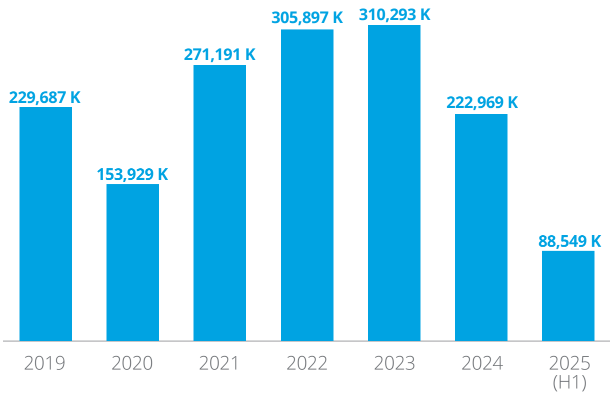
** Art market analysis is based on modern, post-war and contemporary evening and day auctions—Sotheby's, Christie's and Phillips in London.*

EUROPE

Economic and wealth indicators	Modern and contemporary art market*
UHNWI wealth population 2023 155,232	**Auction sales in 2024 (US$ million)** US$223 million
UHNWI wealth population growth 2023-2028 22.4%	**Sales growth 2023-2024** -28.0%
Real GDP growth 2025 1.0%	**Global market share 2024** 5.53%
GDP growth outlook 2026 1.2%	**Art market outlook 2025** ⊕ *UP: 22%* ⊜ *FLAT: 53%* ⊖ *DOWN: 25%*

5-year CAGR (2019-2024) **-0.6%**

Auction sales in US$



While the European art market witnessed a 28% drop in modern and contemporary sales during 2024, sales have rebounded in the first half of 2025, and are currently up 58.6% compared to H1 2024. This has prompted 22% of experts predict a positive outlook for the market in the next 12 months, with a further 48% forecasting sales to consolidate around current levels.

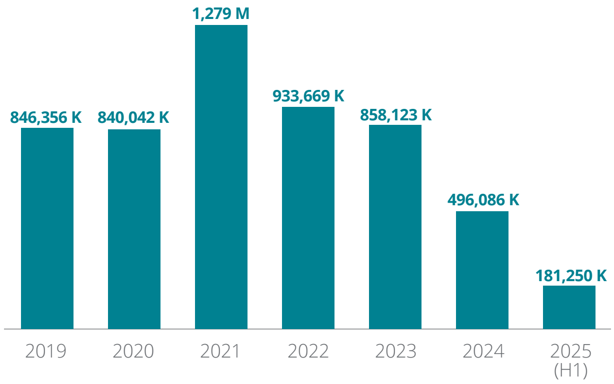
** Art market analysis is based on modern, post-war and contemporary evening and day auctions—Sotheby's and Christie's in Paris and Milan.*

CHINA

Economic and wealth indicators	Modern and contemporary art market*
UHNWI wealth population 2023 98,551	**Auction sales in 2024 (US$ million)** US$496.1 million
UHNWI wealth population growth 2023-2028 47.0%	**Sales growth 2023-2024** -42.0%
Real GDP growth 2025 4.8%	**Global market share 2024** 12.31%
GDP growth outlook 2026 4.2%	**Art market outlook 2025** ⊕ *UP: 20%* ⊜ *FLAT: 48%* ⊖ *DOWN: 32%*

5-year CAGR (2019-2024) **-10.1%**

Auction sales in US$



China and Hong Kong have struggled to rebound after declining aucton sales since the market peak in 2021. However, 48% of experts believe the market will stay at current levels in the coming 12 months, while 20% believe the market could see a rebound from current levels.

** Art market analysis is based on modern, post-war and contemporary auctions—Sotheby's, Christie's, Poly Auction and China Guardian—Hong Kong, Beijing and Shanghai.*

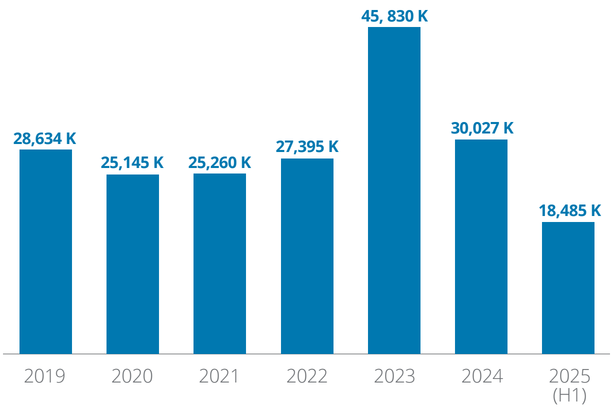
Regional profiles

MIDDLE EAST

Economic and wealth indicators	Modern and contemporary art market*
UHNWI wealth population 2023 18,790	**Auction sales in 2024 (US$ million)** US$30.0 million
UHNWI wealth population growth 2023-2028 28.3%	**Sales growth 2023-2024** -34.0%
Real GDP growth 2024 3.4%	**Global market share** 0.74%
GDP growth outlook 2025 3.5%	**Art market outlook 2025** ⊕ *UP: 46%* ⊜ *FLAT: 36%* ⊖ *DOWN: 18%*

5-year CAGR (2019-2024) **1.0%**

Auction sales in US$



Auction sales of modern and contemporary art continued on a downward trajectory in 2024, experiencing a 34% decline, however, sales in the first half of 2025 have picked up and are up 19.5% year-on-year. Almost half (46%) of experts believe the market will rise from here, with a further 36% predicting sales to remain around current levels.

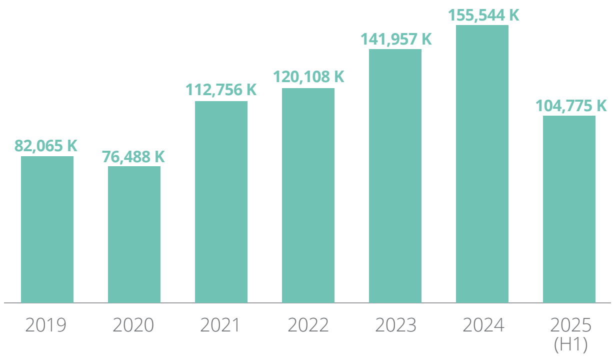
** Art market analysis is based on Middle Eastern artists sold in modern and contemporary auctions—Sotheby's, Christie's, Phillips, Bonhams and Tehran Auction—London, New York, Hong Kong, Paris, Dubai, Doha and Tehran.*

SOUTH ASIA

Economic and wealth indicators	Modern and contemporary art market*
UHNWI wealth population 2023 13,263	**Auction sales in 2024 (US$ million)** US$155.5 million
UHNWI wealth population growth 2023-2028 50.1%	**Sales growth 2023-2024** 10.0%
Real GDP growth 2024 6.4%	**Global market share** 3.86%
GDP growth outlook 2025 6.4%	**Art market outlook 2025** ⊕ *UP: 26%* ⊜ *FLAT: 53%* ⊖ *DOWN: 21%*

5-year CAGR (2019-2024) **13.6%**

Auction sales in US$



The wealth population is based on India.

The UK art market experienced a decline in auction sales of 12% in 2024. This is coupled with a weaker sales performance in the first half of 2025, which has dampened the short-term outlook, with 36% of experts believing the market could weaken further in the next 12 months.

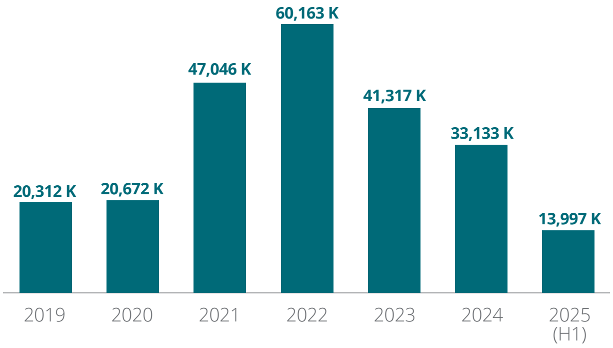
** Art market analysis is based on modern and contemporary auctions—Sotheby's, Christie's, Saffronart and AstaGuru—Mumbai, New Delhi, London and New York.*

SOUTH EAST ASIA

Economic and wealth indicators	Modern and contemporary art market*
UHNWI wealth population 2023 8657	**Auction sales in 2024 (US$ million)** US$33.1 million
UHNWI wealth population growth 2023-2028 21.5%	**Sales growth 2023-2024** -20.0%
Real GDP growth 2024 4.1%	**Global market share** 0.82%
GDP growth outlook 2025 4.5%	**Art market outlook 2025** ⊕ *UP: 30%* ⊜ *FLAT: 54%* ⊖ *DOWN: 15%*

5-year CAGR (2019-2024) **10.3%**

Auction sales in US$



South East Asian auction sales were down 20% in 2024, and has been on a downward trajectory since 2022. However, most experts take a neutral-to-positive view of the market's outlook for the next 12 months, with 30% of experts forecasting the South East Asian art market to grow from here, with 54% believing it will remain around current levels.

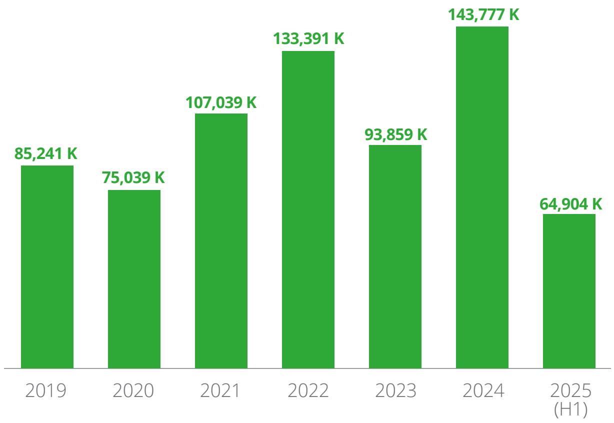
** Art market analysis is based on Southeast Asian artists sold in modern and contemporary auctions—Sotheby's and Christie's—Hong Kong.*

LATIN AMERICA

Economic and wealth indicators	Modern and contemporary art market*
UHNWI wealth population 2023 13,159	**Auction sales in 2024 (US$ million)** US$143.8 million
UHNWI wealth population growth 2023-2028 18.2%	**Sales growth 2023-2024** 53%
Real GDP growth 2025 2.2%	**Global market share 2024** 3.57%
GDP growth outlook 2026 2.4%	**Art market outlook 2025** ⊕ *UP: 28%* ⊜ *FLAT: 47%* ⊖ *DOWN: 25%*

5-year CAGR (2019-2024) **11.0%**

Auction sales in US$



Latin American auction sales saw one of the strongest growth trends in 2024, increasing by 53%. However, 47% of experts believe this high level growth is unsustainable over the next 12 months and forecast the market to remain flat in the coming 12 months, whilst 28% still believe there is further potential for growth.

** Art market analysis is based on Latin American artists sold in modern and contemporary auctions—Sotheby's, Christie's and Phillips—New York and London.*

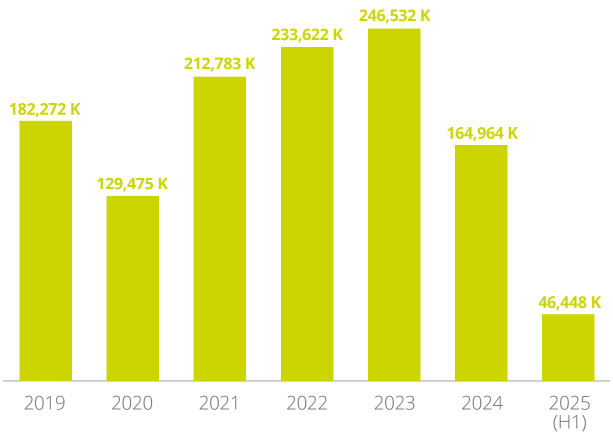
Regional profiles

JAPAN

Economic and wealth indicators	Modern and contemporary art market*
UHNWI wealth population 2023 21,710	**Auction sales in 2024 (US$ million)** US$165.0 million
UHNWI wealth population growth 2023-2028 12.9%	**Sales growth 2023-2024** -33.0%
Real GDP growth 2024 0.7%	**Global market share** 4.09%
GDP growth outlook 2025 0.5%	**Art market outlook 2025** *UP: 16%* *FLAT: 64%* *DOWN: 20%*

5-year CAGR (2019-2024) **-2.0%**

Auction sales in US$



Japanese modern and contemporary art sales fell by 33% in 2024, and have experienced further decline in H1 2025. Experts take a cautious view on the next 12 months, with the majority, 64%, believing the market will remain around current levels.

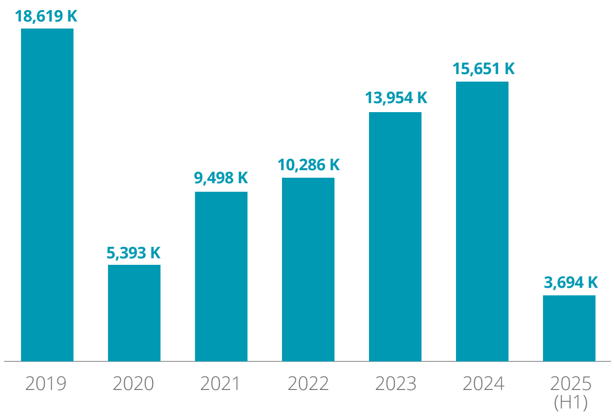
** Art market analysis is based on Japanese artists sold in modern, post-war and contemporary auctions—Sotheby's, Christie's, Phillips, Poly Auction and China Guardian—Hong Kong, Beijing and Shanghai.*

SOUTH KOREA

Economic and wealth indicators	Modern and contemporary art market*
UHNWI wealth population 2023 7,310	**Auction sales in 2024 (US$ million)** US$15.7 million
UHNWI wealth population growth 2023-2028 29.5%	**Sales growth 2023-2024** 12.0%
Real GDP growth 2024 0.9%	**Global market share** 0.39%
GDP growth outlook 2025 1.6%	**Art market outlook 2025** *UP: 7%* *FLAT: 61%* *DOWN: 31%*

5-year CAGR (2019-2024) **-3.4%**

Auction sales in US$



South Korean modern and contemporary art auction sales increased by 12% in 2024. However, this has not translated into sales growth in the first half of 2025. 61% of experts believe the market will remain around current levels in the coming 12 months, 31% expect the market to decline, and just 7% predict the market will go up further.

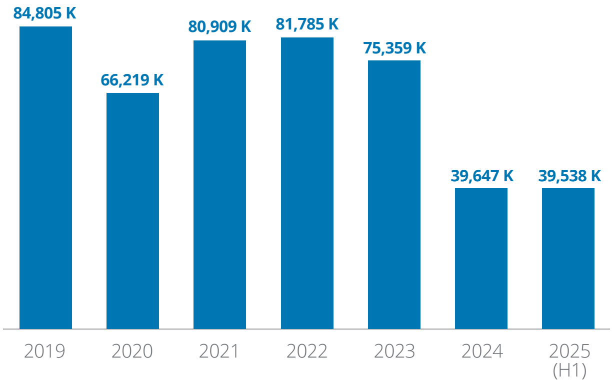
** Art market analysis is based on modern, post-war and contemporary auctions—Sotheby's, Christie's, Poly Auction and China Guardian—Hong Kong, Beijing and Shanghai.*

AFRICA

Economic and wealth indicators	Modern and contemporary art market*
UHNWI wealth population 2023 2,996	**Auction sales in 2024 (US$ million)** US$39.6 million
UHNWI wealth population growth 2023-2028 17.0%	**Sales growth 2023-2024** -47.0%
Real GDP growth 2024 4.0%	**Global market share** 0.98%
GDP growth outlook 2025 4.3%	**Art market outlook 2025** UP: 16% FLAT: 47% DOWN: 32%

5-year CAGR (2019-2024) **-14.1%**

Auction sales in US$



After years of strong growth, African auction sales in 2024 were down 47% year on year, although H1 2025 sales have rebounded. The 12-month outlook remains uncertain, as only 16% of experts believe the market will strengthen, compared to 32% predicting the market could weaken. The largest share (47%) of experts believe the market will consolidate at current levels.

** Art market analysis is based on modern and contemporary auctions—Sotheby's, Christie's, Phillips, Bonhams, Strauss, Art Auction East Africa, Piasa and ArtHouse Nigeria.*

INDUSTRY **INSIGHTS**

Korea's 2025 art scene trends

For younger generations, art is no longer just a collectible—it's a statement of identity and a strategic asset

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Auction market awaits a rebound

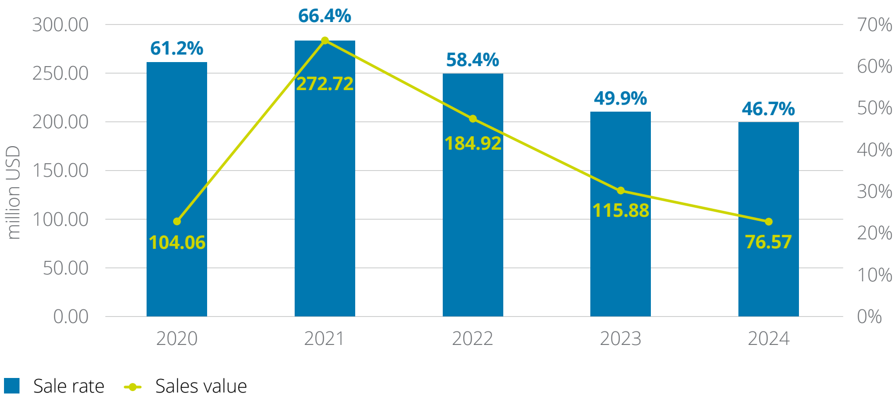
In 2024, the total sales volume of Korea's art auction market stood at approximately US$76.57 million, marking the lowest in the past five years (Figure 42). The market experienced unprecedented growth in 2021–2022, driven by post-pandemic revenge spending and increased liquidity.

However, the continued global monetary tightening led to a noticeable market contraction. This was not unique to Korea; similar trends were observed in major international markets. A notable shift was the declining demand for high-value artworks, reflecting decreased liquidity, rising interest rates, and weakened consumer confidence.

Interestingly, while auctions have slowed, primary markets—such as art fairs and galleries—continue to show steady growth. This suggests collectors are increasingly turning to the primary market, where transactions tend to be more transparent and immediate.

Nonetheless, the auction market may rebound in 2025, as expectations of economic recovery and potential interest rate cuts could lead to a renewed demand for high-value art assets.

Figure 42: Korea art auction market sales 2020–2024
Source: Korean Arts Management Service (KAMS)



Leading artists in Korea's auction market

In 2024, Korea's auction market was led by major names in modern and contemporary art, including Kim Whanki, Yayoi Kusama, Lee Ufan, Lee Bae, Kim Tschang Yeul, Yun Hyong Keun, and Park Seo Bo. The steady trading activity of these major artists helps maintain baseline demand in an otherwise sluggish auction market and may catalyze its future recovery.

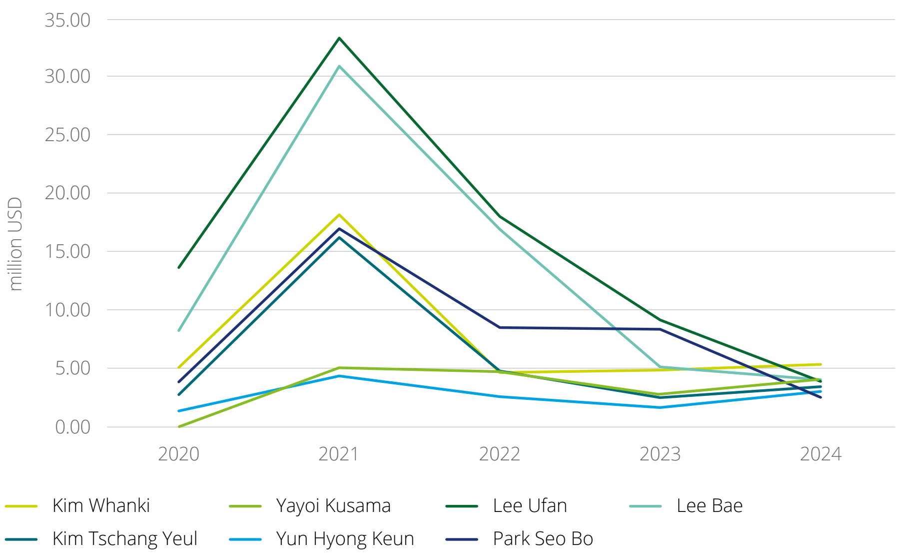
Lee Ufan has achieved the highest annual auction sales of any living Korean artist in 2024, reaching approximately US$ 3.9 million.[99] His works are consistently traded not only in Korea but also through global auction houses like Christie's and Sotheby's, further solidifying his international reputation.

Kim Whanki holds the record for the highest auction price for a domestic artwork, excluding foreign artists and traditional antiques. In 2024, his artwork *9-XII-71 #216* was sold for nearly US$ 5.9 million at Christie's Hong Kong.[100]

Notably, Lee Bae has seen a significant rise in recent years, ranking third in 2024 with total auction sales of US$ 3.7 million, a substantial increase from his mid-tier position between 2021 and 2023 (Figure 43). This upward trajectory appears to be driven by his sustained international activities, particularly in Paris. Notably, his participation in a collateral exhibition at the 60th Venice Biennale in 2024, invited by the Wilmotte Foundation, is believed to have played a pivotal role in his recent recognition.

The international activities of Korean artists have a direct influence on their domestic auction market standing. As more artists expand their global presence, the more their market positions are expected to become more firmly established.

Figure 43: Trends in annual auction sales value (US$) 2020–2024
Source: K-Artprice



A new generation of aspiring collectors

Public interest in art has blossomed in Korea in recent years. The number of gallery exhibitions reached 9,739 in 2023, more than double the figure in 2014. Gallery attendance surpassed 3.35 million that year, indicating that art is shifting from an exclusive domain to mainstream culture (Figure 44). This growing interest extends beyond mere viewing and holds potential for actual collecting.

Art fairs also show strong momentum. In 2023, 82 fairs were held, attracting over 1.16 million visitors (Figure 45). With globally recognized events like Frieze Seoul now a fixture in the city, the market is increasingly accessible to a new and younger generation of aspiring collectors. For the MZ generation, art is increasingly regarded as both an investment vehicle and a means of self-expression.[101]

This growing interest is further reflected in collectors' public visibility as cultural figures. For instance, star collectors like G-Dragon and RM, as well as blockbuster exhibitions like the *Lee Kun-hee Collection*, which drew over 720,000 visitors across multiple national venues, highlighting its broad public appeal.[102]

Programs like *Art OnO* that showcase private collections also suggest that collecting is becoming a form of personal expression among the younger generation. As economic conditions improve, this group is expected to convert into active buyers, potentially reshaping and expanding the art market.

Figure 44: Annual number of gallery exhibitions and visitor numbers 2014–2023
Source: KAMS

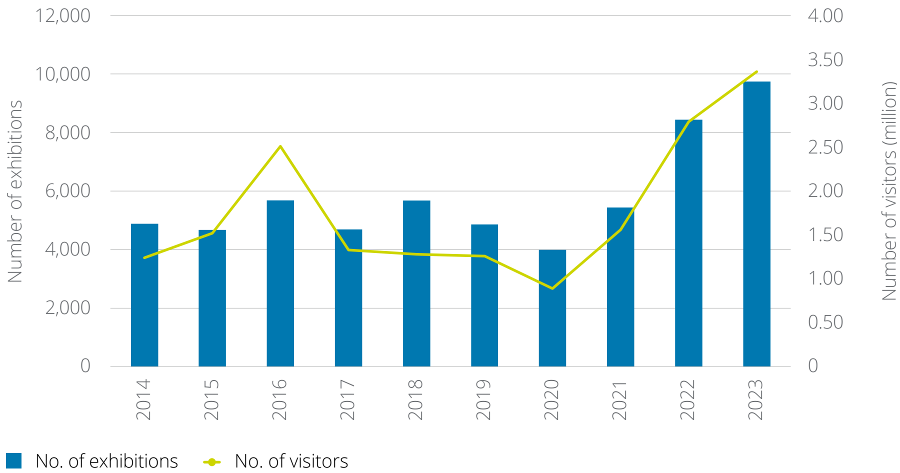


Figure 45: Annual number of art fairs and visitor numbers 2014–2023
Source: KAMS

Figure 46: Annual gallery artwork sales value (US$ million) in Korea 2011–2023
Source: KAMS

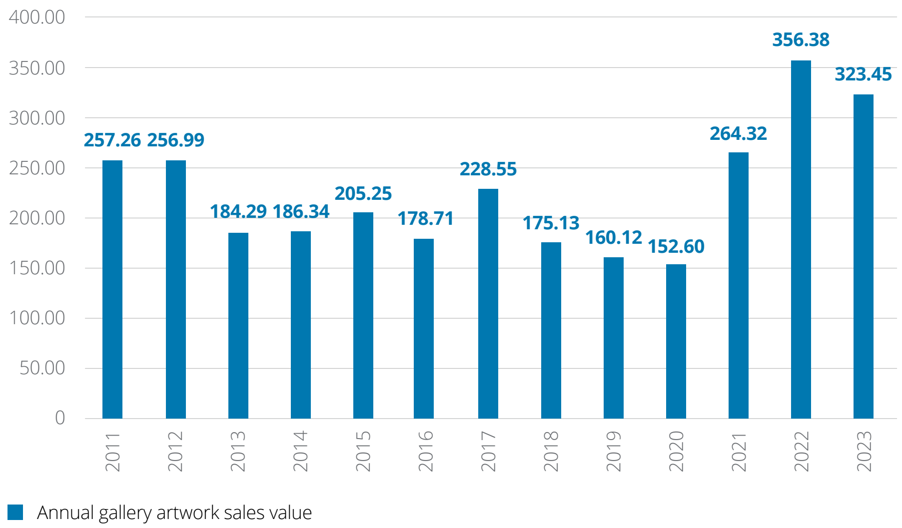


Figure 48: Age composition of art fair attendees in 2024
Source: Ministry of Culture, Sports and Tourism

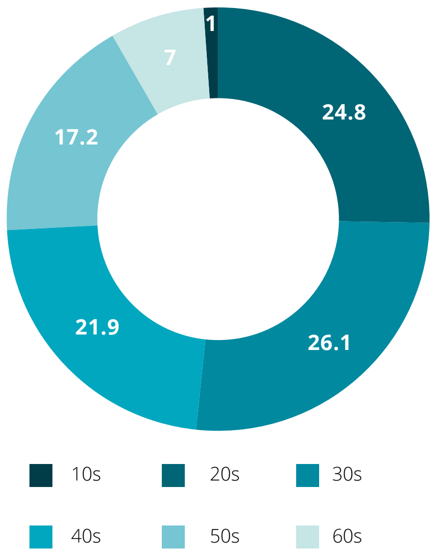
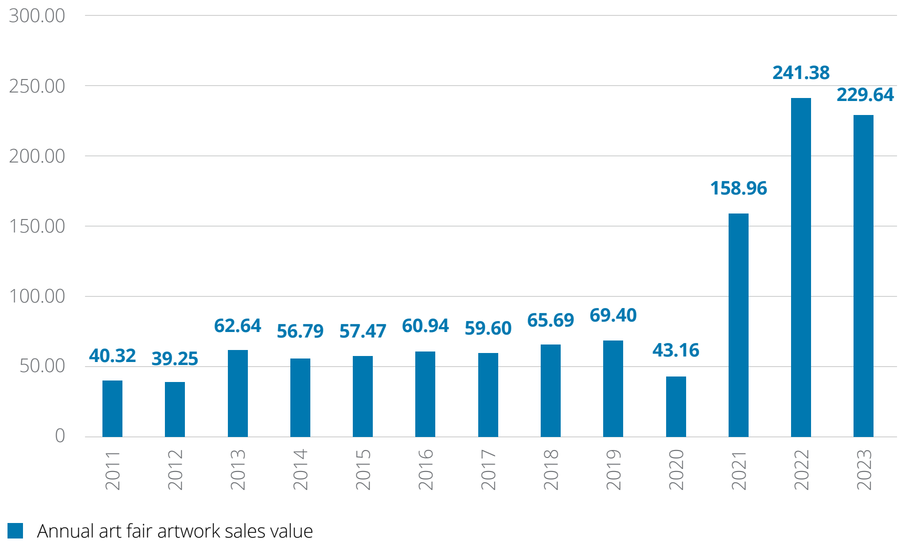


Figure 47: Annual art fair artwork sales value (US$ million) in Korea 2011–2023
Source: KAMS



Seoul rises as a hub for global galleries and auction houses

Seoul is emerging as a major art hub in the global art market. Since the early 2020s, top international galleries have opened spaces in Hannam-dong and Sinsa-dong, elevating Seoul's global presence.

Notable entrants include Pace, Thaddaeus Ropac, Lehmann Maupin, and Esther Schipper in Hannam-dong, which are creating synergies with institutions like the Leeum Museum of Art to form a new art district.

Sinsa-dong is rapidly emerging as another major art cluster, with the arrival of White Cube, Perrotin's second Seoul location, Gladstone, and Tang Contemporary—of which many were spurred by Frieze Seoul. Late-night events like "Hannam Night" and "Cheongdam Night," held during Frieze Seoul, have enhanced the vibrancy of the Seoul art scene.

Auction houses are also expanding their presence in Seoul. Sotheby's Korea reopened its Hannam-dong office in 2023, marking a full-scale return to Korea after a 20-year hiatus, while Phillips and Christie's are also exploring an entry into the Korean market. This trend may signal a shift in the Asian art market, with Seoul playing a central role and potentially stepping in as a new focal point alongside Hong Kong.

Technology and finance expanding the potential of the Korean art market

As a leading IT powerhouse, Korea has seen rapid progress in the fusion of technology and art. During the COVID-19 pandemic, there was active experimentation with digital formats, such as non-fungible token (NFT) art, metaverse exhibitions, and experiences in augmented reality (AR) and virtual reality (VR).

This trend reflected a growing interest in using digital technologies to create and present artworks. Globally, new NFT artists like Beeple and CryptoPunks gained attention, while in Korea, established names such as Gallery Hyundai and artist Lee Kun-Yong began releasing NFT versions of their existing works. These developments showed that beyond proving digital ownership, NFTs were being used for artistic experimentation.

Platforms for selling and distributing these works also emerged, contributing to the early development of the NFT art ecosystem.

Over time, however, NFTs have come to be viewed less as a new art genre and more as technological infrastructure for distribution and ownership. Interest has shifted toward investment-driven use cases, especially NFTs linked to physical artworks. Upbit illustrates this change: launched in 2021 with a curated selection of digital artworks, the exchange has since added NFTs representing ownership in blue-chip masterpieces, introduced multi-chain support, and strengthened on-chain integration—moving from "gallery" to "infrastructure."

Meanwhile, fractional art-investment platforms had already appeared as early as 2018, relying on internal ledgers or electronic securities rather than blockchain. As regulatory clarity improved, many of these operators—ARTiPIO, SOTWO, ArtNGuide, ArtTogether, TESSA, and others—began adopting blockchain and NFT technology to increase transparency, automate settlement, and broaden investor access. According to Boston Consulting Group, the global tokenized-securities market (often described in Korea as the fractional-investment market) could reach US$ 16 trillion by 2030.[103] Nevertheless, secondary trading of fractional shares is still restricted under Korean law, and any easing of those rules is expected to unlock further growth.

According to the Deloitte Private and ArtTactic *Art & Finance Report 2023*, four of the 27 new and existing fractional ownership initiatives examined are Korean—a noteworthy figure.[104] With the continued emergence of leading domestic players, Korea has positioned itself as a key testing ground for the convergence of art, finance and technology, supported by its relatively flexible regulatory environment and the unique characteristics of art as an asset.

Korea's premium wealth services embrace art

The growing number of high-net-worth individuals (HNWIs) and their interest in asset diversification has highlighted art as a viable asset class. According to the KB Financial Group's *2024 Korea Wealth Report*, 20% of HNWIs with experience in alternative investment have invested in art.[105] Alongside real estate, unlisted stocks and gold, art is gaining attention for its tax advantages and long-term value appreciation potential.

In response, Korean financial institutions have begun integrating art into premium wealth management services.

KB Financial Group runs an ongoing initiative called "Gallery Bank", which provides clients access to various art-related content. As part of the initiative, the group hosted the "KB Gold & Wise Museum Day" in partnership with the Leeum Museum of Art, inviting 1,000 VIP clients to exclusive docent-led tours and art lectures, thereby offering a distinctive cultural experience.

Hana Financial Group operates an art club membership through its premium wealth management brand "HANA THE NEXT," which includes access to an inhouse gallery featuring works by renowned domestic and international artists. While Shinhan Bank's PWM Family Office Center holds private art fairs for ultra-high-net-worth individuals (UHNWIs), offering tailored asset management services that incorporate art.

These art-based offerings deepen client relationships while reinforcing the role of art in non-financial wealth strategies.

Deloitte's services for the future art market

The year 2024 marked a period of structural growth for Korea's art market. Despite the auction sector's slowdown, the market has expanded across various pillars, including galleries, art fairs, technological convergence, and services tailored to HNWIs.

Korea now stands at the forefront of a reconfigured Asian art market. In particular, the MZ generation increasingly views art as both an integral part of daily life and a financial asset, helping transform the art market from a purely cultural domain into an emerging financial ecosystem.

In response to this shift, Deloitte is positioned to provide strategic advisory services to clients seeking to launch or expand their art-related businesses. Leveraging an integrated perspective that spans art, technology, wealth management and financial product development, Deloitte aims to explore the art market's potential in close collaboration with clients.

As new investment vehicles like fractional ownership, art funds and art-backed loans gain momentum, Deloitte can support clients in navigating regulatory frameworks and evaluating business opportunities, enabling timely and informed decision-making.

Deloitte is committed to being a trusted partner in transforming the structural growth of Korea's art market into tangible business opportunities.

INDUSTRY **INSIGHTS**

Romania: An art market on the rise

Reflecting on the conclusions of the first edition of Romania's art report

Corina Dimitriu
Partner, Deloitte Romania

The Romanian art market is undergoing a dynamic transformation, driven by sustained economic growth and the emergence of a new generation of artists, collectors and cultural actors. Over the past 15 years, the country's number of art galleries and institutions has blossomed, alongside the establishment of key cultural events that now define its artistic landscape.

This dynamic ecosystem is the result of decades of evolution since 1989, underpinned by the steady maturation of the local art scene. Romania's artistic legacy—shaped by renowned artists such as **Constantin Brancusi, Victor Brauner, Tristan Tzara,** and **Geta Bratescu**—provides a foundation for the current generation of artists. Today, there is a growing awareness that the market is set to take a more prominent role on the international stage.

Alongside the developing primary market, Romania continues to support a secondary market for artworks, led by **Artmark**, the country's foremost auction house since 2008. Artmark has also emerged as one of the largest auction houses in Central Europe by number of lots sold, reflecting its growing influence across the regional art market. Recently, the auction house has expanded its presence into Bulgaria and Croatia.

Within the visual arts sector, events like the **Art Encounters Biennial, Art Safari** and **DIPLOMA Show** have become mainstays of Romania's contemporary cultural ecosystem, each playing a distinct and vital role:

- **Art Encounters** is a landmark biennial, transforming the art world by uniting local and international artists and curators in a dynamic platform for dialogue and innovation. Celebrating its 10th anniversary, it has organized over 20 exhibitions and partnered with more than 50 contributors, fostering curatorial excellence and cultural exchange in the region. Through close collaboration with renowned curators, Art Encounters continues to drive contemporary art forward, bridging communities and inspiring fresh creative perspectives.
- **Art Safari Bucharest** has become a cornerstone of Romania's cultural scene, attracting millions of visitors and celebrating its 16th edition in 2025. Recognized as a strategic national cultural project, organized in partnership with the Museum of Bucharest, Art Safari has gained national prominence for bringing art closer to the public. It offers a diverse program featuring Romanian heritage, modern and contemporary art, developed in collaboration with local museums, private collections and prestigious international institutions, such as the National Portrait Gallery and the Victoria and Albert Museum in London.
- **DIPLOMA Show** plays an important role in introducing newly graduated artists and designers to the professional art world. It provides a vital platform for young talent to present their final projects, gain public visibility, and connect with galleries, collectors and cultural institutions, helping launch their careers at a critical stage.

The year 2023 saw the debut of the **Annual Art and Science Neo Art Connect (NAC)**, dedicated to the intersection of art and science, alongside two new international art fairs in Bucharest:

- **RAD Art Fair**, focused on contemporary artworks, sculpture, and installations sourced mainly from the primary market; and
- **MoBU**, spanning both the primary and secondary markets and bringing together emerging and established galleries with a more commercial orientation.

However, while Romania is home to an increasingly sophisticated collector base, formal insights into their perspectives have remained scarce.

In this context and aligned with the broader themes explored in **Deloitte Private and ArtTactic's Art & Finance Report**, Deloitte Romania's local research aims to contribute meaningful data to support cultural policy, market development, and strategic investment in the arts.

In collaboration with the **Romanian Art Dealers Association (RAD)**, we surveyed over 100 Romanian collectors. The findings, published in the *Romania Art Report 2025*, delve into their motivations and behaviors when purchasing art.

Romania's trajectory offers valuable insight into the dynamics of emerging markets and the role of cultural capital in sustainable economic growth, aligning closely with the global art and finance dialogue.

Main takeaways

Primarily local yet increasingly globalized

Art consumers in Romania demonstrate a cosmopolitan and border-transcending appreciation for artistic value. However, over one-third (36%) maintain a primarily Romanian focus, perhaps due to accessibility and cultural affinity. The report also reflects a broader market trend favoring modern narratives, current cultural relevance, and living artists over historical provenance.

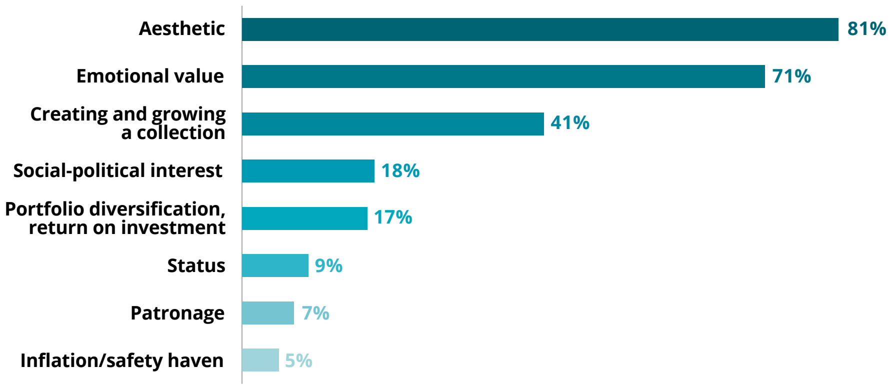
Motivations for buying art

The vast majority of art buyers (81%) are motivated by aesthetic appeal, suggesting that visual and emotional resonance play the most significant role in influencing purchasing decisions. Close behind, emotional value was cited by 71% of respondents, indicating that personal or sentimental connections to artwork are also a strong motivating factor. The third most influential factor is creating and growing a collection (41%). This reflects the collector mindset, where the artwork is part of a broader, often long-term, curatorial or personal project.

Interestingly, financial motivations are less prominent. Only 17% cited portfolio diversification or return on investment as a motivator, and even fewer (5%) identified inflation or safe-haven attributes of art. This indicates that, for most, art buying is driven more by passion than profit.

Figure 49: How motivating are the following factors when buying artworks?

Source: Deloitte, Romania Art Report 2025.

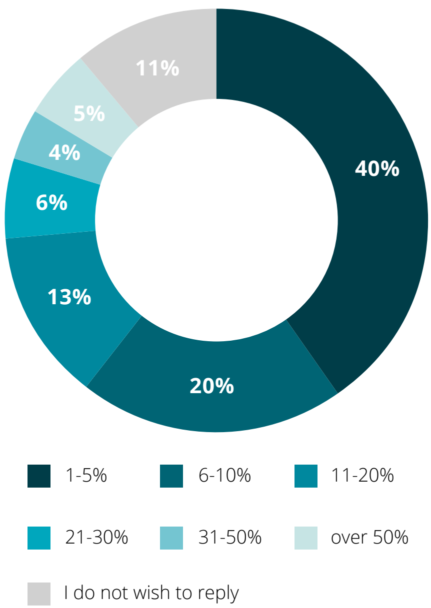


Art as a proportion of total wealth

Among Romanian collectors, art is mostly perceived as a complementary rather than a central asset class, with art possessions modestly integrated within personal wealth portfolios. Most participants (40%) estimate that art comprises merely 1–5% of their total wealth, while another 20% place this figure in the 6–10% range.

Figure 50: How much of your total wealth do you estimate art to make?

Source: Deloitte, Romania Art Report 2025.



Artwork and asset management

Respondents show a multifaceted understanding of the rationale behind incorporating artworks into asset management strategies. The most popular reason (26%) is that art can function as an alternative store of value during periods of high inflation. This underscores art's perceived role as a non-correlated hedge, providing financial stability amid volatile economic climates.

Closely following, 24% of respondents value artworks' capacity for portfolio and asset diversification, confirming art's legitimacy as an alternative investment class. This aligns with modern wealth management practices, where diversification across tangible and intangible assets is increasingly prioritized.

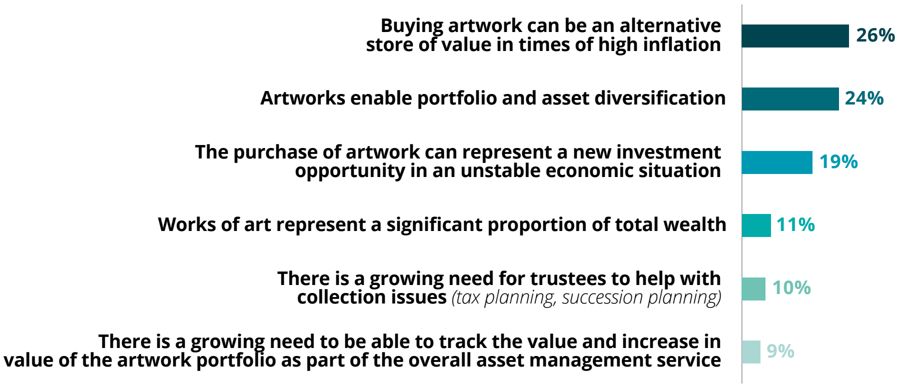
The third most prevalent reason (19%) reflects a forward-looking investment perspective, identifying art as a novel investment opportunity in an unstable economic context. This suggests that, for some, art is not only a conservative store of value but a speculative vehicle with potential for future returns.

Other motivations appear less frequently yet are no less insightful. Eleven percent of respondents acknowledge that artworks already constitute a significant proportion of their total wealth, indicating a degree of personal or financial entrenchment in art holdings. While 10% refer to the relevance of art in succession planning and legacy structuring, highlighting the long-term strategic integration of cultural assets within intergenerational wealth frameworks.

Finally, 9% see the growing need for professional services to evaluate and manage the value of their art portfolios, which underscores an evolving demand for specialized advisory within wealth management.

Figure 51: What do you consider to be the strongest argument for including artwork in asset management?

Source: Deloitte, Romania Art Report 2025.



Robust demand for wealth management services

Romanian collectors' interests in this area highlight their multifaceted needs, combining market intelligence, financial planning, educational resources, and operational tools into a comprehensive support ecosystem. Art market research and information ranked highest at 43%, emphasizing the demand for reliable, up-to-date data to guide acquisition and investment decisions.

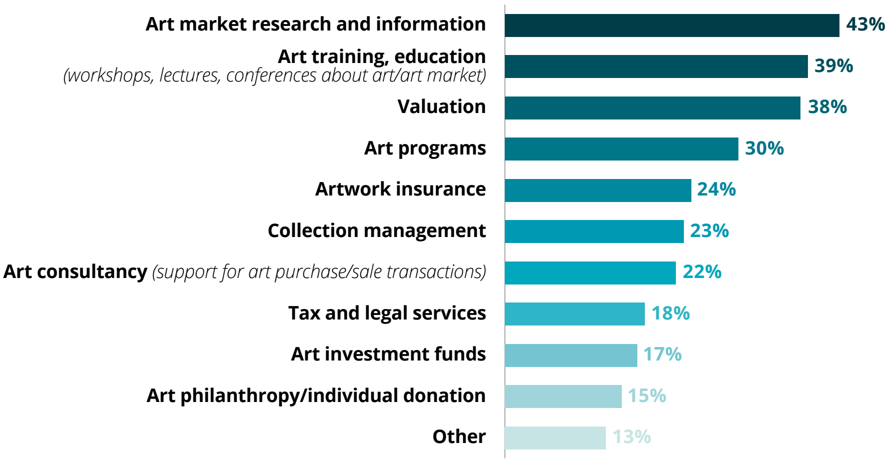
Art training and education (39%) and valuation services (38%) followed closely, indicating a strong interest in both building capacity and understanding artworks' intrinsic and market value. Art programs were selected by 30% of respondents, suggesting that collectors value engagement initiatives for both cultural enrichment and networking.

Services such as artwork insurance (24%), collection management (23%), and art consultancy for transactions (22%) also held substantial relevance, underscoring the practical aspects of art portfolio management. Tax and legal services (18%) and art investment funds (17%) point to growing awareness around the financial structuring of collections.

Last but not least, art philanthropy and individual donation (15%) reflect a smaller but notable interest in legacy and charitable contributions.

Figure 52: Which arts/wealth management services are most relevant to you?

Source: Deloitte, Romania Art Report 2025.

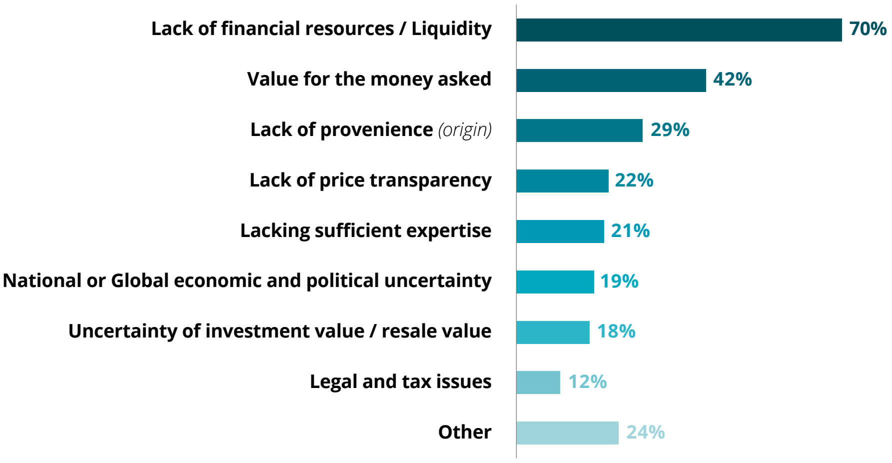


Barriers to art buying

Both financial constraints and informational opacity are major hurdles for potential buyers, suggesting that improved transparency, valuation guidance, and financial support tools could positively impact buyer confidence.

Figure 53: What occasionally discourages you from buying artwork?

Source: Deloitte, Romania Art Report 2025.



Impact

With the *2025 Romania Art Report*, we aimed to not only highlight current trends and behaviors but also initiate a broader dialogue among cultural sector stakeholders. The report's release generated an enthusiastic response from a wide range of economic and cultural media platforms, including television, radio and major newspapers.

Within the first week alone, the report's findings were presented at a RAD TALK and at the regional meeting of The Association of Real Estate Investors of Romania (AREI) in partnership with Afilog International, held in Timisoara. It was also featured in a television interview on Alpha Business and a radio interview on Radio Romania International. Discussions are also underway for a future podcast.

The level of engagement from stakeholders—including collectors, gallery representatives, and cultural professionals—further underscores this study's relevance and timeliness, with many reaching out to learn more about the report's findings.

For many, the report provides evidence of the Romanian art market's vitality, with ongoing transactions and growing investor interest. It also emphasizes the importance of greater transparency, which requires continued collaboration between public and private actors to support the market's sustainable development.

To learn more about our findings, download the *2025 Romania Art Report* *here*.

Endnotes

20. Capgemini, *World Wealth Report 2025*, 3 June 2025, p. 8.
21. Ibid.
22. Altrata, *Residential Real Estate 2025*, July 2025, p. 6.
23. Altrata, *World Ultra Wealth Report 2023*, 2023, p. 3.
24. Altrata, *World Ultra Wealth Report 2024*, 2024, p. 3.
25. Maeen Shaban, *World Ultra Wealth Report 2024*, Altrata, 24 July 2024.
26. Altrata, *Residential Real Estate 2025*, p. 6.
27. *https://altrata.com/reports/family-wealth-transfer-2024_2*
28. Altrata, *Residential Real Estate 2025*, p. 6.
29. UBS, *UBS Investor Watch: For love not money*, 2017, p. 4.
30. The four fine art categories of Old Masters, impressionist and modern art, contemporary art and Chinese art.
31. Based on auctions of impressionist, modern and contemporary art at Christie's, Sotheby's and Phillips.
32. Estimates are based on auction sales totals derived from the *Art Basel and UBS Art Market Report 2025*.
33. MyArtBroker, *The Rise of Millennial Art Collectors*, 5 August 2025.
34. Sotheby's and ArtTactic, *Sotheby's Insight Report: A Century of Surrealism*, September 2025, p. 28.
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36. UBS, *UBS Global Wealth Report 2025*, June 2025, p. 8.
37. BCG, *Rethinking the Rules for Growth: Global Wealth Report 2025*, June 2025, p. 4.
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39. Altrata, "*The global ultra wealthy population projected to surge by more than 33% over the next five years, expected to boost demand for luxury real estate*," press release, 16 July 2025.
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41. Shaban, *World Ultra Wealth Report 2024*.
42. UBS, *UBS Global Wealth Report 2025*, p. 5.
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45. Knight Frank, *The Wealth Report 2023*, 2023, p. 60. Allocations were not reported in the 2024 or 2025 reports.
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47. Knight Frank, *The Wealth Report 2023*, p. 60.
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51. Cerulli, "*Cerulli Anticipates $124 Trillion in Wealth Will Transfer Through 2048*," press release, 5 December 2024.
52. Altrata, *Family Wealth Transfer 2024*, 2024, p. 1.
53. Art Basel and UBS, *The Art Basel & UBS Art Market Report 2025*, 2025, p. 17.
54. Generally defined as collectible objects that are at least 100 years old (though in some contexts the threshold may vary). Examples include 18th-century Georgian furniture, 19th-century clocks, and vintage jewelry.
55. Art Basel and UBS, *The Art Basel & UBS Art Market Report 2025*. Based on growth in global art market sales from 2008 to 2024, as referenced in the report.
56. Capgemini, *World Wealth Report 2025*.
57. Luxury collectibles are typically defined as high-value, non-essential goods that combine rarity, brand prestige, craftsmanship, and cultural or social status. Unlike fine art, which is usually one-of-a-kind, luxury collectibles often come from iconic makers or limited-edition production runs, and they carry both emotional and investment appeal. Categories included in this analysis are watches, jewelry and gemstones, luxury handbags, and fine wines and spirits.
58. Source: ArtTactic.

59. Bain & Company and Altagamma, *Bain-Altagamma Luxury Goods Worldwide Market Study (Fall 2024)*, 13 November 2024, p. 12. The report's definition of personal luxury goods includes luxury fashion and apparel; accessories like handbags and small leather goods; luxury footwear, luxury jewelry and watches; and high-end beauty products like cosmetics, fragrances and skincare. It excludes larger categories such as luxury cars, fine wines and spirits, art, yachts, private jets, and luxury hospitality, which are tracked separately under "experiential luxury" or broader "luxury market" classifications.
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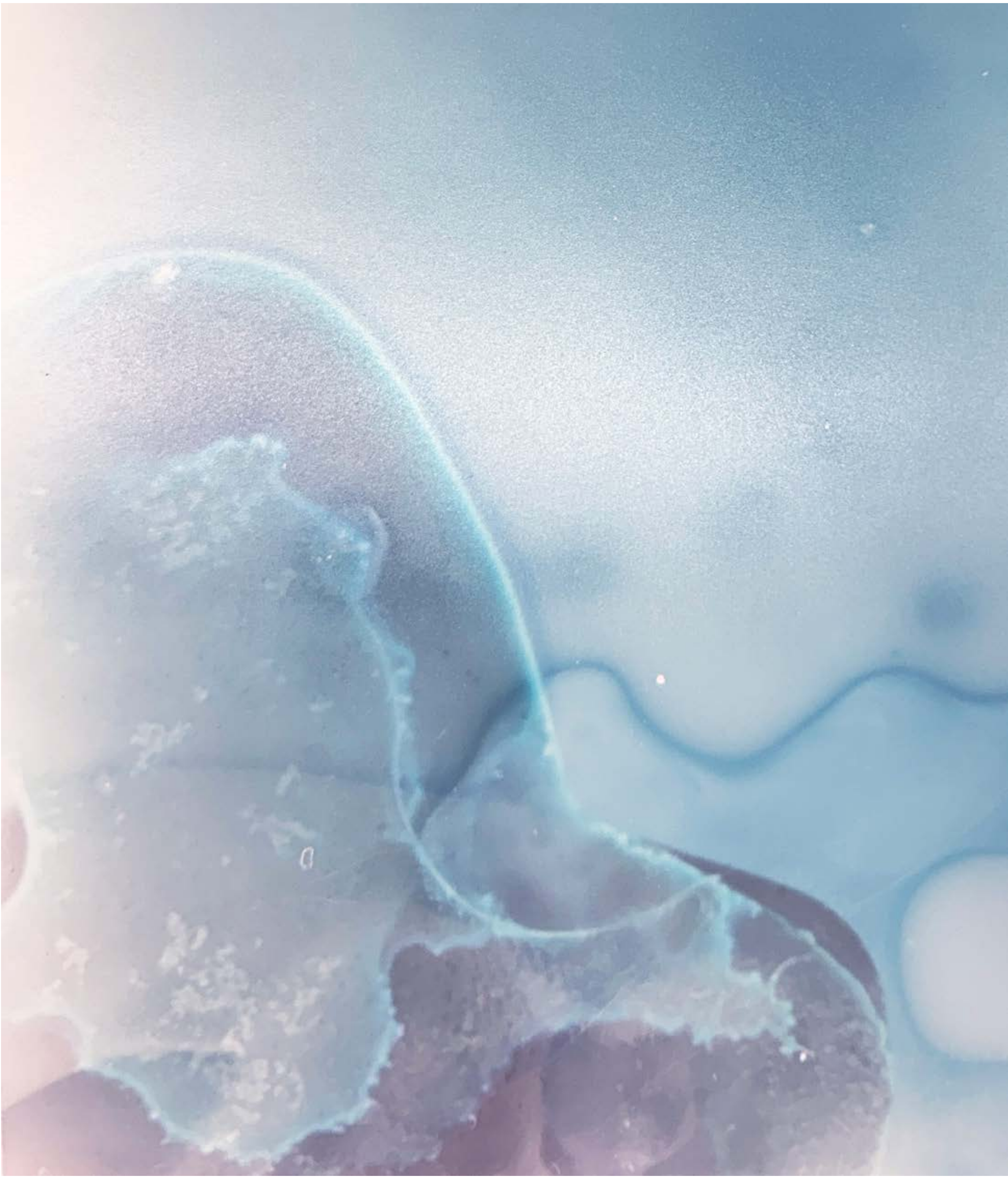
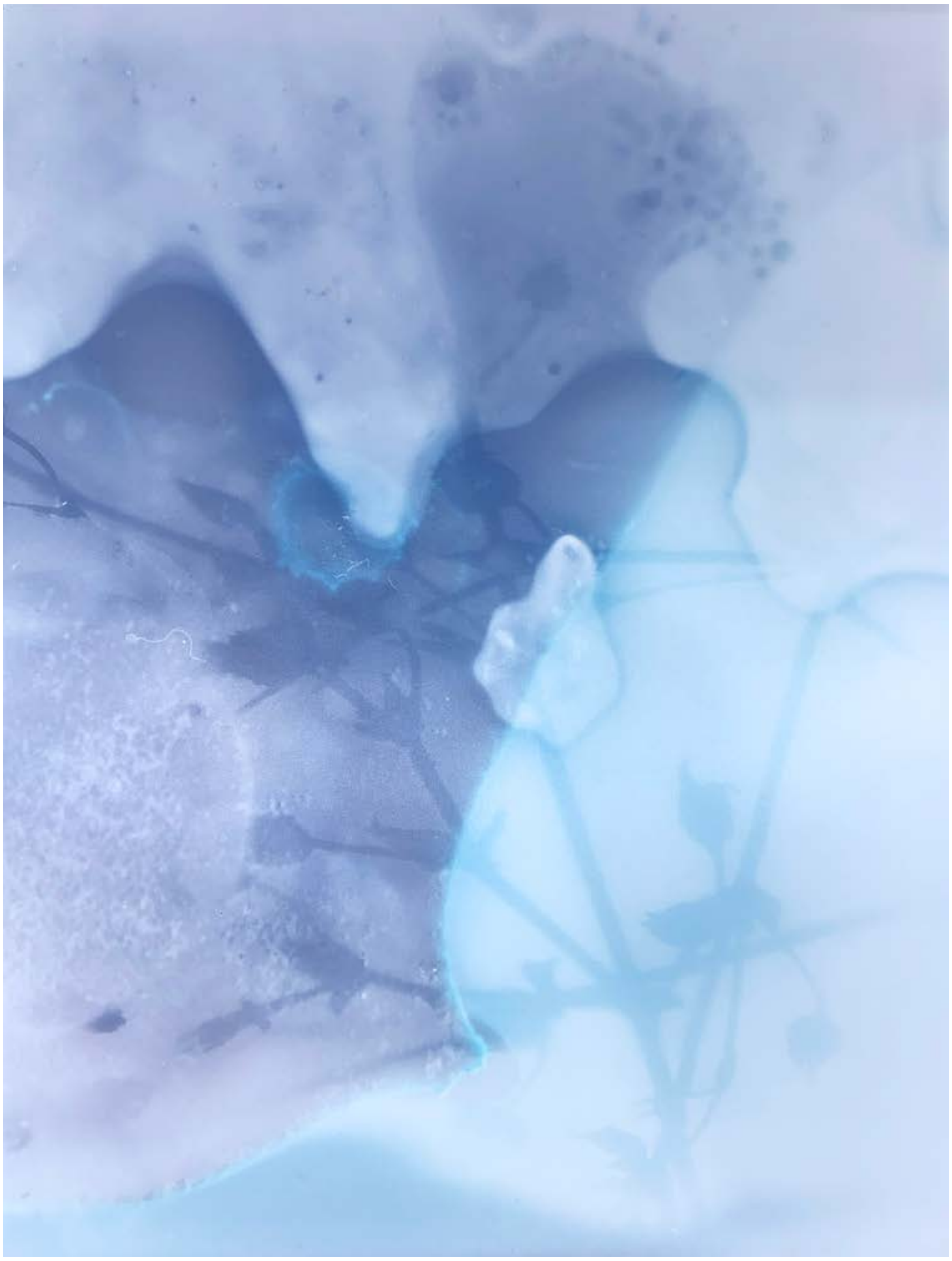
Untitled
Marta Djourina, 2023, direct exposure on analogue photo paper, self-made film negative, 350 x 183 cm, unique work

02 Art & Wealth Management Survey



Ashes of Ice
Marta Djourina, 2024
Ice photograms on analogue paper, unique, 40 x 30 cm



Ashes of Ice
Marta Djourina, 2024
Ice photograms on analogue paper, unique, 40 x 30 cm

Highlights

A 14-year perspective

Fourteen years on: How next-generation wealth is reshaping art's role from investment to a strategic component of legacy, purpose and holistic wealth planning

General wealth management perspectives

Support for art in wealth services remains strong: While there is a modest downward trend, a large majority of art and finance industry stakeholders still believe that art should be included in wealth management services. In 2025, the average consensus among wealth managers, collectors and art professionals reached 79%, down from 89% in 2023, but remaining above the 14-year average of 75%.

Fewer wealth managers from our survey are offering art-related services, falling from 63% in 2023 to 51% in 2025. This trend held true for both private banks (50%) and family offices (52%). This decline may reflect a more cautious or selective approach amid perceived regulatory complexity and operational challenges. Independent third-party providers are increasingly vital to bridge the expertise gap, enabling compliant and scalable art services.

Holistic advice drives inclusion of art in wealth strategies. In 2025, 87% of wealth managers cited the need for integrated advisory relationships as the primary reason for including art. This reinforces art's role in comprehensive wealth planning, despite a slight fall from 90% in 2023.

Client-related factors at the core of why art should be included in wealth management services: Sixty-five percent of wealth managers said their clients are increasingly seeking their assistance with art-related issues, a significant jump from 44% in 2023. In contrast, the importance placed on art as an asset class factors has decreased, dropping from 60% in 2023 to 52% in 2025. This shift highlights that wealth management is pivoting from a purely financial-services model to a more holistic, purpose-driven one, spurred by evolving client expectations and generational change. In this context, art and collectibles can play a strategic role.

Integrating art-related services into modern holistic wealth management recognizes art's dual role as both an alternative capital asset and a form of personal expression with intrinsic value. This comprehensive approach ensures clients' assets are managed not only for financial gain, but also for personal fulfilment and legacy building. It allows for the creation of fee-based advisory relationships that deepen client connections, address legacy, lifestyle and impact goals, and foster multigenerational loyalty and engagement.

Average share of 10,4% of wealth associated with art and collectibles: Based on our 2025 wealth manager survey, we conservatively estimate that clients allocate an average of 10.4% of their wealth to art and collectibles, remaining broadly consistent with the 10.9% reported in 2023. While average allocations have held firm, 2025's more granular breakdown highlights a broader spread in how art-related wealth is distributed. This suggests a growing trend where a small but growing segment of clients is integrating art as a substantial component of their portfolios.

Third-party expertise is not optional; it is essential for supporting the development of art-related wealth management services. However, it is increasingly difficult to source and find the right partners.

Shifting tides in alternative investment, decline in interest for art in investment products: Client demand for alternative investments is increasing, with 55% of wealth managers reporting increased interest—up from 44% in 2023. Asset classes like private equity, venture

Client-related factors at the core of why art should be included in wealth management services.

capital, real estate, infrastructure and hedge funds are highly attractive due to their unconstrained strategies, offering both higher returns and diversification benefits. However, we have also observed a decline in interest for art investment products this year (see Section 6). This could signal a growing client preference for more liquid, yield-generating alternatives, alongside shifting perspectives on art's financial utility compared to other asset classes. While technological advancements like tokenization (see Section 7) could potentially alleviate current hurdles, it is crucial that existing art market issues (Section 8) are also addressed.

Combining passion with investment still dominates in art buying, but emotional and cultural motivations are rising: While combining passion with investment still drives most collectors (59% in 2025), this share has steadily declined from 76% in 2014. Simultaneously, purely emotional and cultural motivations for collecting have reached their highest levels on record. This highlights a growing pivot toward collecting for identity, meaning and legacy rather than just financial return.

Collecting has become more professional and purpose-driven. Demand for collection management grew significantly, climbing from 52% in 2023 to 63% in 2025, with art and estate planning showing an identical increase over the same period. Art philanthropy also edged upward, from 44% in 2023 to 48% in 2025, reflecting a slower but steady expansion of interest in leveraging art for cultural and social contribution.

Enduring demand for Art market research and information: Art market research and information are still highly valued, edging up from 90% in 2023 to 91% in 2025. This confirms that collectors remain information-driven, seeking deeper context for their acquisition or collection management decisions. Institutions offering robust insights are well-positioned to support this need.

Art-secured lending and social impact investment are gaining traction. This trend highlights a broader shift in values, where financial decisions are increasingly aligning with purpose, sustainability and personal identity (see Section 4). This is particularly evident among next-gen collectors: 48% of them were interested in social impact investment in 2025, significantly higher than the 33% reported by older collectors.

Family office perspectives

Average art allocation drops from 13.4% in 2023 to 8.8% in 2025. No family offices in our 2025 survey reported clients with more than 30% invested in art. Instead, most now indicate moderate allocations: 40% in the 3–5% range and 30% in the 6–10% range. While this shift could reflect more conservative investment strategies, it could also stem from a broader and larger survey sample of family offices.

Family offices lead private banks in integrating art into wealth offering: While the percentage of family offices offering art-related services appears to have declined from 60% in 2023 to 52% in 2025, the actual number of family offices providing these services has remained constant. This is due to a larger sample size in 2025 (37 family offices versus 32 in 2023). In contrast, private banks saw decline in their art service offerings. This trend highlights that family offices continue to lead private banks in integrating art into their wealth offerings, likely due to their more personalized and legacy-oriented approach to wealth management.

Client demand for art services remains steady. Despite shifting institutional sentiment, 52% of family offices cited client demand as the main driver for offering art-related services in 2025, up slightly from 51% in 2023. This highlights art's continued relevance in client wealth narratives.

Family offices shift focus from financial utility to legacy, asset protection and purpose. Of the 52% of family offices offering art-related services, only 7% identified art investment as a key focus area in the next 12 months (down from 22% in 2023). Likewise, 52% viewed art as an alternative capital asset in 2025, down from a peak of 62% in 2023. This reflects diminished confidence amid recent market downturns and muted financial returns.

Art lending: low priority, already embedded or lack of knowledge? Similarly, 13% of family offices planned to focus on art-secured lending services in the coming 12 months (slightly down from 14% in 2023). While these percentages are small, this could signal that these services are either already integrated within existing art offerings, or there is limited knowledge of the art-secured lending market among family offices.

Estate planning is now the top priority for family offices. A striking 67% cited it as a key focus in the next 12 months in 2025, a sharp increase from 41% in 2023. Given that 87% of family offices already offer estate planning alongside art services, the growing emphasis reflects the rising importance of integrating art into intergenerational wealth strategies, governance structures, and family legacy planning.

Interest in art philanthropy surges, reflecting purpose-driven wealth. In 2025, 51% of family offices pinpointed art-related philanthropy as a principal emphasis in the coming year—more than double the 23% in 2023, surpassing interest in art investment or advisory services. With 73% already offering philanthropic support, this increase suggests a pivot toward legacy and impact, especially among younger clients for whom giving is central to their wealth purpose.

Collection management and protection gain ground as core priorities. In 2025, 46% of family offices planned to focus on collection management in the coming 12 months, up from 36% in 2023, building on the 93% already offering these services. Risk management (41%, up from 24%) also rose in importance, reflecting a stronger commitment to stewardship.

Family offices shift focus from financial utility to legacy, asset protection and purpose.

Next-gen perspectives

Integrating Art into holistic strategies key to serving next-gen collectors: Eighty-seven percent of wealth managers stated that the main reason for including art in their offerings is the need to develop holistic advisory relationships, encompassing all of a client's assets. This approach is particularly vital for next-gen collectors (72%), who increasingly value identity, legacy and cultural impact over financial returns. A holistic strategy enables advisors to connect art to broader goals like philanthropy, education and family governance.

Next-gen collectors seek both passion-led and investment-led art-related wealth management services. They are driven by emotional motivations like patronage (67%), cultural legacy (55%), social impact (38%), financial returns (52%), diversification (52%) and store of value (55%).

Financial motivations decline among next-gen collectors: Financial return is no longer the dominant driver for young collectors, with only 52% citing it as a key motivation in 2025, a significant drop from 83% in 2023.

Next-gen clients seek purpose-driven art services that go beyond transactions, emphazising education (84%), philanthropy (54%) and social impact investment (48%). To stay relevant, wealth managers must reframe their offerings to align with these emerging priorities.

One-stop shop for next-gen collectors: Young collectors want comprehensive solutions that support them, from entering the art market to navigating its complexities. Private banks are recognizing this need by developing specialized programs tailored to this emerging group. This presents a clear opportunity for private banks to support family offices in serving their next-gen clients more effectively.

Marta Djourina
Glowing Attraction, Solo show at Haus am Kleistpark, Berlin, 2025
Works on view "Ashes of Ice" (2024) and "Fluid Contact" (2023)
Direct exposures with the sun light, water and ice on analogue photo paper, unique pieces, 30 x 40 cm
Exhibition view: CHROMA

Introduction

This section introduces readers to some of the most significant trends and developments at the intersection of art and wealth management. Over the past 14 years, we have tracked the art and finance industry's evolving landscape, engaging with stakeholders like private banks, family offices, independent wealth managers, collectors, and art professionals.

During this time, we have reported on the shifting role and growing significance of art and collectible assets within holistic wealth management strategies. Section 2 provides an overview of how art has been integrated into wealth management, setting the stage for the subsequent sections that delve deeper into specific art-related services.

This section of the report is structured into six parts:

PART **01**

Wealth management trends
This explores some of the core dynamics shaping the global wealth management industry, from the impact of technology and innovation to the growing importance of adapting to changing client preferences and a younger, more diverse demographic.

PART **02**

Wealth management survey findings 2025
This provides a 14-year retrospective on wealth managers' survey responses, highlighting how the integration of art and collectibles within wealth management has developed since 2011. We explore their motivations for including art in their service offerings, the specific services provided, and the current challenges and future priorities shaping the field.

We are also pleased to share the following articles:

INDUSTRY **INSIGHTS**

The rise of next-gen wealth is reshaping Korea's wealth management landscape

This trend is explored through insights from Eunjung Lee, *Head of Hana The Next division* and Jaeho Yeom, *Senior Staff of Hana The Next division*.

INDUSTRY **INSIGHTS**

Art-related wealth: Managing differing generational motivations

Christopher Bleuher, *Senior Manager,* US Art & Finance Coordinator*, Deloitte Consulting LLP* poses a Q&A to Drew Watson, *Managing Director, Head of Art Services at Bank of America*.

INDUSTRY **INSIGHTS**

Next-gen, art and making an impact

By Rachida Tournier
Deputy CEO of BNP Paribas Wealth Management
and Alison Leslie
Head of Art Advisory at BNP Paribas Wealth Management

PART **03**

Family office insights
Here, we examine the feedback from our extended sample of family offices in the 2025 survey. The focus is on how they are responding to an increasingly complex and uncertain economic environment, and the evolving role of art and collectibles within multigenerational wealth strategies.

PART **04**

Collectors and art professionals—motivations and behaviors
This explores the perspectives of art market stakeholders, collectors and art professionals, examining their motivations and growing demand for art-related wealth services. As with Part 2, we take a 14-year view, analyzing how their expectations have evolved and the role they envision for wealth managers in protecting, enhancing, and leveraging art and collectible wealth.

PART **05**

Next-gen collectors and art professionals—trends, motivations and behaviors
This part delves into the evolving perspectives of next-generation art market stakeholders: young collectors and young art professionals (under the age of 45 years). It explores their distinct motivations and values, their shifting expectations, and the resulting implications for wealth managers.

We are also pleased to include the article:

INDUSTRY **INSIGHTS**

An intergenerational deep dive into fine art collection in the 21st century

Karen and Sylvain Levy offer additional insight into the generational forces driving the dynamic evolution of the art world.

PART **06**

Gap analysis: Wealth management offerings versus client demands and implications for wealth managers
This part compares the expectations of collectors and art professionals with wealth managers' current service offerings and the implications for wealth managers.

PART **01**

Wealth management trends

Holistic wealth strategies and the rise of non-financial services

Macro-trends: The wealth management sector has undergone a profound transformation in the past decade, shifting from a purely financial offering focus to a more holistic approach. This change is driven by a rise in client expectations, generational diversity, and demand for personalization and purpose. In times of economic and geopolitical uncertainty, the wealth advisor role has broadened beyond investment performance to include broader life and legacy planning.

Today's wealth managers are expected to do more than deliver returns; they must forge deeper, more personalized relationships. This means integrating resilient investment strategies with non-financial services that address clients' aspirations, identities and long-term goals. What was once a competitive differentiator is now rapidly becoming the industry standard.

According to Capgemini's *World Wealth Report 2024*, ultra-high-net-worth individuals (UHNWIs) seek financial and non-financial services with hyper-personalized engagement. Seventy-eight percent of UHNWIs surveyed considered financial and non-financial value-added services to be at the centre of the wealth management firm relationship. Almost all (91%) supported passion investments like luxury real estate, wine, coins and art, which may reflect lifestyle choices. Notably, UHNWIs viewed passion-driven investments as more than hobbies—of those surveyed, 57% scrutinize and track the return potential of these assets.[106]

From a business standpoint, while not all UHNWIs are active art collectors, almost all possess art or collectible assets within their wealth portfolio. Although there is no definitive data quantifying active collectors, it is a plausible working assumption that roughly 25% of UHNWIs are actively engaging in collecting (page 64). Altrata's *World Ultra Wealth Report 2024* places the global UHNWI population at 426,330.[107] This suggests around 120,875 individuals could be considered active collectors with significant allocations toward art and collectibles.

Art Basel and UBS' *Survey of Global Collecting 2024* found that HNW collectors allocated an average of 15% of their portfolios to art, with this figure increasing to an average of 25% for UHNWIs with wealth exceeding US$50 million.[108] These figures underline the strategic value of art and collectibles as both passion investments and wealth preservation tools.

These findings highlight a clear imperative for wealth management firms to evolve into holistic service platforms. This means combining internal capabilities with strategic partnerships to orchestrate broad, personalized ecosystems that deliver value-added services through clients' preferred channels.

Within this evolving context, wealth managers, including private banks, single-family offices (SFOs) and multi-family offices (MFOs), have a distinct opportunity to provide tailored financial and non-financial services around art and collectible assets. In particular, private banks can be pivotal in equipping family offices with a full suite of solutions that address both the financial optimization and lifestyle integration of these unique asset classes.

These services fall under a broader trend of ancillary support designed to:

- Generate fee-based advisory relationships;[109]
- Deepen client relationships;
- Address legacy, lifestyle and impact goals; and
- Foster multigenerational loyalty and engagement.

Art and wealth management services effectively bridge financial and non-financial priorities. As clients increasingly seek purpose-driven, identity-aligned wealth solutions, art offers a unique avenue for cultural expression, legacy building and sustainable investment. Wealth managers who recognize art's emotional, aesthetic and symbolic value are better positioned to serve the next generation of collectors.

The most compelling argument for including art in wealth management lies in its dual nature as a cultural asset and a strategic investment. Art provides diversification benefits and has historically shown store of value and appreciation, especially during volatile markets. Beyond finance, art ownership enriches personal well-being, reflecting individual tastes and enhancing clients' social and cultural capital.

By integrating art, wealth managers can tailor services to both financial objectives and personal passions, fostering a more holistic and fulfilling experience that aligns with modern affluent lifestyles.

Leading institutions like **Hana Bank** and **BNP Paribas** have already moved in this direction. Hana's "Art Bank" and "Hana Art Club" initiatives and BNP's "Villa Medici" program are using art to connect with clients on a deeper, more personal level, particularly among millennial and Generation Z clients who value meaning, expression, and cultural connection as much as financial growth. For more insights into these programs, see their articles page 172 and 180.

The growth of non-financial services, including art-related offerings, reflects a broader redefinition of wealth, emphasizing diversification, personalization and unique asset classes to meet evolving client needs. Today's clients are not only investors but individuals seeking alignment with their values, passions and financial futures.

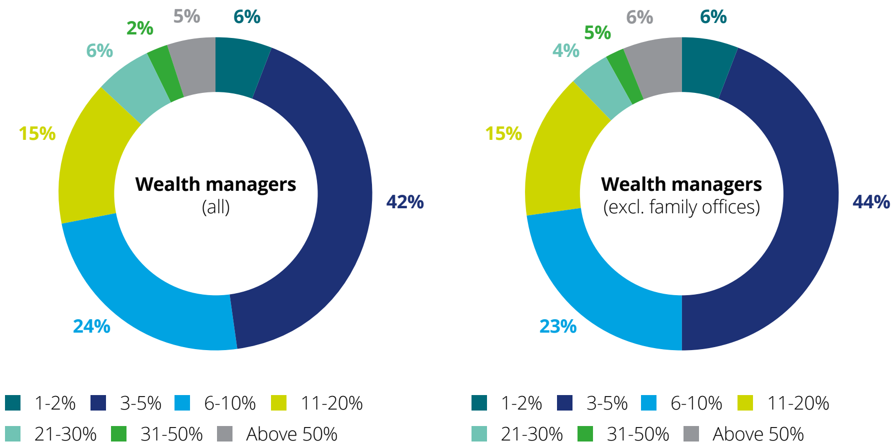
For wealth managers, integrating art into their service model is no longer niche. It is an essential element of a comprehensive, future client-centric advisory model, fostering deeper connections and greater client loyalty.

Ashes of Ice
Marta Djourina, 2024
Ice photograms on analogue paper, unique, 40 x 30 cm

PART **02**

Wealth management survey findings 2025

Figure 54: Wealth managers: On average, how much of your client(s)' overall wealth is allocated to art and collectibles?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Average share of wealth associated with art and collectibles: Based on this year's wealth manager survey, we conservatively estimate that an average of 10.4% of clients' overall wealth is allocated to art and collectibles. This figure remains broadly consistent with the 10.9% reported in 2023.

While the majority (70%) of wealth managers still reported that their clients hold significant art and collectible collections, this has declined from 83% in 2023. This fall is likely due to a shift in the sample composition, with a greater proportion of European wealth managers represented in 2025, rather than an actual reduction in the number of clients holding art collections.

The 2025 data reveals a notable shift in the distribution of art-related wealth across portfolios. The largest segment of wealth managers (42%, up from 29% in 2023) reported that art and collectibles account for **3–5%** of their clients' total wealth.

Conversely, those reporting 6–10% allocations dropped to 24% (from 30% in 2023), and 11–20% allocations slightly decreased to 15% (from 18% in 2023). While 12% of respondents still reported over 20% art allocation, consistent with 2023, there was a slight increase in wealth managers' clients holding over 50% of their wealth in art and collectibles, rising from 3% in 2023 to 5% in 2025.

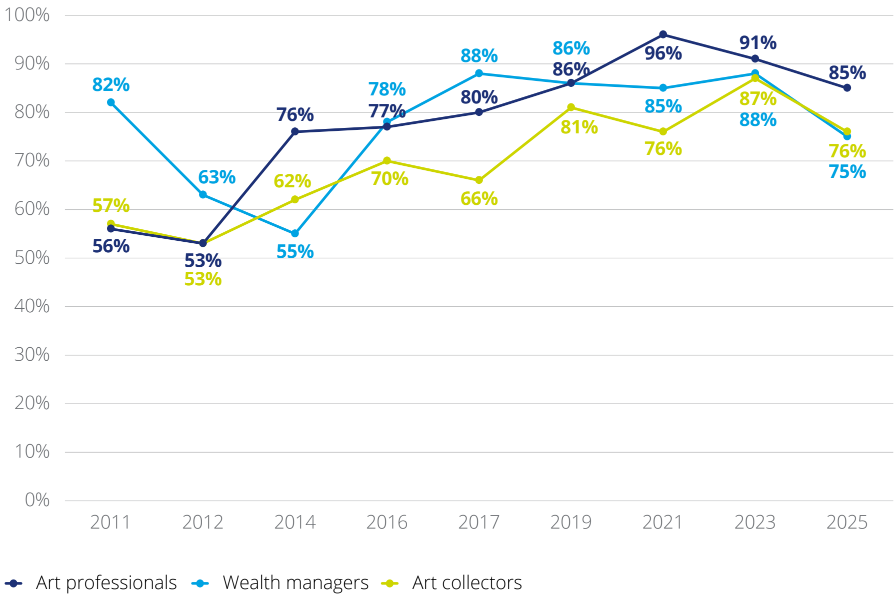
While average allocations have held firm, 2025's more granular breakdown highlights a broader spread in how art-related wealth is distributed. This suggests a small but growing segment of clients have integrated art as a substantial part of their portfolios.

A

Art as part of a wealth management offering: 14-year perspective

Figure 55: Do you think that art and collectibles should be part of a wealth management offering?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Despite a modest downward trend, a large majority of our respondents still believed art should be included in wealth management services. In 2025, the average consensus among wealth managers, collectors and art professionals reached 79% (down from 89% in 2023, but above the 14-year average of 75%).

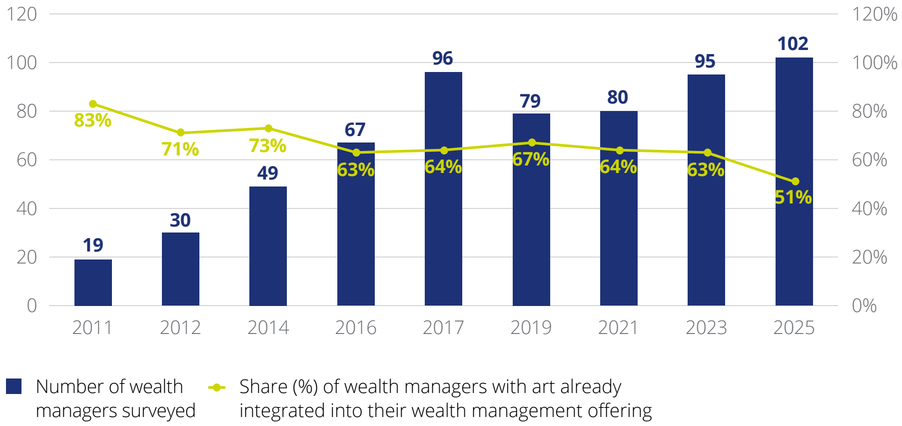
Among wealth managers, support for art's inclusion dropped from 88% in 2023 to 74% in 2025. This decline likely reflects concerns about the organizational complexity of integration, as well as the lack of regulation and market transparency.

Independent third-party services can address these issues by offering objective guidance, improving due diligence, and enhancing trust through greater transparency and expertise. This can help bridge the gap between passion-driven assets and traditional wealth management strategies.

B

Art-related services offered by the wealth management industry

Figure 56: Share (%) of wealth managers offering art-related services
Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Wealth managers: Only 51% surveyed reported offering services around art and collectibles, a significant drop from 63% in 2023. This decline was consistent across private banks (50% down from 67% in 2023) and family offices (52% compared to 60% in 2023). Even adjusted for the increased sample size, fewer wealth managers (52) offered these services in 2025 compared to 60 in 2023.

This trend could be partly due to a sample effect, such as the smaller number of US-based wealth managers in this year's survey. However, it may also reflect a growing reluctance from banks and wealth institutions to fully engage with art-related services due to the art market's perceived complexity, lack of standardization, and regulatory challenges.

Rather than a wholesale retreat, the decline likely signals a more cautious or selective approach to integrating art offerings, and underscores the key challenges associated with incorporating art into wealth management (discussed further from page 156).

Independent third-party providers can play a valuable role here, offering specialist expertise, reducing operational burdens, and helping wealth managers deliver culturally informed and compliant art services without needing to build that capacity entirely in-house.

c

Motivations and rationale for wealth managers to include art and collectibles assets in their wealth management offering

Figure 57: 14-year perspective (wealth managers):
What do you consider to be the strongest arguments for including art and collectibles in wealth management?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025

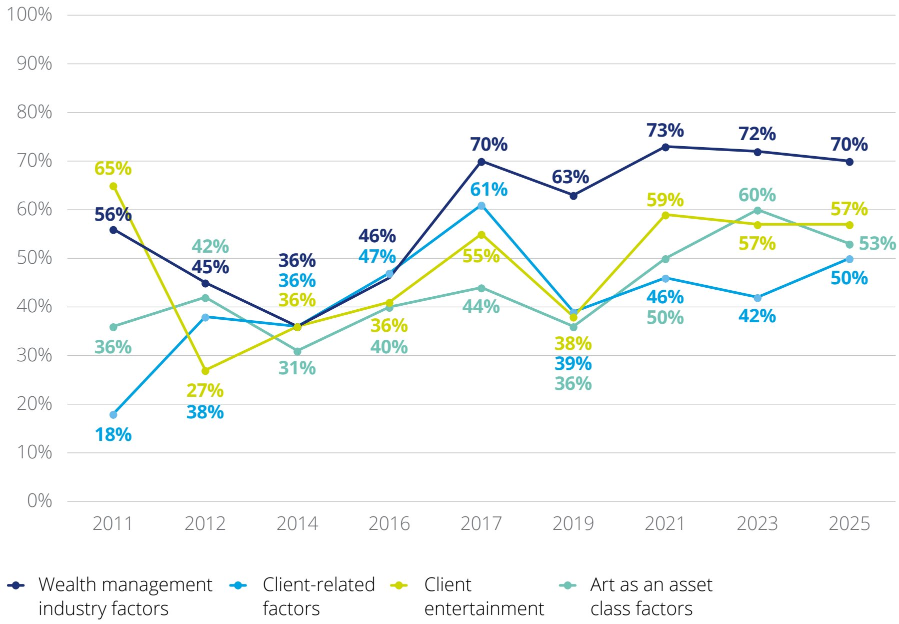


Figure 58: Wealth managers: What do you consider to be the strongest arguments for including art and collectibles in wealth management?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

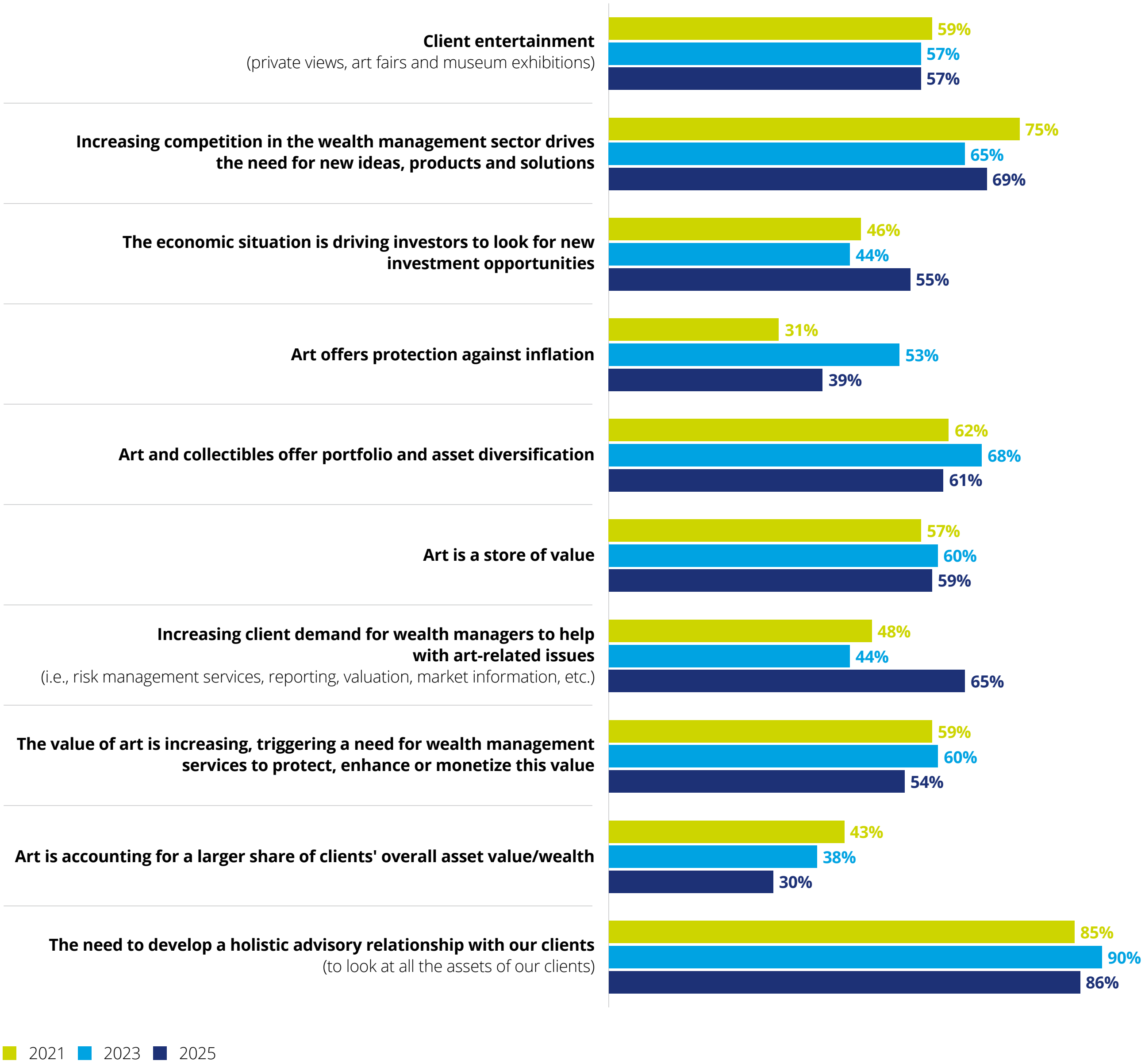


Figure 59: Which of the following services do you offer?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

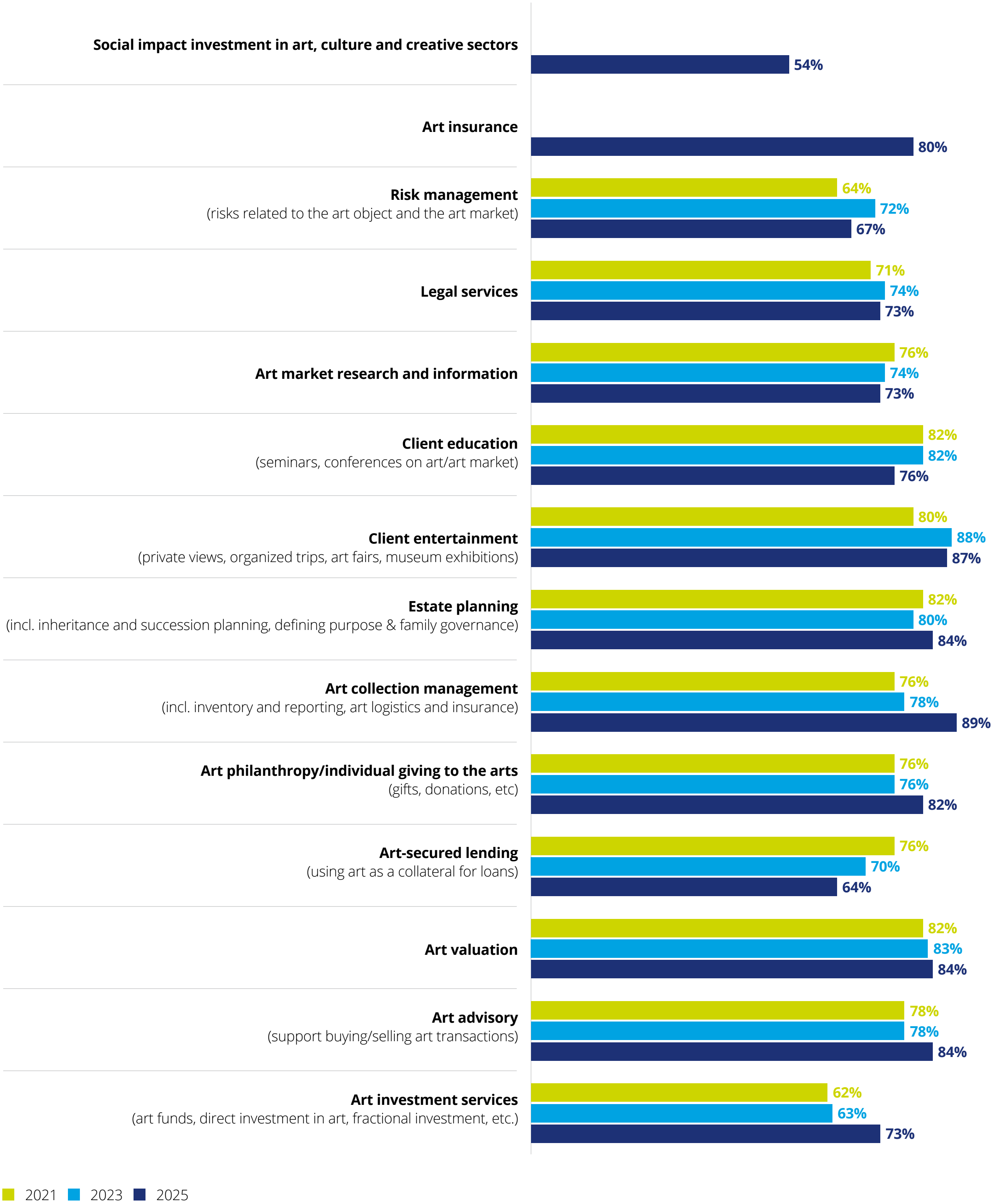
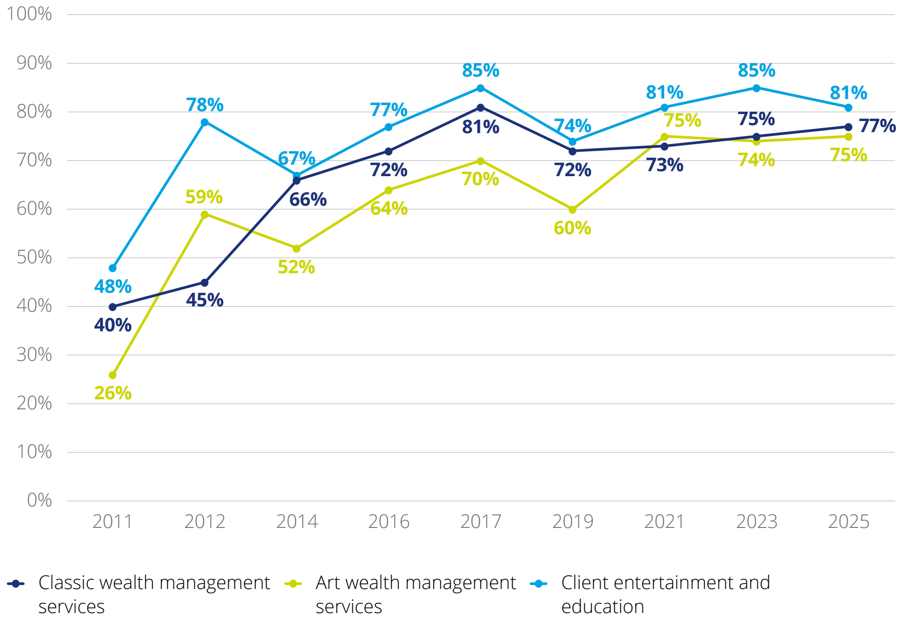


Figure 60: 14-year perspective: Which of the following services do you offer?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Holistic client strategy remains central as collector priorities shift. In 2025, 86% of wealth managers said they offered art-related services primarily to develop a holistic advisory relationship that covers all of their clients' assets. Though slightly down from 90% in 2023, this strong consensus highlights that wealth advisors continue to view art as an integrated part of a wider asset strategy.

This aligns with broader industry findings. According to McKinsey & Company, demand for more holistic advice rose significantly from 29% in 2018 to 52% in 2023. This indicates that as clients age, they face increasingly complex needs across planning services and investment products. Clients were also more willing to pay for holistic and personalized guidance, further reinforcing art's relevance within a comprehensive wealth strategy.[110]

This view resonates with a growing trend among collectors, particularly younger ones, who are prioritizing art's emotional, cultural and social value over its financial utility. This shift is reflected in this year's survey: 53% of wealth managers cited art as an asset class as the strongest argument for its inclusion in wealth management, a decline from 60% in 2023.

Therefore, to remain relevant, wealth managers must evolve their approach to not only manage art as an asset, but also understand and support the non-financial motivations that increasingly define why clients collect.

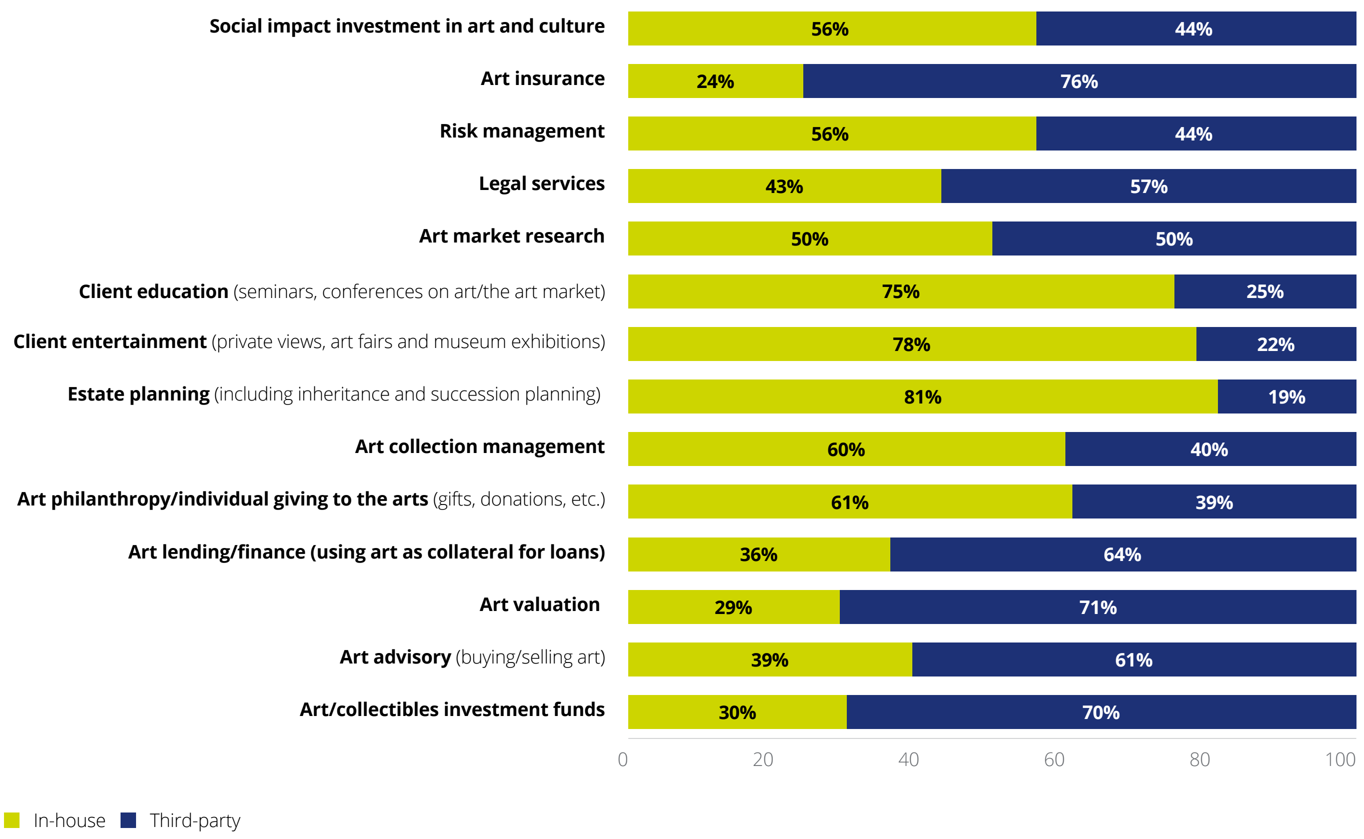
Client-related factors are central to why art should be included in wealth management services: Sixty-five percent of wealth managers reported that clients are increasingly seeking their help with art-related issues, such as risk management services, reporting, valuation and market information (up from 44% in 2023). This shift places client service, not just asset value, at the heart of why art matters in wealth portfolios.

Alternative investment: More than half (55%) of wealth managers witnessed higher client demand for alternative investments, a notable increase from 44% in 2023. Asset classes like private equity, venture capital, real estate, infrastructure and hedge funds are highly attractive due to their unconstrained strategies, which combine higher returns and diversification benefits.[111]

Ashes of Ice
Marta Djourina, 2024
Ice photograms on analogue
paper, unique, 40 x 30 cm

D Outsourced expertise: Wealth managers are collaborating with third parties to serve art and collectible assets

Figure 61: Wealth managers: Which of these art-related services do you offer in-house versus delivered by a third party?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025



This year's findings continue to underline a clear trend: wealth managers remain focused on their core competencies, including client engagement and education, estate planning and philanthropy, while outsourcing many specialized art-related services to third-party experts.

While third-party providers still play a critical role in most art wealth management services, our survey revealed a nuanced evolution in how certain responsibilities are handled. For example, art investment services remain largely outsourced, with 70% of wealth managers relying on third parties (consistent with 73% in 2023).

Similarly, art-secured lending was still predominantly external (see Section 5 for this industry's trends), with 64% of services handled by third parties compared to 72% in 2023. Art valuation was also largely outsourced at 69%, only slightly lower than 76% two years ago.

Interestingly, certain services have been insourced. Social impact investing in the arts (54% in-house) and art philanthropy (60%, up from 43% in 2023) are increasingly being managed within firms. This marks a shift in how wealth managers align art with client values and social purpose, suggesting these services are becoming strategic differentiation areas. Similarly, art collection management (61%) and estate planning (80%) are firmly embedded in wealth managers' internal offerings, highlighting their integration into broader legacy planning.

Still, wealth managers heavily rely on external expertise in several key areas. Art insurance (76% outsourced), legal services (58%), art advisory (59%), and art market research (51%) all remain services where third-party providers are essential. The 45% outsourcing of risk management also signals that expertise in evaluating market and object-specific risks is not yet widely available within wealth firms.

Despite this ongoing reliance on external expertise, wealth managers are finding it increasingly difficult to source the right partners. A striking 67% of respondents identified this as a key challenge in 2025, a marked rise from 39% in 2023 (Figure 63). This trend highlights a growing industry concern, emphasizing the need for a more transparent, standardized and professionalized ecosystem of art-related service providers.

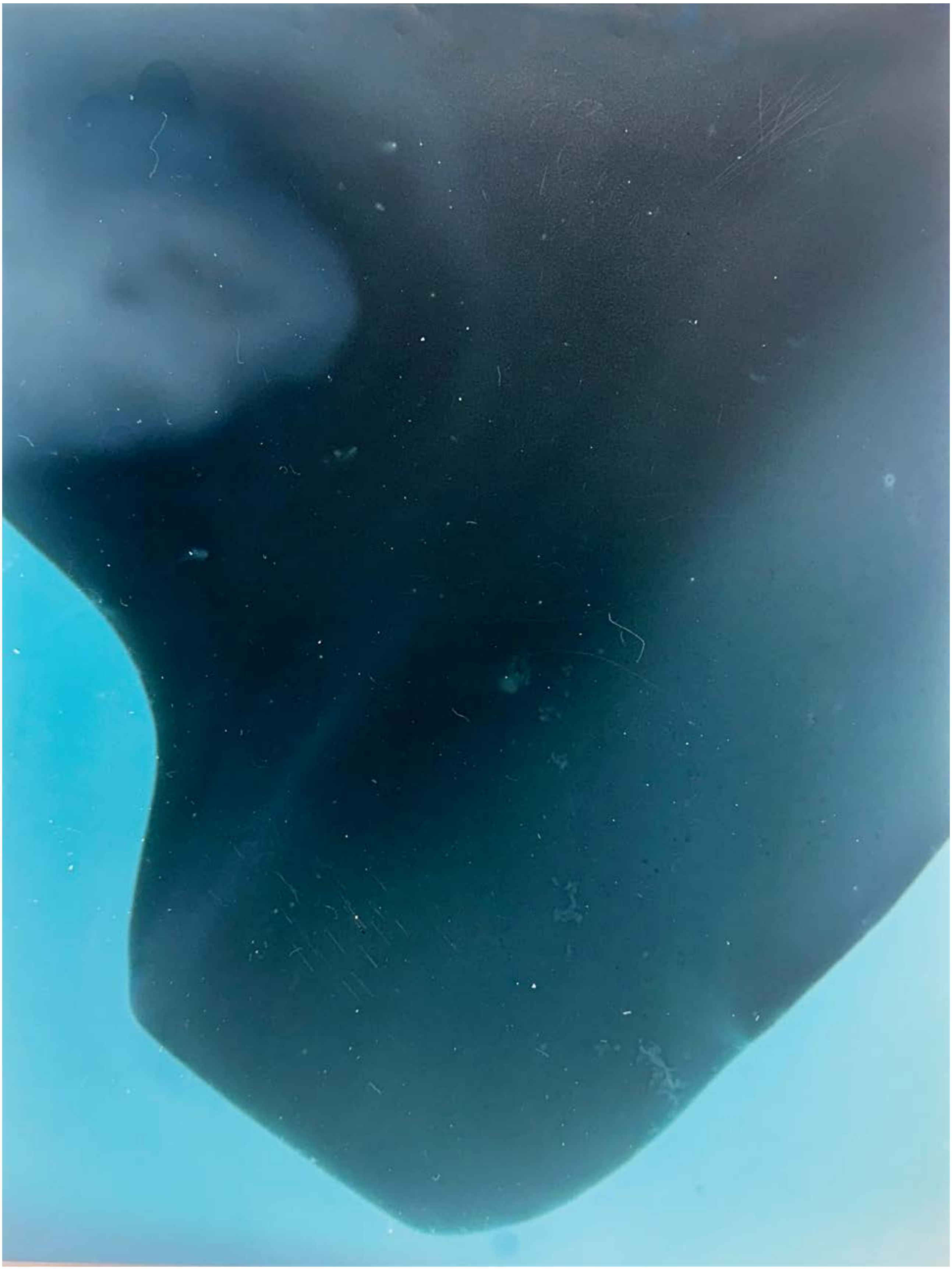
While emerging services in legal advisory, collection management and fractional investment have enhanced the art market's maturity over the past decade, many solutions remain fragmented or difficult to navigate. For wealth managers, the real challenge is not just in accessing services; it lies in identifying those that meet modern wealth management's compliance, quality and integration standards.

At the same time, promising models are taking shape. Increasingly, art advisory firms are evolving into dedicated art family offices or boutique consultancies, offering consolidated, end-to-end solutions. These developments help reduce complexity and foster smoother collaboration between the wealth management and art sectors.

The 2025 data clearly shows that third-party expertise is essential for developing art-related wealth management services, yet sourcing the right partners is increasingly difficult. As art becomes a more strategic part of wealth planning, accessing specialized external capabilities is critical.

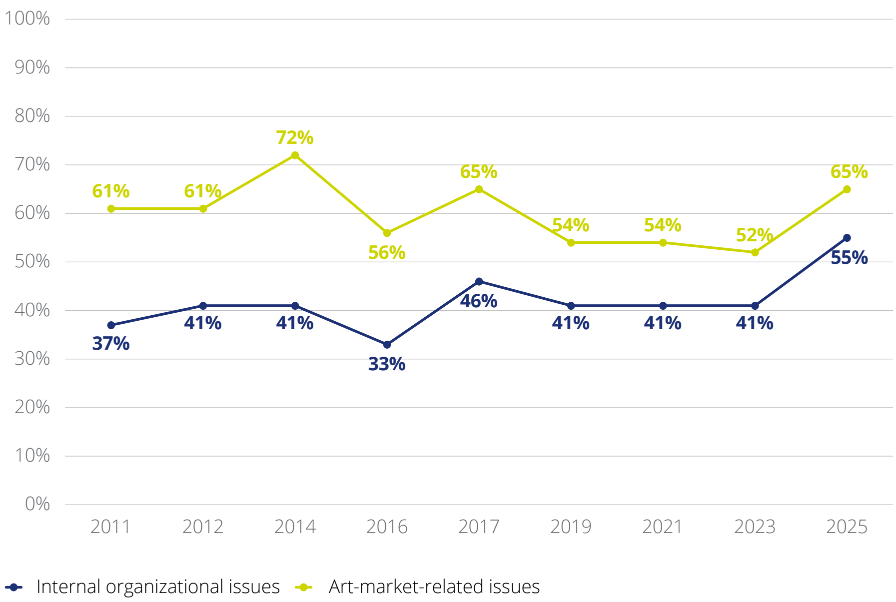
Wealth managers who invest in strong partnerships with trusted experts will be better positioned to deliver valuable, compliant and future-proof services. The New Perspectives Art Partners consortium, launched in June 2025, seemingly responds to this growing need.[112]

Ashes of Ice
Marta Djourina, 2024
Ice photograms on analogue paper, unique, 40 x 30 cm



E Key challenges

Figure 62: 14-year perspective (wealth managers): What do you see as the biggest challenge in offering art-related services/products?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Why are wealth managers still struggling to incorporate art and collectibles into their services?

Despite over a decade of incremental progress, the decline in wealth managers offering art-related services this year signals continued friction and an unsupportive environment. This year's findings show that several longstanding challenges remain in place, even intensifying in some areas. Wealth managers continue to encounter multiple barriers to fully integrating art and collectibles into their service offerings, with the most pressing issues relating to expertise, transparency, regulation and measurability of value.

Lack of expertise and difficulty finding trusted partners intensifies: As discussed previously, the most frequently cited challenge in 2025 is the difficulty of finding the right expertise, reported by 67% of wealth managers—a substantial jump from 39% in 2023. This sharp rise indicates a worsening pain point, reflecting both the art market's growing complexity and an unmet demand for high-quality, vetted third-party advisors. Mirroring this challenge, 59% of respondents also revealed a lack of internal expertise, further reinforcing the sector's dependency on external providers.

Transparency and regulation are still unresolved: Concerns about the unregulated nature of the art and collectibles market continue to be a key obstacle, cited by 62% of respondents in 2025, up slightly from 61% in 2023. Similarly, 62% of wealth managers reported a lack of transparency, information and research as a critical hurdle, a notable rise from 56% in 2023. These figures suggest that despite increased discussions around anti-money laundering (AML) regulations and tech-led due diligence solutions, the art market's perceived opacity has not materially reduced in the eyes of wealth professionals.

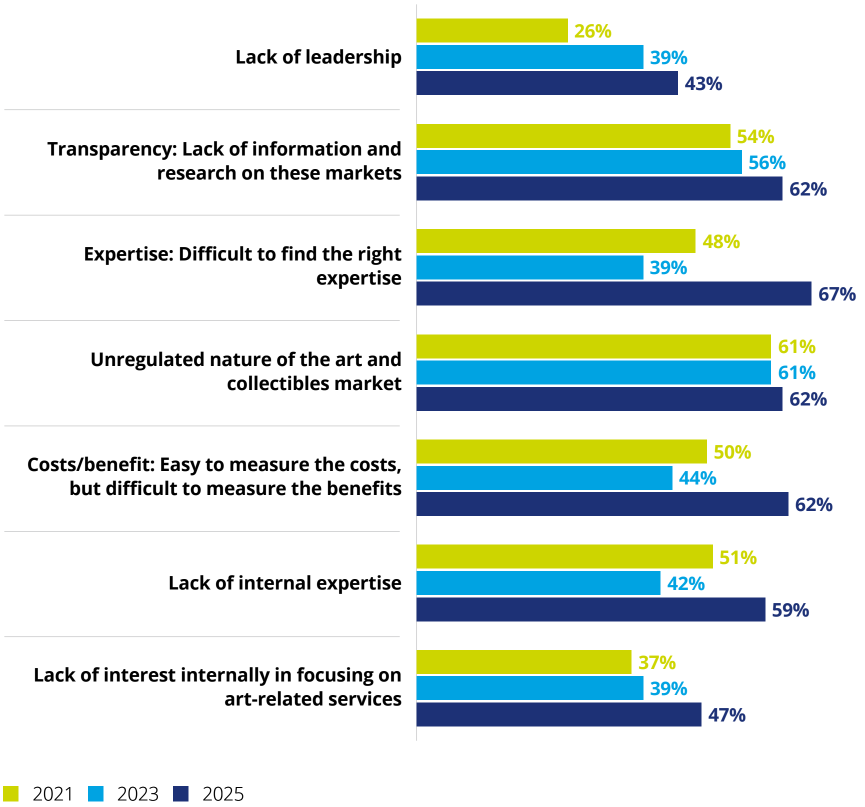
Costs versus benefits: A new leading concern in 2025 is the perceived imbalance between measurable costs and quantifiable benefits. Sixty-two percent of wealth managers identified this issue (up from 44% in 2023), making it a prominent barrier to adoption. While art-related services are increasingly seen as valuable relationship enhancers, many firms still struggle to justify them, particularly when evaluating financial return.

Leadership and internal engagement: The share of wealth managers reporting a lack of leadership as a barrier increased to 43% in 2025, up from 39% in 2023. This means nearly half the market still viewed leadership inertia as an impediment to developing strategic art wealth offerings. In addition, 47% of respondents reported a lack of internal interest in focusing on art-related services, suggesting that unless client demand is clearly articulated, internal buy-in may remain limited.

The 2025 data paints a picture of cautious advancement overshadowed by persistent structural challenges. Wealth managers

Figure 63: Wealth managers: What do you see as the biggest challenge in offering art-related services/products?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



recognize art's relevance in building holistic client relationships; however, the lack of clear value metrics, internal education and accessible expert networks drive many to continue to treat art as peripheral rather than integral.

Going forward, overcoming these barriers will require not just market evolution, but also leadership-driven cultural change within wealth firms. Integrating art-related services more deeply into the core wealth management model, as well as measuring their true relationship-building potential, may be the key to unlocking the next stage of growth in this space.

Equally important is the role of the art professional community. Experts in valuation, advisory, legal, logistics and philanthropy must proactively bridge the gap to the wealth management sector. This includes developing more transparent, standards-driven services and communicating their value in ways that align with wealth managers' fiduciary and compliance responsibilities.

Stronger collaboration and clearer articulation of expertise will be crucial to overcome existing knowledge, trust and transparency gaps that continue to hold back integration.

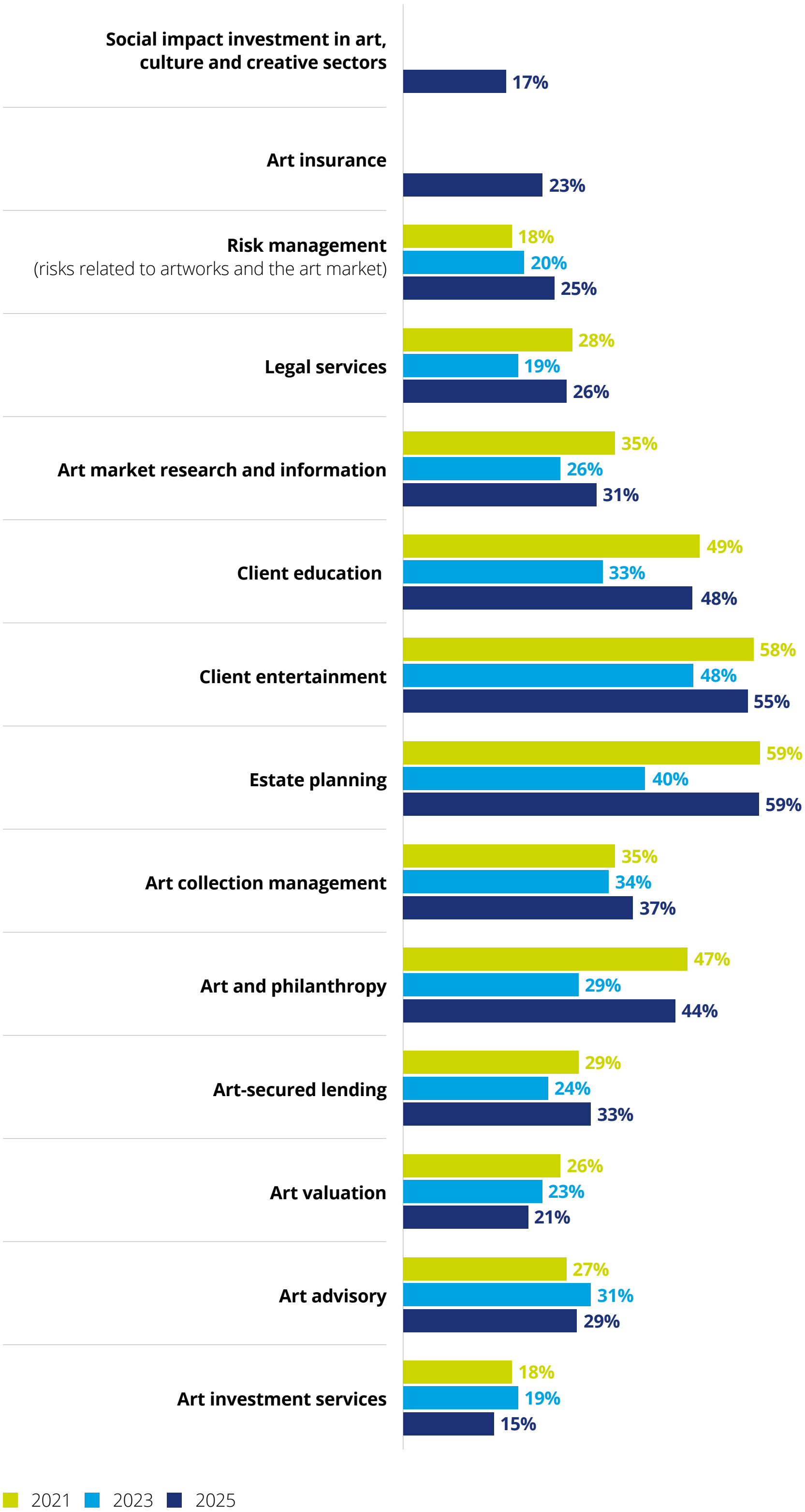
F

Future focus

Clarifying purpose—wealth managers' shift toward values and long-term asset protection

Figure 64: Wealth managers: Which services will you focus on in the next 12 months, in addition to what you are already offering?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Wealth managers are increasingly prioritizing client engagement, legacy planning, and purpose-based services. Moving beyond just investment performance, they are becoming facilitators of meaning and continuity, helping clients clarify their principles and long-term goals. This includes closer collaboration with third-party providers to serve clients holistically across their wealth, collecting and philanthropic journeys.

The latest data reveals four primary areas of focus for the next 12 months, each reflecting a broader recognition that art and wealth are no longer solely about capital growth, but about purpose, relationships and lasting impact.

1. **Estate planning: a surge in legacy-focused advisory**
   Fifty-nine percent of wealth managers cited estate planning as a major focus area, up from just 40% in 2023. This rise marks a clear pivot toward intergenerational wealth transfer, governance and long-term stewardship. Given that 85% of wealth managers already offer robust estate planning services, this renewed emphasis suggests a deepening rather than a reinvention of their offerings. It aligns with both older collectors' focus on heritage and younger collectors' desire to define purpose and impact within their legacy.

   In this context, collection management has gained prominence as a critical component of legacy planning, offered by 89% of wealth managers, with 37% prioritizing it in the coming 12 months. This trend underscores the growing recognition that managing and preserving collections is not just about asset protection, but also about cultural continuity and personal meaning across generations.

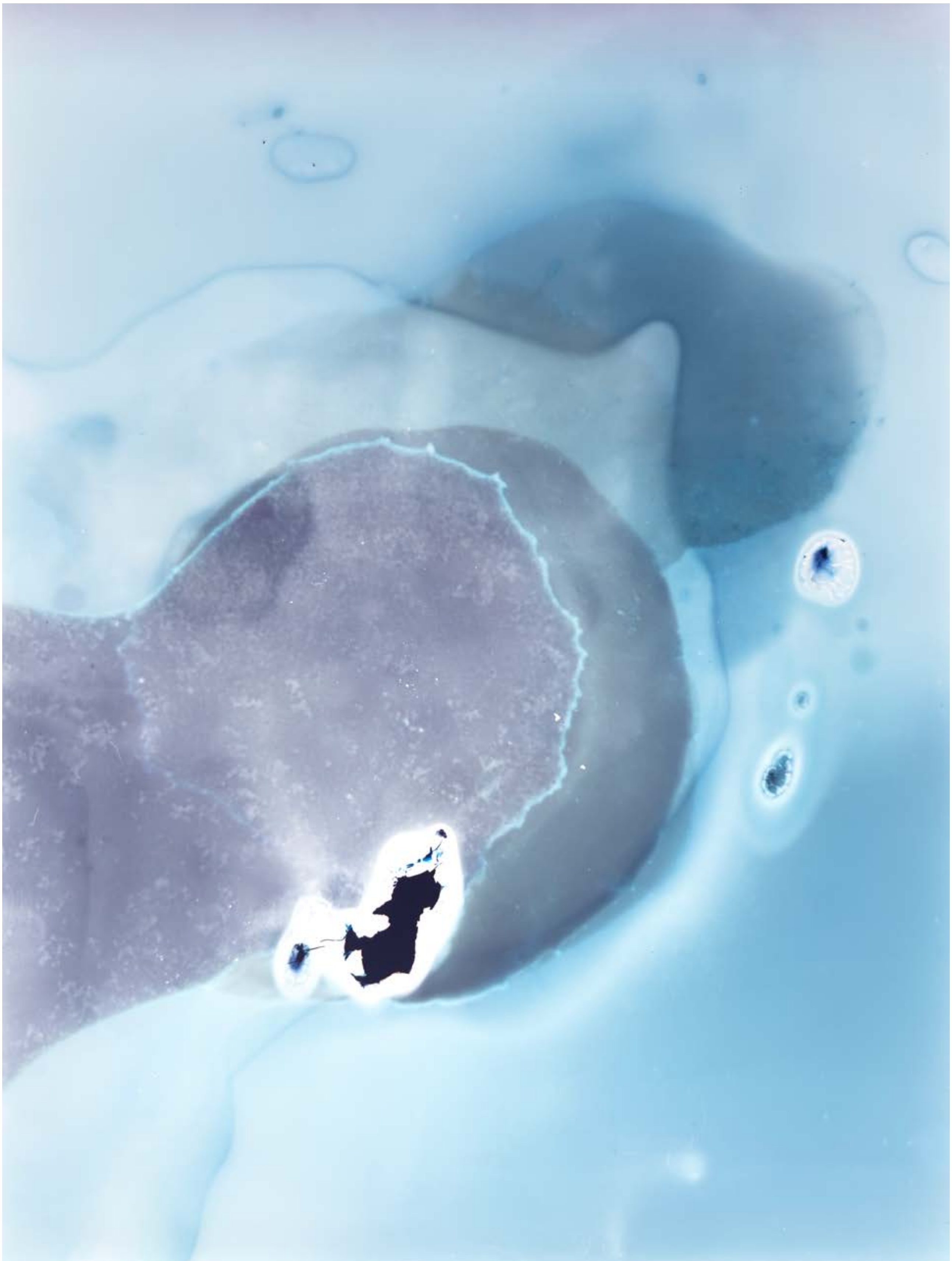
2. **Client entertainment: elevating relationship-building through culture**
   More than half (55%) of wealth managers prioritized client entertainment, up from 48% in 2023. This investment in art-related events deeply resonates with younger collectors, 61% of whom cited art's social value as a key collecting motivation. With 87% of wealth managers already offering entertainment services, this rising focus suggests a shift from mere event access to strategic relationship-building, leveraging art to foster trust, intimacy and visibility in an increasingly digital world.

3. **Client education: bridging the knowledge gap in a changing market**
   Half of wealth managers (48%) prioritized client education, a significant jump from 33% in 2023. This reflects a growing understanding that clients, particularly younger ones, desire to be informed and empowered participants in their wealth journeys, especially regarding art and non-traditional assets. Given that 76% of wealth managers already offer art-related education like seminars and briefings, this uptick likely reflects a move toward tailored, values-based content: not just how to buy art, but why it matters, how it fits into legacy, and how to engage in patronage.

4. **Art and philanthropy: impact in action**
   Art-related philanthropy is one of the fastest-growing areas, with 44% of wealth managers highlighting it as a focus (up significantly from 29% in 2023). This reflects clients' deepening interest, especially younger generations, in using art to express values and drive social impact. Art-related philanthropy includes everything from donating works to public institutions to structuring charitable foundations, artist grants or social impact initiatives. It also ties directly into estate planning, becoming a mechanism for purpose-led legacy.

According to Deloitte Korea's interview with Hana Bank page 172, art-related services— such as professional valuation, portfolio management and tailored advisory—are expected to become more established in private banking for HNWIs, moving beyond mere ownership.

Ashes of Ice
Marta Djourina, 2024
Ice photograms on analogue paper, unique, 40 x 30 cm



Family offices versus private banks: Are family offices catching up or doubling down on what matters most?

Figure 65: Private banks versus family offices: Which of the following art-related services do you offer?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

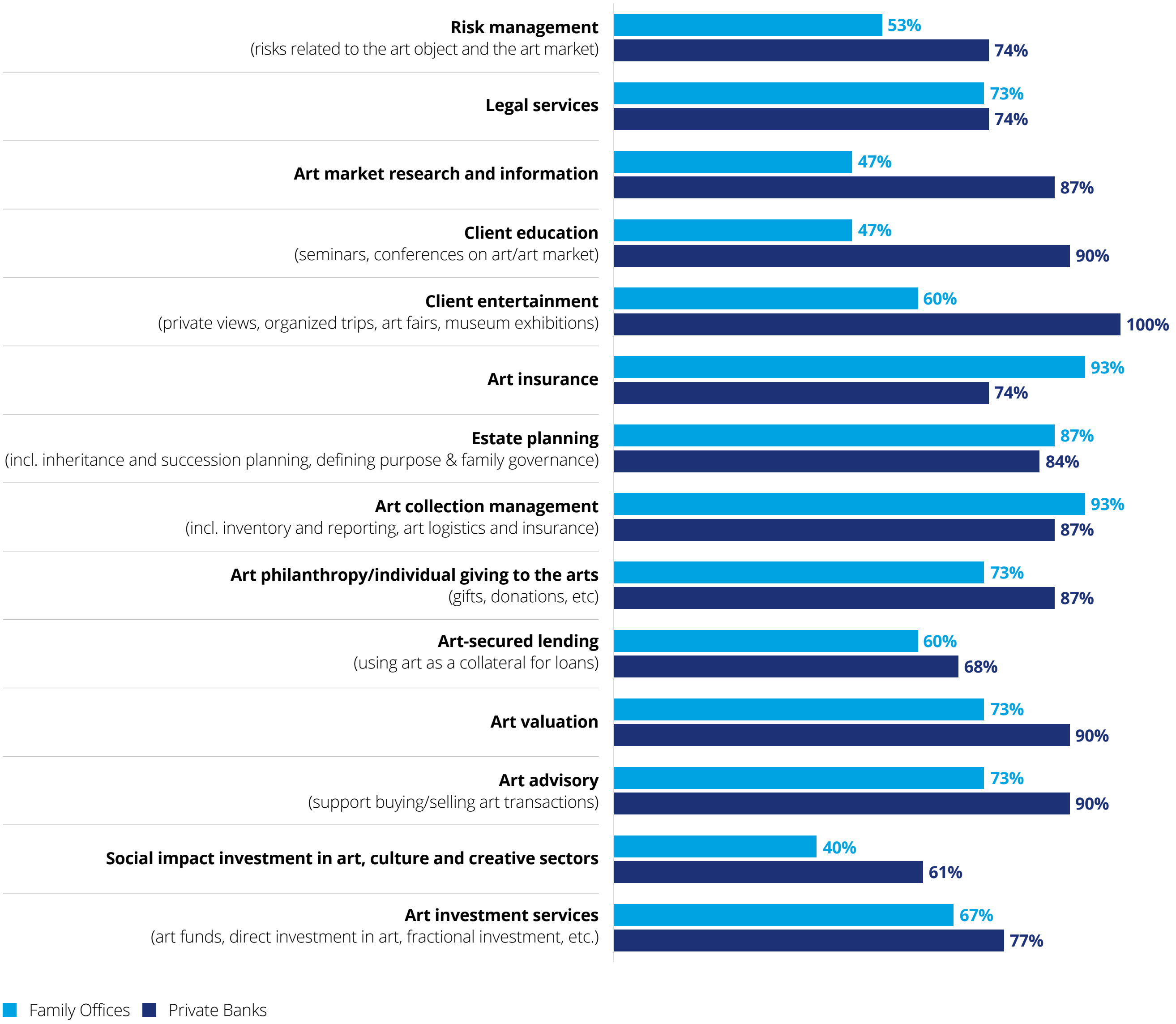


Figure 66: Private banks versus family offices: Which of the following services do you offer?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

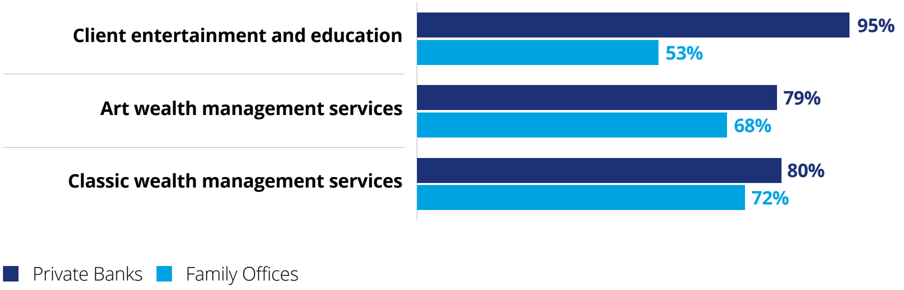


Figure 67: Private banks versus family offices: Which services will you focus on in the next 12 months?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

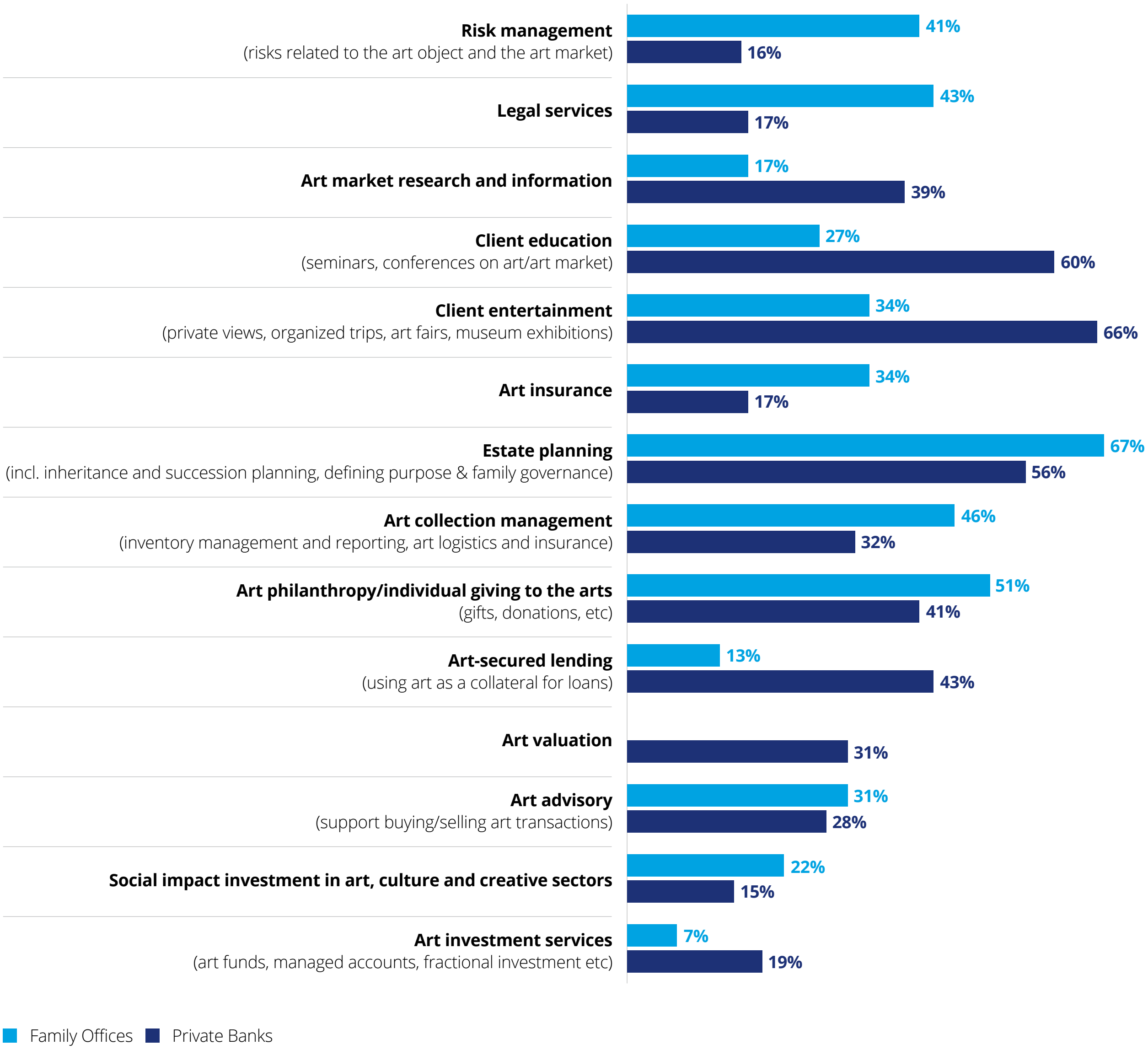
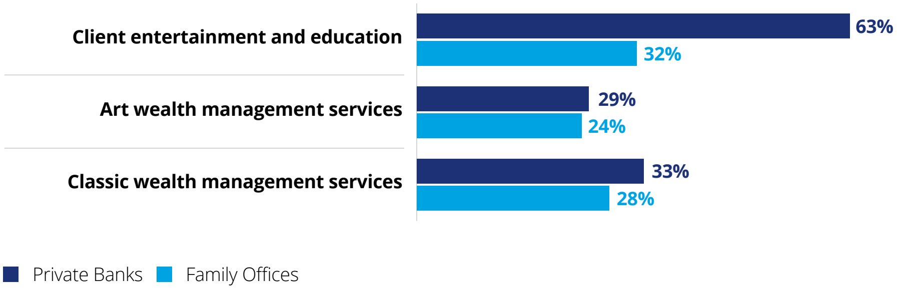


Figure 68: Private banks versus family offices: How likely are you to get involved in the following services in the next 12 months, in addition to what you are currently offering?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Comparing current service offerings to future focus areas reveals important nuances in how family offices and private banks are positioning themselves in the art-related wealth space. On the surface, family offices trail private banks regarding the breadth of current services offered, including art investment, advisory, and client entertainment and education. However, their future priorities suggest a more strategic and values-aligned approach.

Rather than replicating the private bank model, family offices are seemingly reinforcing their core mandate: long-term stewardship, legacy and client values. For example, while already strong in estate planning (87%) and collection management (93%), family offices plan to deepen their focus in these areas (67% and 46%, respectively). Their emphasis on philanthropy (51%), legal services (43%) and risk management (41%) also suggests a desire to formalize services tied to governance and intergenerational transfer.

In contrast, family offices show little future focus on areas where they currently lag significantly, such as client education, market research and entertainment. This suggests these are not strategic gaps they aim to close, but rather lower-priority aspects of their service philosophy. On the other hand, private banks continue to prioritize these touchpoints as integral to their high-engagement, experience-driven model.

In short, family offices are not just catching up; they are selectively investing in services that reflect their personal, private, long-term and purpose-driven identity.

A complementary approach to art-related wealth services

For family offices, the future lies in deepening capabilities that support long-term stewardship and governance. Their selective investment in estate planning, collection management, philanthropy and risk-related legal services signals a strategic pivot toward institutionalizing trust-based, value-driven relationships across generations. Rather than emulate private banks' full-service model, family offices are doubling down on their strengths.

However, it is important to note that many family offices are themselves clients of private banks. This grants them privileged access to the broader spectrum of services—like research, education, market access and art-secured lending—without needing to build these capacities in-house.

Instead of pursuing scale, family offices are well-positioned to selectively integrate these external offerings, curating them to fit the specific needs of the families they serve. This approach reinforces their core competencies in strategic coordination and long-term alignment, while leveraging outside resources to enhance their service architecture.

Private banks are likely to continue leveraging their scale and infrastructure to offer comprehensive, client-facing experiences, from educational programs to entertainment and market research. These elements are crucial to their brand promise of proactive, full-spectrum client engagement, and will continue to position them as accessible entry points into the art world for next-gen collectors and UHNW clients alike.

The implication is that the future of art-related wealth services will not be a race to parity between family offices and private banks. Instead, we will likely see a complementary landscape. Family offices will focus on depth and alignment with family values, while private banks will drive breadth and accessibility through experience-led service ecosystems. Clients may increasingly engage with both institutions, but for distinctly different reasons.

INDUSTRY **INSIGHTS**

The rise of next-gen wealth is reshaping Korea's wealth management landscape

Eunjung Lee
Head of HANA THE NEXT division

Jaeho Yeom
Senior Staff of HANA THE NEXT division

Based on insights from HANA THE NEXT, the newly launched brand integrating Hana Financial Group's legacy wealth management services, we explore how Korea's wealth management sector is evolving in response to the growing influence of next-generation high-net-worth individuals (HNWIs).

Are the asset classes favored by HNWIs changing, and to what extent does art investment feature in their portfolios?

HNWIs in Korea continue to prioritize financial assets like cash deposits and equities, which are valued for their stability and liquidity. Although media coverage often highlights art as a rising alternative investment, it seemingly comprises only a small portion of HNWIs' portfolios.

This is largely due to the asset's practical limitations, such as a lack of pricing transparency and professional management systems, coupled with limited market liquidity. For many HNWIs, art collecting is still perceived as an aesthetic pleasure or personal hobby rather than an investment vehicle.

Nevertheless, it is worth noting that the higher the level of wealth, the greater the interest in art and its collection. In particular, HNWIs aged 30 to 60 increasingly view art as a viable and strategic investment asset. This trend aligns with the growing number of younger collectors, including millennials and Generation Z, in the Korean art scene.

As the "young rich" population grows, the demand for art investment is expected to surge.

Accordingly, we expect art-related services—such as professional valuation, portfolio management and tailored advisory—to become more established in private banking for HNWIs, moving beyond mere ownership.

How does Hana Bank view the rise of the young rich?

The young rich are individuals under 40 who own over KRW1 billion (US$0.73 million) in financial assets. While they still represent a small portion of all HNWIs, their numbers are growing at more than twice the rate of their older counterparts.

Compared to older HNWIs, the young rich tend to invest less in real estate and more in financial assets. They show a strong preference for diversification across asset classes, including global stocks, digital assets, gold and art. They actively gather information through various digital channels, such as social media, YouTube and online communities, and are willing to pay for professional insights when needed.

The young rich are not just inheriting wealth but also building their own through informed choices and new ideas. **We expect this group to drive future investment trends, particularly in emerging and alternative asset markets like art.**

How is Hana Bank responding to the evolving needs of next-generation HNW clients, including the young rich?

Hana Bank is proactively addressing the increasingly sophisticated and diverse needs of next-generation clients—including heirs of family office clients and the young rich—by offering personalized programs that combine education, practical experience and peer networking. These efforts reflect a broader shift in wealth management, where trust-building and client engagement go beyond traditional financial planning.

Key initiatives include the "Future Leaders" program for personalized education and the "Family Office Leaders" mini-Master of Business Administration (MBA), which combines group training with peer networking. Participants also explore real-world topics like private equity, blockchain and trading operations. A new "Global Young Leaders" program will launch later in 2025, offering overseas visits and training on cross-border taxation and international real estate.

In addition, Hana Bank has taken a proactive approach to non-financial services through "Hana Art Bank", which connects HNW clients with the art world. The initiative offers art curation services, storage solutions, expert advisory via partner networks, and an exclusive art club membership.

Notably, Hana Bank was the first Korean financial institution to introduce an art trust service, providing clients with secure options for artwork acquisition and safekeeping. Through a wide range of exhibitions, educational events and guided art tours, the bank has expanded client engagement into the cultural asset space, driving steady growth in art club membership as a result.

Are you seeing increased demand for incorporating artworks into wealth succession plans (inheritance and gifting)? Have you collaborated with tax experts on this matter?

Currently, most clients' portfolios do not hold a significant proportion of art, making it a relatively minor component in inheritance or succession planning. However, among ultra-high-net-worth individuals (UHNWIs), there has been a noticeable rise in both art purchases and interest in incorporating artworks into wealth succession strategies.

Due to its potential tax advantages and emotional satisfaction, art is increasingly seen as a desirable asset for inheritance planning, particularly among UHNWIs and the young rich generation. As a result, interest in passing on art as part of wealth succession is expected to grow, along with demand for specialized tax consulting services.

Hana Bank was the first Korean financial institution to launch a membership service called the "Hana Art Club", offering comprehensive advisory services for art enthusiasts, including specialized tax planning. Our wealth management division, HANA THE NEXT, is staffed by an expert team of tax professionals and lawyers to provide tailored wealth succession strategies for our very, very important (VVIP) clients.

Recently, we advised one of our private banking, HNW clients in their 70s on the tax implications of purchasing undervalued artworks by well-known artists, with the intention of including them in their estate planning.

What distinguishes the Korean market from overseas family offices and private banks?

One unique feature of the Korean market is that many clients are eager to prepare for inheritance and family succession. To meet this need, Hana Bank is expanding its services beyond individual wealth management to include "family governance", which involves managing wealth from a multigenerational perspective.

All of the programs mentioned earlier — "Future Leaders," "Family Office Leaders," and "Global Young Leaders" — are designed for the next generation of wealthy individuals. They not only support traditional wealth management and family succession planning for the parent generation, but also aim to foster growth and leadership among their children. Hana Bank was the first bank in Korea to introduce living trusts in 2010. With over 15 years of extensive trust expertise, HANA THE NEXT recently launched a comprehensive "Living Trust Solution" to help clients transfer their assets securely and without disputes.[114]

Do you foresee an increase in art finance and digital asset services offered by Korean family offices and private banking? What changes or challenges must be addressed?

While traditional assets like real estate and equities remain HNWIs' preferred choice, we expect demand for art and digital assets to gradually increase as part of long-term portfolio diversification. Accordingly, family offices and private banks will likely expand their services into art finance and digital assets.

The art market is rapidly growing and evolving, driven by diverse distribution channels like online auctions, art fairs and digital formats. Digital assets like non-fungible tokens (NFTs) have enabled fractional investment, expanding access to art investment for individuals who may lack substantial capital. Moreover, as HNWIs accumulate meaningful returns from art investments, demand for related financial services is clearly poised for growth.

Hana Bank is proactively preparing for this emerging landscape. In addition to offering art storage trust services, we have introduced Korea's first NFT-enabled art trust in partnership with external platforms, enabling the trading of physical artworks through blockchain.

While regulations around NFTs and security token offerings (STOs) are not yet fully established in Korea, art-related applications have been partially permitted. While this allows limited business operations, it constrains broader market expansion due to legal uncertainties.

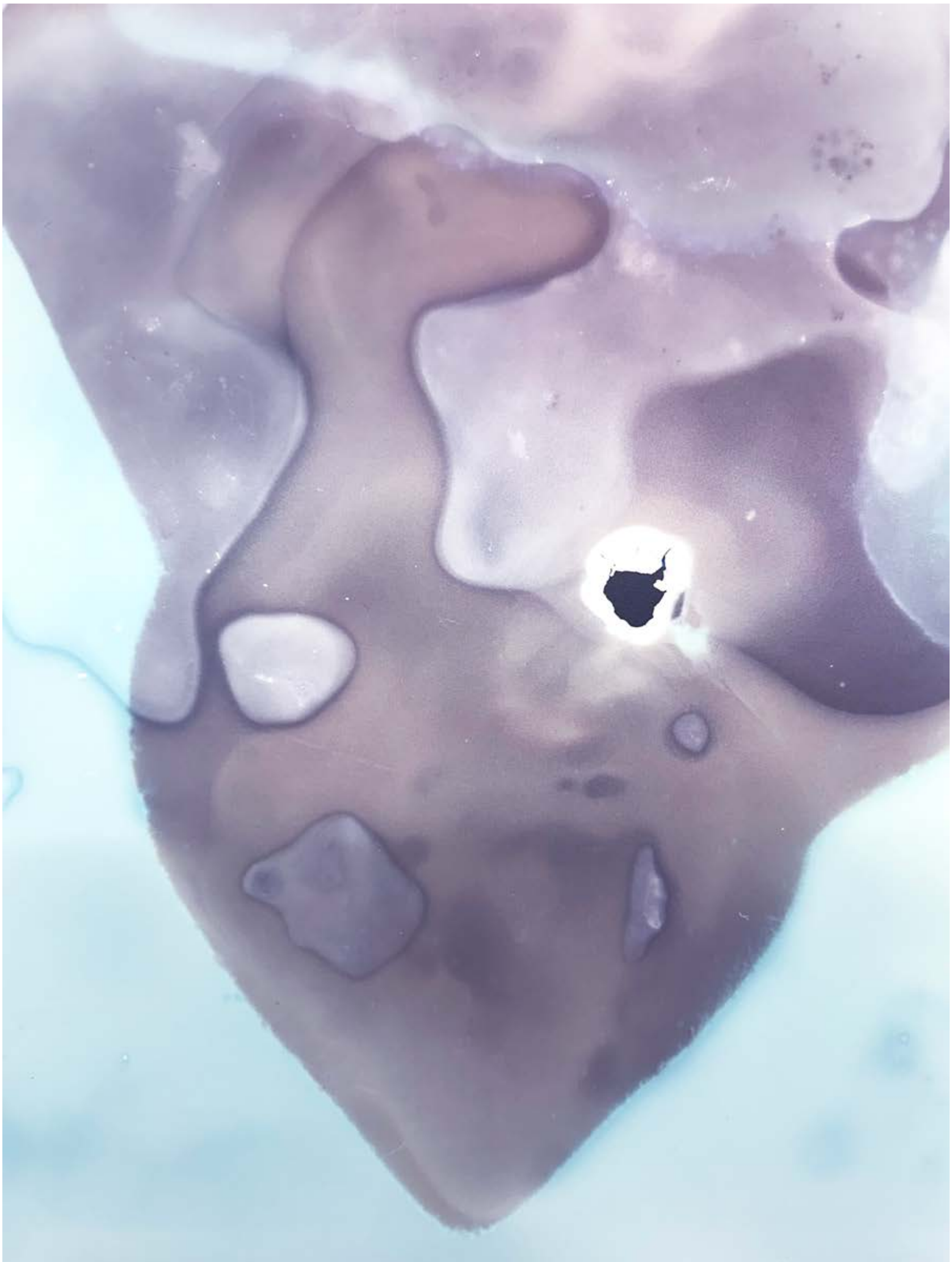
We also entered the STO market by partnering with Korea's leading music copyright fractional investment platform, issuing securities backed by music-related neighboring rights through a trust structure. These initiatives enhance market liquidity and provide new revenue streams for artists, while positioning us to expand as the regulatory environment matures.

While the phased implementation of Korea's new Art Promotion Act lays the foundation for a more transparent and active market, there is a clear need for faster progress. To firmly establish art and digital assets as viable alternative investment vehicles, the market must adopt standardized and objective valuation methods and enable transparent price formation in open marketplaces.

Conclusion

As Korea's wealth landscape undergoes generational change, financial institutions must evolve to meet the expectations of younger HNWIs. Hana Bank's approach, grounded in trust expertise and enriched by culturally engaged programs, offers a compelling model for the future of both family office services and private banking. By integrating art, education and next-gen asset services, it sets a new standard for wealth management in Korea.

Ashes of Ice
Marta Djourina, 2024
Ice photograms on analogue
paper, unique, 40 x 30 cm



INDUSTRY **INSIGHTS**

Art-related wealth:

Managing differing generational motivations

Drew Watson
Managing Director, Head of Art Services at Bank of America

Interviewed by

Christopher Bleuher
Senior Manager, US Art & Finance Coordinator, Deloitte Consulting LLP

This interview examines how the generational wealth transfer to Millennials and Gen Z is reshaping the art market. Younger collectors increasingly view art as both a financial investment and a passion asset, driving demand for customized services and technological solutions. However, some family offices lack the specialized knowledge to fully integrate art into comprehensive wealth management strategies.

Key takeaways

- Millennials and Gen Z clients are driving a new wave of art market activity.
- Younger collectors view art as both a passion and portfolio asset.
- Generational taste gaps are reshaping succession strategies.
- Family offices may face blind spots in managing art as an asset.

Christopher Bleuher:
How has the transfer of wealth to Millennials and Gen Z fed into the art market?

Drew Watson:
Over the course of the "Great Wealth Transfer," US$124 trillion in assets is set to change hands by 2048. Gen X (born 1965–1980), Millennials (1981–1996), and Gen Z (born after 1997) are expected to inherit US$106 trillion, primarily from Baby Boomers (1946–1964), with the rest expecting to go to charity.[115]

Simultaneously, interest in collecting art among younger generational cohorts is rising. According to a Bank of America study of wealthy Americans, 40% of Millennial and Gen Z respondents own an art collection (compared to only 17% of Baby Boomers and Gen X), while another 43% say they are interested in collecting art.[116]

This simultaneous increase in purchasing power and ballooning interest in collecting appears to be driving greater activity in the art market. Millennials and Gen Z clients now account for over 25% of bidders and buyers globally at Christie's and have helped accelerate online bidding to 81% of all bids.[117]

In response, some auction houses are catering to these younger generational cohorts by strengthening their offerings around not only emerging contemporary art, but also digital art, pop culture, luxury and collectibles.

Christopher Bleuher:
How would you describe the motivations of younger collectors compared to Baby Boomers?

Drew Watson:
Millennials and Gen Z seem to share a similar passion for art collecting with older generations but may be more financially motivated. While the top reason for collecting art across all generational cohorts is its aesthetic value, many also view art as an asset that will appreciate over time. This is particularly true among younger collectors, with a staggering 98% (versus 56% of collectors overall) considering their art as a part of their wealth management strategy.[118]

Younger generations have witnessed the art market's exponential growth since the early 2000s. However, is something more fundamental driving this philosophical shift to view art as part of their wealth portfolio? Younger generational cohorts desire to be in control, be opportunistic, and spread risk when investing—perhaps reflecting their own wealth journey through the early 2000s dot-com bubble, the 2008–09 financial crisis, and the COVID-19 pandemic era.

Younger generational cohorts responding to the study of wealthy Americans appear to be looking beyond traditional financial assets and increasingly embracing alternative asset classes for outperformance, including art and collectibles. What's more, the younger cohorts reported they are more likely to consider emotional factors when deciding how to allocate their wealth, and art and collectibles are widely considered "passion assets".[119]

By combining the two perspectives, one starts to gain more insight into younger generations' views on collecting art: not only as an aesthetic, intellectual and lifestyle pursuit, but also as an asset class they expect will outperform over the long term.

Christopher Bleuher:
When managing art-related wealth, what are some of the distinct generational needs, and which key services do clients typically require?

Drew Watson:
Client needs for art-related wealth management vary across generations, largely depending on the clients' stage in the collecting lifecycle.

Millennials and Gen Z tend to be earlier-stage collectors who are just starting or accelerating their collecting strategies. Their needs mostly comprise education, buy-side advisory, and entry-level art loans to help them manage their liquidity and continue to build their collections (and broader wealth). They may also need sell-side advisory services, particularly if they have inherited works of art that do not fit their collecting vision, or if they want to up-tier their collection by selling works acquired earlier on.

Although some Baby Boomers are also early-stage collectors, most are more established and, therefore, more focused on tax and estate planning issues. Their needs can include complex art lending advisory services, philanthropic/legacy planning, and sell-side advisory, such as negotiating bespoke deal structures like advances, enhanced hammers, and guarantees with auction houses.

Regardless of generational cohort, clients across the board need up-to-date art market intelligence and analysis, as well as periodic valuation services.

Christopher Bleuher:
How do the needs of individual collectors compare to family offices?

What are some of the key questions that family offices should consider asking?

Drew Watson:
More than 4,500 family offices (triple the number in 2019) collectively manage some US$6 trillion in assets.[120] For some families, art collections have a material effect on their overall financial picture, with implications on liquidity, credit, risk management and wealth transfer.

Nonetheless, family offices often have limited expertise in the complexities of art as an asset. As such, they may require guidance on a variety of topics, including:

- Art market trends and intelligence;
- Valuations;
- Due diligence;
- Tax and non-tax considerations around acquisitions and sales;
- Collection management best practices;
- Strategies for managing liquidity; and
- Succession planning.

What challenges are they facing?

Drew Watson:
While family offices regularly advise on investments, ranging from private equity to real estate and mineral rights, many may not fully account for the implications of art collections. They may lack internal art expertise and rely solely on external vendors in the lightly regulated art industry. However, this model can raise concerns regarding efficiency, privacy, data security, and conflicts of interest.

Even family offices with internal art expertise tend to rely on a single professional, often with an art advisor or registrar background, who performs a variety of functions regarding the collection. This structure can lead to informational silos, staff burnout, and key man risk, since art professionals in family offices often work in isolation.

What guidance would you recommend?

Drew Watson:
Family offices may be more comfortable focusing on traditional assets and leaving the art collection to the family. However, this may be a missed opportunity. Instead, family offices can empower collectors to pursue their passion in a disciplined way that supports their larger financial lives.

A productive first step toward a more structured approach is creating a collection mission statement, which may include what the family values about art, ground rules for buying and selling, and formal processes for insuring and storing works.

Another way to possibly help stay organized and drive efficiencies is developing a formal inventory or incorporating art into a preexisting aggregated wealth reporting system, which many families already use to organize and review their traditional financial assets. This comprehensive window into the collection can help family offices track, properly insure and assess the broader financial impact of their clients' art.

Lastly, a family office can ensure that art is specifically accounted for in a collector's overall estate plan. This could help avert possible family disputes over who gets what and potentially avoid higher-than-necessary tax payments.

Christopher Bleuher:
Has technology kept pace with client needs around art?

Drew Watson:
While technology has progressed in this area, opportunities remain to better serve clients' needs.

For example, many collection management systems are available on the market that aggregate and provide reporting on art holdings. The next step has paired this reporting with real-time art market data and insights, which is becoming more prevalent even though adoption is still relatively low among collectors.

A challenge now is integration: how can family offices incorporate these art-focused innovations into their overall reporting—across asset classes—to effectively integrate art into clients' balance sheets?

Christopher Bleuher:
What other trends are you seeing as art-related wealth is transferred between generations?

Drew Watson:
It may sound simple but, although younger generations are increasingly interested in collecting art, their tastes almost invariably differ from older generations. They are typically more interested in the value of the art they stand to inherit than the art itself.

This can raise questions for older generations of collectors as they consider succession plans for their art collections—whether (and when) to gift, donate, or sell. While some collectors would like to pass their art to the next generation as part of their estate, their heirs may want to collect something entirely different, or not collect at all.

Increasingly, some collectors are opting to sell during their lifetime, seeking to maximize returns through their industry relationships and art market knowledge. With proper tax planning, this can allow them to control the fate of the collection they spent years building, while keeping wealth in the family or funding important charitable causes.

Ashes of Ice
Marta Djourina, 2024
Ice photograms on analogue paper,
unique, 40 x 30 cm

INDUSTRY **INSIGHTS**

NextGen, art and making an impact

Rachida Tournier
Deputy CEO of BNP Paribas Wealth Management
Picture: Antoine Doyen

Alison Leslie
Head of Art Advisory at BNP Paribas Wealth Management
Picture: Stéphanie Fraisse

The "Great Wealth Transfer"—the largest intergenerational shift in financial assets in recent history—is an ongoing topic of discussion in financial circles.

In 2004, BNP Paribas Wealth Management launched its NextGen program to support the new generation as they assume challenging responsibilities in a dynamic environment.

Rachida Tournier, Deputy CEO of BNP Paribas Wealth Management, talks to **Alison Leslie**, Head of Art Advisory at BNP Paribas Wealth Management, about engaging with a younger generation and their perspectives on art and its potential.

Twenty years of NextGen programming

Alison Leslie:
Rachida, you are in charge of NextGen programming at BNP Paribas Wealth Management, a program that started over 20 years ago. What is the program about, and how has it evolved over the years?

Rachida Tournier:
The program is designed to help a new wave of clients understand their wealth and how it is managed. The first edition took place in Hong Kong, and we now hold an average of three sessions per year in three different locations worldwide, with 50 participants in each.

Since the program's launch, almost 2,000 children of our major clients have taken part from over 20 countries around the world, including from Europe, the Gulf Cooperation Council and Asia. The themes have varied over the years, but they usually focus on investment, entrepreneurship and new technology.

Alison Leslie:
How does art fit into this?

Rachida Tournier:
Some participants and their parents were asking questions we had not considered addressing. What about looking beyond pure finance and investment? What about millennial and Generation Z clients, who are searching for different avenues of expression and other ways to put **inherited wealth to work?**

We decided it was time to adapt the NextGen program to help this generation find their voice and work with subjects they are passionate about. As art was high on both our list and theirs, that's where you came in, Alison.

Art for impact: Combining passion with action to make a difference

Alison Leslie:
In 2022 BNP Paribas Wealth Management started sponsoring the Villa Medici's *Festival des Cabanes* in Rome, and through this partnership, the NextGen program exploring art, finance, and impact at the Villa was born.

Since that first edition, art has very much taken center stage. Participants are fascinated to learn about how art has impacted a city like Rome over the centuries, and how it continues to shape our appreciation of the places we live in or visit today. The new generations are very interested in how they can combine a passion for art with making a real impact on a community they love.

Given that much of this new generation's wealth is inherited, many feel driven to continue developing their family businesses. However, there is also a desire to contribute something new to a community, to **give something back.** Art is clearly an avenue that many young people want to explore to achieve this goal.

Philanthropy

Rachida Tournier:
Philanthropy allows the new generation to turn this desire—to make an impact through art—into a reality. Practically speaking, it's about what structure may be best suited to a particular family according to their circumstances and what they want to achieve.

Instead of merely making donations, we are finding that millennials and Gen Z are interested in taking action and being part of the process. The key aspect is understanding the level of support that a family wishes to provide and the extent to which they want to be personally involved.

Alison Leslie:
The speakers garnering the most interest from participants are those who share their experience. For example, how they have put their ideas into action and cleared administrative hurdles to move forward, or how artists have kickstarted their careers thanks to a generous benefactor.

Connections and collaborations

Another major point of interest is the new generation's appetite for subjects that embrace **collaborative working.** Unlike the older generation, where the family environment may impose loyalty to existing advisors or systems, younger family members will almost always choose to open the conversation, looking for the best expertise.

Making connections, seeking innovative collaborations and finding new ways of working together are essential, especially in the art space. Much like the Villa Medici's work, we are seeing examples where accessibility and public-private partnerships are actively sought to make a real, long-term difference.

There is a definite shift from the aesthetic pleasure of experiencing artworks in the comfort of a private setting toward altruism and a **desire to share.**

Rachida Tournier:
The future impact of current initiatives and their sustainability over time are certainly important, and this generation wants to be able to **measure and quantify achievements** to see if a project is really making a difference. Keeping things **fluid and flexible** to enable adjustments as a project evolves is key.

To return to the Great Wealth Transfer, how are millennials and younger generations looking at the value of art they may have inherited or are thinking about buying?

Inheritance and investment

Alison Leslie:
In terms of inherited art, it depends on the context, geography and local taxation policy. In countries like Italy, where the art may have been in the same family for many generations, every effort is made to keep the collection intact; selling will not be an option if it can possibly be avoided.

On the other hand, in France, because of Napoleonic law, such situations are rare because inheritance has been split equally among family members over successive generations.

For more recently created wealth and collections, two subjective considerations are in play: **personal attachment and taste**, as well as the **value.**

Should we keep or sell? The value of a beloved collection could turn out to be nowhere near its purchase price. The reverse can also be true, and yesterday's risky avant-garde has become highly sought-after. If we look back at the history of art and taste, it has always been this way.

As for buying art today, motivation is hugely varied and very personal, with some younger people valuing memories of shared experiences over physical possessions. Buying art purely as an investment has its champions, which can mean digital art tracked with blockchain technology or different forms of fractional ownership.

Once purchases exceed a certain level, there is a real **willingness to take advice** and seek out **informed opinion**, often from several sources. In my experience, pure investment is rarely the declared objective; however, there is a certain expectation that informed choices should at least hold value.

Managing art collections

When it comes to managing art collections, it is difficult to make general statements, as it is such a personal subject. Family strategies concerning existing collections may change between generations, especially if a "road map" for the artworks' future has not been agreed on before decisions need to be made.

Collectors are well advised to keep accurate records of the pieces they own and to plan gifts or philanthropic structures as far in advance as possible. Interestingly, it is often the younger generation who drives this process, either initiating proper record-keeping from scratch or improving what already exists. As their interest deepens, they may gradually become involved in the acquisition process itself.

To conclude, my most impassioned conversations with this new generation often center on the joy of living with beautiful works of art, the powerful attraction of ownership, and the meaningful desire to **share the privilege of possession with others.**

Ashes of Ice
Marta Djourina, 2024
Ice photograms on analogue paper, unique, 40 x 30 cm

PART **03**

Family office insights

When it comes to art, many family offices are navigating unfamiliar ground. As discussed in the Bank of America article (page 176), few possess the in-house expertise to manage art as a financial asset, leaving gaps in areas like valuations, tax planning, liquidity and succession.

Historically, art often remained outside formal wealth planning. However, this detached approach can miss opportunities to align a family's passion with its broader financial strategy. With the right guidance, a family office can support thoughtful collecting without sacrificing its personal meaning.

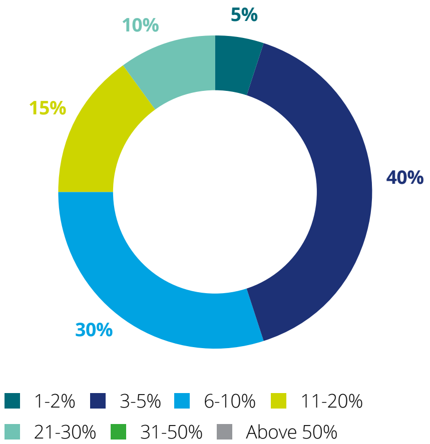
One place to begin is by defining a collection mission statement, clarifying the family's values around art and setting protocols for care, storage and ownership to foster alignment and long-term planning. Another key step is integrating the collection into existing wealth reporting systems; a formal inventory helps track value, manage risk, and plan for liquidity.

Finally, art should be part of the estate plan. Without clear direction, collections can trigger conflict, confusion or tax burdens. A well-prepared family office ensures artworks are accounted for and family intentions preserved.

Art may be personal, but it benefits from the same structure as other assets. With the right support, family offices can help turn a passion into a strategic part of long-term wealth planning.

Figure 69: Family offices: On average, how much of your client(s)' overall wealth is allocated to art and collectibles?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Ashes of Ice
Marta Djourina, 2024
Ice photograms on analogue paper, unique, 40 x 30 cm

Lower allocation to art and collectibles: Among the family offices surveyed this year, the average art allocation dropped to 8.8%, down from 13.4% in 2023. In 2023, 41% of family offices reported over 10% of client wealth in art-related assets, with 15% even seeing allocations of as much as 31–50% in art and collectibles.

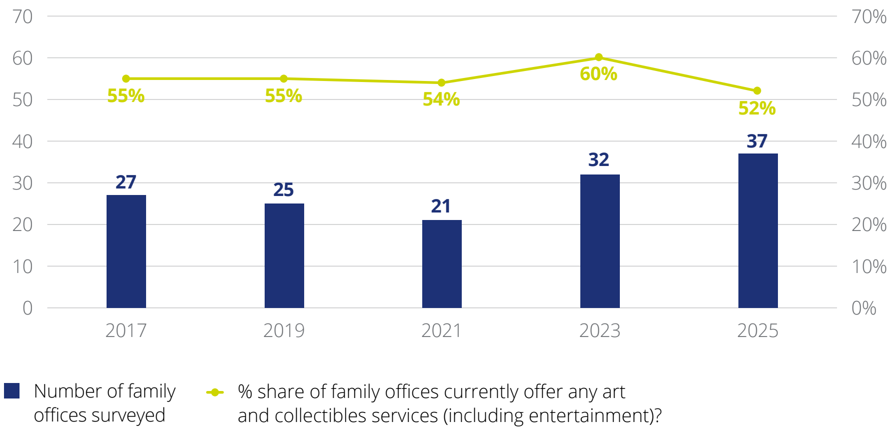
However, in 2025, no family office reported clients with more than 30% art allocation. Instead, a quarter (25%) of family offices reported 11–30% allocations, while most client allocations had more moderate holdings, with 40% in the 3–5% range and 30% in the 6–10% allocation band. A small 5% allocated just 1–2%. It is worth noting that this year's lower average could also stem from differences in the larger 2025 survey sample.

A

Art-related services offered by family offices

Figure 70: Does the family office currently offer any art and collectibles services (including entertainment)?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Smaller share of family offices offer art-related services, but higher than private banks this year: Fifty-two percent of family offices reported offering services around art and collectible wealth, a decrease from 60% in 2023. However, considering the increased sample size (from 32 in 2023 to 37 in 2025), the absolute number of family offices offering art-related services remained stable, indicating steady underlying demand. Therefore, the percentage dip reflects a larger, more diverse sample rather than an actual retreat. Crucially, it also shows that family offices continue to lead private banks in integrating art into their wealth offerings. This is likely due to their more personalized and legacy-oriented approach to wealth management.

Figure 71: Family offices: Which of the following services do you offer?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025

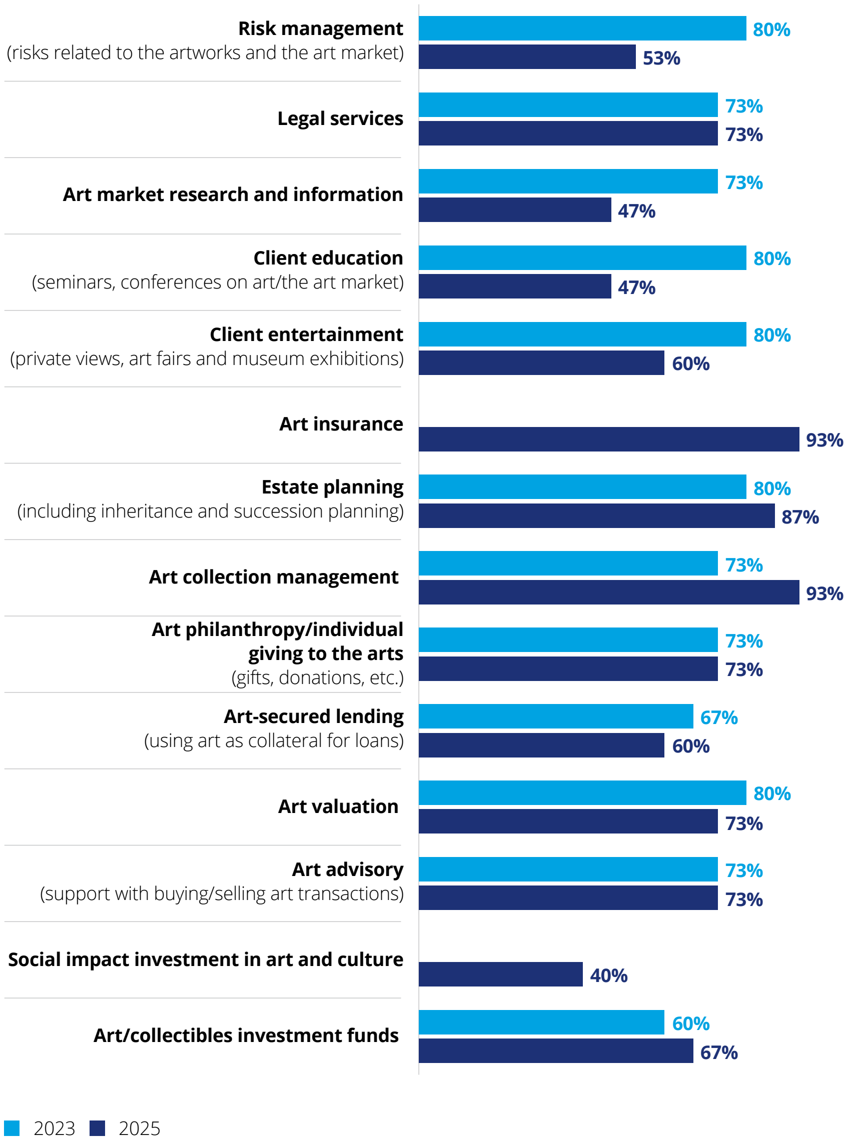


Figure 72: Family offices: Which of these art-related services do you offer in-house versus delivered by a third party?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

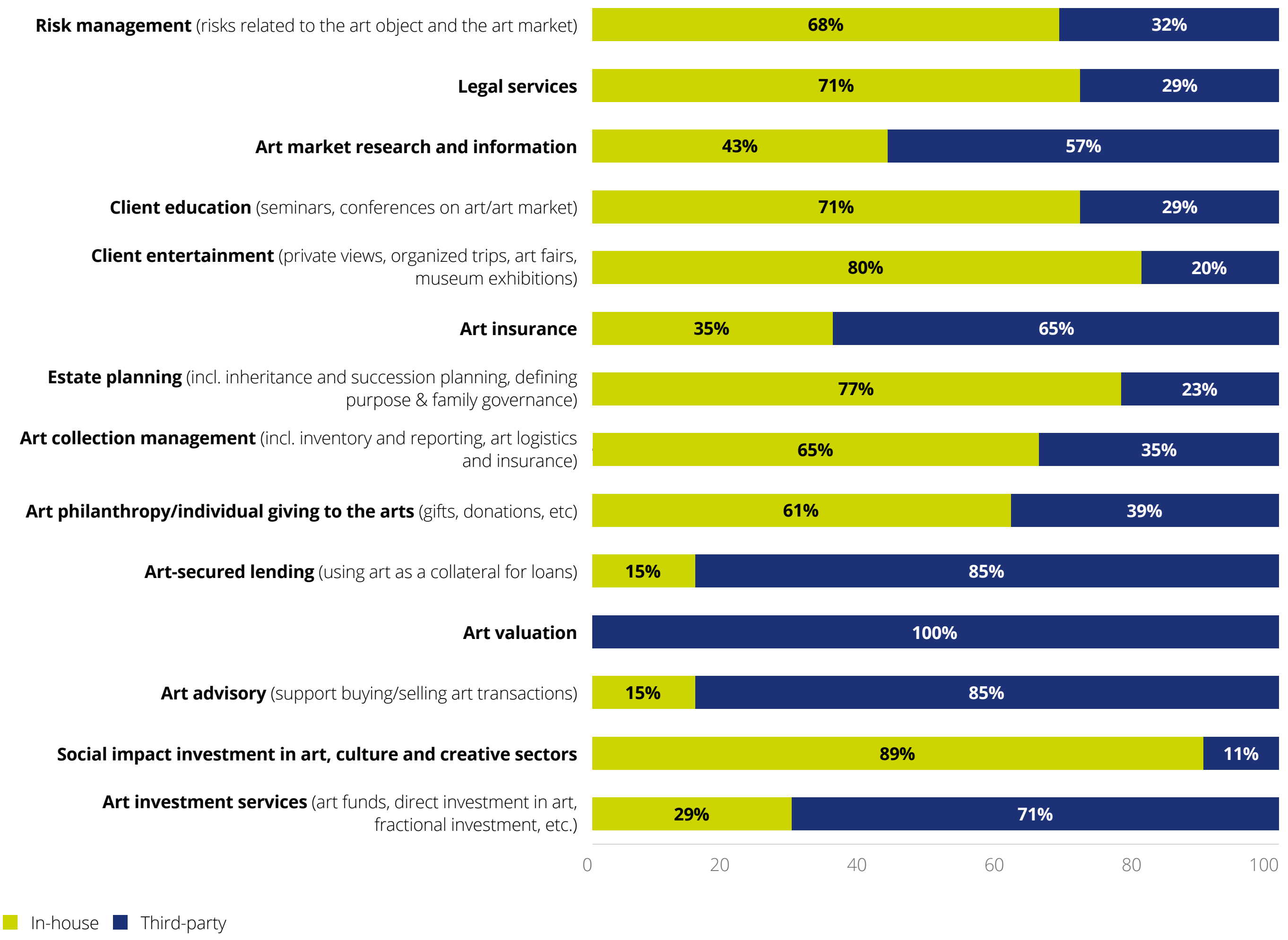
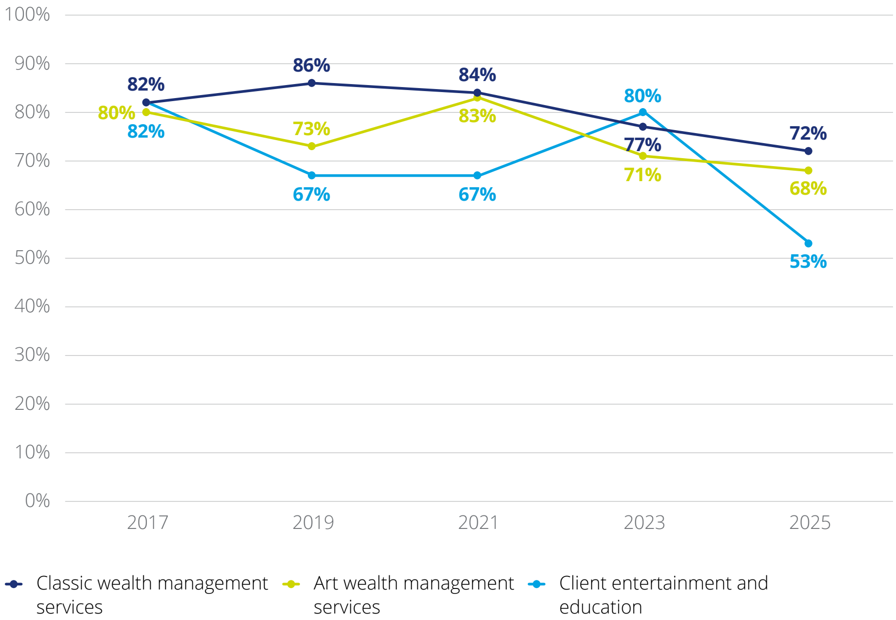


Figure 73: Family offices: Which of the following services do you offer?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

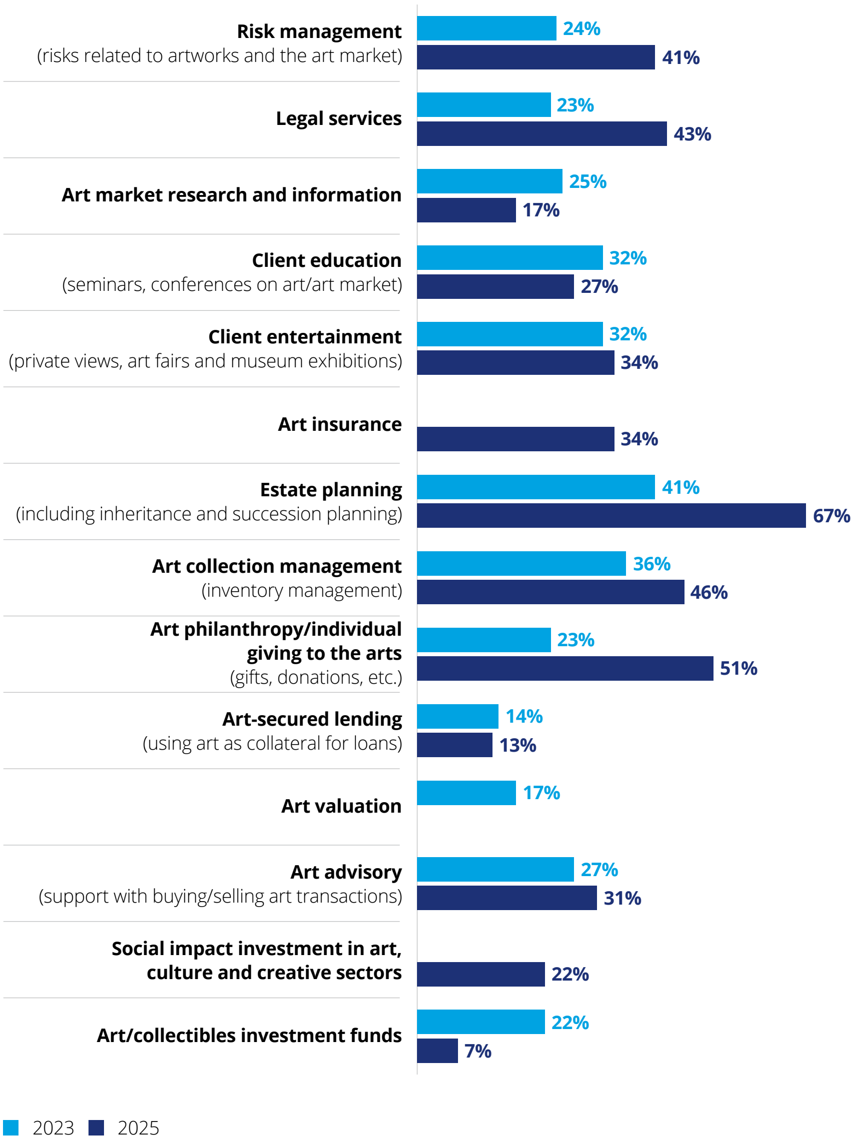


Post-pandemic expansion followed by consolidation: After the COVID-19 pandemic, many family offices expanded their art-related services, integrating classic wealth management offerings and developing dedicated art-specific capabilities. This expansion peaked in 2021, with 83% of family offices reporting art wealth management services, reflecting a strong drive to professionalize how art was managed as part of client portfolios. However, this figure has since fallen to 68% in 2025 (down from 71% in 2023), suggesting the sector has entered a period of consolidation and maturity.

One area experiencing significant contraction is client entertainment and education, plummeting from 80% in 2023 to just 53% in 2025. With many family offices currently consolidating their services, client entertainment may be seen as a lower priority, especially amid staffing or budget optimizations.

B Motivations and rationale for family offices to include art and collectibles assets in their wealth management offering

Figure 74: Family offices: What type of art-related services will you focus on in the next 12 months?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025



As discussed earlier, family offices appear to be reinforcing areas that align with their core mandate of long-term stewardship, legacy, and client values.

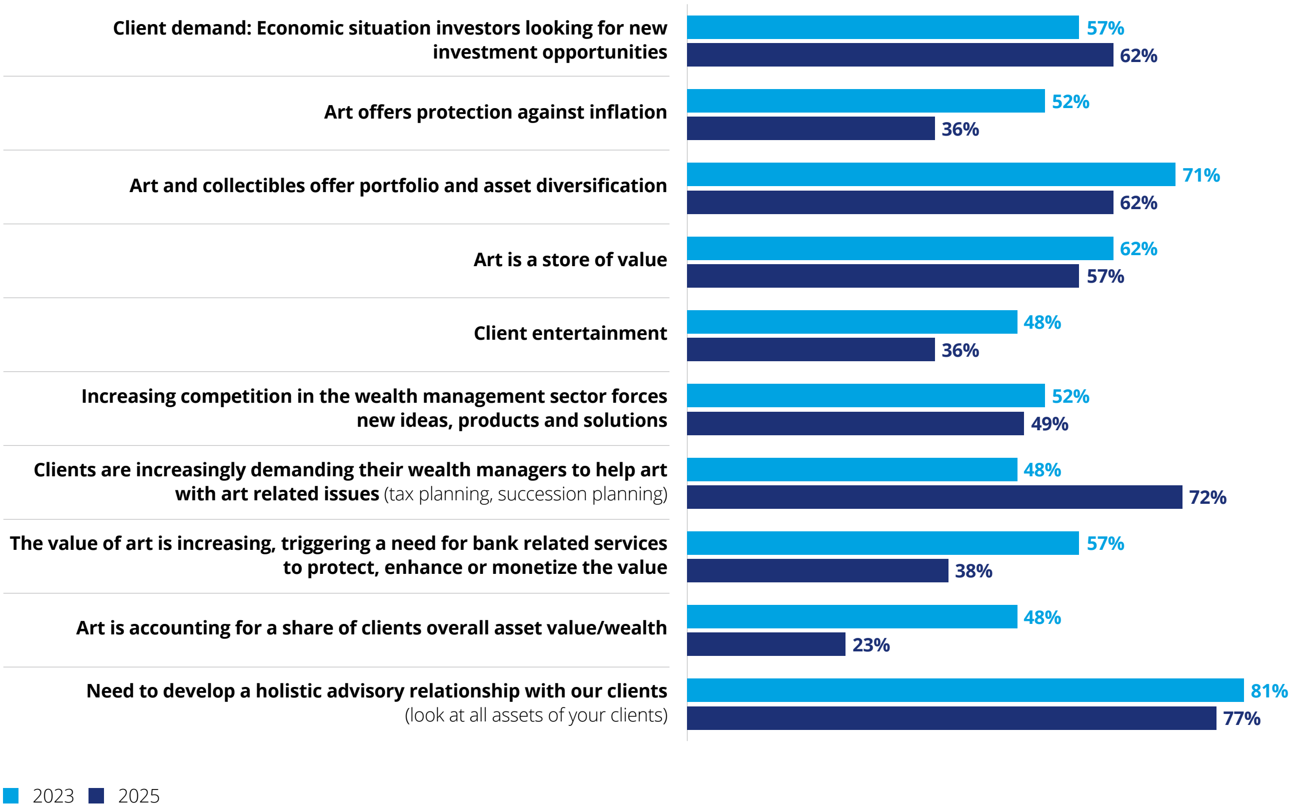
New survey data on their 12-month outlook reveals three clear strategic priorities: estate planning, philanthropy through art, and collection management. Each of these areas not only reflects historical strengths but also underscores where emotional and cultural value intersect with wealth management.

1. Estate planning: family offices' top priority

Estate planning is by far the most prominent priority for family offices this year, with 67% naming it a top focus area (up from 41% in 2023). Already widely offered (by 87% of family offices with an art provision), this indicates that art is playing a larger role in intergenerational wealth transfer. In fact, there is an increasing need to integrate art assets into family constitutions, charitable foundations and governance models, ensuring financial strategy aligns with family values and legacy. As younger generations seek to define not just what they inherit but why, family offices have an opportunity to become guardians of both wealth and purpose.

Figure 75: Family offices: What do you consider the strongest arguments for including art and collectibles in traditional wealth management?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



2. Philanthropy through art: purpose over profit

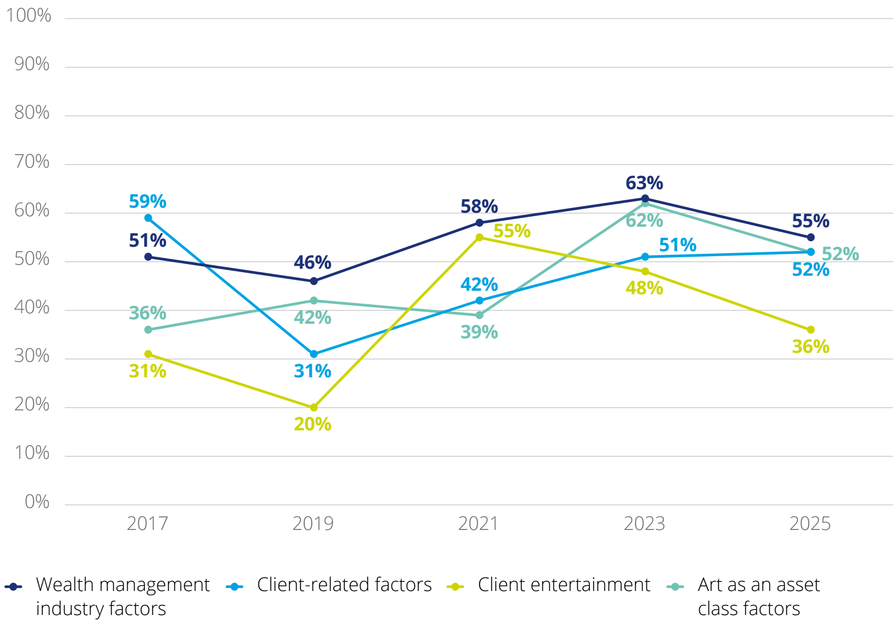
The second-highest imperative is art philanthropy, with 51% of family offices making it a major priority in the next 12 months—a significant jump from 23% in 2023. This focus now surpasses interest in art investment or advisory services. Given that 73% of family offices already offer philanthropic support, this signals a shift toward more impact-driven, legacy-building activities. For younger clients, in particular, philanthropy is central to their wealth strategy, and art provides a uniquely personal and visible way to achieve their goals.

3. Collection management and protection

Forty-six percent of family offices will focus on art collection management, including inventory, logistics and reporting—up from 36% in 2023. This builds on an area where they already excel, with 93% of family offices with an art service provision already offering this service. Art insurance (34%) and risk management (41%) were also key priorities, with the latter's rise from 24% in 2023 highlighting an ongoing commitment to safeguarding assets, not just owning them. For next-gen collectors, stewardship is a core value; they care about the preservation, storage and sharing of their collections, not just what they collect.

From financial performance to legacy: Among family offices with existing art services (52% of family offices surveyed), financial performance-related areas were low priorities for the coming 12 months. These include art investment services (7%, down from 22% in 2023), art lending (13%, down from 14% in 2023), and art valuation (0%, down from 17% in 2023).[113] Overall, this trend could suggest a move away from viewing art solely as a financial asset and toward its role in legacy and philanthropy. Similarly, client entertainment (34%), education (27%), and market research (17%) were less important, reflecting family offices' preference for private, tailored experiences over public or transactional engagement.

Figure 76: Family offices: Family offices: What do you consider the strongest arguments for including art and collectibles in traditional wealth management?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Art and collectibles: From expansion to stabilization
While interest in art and collectibles among family offices surged after 2021, 2025's data suggests this enthusiasm has reached a plateau or is even slightly declining, especially regarding art's role as a financial asset. This outlook is supported by the following trends:

Waning enthusiasm for art as an asset class: In 2023, a record 62% of family offices said they viewed art as an alternative capital asset, but by 2025, that figure had declined to 52%. This drop suggests a cooling sentiment around art's financial role, likely due to the art market's downturn since 2023 and art's limited financial returns.

Wealth management industry factors: In 2023, 63% of family offices integrated art into client strategies mainly due to shifts in the wealth management industry; by 2025, this dropped to 55%. This indicates that while there is still underlying interest, the initial momentum has slowed. Similarly, motivations tied to art's rising financial value may be diminishing as market growth levels off or services mature.

Client-driven demand is holding steady, with 52% of family offices identifying it as a key driver for offering art-related services in 2025, a slight increase from 51% in 2023. This consistency suggests that clients continue to view art as an important part of their wealth story, even as institutions may be moderating their positioning.

Decline in client entertainment and education: Family offices are notably contracting their focus on the softer side of engagement, with only 36% citing it as a key motivation, down from 48% in 2023. This could suggest a move toward more strategic, value-driven service models, de-emphasizing experiential or lifestyle offerings.

However, this contrasts with collectors' increasing desire to collect "for its own sake", which rose to 37% in 2025 (up from 31% in 2023 and just 21–22% a decade ago). This marks the highest point on record, indicating that emotional, aesthetic and cultural drivers are gaining significance for clients.

This divergence highlights a potential misalignment between the evolving interests of collectors and the priorities of family offices, many of which may be underestimating the importance of personal engagement, education and cultural immersion in building long-term client relationships.

PART **04**

Collectors and art professionals—motivations and behaviors

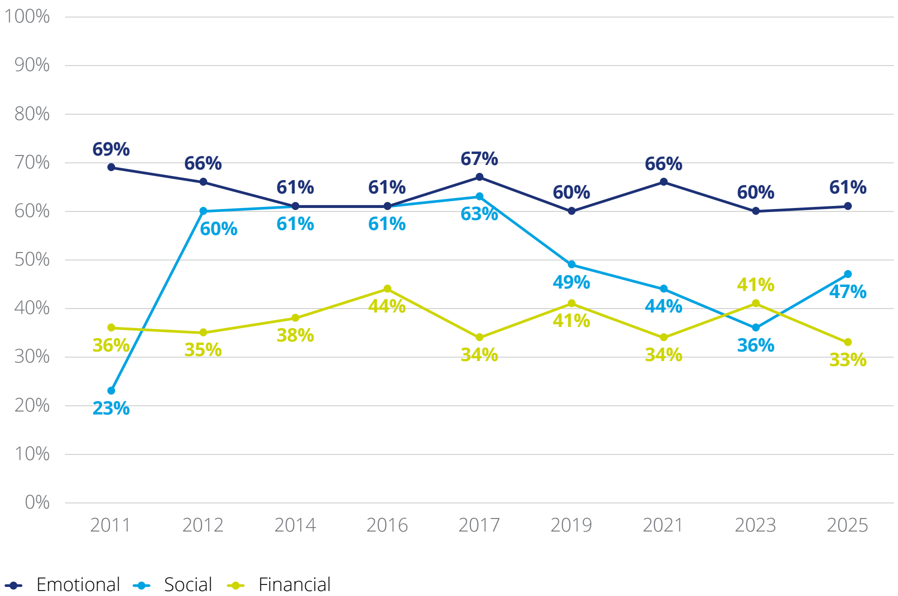
Are collectors' motivations changing? Collector support for integrating art into wealth management offerings has declined from 87% in 2023 to 76% in 2025, a sentiment shared across generations. However, art professionals maintained their strong support at 85%, down slightly from 91% in 2023.

This sustained endorsement suggests art professionals view wealth managers as crucial partners, helping collectors navigate the complexities of the art market like due diligence, valuation and estate planning—resulting in more informed and responsible collecting.

Combined with collectors' increasing emphasis on non-financial motivations (emotional motivations up from 60% in 2023 to 61% in 2025 and social motivations up from 36% in 2023 to 47% in 2025), this trend suggests a return to appreciating the emotional, social and cultural value of art. This reflects a deeper recognition of its inherent qualities as an emotionally resonant, culturally rich asset. The art market's recent downturn may also be reinforcing this shift, by diminishing confidence in art's purely financial attributes. However, motivations still vary across generations.

Figure 77: Collectors: Which of the following motivations are the most important when buying art?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Rising emphasis on pure collecting: Collecting for its own sake is at a record high, climbing from 31% in 2023 to 37% in 2025—and a significant jump from just 21–22% a decade ago. Art professionals echo this trend, with 20% reporting buying art for its own sake as their clients' main motivation, up from 15% in 2023 and the highest since 2014. It is evident that collectors are increasingly driven by emotional, aesthetic and cultural value, reflecting a maturing market where identity, meaning and legacy outweigh speculation and financial return.

Hybrid motivations decline as pure collecting rises: While most collectors pursue art for both passion and investment, this group has shrunk from a 64% share in 2023 to 59% in 2025. This continues a steady, decade-long decline from 76% in 2014. Art professionals reported a similar trend, with hybrid motivation falling from 81% in 2023 to 76% in 2025. The data suggests that even collectors who once emphasized investment are now increasingly embracing art as a cultural or lifestyle pursuit, shifting away from purely financial justifications.

Pure investment is still a niche pursuit: Only a small minority of collectors buy art solely for investment: 3% in 2025, down from 5% in 2023. Art professionals reported a similar trend, with 4% citing this as their clients' main motivation, consistent with 2023. This indicates a broader art market shift from speculation toward meaning, legacy and personal connection. However, softer market conditions and modest returns in recent years may also have tempered purely financial motivations.

Figure 78: Collectors: Emotion versus investment: Why do you buy art?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

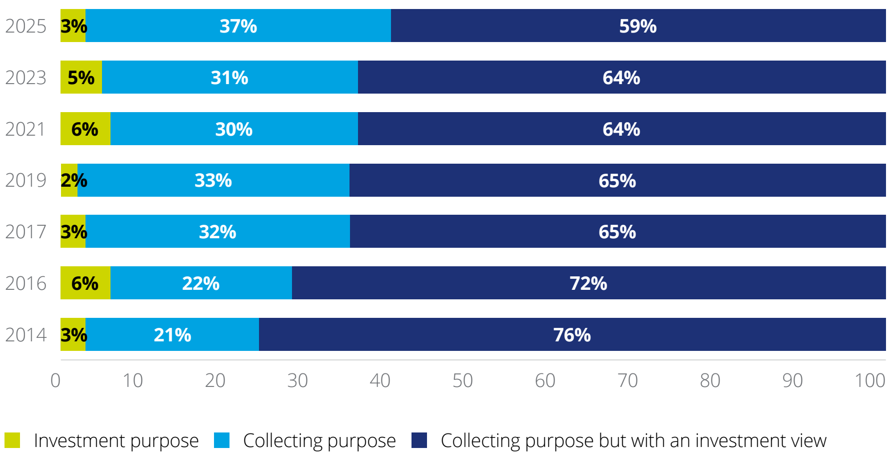


Figure 79: Art professionals: Emotion versus investment: Why do your clients buy art?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

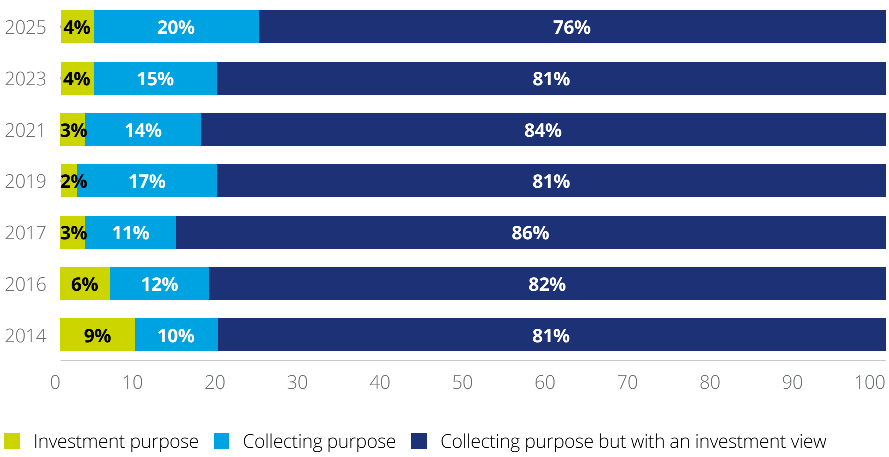
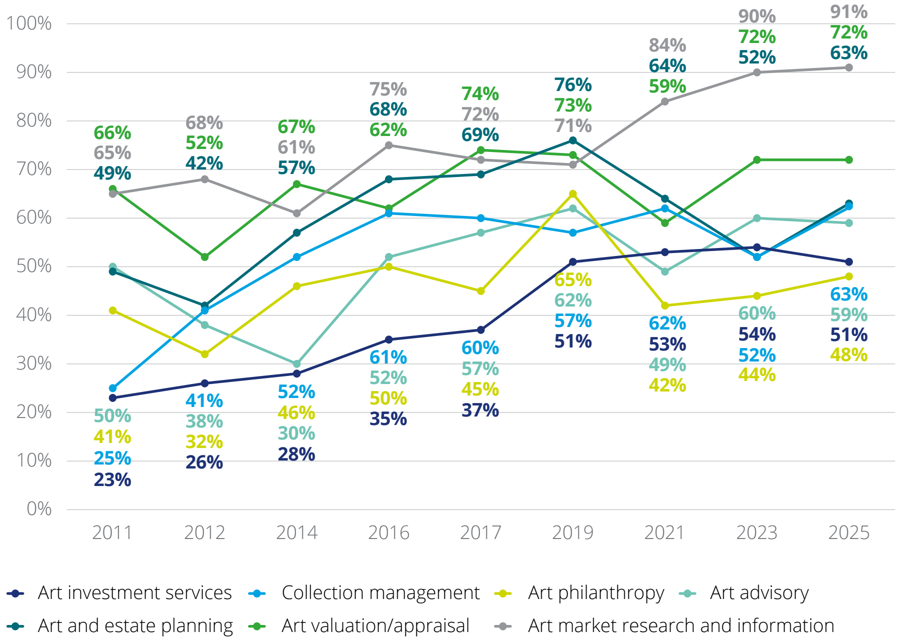


Figure 80: Collectors: Which of these art wealth management services are the most relevant to you?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Between 2023 and 2025, collectors sharpened their focus on services that build long-term cultural and financial resilience. This signals a long-term shift toward a more professional approach to collecting, spanning valuation, estate planning, philanthropy and collection care.

This maturing mindset among collectors redefines value beyond mere financial return, emphasizing legacy, meaning and engagement. Collecting is increasingly viewed as a serious, purpose-driven pursuit that is grounded in research, stewardship and long-term vision, driving a growing demand for trusted and independent advisory support.

Demand for market research and information remains high, slightly rising from 90% in 2023 to 91% in 2025. This confirms that collectors are still data-driven, seeking deeper context for acquisitions or collection management. Institutions offering robust insights are well-positioned to meet this need.

Art advisory and valuation remain central: Art valuation is a consistently sought-after service among collectors, with 72% citing it as relevant in both 2023 and 2025. This underscores the ongoing importance of independent and professional appraisals—not only for insurance or estate planning, but also for accountability and transparency in an often opaque market. Additionally, 59% of collectors still considered art advisory services relevant, only a slight decrease from 60% in 2023.

Clear growth in demand for long-term services: Collection management jumped from 52% in 2023 to 63% in 2025, with art and estate planning mirroring this rise from 52% to 63% in the same period. This trend suggests collectors are increasingly focused on structure, preservation and legacy. As a result, they require support to organize, document, protect and transfer their collections, often with family or institutional succession in mind.

Art philanthropy is gaining ground, rising from 44% in 2023 to 48% in 2025. This indicates collectors' steadily growing interest in leveraging art for cultural and social contributions, aligning their personal passions with public good through donations, patronage or supporting relevant institutions and causes.

Art investment demand is plateauing, dipping from 54% in 2023 to 51% in 2025. While still relevant to many collectors, this modest decline echoes our previous analysis, suggesting a shift in collector sentiment toward meaning, identity and legacy rather than pure financial return.

PART **05**

Next-gen collectors and art professionals—trends, motivations and behaviors

A new generation of collectors is reshaping the art market, not just through what they buy but also how and why they collect. For millennials and Gen Z, collecting is deeply tied to personal identity, cultural engagement, and long-term vision.

Younger generations are driving a significant shift in art collecting. According to Bank of America's article (page 176), 40% of millennials and Gen Z own an art collection, compared to only 17% of baby boomers and Generation X. An additional 48% of young people expressed interest in collecting.

Notably, a staggering **98% of younger collectors view their art holdings as part of their overall wealth management strategy, a stark contrast to just 56% of collectors overall.** This highlights that for younger collectors, art is not just about aesthetic enjoyment; it is also a long-term asset class that they increasingly expect to outperform traditional investments.

For wealth managers, advisors and institutions, understanding these motivations is essential for remaining relevant to this influential and fast-growing client segment.

Ashes of Ice
Marta Djourina, 2024
Ice photograms on analogue paper, unique, 40 x 30 cm

A Motivations when buying art

Figure 81: Next-gen collectors vs. older generation collectors: How important are the following motivations when buying/investing in art in today's market?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

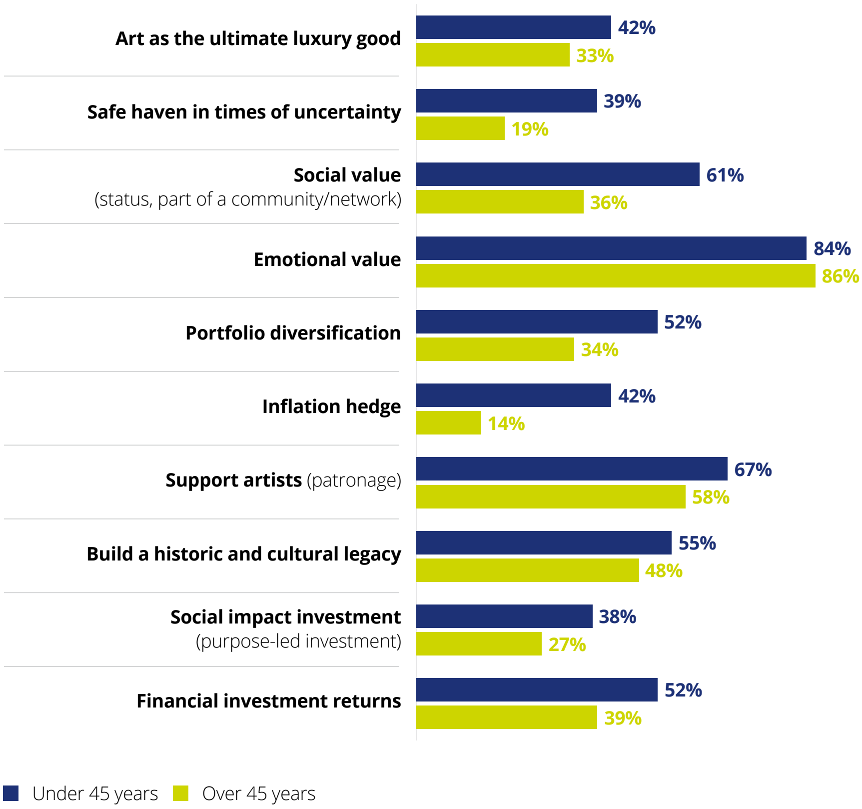


Figure 82: Next-gen collectors: What are the most important motivations when buying art? (2023 vs. 2025)

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

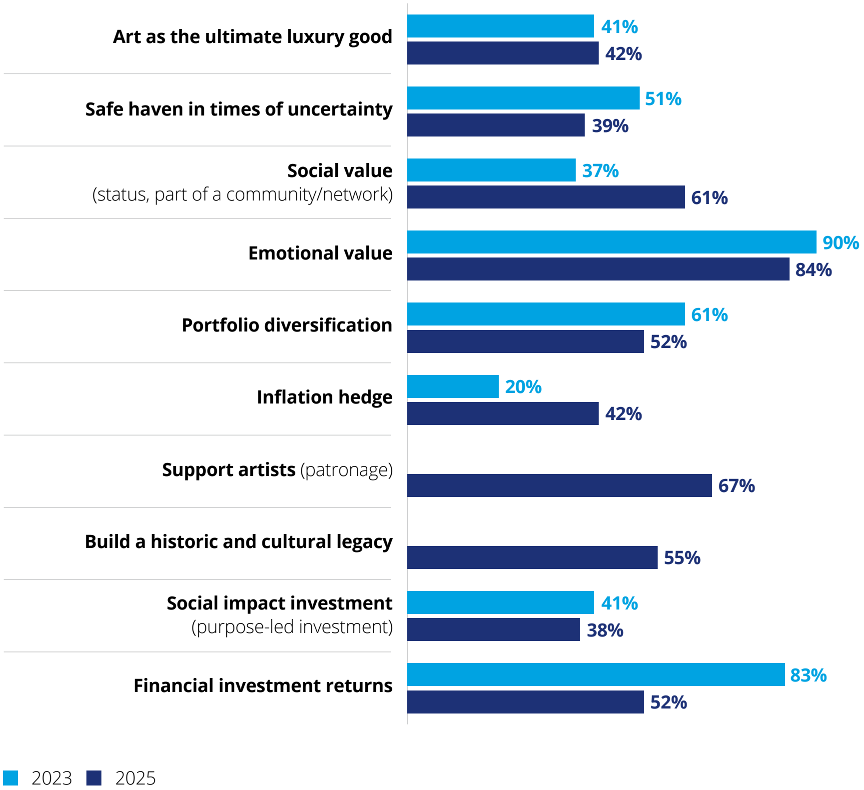
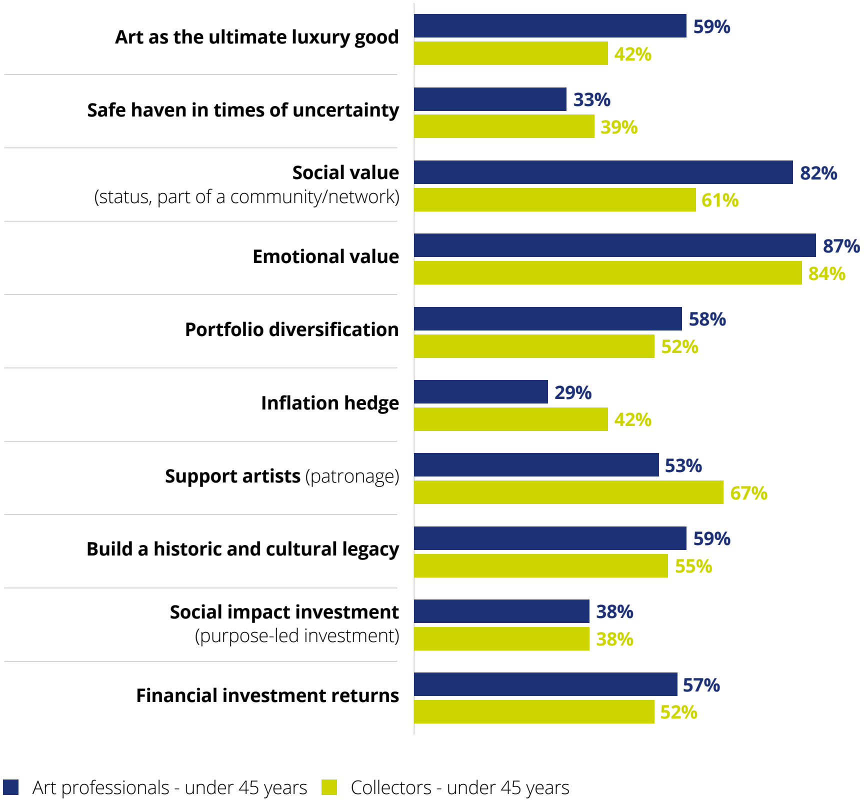


Figure 83: Next-gen collectors and art professionals: What are the most important motivations when buying art?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Next-gen collectors and art professionals

The motivations of art collectors are seemingly undergoing a profound transformation. While financial factors once drove collecting, particularly among younger buyers, the focus has dramatically shifted toward emotional, cultural and social values. Today, younger collectors increasingly see art not just as an investment asset or asset class, but as an expression of identity, community and personal meaning.

From financial returns to emotional and cultural fulfilment

This year's survey uncovers a significant shift in younger collectors' motivations. In 2023, 83% cited financial return as a key driver; by 2025, this dropped to 52%. Similar declines are seen in motivations like portfolio diversification (from 61% to 52%) and art as a safe haven during uncertainty (from 51% to 39%). The only financial motive gaining traction is art as an inflation hedge, rising from 20% to 42%.

Interestingly, next-gen art professionals showed similar financial ambivalence, with far fewer professionals viewing art as a hedge (29%) or safe haven (33%), despite 57% still citing investment returns as important.

In contrast, emotional and cultural motivations are rising to the forefront. In 2025, 84% of younger collectors and 86% of older ones cited emotional value as a primary driver. Next-gen art professionals also highly valued emotional engagement (87%). Supporting artists was another shared value, motivating 67% of younger collectors and 53% of next-gen art professionals. The desire to build a historic and cultural legacy was also strong across both groups (55% of collectors and 59% of professionals).

Perhaps most notably, the social value of collecting is regaining traction. Among younger collectors, 61% viewed art collecting as a means of achieving status or engaging with a community, up from 37% in 2023, compared to just 36% of older collectors. Next-gen art professionals valued this even more highly, with 82% identifying social value as a key motivation.

A generational shift in values

The data clearly shows a generational divergence in art collecting motivations. While financial drivers have waned across the board, younger collectors and art professionals still show more interest in financial utility than their older counterparts. However, the emphasis now is on personal expression, cultural engagement and social connectivity.

For younger generations, art has become a symbol of values, identity and belonging, rather than just a tool to grow wealth. They are more likely to see themselves as cultural participants and tastemakers, using their collections to reflect and project who they are and what they stand for.

Implications for wealth managers

To effectively serve the next generation of wealthy clients, art-related wealth management services must address both passion and investment. Next-gen collectors are driven by a blend of emotional motivations, such as patronage, cultural legacy and social impact, alongside financial goals like returns, diversification and value preservation.

Therefore, wealth managers must integrate art as a multidimensional asset, combining financial expertise with cultural literacy. Engaging with art demands a nuanced, sophisticated approach beyond technical skill. Those who can combine this depth, coupled with proactive and culturally aware strategies, will be better positioned to attract, retain and grow relationships with this influential client segment.

B

Most relevant wealth management services

Meeting the needs of a new generation

Next-gen collectors and art professionals are redefining their expectations from wealth managers. While financial expertise remains essential, it is no longer sufficient. According to Karen and Sylvain (page 206), today's next-gen clients expect advisors to go beyond traditional planning and engage with the cultural, philanthropic and relational dimensions of their lives.

Services like acquisition support, legacy structuring and cross-border tax-efficient strategies remain important. However, so is the ability to provide narrative stewardship, connect clients with institutional gatekeepers, and offer access to influential cultural networks.

Institutions are responding. As noted in Hana Bank's recent approach (page 172), leading firms are developing personalized programs that combine art education, hands-on experience and peer collaboration, especially tailored for heirs of family office clients and the emerging young wealthy. These programs reflect a broader shift: wealth management today must also function as a platform for engagement, identity building and trust.

The emphasis on impact is especially powerful. As highlighted by BNP (page 180), many younger collectors are motivated by a desire to make meaningful change, whether through philanthropy, social investment or community-oriented art initiatives. Rather than simply donating, they want to be actively involved by building bridges, shaping outcomes, and co-creating new models of giving and collaboration.

In short, next-gen clients are not just looking for someone to manage their assets; they are seeking partners who can help them shape their cultural legacy, unlock access, and turn passion into purpose.

Ashes of Ice
Marta Djourina, 2024
Ice photograms on analogue paper, unique, 40 x 30 cm

Figure 84: Next-gen collectors versus older generation collectors: Which of these art wealth management services are the most relevant to you?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

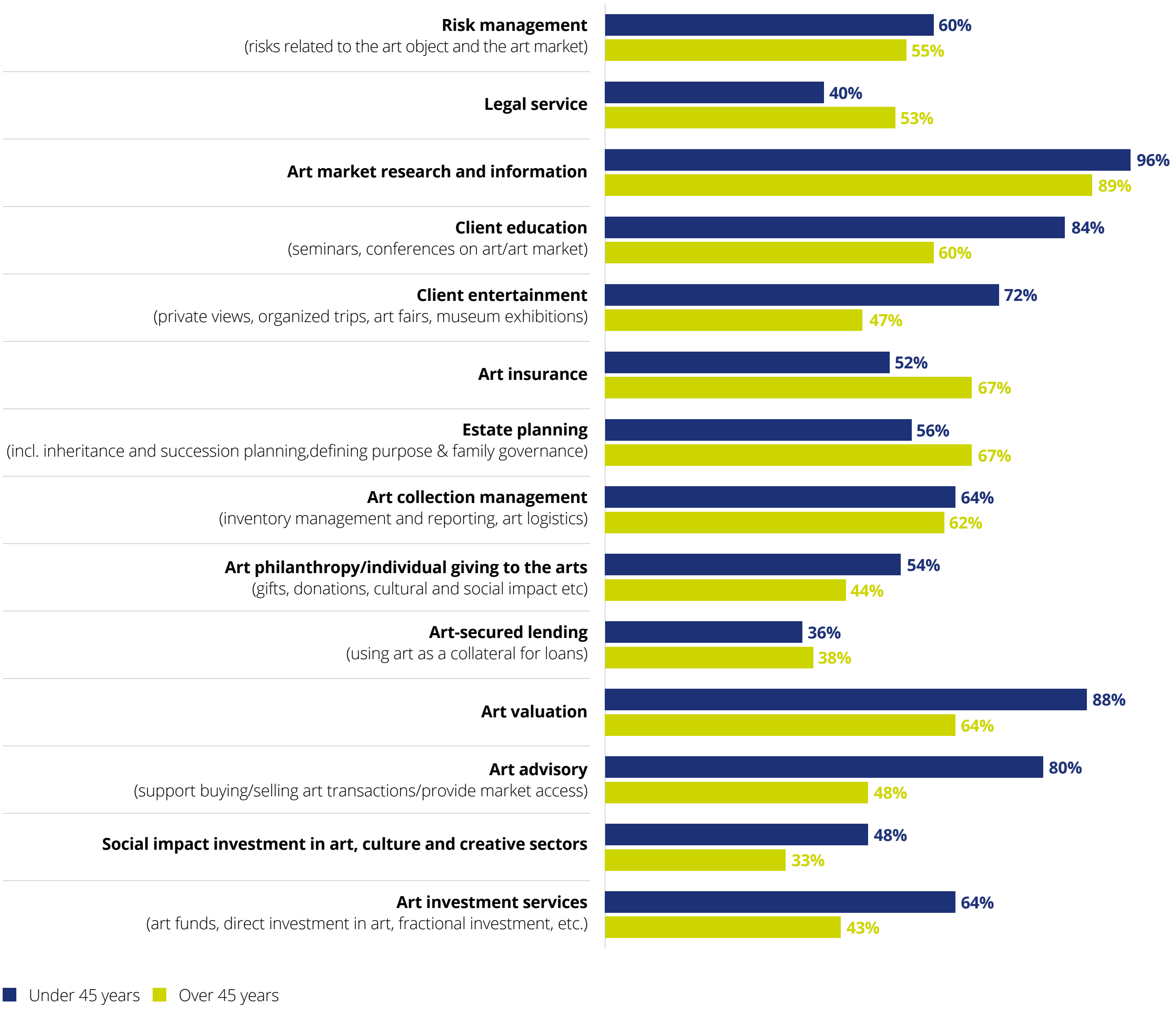
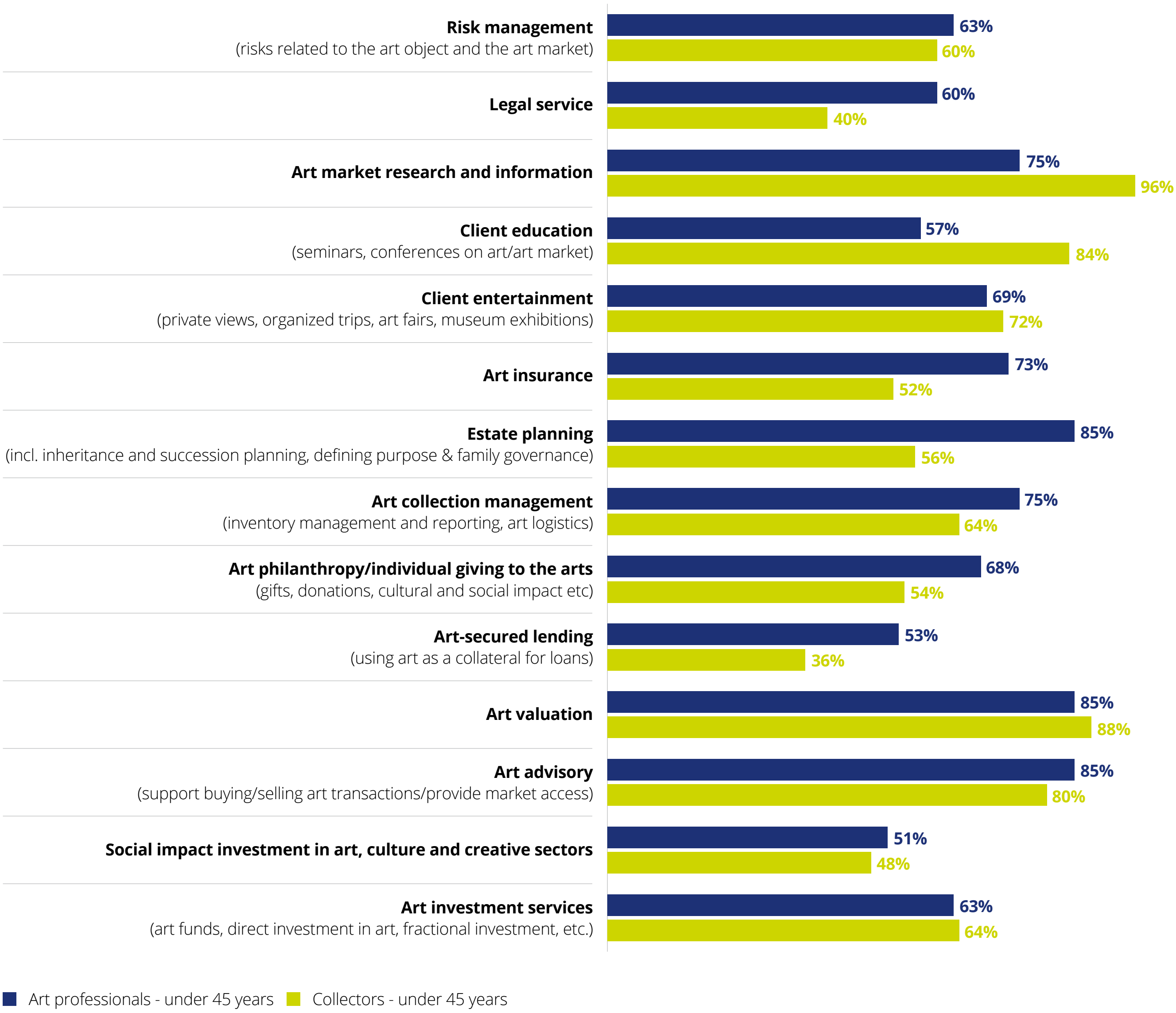


Figure 85: Next-gen collectors and art professionals: Which of these art wealth management services are the most relevant to you?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Reimagining services for a new generation of collectors and art professionals

As next-gen collectors redefine the art market with values rooted in identity, cultural engagement and emotional fulfilment, the services offered by wealth managers are under increasing scrutiny.

While many current offerings were designed for legacy wealth and financial optimization, they now carry new significance for a generation more motivated by meaning than pure returns. Notably, many of these priorities are mirrored by next-gen art professionals, indicating an emerging alignment between collectors and those who advise and shape the market.

Art advisory and valuation—critical tools for informed and empowered ownership, especially for younger, often self-directed or first-generation collectors. Among wealth managers with art-related offerings (51%), 85% said they provided these services. There is a strong agreement on their importance: 80% of next-gen collectors and 85% of next-gen art professionals considered art advisory services highly relevant. Similarly, 88% of young collectors and 85% of younger art professionals deemed valuation services essential. This underscores a shared demand for transparency, unbiased expertise, and informed engagement in a market still perceived as opaque and insider-driven.

Client education and market research—bridging the knowledge gap: Next-gen collectors often lack inherited knowledge or insider access to the art world, making educational support vital. While 84% of young collectors valued client education, only 57% of art professionals did, suggesting a confidence gap. However, market research reveals a starker divide: 96% of collectors consider it crucial, compared to 75% of art professionals. This gap indicates an opportunity for institutions to step in as trusted cultural advisors, offering tools to demystify the market and build long-term loyalty.

Collection management and insurance—safeguarding cultural capital: For younger collectors, art embodies identity and legacy, extending beyond mere financial wealth. Sixty-four percent viewed collection management as relevant, a sentiment largely echoed by 75% of next-gen art professionals. Similarly, art insurance was considered important by 52% of collectors and 73% of professionals. The higher prioritization among professionals signals an advisory awareness that collectors may not have fully embraced, suggesting an opportunity to better communicate how preservation builds long-term cultural capital.

Estate planning and philanthropy—vehicles for purpose and impact: While estate planning was still an emerging priority for next-gen collectors (56%), young art professionals (85%) clearly recognize its growing relevance. This aligns with collectors' growing desire to embed their art practices into broader narratives of purpose and intergenerational legacy. Similarly, philanthropy services were deemed relevant by 54% of next-gen collectors and 68% of young art professionals, reflecting a broader trend toward social contribution through art. Social impact investment in the cultural sector also resonated with 48% of collectors and 51% of professionals. Supporting artists, institutions or causes has become a meaningful extension of collecting, enabling both personal purpose and public value.

Client experiences and community—enabling connection: Art is increasingly social, not just transactional. Client entertainment—like private views, art fair trips and curated cultural experiences—was considered important by 72% of young collectors and 69% of professionals. With 87% of wealth managers already offering such experiences, this area strongly aligns with younger audiences' desire for connection, community and cultural belonging. For these collectors, art is not just what they acquire; it is about how and with whom they engage.

Emerging considerations—lending, legal and risk services: While not always top-of-mind, services like art-secured lending (relevant to 36% of next-gen collectors versus 53% of art professionals), legal support (40% versus 60%), and risk management (60% versus 63%) suggest a growing sophistication in how younger generations approach collecting. Professionals appeared more attuned to these technical needs, indicating areas where collectors could benefit from further guidance and institutional support.

Implications for wealth managers

Services must reflect values, not just financial worth: For next-gen collectors, art-related services must transcend mere transactions to address a broader spectrum of needs: education, emotional connection, cultural stewardship and social capital. These clients seek a one-stop shop, from guidance on entering the art market to navigating its complexities.

The current landscape, rich in valuation, advisory and planning offerings, provides a strong foundation. However, to remain relevant, wealth managers and institutions must reframe these services through the lens of identity, purpose and community.

The next generation is not rejecting the art market; they are redefining it. And the most successful service providers will be those who move in step with their clients' evolving mindset.

INDUSTRY **INSIGHTS**

An intergenerational deep dive into fine art collecting in the 21st century:

An interview with Karen and Sylvain Levy

Karen Levy
Founder AiKA / DSLcollection
Art - Tech - Culture

Sylvain Levy
Co founder of DSLcollection

Interviewed by

Adriano Picinati di Torcello
Director – Global Art & Finance Coordinator Deloitte Luxembourg

Adriano Picinati di Torcello from Deloitte Luxembourg interviewed Karen and Sylvain Levy to gain their personal insights and reflections on how the practice of fine art collecting is shifting in response to cultural, technological, and market changes.

Adriano Picinati di Torcello:
How do you define your art collection goals? Do you focus more on investment, aesthetic appreciation or social impact?

Sylvain Levy:
I define our art collection goals as an evolving dialogue between time and meaning, rather than a pursuit of fixed categories like investment or decoration.

DSLCollection was never intended as a vault of value but as a laboratory of ideas—rooted in aesthetic resonance and committed to capturing the pulse of a changing world. While we are aware of market dynamics, they are not our compass; curiosity and cultural relevance guide us.

We collect not to possess but to participate—to amplify the voices that shape, disturb or illuminate our century. In this sense, the collection becomes both a mirror and a provocation, reflecting who we are and asking who we may become.

Adriano Picinati di Torcello:
What strategies do you use to communicate the impact of your philanthropic efforts to stakeholders or the public?

Karen and Sylvain Levy:
Our strategy to communicate the impact of our philanthropic efforts rests on presence—physical, digital and intellectual. Through exhibitions and institutional collaborations, Karen, Dominique, Aika and I ensure that DSLCollection maintains a tangible, visible footprint in the art world.

Yet, impact today also demands accessibility beyond walls: our digital platforms open the collection to a global audience, transforming private intent into public resonance. Social networks—especially LinkedIn—serve as both amplifier and agora, allowing us to share reflections, provoke dialogue and articulate the evolving meaning of art philanthropy in the 21st century.

Ultimately, our goal is not only to give, but to make visible why and how we give.

Adriano Picinati di Torcello:
How do virtual reality (VR) and augmented reality (AR) affect experiencing and purchasing art?

Karen Levy:
VR and AR are not mere technologies—they are thresholds. They shift art from a static object into an immersive environment, transforming viewers into participants.

VR enables remote visits to exhibitions and private collections, expanding access beyond geography or privilege. While AR allows potential buyers to visualize a work in their own space, merging imagination with decision-making.

These tools challenge our very definition of "presence" in art—and with it, the rituals of seeing, judging and owning.

Adriano Picinati di Torcello:
Are there particular art forms (traditional, digital, street, etc.) that you feel will be most significant in the future?

Karen and Sylvain Levy:
Yes, but the future will not crown one form—it will hybridize them all.

Traditional art offers depth, history and materiality; digital art brings speed, interactivity and ubiquity; and street art restores urgency and public relevance.

The most significant art of tomorrow will not be about the medium but about its resonance—art that captures our hybrid condition as Homo sapiens become Homo numericus. Whether on a canvas, a blockchain or a wall, it will matter only if it helps us feel more human in an increasingly virtual world.

At the same time, art is converging with luxury—not merely as an ornament or status symbol, but as a language of rarity, emotion and storytelling. In this fusion, the most impactful works will transcend categories, becoming both cultural capital and sensorial experience.

Adriano Picinati di Torcello:
How do new technologies like blockchain and artificial intelligence (AI) impact your art-collecting practices and decisions?

Karen and Sylvain Levy:
Blockchain and AI are not just innovations—they reshape how we collect. Blockchain brings clarity to provenance and ownership. While AI expands our curatorial eye, offering new ways to discover, interpret and even co-create.

For DSLCollection, these tools help us collect not just artworks but the future itself.

Adriano Picinati di Torcello:
What are the expectations around digital art and non-fungible tokens (NFTs), and how do they fit into the overall landscape of the 2025 art market?

Karen Levy:
In 2025, digital art and NFTs have moved beyond the speculative frenzy of their early years to become a more mature, hybrid segment of the art market. While the hype has cooled, their presence is now institutionalized.

NFTs are no longer just collectibles but tools of certification, ownership and interactivity, especially as AI-generated works and virtual experiences gain traction.

However, trust, curation and value attribution remain contested. For thoughtful collectors, digital art is no longer an experiment—it's a mirror of our time.

Adriano Picinati di Torcello:
What are the main reasons for the art market's contraction over the last three years?

Sylvain Levy:
The art market's recent contraction is due to a convergence of structural and generational shifts.

Post-pandemic recalibration exposed the fragility of an ecosystem reliant on blockbusters and trophy assets. Economic uncertainty and rising interest rates discouraged speculative buying, especially in the middle market.

Younger collectors, digitally native and skeptical of traditional gatekeepers, seek transparency and resonance over prestige. This is more than a slowdown—it's a generational reprogramming of what collecting means.

Adriano Picinati di Torcello:
Are the next generation of collectors open to collective ownership (fractional ownership of artworks)?

Karen Levy:
Yes, the next generation has a growing appetite for collective ownership, aligned with values of accessibility and community. Owning a fraction of an artwork is less about control and more about participating in a cultural narrative.

Yet challenges remain, including legal ambiguity, emotional detachment and a skeptical resale market. The success of this model depends on whether it can combine emotional resonance with economic clarity.

Liquidity and accessibility are central to its appeal—buyers expect smoother entry and exit points without the burdens of traditional ownership. By avoiding unnecessary costs like storage, insurance and shipping, fractional models offer a more agile and efficient approach to collecting.

Adriano Picinati di Torcello:
What are the next generation's views on art as an investment compared to traditional assets like stocks or real estate?

Karen and Sylvain Levy:
They see art as a hybrid asset—part cultural capital, part speculative venture. Unlike traditional assets, art offers identity and community access.

Yet the next generation remains wary of opacity and illiquidity, often favoring fractional models and blockchain transparency. They collect with purpose, aligning values with aesthetics.

For them, art is a narrative investment in the world they want to shape.

Adriano Picinati di Torcello:
Do they prioritize owning art over experiencing it through exhibits and virtual showcases?

Karen and Sylvain Levy:
No, ownership is no longer paramount. The younger generation seeks access, resonance and experience over possession. Immersive exhibitions and digital interactions can hold as much value as ownership. Collecting is shifting from accumulation to connection.

Adriano Picinati di Torcello:
Do they trust the traditional art market channels (galleries and auctions) when assessing authenticity and provenance?

Karen Levy:
Trust in traditional channels is waning. While galleries and auctions retain symbolic authority, younger collectors now favor blockchain verification, independent research and social validation. This marks a shift from institutional trust to system-based confidence.

Adriano Picinati di Torcello:
What role do they expect wealth managers to play in their collector journey?

Karen and Sylvain Levy:
Younger collectors expect wealth managers to go beyond financial advice and understand the cultural landscape. The role includes acquisitions, legacy planning and value alignment. Strategic timing and narrative stewardship are key.

It's not just asset management—it's meaning management. Expertise in navigating tax-efficient structures is increasingly valued, such as donations, foundations or cross-border holdings.

Just as crucial is the ability to open doors to private institutions, curators or patrons—extending the collector's reach into Newhouse-style networks of influence and cultural capital.

Adriano Picinati di Torcello:
Do their philanthropic actions in the art world differ from those of their parents? How important is transparency and accountability?

Sylvain Levy:
Yes, their approach is more strategic and outcome-oriented. They give based on values, not obligation. Transparency and accountability are non-negotiable.

They favor institutions that align with societal or technological change. Support is conditional on shared vision and integrity.

Adriano Picinati di Torcello:
How do environmental and social issues influence their decisions regarding art collection and engagement?

Sylvain Levy:
These concerns are central. They collect as an ethical and civic act. Sustainability, inclusivity and responsibility shape acquisition and engagement.

Art is not just a reflection of the world—it's a tool to transform it.

Ashes of Ice
Marta Djourina, 2024
Ice photograms on analogue paper, unique, 40 x 30 cm

PART **06**

Gap analysis:

Wealth management offerings versus client demands, and implications for wealth managers

Figure 86: Gap analysis: Which services are the most relevant to collectors, versus wealth managers' current offerings
Source: Deloitte Private & ArtTactic Art & Finance Report 2025

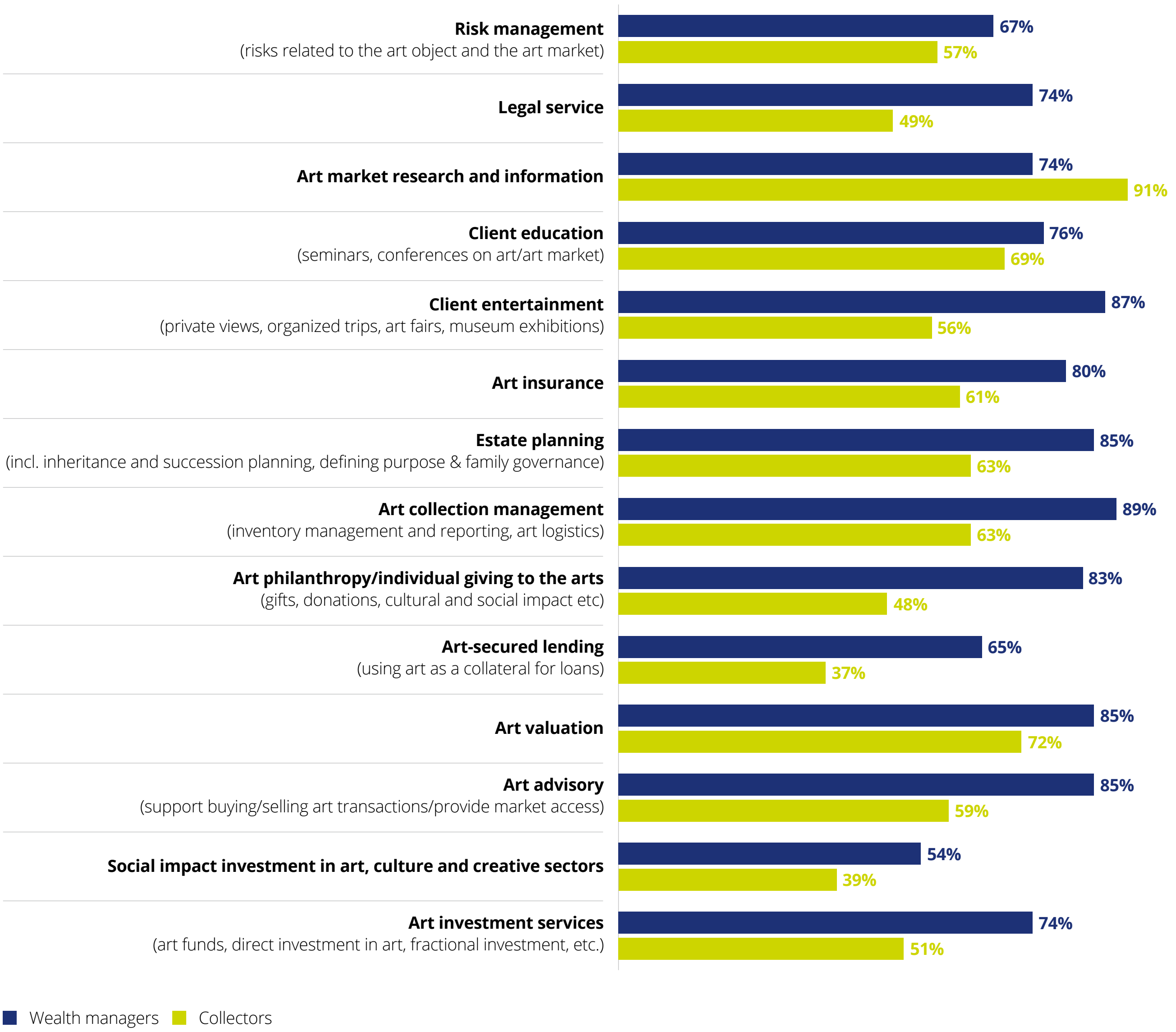
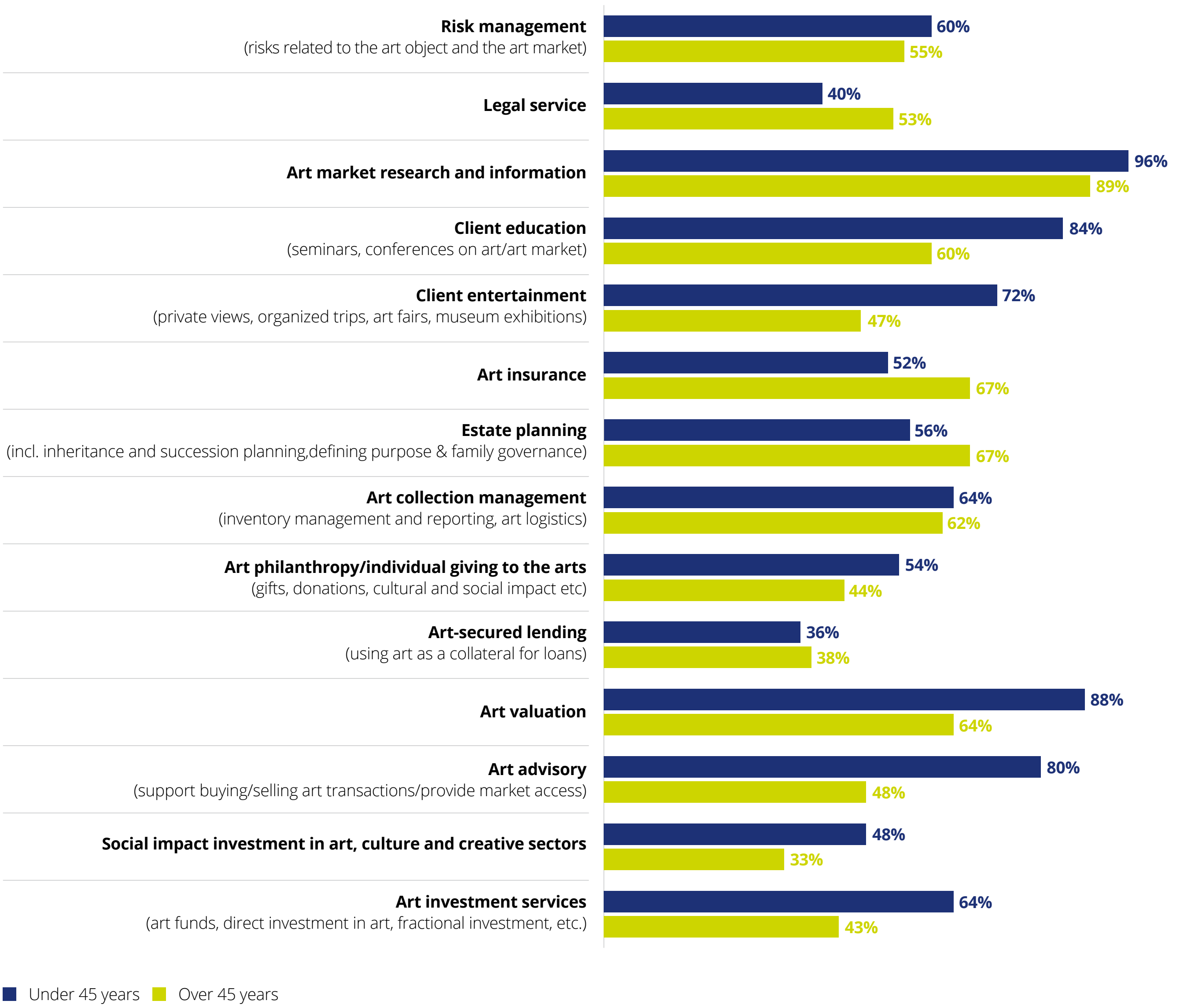


Figure 87: Generational gap analysis: Which of the following services do you feel would be the most relevant to you?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Ashes of Ice
Marta Djourina, 2024
Ice photograms on analogue paper, unique, 40 x 30 cm

The wealth managers who have integrated art into their offerings (51% of the banks and family offices surveyed) are largely meeting client expectations with their current services. The challenge now is not in **what** they offer, but **how** to customize these services for distinct client groups. This is especially relevant for the next-gen segment and more established collectors, whose motivations, values and engagement preferences vary substantially.

To remain relevant and deepen client relationships in the evolving art and wealth landscape, it will be crucial to tailor communication, delivery models and educational strategies to resonate with these diverse audiences.

Invest in education and research tools: While next-gen collectors reported the highest demand for art market research (96%) and client education (84%), these services still held substantial appeal for older collectors (89% and 60%, respectively). Given their broad multigenerational appeal, wealth managers should position these services as essential pillars in their art-related service offering.

Enhance advisory capabilities: Interest in art advisory and valuation was strongest among collectors under 35 (80–88%), though older collectors (48–64%) also valued these services to a lesser extent. Wealth managers should continue investing in these offerings but tailor their messaging: next-gen clients may prefer artificial intelligence (AI)-powered or interactive tools, while older clients may value bespoke expert advice.

Estate planning—a generational priority gap: Older collectors (the over 45s) showed the strongest demand for estate planning at 67%, reflecting their focus on legacy, inheritance and family governance. In contrast, only 56% of next-gen collectors expressed interest, indicating it was not yet a top priority for many. Wealth managers can address this disparity by positioning estate planning as a phased service. For older collectors, the emphasis could be on structured succession planning, tax efficiency and intergenerational transfer of art assets. While for younger collectors, a light-touch version, focusing on future-proofing collections or navigating long-term stewardship, can plant the seed early without overwhelming the client.

Art-secured lending remains a niche service, with 36% of next-gen collectors and 38% of older collectors expressing strong interest. A significant majority of wealth managers with an art service provision offer this service to their clients (64% through a third party). For next-gen collectors, art-secured lending can be framed as a liquidity lever for entrepreneurial or collecting ambitions. While for older collectors, it offers a non-disruptive way to access capital without selling prized pieces.

Personalize services by generation: Older collectors showed greater interest in some services, such as legal services (53%) and art insurance (67%), compared to their next-gen counterparts (40% and 52%, respectively). These can be offered as modular add-ons for next-gen clients, with an educational framing that highlights their future importance, while for older clients, they can be presented as standard.

By aligning services with generational needs and communication styles, wealth managers can deliver more meaningful, lasting value to art collectors at every stage of their journey.

Generational profiles: From emerging collectors to legacy planners

Collector preferences are not uniform: **generational differences significantly** shape the value placed on art services. According to the Bank of America article (page 176), **millennial and Gen Z collectors** have distinct needs from **boomers**, reflecting different levels of experience, liquidity and long-term goals.

YOUNGER collectors, often still building their collections, tend to prioritize:

- **Education and market insight** to navigate a complex art ecosystem;
- **Buy-side advisory** to guide strategic acquisitions;
- **Entry-level art lending** to support liquidity while growing both collections and overall wealth; and
- **Sell-side advisory**, especially when inheriting art that does not fit their vision or when looking to “up-tier” their collection.

In contrast, **BOOMER** collectors, typically more established, often focus on:

- **Advanced tax and estate planning**, particularly as collections become intergenerational assets;
- **More sophisticated lending solutions** structured around higher-value or illiquid holdings;
- **Negotiated sell-side strategies** with auction houses, including bespoke arrangements like advances, guarantees, or enhanced hammer deals; and
- **Philanthropy and legacy planning**, reflecting a desire to give back or institutionalize their impact.

Across all age groups, periodic valuations and reliable art market intelligence remain fundamental. These services are universally relevant for portfolio oversight, insurance, risk management, and strategic decision-making.

Endnotes

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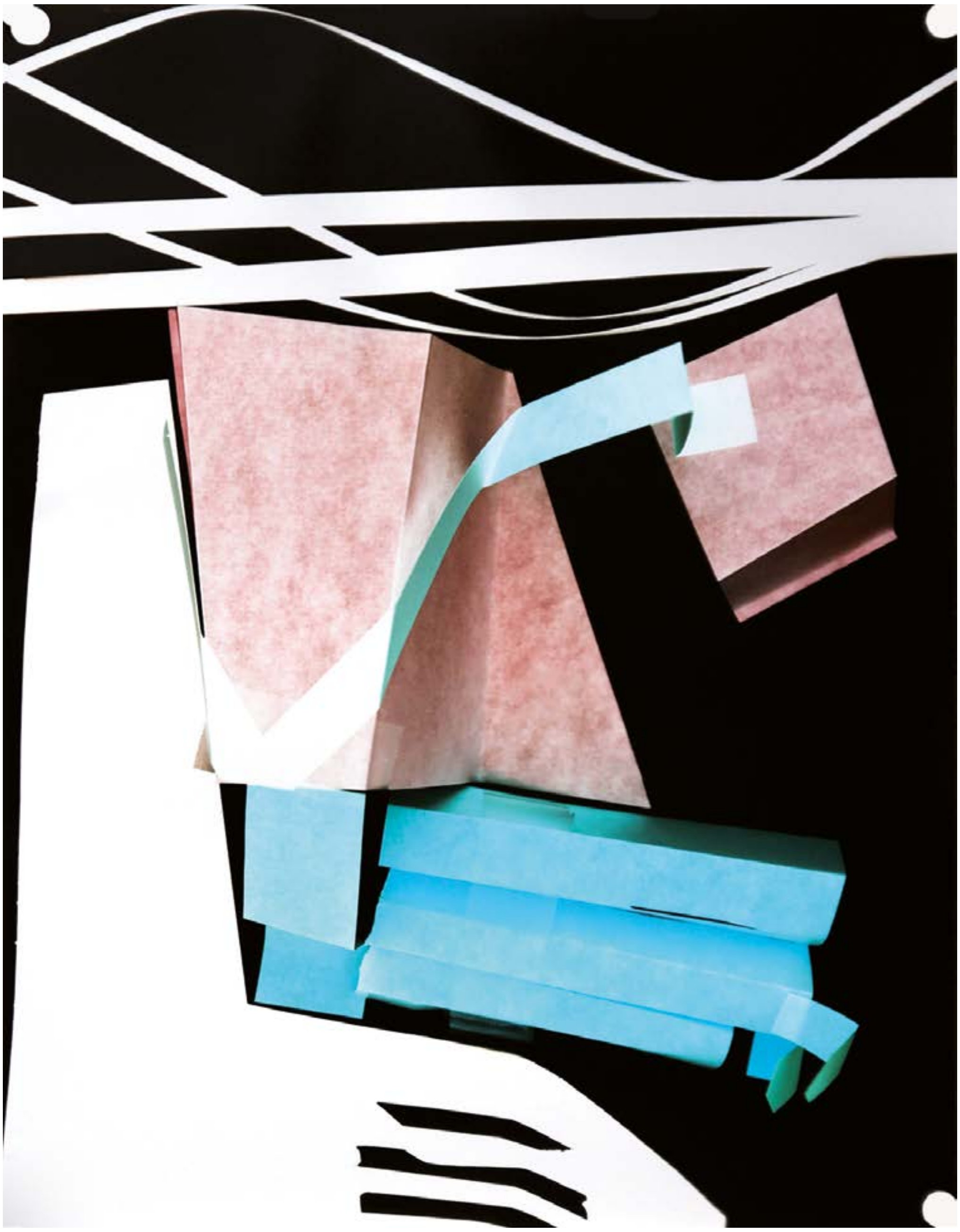
Ashes of Ice
Marta Djourina, 2024
Ice photograms on analogue paper, unique, 40 x 30 cm

03 Art wealth protection & estate planning

Untitled
Marta Djourina, 2017, filtergram on analogue photo paper,
unique pieces, 100 x 76 cm, framed
Exhibition view LAGE EGAL Berlin, 2022; Photo: CHROMA



Untitled
Marta Djourina, 2017,
filtergram on analogue photo paper,
unique, 100 x 76 cm

Highlights

Wealth managers should position themselves not only as custodians of Art Wealth but also as trusted advisors for next-gen clients and curators of legacy.

Asset protection

Valuation and insurance: The widening gap between collection value and insurance coverage is an escalating threat, as over-relying on auction data for valuations often results in collections being over- or under-insured. As art collections become more financially significant, independent and unbiased valuations are critical for effective asset protection. In our 2025 survey, 72% of collectors and 86% of art professionals deemed valuation services a critical offering for wealth managers.

Professional collection management gains ground in estate planning: With 63% of collectors and 68% of art professionals prioritizing collection management, structured inventories are vital for smooth estate transitions. Yet only 34% of collectors used dedicated software compared to 65% of wealth managers surveyed (up from 43% in 2023).

Trusted market research is crucial for estate planning: Ninety-one percent of collectors and 77% of art professionals considered art market research the most relevant service wealth managers can provide. With 63% of collectors expressing low trust in current market data, it is essential to use credible, third-party research to ensure informed succession planning and prevent disputes over value or significance.

Building a network of independent, trusted experts is vital: Wealth managers should partner with external valuation firms, insurers, legal advisors and researchers. By acting as the orchestrator of these services, wealth managers can ensure neutrality, boost client confidence, and deliver seamless execution.

Estate planning

Art is now central to estate planning, and wealth managers must step up: Once managed separately, art collections are now viewed as integral estate assets with significant legal, financial and emotional value. The percentage of wealth managers incorporating art into their clients' estate plans has more than doubled since 2017, reaching 81% in 2025. As client expectations rise, wealth managers must strengthen their role as trusted facilitators, guiding clients—especially the next generation—through the entire collecting lifecycle, from acquisition to legacy planning. However, a significant gap persists among collectors who do not work with wealth managers.

Planning gaps in art succession are narrowing but remain a critical risk. The share of wealth managers reporting no art coverage in estate plans dropped sharply from 27% in 2017 to just 5% in 2025, reflecting greater advisor involvement and clearer planning. Yet, for collectors without a wealth manager, gaps persist. In 2025, only 14% had a formal plan communicated to family or advisors, and fewer than 40% of heirs were even aware of the impending inheritance. Without proper communication and governance, these families risk disputes and value loss. Therefore, establishing family governance structures tailored to art remains essential to safeguard collections for future generations.

Lack of succession planning poses serious risks: Without clear communication, families face an increased chance of disputes, fire sales and lost provenance, undermining both legacy and value. Implementing family governance structures specific to art can mitigate these risks. By defining roles, responsibilities and decision-making processes, these structures can protect both a collection's financial and emotional value, ensuring its continuity and intended legacy.

Estate planning, philanthropy and museums: Despite growing attention on cultural philanthropy, only 6% of collectors planned to donate to public museums in 2025, a figure unchanged in recent years. This stagnant trend underscores the need for deeper engagement between museums and private collectors. As funding pressures mount, positioning museums as cultural legacy stewards and wealth planning partners could not only encourage art transfers, but also offer collectors a sustainable solution that eases the future burden on heirs.

Family office perspectives

Strong focus on asset protection and legacy planning: Between 2023 and 2025, family offices have made targeted strides in art-related service offerings, particularly around asset protection.

- Art collection management enjoyed the most significant progress, jumping from 73% to 93%, cementing it as a crucial foundational step in estate and succession planning.
- Likewise, art insurance services are offered by 93% of family offices in 2025, suggesting a clear recognition of the need to safeguard physical assets.
- Core services like art advisory and legal support held steady at 73%, while art valuation fell slightly from 80% to 73%.
- Notably, family offices plan to grow their offerings in legal and risk management over the next 12 months, suggesting these areas are still strategically vital.

Next-gen perspectives

Next-gen collectors and art professionals consistently express higher expectations for most services, especially advisory and valuation. In fact, 96% of next-gen collectors found art valuation services most relevant, and 80% said art advisory, compared to just 64% and 48% of their older counterparts. This signals a strong demand from the next generation for more professionalized, data-informed and accessible art wealth management services.

Independent valuation is core to estate planning: Eighty-eight percent of next-gen collectors earmarked valuation as a priority, up from 70% in 2023, driven by growing expectations for transparency and professional asset management. With 85% of wealth managers offering this service in 2025—69% via independent experts—valuation is vital for ensuring fair inheritance, tax compliance and responsible estate planning across generations.

Demand for market transparency and research: An overwhelming 96% of next-gen collectors—and 75% of next-gen art professionals—considered art market research an essential service. This suggests that the next generation highly values data, insights and strategic market knowledge to inform their decisions, aligning more with investment behaviors than traditional collecting patterns.

A gap in risk awareness: Insurance remained a lower priority for next-gen collectors at 52%, suggesting a lack of awareness around risk management.

The data paints a clear picture—the next generation of art heirs is largely uninformed and unprepared: 61% of collectors had not discussed their art collection with their heirs at all. Another 21% had only mentioned it without any in-depth discussion about what inheriting the art entails. Without these frank conversations, heirs risk inheriting not just valuable assets, but also legal, logistical and emotional burdens they are not equipped to manage.

Untitled
Marta Djourina, 2017,
filtergram on analogue photo paper,
unique, 100 x 76 cm

Introduction

Art wealth protection and estate planning: Preparing for the great wealth transfer

Over the next two decades, we will witness an unprecedented shift in financial legacy known as the "great wealth transfer." By 2048, an estimated US$124 trillion in assets is projected to change hands. The majority of this wealth—US$106 trillion—is expected to be inherited by Gen X, millennials and Gen Z primarily from boomers, with the remainder going to philanthropic causes.[121]

This monumental transfer makes early and intentional planning essential, especially for art and cultural assets that carry both emotional and financial significance. By proactively engaging in these conversations, collectors can steward their collections with clarity and purpose, from acquisition to legacy planning. This approach not only ensures a smoother transfer but also reinforces the collector's long-term vision, values and impact.

This section is divided into three parts:

PART **01**

Art and wealth protection

A. Survey findings 2025: Wealth management insights
B. Survey findings 2025: Family office insights
C. Survey findings 2025: Collector and art professional insights

We are also pleased to share the following expert articles:

INDUSTRY **INSIGHTS**

Art and cultural heritage at risk: How to build awareness and manage risk in an increasingly vulnerable environment

Despite a US$57 billion art market, many cultural treasures remain uninsured, leaving them vulnerable to theft, disasters, and climate risks. This article highlights the causes of underinsurance and calls for tailored solutions to protect our shared heritage and legacy.

By Jean Gazançon
CEO, ARTE Generali
and Letizia Miranda
Head of Digital Marketing, ARTE Generali

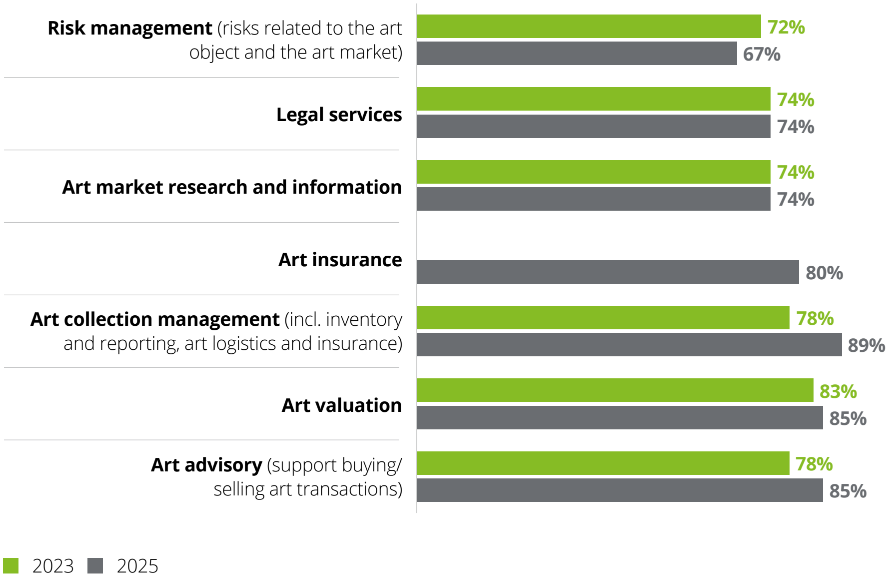
PART **01**

Art and wealth protection

A Survey findings 2025: Wealth management insights

Figure 88: Wealth managers: Which of the following wealth protection services do you offer?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Untitled
Marta Djourina, 2017,
filtergram on analogue photo paper,
unique, 100 x 76 cm

Key service offerings

As the art market becomes more intertwined with broader wealth strategies, wealth managers are steadily expanding the services they offer to collectors. From 2023 to 2025, we have seen a consolidation in key areas, particularly those that support transactions and long-term collection stewardship.

- **Art advisory and valuation services** were offered by 85% of wealth managers with an art service provision (up from 78% in 2023), reflecting the growing demand for expert support when buying, selling or assessing artworks.
- **Art collection management,** which covers everything from inventory to logistics, has become one of the most widely available services, increasing from 78% in 2023 to 89%.
- **Art insurance** remains fundamental, with 80% of wealth managers offering this service.
- Services like **legal support and art market research** were offered by around three-quarters of wealth managers (same level as in 2023), a sign that these are now considered standard in holistic client service.
- One area that saw a modest decline is **risk management**, which dropped from 72% to 67% between 2023 and 2025. While still widely available, this dip may reflect a lag in keeping pace with the art ecosystem's complex and evolving risks, from authenticity concerns to broader market fluctuations.

Future priorities for wealth managers

Over the next 12 months, wealth managers plan to deepen their existing art service offering, providing further insight into the sector's potential direction. The most commonly cited focus areas include:

- Art collection management (37%)
- Art market research and information (31%)
- Art advisory (29%)
- Legal services (26%)
- Risk management (25%)

These findings suggest that wealth managers are not only aiming to maintain their existing service levels but are actively seeking to build more strategic, research-driven and risk-aware capabilities. The lower near-term focus on valuation (21%) and insurance (23%) suggests these services are either already well-integrated or provided through specialist partners.

In sum, wealth managers are solidifying their position as trusted advisors to collectors, not just in managing financial assets, but also in supporting a collection's full lifecycle. As the great wealth transfer continues, the ability to guide clients through discovery, enjoyment, preservation and legacy planning will become an increasingly vital differentiator.

Inventory and collection management

Progress in inventory practices and collection management signals better wealth protection and growing estate preparedness: A clear, accurate inventory that includes identity, location and approximate value of each piece is a key element of successful wealth protection and estate planning. This information is especially critical when managing an estate without the collector's direct involvement.

In 2025, 40% of wealth managers reported that their clients maintain and regularly update such an inventory, a dramatic increase from just 11% in 2023 and 17% in 2021. This surge reflects a rising standard of documentation, driven by both client expectations and the professionalization of art wealth services.

At the same time, the percentage of wealth managers with outdated inventories halved from 20% in 2023 to 10% in 2025, indicating collections are being actively maintained rather than passively recorded.

The proportion of wealth managers who were previously uncertain about or had never discussed inventory practices with clients fell from 40% in 2023 to 29% in 2025. This signals greater engagement between advisors and collectors on foundational estate planning practices, and a shift away from reactive to proactive estate administration.

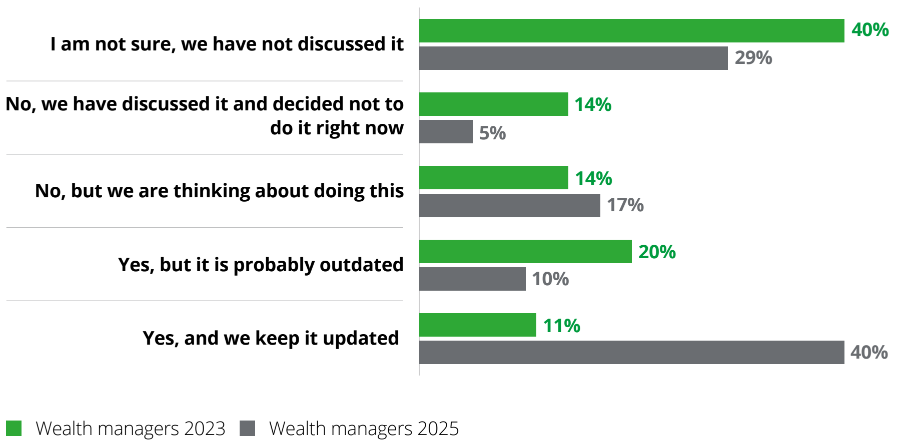
There is also growing interest in future implementation: 17% said they were considering inventory development, up from 14% in 2023, while the share of those opting not to take action fell from 14% to just 5%.

Encouragingly, 65% of wealth managers surveyed used dedicated art collection management software for their clients' collections in 2025, up from 43% in 2023. This indicates growing professionalism in this space.

In Section 7 of the report, we discuss how family offices and private banks can leverage technology to enhance risk awareness, support professional development, and foster a more resilient and informed ecosystem for the protection of cultural heritage.

Figure 89: Wealth managers: My clients maintain an inventory of their collection that, at a minimum, identifies each piece, its present location and its approximate value so that we can help administer the estate without the collector's input.

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

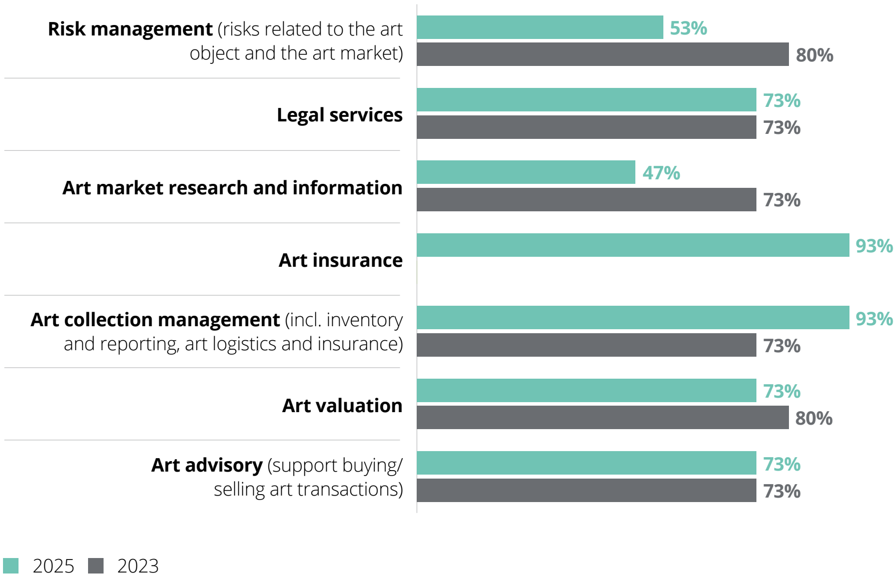


B

Survey findings 2025: Family office insights

Family offices: Wealth protection

Figure 90: Which of the following wealth protection services do you offer?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Between 2023 and 2025, family offices made significant strides in their art-related service offerings, particularly in asset protection.

The most notable progress was in art collection management, which surged from 73% to 93%. This highlights a growing commitment to its foundational importance, with nearly all family offices with art wealth provisions now offering comprehensive inventory, logistics and collection reporting services. This is especially important as collections become more complex and multigenerational.

Likewise, 93% of family offices offered art insurance services in 2025, a strong indication that they recognize the need to safeguard physical assets. While core services like art advisory and legal support remained stable at 73%, art valuation saw a modest drop from 80% to 73%.

Despite apparent declines in risk management (from 80% to 53%) and art market research (from 73% to 47%), these numbers are likely due to a larger sample size of family offices this year rather than a true deprioritization. In fact, the surveyed family offices planned to expand their legal and risk management services over the next 12 months, suggesting these areas remain strategically important.

Interestingly, none of the family offices expected to prioritize valuation services in the coming 12 months. However, this may indicate that these services are already well-integrated into their existing art offerings, with 73% stating they already provide it. Art market research also remained a low priority (17%) over the next 12 months, with 47% of the family offices with an art provision already offering this service.

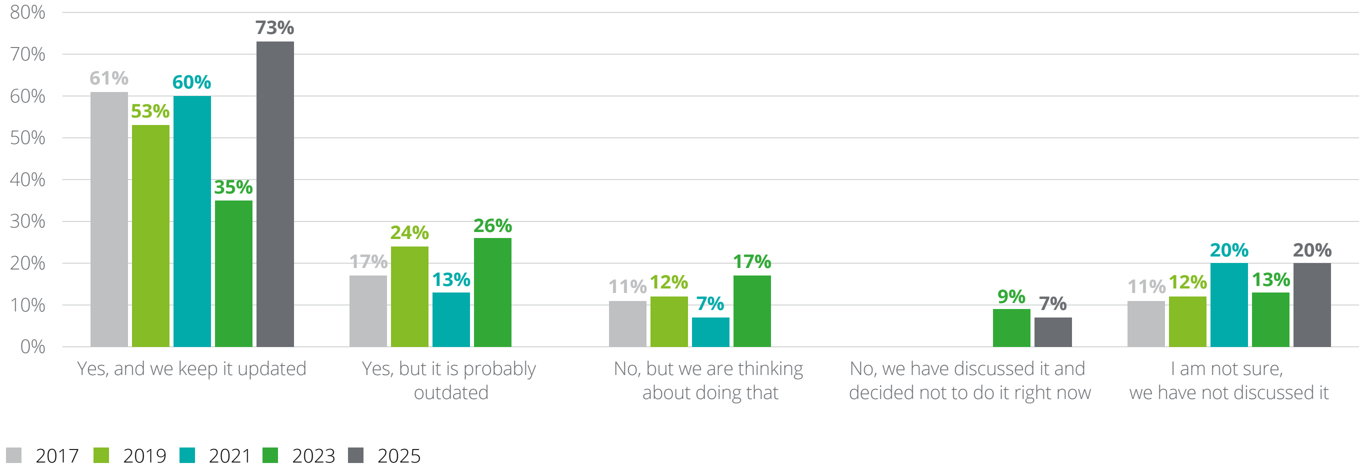
In essence, family offices appear to be doubling down on protecting and structuring what clients already own, rather than actively engaging with market trends or valuation strategy.

While this defensive posture may meet current client needs, it could lead to a missed opportunity. The family offices that reinvest in proactive risk planning and market intelligence will be better positioned to support younger generations of collectors, who seek both purpose and performance from their collections.

Family offices: Collection management

Figure 91: Family offices: Our clients maintain an inventory of their collection

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



This year's survey data highlights a promising evolution in how family offices are approaching collection management. Progress in documentation and inventory practices has been particularly dramatic, signalling a major step forward in both professionalization and risk management.

In 2023, only 35% of family offices maintained a current, updated inventory of their clients' art; in 2025, this share more than doubled to 73%. Outdated or incomplete inventories, acknowledged by 26% in 2023, are also no longer an issue. In addition, no respondents in 2025 reported only thinking about maintaining a collection.

However, some gaps remain: 7% of family offices in 2025 had discussed maintaining an inventory but decided not to pursue it, and 20% were still unsure or had not addressed the topic, a slight increase from 13% in 2023. This suggests that while best practices are gaining traction, a subset of family offices has yet to fully engage with collection-level governance.

c

Survey findings 2025:Collector and art professional insights

Collectors and art professionals survey: Wealth protection

Figure 92: Collectors: Which of these art wealth protection services are the most relevant to you?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

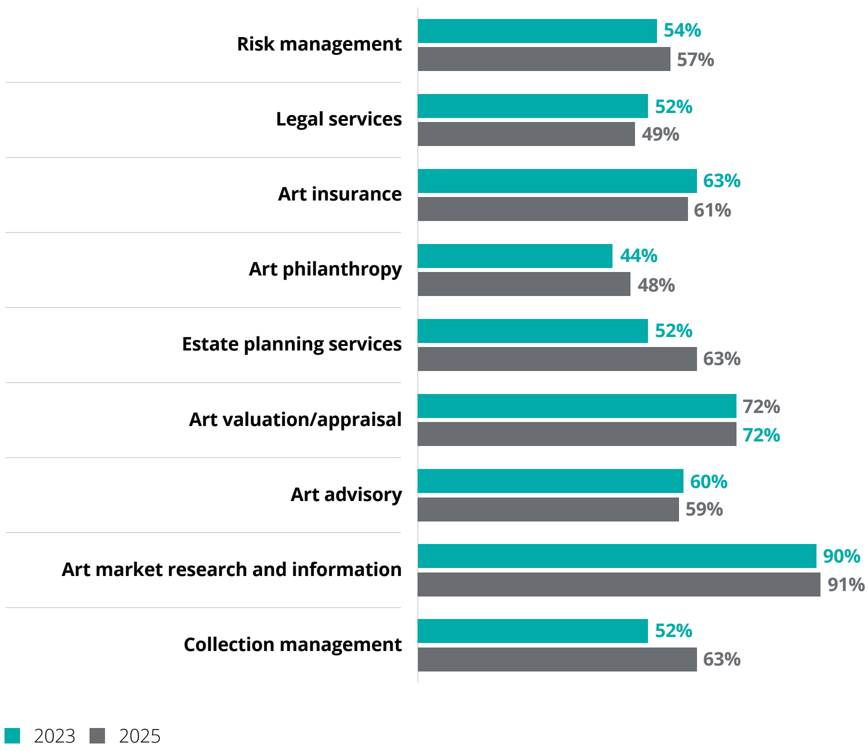


Figure 93: Art professionals: Which of these art wealth protection services are the most relevant to you?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

The landscape in 2025 remains largely unchanged from 2023 for both art collectors and art professionals, with only marginal shifts observed.

Untitled
Marta Djourina, 2017,
filtergram on analogue photo
paper, unique, 100 x 76 cm

Collection management

Structuring and documenting art holdings is a top priority for effective estate planning (covered in Part 2), with 63% of collectors and 68% of art professionals considering collection management a key service. An updated inventory eases the transition process and ensures artworks are managed according to the collector's wishes. The number of collectors with an inventory rose from 91% in 2023 to 94% in 2025.

However, the methods collectors use to manage their inventories vary widely. While 34% of collectors used dedicated art collection management software in 2025, an improvement from 24% in 2023, 43% still relied on spreadsheets and 23% used paper files. This fragmentation presents a clear opportunity for wealth managers to add value.

Interest in wealth reporting among collectors declined from 76% in 2023 to 59% in 2025, which could indicate that collectors are adopting more professional approaches to collection management (a trend covered in Section 2). However, it remains an important element of estate planning, providing a comprehensive, consolidated view of all financial and non-financial assets, including art and collectibles.

The need for trusted research in succession decisions: Accurate and credible art market research is essential for informed estate planning. An overwhelming 91% of collectors and 77% of art professionals identified art market research as the most relevant service wealth managers can offer, a finding we covered in Section 2. These results underscore the demand for trusted data to inform inheritance planning, especially since 63% of collectors reported moderate to low trust in current art market information. For estate planners, providing data validated by private banks or trusted third-party sources can help families make prudent succession decisions and avoid disputes over valuations or asset significance.

Figure 94: Collectors: What kind of tools do you currently use to keep records of your art collection?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

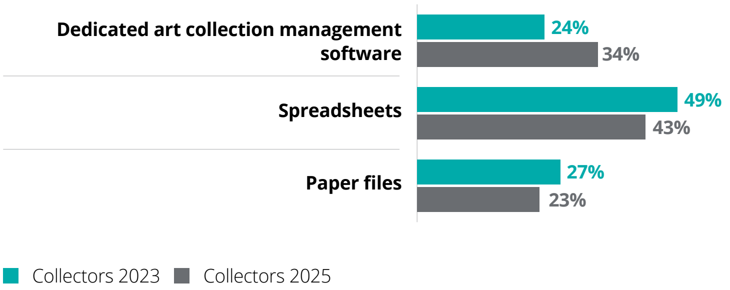
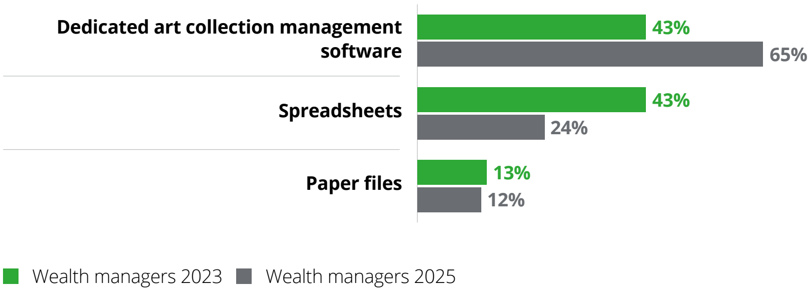


Figure 95: Wealth managers: What kind of tools do you currently use to keep records of your client's art collection?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Independent valuation: As art collections grow in financial significance, independent and unbiased valuations are critical for responsible transfer. In 2025, 72% of collectors and 86% of art professionals identified valuation services as essential for wealth managers to offer. These provisions form the foundation of fair estate planning, helping with everything from assigning accurate values for inheritance and donations to mitigating legal disputes and ensuring tax compliance. Encouragingly, 85% of wealth managers with an art service provision offered valuation support in 2025, and 69% did so through independent, third-party experts, reinforcing the industry's commitment to impartiality and best practices.

This demand is even more pronounced among next-gen collectors, with 88% citing valuation as a priority in 2025, a substantial increase from 70% in 2023. This generational jump reflects a stronger expectation for professional and objective asset management, driven by increased financial literacy, exposure to institutional standards, and a desire for greater accountability in wealth transfer processes.

Persistent issues in art valuation and protection

Despite recent advancements, significant structural challenges remain in art valuation and protection.

Research from **Wondeur.ai** (see page 240) shows the market still heavily relies on public auction data. However, their analysis of 50,000 anonymized artworks by 9,383 artists exposes a critical issue: 82% of these artists are illiquid, with fewer than five auction transactions in five years. Even among the more active 12%, 84% of sales happen privately through opaque channels that are largely inaccessible to most collectors and advisors.

This lack of pricing transparency has real-world consequences, translating directly into insurance risks. A separate Wondeur.ai study of 50,000 insured artworks held by HNWIs found that 71% were either over- or under-insured by a factor of 1.5 or more. This exposes owners to potential under-compensation in case of loss or inflated premiums.

Crucially, 88% of artworks (representing 92% of total insured value) could not rely on auction data as a valid reference point for replacement value, creating a protection gap that traditional insurance models cannot close.

These concerns are reinforced by Art Basel and UBS' *Art Market Report 2025*, which highlights a rise in losses from insurable events like theft, environmental damage and natural disasters. This widens the historical gap between a collection's value and its insurance coverage, creating an escalating threat.[122]

The problem is further compounded by a lack of structured digital infrastructure in many collections. As emphasized in **Arte Generali**'s 2025 outlook (see page 236), the absence of consolidated inventories, provenance records, condition documentation and high-resolution imagery limits the ability to conduct proper due diligence, assess risk, or plan strategically.

As a result, a large portion of art wealth remains uninsured or mis-insured—an increasingly untenable risk in today's market. This is often driven by low awareness of art-specific risks, a cultural reluctance toward insurance, and a shortage of tailored solutions.

Fortunately, change is underway, with new AI-driven platforms emerging to close these valuation and risk protection gaps. By blending public and private marketing intelligence, these tools offer dynamic, asset-specific insights, providing scalable approaches to valuation and risk management.

Wealth managers have a crucial role to play here. As we enter the great wealth transfer, there is a growing need to ensure that clients' collections are accurately valued and appropriately insured. Proper risk planning is not just about policy coverage; it is about structuring protection that reflects the true nature of the asset and the expectations of next-gen custodians.

Insurance and risk planning for intergenerational transfers: Art insurance continues to play a crucial role in succession plans, with 63% of collectors and 69% of art professionals agreeing it is vital. Comprehensive insurance protects an artwork's value during ownership transfers and guards against risks like damage or theft. Similarly, 72% of wealth managers offered risk management services in 2025 to help ensure a secure and seamless transfer of assets to the next generation.

Recent developments

In 2025, the Art Loss Register expanded its due diligence offering by launching the Classic Car Register, complementing its existing Watch Register and core art database. These registers serve as critical resources for identifying lost, stolen or looted artworks, watches and classic cars—supporting recovery efforts and enabling more robust provenance checks across the market.

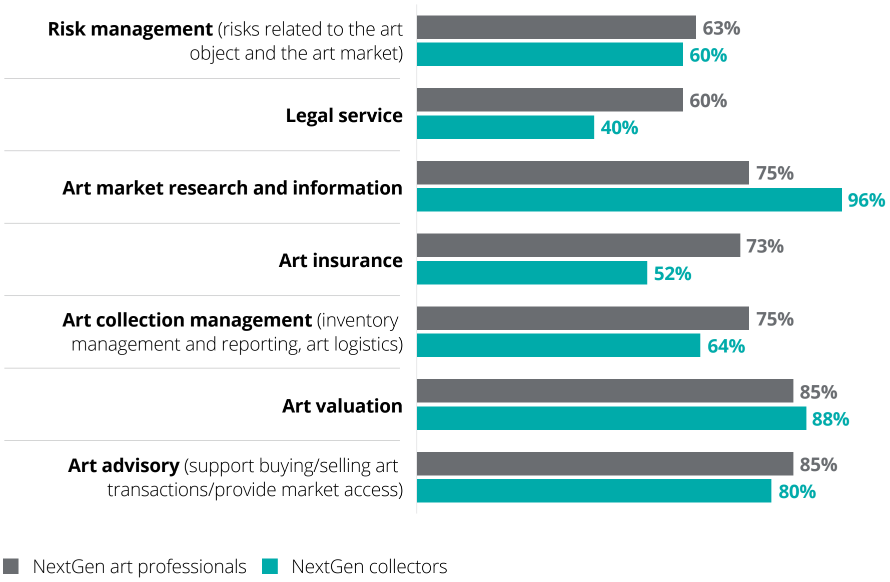
Art advisory as a wealth protection tool: Strategic art advisory services are playing an increasingly central role in protecting the long-term value and integrity of art collections. The majority of collectors (60%) and art professionals (85%) viewed advisory support as more than just market insight; it is a key tool for aligning collections with broader financial goals like asset preservation and philanthropy. Advisory services help safeguard collections as both cultural and financial assets, from guiding strategic acquisitions to placing works in public or private institutions. In 2025, 78% of wealth managers offered art advisory services, with 31% planning to expand their capabilities, reflecting growing client demand for proactive, future-oriented asset protection.

Legal services for asset structuring and protection: The increasing complexity of regulations regarding art ownership, cross-border transactions and taxation means legal expertise is essential for protecting art assets. Over half of collectors (52%) and art professionals (57%) considered legal services critical for ensuring artworks are held, transferred or donated securely and compliantly. Among wealth managers offering art services, 74% provided legal support. This includes everything from validating titles and provenance to developing governance frameworks that preserve a collection's integrity. Legal guidance acts as a crucial protective layer, helping clients avoid regulatory pitfalls and protect asset value across jurisdictions and generations.

Risk management as a foundation of art asset security: Effective risk management is crucial for safeguarding art assets in a changing global environment. The demand for these services is on the rise, with 57% of collectors (up from 54% in 2023) and 60% of art professionals (up from 58%) considering risk planning essential in 2025. However, only 67% of wealth managers offered risk management services in 2025, down from 72% in 2023. This growing service gap coincides with an increase in risks like environmental threats, title disputes and fraud. To provide robust protection strategies, wealth managers must close this gap and ensure collections remain secure, compliant and resilient over time.

Next-gen art collectors and art professionals: A different perspective?

Figure 96: Next-gen collectors and art professionals: Which of these art wealth protection services are the most relevant to you?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025



The data from 2025 reveals a notable generational shift in priorities for art-related services. Next-gen collectors and art professionals share consistently higher expectations than their older counterparts, signalling a demand for more professional, data-informed, and accessible art wealth offerings.

Valuation and advisory services are especially prominent. In 2025, next-gen collectors (80%) valued art advisory far more than older collectors (48%). This preference was mirrored by 85% of next-gen art professionals, on par with the older generation of professionals. The generational difference was even more significant for valuation services, cited as a priority for 88% of next-gen collectors compared to just 64% of older collectors. This trend highlights a rising demand for objectivity, transparency and alignment with financial planning norms, likely shaped by increased financial literacy and institutional exposure.

Art market research sees the most dramatic generational difference: An overwhelming 96% of next-gen collectors viewed art market research as essential, versus 89% of older collectors. This suggests younger collectors are more focused on data, insights and strategic market knowledge for their decision-making, which is more in line with investment behaviors than traditional collecting.

Lack of awareness around art insurance and risk management: Insurance remained a lower priority for next-gen collectors (52%), suggesting some lingering gaps in risk awareness. However, this was significantly higher among next-gen art professionals, with 73% identifying art insurance and 63% identifying risk management services as highly relevant.

Legal services remained a lower priority for next-gen collectors (40%), compared to 53% for older collectors, perhaps due to less direct engagement with estate structures or cross-border compliance issues at this stage. However, 60% of next-gen art professionals saw legal support as crucial, indicating awareness of its long-term relevance.

Overall, next-gen collectors and art professionals are raising the bar for what they expect, prioritizing professional advisory, valuation accuracy, data-driven research, and risk oversight at higher rates than previous generations. This trend underscores a need for wealth managers, insurers and legal advisors to incorporate greater transparency, technology and market intelligence in their services to remain relevant in the evolving art wealth landscape.

Guernsey's new art storage facility launched June 2025

In June 2025, Le Riche Fine Art Storage inaugurated a state-of-the-art facility in Guernsey, marking a significant milestone for collectors and the island's economy. Designed with precision and innovation, the facility is designed to safeguard high-value collections, with security, preservation, and tax efficiency at its core.

The first phase, spanning 1,000 cubic meters, features ambient storage racks alongside specialized humidity- and temperature-controlled vault rooms. These vaults are equipped with advanced inert gas fire suppression systems, creating the safest possible conditions for valuable artworks. The facility operates Monday to Friday, from 9:00 to 17:00, with a dedicated concierge service offering year-round support by appointment.

A digitized, CyberSafe-certified labelling system ensures seamless inventory management, preserving curatorial legacies for clients. Situated in Guernsey, the facility benefits from the island's favorable financial framework, where clients can take advantage of exemptions from VAT, inheritance tax, capital gains tax, and corporation tax. These advantages are complemented by reduced insurance premiums, supported by Guernsey's exceptionally low theft risk compared to many onshore locations.

Led by Joe Castellino—an experienced entrepreneur and former CEO of a top offshore insurance company—the facility builds on the distinguished 35-year heritage of the Le Riche Automobile Storage team. Trusted by ultra-high-net-worth individuals, Le Riche already manages $500 million worth of hyper cars and is now expanding its expertise to meet client demand for high-end art storage.

Guernsey's cultural appeal is further strengthened through a strategic collaboration with "Art for Guernsey," a non-profit organization dedicated to supporting the island's vibrant artistic culture. This unique collaboration, supported by Guernsey's favorable jurisdictional framework, transforms the island into a living exhibition space—an island-wide gallery to display, promote, and sell art. Together, this initiative enriches Guernsey's reputation as a hub for art preservation and cultural development.

Le Riche Fine Art Storage's new facility positions Guernsey as an attractive location for art collectors worldwide, combining security, legacy, and innovation.

INDUSTRY **INSIGHTS**

Art and cultural heritage at risk

How to build awareness and manage risk in an increasingly vulnerable environment

Jean Gazançon
CEO, ARTE Generali

Letizia Miranda
Head of Digital Marketing, ARTE Generali

A start-up within a global company

ARTE Generali was born as a start-up within a large international group, aiming to enrich and qualify art insurance in the private and institutional customer segment. Recognizing the strategic importance of cultural assets in wealth preservation and legacy planning, we developed an innovative model that goes beyond traditional indemnity.

Our approach delivers a comprehensive, human-centric service that integrates expert advisory with a collaborative, digitally enabled workflow, designed to support long-term asset protection, risk mitigation and intergenerational continuity.

Art and cultural heritage: Underinsurance in the global art market

Cultural assets and works of art are meant to be shared with the broader public. As such, we are all temporary custodians of objects that embody humanity's collective heritage.

While global art market sales are estimated at US$57.5 billion,[124] this figure reflects only visible transactions—the total stock of art and cultural assets preserved worldwide is far greater. Despite this, many artworks remain uninsured due to limited valuation, low-risk awareness, and a lack of tailored insurance solutions.

Recent studies, including the Art Market Report 2025, highlight rising losses from insurable events—such as theft, natural disasters and environmental damage—underscoring the vulnerability of unprotected collections.[125] Munich Re's Natural Disasters Figures 2024[126] report states that total global losses from natural disasters in that same year reached $320 billion, with $140 billion insured, making it the third most expensive year on record for insured losses. Weather-related events accounted for 97% of insured losses, driven by hurricanes, floods, and severe thunderstorms. The study emphasizes that non-peak perils (such as wildfires and floods) are increasingly contributing to the upward trend in losses, reflecting the growing impact of climate change.

The reasons for the global art market's underinsurance include:

- Cultural reluctance toward insurance;
- Limited awareness of art-related risks;
- Limited availability of specific expertise in art insurance;
- Lack of transparency in valuation; and
- Insurance offerings unaligned with client needs.

It is essential to address these issues, not only to preserve cultural heritage but also to safeguard long-term wealth and legacy.

Primary causes of damage to cultural heritage and art collections

Works of art are vulnerable to a range of damaging factors that can compromise their aesthetic, historical and financial value. These risks can be broadly categorized as follows:

- **Environmental factors:** fluctuating humidity, extreme temperatures, and ultraviolet (UV) light accelerate material degradation.
- **Physical damage:** mishandling, impacts and scratches during transport or installation are frequent causes of deterioration.
- **Biological threats:** fungi, insects and bacteria can damage organic materials like paper, textiles and canvas.
- **Natural disasters:** floods, fires and earthquakes pose serious risks without proper preventive measures.
- **Vandalism and theft:** publicly displayed works are vulnerable without adequate security.
- **Unstable materials:** contemporary materials like plastics and acrylics often degrade quickly and need specialized care.

Risk management in cultural heritage

In art insurance, risk management involves educating clients about potential threats and facilitating the transfer of financial risk to insurers, supported by expert intermediaries.

This process includes four key stages:

1. **Asset identification and evaluation:** assess each asset's value and unique characteristics, along with risks like theft, environmental damage or deterioration.
2. **Risk analysis:** evaluate the likelihood and impact of these risks, considering material vulnerability and storage, context, display or transport conditions.
3. **Preventive and response planning:** based on the risk assessment, develop tailored preventive measures and emergency response plans, which may include conservation strategies, environmental controls, and security enhancements.
4. **Ongoing monitoring:** continuously review and adapt protection measures to reflect changes in the environment, asset condition or context.

Risk analysis: Specialized competencies in art and cultural asset management

Artworks and collections often hold significant economic and cultural value. Managing these assets requires a multidisciplinary skill set to assess risks, anticipate consequences and implement effective mitigation strategies.

KEY COMPETENCIES INCLUDE:

- **Evaluation expertise:** Accurate appraisals demand a deep knowledge of art history, market trends, provenance and condition.
- **Material vulnerability assessment expertise:** Understanding how different materials respond to environmental, biological and mechanical risks is essential for preventive care.
- **Structural and infrastructural context awareness:** The environmental conditions of storage or display spaces can significantly influence risk exposure. Understanding how these environments interact with the artworks they contain is crucial.
- **Probability analysis:** Evaluating the likelihood of damaging events—such as theft or natural disasters—requires data-driven insight and historical context.

Credits: Etienne Assenat "Composition rouge" and "Composition bleu", 2025
Gallery: Galerie Boulakia

Integrating these diverse skills is complex, making it challenging to build a fully equipped professional network. Bridging this gap calls for continued investment in education, cross-disciplinary collaboration, and specialized tool development. **Raising risk awareness is the critical first step.**

Risk awareness: Digital strategy for conscious protection

Reaching and engaging different **niches** of stakeholders—collectors, institutions and professionals— requires a targeted and thoughtful digital strategy. By combining technology with human expertise and communicating through a conscious digital strategy, the critical challenges of the art and cultural heritage sector can be transformed into opportunities.

A well-designed digital approach can enhance risk awareness, support professional development, and foster a more resilient and informed ecosystem to protect our cultural heritage. For family offices and risk managers, this means leveraging technology not just for operational efficiency, but as a strategic tool to enhance awareness and strengthen long-term asset protection.

Raising awareness through digital engagement

A key barrier to broader art insurance adoption remains the lack of awareness around asset value and risk exposure. Addressing this requires a preventive, targeted communication strategy—what we at ARTE Generali call "sharing culture to harvest market."

Digital tools allow us to reach specific audiences with tailored content that builds knowledge and fosters risk awareness. Our website is a 24/7 resource hub, offering expert articles, interviews, and practical guidance on collection care and risk management. This makes it a trusted destination for informed decision-making.

But the digital journey does not stop there. AI-powered tools—such as market analysis apps—enhance engagement by helping users navigate the contemporary art landscape with greater confidence and insight.

Ultimately, while digital communication is essential for stimulating interest and awareness from the ground up, the training of specialized intermediaries remains a critical link in the value chain. These professionals combine deep expertise with direct access to a broad client base. And thanks to digital technology, it is now possible to scale their training efficiently and cost-effectively.

Integrating human expertise and innovation: A holistic approach to art insurance

ARTE Generali was founded to break the boundaries of traditional insurance policies and deliver a comprehensive, value-driven service tailored to sophisticated clients' needs.

However, delivering this level of service is not a solo effort. It requires substantial investment in cultivating a robust network of trusted experts across all critical domains—art valuation, restoration, transport, storage, security, finance, and legal advisory. This ecosystem allows us to respond to each client's unique and often complex needs with precision and care.

A specialized Fine Art consultancy should be further enhanced by integrating advanced digital technologies. These enable a more structured risk assessment process and ensure the secure management and sharing of all relevant documentation, from certificates to condition reports.

Risk assessment and evaluation: Toward collaborative digital collection management

A major challenge in artwork insurance and appraisal is the fragmented and often informal nature of documentation.

For example, risk assessments are still frequently conducted using paper-based questionnaires. These are prone to incomplete data, limited feedback and security concerns, especially when sensitive information is shared via email.

Similarly, artwork valuation and management often lack structured digital systems to consolidate critical information, such as inventories, provenance, condition reports and high-quality images. To address these inefficiencies, adopting digital risk assessment and collection management tools is essential.

Online risk assessment tools can help evaluate potential threats to artworks by streamlining the initial data collection process and generating reports highlighting areas of concern. This enables faster, more informed feedback, similar to diagnostic tools in healthcare. As a result, intermediaries can better engage clients in meaningful discussions about their risk exposure.

In parallel, secure online collection management platforms enable secure documentation archiving, real-time updates to object lists, and centralized storage of key records, such as insurance certificates, condition reports, and blockchain-verified digital footprints.

Together, these tools enhance transparency, efficiency and accuracy in both risk assessment and collection management. For family offices, this translates into stronger protection of cultural assets, more effective service delivery, and a more structured and secure handover of collections across generations. The importance of reinforced due diligence and documentation management in relation to legacy processes is also highlighted by recent insights from *the Art Basel and UBS Survey of Global Collecting 2024*.[127]

A new humanism: Technology at the service of human capacities

Our artistic and cultural heritage is more than a legacy of the past. It is a living narrative that defines who we are, where we come from, and where we are going. It shapes our identity, informs our values, and inspires our vision for the future.

To honor this heritage, we must protect it, enhance its visibility and accessibility, and develop meaningful ways to measure its impact on society. Cultural heritage is not static but a dynamic force for connection, education and transformation.

For family offices, this heritage represents both emotional and financial value, requiring thoughtful stewardship across generations.

From a legacy planning perspective, technology plays a vital role in preserving this value. Advanced evaluation and collection management systems now enable the precise tracking, valuation and documentation of assets, ensuring collections remain relevant and accurately represented over time.

However, introducing technological innovation into the art world is often met with a mix of optimism and apprehension—and understandably so. Many professionals across the value chain are struggling with the rapid pace of change and fear their roles may be displaced by artificial intelligence.

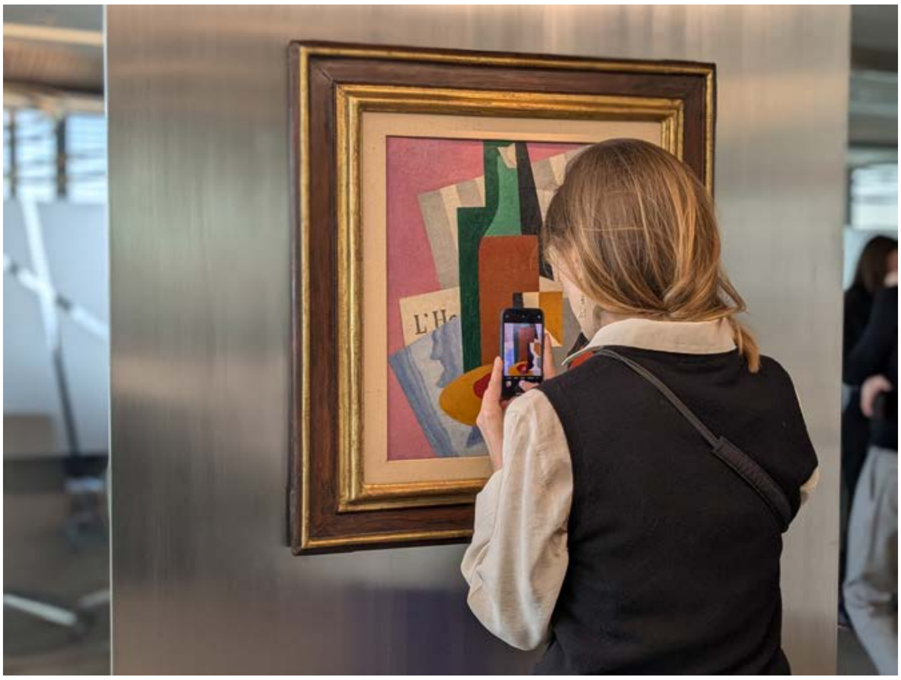
Therefore, it is crucial to understand and use technology with a purpose. The intention should not be to replace human expertise, but to enhance it. These tools should empower professionals, boost decision-making, and support the long-term goals of wealth preservation, risk management and legacy continuity.

Investment in technology must be matched by a strong commitment to structured change management. In the initial phase, it's essential to equip internal teams with the skills and confidence to adopt new tools and models. Afterward, this collaborative approach must extend to trusted intermediary partners, ensuring they are also empowered to evolve alongside.

We anticipated resistance—after all, the art world is not traditionally process-driven—but we remain committed to highlighting the value of human expertise, amplified by smart technology.

The paradox of innovation applies here as well. It's not enough to use technology; one must also understand the how and why.

Credits: "Nature morte", Gino Severini, oil on canvas, 1916-1917, cm 55 X 46,5 - from the Generali Corporate Heritage and Historical Archive.



INDUSTRY **INSIGHTS**

The hidden risk in high-net-worth collections:

Illiquidity, misinsurance and missed opportunities

Doreen Dawang
VP Ecosystems Analysis, Wondeur AI

In the US wealth management landscape, fine art and collectibles are no longer fringe holdings—they have become essential components of portfolio construction.

However, Wondeur AI's latest research across more than 50,000 insured artworks owned by high-net-worth individuals (HNWIs) reveals a sobering truth. Most of these assets are illiquid, difficult to value accurately, and, most critically, misinsured.

These 50,000 artworks—randomly selected and anonymized—spanned 9,383 unique artists. Strikingly, 82% of those artists would traditionally be considered illiquid, having had fewer than five auction transactions in the past five years. Only 12% showed signs of regular market activity, of which 84% had sales occurring primarily or overwhelmingly at dealers, not auctions.

In practice, this means that even for assets with relatively active markets, price discovery depends on private dealer sales—data points that are neither standardized nor broadly accessible.

This lack of transparency has direct consequences. Auction data, long used as the default reference for appraisers and insurers, is largely irrelevant for these assets. In fact, for 88% of the artworks in our sample—representing 92% of the total insured value—auction results simply cannot serve as the basis for determining replacement value.

The result is a market-wide valuation problem that translates into a protection gap. In recent years, natural disasters have also put more pressure on HNW clients to prepare to substantiate values in the event of a claim.

When we zoom out, our broader research shows that roughly 71% of art assets in HNW collections are either over- or under-insured by a factor of 1.5 or more. That means a substantial portion of this wealth is not adequately covered, either leaving clients exposed to loss or paying unnecessarily high premiums.

One reason this persists is that most valuation tools used by wealth managers and insurers only cover the market's visible tip—those few artists with frequent and high-profile auction results. But the data shows how narrow that universe really is compared to what affluent individuals actually own.

Since 2013, only 7.2% of artists born after 1800 have had any auction transactions. Narrowing the window to the last five years—the typical timeframe used by appraisers—just 4.7% had even one transaction. For female artists, the visibility is even lower: only 4.1% have appeared at auction since 2013, and fewer than 1% had more than 10 transactions.

This is more than just a data problem—it is a wealth protection issue. As portfolios become more diversified and collectibles take on a larger share of non-financial holdings, the absence of consistent, comprehensive pricing intelligence becomes a structural risk.

Yet within this challenge lies an opportunity. Among the 50,000 artworks we analyzed, 20% show strong collateral quality for art-based lending, with adequate liquidity and price stability forecasted over the next three years. An additional 24% meet criteria for donation-based tax benefits, making them valuable tools for estate planning or philanthropic leverage.

Today, most wealth managers are ill-equipped to tap into these opportunities. But as technology closes the data gap, firms that can analyze these assets more precisely—not only for coverage, but also for leverage—will be better positioned to protect and grow their clients' wealth in the years to come.

Wealth advisors and the post-purchase experience of art collecting

The days when art collections were considered irrelevant to financial planning are over. However, it is striking to see that virtually all of collectors' art buying decisions are made independently from their wealth advisors.

This clear separation of roles, although much necessary for art's sake, results in fiduciary advisors being entirely left out of allocation decisions. Instead, it is actually in the post-purchase experience that they can add the most value to their clients.

While art collecting is a personal pursuit, caring for it requires methodological rigor and financial acumen. The first responsibility of fiduciary wealth advisors is to ensure that collections are properly protected by verifying that values are up to date and that no part of the collection is underinsured.

Next comes cost optimization. Many clients are unknowingly overpaying premiums on outdated or inflated valuations. A thorough review can uncover inefficiencies that, when corrected, reduce annual insurance costs without compromising protection.

Beyond these core responsibilities, wealth advisors should always explore strategic opportunities for leverage. Some artworks sitting in storage may qualify for art-based lending or donation-related tax benefits. These are valuable tools for liquidity, legacy and philanthropic planning.

For example, through a comprehensive review, a family office overseeing a US$20 million art collection across multiple properties discovered that US$6 million was underinsured and US$3.5 million overvalued. Using updated analytics, the office adjusted coverage to match true risk, negotiated improved insurance terms, and identified US$1.5 million in assets eligible for donation-based tax offsets. The result: better protection, lower costs, and over US$1 million in realized tax leverage.

By treating art assets with the same rigor as other areas of wealth management—monitoring risk, pricing integrity and coverage gaps—advisors can help clients preserve and activate wealth more intelligently while fully respecting their clients' personal space regarding purchasing decisions.

To unlock art assets' enormous potential for wealth creation, there is no need to turn art into an investment vehicle or speculate on art markets. Family offices and private banks that focus on post-purchase services unlock an exciting opportunity to create tangible value by bringing structure, clarity and control to where it has long been missing.

Methodology

This analysis draws on over 50,000 artworks automatically evaluated by Wondeur AI's systems. Each asset is assessed across three distinct value dimensions:

1. Intrinsic value, based on institutional relevance;
2. Dealer market value, reflecting private market trends; and
3. Auction market value, reflecting auction market trends.

While these dimensions rarely align, they are essential for understanding true asset value in the context of wealth protection and financial planning. They provide a dynamic picture of an asset's value yesterday, today and tomorrow.

The system conducts real-time benchmarking analyses using billions of data points, including historical purchase prices, appraisal records, dealer prices, replacement values, and auction results. It also continuously monitors the influence of more than 35,000 curators, gallerists, collectors, museums and other market actors globally, with data extending back to 1900.

This risk analysis tool is designed to support insurers, banks and advisors by identifying gaps in insurance coverage, highlighting speculative pricing, and quantifying how stable and actionable an asset's value really is. Leading appraisal firms include these results in their analysis to better communicate around complex valuation decisions.

The system automatically calculates historical, current and forward-looking risk tied to mispricing, value volatility and speculative exposure. These insights are available for specific assets or for entire portfolios, allowing for more informed decisions on coverage, lending and legacy planning—grounded in data rather than assumptions.

INDUSTRY **INSIGHTS**

The collection management revolution in family offices:

Toward a digital and holistic future

Angelica Maritan
Founder, SpeakART

This article explores the current, generally limited, digitalization of family offices, highlighting gaps in technology adoption and cybersecurity, and how leveraging innovation can improve asset management, legacy, and strategic value for future generations.

Family offices, traditionally guardians of wealth, are undergoing a quiet but profound revolution.

They no longer limit themselves to managing conventional assets like finances, real estate and legal holdings. Today, they're curating legacies—integrating unconventional assets like art, collectibles, and cultural valuables that reflect identity and emotion as much as value.

These assets don't just diversify portfolios. They are becoming strategic instruments of continuity, empowering families to preserve values—not just valuations—across generations.

I am the founder and CEO of SpeakART, a company specializing in the digitization of collectibles and their processes. Our clients are increasingly cataloging their diverse collections using our software and services. These collections have only grown in value and volume over the past eight years, demonstrating a rising interest in collectibles.

Art and collectibles: From passion to strategic pillar

Art and collectibles have become central to wealth strategies, driving legacy and resilience. Managing them goes beyond preservation, unlocking cultural and financial value through expert insight, precise tools, and a blend of heritage and innovation.

Art reached US$57.5 billion in global sales in 2024.[128] Passion investments now represent a significant part of family offices' client portfolios, with an average of 13.4% of total wealth allocated to art and collectibles.[129]

Moreover, between 2008 and 2023, the millionaire population more than doubled, while their total wealth nearly tripled—from US$4.4 trillion in 2008 to US$13.1 trillion in 2023.[130] By early 2025, billionaire wealth had grown to US$15.6 trillion.[131]

According to the *Art Basel & UBS Survey of Global Collecting 2024*, over 85% of high-net-worth individuals (HNWIs) believed art to be a safer investment relative to other traditional assets like stocks, and a similar percentage saw art as a valuable portfolio diversifier.[132] This partially explains collectors' growing interest in investing in various types of collectibles.

However, emotional value remains the key driver for 60% of collectors, together with financial and social motivations.[133]

Figure 97: Which investments of passion are becoming more popular among your clients? (Global average)

Source: SpeakART, based on data from Knight Frank's The Wealth Report 2024

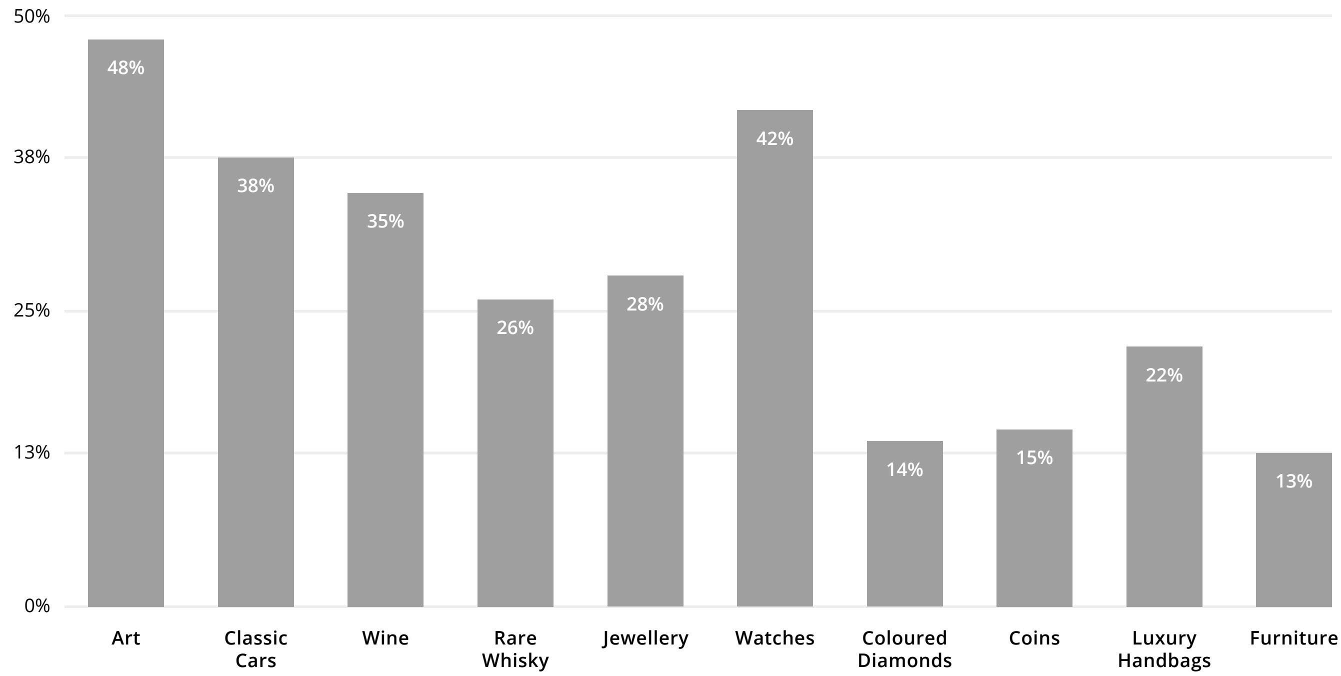


Figure 97 illustrates which passion investments are gaining popularity among collectors globally, outlining the different asset categories in their portfolios.[134]

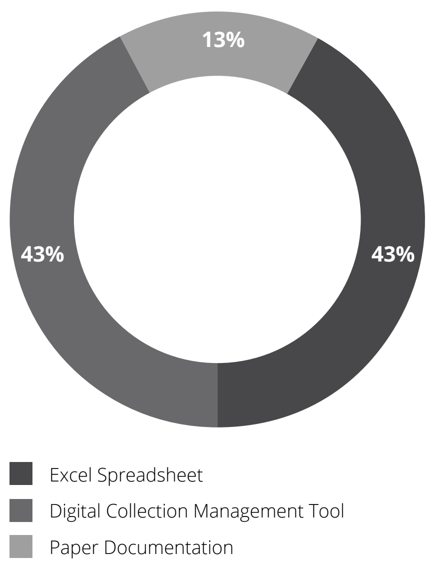
However, fine art and collectibles assets are still poorly addressed by wealth management service offerings, despite representing a large percentage of HNWIs' wealth, especially HNWI collectors.[135]

Regarding how wealth managers administer these collections, Deloitte Private and ArtTactic's *Art & Finance Report 2023* offers valuable insight into the recording tools used for their clients' collections (Figure 98):

- Thirteen percent still rely primarily on paper documentation and physical files;
- Forty-three percent use spreadsheets (e.g., Excel) as their primary tool; and
- Forty-three percent have adopted dedicated art collection management software.[136]

Figure 98: Tools used by wealth managers to keep records of collections

Source: SpeakART, based on data from Deloitte Private and ArtTactic's Art & Finance Report 2023



In 2024, 43% of family offices were actively developing or rolling out broader technology strategies, signaling a gradual shift toward digital sophistication in collection management and other operations.[137]

SpeakART's experience as a company specializing in the digitization of all collectibles processes—from cataloging to logistics and insurance—is that private clients are increasingly aware of the importance of digital tools for managing their collections' information and documentation.

Twenty-six percent of our clients are private collectors, with less than half classified as HNWIs. This reflects a growing demand for digital management to ensure secure information preservation, easy access, and data sharing for both technical and personal purposes. This trend is accelerated by generational change: 70% of our collectors are over 60, and increasingly motivated to adopt robust digital tools to effectively manage and enhance their collections.

The digital toolbox: The beating heart of the future

The future of collection management is not only digital—it's intelligent. Family offices must approach wealth tech astutely for themselves and their clients by selecting useful tools and evaluating their long-term planning.

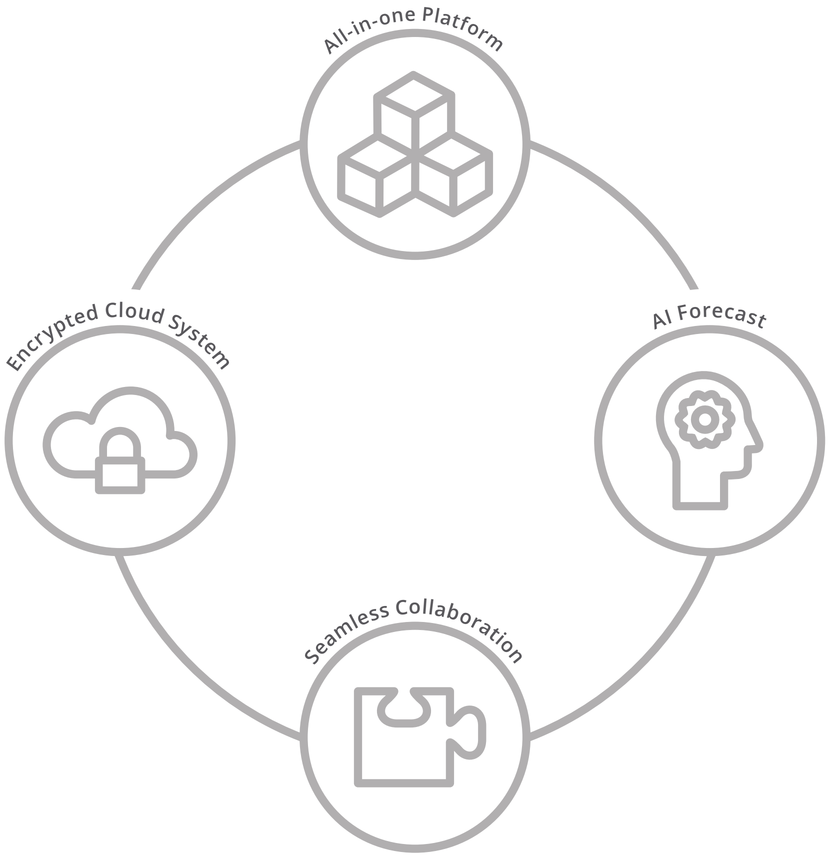
Digital tools can unlock a myriad of market opportunities, such as delegating repetitive tasks to technology while entrusting high-value activities to people.[138]

Some of the most relevant solutions for wealth management include:

- **All-in-one platforms** that allow not just cataloging but also storytelling through high-definition imagery, context-rich data and customizable reports.
- **Artificial intelligence (AI)** isn't just about estimating value—it can also forecast, revealing trends and opportunities.
- **Encrypted cloud systems** offer not just storage, but vault-grade preservation for sensitive data.

Collaborative systems that allow players to interact securely with tailored access, working in real time.

Figure 99: The main technologies applicable to wealth management
Source: SpeakART



The strategic value of integrated software for family offices: Efficiency, security, and seamless collaboration

In a world of growing complexity, fragmented tools are liabilities—integrated platforms are the new standard,[139] because they offer an infrastructure of solutions, service, scalability and security.[140]

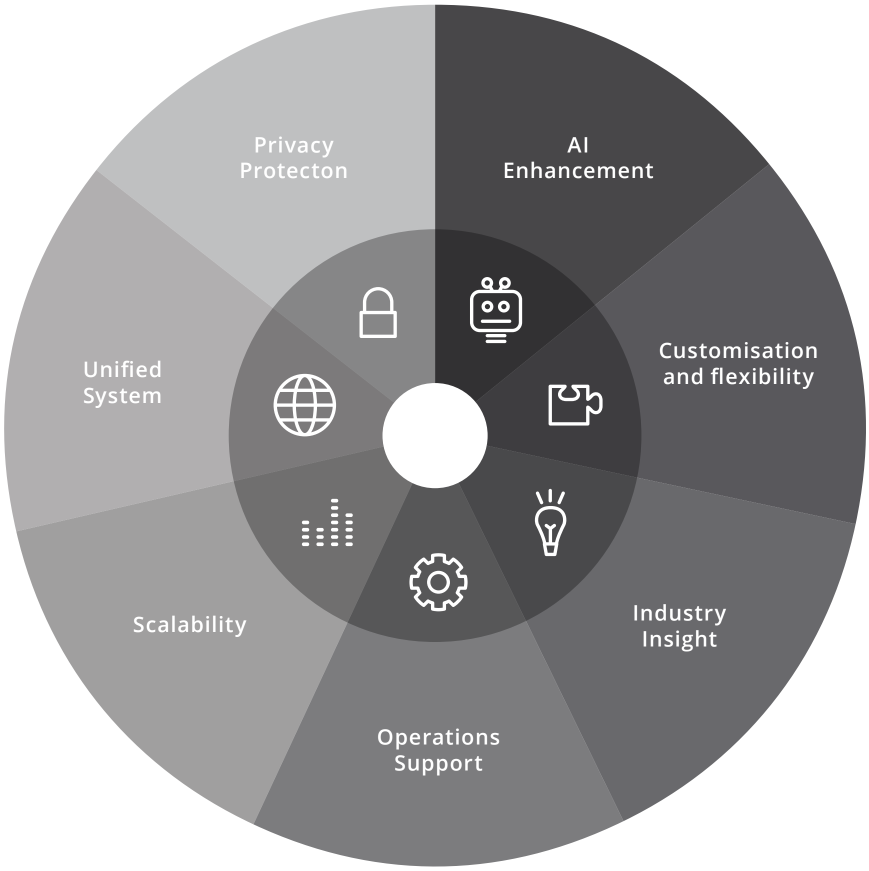
To support family offices' activities, integrated software solutions should include a unified system that offers scalability, operations support, industry insights and more.[141] This centralization redefines what it means to manage a collection.

Digitization and change management

While digital transformation can be challenging for family offices, where trust and tradition are paramount, avoiding change means losing efficiency and agility.

The first step toward digitalization is identifying manual, error-prone tasks and replacing them with dedicated digital tools that automate these processes. This shift provides clean, reliable data accessible through real-time dashboards, enabling faster, more informed decisions tailored to the family's unique needs.[142]

Figure 100: The main features of an integrated software solution
Source: SpeakART



Teams must be trained in these tools to ensure technology supports human expertise rather than replacing it.
With transparent workflows and clear accountability, the family's trust in the office strengthens. Freed from routine tasks, employees can focus on strategy, creativity and personalized services—which are all at the heart of a successful family office.

Digital transformation is not just about technology, but also taking practical steps that empower the team and safeguard future legacies.

Business case: Why the modern approach matters

Ms. Smith's family office manages a US$10 million inheritance, two villas in the Hamptons worth US$2.5 million each, and a US$4 million Manhattan penthouse. Her late father's extensive collection includes paintings, sculptures, antique weapons, rare books, coins, fine wines, and watches. Ms. Smith, who has two children, plans to sell one villa and reorganize its collections.

Megan and John, the two managers, approach this task differently.

With hundreds of valuable items totaling over US$15 million, manual management is slow, fragmented and risky. John's traditional methods rely on time-consuming paperwork and periodic appraisals, limiting responsiveness and increasing risks.

Megan's digital approach uses real-time cataloging, AI valuations, and seamless expert collaboration. This slashes documentation time by over 50%, reduces risks through continuous monitoring, and enhances decision-making with predictive analytics. The result is significant cost savings, better asset preservation, and improved transparency for succession planning—crucial for Ms. Smith's goal of securing her children's inheritance.

Figure 101: A comparison between the traditional and modern approaches to collections management tasks

Task description	John's traditional approach	Megan's modern approach
Cataloging and documentation	Manual records, paper files, and basic spreadsheets.	Digital platforms with high-res images, metadata, and searchable databases.
Valuation and market analysis	Periodic expert appraisals, often by a single provider; static PDF reports.	AI-driven valuation tools, real-time market data, and predictive analytics.
Collaboration with experts	In-person visits, physical document sharing, and phone/email coordination.	Secure, role-based online remote access for experts, with digital catalogs and controlled permissions.
Security and data storage	Physical safes, locked cabinets, and local servers.	Encrypted cloud storage with multi-factor authentication and disaster recovery.
Portfolio reporting and analysis	Static reports generated manually and often infrequently.	Dynamic dashboards, automated reporting, and customizable analytics.
Transaction and sale preparation	Manual gathering of documents, in-person negotiations, and limited market reach.	Digital export of catalogs, online auctions, and global outreach via integrated platforms.
Conservation and condition monitoring	Periodic physical inspections and handwritten notes.	Digital tracking of condition reports, automated alerts for risks (e.g., humidity and light exposure).
Legacy and succession planning	Physical inventories and family meetings; limited transparency for heirs.	Digital archives with multimedia storytelling, access controls, and succession planning modules.

The modern digital approach is efficient and secure, empowering clients' real-time control. It supports proactive preservation, asset growth, and optimal sales timing, creating a personalized, future-ready experience that builds trust and protects financial and emotional value.

Family offices as wealth innovation pioneers: Lead the charge or risk being left behind

Passion assets—once fringe—are moving mainstream.

Over 90% of ultra-high-net-worth individuals (UHNWIs) surveyed for the Capgemini Research Institute's *World Report Series 2024* report invest in passion assets such as art, coins, and collectibles, and no longer view it as a hobby. On average, more than 50% of them track the potential return on these investments.[143]

Why? Because emotion, identity, and tangibility matter more than ever. The landscape of UHNW wealth is being redrawn, demanding a new breed of agility and vision.

Family offices that cling to outdated methods risk fading into irrelevance, while those that boldly embrace digital transformation are poised to redefine what excellence means in wealth stewardship.

By using advanced tools and data-driven strategies, modern family offices protect and grow their clients' legacies, improve the overall client experience, and position themselves as leaders in a fast-changing world.[144]

In this era, the true leaders will be those who don't just adapt to the future, but actively shape it.

PART **02**

Art and estate planning

From custodians of capital to curators of legacy

As art becomes a significant part of personal wealth, its role in estate and succession planning has gained critical importance. HNW collectors are increasingly looking for structured services to ensure the seamless transfer, legal protection and long-term stewardship of their art collections.

This part explores how wealth managers can address the specific needs of collectors and their heirs through tailored estate planning solutions, supported by legal, valuation, insurance and advisory services.

Untitled
Marta Djourina, 2017,
filtergram on analogue photo paper, unique,
100 x 76 cm

Italy's new VAT regime for works of art

Italy has seized the opportunity to reform its VAT system for art, aiming to boost its competitiveness in the global art market.

Until very recently, art transactions in Italy faced high VAT rates. Imports and sales by artists or their heirs were taxed at a reduced rate of 10%, while all other transactions were subject to the standard 22% rate. Even with a special "margin scheme" for dealers, Italy's high VAT rates put it at a disadvantage compared to other EU countries like Germany (7%) and France (5.5%).

These unfavorable rates drove international collectors to import artworks through other countries, such as the UK before Brexit and France after, making the local market less competitive. This led to widespread pleas for reform from various sectors of the art market.

Seizing an opportunity presented by an EU Directive, Italy adopted a new domestic law (Decree-Law no. 95/2025) that introduced a 5% reduced VAT rate on nearly all imports and supplies of artworks, effective 1 July 2025.

This new regime has transformed the market. The 5% rate now applies to all transactions, both local and international, and is an alternative to the older margin scheme. This means if the reduced rate is applied at any point in a transaction, the margin scheme cannot apply, and vice versa.

With this new set of rules, Italy has positioned itself as a more competitive player in the international art market. It remains to be seen if the expected increase in turnover will be enough to offset the lower tax revenue.

(thank you to Davide Bleve and Giulio Bertora from Deloitte Italy)

New VAT rate for works of art, collectors' items and antiques in Greece
The import of works of art, collectors' items and antiques as well as the supply of works of art by the artist himself or his successors for the first time will be subject to the super reduced VAT rate of 6% (from 13% that was applicable until now). The reduced rate will not be applicable for supplies of works of art subject to the special margin scheme, whereas the taxable reseller cannot opt to apply the margin scheme when the works of art, collector's items and antiques have been supplied to him or imported by him with a reduced VAT rate.[123]

INDUSTRY **INSIGHTS**

Lifetime planning for art assets in the US estate plan

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Art is often called a passion asset. While collectors may indeed be passionate about their art collection, it is also a store of monetary value, and sometimes a significant part of their total net worth.

In the US, taxpayers whose taxable estates (essentially their net balance sheet on the date of their death) exceed the lifetime exemption[145] amount of US$13.99 million, in 2025[146] increasing to US$15 million in 2026[147] will be subject to federal estate tax of 40%[148]. This significant tax burden motivates many taxpayers to engage in proactive estate tax planning.

Ultimately, a US-based taxpayer has four primary options for their art collection during their lifetime:

1) **Gift it;**
2) **Sell it;**
3) **Donate it; or**
4) **Take no action, allowing the art to be handled by their estate after death.**

This article reviews the tax considerations for each of these options as they relate to lifetime planning for a US-based art collector.

1. Gift it

Proactively gifting art assets to family members or trusts can be effective estate planning to transfer valuable assets outside of the estate and move future appreciation to a younger generation or trust. Gifts above the annual exclusion amount[149] (US$19,000 in 2025) will use a portion of the donor's lifetime gift tax exemption, which aligns with the estate tax exemption amount.

Because individual tastes differ, donors should discuss their plans to gift art assets with the intended recipients, ensuring they are interested in the art and have the means and ability to care for it. Additional trust planning is outside of this article's scope, but it may be of interest for further discussion with tax and legal counsel.

Notably, art assets are unique compared to other financial assets in several ways:

- Art can be hard to value.[150]
- Art is typically not income-producing.
- Art collections have ongoing expenses for insurance, preservation, storage, security, etc.
- Other assets may have higher expected appreciation potential; estate planners generally recommend transferring assets with high appreciation potential to "make the most" of the limited lifetime exemption amount.
- Other assets may attract larger valuation discounts[151] on the fair market value for gift purposes.
- The aesthetic value of art is subjective, and individual tastes differ.

Because of these unique factors, estate planning advisors may recommend gifting other assets of equal value, such as closely held business interests and marketable securities, before using art assets. Additionally, many estate planning advisors may not be experienced in working with art and collectible assets, which can lead them to favor other, more familiar assets for gifting.

Yet for some taxpayers, gifting art assets is a strategic choice. For example, a collector with a taxable estate who needs to retain their income-producing assets, such as for cashflow and lifestyle purposes, may choose to gift art during their lifetime to use a portion of their lifetime exemption.

The potential for the lifetime exemption to "sunset" to its pre-2017 level under the Tax Cuts and Jobs Act (TCJA) was a frequent concern. However, in July 2025, the bill commonly referred to as the One Big Beautiful Bill Act (OBBBA) was signed into law by President Trump.[152] This legislation increased the lifetime exemption to US$15 million (plus inflation adjustments) beginning in 2026.

One additional consideration for collectors planning to gift their art is that they will need to relinquish the retained use and enjoyment of the artwork to avoid the risk of estate inclusion.[153]

Collectors and planners should also keep in mind that the gift recipient will receive a carry-over tax basis.[154] If the art was acquired with a low tax basis, the donee will receive an asset with a built-in tax gain, which would be realized upon a subsequent sale.

2. Sell it

So far, we have assumed that the collector's goal is to transfer the collection to their family either during lifetime or at death. However, we have not considered whether the family is interested in the art itself or simply its monetary value.

If the next generation is not interested in or able to maintain the collection, a collector may consider selling some or all of the art during their lifetime.

There are many benefits to a lifetime sale, including:

- The collector is likely the most knowledgeable person in the family to manage the art sale to enhance value.
- The collector can ensure all pieces are accounted for.
- The collector may enjoy the experience of bringing the art for sale and realizing the value of their collection.
- The collector can choose a buyer who will maintain the collection's integrity.
- Converting the illiquid art to cash proceeds locks in the fair market value, providing greater financial flexibility for other planning.
- A sale eliminates the need for post-mortem appraisals, potentially reducing audit exposure and accelerating the estate administration timeline.
- A sale can prevent disputes among heirs if the estate plan is unclear on how to administer the art assets.

Of course, there are also drawbacks:

- If the art is appreciated, the gain on sale is subject to income tax.
- The taxpayer will forego a tax-basis step-up that would occur for assets held at death.

The sale of collectible art assets held for more than one year is subject to a special long-term capital gain rate of 28%[155], higher than the standard 20%[156] rate for other long-term capital assets. Additionally, the sale of collectible assets is typically subject to net investment income tax, and could also be subject to state income tax. This can result in a substantial tax bill for highly appreciated property.

The US estate tax provides for a "step-up" in basis to fair market value for assets includable in the gross estate at death.[157] The step-up allows the executor of the estate to subsequently sell the assets, without income tax gain on the sale for any pre-death appreciation or transfer the art to the heirs of the estate with a reset basis on their inherited assets.

However, the assets must be includable in the gross estate. This step-up is not available for assets held in a trust outside the gross estate or previously gifted to other family members.

Similar to selling other appreciated assets, collectors may consider planning strategies to mitigate the tax gain on the sale, such as tax loss harvesting and increased charitable gifting.

3. Donate it

Many collectors intend to leave some or all of their collection or estate to charity. For highly charitable taxpayers, it is often tax-efficient to increase or enhance lifetime giving. By making these charitable gifts during their lifetime, taxpayers can front-load contributions that would otherwise be made through their estate, thereby reducing their annual income tax burden with charitable deductions, leaving more assets available in their estate to pass to charity.

Taxpayers who make lifetime transfers of artwork may be entitled to an income tax charitable deduction,[158] subject to Adjusted Gross Income (AGI) limitations.[159] Additionally, OBBBA introduced several notable changes to the charitable deduction rules, including imposing a reduction equal to 0.5% of an individual's contribution base and a potential overall limitation to itemized deductions.[160]

Donors should model the income tax benefits of any large gifts to reduce the impact of these limitations. The Internal Revenue Service (IRS) requires proper valuation and documentation to substantiate an income tax charitable contribution.

For in-kind gifts of art assets to museums, it is crucial for donors to have early discussions with the institution. These conversations ensure the museum is interested in the piece and allow donors to discuss any required supporting donations for its care. Without this, a museum may accept the art but then store it out of public view or even sell it to raise funds. By having these pre-gift talks, collectors can negotiate acceptable terms for the donation.

While it is possible to lend art to a museum, a loan does not qualify for a charitable deduction. Some collectors opt to fund their own private operating foundation museum, an approach with significant overhead and management costs. However, it can be especially rewarding to see the public engage with the collection.

4. Take no action (during lifetime)

Last, but not least, a collector can simply choose to hold onto the collection during their lifetime. Many collectors build their collections for personal enjoyment and intend to enjoy the art for the rest of their days.

However, "take no action" does not mean that no planning is required. Collectors should proactively review their estate planning documents (will and revocable living trust) with their tax and legal advisors to ensure their wishes for the collection's disposal are addressed. Some collectors may choose to appoint a special executor or art advisor to manage the handling, sale or distribution of the art collection.

Some collectors may be open to proactively transferring some or all of their collection, but may end up in the "take no action" camp because their advisors are unaware of the collection's existence or relative value.

Ultimately, there is a wide array of options for planning with collectible art assets during a collector's lifetime. It is essential to intentionally make the art collection a part of the estate planning discussion.

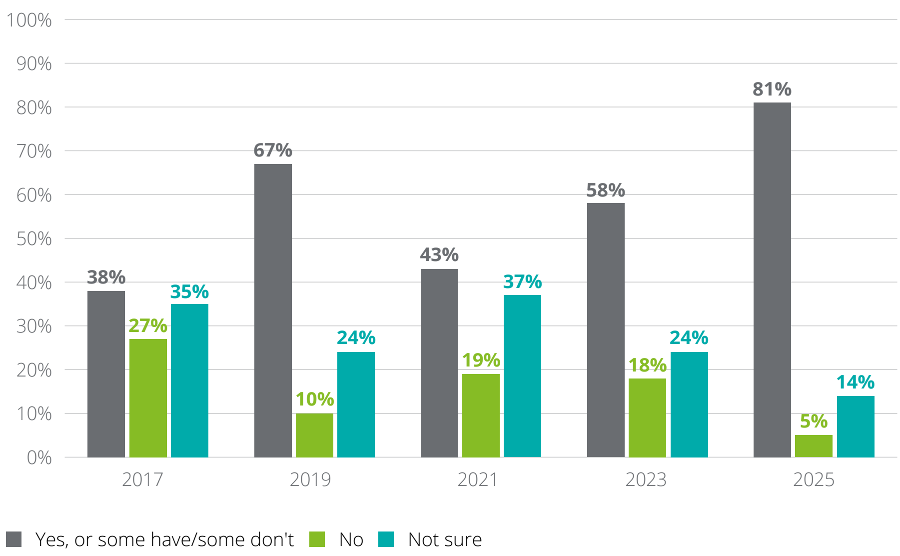
Untitled
Marta Djourina, 2017,
filtergram on analogue photo paper, unique, 100 x 76 cm

A

Survey findings 2025: Wealth management insights

Wealth manager survey: Estate planning

Figure 102: Wealth managers: Do your clients' estate plans sufficiently address their art collection?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Estate planning is finally catching up with the art market

One of the clearest signals of progress in art wealth management is the growing integration of art collections into formal estate planning.

In 2025, a significant 81% of wealth managers reported that their clients' estate plans either fully or partially addressed their art assets—a dramatic rise from just 38% in 2017 and a notable jump from 58% in 2023. This reflects how formal estate planning practices are finally aligning with art's increasing financial and emotional significance in client portfolios.

The number of clients with no art coverage in their estate plans also dropped sharply. In 2017, 27% of wealth managers said art was not addressed at all, but by 2025, that number had plummeted to just 5%.

The percentage of wealth managers unsure about art's inclusion in their clients' estate plans also fell from 35% in 2017 to 14% in 2025. This suggests that wealth professionals are becoming more knowledgeable and proactive in managing non-financial assets like art in the estate planning process.

This positive trend is driven by several factors, including:

- Stronger client demand for integrated legacy planning;
- Improved access to valuation and legal expertise;
- Greater influence from more financially-savvy next-gen collectors; and
- A rise in digital tools that improve asset visibility.

Wealth managers are now taking on a more proactive role, transitioning from gatekeepers to curators of legacy who help clients structure and secure their collections for future generations.

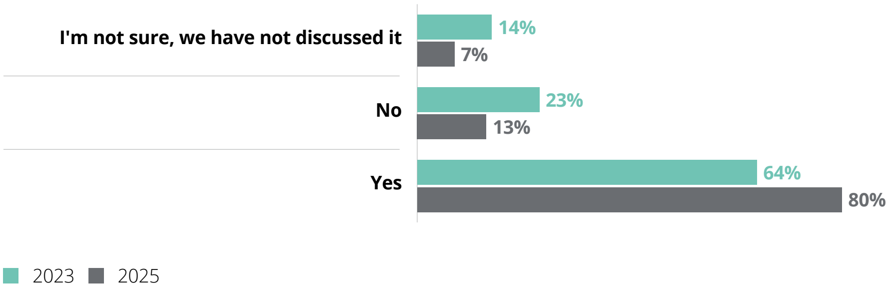
B

Survey findings 2025: Family offices insights

Family office survey: Estate planning

Figure 103: Family offices: Do your clients' estate plans sufficiently address their art collection?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Family offices: Growing preparedness in estate planning for art collections

Family offices are making significant strides in including art collections within broader estate planning strategies. In 2025, 80% of family offices confirmed that their clients' estate plans sufficiently covered their art assets, a notable rise from just 64% in 2023.

The improvement is also reflected in the decrease in negative responses. Family offices reporting that art was not sufficiently covered dropped from 23% in 2023 to 13% in 2025, while those who were unsure halved from 14% to 7% in the same period. This suggests better communication with clients and greater professional awareness regarding the role of art in estate planning.

This trend reflects a broader recognition of art's financial, cultural and emotional value. As collections become more complex and generational transitions loom, family offices are taking more deliberate steps to ensure that governance, valuation and protection strategies are in place.

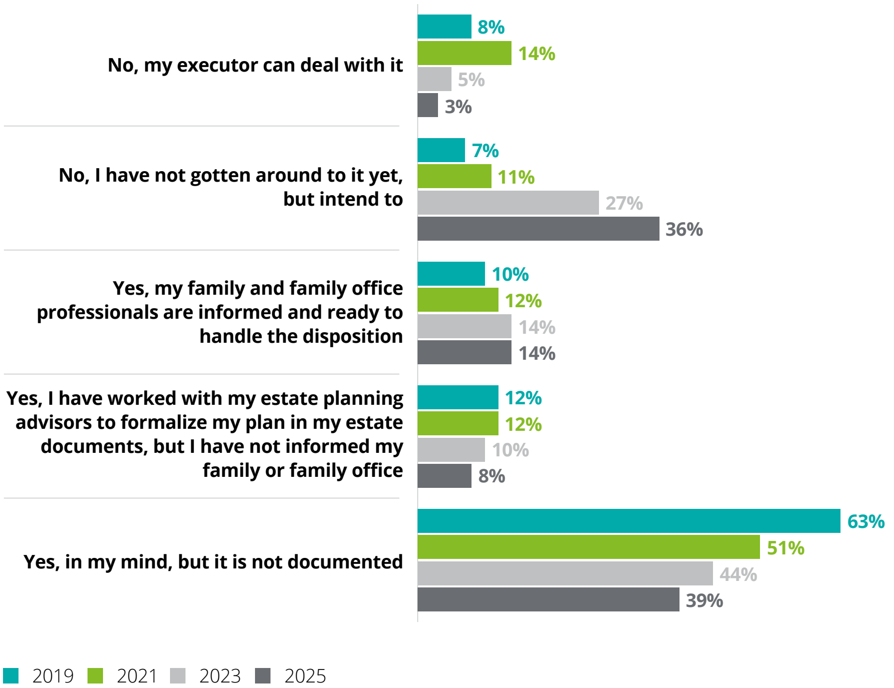
Coupled with the improvement in collection documentation and inventory practices, these findings point to a growing alignment between estate planning and operational control. Family offices are not only more likely to address art in legal structures but are also taking tangible steps to track, protect and document these assets.

This integrated approach is especially important in the context of the great wealth transfer, as art continues to serve as an emotional anchor within family legacies and as a meaningful financial asset requiring structured oversight.

c Survey findings 2025: Collector and art professional insights

Collector survey: Estate planning

Figure 104: Collectors: Do you have a long-term plan for your collection?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Collectors recognize the need for long-term planning, but action lags behind

Despite growing awareness of the importance of succession planning, collectors are still slow to formalize their intentions for their art collections. While some progress has been made, a continued planning gap remains—which wealth managers are **uniquely** positioned to help close.

In 2025, 39% of collectors reported having a long-term plan for their collection, but only in their mind. Although this marks a decrease from 44% in 2023 and 63% in 2019, it remains the most common response, highlighting a widespread reluctance or delay in taking formal action.

At the same time, the number of collectors who have not yet created a plan but intend to surged from just 7% in 2019 to 36% in 2025. This significant jump uncovers a mindset shift: collectors are now aware of the need for planning but have not yet acted on it. This presents a crucial window of opportunity for wealth managers to step in and guide clients through the process.

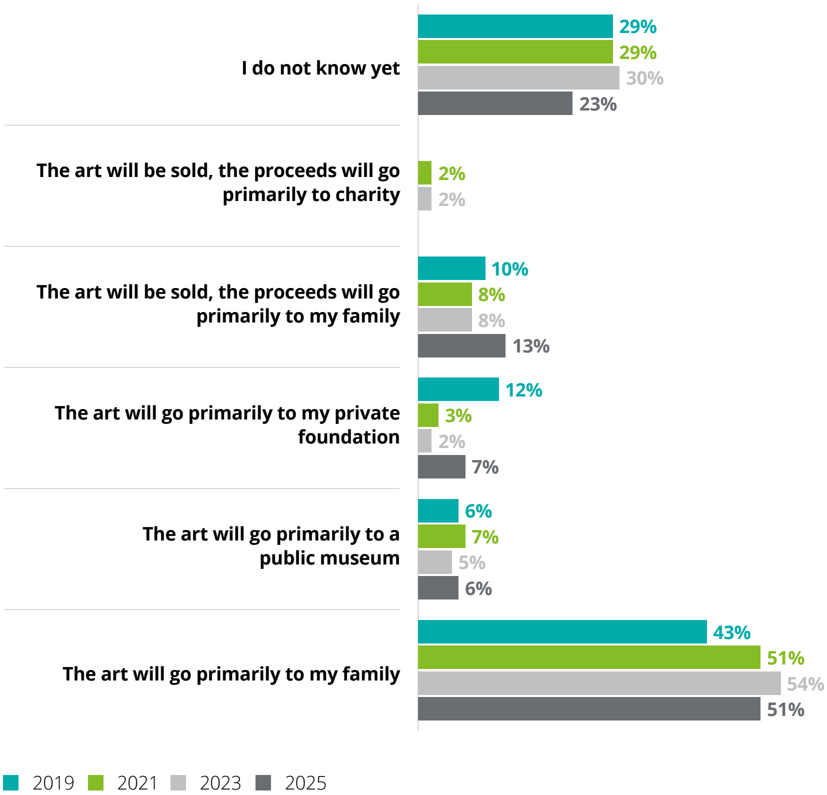
Only a small minority of collectors have taken comprehensive steps. Just 14% reported having a formal plan in place that has been communicated to their family members or family office professionals, a modest increase from 10% in 2019.

Meanwhile, the number of collectors who had formalized a plan with advisors but had not informed their family dropped to 8% from 10% in 2023.

Encouragingly, reliance on passive delegation has declined. In 2025, only **3%** of collectors said they are leaving it to their executor to deal with their collection, down from **14% in 2021**. This suggests a growing understanding that art requires more than basic inclusion in a will; it demands clear strategy, communication and preparation to ensure proper stewardship.

Figure 105: Collectors: What type of arrangements have you made in your estate plan for your art collection?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Art collections stay in the family, but the next-gen may also inherit headaches

In 2025, more than half of collectors (51%) reported they plan to pass their art collections primarily to their families, a preference that has grown from 43% in 2019. This confirms that for many, art is a profoundly personal legacy and not just an asset.

However, this choice has profound implications for the next generation. Heirs often inherit more than just cultural or emotional heirlooms; they also take on complex financial and logistical responsibilities. Managing, insuring, valuing, maintaining and potentially selling inherited artworks requires a level of readiness and sophistication that many heirs may not yet possess. Without proper planning and guidance, this well-intentioned transfer can quickly become overwhelming or contentious.

Liquidity gaining appeal: At the same time, a growing number of collectors are choosing to sell their collections and pass the proceeds to their family (13% in 2025, up from 8% in 2023). This pragmatic shift may reflect the understanding that not all heirs have the desire, knowledge or capacity to manage a complex art collection. Selling the works can simplify estate administration and ensure a fair distribution of value, while still honoring the collector's legacy.

Private foundations re-emerging as a legacy tool: Another notable shift is the renewed interest in private foundations. After dropping to a low of 2% in 2023, the number of collectors planning to transfer their collections to a private foundation rebounded to 7% in 2025. This suggests that some collectors, possibly driven by philanthropic aspirations or next-gen involvement, are beginning to view foundations as a means to preserve their legacy with greater structure and public impact.

Philanthropy and museums remain rare destinations: Despite increased dialogue about cultural philanthropy, the number of collectors donating to public museums remained low, holding steady at a modest 6% in 2025. This stagnant trend highlights a critical need for museums and cultural institutions to actively engage with private collectors, especially amid sector-wide funding challenges.

Strengthening dialogue between the private and non-profit sectors is essential to encourage art donations, positioning museums not only as guardians of cultural legacy, but also as strategic partners in wealth planning. This approach can ease the new generation's burden by offering a sustainable solution for long-term stewardship of significant collections.

The underuse of philanthropic pathways may stem from a lack of awareness about tax advantages, concerns over curation practices, or emotional resistance to parting with significant works. For advisors, this is an opportunity to educate clients and their heirs about structured giving options that align legacy, values and financial strategy. We explore philanthropy in the cultural sector in more detail in Section 4.

Uncertainty declines, but a quarter remain undecided: An encouraging trend is the fall in the share of collectors who were unsure about their collection's future, from 30% in 2023 to just 23% in 2025. While this shows improvement, the fact that nearly a quarter of collectors remain undecided is a significant concern, especially for those nearing key wealth transfer windows.

Private Institutions with public impact

As the case study of the Barbier-Mueller Museum Foundation (page 260) shows, successfully managing a private museum or foundation requires more than a well-articulated value proposition and subject-matter expertise. It also demands a sustainable funding model, strategic partnerships, a commitment to community engagement, adaptive governance, and ongoing evaluations to remain relevant in a shifting cultural landscape.

To help with this, Deloitte France's Real Estate Advisory (page 264) has created a practical roadmap for developing cultural projects for both families and advisors. This framework encourages a deliberate process, covering four key stages:

1. The essence: understanding the purpose behind a cultural framework;
2. The framework: involving strategic planning;
3. Execution: bringing the vision to life; and
4. Effective coordination: across legal, financial and operational dimensions.

These insights show that foundations do not just preserve art but also activate it, transforming private collections into platforms for education, dialogue and legacy. For wealth managers and advisors, helping clients navigate this path is not only a strategic advisory opportunity but also a powerful tool to deepen multigenerational relationships.

What does this mean for next-gen collectors, many of whom will soon assume control of these collections?

Collectors clearly want to keep art within their family, but intention alone is not enough. Without formal planning, education and communication, a cherished legacy can quickly become a source of conflict or a burden for heirs.

As a result, the role of wealth managers is shifting. It is no longer just about conserving art; it is about preserving harmony, preparing successors, and translating legacy into meaningful continuity.

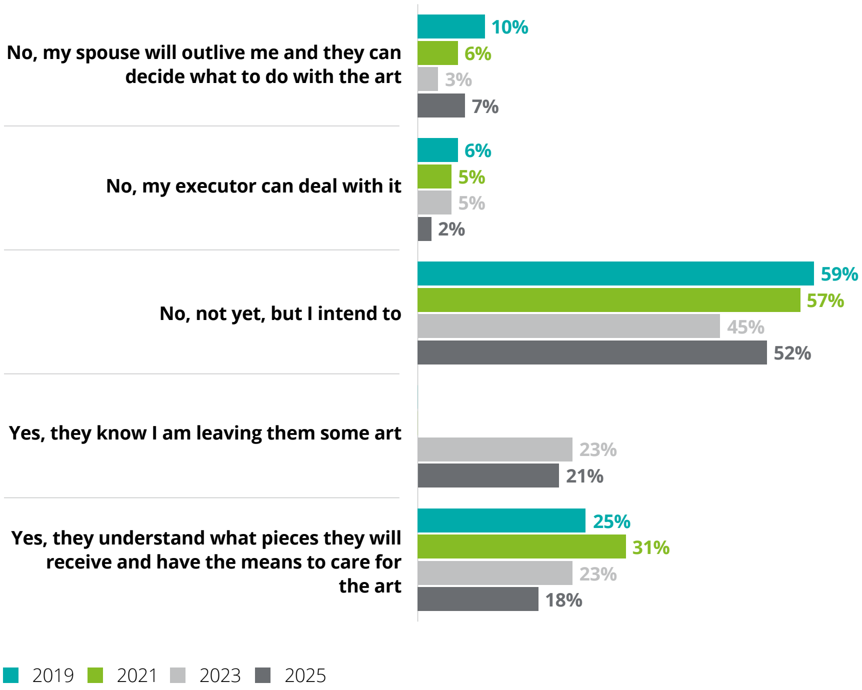
Silence at the point of succession—most heirs are still in the dark: In 2025, the vast majority (61%) of collectors planning to pass down their art collections had not had a meaningful discussion with their heirs. Despite growing awareness of the importance of estate planning, this finding shows a persistent reluctance to have direct conversations about inheritance, especially when it comes to art.

Only a small minority of heirs are truly prepared: Just 18% of collectors in 2025 had detailed conversations with their heirs, ensuring they understood which pieces they would inherit and had the means to care for them. This number has declined steadily from 31% in 2021 and 25% in 2019. Another 21% of collectors said their heirs knew they would receive some art but had not discussed the specifics. Combined, this means fewer than 40% of heirs are even aware they will inherit art, let alone prepared to manage it.

Intentions exist, but action is delayed: In 2025, 52% of collectors said they intend to have a conversation about succession, a slight rebound from 45% in 2023. This indicates ongoing discomfort or delay regarding family discussions about art succession, even among those with good intentions. Collectors may hesitate due to the conversation's emotional nature,

Figure 106: Collectors: If you intend to leave some or all of your collection to your heirs, have you discussed it with them?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



complex family dynamics, or uncertainty about how to communicate the collection's value and responsibility. Yet without action, the collection's future remains precarious.

Delegating to others is less common, but the practice persists

The number of collectors deferring to an executor dropped from 6% in 2019 to 2% in 2025. Similarly, 7% said their spouse would outlive them and could decide what to do with the art, a slight increase from 3% in 2023. The notable share of collectors deferring these decisions can place complex art-related responsibilities on individuals who may be unprepared or ill-equipped to handle them.

This gap suggests that many art collections are passed down without the next generation's knowledge or preparation. The risks are substantial—mishandled pieces, disputes, fire sales and loss of provenance—which can quickly undermine the legacy the collector hoped to protect.

To mitigate these risks, clear family governance structures specifically for art collections must be established. This includes defining roles, responsibilities and decision-making protocols for how art is maintained, exhibited, insured, sold or donated. Such governance ensures continuity and preserves both the financial and emotional value of collections across generations.

Estate planning is only partially effective if heirs are not included in the process. While formal documentation, valuation and legal structuring are essential, open dialogue is the missing link that transforms legacy from a static transfer into a dynamic continuation of meaning and stewardship.

For wealth managers, this represents a vital role and opportunity to initiate these conversations, prepare both generations, and ensure that inheriting art is not just a transaction but a transition of knowledge, intention and identity.

INDUSTRY **INSIGHTS**

Interview with Zoé Barbier-Mueller,

board member of the Barbier-Mueller Museum Foundation

Zoé Barbier-Mueller
Board Member of the Barbier-Mueller Museum Foundation

Interviewed by

Paul de Blasi
Deloitte Legal and Private Leader for West Switzerland

What is the history behind the Barbier-Mueller Museum and its collections?
The origins of the family collection trace back to my great grandfather, Josef Müller (1887–1977), an art lover with a keen eye and pioneering taste. He notably assembled a vast collection of traditional African objects. Josef belonged to a minority who appreciated these artifacts as art and set them in dialogue with the works of modern artists like Wassily Kandinsky, Pablo Picasso, Fernand Léger, and Ferdinand Hodler in his home in Solothurn, Switzerland.

My grandparents, Monique and Jean Paul Barbier-Mueller, expanded the collection to include further typologies and geographies, creating the most significant, privately held ensemble of objects from Africa, Asia, Oceania, pre-Columbian America, as well as various ancient civilizations. In 1977, they founded the museum in a historic building in Geneva's old town, to promote traditional arts in Switzerland and beyond, with traveling exhibitions and regular loans to institutions worldwide.

In parallel, they also established satellites in Cape Town (The Gold of Africa - Barbier-Mueller Museum) and Barcelona (Museu Barbier-Mueller d'Art Precolombí), which welcomed visitors for 10 and 15 years, respectively.

Today, the museum's activities are overseen by the family's second and third generations, including myself. It is with humility and a profound sense of responsibility that we pursue the work of our predecessors and seek to honor their passion.

Josef Müller in his storeroom in Solothurn in the 1970s.
©abm - archives Barbier-Mueller

Josef Müller's Solothurn home, circa 1970.
©abm - archives Barbier-Mueller

"I hope that no human being, no religion, no culture, however small, will disappear without leaving a clear trace behind."

Jean Paul Barbier-Mueller

What is the museum's mission and vision?
The museum highlights the beauty and diversity of the world's arts through temporary exhibitions fostering dialogues across epochs and cultures. The program also includes regular conferences, talks, workshops and books that cater to a wide range of audiences. Special attention is given to the younger public, as we believe it is crucial to stimulate the curiosity and cultural awareness of the next generation.

How do you see the role of private museums in today's art world?
Private museums play a vital role in the cultural landscape, primarily due to their distinctive profiles. Compared to public institutions, they enjoy greater freedom in their operations and curatorial choices, allowing them to craft offers that may not necessarily find a space within other frameworks.

What challenges did you face in the museum's early days?
Carving out a space in a highly specialized field required dedication and a strong vision. My grandparents invested immense efforts to establish the museum on the international scene, where it can be more challenging for smaller or nontraditional actors to make an impact. As the museum was entirely self-funded at first, they also had to be especially resourceful to uphold their activities, without ever compromising on quality.

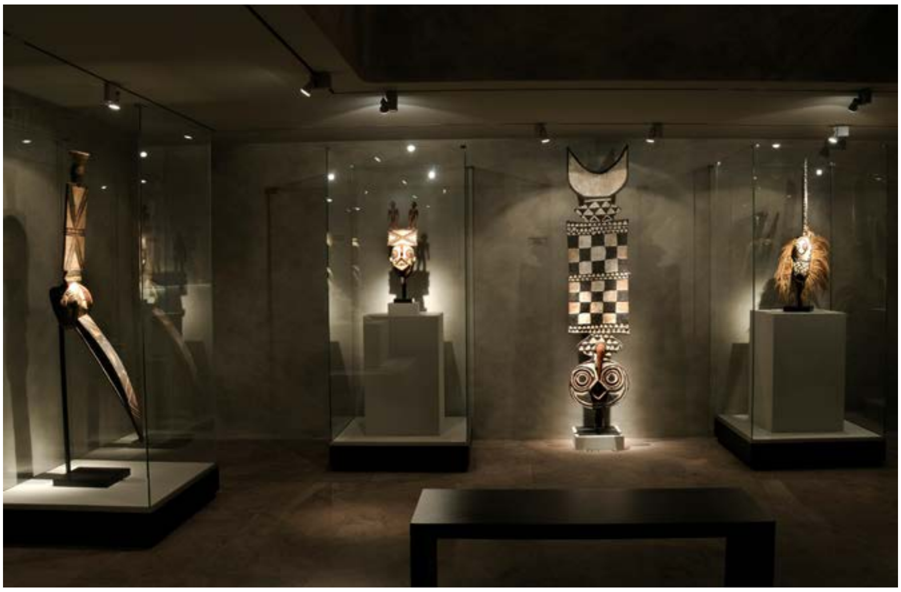
How do you ensure the museum remains relevant?
By continuously re-evaluating our positioning and thinking about how we can deliver fresh perspectives on the objects we conserve. In this sense, a key development was the introduction of dialogues with contemporary artists, upon the initiative of my grandmother, Monique.

In 2019, she presented the work of the acclaimed Malian photographer Malick Sidibé (1936–2016), a dear friend of hers, at the museum, alongside select pieces from the family collection. The exhibition was a resounding success and marked a new chapter in the history of our institution; Steve McCurry, Silvia Bächli, and Miquel Barceló are some of the artists we came to collaborate with over the years.

Today, we actively cultivate this aspect of our program, while making sure to preserve the museum's unique identity.

Jean Paul and Monique Barbier-Mueller in the entrance of the Barbier-Mueller Museum in 1999.

©abm - archives Barbier-Mueller



Installation view of an exhibition in honor of the arts of Burkina Faso at the Barbier-Mueller Museum in 2010.

©abm - archives Barbier-Mueller

How do you measure the social impact of the museum?

In essence, the museum presents a program of exhibitions, publications, and special events, designed to offer up moments of aesthetic and intellectual elevation around a broad range of specialized topics.

By extending perspectives beyond Western-centric narratives, I also like to think it enriches the broader cultural discourse and contributes to a more inclusive understanding of the world's heritage.

In parallel, the Fondation Culturelle Musée Barbier-Mueller, led by our former director of several decades, Laurence Mattet, supports research into little-known or forgotten cultures and peoples, by funding anthropological missions, as well as related publications and conferences.

Can you share any memorable moments from the museum's history?

Without a doubt, the exhibition marking the museum's 40th anniversary in 2017 stands out as a highlight. For the occasion, we rallied 22 institutions of various profiles across Switzerland and France, who presented our objects within their walls—a remarkable moment of collaboration. It's amazing to think we will be celebrating the 50th anniversary in two years. Needless to say, preparations are already in the works.

Looking further back, another milestone was in 2009, when my grandparents sent a selection of African and Oceanian objects across the Atlantic to be shown at the Metropolitan Museum of Art in New York. This bold step further affirmed the collection's significance on the international stage.

Installation view of the *Under Malik Sidibé's Eye: Arts of Mali* exhibition at the Barbier-Mueller Museum in 2019.

©abm - archives Barbier-Mueller

What legacy do you hope your museum leaves behind?

Since its inception, the museum has played an essential role in the promotion and study of traditional arts worldwide, setting an emphasis on their universality. My family and I strive to expand on this legacy by unearthing the untold stories and conversations still embedded in the objects that are now in our care.

Installation view of the *Steve McCurry: Wabi-sabi* exhibition at the Barbier-Mueller Museum in 2020.

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Some key takeaways to successfully manage a private museum:

- Articulate a distinct and compelling value proposition;
- Establish expertise in your field;
- Develop a sustainable funding model;
- Leverage strategic partnerships;
- Invest in community engagement;
- Regularly reassess strategy and performance; and
- Stay responsive to cultural and institutional shifts.

INDUSTRY **INSIGHTS**

The intersection of art and architecture: A tale of cultural innovation

Neil Hammouni
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Introduction

Art and architecture have always been closely linked, inspiring creativity and expression throughout history. Philosophers like Hegel view architecture as the primary art form, while Schopenhauer celebrated it as the quintessential expression of spatial artistry.

In our fast-paced digital world, the demand for authentic experiences and welcoming spaces has grown, making physical environments more valuable than ever.

By uniting art and architecture—both unique masterpieces and financial assets—museums and art foundations play a vital role as cultural infrastructures, safeguarding and sharing both tangible and intangible heritage.

Rising markets and the importance of private contributions

In an April 2021 report, UNESCO estimated the number of museums worldwide at around 140,000.[161] Although this may not include all private initiatives, it highlights the distribution of cultural infrastructure around the globe.

According to the report, the vast majority (61%) of the world's museums are in Western Europe and North America, followed by Asia-Pacific at 18%, Eastern Europe at 11%, and Latin America and the Caribbean at 8%. In stark contrast, Africa and the Middle East respectively represent a mere 1% of the world's museums.[162]

Emerging markets in the Middle East, Central Asia and Africa face unique challenges stemming from infrastructure gaps. Within this landscape, countries like Uzbekistan, Benin and the Kingdom of Saudi Arabia distinguish themselves by actively developing their cultural sectors and fostering creative economies through significant public and private infrastructure investments.

At the same time, dynamic art markets, artwork repatriation, and a growing recognition of cultural soft power are boosting the demand for cultural facilities, creating new opportunities for private sector involvement. On a global scale, infrastructure is being adapted to accommodate new artistic media, evolving business models and sustainability requirements, while also addressing emerging risks, such as cyber threats, environmental issues and security challenges.

Ultra-high-net-worth individuals (UHNWIs), family offices, private banks and wealth managers face similar challenges and opportunities. Art collections can support the development of art infrastructure in their own countries and, in some cases, emerging markets.

Some art foundations, private collections and family museums leverage their passion for art to benefit society and support communities. When displayed in impressive locations, these collections attract visitors and add cultural and social value. Consequently, art's personal and financial value underscores the need for appropriate infrastructure to preserve and present these works in optimal conditions.

At Deloitte, we help clients solve key challenges in developing cultural projects and displaying collections, guiding them from idea to concept, program and project development, construction and operation. Our Capital Projects team—comprising architects, urban planners, engineers, environmental experts, and political science specialists in art infrastructure—works with global partners to tackle these issues every day.

This year, we want to share our roadmap for developing cultural projects worldwide and highlight the main questions to be addressed when creating these assets.

1. THE ESSENCE: Why create a cultural project?

Conceiving a cultural project starts with understanding the collector's goals, interests and vision, which shape the art space's purpose. Exploring these motivations and the existing art collection often reveals personal reasons behind the project.

This forms the basis for the **museography concept**, which we develop with our network of art specialists who assess the collection's value and coherence. Legacy buildings and cultural impact are often closely linked to personal fulfillment and celebration. It is also essential to clarify the project's **target audience** and **key message.**

2. THE FRAMEWORK: How should it proceed?

Architectural projects must **balance practical needs with creative design**, following **a clear plan and a solid business case**. At the heart of the process lies the development of a **high-level program**, which defines the space's overall vision, goals and uses.

Regarding art collections, this program must address specific requirements. These include the precise control of temperature, humidity, vibrations, lighting and acoustics, as well as ensuring accessibility and maintenance. Additionally, careful planning is required for acquiring, displaying and protecting artworks, which involves detailed contracts and insurance.

To succeed, it is crucial to fully harness the **chosen location's potential** and ensure the project is firmly **integrated into its urban and landscape** context.

For example, the Louisiana Museum of Modern Art, north of Copenhagen, perfectly exploits its coastal setting, blending galleries with the surrounding gardens and sea views (page 266). While the Fondation Maeght at Saint-Paul de Vence is designed to interact closely with the Mediterranean landscape, creating a seamless transition between art, architecture and nature.

Repurposing existing sites can also enhance a project's relevance and connection to its environment. The Giacometti Foundation, located in the former Aérogare des Invalides in Paris, and the Pinault Collection at the Punta della Dogana in Venice both transform landmark buildings, contributing to the urban fabric while preserving cultural heritage.

Similarly, the Benesse Art House and museums like the Chichû Art Museum on Naoshima Island in Japan (page 266) illustrate how **thoughtful site selection and integration** can transform remote or unique locations into vibrant cultural destinations, closely tied to their natural and social contexts.

3. THE EXECUTION: How should the vision be brought to life?

Achieving a cultural project requires **comprehensive planning and strategic organization**. This involves everything from conceptualization and program development—including technical, functional, security and safety considerations—to identifying suitable project locations and setting sustainability goals.

"Walking Men" by Alberto Giacometti at Louisiana Museum of Modern Art, Humlebæk, Denmark.

Photo by Esther Westerveld, CC BY 4.0, via Flickr

"Seen / Unseen, Known / Unknown" by Walter De Maria, Chichû Art Museum, Naoshima, Japan. Architect: Tadao Ando.

Photo by Victor Lu, via Unsplash

The **scenography** is crucial, and working with experts is often necessary to bring the **museography concept** to life using the proper space, timing and lighting. Achieving excellence in visitor experience, accessibility and operations extends beyond sustainability certifications, incorporating quality, IT and cybersecurity measures.

Effective **risk management**, alongside robust **governance structures** and **partnerships**, is essential for comprehensive project development. Enhancing **stakeholder and community engagement** strengthens governance frameworks, while **HR strategy** and **capacity building** underpin **operational readiness**.

It is also crucial to develop **legal statuses, procurement strategies, fiscal responsibilities** and **potential tax incentives** related to public interest projects, along with **exploring funding opportunities**.

We recommend addressing these questions before commencing the architectural design work. However, we are often invited to assist with ongoing projects, tackling these issues and collaborating with designers to enhance both the project's feasibility and future operational conditions.

The importance of effective coordination

Comprehensive, end-to-end guidance is essential throughout a project. This ongoing support should follow three key phases:

1. **Strategic definition:** this involves establishing objectives, identifying challenges and applying insights gained from previous experiences.
2. **Design and architectural conception:** this involves developing innovative and sustainable solutions, while integrating lessons learned and proactively addressing potential challenges.
3. **Practical implementation and construction:** this involves managing the complexities of construction, including art installation, which often requires specialized processes and meeting precise timelines.

Effective project management provides continuous oversight, ensuring control over budgets and schedules and mobilizing specialized expertise as needed.

Conclusion

HNWIs and public institutions rely on Deloitte for their most complex projects, trusting our reputation and ability to assemble exceptional teams for unique challenges globally.

Asking the right questions is essential, allowing us to identify tailored solutions and apply strategic thinking to new and ongoing issues in art and real estate.

As projects evolve, adaptability is key. The support of a trusted, experienced partner ensures the preservation and presentation of collections, turning cultural ambitions into inspiring, sustainable realities that honor art's enduring story. In this way, each project does more than simply preserve art's legacy; it plays an active role in nurturing local cultural ecosystems, creating new opportunities for communities, and fostering the emergence of sustainable creative markets.

PART **03**

Implications for wealth managers

Wealth managers have a clear opportunity to step in as proactive advisors to close the communication gap between older and younger generations. Their role can expand from documenting and planning to facilitating intergenerational family conversations, ensuring collections are transferred with intention and sustainability.

The growing client appetite for estate planning that incorporates art, coupled with the lack of communication between generations, presents a compelling case for new advisory services focused on art succession, education and stewardship planning.

Our 2025 findings clearly show that collectors increasingly view art as a strategic asset, one that requires the same professional rigor as financial portfolios. This is evident in the strong demand for services like research, advisory, valuation and risk management—especially for estate and succession planning. This shift has significant implications for wealth managers, affecting how they structure their services and how they engage with clients about their art assets.

A holistic model for art wealth management

To meet the evolving expectations of collectors, Arte Generali recommends a holistic model that blends trusted human expertise with digital innovation. This approach provides access to specialists in valuation, legal and logistics, all supported by technology for structured risk assessment and secure documentation management.

For wealth managers, this means either building these capabilities internally or partnering with expert providers to deliver this level of precision and care. (see page 236)

Historically, art was seen as a personal passion, often managed separately from formal wealth planning. Today, that divide is narrowing as collectors demand integrated services that treat art as integral to their estate. They recognize art not only for its aesthetic value but also as an asset with legal, financial and emotional significance—often tied to their family history, cultural identity, formative experiences and personal values.

Wealth managers are no longer expected to simply provide referrals or administrative support. They are now being called upon to serve as active, informed partners and trusted advisors in the stewardship and transition of these collections.

Increasingly, clients want a seamless and consolidated service experience—a one-stop shop that integrates all aspects of art management, from appraisals and insurance to curatorial advice and succession planning. Rather than navigating fragmented conversations with different specialists, clients value a coordinated service under one trusted umbrella.

Here are some suggestions of what wealth managers should consider:

Strategically position art within estate planning: Art should no longer be an afterthought in estate planning meetings. Instead, wealth managers must proactively raise the topic of art and collectible assets, discussing their clients' motivations and how the art is valued, insured, structured and will eventually be transferred. This includes integrating art in consolidated wealth reports, a preference of 59% of collectors in 2025. It also means discussing art-specific trusts, donations and legacy goals, and educating clients and heirs on succession options.

Build a network of independent, trusted experts: Given that 72% of collectors prioritized independent valuation and 63% reported low trust in market data in 2025, wealth managers need to collaborate with external valuation firms, insurers, legal advisors and researchers. By coordinating these services, wealth managers can ensure impartiality, enhance client confidence, and facilitate a seamless process.

Close gaps in risk management services: Despite rising collector demand (57% in 2025), the availability of risk management services declined among wealth managers (from 72% in 2023 to 67% in 2025). This signals a need to reinvest in risk oversight, from physical protection and loss mitigation to legal and financial exposure around art transfers.

Digitalize collection management: As 63% of collectors sought structured collection management in 2025, wealth managers should offer or integrate with platforms that provide digital cataloguing, provenance tracking and documentation. These tools are essential for supporting not only estate planning but also valuations, insurance and legal compliance.

Position art advisory as a long-term legacy service: With 60% of collectors valuing advisory services, wealth managers should elevate art advisory from occasional consultation to strategic planning. This means aligning collection goals with broader wealth strategies, such as philanthropy, institutional gifting, or creating family foundations, anchored in long-term legacy thinking.

Offer or facilitate legal structuring: With 52% of collectors seeking legal services, firms should either build in-house legal expertise or collaborate with specialists. This helps clients navigate succession complexities like international transfer laws, estate tax exposure, and generational ownership frameworks.

For wealth managers, this is more than a service upgrade; it is a brand and relationship opportunity. Art and collectible assets are deeply personal. Managing them well allows advisors to strengthen trust, retain intergenerational clients, and differentiate themselves in a competitive landscape.

By shifting from a passive to a proactive, expert-led approach to art wealth management, wealth managers can position themselves not just as custodians of capital, but also as curators of legacy—a role that clients increasingly expect and value.

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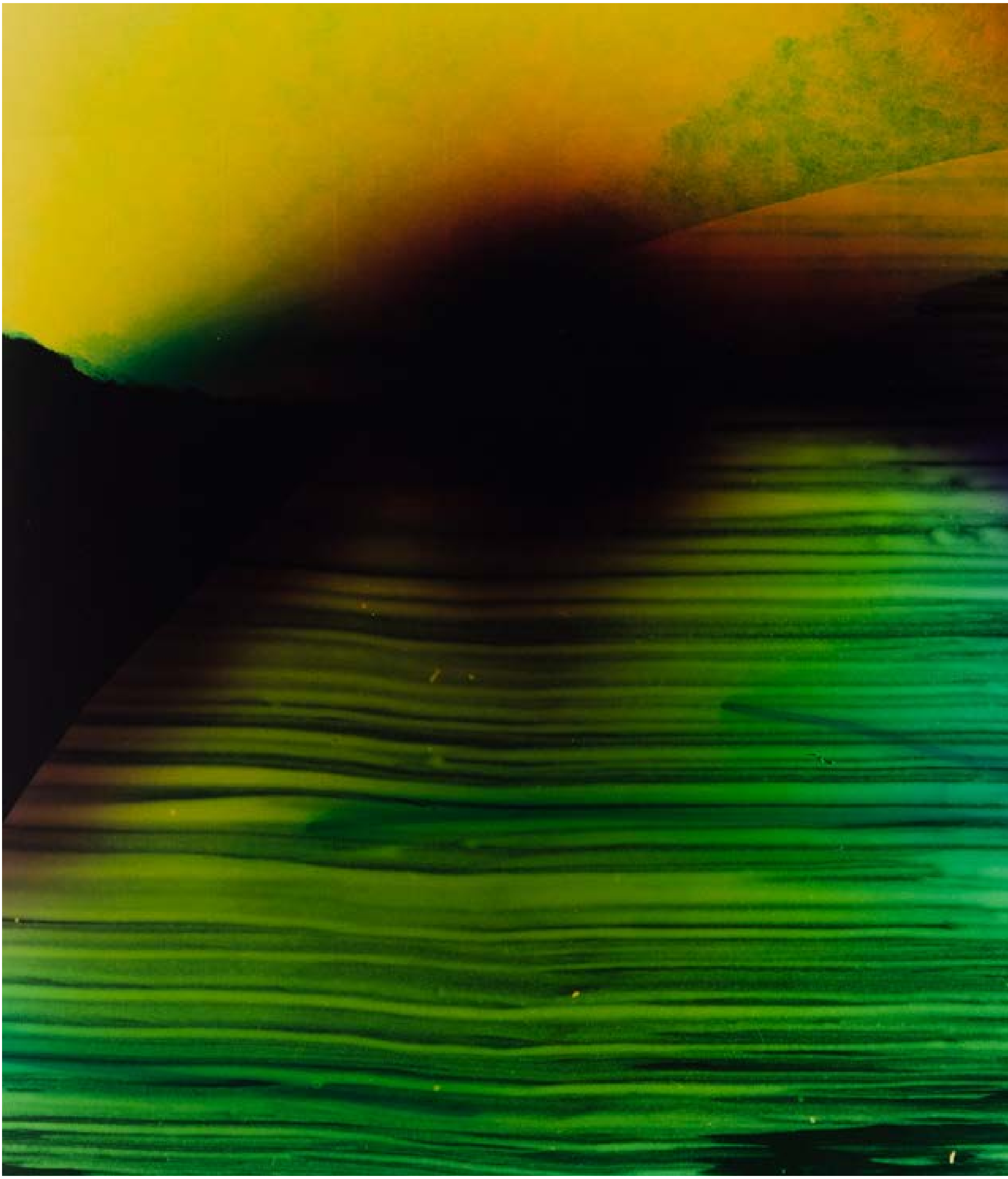
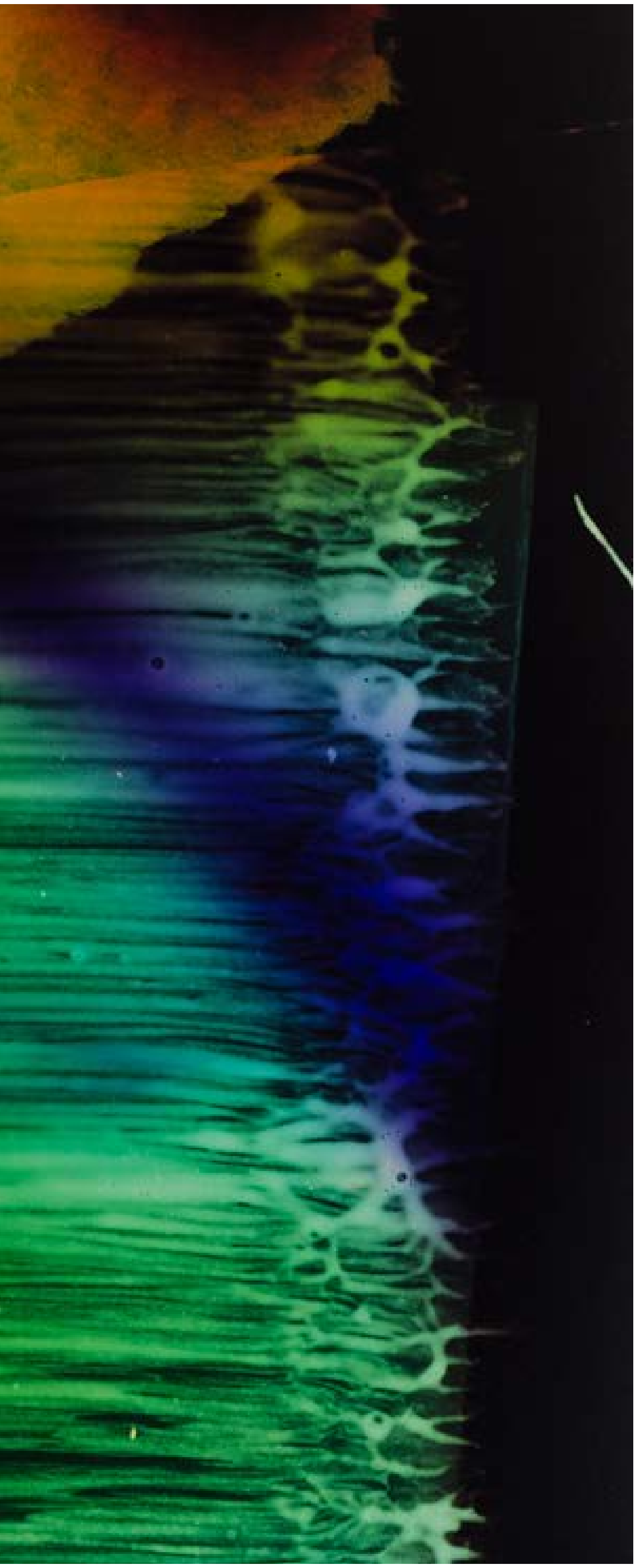
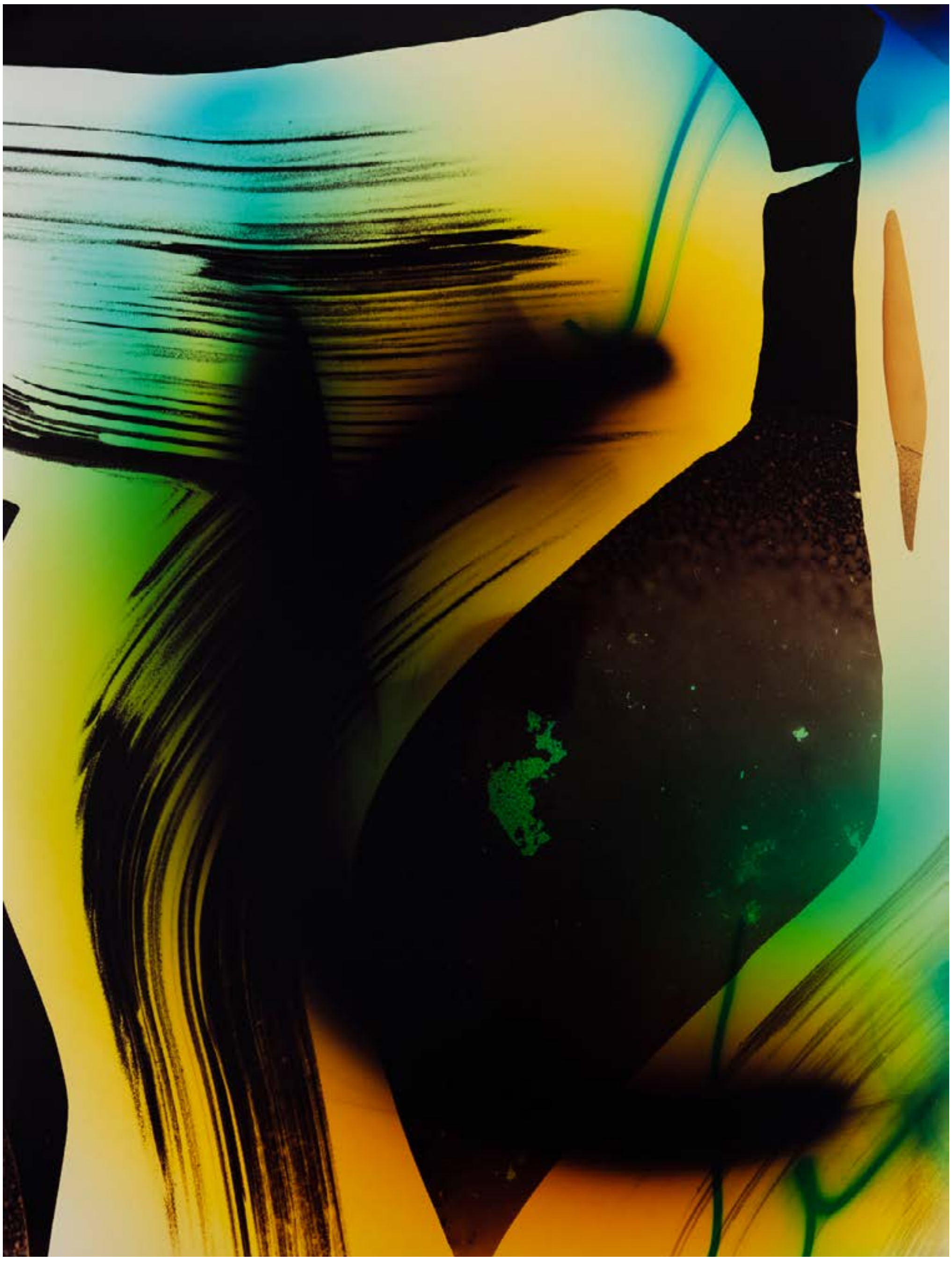
Untitled
Marta Djourina, 2017,
filtergram on analogue photo paper, unique, 100 x 76 cm

04 Philanthropy and social impact investment in Arts, Culture and Creative sectors





Untitled
Marta Djourina, 2021
Direct exposure on analogue photo paper with different light sources, self-made film negative, unique piece, 53 x 40,5 cm



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Marta Djourina, 2021
Direct exposure on analogue photo paper with different light sources, self-made film negative, unique piece, 53 x 40,5 cm

Highlights

New opportunities for wealth managers in philanthropy and social impact investing in the arts, culture, and creative sectors – fuelled by innovation, transparency, and accountability.

We have reached a pivotal moment: With public funding in decline, the arts, culture and creative sectors are at a critical inflection point, demanding a new funding ecosystem that blends public, private and philanthropic capital. To achieve this, these sectors must collaborate more effectively, developing innovative finance models and long-term partnerships. For wealth managers, the growing alignment of art philanthropy with social impact investing offers a strategic opportunity. They can help clients design holistic strategies where giving and investing converge, turning cultural passion into enduring impact.

Stakeholder dialogue essential: Fostering open conversation among stakeholders is crucial for a clearer understanding of funding needs, available financial instruments, and the broader social and economic impacts of the arts, culture and creative sectors.

Need for transparency and accountability: Amid declining public support and growing private interest, these sectors must embrace the language of impact, evidence and accountability to thrive, but on their own terms.

Art philanthropy reflects rising social purpose: Today's wealthy individuals, especially younger generations, are leveraging art philanthropy to align collecting with cultural support and social responsibility. As a result, it is becoming a key part of values-based wealth strategies.

Demand for art philanthropy services is growing: In 2025, 69% of art professionals considered art philanthropy a relevant service, up from 56% in 2023. Likewise, 54% of next-gen collectors shared this sentiment, up from 50% in 2023, with 67% motivated by the desire to support artists. While nearly half of collectors (48%) valued this offering in 2025, only 45% of wealth managers considered it highly relevant, and just 23% planned to prioritize it over the next 12 months. However, the fact that 87% of wealth managers already offer this service suggests established confidence. This trend signals that art philanthropy is becoming a key part of holistic wealth planning for all stakeholder groups.

Cautious commitment to cultural impact investing: While 54% of wealth managers (among the 53% with an art provision) offered social impact investment services in art and culture, only 17% intended to prioritize them in the following year. This could reflect ongoing challenges related to a lack of products, limited awareness, scalability issues, difficulties in measuring impact, and alignment with fiduciary frameworks.

Rising advocates for blended cultural finance: Art professionals' interest in social impact investing grew from 23% in 2021 to 32% in 2025, motivated by the belief that values-driven funding is essential for the sectors' future. Because they sit at the intersection of culture and capital, art professionals are well-placed to bridge philanthropy and investment, championing innovative financing models that generate both artistic and societal value.

Volatile interest in purpose-driven art investment: Although 39% of collectors and 48% of next-gen collectors saw social impact investment in culture as a relevant wealth service in 2025, demand for these products dropped sharply among next-gen collectors—from 66% in 2023 to 42% in 2025. This downturn reveals a warning: values-driven interest must be met with meaningful and well-structured offerings, or risk disengagement.

The creative economy remains an under-explored yet promising frontier, offering investors the chance to generate financial returns while driving positive social impact. Only 50 active funds have been identified in this space globally, spanning both impact investment vehicles and traditional venture capital (article page 314). Together, they manage over US$22 billion in assets under management (AUM).

Need for innovation: By leveraging innovative approaches and creative partnerships, both philanthropy and social impact investment can amplify their influence, fostering a vibrant and resilient cultural landscape.

Family office perspectives

Family offices take a keen interest in impact investment and philanthropy: A 2024 J.P. Morgan survey[163] revealed that 46% of family offices globally aim to pursue impact investments and philanthropy.

Cultural investments are losing ground to more scalable environmental, social and governance (ESG) themes: Among family offices, interest in social impact investment in the arts fell from 31% in 2023 to 23% in 2025. Macroeconomic volatility may be driving family offices to prioritize established sectors like climate and health tech over less standardized cultural investments. This trend highlights the critical need for more mature, data-driven models in the art space.

For wealth managers, the growing alignment of art philanthropy with social impact investing offers a strategic opportunity.

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Marta Djourina, 2021
Direct exposure on analogue photo paper with different light sources, self-made film negative, unique piece, 53 x 40,5 cm

Next-gen perspective

A shift from transactions to purpose-driven guidance: Next-gen clients seek expert advice on how to use their collections to support artists, fund institutions and drive social impact. Merely offering philanthropy is not enough; tailored, value-aligned guidance is now essential.

Interest in art philanthropy is rising among younger generations: In 2025, 68% of next-gen art professionals identified art philanthropy as a highly relevant service for their clients. Among next-gen collectors, its relevance grew to 54%, up from 50% in 2023, with 67% citing supporting artists as a key motivation. These trends highlight the evolving expectations of next-gen clients, who are prioritizing purpose alongside profit.

Introduction

Over the past few years, the Deloitte Private Art & Finance initiative has explored the evolving funding needs of the arts, culture and creative sectors. As the initiative has expanded and matured, the alignment between these sectors and the world of finance and wealth management has become increasingly evident, especially as funding challenges continue to intensify.

This theme was a central focus of the *2024 Deloitte Private Art & Finance Conference* in Luxembourg, one of the first full-day conferences dedicated solely to this topic. It marked a key milestone in elevating the dialogue around the role of capital in cultural transformation.[164]

This section explores how the growing role of philanthropy and impact investment can address the sectors' dual reality: increasing recognition of societal and economic impact paired with mounting funding pressures. These sectors are not only vital for preserving cultural identity and fostering community, but also act as engines of economic growth, innovation and social resilience.

By mobilizing philanthropic and impact investment capital, the art and finance framework offers innovative solutions to bridge persistent funding gaps, including blended finance models, mission-aligned investment vehicles, strategic partnerships, and talent development funding. These mechanisms help ensure the long-term viability of the arts, culture and creative sectors while respecting their intrinsic value.

The economic impact of the arts, culture and creative sectors is increasingly evident around the globe:

- In the US, they contributed a remarkable US$1.2 trillion[165] to the economy in 2023, representing 4.2% of the national gross domestic product (GDP) and growing at twice the pace of the broader economy.
- In Europe, they added €199 billion[166] in value and generated an impressive €503 billion in turnover in 2022.
- In the UK, they contributed £123 billion[167] to the economy in 2024, representing 5.37% of the country's total gross value added (GVA).

These numbers have not gone unnoticed. In 2025, the UK government launched its Creative Industries Sector Plan, underscoring creativity's central role in the nation's industrial strategy and long-term economic ambitions.

According to Caroline Norbury, Chief Executive of Creative UK, "*The recognition of the creative industries as one of eight high-potential growth sectors is a landmark moment. This plan reflects the economic and cultural power of the sector – and the vital role we play in driving innovation, exports and opportunity across all regions of the UK.*"[168]

Despite this recognition, these sectors often operate on project-based, time-limited models that require tailored financing tools. Flexible mechanisms—from grants and donations to equity investments and revenue-sharing models—are essential to support innovation, sustainability, and inclusive cultural participation.

This presents a unique opportunity for finance professionals, philanthropists and investors to collaborate with these sectors' stakeholders, co-creating funding solutions that deliver measurable social and economic impact while respecting culture's intrinsic value.

In doing so, philanthropy and social impact investment can play a transformative role, not only securing the future of arts and culture but advancing the broader goals of sustainable development, inclusion and innovation.

MONDIACULT is a landmark global conference on cultural policy, convened by UNESCO, bringing together ministers, policymakers and cultural professionals from around the world. Building on the legacy of previous gatherings (notably in Mexico City in 1982 and 2022), the 2025 edition aimed to shape the cultural agenda for the coming decade.

Hosted by the government of Spain, MONDIACULT 2025 took place in Barcelona from 29 September to 1 October 2025. It addressed pressing challenges and opportunities for the cultural sector, with key themes including:

- AI and culture;
- Digital transformation in cultural industries;
- Cultural rights;
- Heritage protection;
- Climate and sustainability;
- Cultural diversity;
- Freedom of artistic expression, and
- Culture's role in peacebuilding and development.

The conference aimed to reaffirm culture as a global public good and integrate it more fully into national and international development. MONDIACULT 2025 resulted in a renewed global declaration on cultural policy, providing strategic guidance for governments and institutions worldwide. Between MONDIACULT of 2022 and 2025, ongoing discussions have stressed that culture is both an indispensable driver and an enabler of sustainable development, and must be included as an integral component and pillar of it.[169]

Why it matters

As the world grapples with deepening social divides, rising authoritarianism, and accelerating climate and technological change, culture is not a luxury; it is a necessity. MONDIACULT 2025 arrived at a critical juncture, offering a rare opportunity for global leaders to recenter culture in public policy.

Culture shapes identity, fosters empathy and drives economic growth, yet cultural sectors are often underfunded and politically sidelined. In many places, artists face censorship, communities lose access to heritage, and digital monopolies threaten cultural diversity.

MONDIACULT 2025 reshaped this narrative. By treating culture as a **global public good**, the initiative helped elevate cultural rights, promote equitable access, and build more inclusive and sustainable societies. It is not just about preserving the past, but imagining the future we want to live in.

IN FIGURES: THE IMPACT OF ART & CULTURE

Source: UNESCO, MONDIACULT 2025.[170]

10 million km2

are cultural and natural sites protected

under UNESCO designation

788

living heritage elements linked to

sustainable development are inscribed on UNESCO Lists

20%

of mapped global species richness

is harbored by World Heritage sites

18,600

glaciers have been identified

in UNESCO World Heritage sites

3.1%

of global GDP

is generated by culture and creativity

US$ 389.1

billion were generated by exports of

cultural goods and services in 2019

20 million

jobs could be created

in the African film sector

48%

of workers

of the cultural and creative sectors are women

80%

of the world's biodiversity

is found in indigenous territories

104,000 +

museums exist globally,

enabling access to culture and education

Around 50%

of the world's

population lives in cities – serving as hubs for creativity

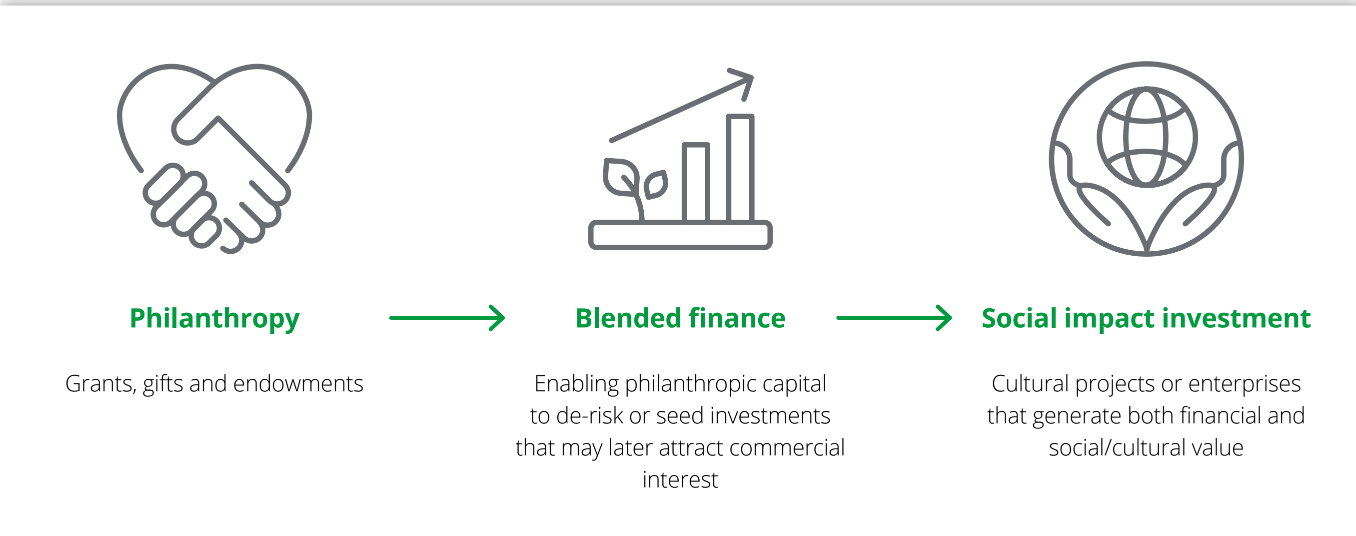
79 years

of multicultural dialogue

for lasting peace

Funding mechanisms and models

Funding mechanisms in the arts, culture and creative sectors vary widely to accommodate their diverse nature and needs. In this part, we examine different funding models like philanthropy, blended finance and social impact investment.



Philanthropy

Philanthropy, which relies on charitable giving and is often limited to donors' resources, has an impact tied to the amount and continuity of donations. It is crucial for supporting initiatives that may not attract commercial investment, especially when public funding or donor priorities are shifting.

1. **Support for non-profit activities:** philanthropy provides essential funding for many non-profit cultural initiatives that serve public interest but typically do not generate commercial returns. These include community arts programs, cultural preservation projects and museum exhibitions.
2. **Promotion of cultural heritage and identity:** donors with an interest in cultural heritage and social impact may use philanthropic funding to support projects that preserve cultural identity, history and traditional arts.
3. **Accessibility and inclusivity:** philanthropy helps ensure that art and culture are accessible to all. It supports initiatives that may otherwise lack funding, especially in underrepresented or marginalized communities.

Blended finance

Blended finance in art and culture is the strategic combination of different types of capital, such as grants, concessional funds and repayable finance, to support projects that deliver both financial returns and positive social or cultural impact.

The Nesta Arts & Culture Impact Fund[171] in the UK is a prime example, blending grants from public and philanthropic sources with private investment to provide affordable loans to arts, culture and heritage organizations.

1. **Combining resources:** blended finance pools public, private and philanthropic capital, effectively bridging funding gaps where commercial finance may hesitate to take on risks without subsidy or support.
2. **Risk mitigation:** blending various types of finance allocates risk to the parties best suited to manage it, making creative or experimental ventures more attractive to commercial investors or banks.
3. **Scaling impact:** blended finance enables larger-scale projects that generate both social impact and economic return, such as cultural infrastructure development or large arts festivals.

Social impact investment

Impact investment aims to generate a positive and measurable social and/or environmental impact alongside a financial return. According to the Global Impact Investing Network (GIIN), the global market for these investments grew from US$1.164 trillion in 2022 to US$1.571 trillion in 2024.[172]

Impact investments can take various forms, including:

- **Concessionary loans:** loans with favorable terms, such as low interest rates;
- **Venture capital:** risk capital for startups with social impact;
- **Private equity:** investments in established, mission-driven companies;
- **Quasi-equity:** a hybrid of debt and equity financing;
- **Social impact bonds:** bonds where repayment is based on achieved impact targets; and
- **Recoverable grants:** grants that can be repaid under certain conditions.
  1. **Dual objective:** social impact investing aims for both financial return and positive social impact. This aligns well with the arts, culture and creative sectors, which inherently strive to enhance community engagement and social well-being.
  2. **Innovation incentives:** social impact investors are often motivated to fund innovative projects that address societal issues through arts and culture, such as using art for education (e.g., art-integrated curricula), health (art therapy) or community building (public art projects).
  3. **Measuring outcomes:** these investors' demand for quantifiable results drives more structured and viable projects in the arts, culture and creative sectors, which demonstrate clear benefits alongside financial returns.

These funding mechanisms collectively provide the flexibility to nurture innovation, preserve cultural heritage and drive economic growth, while reflecting the sectors' social significance and commercial potential.

Figurative is an independent UK charity finding imaginative ways to grow the cultural and creative sectors' financial resilience and social impact. In August 2025, drawing on experience of managing £30 million across three impact investment funds, they designed a guide for arts funders, cultural leaders, government agencies and foundations worldwide to explore new approaches to cultural financing.[173]

This guide provides a comprehensive framework for establishing primarily debt-focused impact investment funds and initiatives in the cultural and creative sectors. The focus on debt reflects the authors' extensive experience and the reality that, in the UK, many traditionally grant-subsidized cultural organizations are asset-locked entities that cannot accept equity investment.

The authors recognize that in other jurisdictions, more commercially oriented creative enterprises may be suitable for equity models. They also note that many of the guide's principles, governance frameworks and operational considerations will still be relevant regardless of the specific financial instruments used.

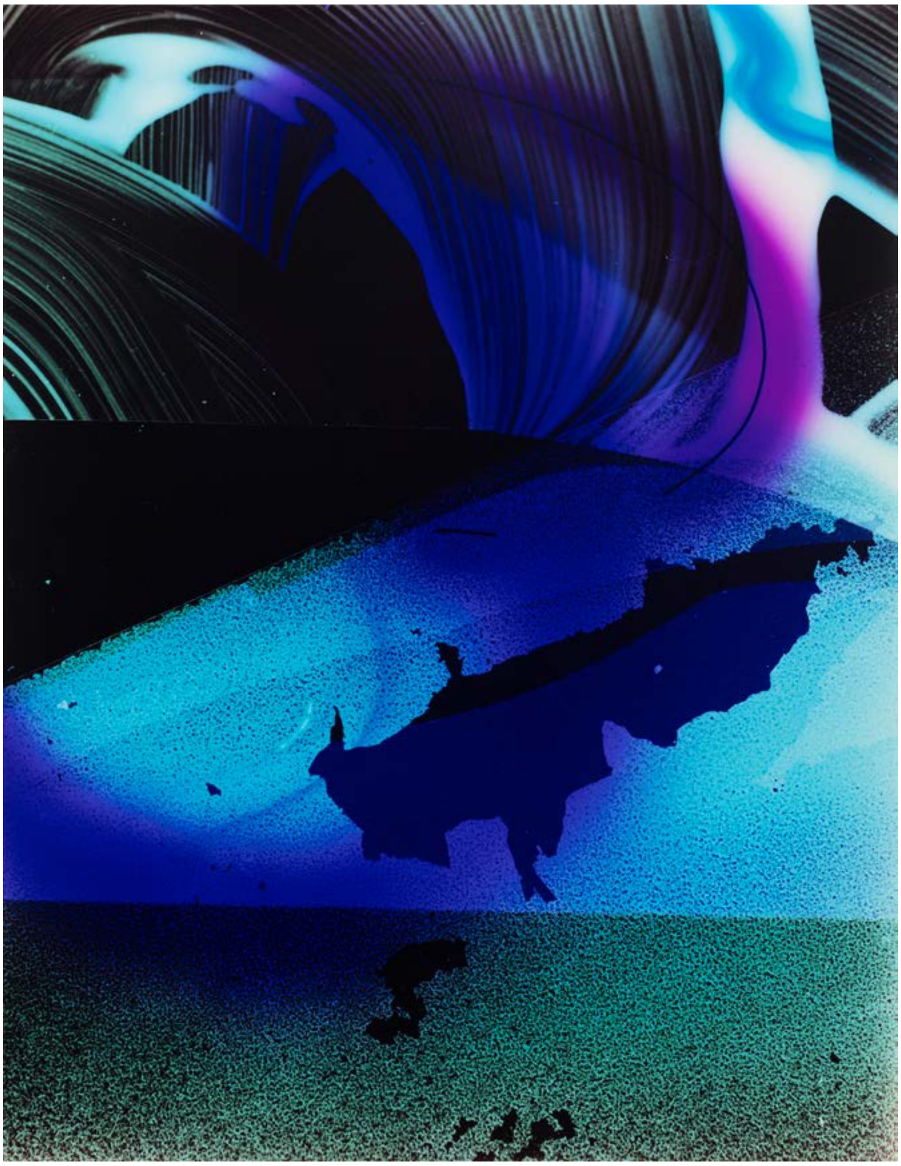
The need for innovative funding

Public funding for arts and culture has been steadily declining in many countries, increasing the pressure on private individuals and institutions to sustain these ecosystems. Museums, non-profits and heritage programs are now increasingly dependent on philanthropic support and private investment for their survival. In this changing landscape, new funding mechanisms and public-private collaborations are essential.

This challenge is highlighted by Florencia Giulio (Founder, Pulso) and Aunnie Patton Power (Founder, The Innovative Finance Initiative), who note in their article (page 322) that the global decline in public funding is leaving more institutions financially fragile. They emphasize that rethinking the funding paradigm is critical for the future growth and resilience of the cultural and creative industries.

This view is echoed by Deloitte Netherlands's discussion with J.P. Morgan (page 290), pointing out that family offices and younger philanthropists are stepping in to bridge these gaps. A 2024 J.P. Morgan survey[174] supports this trend, revealing that 46% of family offices globally aim to pursue impact investments and philanthropy.

Further illustrating this concern, a Philea report[175] identifies financial distress as a top concern for the sectors' foundations, highlighting the need for a clearer role for philanthropy. And a Social Finance NL paper[176] states that NGOs and cultural institutions must reconsider their operation and funding strategies to ensure their continued viability.



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Marta Djourina, 2021
Direct exposure on analogue photo paper with different light sources, self-made film negative, unique piece, 53 x 40,5 cm

A disconnect between investors and sectors

A 2024–2025 study by DOEN Participaties B.V.[177] demonstrated a potential match between impact investors (and fund managers) and the arts, culture and creative sectors, particularly for needs like strengthened equity, property acquisition, and pre-financing for cultural productions. While impact investors could play a key role in addressing these needs, the most effective investors would be specifically mission-driven.

The greatest challenge is that impact investors are largely unfamiliar with the arts, culture and creative sectors and their assets, perceiving them as too risky and lacking awareness of successful examples. Simultaneously, the sectors themselves have limited knowledge of impact investment and the different financial instruments available.

The path forward

These insights point to a critical inflection point for the arts, culture and creative sectors. Ensuring their future resilience requires a reimagined funding ecosystem that blends public, private and philanthropic capital through innovative finance models and long-term, systemic partnerships.

The line between philanthropy and investment is increasingly blurring. Today's collectors and next-gen clients are not just giving to causes they care about; they are also seeking to invest in ways that reflect their values and deliver measurable cultural impact.

Philanthropy remains vital for supporting artists, institutions and cultural heritage. But as demand grows for more sustainable and scalable models, impact investment is emerging as a complementary approach, channelling capital into creative enterprises, infrastructure and innovation.

For wealth managers, this shift offers a unique opportunity to help clients design holistic strategies where giving and investing work together, transforming cultural passion into lasting impact.

This section has four parts. It examines the current state of funding for the arts, culture and creative sectors, and explores whether this area presents a future expansion opportunity within the wealth management industry. These topics are also addressed in more detail in the Industry Insights articles:

PART **01**

Art and philanthropy: Survey findings

INDUSTRY **INSIGHTS**

Navigating the future of art funding: insights from J.P. Morgan Private Bank

BJ Goergen Maloney, *Managing Director and Global Head of J.P. Morgan Private Advisory*, is interviewed by Cindy van de Luijtgaarden, *Partner Tax & Legal and Head of Private Client Services of Deloitte Netherlands*.

INDUSTRY **INSIGHTS**

Navigating times of cultural crisis: The role of private sector support for NGOs amid declining public funding

By Sanne Letschert,
Director of Cultural Emergency Response
and Cindy van de Luijtgaarden,
Partner Tax & Legal and Head of Private Client Services of Deloitte Netherlands

This article highlights how cultural NGOs must demonstrate their impact to secure private funding, especially as public financial support dwindles.

INDUSTRY **INSIGHTS**

Capturing culture's contribution: Demonstrating impact

By Dr. Paul Burtenshaw,
Senior Director of Project Impact, World Monuments Fund

This article highlights how the World Monuments Fund is developing new systems to measure the ESG impact of its projects, in response to growing funder demand.

INDUSTRY **INSIGHTS**

The strategic role of cultural initiatives and cultural impact measurement in the evolving sustainability reporting landscape

By Ernesto Lanzillo,
Deloitte Italy Private Leader
Roberta Ghilardi,
Sustainability, Art & Finance Senior Manager
Stefano Denicolai,
Head of Institute for Transformative Innovation & Research (ITIR) – Full Professor University of Pavia
and Luca Cavone,
Researcher, Institute for Transformative Innovation & Research (ITIR) – EAAO Project Coordinator

This article examines how cultural initiatives can enhance a company's sustainability performance. It also introduces a project to help companies measure and report the sustainability impact of their corporate art assets.

PART **02**

Impact investment in the arts, culture and creative sectors

INDUSTRY **INSIGHTS**

Investing in the creative economy: Lessons from global fund managers

By Laura Callanan,
Founding Partner, Upstart Co-Lab
Annabelle Camp,
MBA Candidate, The Wharton School at the University of Pennsylvania
and Rifat Mursalin,
MBA Candidate, Harvard Business School

This article explores how the creative economy offers a significant opportunity for impact investors to achieve financial returns and positive social outcomes. It highlights key lessons for successful creative economy investing from fund managers around the world.

INDUSTRY **INSIGHTS**

Innovative finance for the cultural and creative industries: From grants to impact investments

By Florencia Giulio,
Founder, Pulso
and Aunnie Patton Power,
Founder, The Innovative Finance Initiative

This article introduces an innovative finance spectrum for the cultural and creative industries, highlighting eight novel, repayable financing models from both public and private investors.

PART **03**

Philanthropic giving and social impact investment: Need for innovation

INDUSTRY **INSIGHTS**

Are donor-advised funds a suitable model for the German art sector?

By Sabine Kachel,
Rechtsanwältin, Steuerberaterin – Deloitte GmbH, Director, Attorney of Law and Certified Tax Advisor
and Marcell Baumann,
LL,M, Deloitte Legal Rechtsanwaltsgesellschaft – Counsel - Attorney of Law

This article explores donor-advised funds (DAFs), a popular tool for tax-effective giving in the US, and examines how similar charitable structures can be implemented in Germany to support art collectors.

PART **04**

Implications for wealth managers

PART **01**

Art and philanthropy: Survey findings

The priorities of wealthy individuals are evolving: art philanthropy is emerging as a powerful expression of personal passion and social responsibility. Today's clients, particularly younger generations, are increasingly motivated to support artists, cultural institutions and creative communities, going beyond collecting for aesthetics or investments.

This shift is driving a growing demand for art philanthropy services within wealth management, as clients seek to align their financial strategies with their values. New 2025 data reveals that **art philanthropy is now viewed as an essential part of holistic wealth planning** by collectors, art professionals and next-gen clients.

Art philanthropy is gaining significant recognition as a relevant and valued service among wealthy individuals. In 2025, the perceived importance of integrating philanthropic goals with art advisory services grew across all stakeholder groups. This is particularly evident among art professionals, with 69% viewing art philanthropy as a relevant or very relevant service in 2025, up from 56% in 2023.

This trend suggests a deepening interest in aligning cultural engagement with broader social impact.

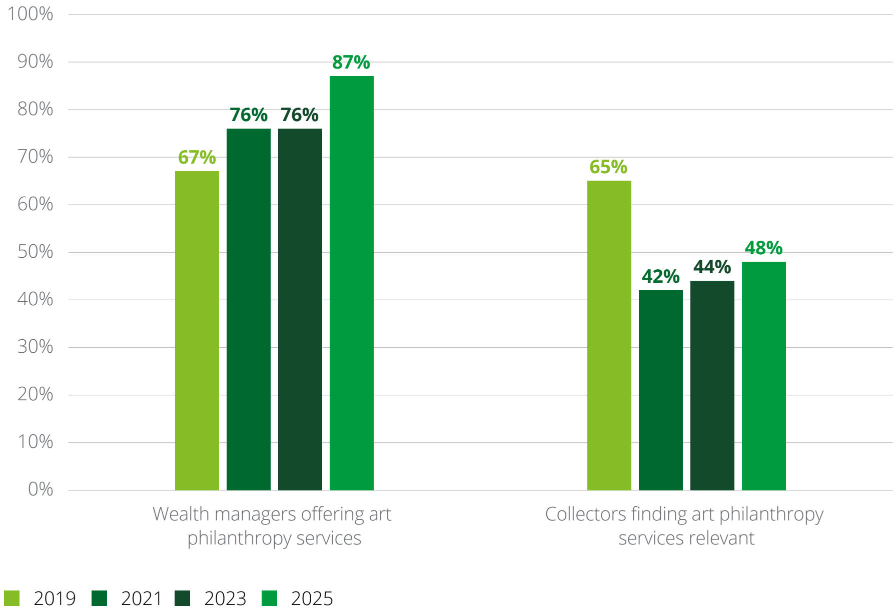
Collectors are following suit, with 48% seeing art philanthropy as relevant in 2025, up from 44% two years prior. This trend is particularly strong among next-gen collectors, with 54% finding art philanthropy relevant in 2025, up from 50% in 2023. Even more tellingly, 67% of this younger group cited "supporting artists" as one of their strongest motivations for buying or investing in art, just behind emotional value. This points to a growing desire to move beyond simply collecting to becoming patrons of creativity and agents of cultural support.

Despite this rising interest, wealth managers appear out of sync with client sentiment. While 83% of wealth managers said they already offer art philanthropy services, only 45% considered it a relevant area of service in 2025, and a mere 23% planned to prioritize it in the coming 12 months. This stark contrast indicates a risky assumption: that their current offerings are sufficient, and no further development is needed.

However, while art philanthropy may still be on the menu, the nature of client demand is changing. Clients, especially the younger generation, are looking for more than transactional support. **They seek guidance on leveraging their collections and patronage to support artists, fund cultural institutions, and advance social causes. Simply offering a generic art advisory service may no longer be enough.**

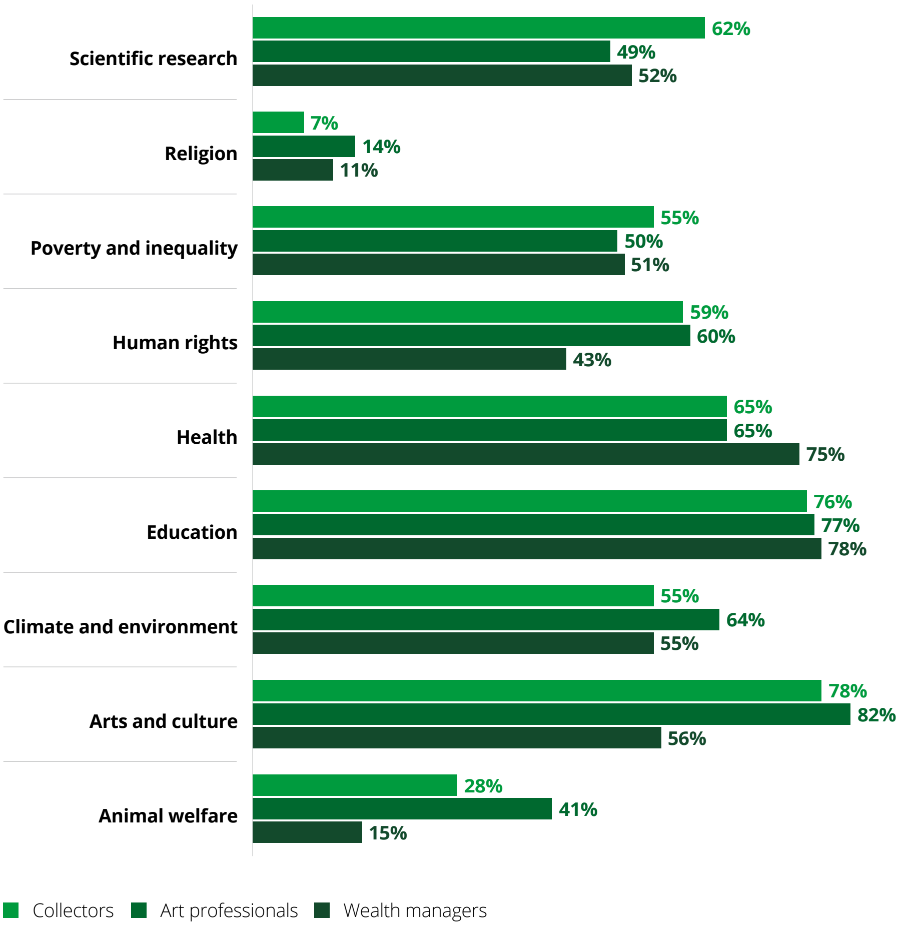
The takeaway for wealth managers is clear: **art philanthropy is not a niche trend, but a growing priority for a new generation of purpose-driven clients.** Firms that fail to evolve risk falling behind. On the other hand, those that actively develop and communicate thoughtful, values-aligned art philanthropy services have a chance to lead the way, becoming trusted partners in helping clients turn their cultural passions into meaningful legacies.

Figure 107: How relevant are art philanthropy services for collectors versus what wealth managers currently offer?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Philanthropic giving: Comparative causes and importance

Figure 108: In 2025, in terms of philanthropic giving, how would you rank the following causes in terms of their importance?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025



In 2025, art professionals and collectors were largely in step regarding arts and culture philanthropy, with 82% and 78% rating it as important or very important, respectively. This places arts and culture second only to education among collectors and top among art professionals, underscoring the central role of cultural giving within these communities.

However, among wealth managers, arts and culture ranks as the third-highest philanthropic priority at 56%, trailing behind education (78%) and health (75%), both long-established pillars of giving. This likely reflects a broader and more diversified view of philanthropic engagement among advisors, who must balance a wide range of client interests and societal needs.

Still, since a large majority of both art professionals and collectors view cultural philanthropy as a top priority, wealth managers have an opportunity to better integrate arts and culture into strategic wealth planning conversations, particularly as it aligns with clients' values, legacy goals and cultural identity.

Philanthropic giving: The need for transparency and accountability

As public funding for the arts continues to decline, the pressure on private individuals and institutions to fill the gap has grown significantly. Yet, one critical barrier remains: the lack of robust, standardized systems to measure and communicate the impact of cultural initiatives.

To attract and sustain private investment, all arts, culture and creative programs, whether public, private or NGO-led, need credible and transparent evaluation frameworks. Measuring impact is no longer optional; it is essential for the future of cultural philanthropy and investment.

Younger philanthropists, in particular, are expecting more accountability and transparency from the organizations they support.

BJ Goergen Maloney, Managing Director and Global Head of J.P. Morgan Private Advisory, emphasized in an interview with Cindy van de Luijtgaarden, Partner, Deloitte Netherlands, that next-gen donors are not passive (page 290). They want to see and touch the work directly, which gives arts and cultural organizations a clear advantage since their programs often offer a firsthand experience. To meet these new expectations, it is crucial for organizations to measure and demonstrate their social impact.

To this end, several key metrics are emerging as best practice for measuring this impact:

- **Participation rates:** quantifying audience engagement across programs.
- **Community feedback:** using surveys and interviews to gather qualitative insights.
- **Educational outcomes:** evaluating the learning impact of cultural initiatives, especially for underserved communities.

In their joint article “Navigating in times of cultural crisis,” Sanne Letschert (Director, Cultural Emergency Response) and Cindy van de Luijtgaarden stress that cultural NGOs must appeal to next-gen donors by demonstrating clear, credible results and transparency (page 294).

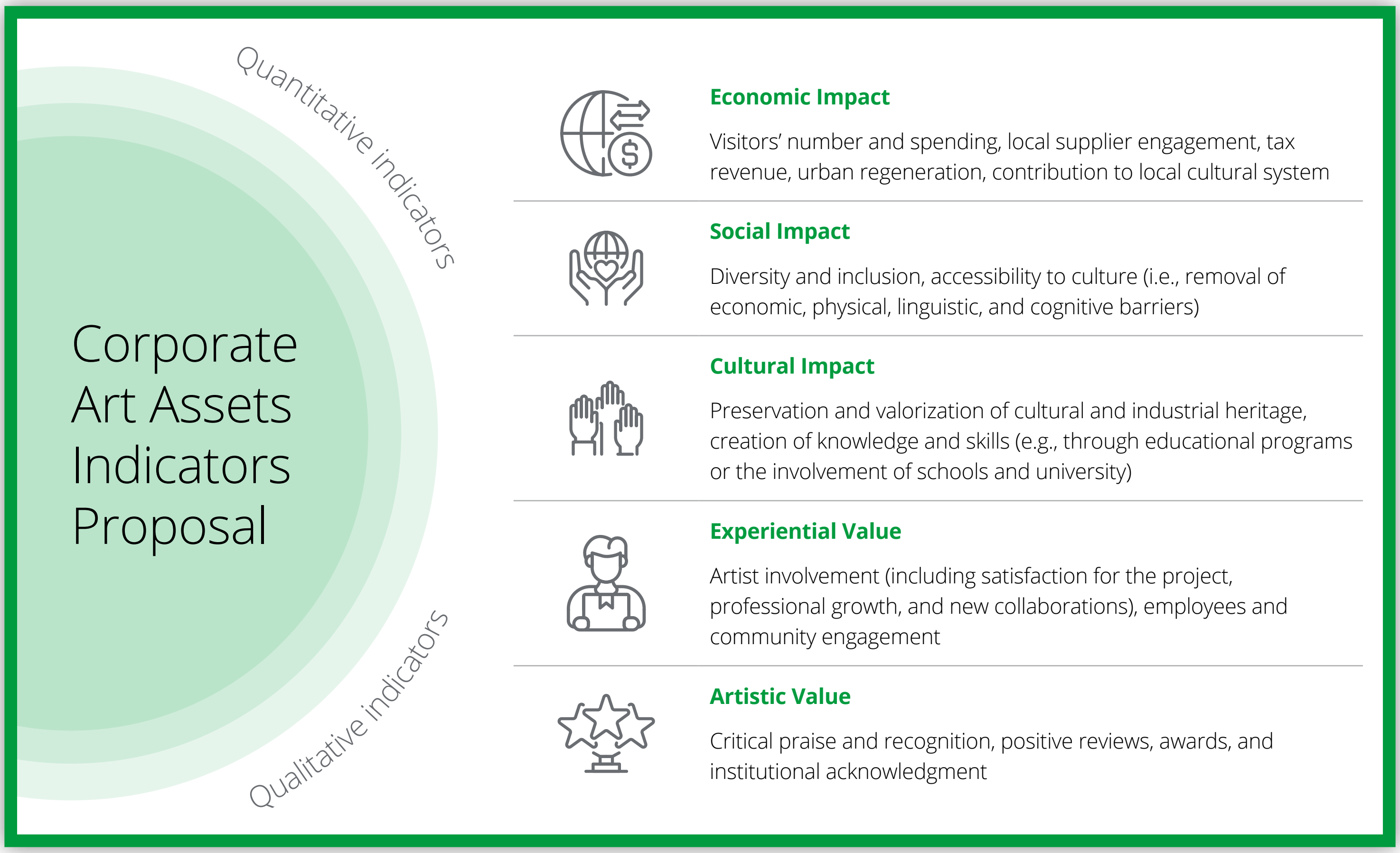
Dr. Paul Burtenshaw, Senior Director of Project Impact at the World Monuments Fund (WMF), echoes this sentiment in his article (page 298) “Capturing culture’s contribution: Demonstrating impact.” He highlights how cultural heritage’s value now extends to tangible, global priorities like climate resilience, water security and job creation. This broader relevance has attracted more funders but also requires cultural professionals to provide rigorous evidence of their contributions. In response, the WMF has developed an innovative monitoring and evaluation system to provide tangible proof of cultural impact.

This emphasis on data is also influencing the corporate sector. As outlined in a Deloitte Italy article (page 302), companies supporting cultural programs must start to systematically measure and communicate the value of their cultural investments. This need is further reinforced by the new European regulatory framework on sustainability reporting, which calls for explicit social impact indicators.

Translating artistic value into key performance indicators (KPIs) remains a challenge, especially when distinguishing between quantitative and qualitative dimensions of success. However, initiatives like the European Art Assets Observatory, in collaboration with ARTE Generali, Banca Generali and Deloitte Private, are currently developing tailored impact measurement frameworks for corporate art assets (page 302).

Figure 109: The elements being considered in the corporate art assets (CAA) measurement proposal

Source: Deloitte Italy article. "The strategic role of cultural impact measurement in the evolving sustainability reporting landscape" page 302



While the growing emphasis on impact measurement is both necessary and beneficial, it is crucial to recognize that the value of art and culture often resists easy quantification into numbers and charts . Frequently, their unique power lies in their ambiguity, generating intangible, emotional and deeply personal experiences. There is a legitimate concern that placing too heavy a burden of measurement on cultural institutions, particularly smaller ones, could divert resources away from their core creative mission.

In summary, to thrive amid declining public support and growing private interest, the arts, culture and creative sectors must embrace the language of impact, evidence and accountability, but on their own terms.

While robust measurement can build trust and attract sustainable, purpose-driven capital, it must be implemented thoughtfully and proportionately, without diminishing the very creativity and cultural value it seeks to validate. The goal is to create a balance between rigor and flexibility, ensuring that impact frameworks support, not constrain, creativity.

When done well, this approach can unlock meaningful partnerships and long-term investment, empowering the sector not only to survive, but to lead in shaping more inclusive, imaginative and resilient societies.

Conclusion

The growing relevance of art philanthropy and social impact investment is a clear call to action for wealth managers. While many firms offer these services, rising demand, especially among next-gen collectors, requires a more profound, personalized and purpose-driven approach. Simply having art philanthropy on the menu is no longer enough.

To stay ahead, wealth managers must re-evaluate their offerings: Are these services truly aligned with clients' philanthropic goals? Do they help clients make meaningful cultural contributions? And are they being positioned as a core part of legacy planning, not just an optional add-on?

The way forward involves shifting from transactional to transformational support. Wealth managers should help clients use their wealth to champion creativity, elevate voices and shape cultural legacies. By doing so, they can meet evolving expectations and build lasting, values-based relationships that will define the future of advisory excellence.

INDUSTRY **INSIGHTS**

Navigating the future of art funding:

Insights from J.P. Morgan Private Bank

BJ Goergen Maloney
Managing Director and Global Head of J.P. Morgan Private Advisory

Interviewed by

Cindy van de Luijtgaarden
Partner Tax & Legal and Head of Private Client Services of Deloitte Netherlands

As the art market evolves in the face of dwindling public funding for cultural institutions, family offices and next-generation philanthropists are presented with unique opportunities to engage in art investments.

Cindy van de Luijtgaarden *(Partner Tax & Legal and head of Private Clients Services Deloitte Netherlands)* authored this article which includes insights from **BJ Goergen Maloney** *(Managing Director and Global Head of J.P. Morgan Private Advisory)* on emerging trends, the role of private funding and strategic considerations for impactful art investments.

Opportunity amid public funding decline

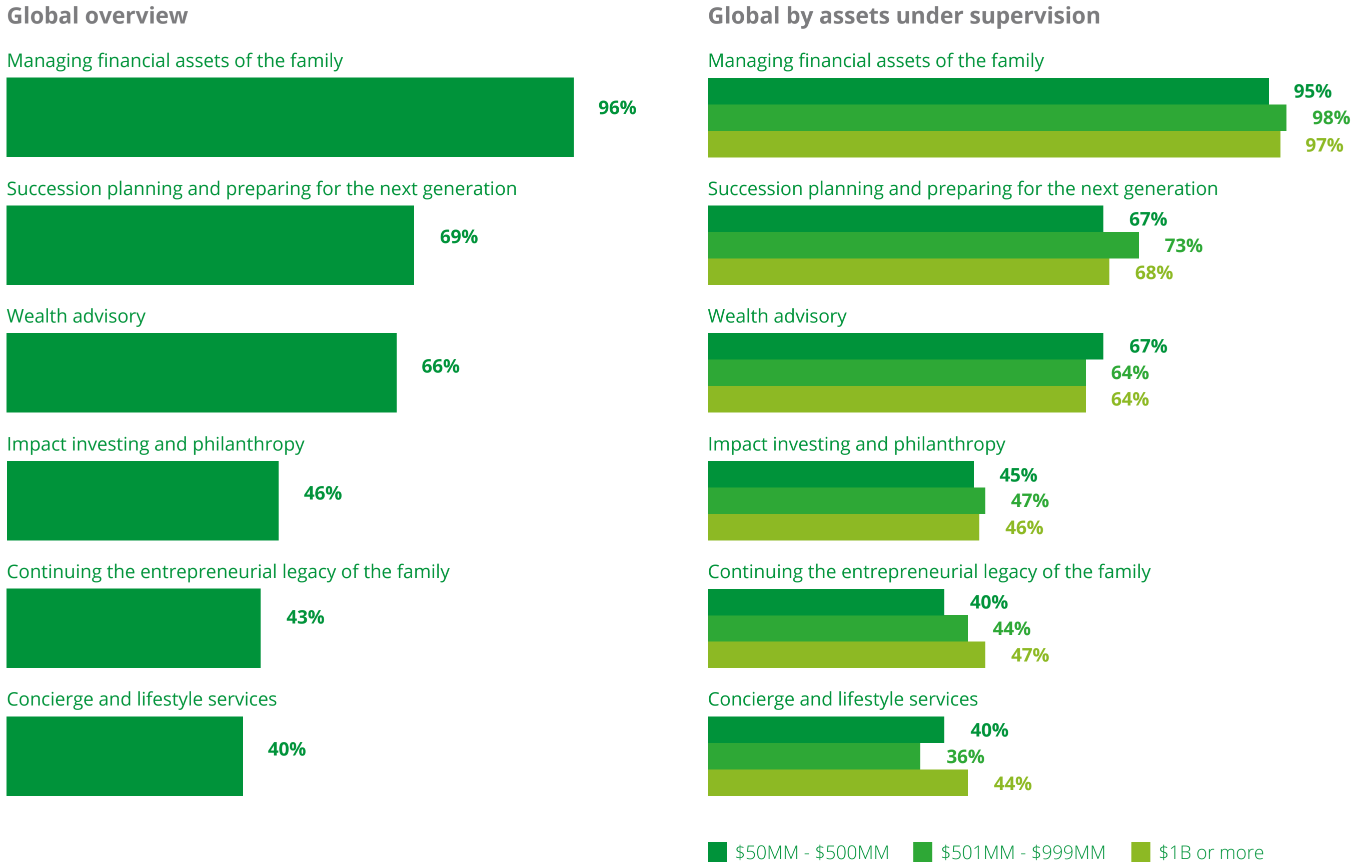
According to a 2012 report by the National Endowment for the Arts (NEA),[181] public funding for the arts in the US had already dropped by nearly 30% since 2001. Given the US' latest budget plans, the NEA is under serious threat.[182] This funding trend is mirrored across Europe and other regions.[183]

This global decline has created a pressing need for private investment in cultural institutions. Family offices and younger philanthropists increasingly recognize that their contributions can plug funding gaps, enabling innovative projects and ensuring the sustainability of the arts.

High-net-worth individuals (HNWIs) can play a crucial role by funding specific projects, exhibitions, or educational programs that align with their interests, allowing them to support the arts and enrich their legacy. By choosing targeted initiatives, donors can ensure their contributions create a lasting and meaningful impact.

KEY TREND:
Increased private investment
A J.P. Morgan survey of family offices[184] revealed that 46% globally aim to pursue impact investments and philanthropy. In particular, US-based family offices are more likely to engage the rising generation family members in philanthropy, using it as an entry point to prepare them for greater responsibilities. For example, younger family members may identify areas of need and/or causes of interest, such as reviewing grant proposals or recommending future initiatives.

Figure 110: What are your family office's objectives?
Source: J.P. Morgan Private Bank, 2024 Global Family Office Report



Importance of governance and community engagement

This funding shift is also significant to the art sector itself.

BJ Goergen Maloney:
"Sometimes you don't realize the magnitude of a tectonic shift while it's happening, but the current environment reminds me of the changes cultural institutions faced during COVID-19. Amid the pandemic, visitors couldn't come in person and some art institutions used those challenges as an opportunity to strengthen their organizations. They developed better boards, achieved greater alignment with their funders, senior staff and programs, and emerged from the COVID-19 era stronger than before. The organizations that didn't undertake this hard work really struggled."

With the current shift in funding, many organizations are asking themselves how to cope.

BJ Goergen Maloney:
"Should we use our endowment to continue our programs? Should we pause certain programs? Should we pause expansion to new communities? These are excellent questions to ask that help prioritize future strategy. Organizations that view this funding shift as an opportunity will emerge much stronger on the other side of the public funding gap."

Effective leadership necessitates diverse boards and strong community ties. Regular evaluations of board composition and partnerships are vital for innovation and relevance.

BJ Goergen Maloney:
"You want to make sure the board collectively has a broad range of experience. You need individuals who understand the private sector, the arts, and the community. That knowledge doesn't always exist within the same person."

Innovative funding models

As traditional funding mechanisms falter, innovative private funding models are emerging.

One notable trend is the establishment of collaborative funding pools. Family offices are joining forces to support high-impact art projects, enabling greater risk-sharing and resource pooling. This allows them to support significant initiatives that may be too large for individual funding.

Moreover, these partnerships can foster innovative ideas and provide more significant returns for the arts community. Doners must engage actively with the organizations they support, ensuring their funding aligns with strategic goals and community needs.

KEY TRUST:
Collaborative funding initiatives
Collaborative funding models can increase the scale and reach of philanthropic efforts. For example, a recent initiative in the UK[185] resulted in a combined donation of £30 million to support art institutions.

There has also been an increase in larger institutions seeking access to flexible capital.

Measuring social impact

BJ Goergen Maloney:
"Nonprofit organizations didn't traditionally open lines of credit, but that's something our clients do every day to manage cash flow and maintain flexibility, especially for future commitments. We see increased mission-related investments (MRIs) and program-related investments (PRIs), particularly for projects like constructing a new building or piloting initiatives in a new community. It's helpful when institutions and their board members share stories of successful PRIs and MRIs, because it encourages more individuals to feel comfortable making these investments in the future."

Cultural institutions usually have a handful of donors who have supported their work for a long time. As funding dynamics shift, it's crucial to consider strategies for replacing these contributions. The *Giving USA*[186] report tracks donation megatrends across the US.

KEY TREND:
75% of giving in the US is done by individuals

- Individuals (67%), including giving by bequests (8%), represented 75% of the contributions in 2023.[187]
- Adjusted for inflation, giving to arts, culture, and humanities remained flat between 2021 and 2022 (0.9%), but grew by 6.6% between 2022 and 2023. Cumulatively, giving to arts, culture, and humanities increased by 7.6% in inflation-adjusted US dollars between 2021 and 2023.[188]
- Giving to the arts, culture, and humanities subsector represented 4% of total giving in 2023.[189]

Figure 111: 2023 contributions: US$557.16 billion by source of contributions
Source: Lilly Family School of Philanthropy, Giving USA 2024: The Annual Report on Philanthropy for the Year 2023

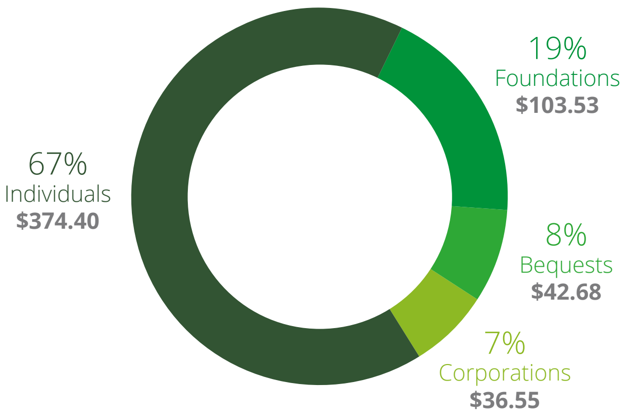
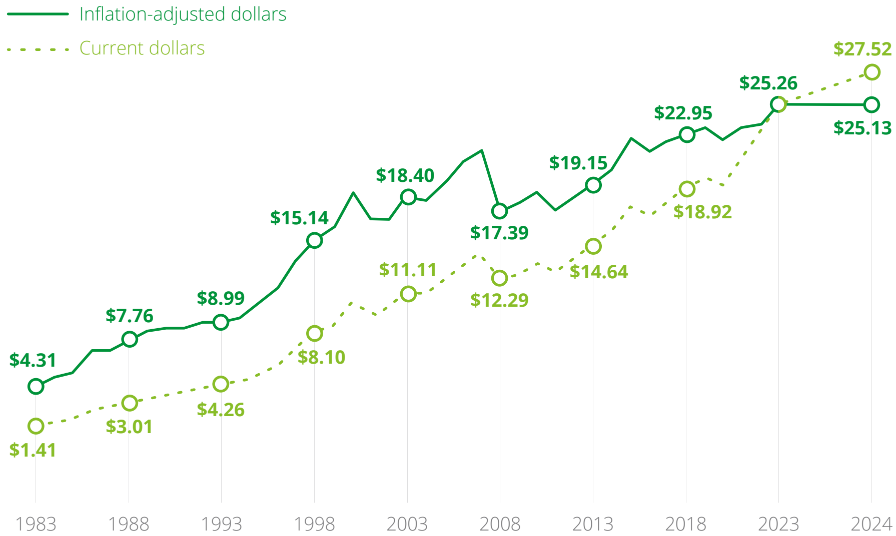


Figure 112: Giving to arts, culture and humanities, 1983–2024

Source: Lilly Family School of Philanthropy, Giving USA 2025: The Annual Report on Philanthropy for the Year 2024



BJ Goergen Maloney:
"Organizations should have a strategy to engage a broad range of individuals to support their mission. Most organizations, especially those with a few major funders, lack a strategy for reaching a wider audience. When a key funder stops their support, it creates a crisis for the organization. Nonprofit institutions should prioritize a comprehensive fundraising strategy before it's necessary—plan for the worst-case scenario but expect the best. It helps build the organization's sustainability."

In that way, it's crucial to understand the needs of the next-generation donor. In a landscape where accountability and transparency are paramount, measuring the social impact of art contributions is essential. Next-generation donors are particularly focused on understanding how their investments translate into community benefits.

BJ Goergen Maloney:
"They are not passive donors. It's important to find ways for people to touch, see and feel the work directly. This is where art and cultural organizations have an advantage because their art and programs can be experienced first-hand."

KEY METRICS
for impact measurement

1. Participation rates: assessing the number of individuals engaged in art programs.
2. Community feedback: collecting qualitative data through surveys and interviews to gauge audience satisfaction and impact.
3. Educational outcomes: evaluating the educational benefits of art programs, particularly for underserved communities.

BJ Goergen Maloney:
"When investing in an organization, the first step is to define what you care about, because this allows you to measure outcomes against your goals. By offering a variety of investment options, you can attract different donors for different initiatives. It's important to communicate successes to donors, but organizations can also build trust when they share what hasn't worked and what they've learned from it."

The Great Wealth Transfer: A changing landscape

In the near future, the potential group of next-generation donors will expand due to the Great Wealth Transfer.

BJ Goergen Maloney:
"Research shows that the 'Great Wealth Transfer' will involve the largest families holding significant wealth, but will also impact many families across all wealth levels. This transfer will happen through real estate, retirement accounts, and other investments. For the art sector, this is an opportunity to refresh your organization's story for a new, broader audience."

The future of art funding

In conclusion, these insights underscore the importance of philanthropy in the arts, particularly amid the Great Wealth Transfer. The evolving landscape presents both challenges and opportunities—requiring art institutions to be proactive, innovative, and deeply connected to the communities they serve.

With the right strategies in place, family offices and the next generation of philanthropists can play a transformative role in shaping the future of the arts .

INDUSTRY **INSIGHTS**

Navigating times of cultural crisis:

The role of private sector support for NGOs amid declining public funding

Sanne Letschert
Director of Cultural Emergency Response

Cindy van de Luijtgaarden
Partner Tax & Legal and Head of Private Client Services of Deloitte Netherlands

The NGO Cultural Emergency Response's point of view on impact measurement to engage with family offices

Introduction

This article explores the current challenges faced by cultural non-governmental organizations (NGOs) due to a significant decline in public funding,[190] and how the private sector can play a vital role in supporting these organizations.

To unlock private sector support, NGOs must understand the needs of next-generation philanthropists and family offices.

Cultural Emergency Response, a Dutch NGO, shares its perspective on the importance of impact measurement in making the case for cultural sector funding.

The shifting landscape of NGO funding

Public funding for NGOs has significantly declined in recent years due to various factors, including economic downturns, shifting government priorities, and increased competition for limited resources.

According to a Philanthropy Europe Association (Philea) report, financial distress is a major concern of foundations in the art and cultural sector due to

"...public budget cuts to the artistic and creative sector; limited resources of the private sector to fill in the gaps further; and a lack of understanding of its role being complementary/incremental to the public sector rather than substitutive and gap-filling." [191]

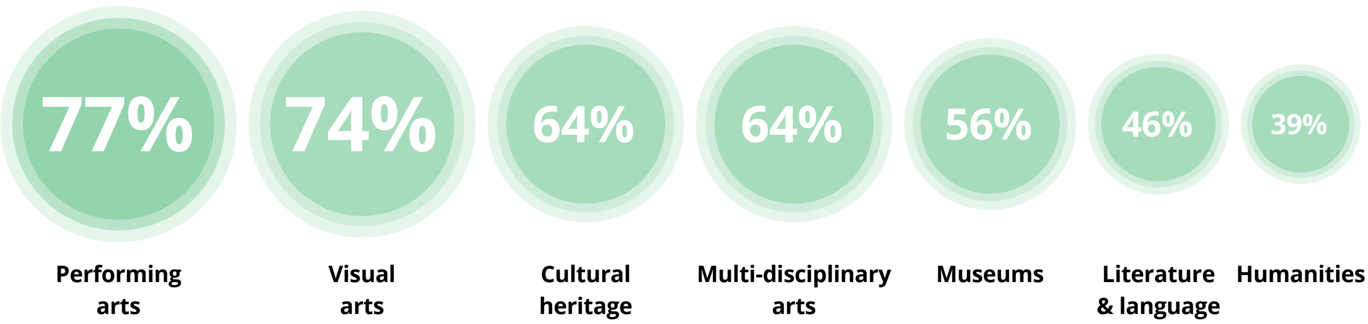
To fill the void left by the public funding decline, a Social Finance NL paper[192] recommends that NGOs innovate how they operate and obtain financial support. Family offices and next-generation philanthropists are uniquely positioned to support NGOs during these challenging times, given their financial resources and the growing trend toward impact investing.

To secure both financial and non-financial support and build close partnerships, NGOs must develop long-term fundraising strategies in the private sector and understand the motivations and needs of next-generation philanthropists.

The main focus areas of art and culture foundations to provide functional (non-financial) support are performing arts, visual arts and cultural heritage (Figure 113).[193] This is a huge opportunity to reveal the power and network of next-generation philanthropists to engage them.

Left: Marta Djourina - Untitled, 2021, direct exposure on analogue photo paper with different light sources, self-made film negative, unique piece, 172.4 x 124.7 cm
Right: Marta Djourina - Untitled, 2021, direct exposure on analogue photo paper with different light sources, self-made film negative, unique piece, 53 x 40,5 cm
Exhibition view "CONVERGENCE", organized by Kunzten, 2022
Photo by CHROMA

Figure 113: Focus areas within arts and culture
Source: Philea, Arts and Culture at the Core of Philanthropy: Volume 2.

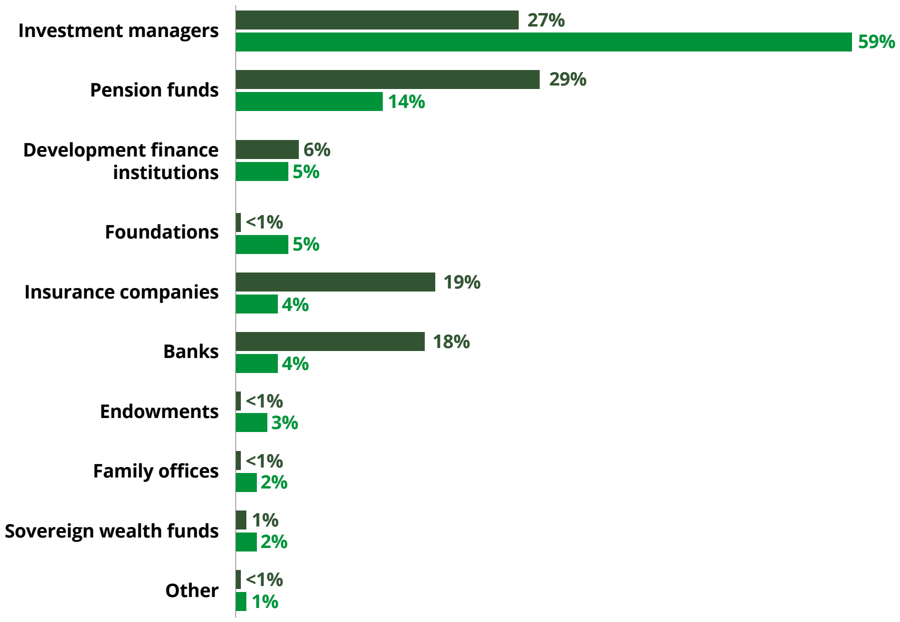


Motivations and needs of family offices and next-gen philanthropists

- **Philanthropic behavior:** according to a global study by Ocorian,[194] 70% of family offices expect philanthropic spending to increase by 15% in the next two years. However, around two-thirds (67%) of family office professionals expect to see some financial return on at least 25% of their philanthropic donations.
- **Impact investment:** according to the Global Impact Investing Network (GIIN), impact investment assets under management (AUM) reached over US$1.571 trillion globally in 2024,[195] demonstrating a robust interest in aligning financial returns with social and environmental impact. Foundations and family offices together represent less than 2% of the global impact AUM (Figure 114).

Figure 114: Representation of the global market size by organization type and AUM

Source: GIIN, Sizing the Impact Investing Market 2024.



New trends in philanthropy and NGO support

Collaborative partnerships: according to a recent Bridgespan Group study,[196] the number of philanthropic collaboratives that channel resources from multiple donors to NGOs is on the rise. These collaboratives enable high-net-worth individuals (HNWIs) to amplify the impact of their contributions by acting together.

Focus on technology: the integration of technology in philanthropic efforts is growing, with family offices investing in platforms that enhance NGOs' capabilities in outreach, fundraising and service delivery. Raised with technology, next-generation philanthropists expect nothing less than a seamless donation process that is user-friendly, mobile, and secure. A wider variety of payment options can also attract new donation sources, such as cryptocurrency.[197]

Next-generation philanthropy: the younger generation, born after 1981, is characterized by a desire for transparency and measurable impact. Therefore, next-generation philanthropists are more likely to support NGOs that demonstrate clear outcomes and accountability for how donations are used. As a result, NGOs should consider implementing impact measurement reporting.

Spotlight on Cultural Emergency Response: A case study

Cultural Emergency Response (CER) is an NGO that mobilizes support for culture in times of crisis, particularly in protecting cultural heritage during emergencies, such as natural disasters or armed conflicts. CER can swiftly respond to threats against cultural assets, which are often overlooked amid humanitarian efforts.

The need for CER

In recent years, the frequency of cultural heritage crises has risen dramatically. According to UNESCO, nearly 5% of the world's cultural heritage sites are at risk due to conflict or disasters[198], with 56 entries—both natural and cultural—listed on the World Heritage in Danger List as of April 2024.[199] The significance of these sites extends beyond historical value: they are fundamental to community identity, stability and recovery efforts.

As CER states in its *2024 Impact Report*:[200] "At its core, cultural heritage protection is not just about preserving monuments, artefacts, or traditions—it is about people. The true value of cultural heritage lies in the connections it fosters between individuals, among communities, and across generations."

CER's impact measurement highlights the NGO's work through clear indicators, which reflect both the scale and nature of its cultural emergency interventions. These include the number of projects supported, the regions and types of heritage reached, and the strength of collaboration with local partners.

Visual tools, such as maps and infographics, are combined with detailed case studies to show not just where CER works but also how interventions unfold—from urgent assessments to on-the-ground recovery. Voices from local partners add depth to the data, emphasizing CER's commitment to locally driven response.

While these indicators effectively demonstrate meaningful short-term impact, capturing the longer-term effects remains complex.

Impact measurement

For CER, long-term impact measurement remains challenging. Although there are compelling anecdotes of success, robust quantitative data to support these narratives is often limited.[201] This is partly due to a lack of standardized metrics and the difficulty in tracking long-term outcomes in rapidly changing and complex environments.

CER believes the true value of cultural heritage is in fostering connections between individuals, communities, and across generations. Therefore, impact measurement must also highlight the qualitative effects on those whose heritage has been preserved or rescued.

These effects are often best understood through the stories of individuals and their resilience following emergency interventions. For funders, this raises important questions about the type of data that best demonstrates impact, and how NGOs like CER can be supported in collecting and reporting this data as part of an ongoing collaborative process.

The role of family offices

Family offices can play a crucial role in supporting NGOs like CER by providing flexible funding, leveraging networks and promoting awareness.

Family offices make particularly meaningful partners for NGOs due to their flexibility, sense of urgency and deep engagement. These unique qualities encourage an adaptive and tailored partnership rather than one constrained by fixed opportunities.

A compelling example is CER's "pooled funding" model, a collaborative fund where multiple donors contribute flexible funding for a specific emergency.

Based on a set of criteria, funding is released in a decentralized manner via CER's emergency mechanism and local networks. This structure enables rapid, efficient and context-specific interventions that meet urgent needs on the ground. Donors receive regular updates throughout the emergency phase, with comprehensive reporting provided periodically.

This collaborative partnership model not only provides funding but also boosts impact, which is tailored to the NGO's specific needs in a particular situation.

Challenges ahead

While family offices and next-generation philanthropists offer hope for NGOs, several challenges remain.

1. **Sustainability of funding:** Unlike the often long-term stability of public funding, private donations can be sporadic and unpredictable.
2. **Evaluation of impact:** The pressure for measurable results can lead to a focus on short-term projects to the detriment of long-term initiatives that require sustained investment.
3. **Capacity building:** Many NGOs lack the infrastructure to effectively engage with private donors, which can hinder their ability to secure funding.

Conclusion

As public funding for NGOs continues to dwindle, the support from family offices and next-generation philanthropists is becoming increasingly crucial.

By recognizing the evolving landscape and fostering collaborative partnerships, particularly in initiatives like CER, the private sector can help ensure NGOs can meet the growing demand for their services.

Protecting cultural heritage during emergencies is not merely a question of conservation; it is essential for fostering resilience and identity among communities. While the potential for meaningful impact is immense, it requires a commitment to long-term support and a willingness to adapt to the changing dynamics of philanthropy.

INDUSTRY **INSIGHTS**

Capturing culture's contribution: Demonstrating impact

Dr. Paul Burtenshaw
Senior Director of Project Impact
World Monuments Fund

As supporters' demands for the impact of cultural heritage projects widen, so must the sector's ability to collect and report such data.

The ever-expanding reasons to preserve the past

In 2025, World Monuments Fund (WMF) celebrates 60 years of conserving the world's cultural treasures. Throughout our history, we have relied on the generosity of individuals, companies, foundations and governments that share our passion for safeguarding iconic heritage places that span the history of humanity.

With their continued support and in close collaboration with local partners, we have met the preservation needs of over 700 places in 112 countries, including the immemorial city of Babylon, the fascinating Rapa Nui (Easter Island), the rich architecture of Venice, and the ancient kingdom of Angkor.

What motivates people to preserve the past? Cultural preservation once focused on places as relics of the past, often separate from the people still tied to them. While the extraordinary achievements of the past still inspire wonder and connect us to those who came before, recent approaches focus on the relevance of heritage to our world today.

This new perspective highlights the tangible benefits heritage provides communities and nations, attracting new funders and ensuring preservation is linked to people's present needs.

Even from the beginning of WMF's existence, it was recognized that sustainable projects must be created in collaboration with local communities and result in a positive local legacy. This involves converting global expertise into local capacity for long-term maintenance and use of heritage assets.

The past 60 years have also seen the rise of international tourism, and cultural heritage has played a major role in that growth. In turn, this attracted investment in the preservation and presentation of heritage sites by national governments and international development funders.

More recently, cultural heritage is recognized as a key component of:

- Climate change adaptation and mitigation;
- Soft power, post-conflict strategies and peace building; and
- Emerging creative industries.

Data and demonstrating impact

The rich and complex interaction between cultural heritage and global issues creates both opportunities and challenges. Cultural heritage is increasingly recognized as a valuable asset to be conserved, not only for its intangible values but also for its very real-world benefits to contemporary populations.

As such, potential funding sources have expanded from those strictly interested in culture to include those motivated by funding social, economic and environmental causes. In recent years, we have seen our funding sources diversify into those supporting water security and climate resilience for historic gardens, as well as job creation for disadvantaged communities.

This represents great potential for the field, but one that requires heritage professionals to develop and refine new tools. Traditional reporting on preservation outcomes relies primarily on photographic evidence of physical change, the classic "before and after" visuals.

Unlike our colleagues in the environmental preservation world, **the heritage sector has been slow to assign quantitative values to heritage or devise clear methodologies for measuring impact beyond the heritage site itself.** The need for precise impact data reflects broader trends in philanthropy, where donors want to clearly understand how their giving and project activities can lead to desired outcomes.

To convince donors of the wider impact of heritage, the sector must provide compelling evidence that extends beyond preservation itself. This impact data should demonstrate that:

- **Heritage can address public needs;**
- **Heritage organizations can create such change; and**
- **Heritage is a vital asset with considerable and demonstrable value.**

WMF has responded to this trend by building an innovative monitoring and evaluation system for its global portfolio.

Some non-profits have a single overarching objective with a straightforward way to measure progress, even if achieving such a goal is complicated—for example, the eradication of a disease or the provision of water.

In contrast, while all heritage preservation projects involve documenting historic sites, physically preserving them, and presenting them to the public (online or in person), their ultimate goals vary greatly. For example, we may need to track local job creation through tourism, public awareness of particular history, or landscape resilience.

We aim to clearly outline how investments in cultural heritage can produce hoped-for impacts and provide precise data and evidence of these impacts.

Job creation, poverty reduction and environmental resilience

Some of our evaluations involve looking back at our long-running projects. For over 35 years, WMF has worked in the Angkor temple complex in Cambodia. As well as carrying out essential preservation work on the monuments neglected during the Khmer Rouge era, there was a need to provide jobs for the local community and rebuild the country's preservation skills.

The project evaluation showed that WMF's employment has allowed workers to consistently build wealth. In addition, this reliance on international expertise has decreased over time, and is now a fully locally run team (Figure 115).

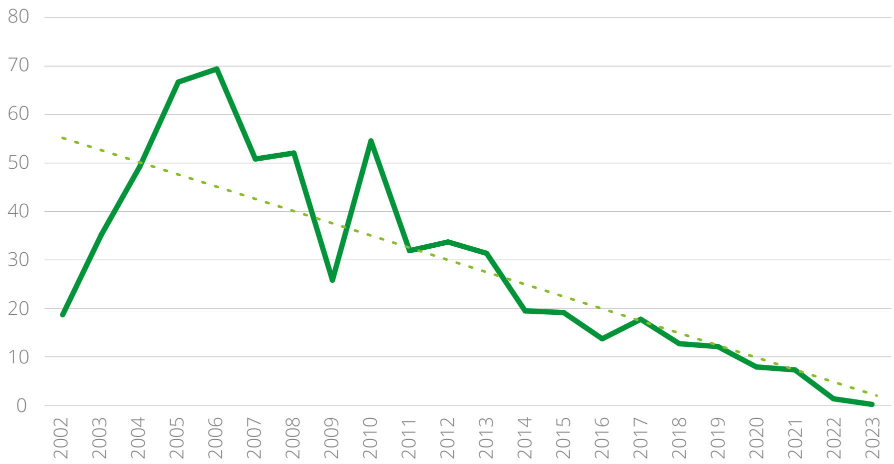
However, the evaluation also highlighted that WMF local workers were unable to develop their careers due to a lack of market recognition of their skills. As such, WMF is now developing certification schemes to increase local employment impacts.

Project evaluation is often perceived as a retrospective process. However, to track change effectively, WMF focuses on understanding the big picture from the project's very start, a key aspect of our monitoring and evaluation approach.

In Koutammakou, Benin, the preservation of each takienta—local traditional earthern structures—relies on the continuity of traditional building practices and transmission of relevant skills (Figure 116). Poverty in the community was preventing local women from renewing the outer plaster and carrying out any new construction.

Figure 115: Percentage of total WMF Angkor project budget spent on foreign consultants by year

Source: WMF



Following an extensive survey of current poverty and income levels among the community, WMF instigated a micro-entrepreneurship finance program that enables these traditions to continue.

In Kathmandu, Nepal, WMF is restoring historic water systems that once sustainably provided the capital with water. As Kathmandu has become increasingly water-stressed, we are using preservation skills to unlock past cultures' innovation and ingenuity (Figure 117). Throughout the project, scientific measurements of water flow, access and quality will demonstrate how this technology impacts local water security, as well as the scalability of these solutions.

Similar largescale projects are underway in India and Peru in urban and rural settings. Collectively, these build a picture of how investments in ancient technologies can meet today's challenges with real data behind them.

An evidence-based future

Systematic data collection in cultural heritage projects is relatively nascent. The ability to marshal different methodologies and data analysis covering, for example, public awareness, job creation and biodiversity, is a distinct challenge.

Converting project-specific data into evidence-based lessons and best practice requires expanding available data and ensuring projects share complementary definitions and research practices.

Preservation donors are increasingly expecting project monitoring and evaluation. However, as funding is limited and often has fixed timescales, it doesn't allow for the longer-term research needed to observe impacts that may take a long time to develop.

The lack of evaluation funding restricts the sector's ability to leverage data for further investment and carry out important work.

But overcoming such challenges is key to unlocking growing potential in heritage funding, and positioning heritage as a key asset from both humanity's past and for its future.

Figure 116: Takienta in Koutammakou, Benin
Source: WMF

Figure 117: Hiti in Kathmandu, Nepal
Source: WMF

INDUSTRY **INSIGHTS**

The strategic role of cultural initiatives and cultural impact measurement in the evolving sustainability reporting landscape[202]

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Despite today's complex global context and the ever-changing European regulatory framework, sustainability remains a strategic lever for business competitiveness. Growing attention to environmental, social and governance (ESG) factors—including from younger generations—makes it crucial for companies to communicate their sustainability performance, building trust and staying ahead of market expectations.

Value creation today goes beyond profit: it means generating positive impacts for relevant stakeholders, mitigating negative ones, and committing to operate within a sustainable value chain. According to Deloitte's *2025 Gen Z and Millennial Survey*, **younger professionals and consumers are looking for more than jobs or products.** Instead, they seek financial stability, meaningful work and brands, and personal well-being.[203]

As Generation Z and millennials bring new expectations around life and work, companies must rethink their impacts. This is not just to attract and retain talent, but also to stay relevant with younger consumers, societies, and local and central institutions. **When companies support art and culture, it demonstrates their dedication to the greater good of society, not just profit.**

Cultural engagement, far from being just entertainment, fosters well-being, belonging and sustainable development. The Next Generation EU plan confirms the role of culture in supporting sustainable growth, incorporating specific public financing dedicated to art and cultural initiatives.[204]

For businesses, institutions and communities, investing in culture today means responding to a present demand, while shaping more inclusive, conscious and resilient societies for the future. Whether supporting cultural organizations or running their own initiatives, companies must now measure and communicate the impact of these efforts.

This article explores how cultural initiatives contribute to a company's sustainability performance and reporting. It introduces the **European Art Assets Observatory**, a collaborative project developed by ITIR, ARTE Generali, Banca Generali and Deloitte Private, aiming to design a framework for measuring and reporting the impact of corporate art assets to enhance transparency and integrate them into sustainability strategies.

Sustainability reporting and the CSRD

The importance of reporting and communicating culture's value is recognized in the new **European regulatory framework on sustainability reporting**, which strengthens the strategic importance of impact measurement.

Figure 118: The European regulatory framework on sustainability reporting

Source: Deloitte.

2014

Non-Financial Reporting Directive (NFRD)

- **Scope:** large public-interest entities (PIEs) with over 500 employees, and at least one of the following: €20 million in total assets, or €40 million in net turnover.
- **Reporting Framework:** reporting may follow recognized frameworks such as GRI (Global Reporting Initiative), SASB (Sustainability Accounting Standards Board), IIRC (International Integrated Reporting Council).

2018

EU Sustainable Finance Action Plan

EU strategy aligning finance with sustainability goals by promoting transparency, managing ESG risks, and fostering long-term sustainable investments.

2019

EU Green Deal

European Union's strategy to achieve climate neutrality by 2050. It includes policies to reduce greenhouse gas emissions, promote clean energy, protect biodiversity, support circular economy practices, and ensure a just transition for all, aiming to make the EU's economy sustainable, competitive, and inclusive.

2020

EU Taxonomy

Classification system defining environmentally sustainable economic activities to guide investments and prevent greenwashing.

2022

Corporate Sustainability Reporting Directive (CSRD)

CSRD expands sustainability reporting requirements, covering more companies and mandating detailed, audited ESG disclosures aligned with EU standards. The reporting scope is extended to the companies' value chain.

Timeline and scope:

- **FY 2024:** companies already subject to NFRD (i.e., large public-interest entities with 500+ employees)
- **FY 2025:** large EU companies (not previously under NFRD) meeting 2 out of 3 criteria: 250 employees, €50 million turnover, €25 million total assets
- **FY 2026:** listed SMEs, small and non-complex credit institutions, and captive insurance undertakings
- **2028:** Non-EU companies with substantial EU activity (≥€150 million net turnover in the EU and an EU branch/subsidiary)

Reporting Framework

Companies under the CSRD: European Sustainability Reporting Standards
Mandatory EU standards defining how companies must report sustainability information under the CSRD, ensuring consistency and comparability.

Companies in the value chain of companies under CSRD: Voluntary SME Standards (VSME)
Simplified, optional sustainability reporting standards developed for non-listed SMEs to support transparency without excessive administrative burden.

UNESCO Culture | 2030 Indicators
Framework of thematic indicators whose purpose is to measure and monitor the progress of culture's enabling contribution. It can be used as a basis for creating indicators dedicated to arts & culture, in line with ESRS and VSMEs.

2025

Omnibus Package

Proposal for a simplification of CSRD and ESRS requirements, to reduce administrative complexity for EU companies.

Main modifications proposal (under approval process):

- Shift of 2 years in the application of the CSRD for non-listed companies
- For large companies, increased threshold: 1.000 employees, reducing the scope of application of the Directive
- Simplification of ESRS
- VSMEs as a basis for preparing a voluntary sustainability report, for those companies not required to publish a Sustainability Statement under CSRD and those included in the value chains of the companies under CSRD

In December 2022, the EU adopted the **Corporate Sustainability Reporting Directive (CSRD)**[205] to enhance companies' transparency and non-financial information to benefit investors, stakeholders and communities. The **CSRD entered into force in 2024** for large, listed companies that were already subject to previous non-financial reporting obligations, such as the Non-Financial Reporting Directive (NFRD).

The CSRD marks a historic shift, requiring companies to establish a reporting system capable of integrating financial and sustainability elements. It exemplifies European regulatory leadership in sustainability, adopting the "double materiality" approach and extending the scope of reporting to the entire value chain. However, it fits into a broader trend of international convergence.

The US Securities and Exchange Commission (SEC) and the International Sustainability Standards Board (ISSB) are advancing similar proposals, while maintaining a more limited focus on financial materiality alone. This suggests that we are moving toward a global, integrated ESG reporting standard.[206]

Measuring and reporting wider impacts

In this context, **transparency** and **non-financial information** remain vital for stakeholders for a broader understanding of a company's value, looking beyond just economic results to include **environmental, social, relational, and cultural impacts.**

Corporate art assets (CAAs), including corporate art collections, play a crucial role in corporate social responsibility practices. To fully unlock their strategic value, **it is essential to adopt appropriate methodologies and strategies for measuring and communicating the impacts they generate.**

The European Sustainability Reporting Standards (ESRS) and other existing sustainability reporting frameworks lack specific and standardized key performance indicators (KPIs) related to culture. However, in line with the ESRS' general structure, organizations may take inspiration from the UNESCO Culture | 2030 Indicators Framework ("UNESCO Framework") to integrate information related to culture in ESG disclosures.[207] In fact, the UNESCO Framework aims to analyze culture's contribution to the United Nations Sustainable Development Goals (SDGs).

The UNESCO Framework, while developed for urban and national analysis, is highly adaptable for local cultural projects. Both cultural and non-cultural organizations already use it to incorporate cultural impact data into their sustainability reports. Its design aligns with current standards, making it suitable for companies to adopt for communicating their impact, even after the anticipated simplifications of the EU's Omnibus Package.[208]

The combination of different reporting approaches represents a strategic opportunity to strengthen dialogue with stakeholders. It could also inspire cultural entities that need to communicate their impacts externally for transparency, fundraising and maintaining good relationships with various stakeholders.

European Art Assets Observatory

To develop a framework for reporting the impacts of CAAs, in line with existing best practices, the Institute for Transformative Innovation Research (ITIR) at the University of Pavia launched the European Art Assets Observatory (the "Observatory"), in collaboration with ARTE Generali, Banca Generali and Deloitte Private. The primary objectives of the Observatory's research activity include developing a framework for the reporting of CCAA impact, in line with existing best practices.

CAAs as strategic drivers for sustainability

By exploring corporate art collection management practices, the Observatory aims to identify how organizations from different sectors can leverage art and culture to foster sustainability and contribute meaningfully to global social objectives.

To this end, a specific research project was launched to fully investigate these dynamics. The chosen approach for the research was **mixed-method** to balance a quantitative approach's systematicity and rigor with a qualitative approach, which is designed to capture the nuances of a novel topic with limited objective data (Figure 121).

Figure 119: Summary of the methodological approach
Source: European Art Assets Observatory, developed by ITIR, ARTE Generali, Banca Generali and Deloitte Private.

	Quantitative approach	Qualitative approach
Sample dimension	150 organizations	14 executives and experts
Data collection methodology	Survey	Semi-structured interviews
Data analysis methodology	Descriptive statistic	Gioia method

Based on a review of 30 international scientific articles, an increasing number of companies across various sectors show a growing interest in art and culture. This includes creating corporate collections, commissioning artworks and opening corporate museums or foundations.

Investments in art assets and cultural initiatives are opportunities to enhance corporate identity, promote stakeholder engagement, and align corporate brand narratives with broader cultural and social values, especially as true drivers of sustainable development at the ESG level.

However, the management of CAAs by European companies remains an unexplored territory, based on the availability of structured and accessible data. The lack of concrete, systematically managed data makes it difficult to answer key questions, such as whether European companies hold significant investments in CAAs and to what extent.

Information about CAAs (both owned and managed) is rarely disclosed in financial statements or reports. This lack of transparency is due to several reasons, including that CAAs are not yet considered "core" assets for many companies, the absence of specific accounting standards for art assets, and the potential volatility of their market value.

Beyond investment, a key consideration involves companies' governance models for managing CAAs. To date, CAAs in Europe are managed in different ways, ranging from informal approaches to structured and integrated methodologies (Figure 120).

Figure 120: Governance approaches in managing CAAs

Source: European Art Assets Observatory, developed by ITIR, ARTE Generali, Banca Generali and Deloitte Private.

Creative approach	Managerial approach	Holistic approach
This approach lacks defined managerial best practices and key performance indicators (KPIs). This is due to art's inherently "creative" and subjective nature, making it resistant to objective measurements and typical business management practices. Decisions about acquiring, conserving and valorizing artworks are often guided by personal feelings or immediate opportunities, rather than being strategically aligned with the company's objectives.	This approach adopts a structured "managerial" perspective. CAAs are treated as true corporate assets, subject to consolidated best practices and standard KPIs borrowed from finance and asset management. Specific budgets are defined, acquisition and maintenance costs are tracked, potential returns on investment are evaluated, and inventory and cataloguing systems are implemented. The primary objective is to optimize the art assets' economic value, often considering their potential for appreciation over time.	This approach bridges the gap between art's unique nature and the needs of corporate management. It recognizes the specificity of CAAs, blending traditional business strategies and KPIs with more qualitative metrics that capture the artistic and cultural context. This holistic approach aims to balance economic value with the recognition of art's intrinsic and communicative worth, integrating it more deeply into the overall corporate strategy.

Quantifying the impact of CAAs is still a major undertaking. Based on the holistic approach in Figure 121, evaluating the success of artistic projects transcends mere aesthetic judgment.

Instead, it requires defining measurable criteria and indicators to understand their multidimensional impact at social, cultural and economic levels. Translating artistic objectives into concrete metrics implies considering different dimensions of success, distinguishing between quantitative and qualitative KPIs.

The Observatory is developing and refining a CAA measurement framework for companies, which integrates academic studies and research with some best practices already introduced by companies (Figure 121).

Figure 121: The elements being considered in the CAA measurement proposal

Source: European Art Assets Observatory, developed by ITIR, ARTE Generali, Banca Generali and Deloitte Private.

Economic Impact

Visitors' number and spending, local supplier engagement, tax revenue, urban regeneration, contribution to local cultural system

Social Impact

Diversity and inclusion, accessibility to culture (i.e., removal of economic, physical, linguistic, and cognitive barriers)

Cultural Impact

Preservation and valorization of cultural and industrial heritage, creation of knowledge and skills (e.g., through educational programs or the involvement of schools and university)

Experiential Value

Artist involvement (including satisfaction for the project, professional growth, and new collaborations), employees and community engagement

Artistic Value

Critical praise and recognition, positive reviews, awards, and institutional acknowledgment

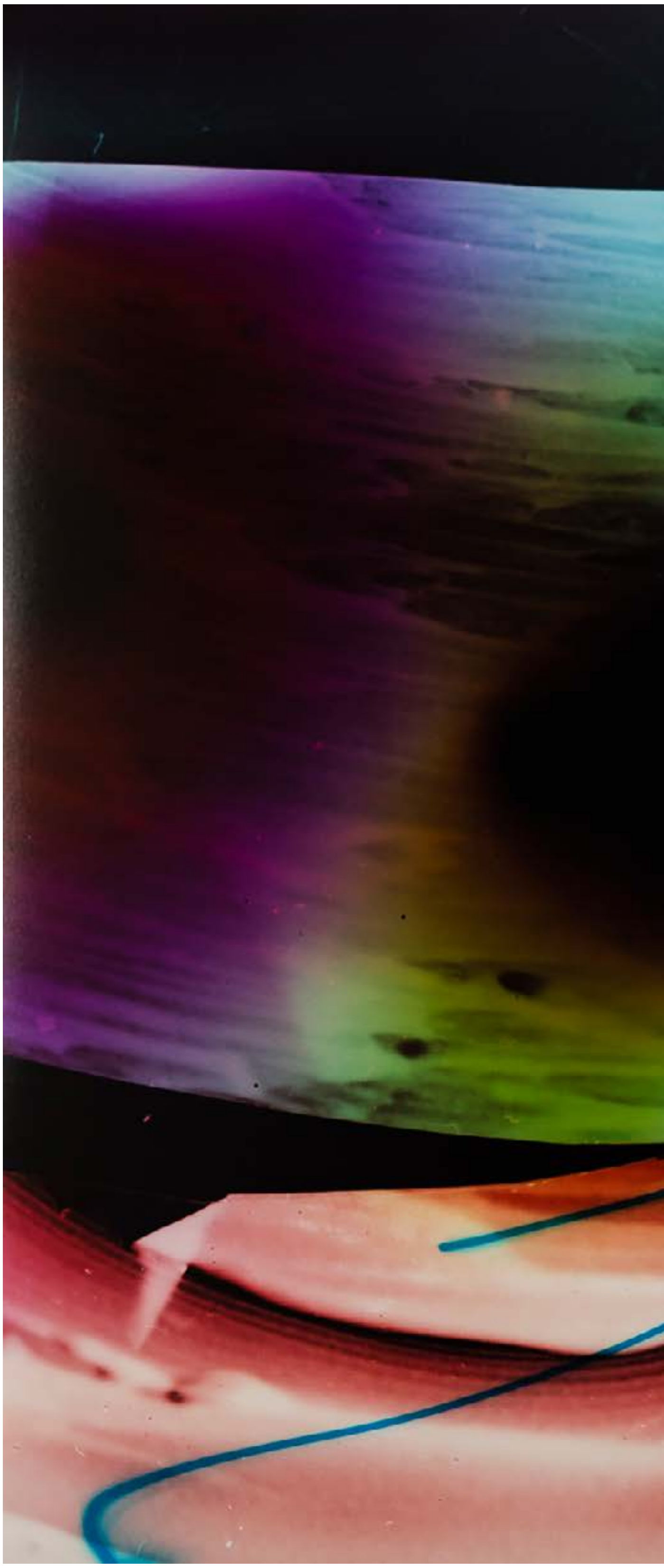
In conclusion, bridging the aforementioned gaps is crucial for advancing and developing managerial practices that integrate CAAs with sustainability, helping distinguish between mission and purpose. Managing artistic and cultural initiatives and committing to sustainability allows companies to enhance their strategy, communicate values and boost innovation.

Therefore, the need for greater transparency and more systematic data collection on CAAs is crucial to better understand their role in the European corporate landscape. Only through the availability of structured information can we quantify the actual extent of investments, analyze the underlying motivations, and evaluate their 360-degree impact.

The Observatory aims to continue developing a framework to demonstrate CAAs' impact on the sustainable growth of humanity.

PART **02**

Impact investment in the arts, culture and creative sectors



Untitled
Marta Djourina, 2021
Direct exposure on analogue photo paper with different light sources, self-made film negative, unique piece, 53 x 40,5 cm

The worlds of art and finance are increasingly converging, with social impact investment in the arts, culture and creative sectors gaining significant traction. This is especially true for investors who seek to align wealth with purpose.

According to the article "*Investing in the creative economy: Lessons from global fund managers*," (page 314) the creative economy remains an under-explored but promising frontier, offering investors the chance to generate financial returns while also driving positive social impact. To map this emerging landscape, the authors identified 50 active funds globally, spanning both impact investment vehicles and traditional venture capital, that collectively managed over US$22 billion in AUM. This data underscores the creative economy's growing recognition as both a viable investment class and a catalyst for inclusive, sustainable growth.

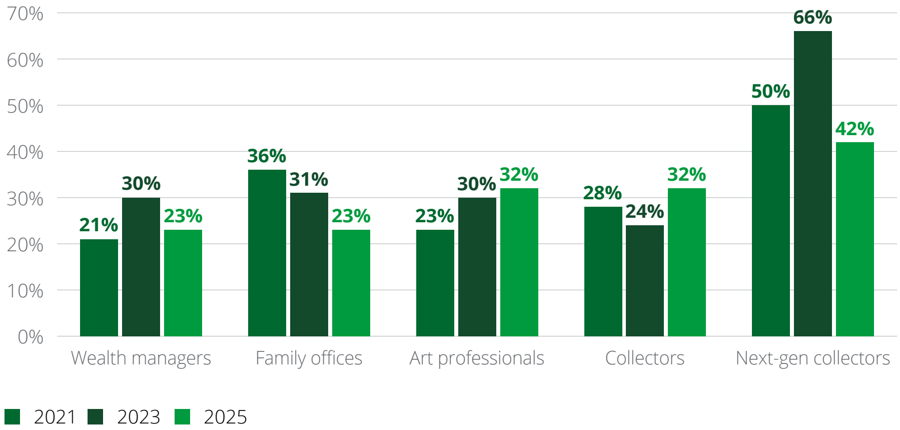
This part offers insights into how different stakeholders have responded to this convergence over time. The data analysis, covering 2021 to 2025, paints a nuanced picture of evolving attitudes and priorities across wealth managers, family offices, art professionals, collectors, and next-gen art buyers.

Survey findings 2025

Social impact investment: While interest among collectors initially dipped from 28% in 2021 to 24% in 2023, it rebounded to 32% in 2025, while art professionals' appetite remained strong throughout, growing steadily from 23% to 32% over the same period. In comparison, interest among wealth managers increased from 21% in 2021 to 30% in 2023, but slipped to 23% in 2025. This dip may be due to a lack of offerings and clear frameworks for linking cultural investments with measurable financial performance. Still, the overall trend points to a broader global shift toward values-based investing. As collectors increasingly seek purpose alongside profit, demand for culturally aligned, socially conscious investment products is likely to continue growing, particularly among next-gen collectors and philanthropic investors. (see figure 169 in Section 6, page 417)

Shifting trends across stakeholder groups

Figure 122: Demand for social impact investment products in culture (% interested/very interested)
Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Wealth managers

While interest among wealth managers in social impact investment in art and culture initially rose from 21% in 2021 to 30% in 2023, it fell to 23% in 2025. This trajectory suggests that an early wave of enthusiasm—likely fueled by broader ESG trends and growing client interest in purpose-led investing—has now tapered off, returning to near initial levels.

The decline may reflect several challenges, including the difficulty of integrating cultural impact products into conventional portfolios, a lack of measurable returns, and the market's small and largely untested nature. Many wealth managers may still have limited knowledge of these products, and concerns about scale, liquidity and performance tracking likely deter broader adoption.

Wealth managers' priorities are typically financial outcomes, risk mitigation and fiduciary duty. While the idea of cultural and social impact is compelling, in practice, the absence of a robust investment track record or clear impact metrics makes it challenging to justify inclusion within traditional frameworks.

A notable disconnect exists between the availability of these services and the confidence in them. While 54% of wealth managers who offer art-related services claimed to include social impact investment in their service portfolios, only 17% planned to focus on this area in the next 12 months. Without robust client uptake, proven returns or scalable investment models, wealth managers may view these products as passive options rather than high-potential growth areas.

This gap between availability and conviction highlights a crucial need to demonstrate the effectiveness of investing in art and culture. It underscores the importance of developing clearer value propositions, improving impact measurement, and enhancing education. Furthermore, building stronger partnerships with cultural intermediaries is essential to boost momentum around art-based impact investment.

Family offices

Family offices have shown a similar cooling of enthusiasm for social impact investment in arts and culture. The percentage of those expressing a strong demand for these products declined from a high of 36% in 2021 to 31% in 2023, and further to 23% in 2025. This may be due to the growing complexity of balancing legacy goals, wealth preservation, and performance across generations.

Other factors may help explain this decline. According to research by UBS and Campden Wealth, many family offices have reallocated capital toward more defensive and income-generating assets in response to market volatility and geopolitical uncertainty.[178] This may have made niche or emerging areas, such as cultural impact investments, seem less urgent or too risky in the short term.

According to UBS' *Global Family Office Report 2025*, sustainability and impact remain key themes in family office portfolios. Over a third (37%) of family offices are actively investing in clean, green and climate tech, while nearly half (49%) have allocations in health tech and innovation.[179] These sectors offer clear pathways for scalable growth, measurable outcomes, and alignment with global ESG goals.

By contrast, cultural investments, including art and creative sectors, often struggle to meet the same expectations. They tend to lack standardization, robust exit strategies, and universally accepted impact metrics, making them less appealing to family offices seeking both purpose and performance in their capital deployments.

This highlights the need for more mature, data-driven models in the art and cultural impact space. Family offices could re-engage if products evolve to provide more control, transparency and measurable long-term outcomes.

Art professionals

Interest in investment products offering both financial returns and cultural value has grown steadily among art professionals, up from 23% in 2021 to 32% in 2025. This trend reflects a belief that sustainable, values-driven funding models are essential for the future of the arts. This sentiment is even stronger among younger art professionals, with 39% reporting that their clients would be interested in these social impact investment products.

As stewards of creative production, art professionals are uniquely positioned to champion investment solutions that support both artistic innovation and social good. Next-gen art professionals, in particular, bring fresh perspectives rooted in purpose, diversity and sustainability, making them key advocates for more holistic financial models. Their close proximity to emerging artists, cultural trends and new collectors gives them a clear view of where market and mission intersect.

Due to their familiarity with the cultural value chain, art professionals are especially receptive to blended finance approaches. These combine philanthropic capital with social impact investment to fund projects that generate both artistic and societal returns. Given their influence and credibility within the sector, art professionals could play a vital role in shaping and scaling these investment models, helping to move the conversation beyond traditional grant making toward more strategic, long-term cultural investment.

Instead of viewing philanthropy and social impact investment as distinct categories, there is an opportunity to integrate them into a unified approach, where philanthropic intent fuels innovative financing for cultural impact. With their generational insight and deep sector knowledge, younger art professionals may be the key to making this integration meaningful, effective and aligned with the evolving needs of the arts, culture and creative sectors.

Collectors

While many social impact investment products in culture are still in their early stages, a strong interest is emerging among collectors. A significant 39% of collectors—and even 48% of next-gen collectors—saw these products as a relevant wealth management service in 2025. From an investment perspective, 32% of collectors expressed strong demand for social impact investment in arts and culture, up from 24% in 2023. This increase may suggest a cyclical interest, with collectors' appetite for purpose investment growing when the art market declines, as we have seen since 2023.

Next-gen collectors—primarily millennials and Gen Z—are emerging as powerful change agents in the art investment landscape. Their demand for social impact investment products in culture peaked in 2023 (66%) but has since dropped to 42% in 2025. This volatility points to both opportunity and risk: their engagement is strong but not guaranteed.

To truly connect with this group, wealth managers must shift beyond being mere gatekeepers of capital and become curators of impact journeys. It is no longer about offering a product; it is about cultivating an investment ethos that values empathy, creativity and long-term legacy.

The sharp drop in interest from 66% in 2023 to 42% in 2025 may serve as a warning: enthusiasm without follow-through can quickly lead to disengagement. The future of social impact investment in culture depends on delivering real value—not just in returns, but in meaning.

Conclusion

The demand for social impact investment products in culture is dynamic, reflecting broader cultural, generational and economic currents. While groups like family offices and wealth managers have shown tempered enthusiasm over time, art professionals, in particular, have signalled a growing appetite for meaningful engagement.

For wealth managers, this represents not just a challenge but a strategic opportunity: to lead with innovation, align client values with purposeful investments, and contribute meaningfully to the evolving narrative of wealth in the cultural domain.

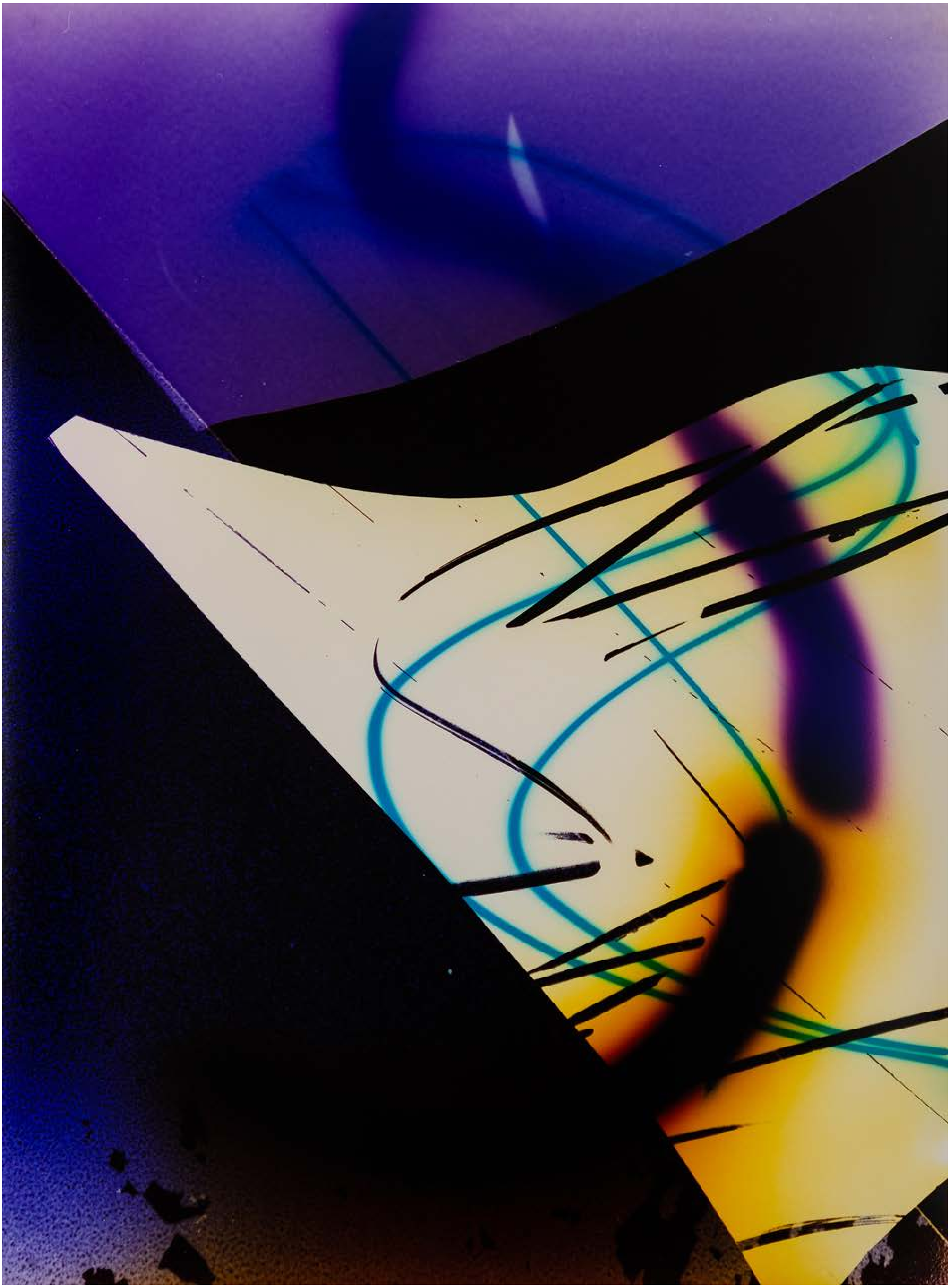
In their article, ***"Investing in the creative economy: Lessons from global fund managers"*** (page 314) Laura Callanan, Annabelle Camp and Rifat Mursalin argue that the path forward must prioritize cultural relevance and creative value, not just as symbolic or aesthetic outcomes but as essential components of meaningful impact. They also emphasize that the creative economy deserves far more than the current 50 active funds in the space.

Their insights offer a practical roadmap for scaling investment in culture:

- Make the case, build the coalition and mobilize capital;
- Build the pipeline before approaching investors;
- Measure impact in terms that resonate with investors; and
- Don't wait, start innovating.

The authors urge stakeholders to move beyond conventional approaches by investing in culture and tech together and designing financing structures tailored to creative production. This call to action aligns with the growing need for wealth managers to embed cultural and social impact literacy into their offerings. By doing so, they can not only remain relevant but also help redefine value itself, unlocking new possibilities in the realm of social, cultural and generational legacy.

Untitled
Marta Djourina, 2021
Direct exposure on analogue photo paper with different light sources, self-made film negative, unique piece, 53 x 40,5 cm



INDUSTRY **INSIGHTS**

Investing in the creative economy:
Lessons from global fund managers

Laura Callanan
Founding Partner, Upstart Co-Lab

Annabelle Camp
MBA Candidate, The Wharton School at the University of Pennsylvania

Rifat Mursalin
MBA Candidate, Harvard Business School

The creative economy and impact investing

The creative economy comprises art, culture, design and innovation industries and their economic contribution within a geographic region. Each local creative economy features a unique set of industries, reflecting that place's culture, tradition and heritage.

By declaring 2021 the International Year of Creative Economy for Sustainable Development, the United Nations recognized the creative economy "*...as a powerful force for good, livelihoods, social cohesion and economic development...*" and acknowledged the role of creative industries in "*...supporting entrepreneurship, stimulating innovation and empowering people, including young people and women, while preserving and promoting cultural heritage and diversity.*"[209]

Around the world, impact investors are putting capital to work in the creative economy to achieve environmental, societal and economic goals, as well as financial returns. The creative economy presents an underexplored opportunity for investors to make money and do good, by:

- Stabilizing threatened communities and offering an on-ramp to community wealth-building;
- Responding to consumer demand for authentic products that are produced ethically and sustainably; and
- Providing a platform for meaningful stories told from diverse perspectives.

At Upstart Co-Lab, we define the inclusive creative economy for impact investors, with a focus on:

- **Ethical fashion:** companies producing clothes, shoes, jewelry and accessories that proactively address industry challenges related to labor, environmental impact, governance and/or preservation of cultural heritage.
- **Sustainable food:** producers and providers of food and beverage products and experiences that proactively address and raise consumer awareness of resource conservation, preservation of cultural heritage and/or access to healthy food.
- **Social impact media:** companies that leverage the power of communication, storytelling and technology to drive positive social outcomes at scale, give a platform to under-represented voices and/or build a diverse workforce.
- **Other creative businesses:** includes online creator platforms and creative software tools, disruptive visual art platforms, immersive experiences, inclusive toy and game designers, and other businesses in art, design, culture and heritage industries that drive social impact.
- **Creative places:** real estate projects that are affordable, target creatives or businesses in the creative economy, and benefit their neighbors, such as affordable workspace for artists and creative economy businesses.

Upstart Co-Lab's lessons learned

Upstart Co-Lab connects capital to creative people who make both a profit and a difference.

Upstart's impact goals are to provide access to capital, create quality jobs, support vibrant communities, enable sustainable creative lives, and advance an inclusive creative economy.

In 2024, Upstart Co-Lab launched the Inclusive Creative Economy Strategy—the first impact investing vehicle dedicated to the US creative industries—with US$15 million committed by foundations, artists, and cultural institutions. As of May 2025, US$5.75 million was invested and reserved for follow-on in three funds and three companies selected from Upstart's proprietary pipeline of 300 opportunities.

After nearly a decade of advancing impact investing in the US creative economy, Upstart has learned three key lessons:

1. Make the case, build the coalition, mobilize capital

Impact investing in the creative economy requires more than just launching a fund. Since the creative industries are a new focus for impact investors, an ecosystem must be developed by:

- Gathering data, stories and examples that make the case;
- Bringing stakeholders together to cooperate, co-invest and learn from one another; and
- Introducing new investment vehicles that respond to specific capital needs.

This process of field-building is not linear but iterative, repeating and reinforcing. Other fund managers investing in the creative economy concur.

In the UK, Figurative's Fran Sanderson observes that this is a process of changing mindsets and behavior, and emphasizes the importance of taking the long view toward building a strong ecosystem.

Nicholas Parpex at BPI France's Le French Touche emphasizes that the greatest successes come from sharing expertise with other stakeholders.

German Cufre, who leads creative economy investing for the International Finance Corporation (IFC), takes the time to cultivate strategic corporate partners as co-investors to strengthen the creative economy in the Global South.

2. Build the pipeline first, then talk to investors

Before raising capital, it is crucial to understand the qualified opportunities currently seeking capital that align with your geographic, industry and impact goals. Building a pipeline of investment opportunities—not a general landscape or aggregate market overview—will inform the type of financing needed, the appropriate investment vehicle, and how much capital can be deployed. Raising funds is much easier when there are concrete examples of investment opportunities to discuss with prospective investors.

Upstart was fortunate to learn this from Sam Marks at the Local Initiative Support Corporation (LISC), our partner on the 2018 LISC NYC Inclusive Creative Economy Fund. He had seen too many examples of community development funds unable to deploy capital because they did not understand where that money could be allocated.

The IFC agrees that sizing the market opportunity is not enough; the crucial first step for any investor is qualifying a pipeline of live opportunities currently seeking capital.

3. Measure impact in terms that impact investors understand

When impact investors hear about the creative economy, they often assume the "impact" will be related to beauty and style, making it both difficult to measure and out of sync with existing impact metrics.

Build investor confidence by clarifying how the creative economy aligns with familiar impact goals like economic development and environmental sustainability. It is essential to demonstrate that investors can achieve their existing impact targets, in order to engage investors unconnected to art and creativity but with shared impact priorities.

Wakiuru Njuguna at HEVA Fund agreed that all available approaches should be explored to make the creative economy attractive and welcoming to new investors.

Bonnie Burnham of the Cultural Heritage Finance Alliance reinforced the importance of framing impact through familiar metrics, noting that investors may incorrectly assume the creative economy is nonessential otherwise.

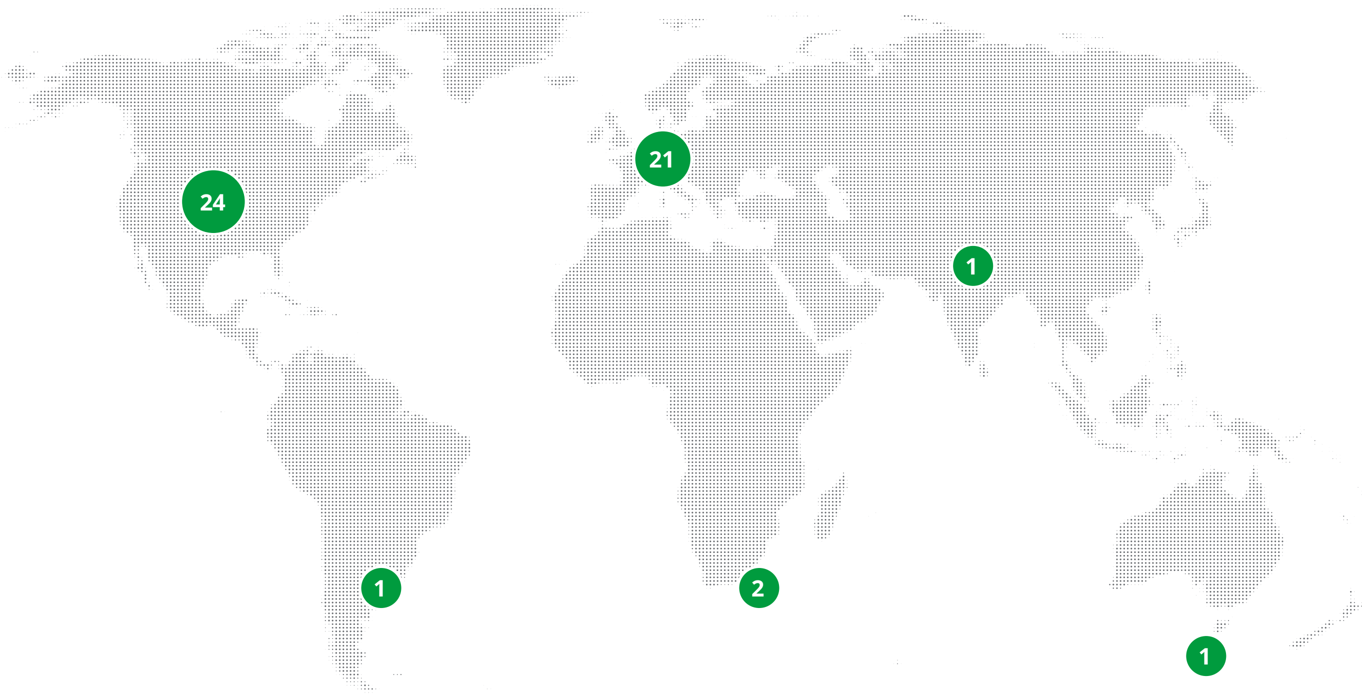
Lessons learned from around the world

To better understand the global landscape of creative economy investing, we identified 50 funds from around the world (Figure 124)—both impact funds and conventional venture capital funds—with more than US$22 billion assets under management (AUM).

The vast majority of these funds are headquartered in North America and Europe (Figure 123) and are investing in creative industries that rely heavily on technology, including film, television, video games and the creator economy (Figure 125).[210]

Figure 123: Funds investing in the creative economy by region

Source: Upstart Co-Lab



50 active funds identified managing US$ 22 bn

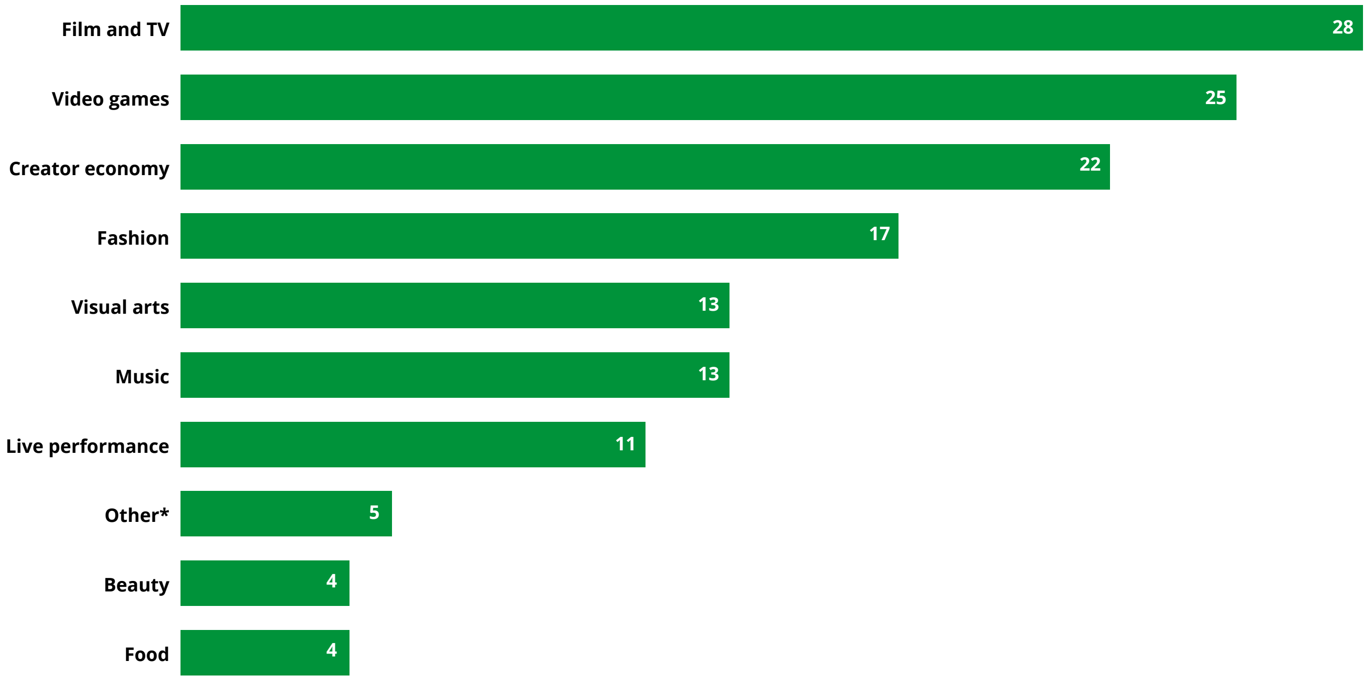
Figure 124: List of active funds identified in research
Source: Upstart Co-Lab

Funds	Headquarters location
125 Ventures	US
1Up Ventures	US
Alante Capital	US
Anansi Fund	Kenya
ArtNova	France
Blisce	France
Blockbusterfonds	Netherlands
BPI France	France
Brabant C	Netherlands
CAA/NEA Connect Ventures	US
Closed Loop Partners	US
Creatis Capital	US
Creative UK	UK
Cultural Heritage Finance Alliance	US
Culturr + Ondernemeen	Netherlands
Edge Creative Enterprise Fund	UK
Essence Creator and Makers Fund	US
Fashion Capital Partners	France
Figurative	UK
Finnish Impact Film Fund	Finland
Galaxy Interactive	US
Good Fashion Fund	Netherlands
Griffin Gaming Partners	US
Harbourview Equity	US
HEVA Fund	Kenya

Funds	Headquarters location
IFC	US
IPR VC	Finland
Konvoy VC	US
Level Forward	US
Lightspeed Ventures	US
LISC NYC Inclusive Creative Economy Fund	US
Makers Fund	Hong Kong
Mirabeau Lifestyle Impact and Innovation	France
New Renaissance Ventures	Austria
Ololo	Kyrgystan
PDS Ventures	UK
Perspective Funds	US
Screen Capital	Chile
Sparklabs	US
ST'ART	Belgium
Station 12	UK
Sunday Ventures	US
Supply Change Capital	US
Textile Innovation Fund	Netherlands
Transcend	US
Upstart Co-Lab	US
UTA.VC	US
Volition Entertainment Media and Art	France
VP Capital	Belgium
Yamaha Music Innovations	US

Figure 125: Funds investing in the creative economy by industry focus

Source: Upstart Co-Lab



**Includes immersive technologies, virtual reality, cultural heritage and cultural tourism.*
Note: many funds invest in more than one creative industry.

We asked these fund managers about their experience investing in creative industries. In this section, we present the three lessons that most managers shared.

1. Don't get stuck getting started

Although creative places and businesses have been core to comprehensive community and global development for decades, impact investing in the creative economy seems new. Because it is unfamiliar, investors may consider the creative economy to be risky and hesitate to commit.

Waiting to raise a large pool of capital or for that perfect first deal will paralyze progress. Instead, the best way to demonstrate the creative industries' real risk and return is to start investing. Credibility grows through execution—not just intention—and early activity signals investment viability to funders and partners.

Tim Evans at Creative UK suggests that demonstration builds momentum and trust, and recommends starting with small investments to build credibility.

According to Figurative, investment rigor is more important than scale to prove the creative economy's return and impact potential.

2. Innovate on the financing structure

The creative economy is emerging as a laboratory for financial innovation, proving new models can benefit the whole field of impact investing.

Revenue share agreements, blended capital, and employee ownership are all tools used by BPI France, the Cultural Heritage Finance Alliance, HEVA Fund and IPR.VC. Rather than use a limited partnership, Upstart Co-Lab teamed with ImpactAssets on a multi-funder pooled structure for our Inclusive Creative Economy Strategy.

Sometimes, fund managers experiment in the creative economy first. For example, LISC issued notes for the first time with the NYC Inclusive Creative Economy Strategy before launching a US$150 million national notes offering.

Daniar Amanaliev at ololo Creative Hub in Kyrgyzstan highlighted that investors are responding to the seasonality of earnings (for example, tied to holidays and festivals) of creative industry businesses. Solid financial solutions to address creative economy realities can be extrapolated to other industries in the future.

3. Invest in culture and tech together

Investors recognize the growing opportunity at the intersection of culture, creativity and technology. Innovations in online training and recruitment for creative jobs or timely payments in the creator economy have broad applications to the future of work across many industries.

That's why Creative UK, IPR.VC and Station 12 all invest in culture and tech, seeing the potential for venture returns and impact at scale.

Severin Zugmayer of New Renaissance Ventures, which invests in tech founders in the cultural and creative industries, observed that there are hundreds of climatetech, fintech, healthtech and deeptech funds, but a dearth of funds with cultural and creative tech at their core.

The hybrid cultural and commercial value of creative tech is not yet being served by traditional venture capital investors. This presents a unique opening for impact investors to shape investing at the intersection of creativity and tech to be ethical and sustainable.

Questions about launching a creative economy fund

Around the world, investors are considering launching impact investment funds to grow their regional creative economy. Many believe that launching a creative economy impact fund will build capacity for their entire creative ecosystem, including nonprofit arts and culture activities.

The following six organizations are currently exploring whether to launch a fund:

- Creative Australia
- Creative Industries of Kazakhstan
- Doen Foundation (Netherlands)
- Metcalf Foundation (Canada)
- Creative Economy Development Fund (Nigeria)
- Pennsylvania Council on the Arts (US)

We asked these six organizations about the questions they are wrestling with, and any barriers holding them back. A common set of questions arose in our conversations with these prospective investors, which we answer here.

1. How can we move from idea to action?

Colleagues at the organizations listed above, mostly from arts and philanthropy, expressed enthusiasm for impact investing in the creative economy. They had completed an initial landscaping, spoken to a range of experts, and gained decision-makers' support to pursue a creative economy impact fund. But they were stuck on deciding which creative industries to prioritize, the kind of capital needed, and what impact metrics to use.

OUR ADVICE:

- Develop a pipeline of specific companies, nonprofit revenue-generating schemes, or real estate projects that are seeking capital now;
- Source live opportunities and screen them against basic business-readiness and investment criteria to clarify what creative industries in your region are currently investable; and
- Talk with the founders leading these opportunities about the capital they need to grow and the positive impact they aim to achieve.

Jayne Lovelock at Creative Australia describes the benefits of starting with a "demonstration fund" that is as much about catalyzing understanding of creative economy investment as it is about deploying capital. There is no substitute for reviewing dozens of deal examples to inform a new investment strategy and impact thesis.

2. How can we hire a specialist impact fund manager with expertise in the creative economy?

Most prospective investors we spoke with hope to set the investment and impact parameters for a new fund, and then hire an impact fund manager in their geographic region, who already has deep experience investing in the creative industries, and is willing to raise the capital needed to launch the new fund.

Unfortunately, none of the 50 funds listed in Figure 124 fit this description, suggesting this scenario is highly unlikely.

OUR ADVICE:

- Partner with an experienced impact fund manager in your region who is already investing in the asset class and with the impact goals suggested by the deal pipeline you developed;
- Confirm your fund manager is committed to building their knowledge of the creative industries best represented in your pipeline—and help them to do so; and
- Pair your fund manager for consultation and guidance with fund managers like those identified in Figure 124, who are already investing in the creative economy in other regions.

This will allow the global ecosystem for impact investing in the creative economy to grow in a way that is tailored to local realities and opportunities.

3. How can we prepare for exit?

When launching a new fund, prospective investors are already planning for a successful conclusion. While ultimately each investor is focused on realizing returns on their own investments, doing so relies on a functioning ecosystem that brings capital and expertise to companies throughout their life cycle, from pre-seed through growth stage. Being able to pass the baton to later-stage investors is crucial.

Start planning today for tomorrow by selecting investors who already share priorities like geographic region or impact goals—and educate them on the specifics of the creative industries. Do this in a practical, hands-on way that allows your new fund to benefit from their expertise at the same time they are learning from you.

OUR ADVICE:

- Include these allied investors on the investment committee or advisory board for your new fund;
- Engage these allied investors in your due diligence of prospective portfolio companies, benefiting from their strategic knowledge and technical expertise; and
- Invite these allied investors to attend your annual meetings and learn about the progress of your creative economy fund.

The long-term sustainability of creative economy investing depends on preparing the right conditions now for follow-on investment and future exits. Include both conventional investors and impact investors in the education process described above to ensure the ecosystem is as robust as possible.

Conclusion

Cultural relevance and creative value are essential for meaningful, not just measurable, impact. Investing in the creative economy is a huge opportunity, and deserving of more than the 50 funds considered here. We hope this roundup of global examples serves as both inspiration and a practical guide for those seeking to unleash more capital for creativity.

INDUSTRY **INSIGHTS**

Innovative finance for the cultural and creative industries:

From grants to impact investments

Florencia Giulio
Founder, Pulso

Aunnie Patton Power
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The authors would like to acknowledge the contributions to this article from Latimpacto, Fundación Sura, Arts Council England, ArtNova, Secretaría de Cultura, Secretaría de Economía, Fideicomiso Fondo de Apoyo para la Creación y Consolidación del Empleo Productivo en el Estado de Nuevo León (FOCRECE), Banca Afirme, City Ideas, Chengdu Government, World Cities Culture Forum, International Finance Corporation (IFC), Bpifrance, NatWest, Ernesto Miranda, and Matías Muñoz Hernández.

Nonprofit and for-profit cultural and creative organizations continue to face structural funding challenges. While traditional philanthropic and non-repayable sources, including grants, subsidies and sponsorships, remain essential, their limitations significantly risk the long-term sustainability, scalability, and international expansion of organizations in the cultural and creative industries (CCIs).[211]

At the same time, public funding continues to substantially decline on a global level.[212] This contraction exacerbates the financial fragility of many cultural institutions, which are increasingly constrained by insufficient and highly competitive funding streams. As a result, the funding paradigm must be rethought to secure the future growth and resilience of CCIs.

In response, public and private art funders across the globe have begun to explore and implement **innovative finance mechanisms** that aim to unlock additional capital, engage new funders and ensure a more sustainable approach to sector development. Similar to the artists and innovators they support, these emerging mechanisms are not constrained by traditional thinking. They allow funders to move beyond a black and white approach that delineates between philanthropic grant capital and market rate return investment towards a full color palette of options that seek varying levels of financial return alongside cultural and social impact objectives.[213]

This article introduces an **"innovative finance spectrum"** of specifically designed alternative financing models for CCIs, ranging from grants (only impact returns) to impact investments (both impact and financial returns). Through curated case studies, it highlights eight novel and repayable instruments currently active across CCIs, driven by both public and private investors. These mechanisms include:

1. outcome-based contracts,
2. repayable grants,
3. microloans and loans with blended finance structures,
4. intellectual property (IP)-based lending,
5. equity, and
6. a mix of instruments combining soft funding, loans and equity.

Key highlights of the selected cases

- **Total assets under management (AUM):** US$1.4 billion.
- **Sectors targeted:** performing arts, film, visual arts, fashion, gaming, design, and cultural heritage.
- **Type of investors:** public actors, such as municipal, provincial and national governments and private investors, such as banks, family offices and corporate foundations.
- **Most frequently represented Sustainable Development Goals (SDGs):** SDG 5 (Gender Equality) and SDG 8 (Decent Work and Economic Growth).[214]
- **Start dates:** between 2020 and 2024.
- **Geographic coverage:** Europe, Latin America, Asia and Africa.

By showcasing these innovative approaches, this article aims to inspire funders, policymakers and cultural entrepreneurs to adopt and adapt more effective financial models, thereby helping to bridge the persistent funding gap. By working together, founders and funders can build the fit-for-purpose funding solutions that CCIs desperately need, and rethink how investment can unlock capital, balance risk, and enable sustainable, long-term growth.

Figure 126: Innovative Finance Spectrum

Source: Author's own elaboration

IMPACT ONLY: TRADITIONAL GRANTS

GRANTS

Mechanism: **Grants with outcome-based contracts**

Case: **Cultura Latinoamérica**

REPAYABLE GRANTS

Mechanism: **Repayable grants**

Case: **Arts Council England's Incentivising Touring Repayable Grants Scheme**

DEBT

Mechanism: **Microloans and blended fund**

Case: **Cultura Capital**

Mechanism: **Loans and blended fund**

Case: **Chengdu Municipal Risk Compensation Fund Pool for Bond Financing of Cultural and Creative Enterprises**

Mechanism: **Intellectual property-backed loans**

Case: **NatWest Bank's High-Growth IP Loan**

EQUITY

Mechanism: **Equity**

Case: **ArtNova**

SEVERAL INSTRUMENTS

Mechanism: **Soft funding, loan guarantees, loans and equity**

Case: **La French Touch Capital**

Mechanism: **Equity, debt, trade and supply-chain finance, syndication/mobilization, local currency products and blended finance**

Case: **IFC's risk-sharing facility with Orange Bank Africa**

Impact and financial returns

FINANCE ONLY: TRADITIONAL INVESTMENT

CASE 1

Mechanism: **Grants with outcome-based contracts**

Case: **Cultura Latinoamérica**

Fundación SURA and Latimpacto have launched Cultura Latinoamérica, a US$1.5 million fund that combines financial support with business training to strengthen cultural organizations' management and sustainability. The fund's innovative three-tranche disbursement model links payments directly to achieved outcomes, emphasizing impact measurement and technical support to foster project scalability.

Fact sheet:

Organization name:	Fundación Sura and Latimpacto
Type of investor:	Private sector—non-governmental organization (NGO) and corporate foundation
Creative economy sector:	All CCIs
Total fund size:	US$1.5 million for the first edition
Investment ticket range:	Maximum US$100,000
Investment type:	Grants, with outcomes-based contracts
Investees:	Not-for-profit cultural organizations (15 binational organizations in 2024)
SDGs covered:	All
Start date:	2024
Geographic area covered:	Colombia, Brazil, Panama, Peru, Mexico, Chile and the Dominican Republic

CASE 2

Mechanism: **Repayable grants**

Case: **Arts Council England's Incentivising Touring Repayable Grants Scheme for mid-large scale theatre and dance tours**

Arts Council England (ACE) has introduced a new £5 million (US$7 million) repayable grant scheme for commercially promising touring productions. This initiative supports the financial risk of touring productions and aims to maximize public funds by reinvesting repayments from successful tours, ultimately increasing access to high-quality cultural experiences. This innovation in the Arts Council's grantmaking landscape reflects a broader recognition of the interdependence between various business models that together sustain a healthy cultural ecosystem.

Fact sheet:

Organization name:	Arts Council England
Type of investor:	Public sector
Creative economy sector:	Performing arts
Total fund size:	£5 million for the first pilot over two rounds (US$7 million)
Investment ticket range:	Repayable grants of up to 25% of a production's capitalization costs, to a maximum of £500,000 (US$670,000). No lower limit
Investment type:	Repayable grants
Investees:	Producers of mid-large scale theatre and dance tours, can be commercial, independent and publicly-funded organizations
SDGs covered:	All
Start date:	2024
Geographic area covered:	UK but tours can include international locations

CASE 3

Mechanism: **Microloans and blended fund**

Case: **Cultura Capital**

Nuevo León's Secretary of Culture and Banca Afirme have launched Cultura Capital, a MX$19 million (US$1 million) pioneering regional microloan program for the creative sector. The innovation in the blended fund structure lies in its cost-sharing model: the Ministry of Culture covers 65% of the financial cost, and Banca Afirme 35%. Aiming to professionalize cultural agents and grow the creative economy, the program also offers business development advisory services and workshops.

Fact sheet:

Organization name:	Secretaría de Cultura, Secretaría de Economía, FOCRECE and Banca Afirme
Type of investor:	Public (federal entity) and private sector (bank)
Creative economy sector:	All CCIs
Total fund size:	MX$19 million (US$1 million)
Investment ticket range:	Average MX$200,000 (US$11,000)
Investment type:	Loans
Investees:	Artists and self-employed individuals with over two years of sector tax activity
SDGs covered:	All
Start date:	2024
Geographic area covered:	Nuevo León, Mexico

CASE 4

Mechanism: **Loans and blended fund**

Case: **Chengdu Municipal Risk Compensation Fund Pool for Bond Financing of Cultural and Creative Enterprises**

The Communication Department of the Chengdu Municipal Committee of the Communist Party of China has introduced "Wen Chuang Tong," a specialized loan product of CNY4.8 billion (US$700 million), based on a tripartite partnership, that significantly lowers financing costs for CCIs. Supported by a CNY100 million (US$13.4 million) risk compensation fund pool and featuring a double subsidies mechanism for loan interest and guarantee fees (leading to rates as low as 1.86%), this government-guided initiative uses innovative risk-sharing models to facilitate partnerships with banks and guarantee institutions.

Fact sheet:

Organization name:	Chengdu Municipal Communication Department
Type of investor:	Public (municipal government) and private sector (banks)
Creative economy sector:	All CCIs
Total fund size:	CNY4.8 billion (US$700 million)
Investment ticket range:	Average CNY20 million (US$3 million)
Investment type:	Fixed, participatory and convertible loans. Government fund pool (60%) and banks (40%) share losses
Investees:	Legally registered, tax-paying CCI entities in Chengdu; 884 enterprises 2020–2024
SDGs covered:	3, 5, 7, 8, 9, 10, 11 and 17
Start date:	2020
Geographic area covered:	Chengdu, China

CASE 5

Mechanism: **Intellectual property-backed loans**

Case: **NatWest Bank's High-Growth IP Loan**

In partnership with Inngot, NatWest now offers intellectual property (IP)-backed loans starting at £250,000 (US$330,000), which cover up to 50% of assessed IP value. These enable asset-light, high-growth businesses, especially in creative industries, to leverage their IP—such as trademarks, patents, copyrights, and proprietary software— as collateral, including copyrights and trademarks. This innovative approach addresses historical banking reluctance by using advanced valuation methods, fostering growth and an innovation-driven economy.

Fact sheet:

Organization name:	NatWest Group
Type of investor:	Private sector (bank)
Creative economy sector:	Pan-sector; relevant for CCI companies with limited tangible assets but valuable IP
Total fund size:	£50 million (US$67 million)
Investment ticket range:	£250,000 to 10 million (US$330,000 to 13 million)
Investment type:	Loans (NatWest can lend up to 50% of the company's IP value)
Investees:	High-growth businesses in England and Wales
SDGs covered:	7, 8, 9, 11 and 13
Start date:	2024
Geographic area covered:	England and Wales (to be expanded to the rest of the UK)

CASE 6

Mechanism: **Equity**

Case: **ArtNova**

ArtNova is a €100 million (US$113 million) evergreen investment fund, based on Frédéric Jousset's vision to address the capital shortage in France and Europe's CCIs. Investing across real estate, heritage, creative businesses and a media group, it aims to scale high-potential projects and attract more capital to the sector. ArtNova pioneers the path by providing venture capital tools and embedding impact into its model, with 50% of proceeds allocated to the Art Explora Foundation.

Fact sheet:

Organization name:	ArtNova
Type of investor:	Private sector (family office)
Creative economy sector:	Visual arts, audiovisual arts, design and heritage
Total fund size:	€100 million (US$113 million)
Investment ticket range:	€500,000 - €10 Million (US$550,000 - 12 million)
Investment type:	Equity (evergreen fund)
Investees:	Creative businesses with a strong growth potential
SDGs covered:	3, 4, 5 and 11
Start date:	2020
Geographic area covered:	Europe

CASE 7

Mechanism: **Soft funding, loan guarantees, loans and equity**

Case: **La French Touch Capital**

Bpifrance, through its French Touch label, is France's leading financial platform for CCIs. It offers tailored financing across the full capital spectrum (including soft funding, loan guarantees, loans and equity), informed by three guiding investment principles: innovation, positive impact and hybridization. For example, La French Touch Capital is a fund of €420 million AUM (US$480 million) with 49 portfolio companies. Additionally, Bpifrance fosters ecosystem development, prioritizing "impact-native" companies and providing business support, including coaching, networking and internationalization.

Fact sheet:

Organization name:	Bpifrance
Type of investor:	Public sector (national)
Creative economy sector:	Entertainment, fashion and brands, arts and design
Total fund size:	€420 million AUM (US$480 million) by La French Touch Capital, €1.6 billion annually by the French Touch continuum. Impact 2020–2025: €8 billion (US$9 billion) invested in over 17,000 creative businesses
Investment ticket range:	€500,000 to 10 million (US$570,000 to 11 million)
Investment type:	Soft funding, loan guarantees, loans and equity
Investees:	From pre-seed companies to companies with more than €1 billion in revenue
SDGs covered:	3, 5, 8, 10 and 12
Start date:	2020
Geographic area covered:	France

CASE 8

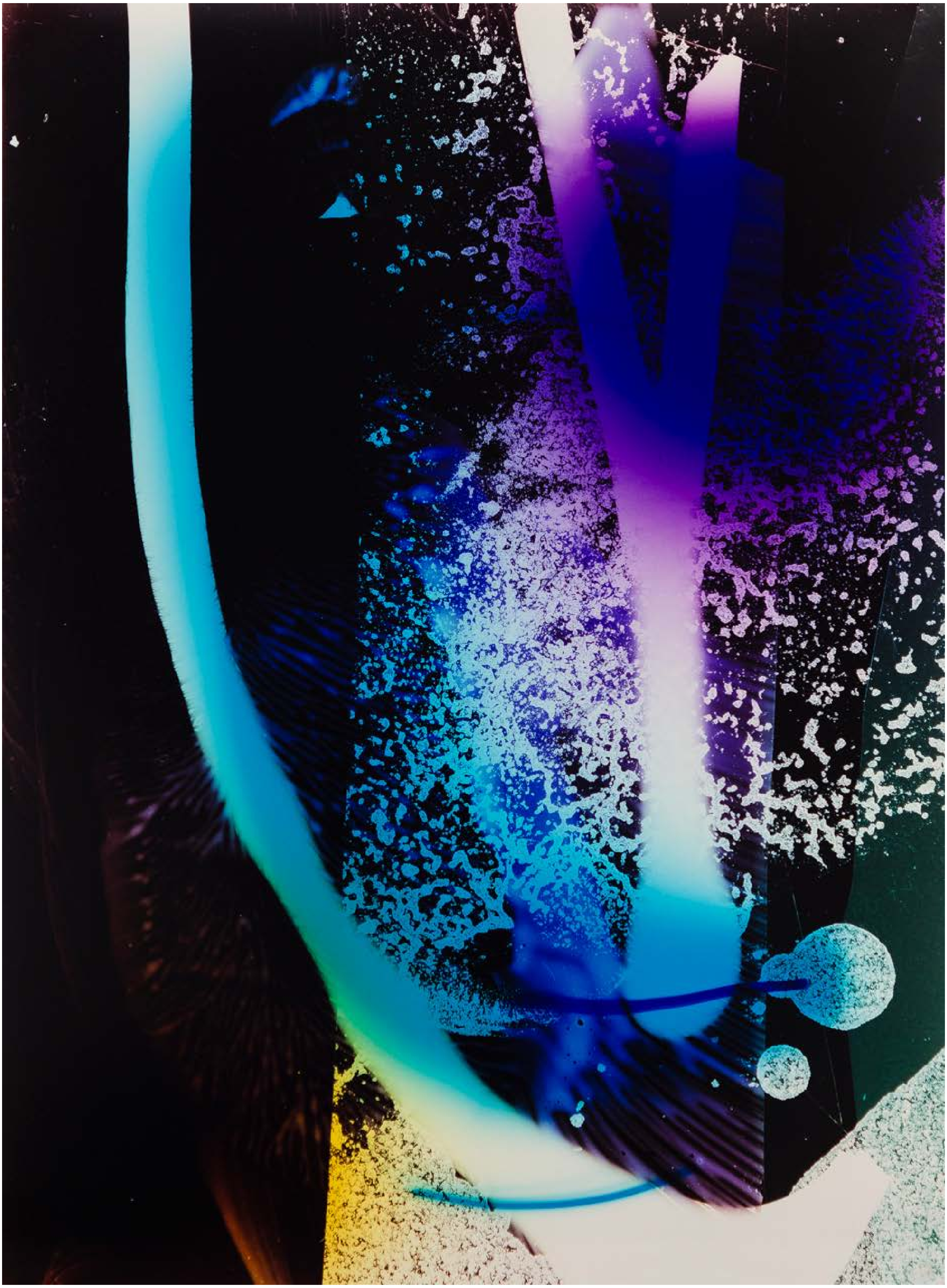
Mechanism: **Equity, debt, trade and supply-chain finance, syndication/mobilization, local currency products and blended finance**

Case: **IFC's risk-sharing facility with Orange Bank Africa**

The International Finance Corporation (IFC), the private sector arm of the World Bank Group, provides over US$285 billion in innovative, market-based finance solutions globally, including equity, debt, trade and supply-chain finance, syndication/mobilization, local currency products and blended finance. These mechanisms are crucial for CCI institutions that often lack tangible assets. This is demonstrated by the IFC's risk-sharing facility with Orange Bank Africa, which expands credit to underbanked creative entrepreneurs, fostering job creation and business formalization.

Fact sheet:

Organization name:	IFC
Type of investor:	Private sector (IFC) and commercial bank (Orange Bank Africa)
Creative economy sector:	Cross-sectoral creative micro, small and medium-sized enterprises (MSMEs)
Total fund size:	50% coverage of a portfolio up to US$30 million
Investment ticket range:	US$10 to 50,000
Investment type:	Risk-sharing guarantee (unfunded risk-sharing facility)
Investees:	Creative economy MSMEs in Côte d'Ivoire
SDGs covered:	8, 9 and 5
Start date:	2024
Geographic area covered:	Côte d'Ivoire (pilot), scalable to West Africa



Untitled
Marta Djourina, 2021
Direct exposure on analogue photo paper with different light sources, self-made film negative, unique piece, 53 x 40,5 cm

PART **03**

Philanthropic giving and social impact investment: Need for innovation

Philanthropic giving and social impact investment are crucial forces driving transformation across the arts, culture and creative sectors. As traditional public funding diminishes, attracting private sector investment becomes increasingly paramount to infuse fresh capital, expertise, and entrepreneurial thinking into the cultural sphere. By leveraging innovative approaches and creative partnerships, both philanthropy and social impact investment can amplify their influence, fostering a vibrant and resilient cultural landscape.

Here are some examples of these innovative approaches:

A Collaborative partnerships

Collaborative partnerships are a powerful tool for amplifying impact in the arts, culture and creative sectors. A recent study by the Bridgespan Group[180] highlights the rise of philanthropic collaboratives, which pool resources from multiple donors to fund joint initiatives, such as supporting NGOs or high-impact cultural projects. This model particularly appeals to HNWIs and family offices seeking greater outcomes by acting collectively. It enables risk-sharing and more strategic coordination, creating the conditions for systemic and long-term impact.

Technology is also playing a central role in enhancing these collaboratives. The article by **Cultural Emergency Response (CER) and Deloitte Netherlands** (page 294) notes that next-gen philanthropists—digitally native and highly mobile—expect frictionless, secure and user-friendly donation and engagement platforms. This is driving family offices and funders to invest in digital solutions that support NGOs' efforts in outreach, fundraising and service delivery.

Additionally, the **J.P. Morgan and Deloitte Netherland**s article (page 290) points to the growing popularity of collaborative funding pools among private investors. These enable family offices to co-invest in ambitious cultural and artistic initiatives, distributing both financial risk and reputational capital. This collective approach not only boosts funding stability for the arts but also promotes innovation, experimentation and diversity.

In short, collaborative partnerships, empowered by digital transformation and inter-donor cooperation, are reshaping how cultural philanthropy is structured and delivered. They represent a dynamic path forward for unlocking more inclusive, scalable and future-ready investment in the arts.

B Donor-advised funds (DAFs)

The article by Sabine Kachel, Director and Marcell Baumann, Counsel, Deloitte Germany Tax & Legal (page 330) explores DAFs, a popular tool for tax-effective giving in the US. They are particularly appealing to art collectors, allowing them to dedicate their artworks for charitable purposes, even after their death, while still receiving tax benefits during their lifetime.

Although DAFs are still relatively unknown in Germany, the author suggests this model could be applied there to help art collectors with succession planning, due to the flexible and diverse structuring options of German tax and foundation law.

C Fractional financing/ acquisition

Fractional financing and ownership offer a new way to engage with the art market. For emerging artists, this could mean offering fractional stakes in future works or income streams, allowing supporters to co-invest in their creative careers, whether individuals, patrons or platforms. This "crowd ownership" model adds an investment incentive to traditional crowdfunding, giving early backers both financial and cultural returns as the artist's career grows.

Another use case is the collective acquisition of artworks for public display. Groups of investors, from the general public to family offices, could jointly purchase artworks to be loaned to or exhibited long-term in public museums or community galleries. This approach not only spreads the acquisition cost but also fosters shared cultural stewardship, particularly for works of strong communal or national significance.

These ownership shares could be **tokenized via blockchain**, providing secure provenance tracking and enabling secondary trading markets, while also allowing smart contracts to manage lending agreements, resale terms or museum access rights. However, transparent governance structures, perhaps overseen by a cultural foundation or curator-led board, would be needed to ensure ethical management of the artworks and their use.

D Six novel and repayable instruments

In their article **"Innovative finance for the cultural and creative industries: From grants to impact investments,"** Florencia Giulio (Founder of Pulso) and Aunnie Patton Power (Founder of The Innovative Finance Initiative) (page 322) highlight public and private funders' shift toward more dynamic, repayable financing models for the arts, culture and creative sectors. Instead of relying on a binary choice between philanthropic grants and full market-rate investments, stakeholders are now exploring a spectrum of blended tools tailored to different levels of risk, return and impact.

Their work identifies **six innovative and repayable instruments:**

1. **Outcome-based contracts,** tying funding to measurable cultural or social results;
2. **Repayable grants,** blending philanthropic intent with financial accountability;
3. **Microloans or blended finance structures,** lowering the cost of capital for smaller creative enterprises;

4. **Intellectual property (IP)-based lending,** allowing creatives to leverage IP as collateral;
5. **Equity investments,** providing longer-term growth capital; and
6. **Hybrid instruments,** offering adaptable solutions by combining grants, loans and equity that can evolve with a project's lifecycle.

These tools reflect a shift toward flexible, impact-driven, repayable and fit-for-purpose financing, designed to unlock capital while preserving the arts, culture and creative sectors' unique value and mission.

E Cultural bonds/ social impact bonds

As the need for sustainable funding grows, **cultural bonds** are an emerging instrument, inspired by the success of green bonds. These are designed to raise capital specifically for projects that support heritage, creativity and cultural infrastructure, such as restoring historic sites, funding museum expansions, supporting artist residencies and revitalizing cultural districts. In social finance, a cultural bond could be associated with a social impact bond; a financial instrument where private capital is used to address social challenges.

At their core, cultural bonds operate like traditional debt instruments, offering investors a financial return over a fixed period. But what sets them apart is their dual purpose: they deliver measurable cultural and social value alongside financial yield. This makes them particularly attractive to investors who increasingly seek to align their capital with causes related to identity, community and cultural heritage.

Beyond preservation, cultural bonds can drive local economic development, create jobs, and strengthen social cohesion by funding projects that anchor communities and amplify cultural expression. They can also spark innovation, helping finance creative projects that may be too experimental or unconventional for traditional funding streams.

However, building a market for cultural bonds is not without its challenges. Measuring cultural impact is more complex than calculating carbon offsets or energy savings, making standardized reporting difficult. Additionally, the market is still in its infancy and requires greater awareness, investor education and policy support to truly take off.

However, despite these hurdles, the potential is significant. Cultural bonds could serve as a vital bridge between financial markets and cultural stewardship, helping to ensure our shared cultural assets not only survive but thrive, well into the future.

INDUSTRY **INSIGHTS**

Are donor-advised funds a suitable model for the German art sector?

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In the US, donor-advised funds (DAFs) are a popular and widespread tool to make tax-effective donations to charitable causes. This is particularly relevant for art collectors, as they can donate an artwork to a DAF and benefit from tax advantages during their lifetime.

In Germany, the DAF model is largely unknown. Art collectors with charitable and philanthropic intentions should take a closer look at this model for their succession plans, whether in the private or business sphere, as German tax and foundation laws offer flexible and diverse structuring options with similar effects.

DAFs

Rather than regulated financial funds, DAFs are charitable donation vehicles subject to charity and tax laws. A DAF manages donated assets like artworks or collectibles, which can be commercialized through a later sale, for example. The proceeds are used for charitable or philanthropic purposes as recommended by the donor.

The donor benefits from tax advantages immediately after transferring the artworks to the DAF, for example in the form of lowering their taxable income in the year of the contribution. Depending on the structure, different amounts can be considered for tax deduction—either the acquisition costs or the later sales proceeds.

The donor can make recommendations for their donation's specific use at a later date, or establish a strategy for distributing the funds to various organizations over several years. However, the sponsoring organization managing the DAF must legally make the final decision on the use of the donated artwork or the proceeds.

Often, DAF sponsors are banks or asset managers who both provide asset management advice and handle the administrative work of distributing donations.

Implementation in Germany

In Germany, various methods exist to structure succession planning for both private and business assets individually and similarly to DAF according US law in order to achieve tax benefits. The vehicles most like the DAF are the legal foundation under private law, endowments to legal foundations, and the non-independent foundation.[215]

Legal foundation under private law

The establishment of the foundation does not require notarization, but merely written form. However, the approval of the foundation supervisory authority is mandatory for the foundation to be legally effective. The foundation is generally intended to exist in perpetuity. This requires a sufficiently large asset base (typically exceeding €500,000) and, ideally, a diversified asset portfolio to mitigate risks from one-sided asset classes.

The foundation's purpose should be achieved through the income generated by the asset base. It is also possible to design the foundation's assets as "consumable assets," so these can also be used toward this purpose.

The legal foundation is subject to specific supervision, which regularly checks the assets' whereabouts and use per the statutes. In addition, the foundation's statutes must comply with the German non-profit law.

Subsequent amendments to the statutes are only possible in exceptional cases, provided the founder's intentions do not oppose such changes. This usually requires extensive coordination with the foundation supervisory authority. If the changes are deemed permissible, they must be notarized.

Under the German foundation law, subsequent changes to the foundation's purpose are virtually impossible.

Endowment

Instead of establishing a legal foundation, it is also possible to make an endowment to the asset base of an existing legal foundation. This must be shown and managed separately from the other assets. The endowment's purpose must be specified in advance.

It is also possible to qualify the endowment as "consumable assets." Given the strict requirements of the foundation law, it is virtually impossible to make changes to the endowment's purpose after the fact.

Non-independent foundation

In contrast, non-independent foundations are not subject to the strict foundation law and can be established under civil law by a contract between the donor and the sponsor.

Notarization is not mandatory unless the assets require it (e.g., real estate). Generally, the foundation contract can be amended at any time, subject to the German non-profit law's requirements, and there is no public supervision of the use of the assets.

Sponsors of a non-independent foundation can be private individuals, companies, banks, asset managers, or other already recognized charitable organizations.

German non-profit law

To be eligible for tax privileges, the requirements of the German non-profit law are identical for private law foundations and non-independent foundations. The statutes or contract must formally include standard clauses; for example, it is necessary to specify the charitable purpose for which the assets are to be used. Details are not required, so later use of the assets is generally possible.

The so-called principle of asset dedication also requires that, in the event of dissolution, the assets must be used for charitable purposes or transferred to another charitable organization. Repayment to the founder is not permitted.

The catalog of charitable purposes is diverse and ranges from promoting art and culture, sports, science and research, to environmental protection and aid for marginalized and disadvantaged groups. There is no restriction to a single purpose.

Within certain limits, tax deductions are immediately possible under German law. For foundations—whether legal or non-independent—there is also an additional donation deduction of €1 million, which can be spread over 10 years upon request. For married couples, the amounts can be doubled.

Conclusion

In the US, the DAF is an ideal option for tax-optimized succession planning that also serves philanthropic purposes. Under German law, similar effects can be achieved through the legal foundation under private law, an endowment to an existing foundation, or a non-independent foundation.

The legal foundation is particularly suitable for large assets, as the supervisory authority usually regards foundation assets under €500,000 as insufficient. The same applies to endowments unless they are qualified as "consumable assets."

In comparison to the legal foundation, the non-independent foundation offers art collectors the advantage of planning and pursuing their donation strategy under simplified legal conditions, with the sponsor handling all administrative work and managing the donated artworks.

Therefore, this structure is particularly suitable for donors who, given the size of their assets, wish to avoid the effort of establishing and maintaining their own legal foundation and want to use their donations as flexibly as possible.

The Deloitte experts from Germany will be happy to provide you with further information and support in the legally compliant design and implementation of succession planning, taking into account DAF models.

Untitled
Marta Djourina, 2021
Direct exposure on analogue photo paper with different light sources, self-made film negative, unique piece, 53 x 40,5 cm

PART **04**

Implications for wealth managers

To many wealth managers, the cultural impact investment space remains unfamiliar and underdeveloped. It is still an early-stage market, lacking the mature infrastructure typically required for broader portfolio integration. Standard financial models and metrics struggle to capture cultural and social value, making these investments difficult to evaluate and justify within traditional frameworks.

A strategic opportunity

This unfamiliarity, however, should not be mistaken for irrelevance. In fact, it reveals a significant opportunity.

As stewards of client values and long-term legacy, wealth managers are uniquely positioned to respond to growing interest in purpose-led investing, particularly from next-gen clients and art professionals. These groups are looking for investments that reflect their values and contribute to cultural and societal good, not just for financial returns.

Meeting this demand will require a new mindset that embraces cultural and social impact as core components of long-term value creation. It also calls for a reimagining of how capital interacts with the cultural sector through custom-built investment vehicles, blended finance structures, and collaborations with cultural intermediaries who can translate artistic value into investment potential.

A call to action

To effectively respond to these shifting dynamics, wealth managers must refine their offering to integrate social impact investment in culture in a way that is both authentic and financially grounded.

Develop impact-literate advisory capabilities: Equip advisors with the language and tools to articulate cultural and social value, not just financial returns. This may require training and collaboration with art professionals.

Offer tailored vehicles: Provide bespoke investment products that reflect clients' personal values, philanthropic goals, and interest in the arts. DAFs, cultural endowment participation, or hybrid impact-collecting models and blended finance may resonate, especially with next-gen and mission-driven clients.

Ensure transparency and measurement: Address the perceived lack of measurable outcomes by implementing frameworks to quantify social and cultural impact, and communicate these effectively to clients.

Engage next-gen investors early: Tap into their enthusiasm by engaging them with digital-native platforms, curated investment experiences and a clear roadmap for long-term cultural impact.

The path to leadership

Above all, this mindset shift requires conviction. The creative economy should not be viewed as a peripheral interest or symbolic gesture. It is a dynamic and strategic domain, rich with potential for innovation, identity-building and resilience.

For those wealth managers ready to evolve from allocators to allies and from advisors to cultural stewards, this moment presents a unique chance to lead. By engaging deeply with the arts, culture and creative sectors and helping clients align their investments with their values, wealth managers can unlock a new kind of capital that delivers not just financial outcomes, but cultural relevance and generational legacy.

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05 Art-secured lending

Marta Djourina, exhibition organized by RAM, Berlin, 2020;
Photo: Andreas Baudisch

Untitled (from the series "Folds")
Marta Djourina, ongoing since 2016, direct exposure on folded analogue photo paper with different light sources, unique, 40 x 30 cm

Highlights

To stay relevant, wealth managers should embrace art-secured lending as a strategic liquidity tool for financing businesses and supporting philanthropy, not just a niche service.

Solid average growth of 10% as the art market softens: The market for art and collectibles-secured loans is projected to reach an estimated US$33.9 billion to US$40 billion by the end of 2025. This growth is driven by collectors who are increasingly incorporating their art holdings into their overall wealth strategy. Since our last survey in 2023, the market has grown at an estimated annual rate of 9.2%. Looking forward, growth is forecasted to accelerate, reaching average rates of 11.3% in 2026 and 11.7% in 2027. We estimate the market size will reach US$42 billion to US$50.1 billion by 2027, propelled by rising demand, technological advancements and softer art market conditions.

Art-secured lending revenue up: We estimate that the art-secured lending market will generate US$2.30 billion in revenue in 2025, up from US$2.2 billion in 2023.

Traditional versus asset-based lending: Private banks are reporting lower growth, predicting a 7.7% annual growth rate for 2025–2026. Asset-based lenders are more bullish, forecasting 23.1% growth over the same period, albeit from a much smaller base.

Average size of the art-secured loan book: The average art loan book size for the asset-based lenders surveyed rose to an estimated US$248 million, up from US$185 million in our 2023 survey. The average for traditional private banks was an estimated US$2.7 billion, though there is a large disparity between the smallest and largest providers.

Higher loan-to-value (LTV) signals more understanding and confidence among art-secured lenders: Of the private banks surveyed, 57% offered 50–60% LTV in 2025, a significant increase from 40% in 2023. Some asset-based lenders offered even higher LTVs, exceeding 60%, thanks to better risk management tools.

Europe and the UK are poised to be the next development zone. While the US is the clear leader in the art-secured lending market, Europe and the UK are considered the next key growth areas. Hong Kong is also a future growth market for private banks.

Recognition of art as a viable asset for customized credit solutions: Sixty-five percent of wealth managers (68% private banks and 60% family offices) that offer art-related services reported providing art-backed loans. Although slightly down from 70% in 2023, this underscores that art is increasingly viewed as a viable asset for customized credit solutions.

Client demand is the main driver for growth: An impressive 73% of wealth managers (75% private banks and 67% family offices) reported a rise in client interest for art-secured loans in 2025. This is more than double the 36% who observed the same trend in 2023.

Art advisors and family offices serve as a conduit: The most successful lenders today are those with direct access to collectors, alongside strong partnerships with advisors and intermediaries who influence their financial decisions, such as family offices.

Art-secured lending mainly used to invest in other businesses: In 2025, nearly three-quarters (73%) of wealth managers with an art-secured lending provision said their clients were leveraging art loans primarily to invest in other business ventures, a significant jump from 43% in 2023. With the art market currently soft, there is less appetite to sell art but an urgent need to deploy capital. This was echoed by 90% of all art-secured lenders in 2025, who cited the need to provide liquidity for business operations as the primary driver for art-secured loans, up from 83% in 2023.

Higher cost of funding: The interest rates on art-secured loans typically range from 5% to 12%, depending on the provider. This high cost may explain why only 8% of collectors reported using such loans in 2025, suggesting they are mainly leveraged for business purposes where returns are likely to outweigh the borrowing cost.

Art-secured lending is increasingly valued as a flexible liquidity tool, though its uses are shifting Many collectors leverage their art collections to unlock liquidity without selling, making art loans a valuable option for wealth preservation and succession planning. At the same time, usage patterns are changing: the share of loans applied to estate planning fell from 18% in 2023 to 9% in 2025, and the share used for art acquisitions dropped from 46% to 36%. This signals that clients and wealth managers are now prioritizing immediate liquidity needs over longer-term legacy or purchase strategies.

Charitable giving: Donors can unlock the value of their artwork by either taking a loan against their collection to gift cash, or donating art that institutions can use as loan collateral, offering immediate funding while preserving the original gift. The strategy channels liquidity into charitable remainder trusts (CRTs) and donor-advised funds (DAFs), supporting strategic, customizable and discreet philanthropic planning.

Technology is maturing and could unlock further growth of the art-secured lending business: Technological advancements are helping to lower both risks and operational costs, which could allow more players to enter the market. This could also broaden access to a service that has traditionally been limited to museum-quality artworks.

Untitled (from the series "Folds")
Marta Djourina, ongoing since 2016, direct exposure on folded analogue photo paper with different light sources, unique, 40 x 30 cm

Family offices:

Family offices lean into art-backed lending as a strategic liquidity tool: Art-secured lending is now a core component of family offices' suite of financial offerings, even with a slight dip in adoption. In 2025, 60% of family offices reported offering art-backed loan services, a modest decrease from 67% in 2023. Despite the slight decline, our survey's findings underscore art finance's enduring importance in intergenerational wealth stewardship and alternative asset strategies.

Family offices partner with third parties to offer art-secured lending: Eighty-five percent of family offices with an art-secured lending provision used third-party providers in 2025. They cited their main selection criteria as the loan's interest rate and duration, coupled with the client's ability to retain possession of the artwork. This presents a clear opportunity for financial institutions to attract and retain family office clients.

Raising liquidity for business purposes: For family offices already offering art financing, 67% said that the use of art as collateral was primarily to fund other business ventures, nearly double the 36% who said this in 2023. Family offices are treating art as a functional financial asset for liquidity and cash flow management, rather than just an object of passion or long-term planning.

Next-gen:

Higher demand from next-gen collectors and art professionals: Six percent of next-gen collectors in 2025 used art-secured lending however 61% of younger collectors said they would consider using art as collateral for a loan, compared to just 40% of older collectors. This sentiment is also shared by art professionals (54% of younger professionals versus 37% of older art professionals).

Next-gen optimism could signal future growth: In 2025, 81% of next-gen collectors believed that more art owners would use their collections as collateral in the next two to three years, compared to 63% of older collectors. This indicates that while overall adoption remains relatively low, a financially innovative younger cohort is driving more positive, forward-looking sentiment about the future of art-secured lending.

Introduction

Despite higher interest rates, the art-secured lending market continues to enjoy strong growth, supported by softer art market conditions and the need for liquidity. What was once a niche tool offered primarily by private banks to a select group of UHNW clients is maturing into a more dynamic and diversified ecosystem.

Our third dedicated art-secured lender survey reveals different growth trajectories and strategic outlooks, indicating a shifting landscape. Two distinct models are shaping the sector's future: traditional private banks and boutique asset-based lenders, which include art lending services from auction houses.

Private banks typically offer art lending as a bespoke service within broader wealth management offerings. These are usually recourse loans tailored to their HNW clients, conservative in nature and focusing on blue-chip, museum-quality artworks with strong secondary markets.

In contrast, asset-based lenders adopt a more dynamic, growth-oriented approach. Offering non-recourse loans, they serve a more diverse and agile client base, including collectors, galleries, dealers and investors seeking liquidity. These lenders are positioning themselves for strong double-digit growth by responding quickly to market needs and offering more flexible terms.

Private banks wishing to meet growing client demand without building in-house capabilities can explore partnerships with asset-based lenders. Even those with internal art-secured lending desks may collaborate with third-party providers on a case-by-case basis, particularly for complex, time-sensitive or non-standard requests.

A notable generational shift is also occurring, with next-gen collectors appearing more open to using art as collateral than their older counterparts. Next-gen art professionals also report greater confidence that their clients would consider leveraging art in this way. This convergence of views signals a growing acceptance of art as an asset class, pointing to a promising future for the market.

"A typical art finance client is not necessarily in need of liquidity, but uses credit advantageously, deriving liquidity from a traditionally illiquid asset, and putting that capital towards other investments." (according to Citi Wealth contribution page 350)

Our art-secured lender survey, expanded to 23 participants in 2025 (up from 20 in 2023 and 11 in 2021), combines the insights of seven private banks and 16 boutique lenders, including auction houses and specialty brokers. While our focus remains on loans collateralized by fine art, the definition of collectible-backed finance is clearly expanding. Many asset lenders now accept collateral ranging from classic cars and watches to wine and memorabilia, illustrating how the boundaries between asset classes are blurring.

Despite the market's growth, the number of active lenders remains small and new entrants limited, which suggests relatively high barriers to entry. The few that have arrived on the scene since our last report in November 2023 are International Art Finance, backed by the Nahmad family and run by the former COO of Sotheby's, Adam Chinn. In addition, two UK-based lenders have also entered the market: Enness Global Mortgages (which matches art collectors with financing partners) and Bridge Asset Finance.

As 64% of wealth managers and 85% of family offices relied on third-party providers for art-backed lending services in 2025, this could signal potential for future growth in this area.

Technology, especially AI, is set to play a key role in significantly improving the accuracy and consistency of artwork valuation, by analyzing vast datasets on pricing trends, artist markets and auction results (see Section 7 of this report). Advancements in data and risk tools are already helping reduce subjectivity in collateral assessments, giving lenders greater confidence in their exposure.

New insurance and warranty solutions are also gaining traction. For instance, Barker[216] offers price warranties that could support higher LTV ratios while lowering capital requirements for art-backed lenders.

According to Citi Wealth's article (page 350), ***"New technologies and initiatives are expected to expand the business of art lending, making it a more efficient, streamlined and secure financial tool for suitable clients."***

Taken together, these trends suggest that the art-secured lending market, though still niche, is steadily becoming more global, diverse, generationally driven and structurally sophisticated. The general expectation for reduced interest rates in Europe and the US in 2026 could further boost this growth.

This section is divided into four parts:

PART **01**

Size, revenue and structure of the art-lending market

INDUSTRY **INSIGHTS**

Why borrow against your art?

This article explains how the art lending business has become a key financial tool for wealthy individuals, allowing them to gain liquidity from their collections without having to sell them.

By Fotini Xydas,
Head of Art Finance, Citi Wealth
and Jason Carey,
Art Specialist, Citi Wealth

PART **02**

Art-secured lenders survey findings 2025

INDUSTRY **INSIGHTS**

From private bank to art market insiders: Critical lessons we've learned about art-secured lending

This article explains that art-secured lending is a complex field where traditional fair market value is flawed. Instead, effective risk management requires a blend of data analytics, market insights and expert analysis to accurately assess value.

By Scott Milleisen,
Global Head of Lending, Sotheby's Financial Services
and Matthew Conway,
CFA, Lending Specialist, Americas, Sotheby's Financial Services

PART **03**

Wealth manager, family office, collector and art professional survey findings 2025

INDUSTRY **INSIGHTS**

Buying time – art-secured lending: a haven for collectors seeking time and solutions in a challenging market

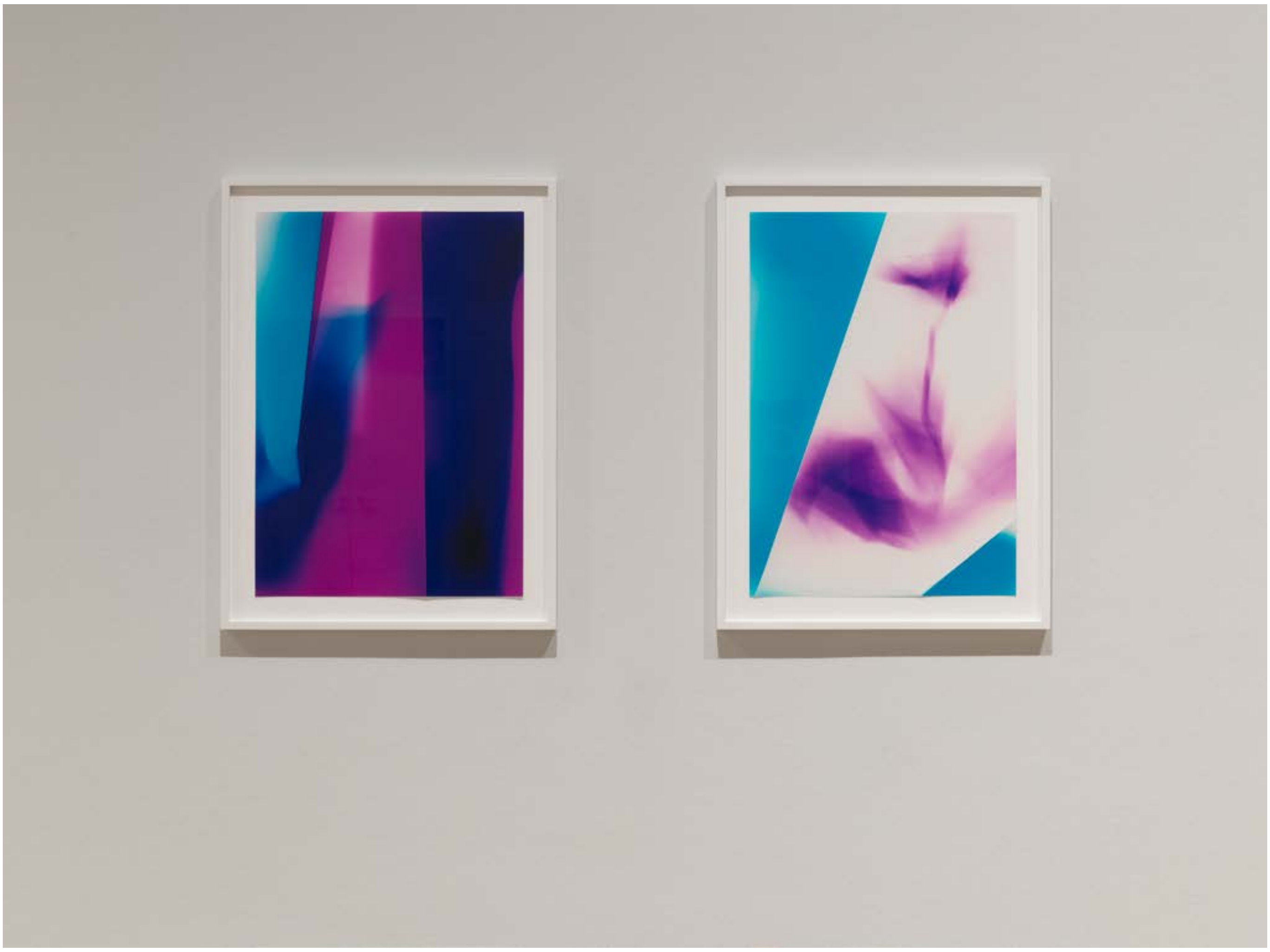
This article highlights how art-secured lending has become a crucial tool for collectors in a volatile market, providing them with liquidity and flexibility to navigate financial pressures and market fluctuations.

By Edmund Bernard,
Art Finance Manager EMEA, Christie's Art Finance
and Sayuri Ganepola,
Global Managing Director, Christie's Art Finance

PART **04**

Wealth manager implications

Untitled (from the series "Folds")
Marta Djourina, ongoing since 2016, direct exposure on folded analogue photo paper with different light sources, unique, 62 x 40 cm; Exhibition view, Solo presentation as part of Eberhard Roters-Stipendium, Berlinische Galerie - Museum of Modern Art, Berlin, 2021, Photo: Chroma



PART **01**

Size, revenue and structure of the art-lending market

A Art-secured lending market could reach US$40.0 billion by the end of 2025

Despite higher interest rates, we conservatively estimate that the total size of outstanding loans against art could reach between US$33.9 billion and US$40.0 billion in 2025, marking an 11.8% increase from 2024. The overall art-secured lending market has seen an estimated 9.2% annual growth since our last survey in 2023, with the average annual growth rate projected to increase to 11.3% in 2026 and 11.7% in 2027.

We estimate that the market could generate US$2.30 billion[217] in revenue in 2025. As for the loan book itself, we project art-secured loans to private collectors to be in the range of US$30.5 billion to US$36.0 billion in 2025, with the art trade (galleries and dealers) accounting for an estimated US$3.4 billion to US$4.0 billion.[218] Softer art market conditions and the need for liquidity in a volatile economic environment are factors that will likely support this market's growth over the next two years.

Our survey uncovers significant differences in growth rates between art-secured loans provided by private banks and asset-based lenders. In 2024, private banks reported an average growth rate of 10.6%, while asset-based lenders reported a higher double-digit average of 16.3%. However, it is important to note that asset-based lenders are growing from a smaller base and operate at lower overall volumes.

Figure 127: Outlook: Art-secured lending market 2025–2027
Source: Deloitte Private & ArtTactic Art & Finance Report 2025

	Estimated total art loan portfolio in 2023	Estimated total art loan portfolio in 2024	Estimated total art loan portfolio in 2025	Projected total art loan portfolio in 2026	Projected total art loan portfolio in 2027
Private banks	US$24.1–26.2 bn	US$24.6–26.8 bn	US$27.2–29.6 bn	US$29.2–31.9 bn	US$31.5–34.3 bn
Asset-based lenders	US$2.2–3.7 bn	US$2.8–4.6 bn	US$3.2–5.4 bn	US$4.0–6.6 bn	US$4.9–8.2 bn
Auction house finance*	US$2.4–3.4 bn	US$3.6–5.3 bn	US$3.5–5.0 bn	US$4.3–6.2 bn	US$5.3–7.6 bn
Total	**US$28.7–33.3 bn**	**US$30.4–35.7 bn**	**US$33.9–40.0 bn**	**US$37.8–44.7 bn**	**US$42.0–50.1 bn**
% Change		6.6%	11.8%	11.3%	11.7%
Estimated total loan size by borrower type					
Individuals	US$28.8–30.0 bn	US$27.4–32.1 bn	US$30.5–36.0 bn	US$34.0–40.2 bn	US$37.8–45.1 bn
Galleries/dealers	US$2.9–3.3 bn	US$3.0–3.6 bn	US$3.4–4.0 bn	US$3.8–4.5 bn	US$4.2–5.0 bn

** We have adjusted the 2025 baseline figures for the outstanding loan portfolio in art and collectibles following discussions with key participants in the auction art lending industry. These conversations indicated that our earlier estimates were overstated, as only a limited number of players, primarily Sotheby's and Christie's, provide significant volumes of term loans secured against art. While many auction houses do offer short-term acquisition financing, this activity is not comparable in scale. Accordingly, we have revised the baseline downward and applied this adjustment retrospectively to historic figures, as well as to our forecasts for the next two years.*

Private banks anticipate growth rates will slow to 7.7% between 2025 and 2026, while asset-based lenders project a significantly higher growth rate of 23.1% for the same period. Based on these projections, the art-secured loan market is estimated to reach between US$42.0 billion and US$50.1 billion in 2027.[219]

Figure 128: Average loan portfolio outstanding against art (US$ bn)

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

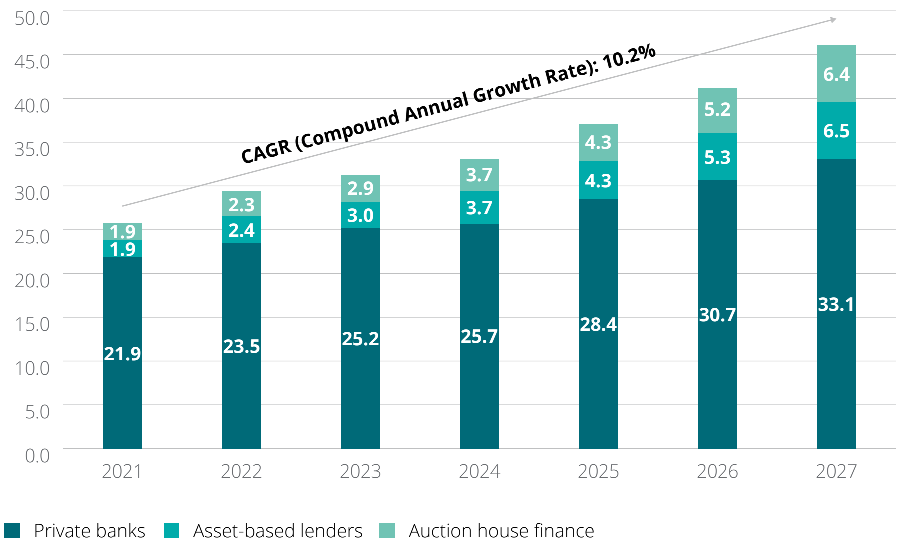


Figure 129: Asset-based lenders: What is the expected growth rate for your art-secured lending book in the next two years?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

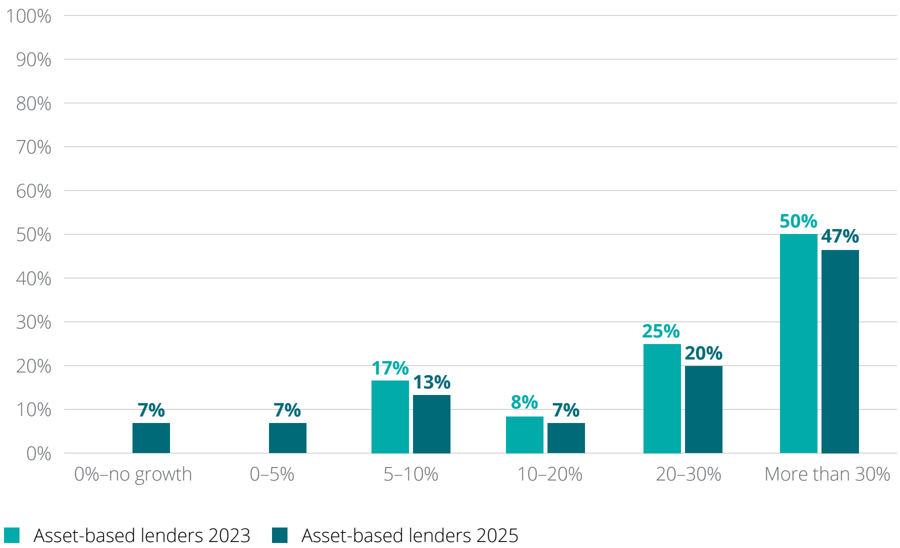
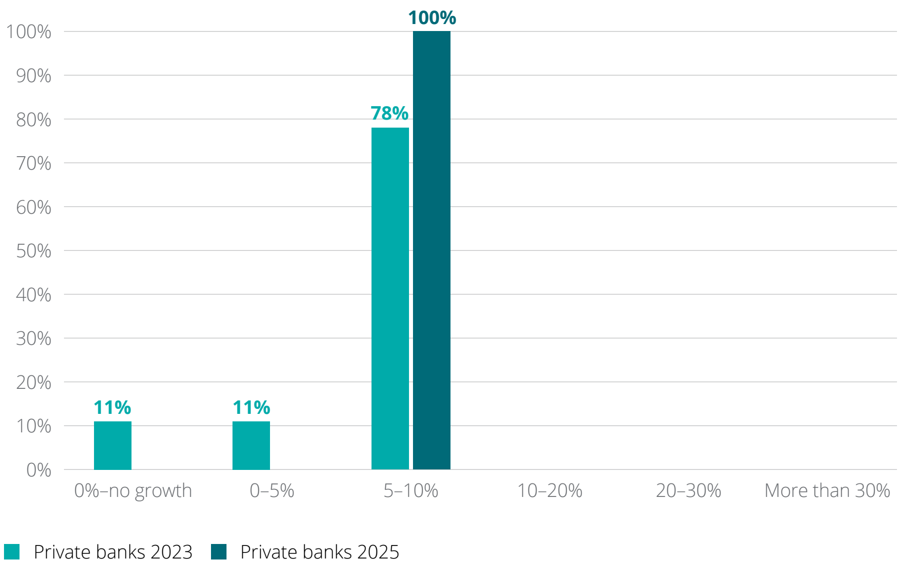


Figure 130: Traditional lenders: What is the expected growth rate for your art-secured lending book in the next two years?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Easing interest rates in Europe, with a similar trend anticipated in the US over the next 12 months, could be one reason for the strong growth that private banks and asset-based lenders expect in the coming two years. While private banks are continuing with a more conservative approach, asset-based art lenders are meeting the demand for art-related finance, expecting to grow their art loan books by 23% annually over the next two years, a slight decrease from the 24% predicted in 2023.

Christie's Art Finance perspective (page 384) highlights that art-secured lending can act as a "pressure valve" for collectors in today's volatile economy, offering speed, flexibility and discretion. The firm's 24% year-over-year increase in its art finance division, alongside an average loan processing time of just 18 days, demonstrate how institutions can provide swift solutions for clients facing estate tax obligations, philanthropic planning or illiquidity.

B Table of art-secured lending providers

New players are likely to enter the market in the coming year. This list is non-exhaustive and for illustrative purposes only.[220]

Private banks

Citi Art Finance
Bank of America
J.P. Morgan Private Bank
Goldman Sachs
Deutsche Bank[221]
Morgan Stanley
Westend Bank
Neuflize OBC
Wells Fargo Bank, N.A[222]
Northern Trust[223]
HSBC Private Bank[224]
City National Bank (CNB)[225]

Specialty lenders

Emigrant Bank Fine Art Finance
DHB Bank N.V.
The Fine Art Group
Gurr Johns Capital Ltd.
Griffin Art Partners
CC ART (a department of Crédit Municipal de Paris)[226]
Bridge Asset Finance *(*new)*
Art Finance Partners
Suros Capital
International Art Finance
TPC Art Finance
AOI-Advisors
Art Capital Group
Fine Art Partners
Artlending.com
Athena Art Finance (Yieldstreet)
Uovo[227]
BailArt[228]
Borro by Luxury Asset Capital[229]
Beverly Loan by Luxury Asset Capital[230]
PERIFI International Art & Finance SA[231]

Auction houses

Sotheby's Financial Services
Christie's Art Finance
Heritage Auctions
Phillips
Artiana

Speciality brokers

Enness Global Mortgages[232]
Clifton Private Finance
Artnet

Art leasing/consumer art loan

Art Leasing & Invest AG
Artquire
BailArt[233]
Art Money

c Art-secured lending trends and developments

Unlocking growth: How technology is transforming art lending

Technological advancements are gradually reshaping the art-secured lending landscape, streamlining services and easing their integration into the broader wealth strategies of banks and wealth managers.

A new ecosystem of third-party technology providers is emerging, offering services that simplify core processes like valuation, due diligence, risk management and collection oversight. Innovations from platforms like Wondeur, Overstone and Winston Artory Group are providing accurate art asset valuations in real time. Meanwhile, authenticity insurance solutions from companies like ArtDiscovery are helping transfer risk and unlock new capital by addressing one of art-lending's significant barriers: provenance and authenticity concerns.

In parallel, digital platforms like Addepar[234] and Overstone are streamlining collection management, making it easier for wealth managers to view, track and report on art holdings alongside traditional financial assets. This integration is a critical step toward normalizing art within holistic portfolios.

These technological developments represent more than just efficiency gains; they are laying the groundwork for a more mature and accessible art lending industry. For a deeper dive into how these innovations are shaping the future of the art and finance industry, see Section 7 of this report.

New lenders enter the market: The art-secured lending ecosystem is expanding with new entrants, including International Art Finance, a boutique lender founded in 2023 by former Sotheby's COO Adam Chinn and backed by the Nahmad family. Other recent arrivals are Enness Global Mortgages and Bridge Art Finance, a new initiative by Artscapy. These signal growing interest and a broadening market.

Loan securitization: Sotheby's Financial Services (SFS) debuted an asset-backed notes vehicle with its landmark US$700 million securitization deal, the ArtFi Master Trust, Series 2024-1.[235] It pools 89 art-secured loans (and consignor advances) against approximately 2,800 works valued at an estimated US$1.4 billion. Structured with senior AAA-rated tranches[236] and scheduled repayments through 2027 to 2031, this issuance transforms illiquid art-backed receivables into institutional-grade investment products, opening the sector to qualified institutional buyers.

Diversified debt portfolio: Yieldstreet's Diversified Art Debt Portfolio products are structured investments designed to generate targeted, annualized returns of around 10% over two to three years. Backed by loans secured against blue-chip artworks, the investments typically provide quarterly interest and partial principal repayments to investors.[237] Yieldstreet plans to expand the portfolio with additional loans and collateral, using premium art as a stable, income-generating asset for mass affluent and HNW investors.

Art finance meets philanthropy: As mentioned in Christie's Art Finance contribution (page 384), art finance is increasingly used as a fundraising tool for charities and institutions, empowering donors to give more flexibly without needing to sell their collections. A key example is Peter Kellner's £6 million gift to Goldsmiths,[238] consisting of £2 million in cash and £4 million in unrestricted art, which gave the school the flexibility to sell or borrow against the works. This approach also connects with blended finance (see Section 4), allowing released funds to be directed to DAFs or CRTs for greater tax efficiency and strategic control. (See DAF article from Deloitte Germany in Section 4 page 330)

Untitled (from the series "Folds")
Marta Djourina, ongoing since 2016, direct exposure on folded analogue photo paper with different light sources, unique, 40 x 30 cm

ART LENDING AS A STRATEGIC FINANCIAL TOOL

What began as a niche service has evolved into a recognized and sophisticated element of wealth and portfolio management. No longer viewed as a last resort for liquidity, art-secured lending is increasingly embraced by UHNWIs, family offices, institutions and philanthropists as a strategic tool for financial agility.

Citi Wealth's decades-long leadership (page 350) shows that art lending can reliably bridge passion assets and pragmatic wealth planning. It allows clients to unlock capital from illiquid holdings without sacrificing the aesthetic, emotional and cultural value of their art.

Sotheby's deep dive into traditional valuation flaws (page 366) emphasizes the need for a risk-aware, analytics-driven approach that balances market data with real-time intelligence and scrutiny.

Christie's Art Finance illustrates how lending can offer "the gift of time" (page 384), allowing collectors to delay a sale until market conditions improve, manage estate planning without forced liquidation, or seize philanthropic or investment opportunities in moments of volatility.

Together, these perspectives highlight how the art-lending market is becoming more transparent, data-informed and globally adaptable. With rising demand for personalized, flexible capital solutions and a new generation of collectors shaping the market, art finance is poised to play a greater role in long-term wealth preservation and growth.

Art, long seen as a store of value, is now a source of capital. For more collectors, it is a powerful way to access new opportunities while preserving both ownership and cultural connection.

INDUSTRY **INSIGHTS**

Why borrow against your art?

Fotini Xydas
Head of Art Finance, Citi Wealth

Jason Carey
Art Specialist, Citi Wealth

While the overall art market ebbs and flows, the business of art lending has grown tremendously over the last several decades to reach an estimated US$33.9 to 40 billion in 2025.[241] Large and small banks, auction houses, boutique lending and art advisory firms now offer a suite of art finance services to clients, allowing individuals to unlock on average 50-60% of the total value of their art collections. We take an in-depth look at how the art lending business has evolved since Citi pioneered the revolutionary concept of "art as collateral" over 45 years ago, what is driving its growth, and the different facets that make up this ever-changing industry.

Art lending: Then and now

Many of the world's top collectors have leveraged their art holdings for decades. Citi was among the earliest institutions to recognize the value of offering banking services, professional art counsel, and collateralization of art collections, bridging the gap between art and financial services.

The First National City Bank began marketing to art collectors as early as 1963, advertising their banking services as "The Fine Art of Investing", using imagery of stylish art galleries and 1960s fashion. In 1979, Citi's Private Banking Division established its Art Services department, led by an in-house team of art experts, including Jeffrey Deitch. Citi advertised its art services "to assure that its customers have the same professional counsel in art as they have in all other facets of their financial lives".

During the inflation-ridden 1970s, Citi was not alone in identifying the financial appeal of art as an appreciating asset and inflation hedge. Under the consultation of Sotheby's, the British Rail Pension fund famously invested US$70 million in art in 1974.[242]

However, it was Citi that brought art into the world of credit for the first time publicly. **In May 1983, *The New York Times* reported that the artist Christo "[...] borrowed $700,000 from Citibank, possibly the first instance of a bank's lending money to an artist who has used his own work as collateral."**.[243]

This financing of Christo and Jean-Claude's art project served as a prototype for promoting the concept of art as collateral.

While the collateral and structure may have evolved, much of the appeal of art lending remains the same today. Banks provide recourse loans, meaning the art is a secondary source of repayment, typically allowing them to extend the most favorable interest rates. Banks will consider a client's overall financial profile when determining eligibility, structure and pricing. At Citi, eligible artworks must have established, international markets, and are valued confidentially and complimentary by Citi's in-house teams of art specialists. Other large banks typically require outside appraisals from auction houses or reputable appraisal firms.

Typically, art finance clients do not necessarily need liquidity. Instead, they use credit advantageously, deriving liquidity from a traditionally illiquid asset and allocating that capital to other investments. At the same time, they continue to hold onto their artworks, a source of emotional and aesthetic reward, as well as a potential source of appreciation within their overall wealth portfolio.

Smaller boutique art lenders and auction houses typically offer non-recourse loans, meaning the loan is based solely on an individual's art collection. While interest rates can be higher than what large banks offer, little to no financial disclosure is required from the client.

A tool for wealth creation

At Citi, a historic look back at our Art Finance portfolio reveals several trends. From a collateral perspective, the composition of artworks making up the overall portfolio has shifted, likely as a result of 'Next Gen' collecting patterns. Whereas in 2010 and prior, old master and 19th-century art collecting categories comprised approximately 15-18% of Citi's overall art finance portfolio. Today, that sector (collectively) has shrunk to just 3%, while post-war and contemporary art (61%) and impressionist and modern art (36%) are increasingly dominant. This trend mirrors that of the overall art market, in which these two sectors are largely responsible for driving global sales.

In addition, nearly all clients who have had an art loan for the past 10-15 years have not only maintained it, but most have substantially increased their facilities. With most having self-made wealth, clients often use the liquidity derived from their art loan to reinvest and grow their own businesses. Others prefer to have dry powder available for opportune investments, or to buy more art. In some cases, borrowing on art can be tax-efficient, particularly in deferring potential capital gains tax on the sale of art and setting up a strategic estate plan. Some collectors wait until the optimal time to sell their art and rather obtain liquidity via an art loan in the meantime.

Clients who have used art financing at Citi over the past 10-15 years saw their (collateralized) art collections appreciate overall, to varying degrees, with some nearly doubling in value. While there are risks to buying art as values for some individual artists/artworks declined, others tripled in value, contributing to an overall appreciation over the long-term.

For many clients and the family offices that advise them, art collections serve as a tool to create more wealth. Clients consistently opt for art lending primarily to leverage the capital derived from their art and make it revenue generating, compounded with the potential long-term appreciation of the art itself. In many cases, they can continue to enjoy having the art displayed in their homes or offices.

An art loan may also be subject to less market volatility compared to other lending products, i.e. securities-based lending, given that it is not subject to daily market fluctuation and valuations are typically conducted annually. The art market's evolution over several decades—its increasing globalization, financialization, and transparency (in some respects)—has made it a more a stable asset overall.

Art valuation: An art, not a science

Fundamental to extending credit on a line secured by art is the valuation of the art itself. With increased access to data and the power of artificial intelligence (AI) at one's fingertips, the question of how to value art is increasingly important. The valuation of art for collateral purposes is essentially the same as a valuation for sale—establishing a fair market value (FMV), or an agreed price between a willing buyer and a willing seller on the open market.

While art valuation generally follows the simple economic principles of supply and demand, it becomes significantly more complex and nuanced at the top end of the art market. Here, an exceedingly rare artwork may only have a handful of potential buyers.

While the simple, quantitative factors of an artwork such as maker, scale, medium, date, and subject can be populated as raw data and analyzed digitally against comparable sales creating trends over time, it is the nuance at the top of the market that makes the valuation process an art more than a science. Beyond these quantifiable variables are the immeasurable factors impacting the marketability of a work, which can make the difference between a US$100 million artwork having two or 10 bidders competing at auction. Objective analysis of an artwork's condition, including the extent and skill of conservation work, takes years of experience to understand and makes in-person inspection essential. The story of an artwork's provenance also plays a significant role in its value: Has it remained in private hands for decades, or has it been sold recently?

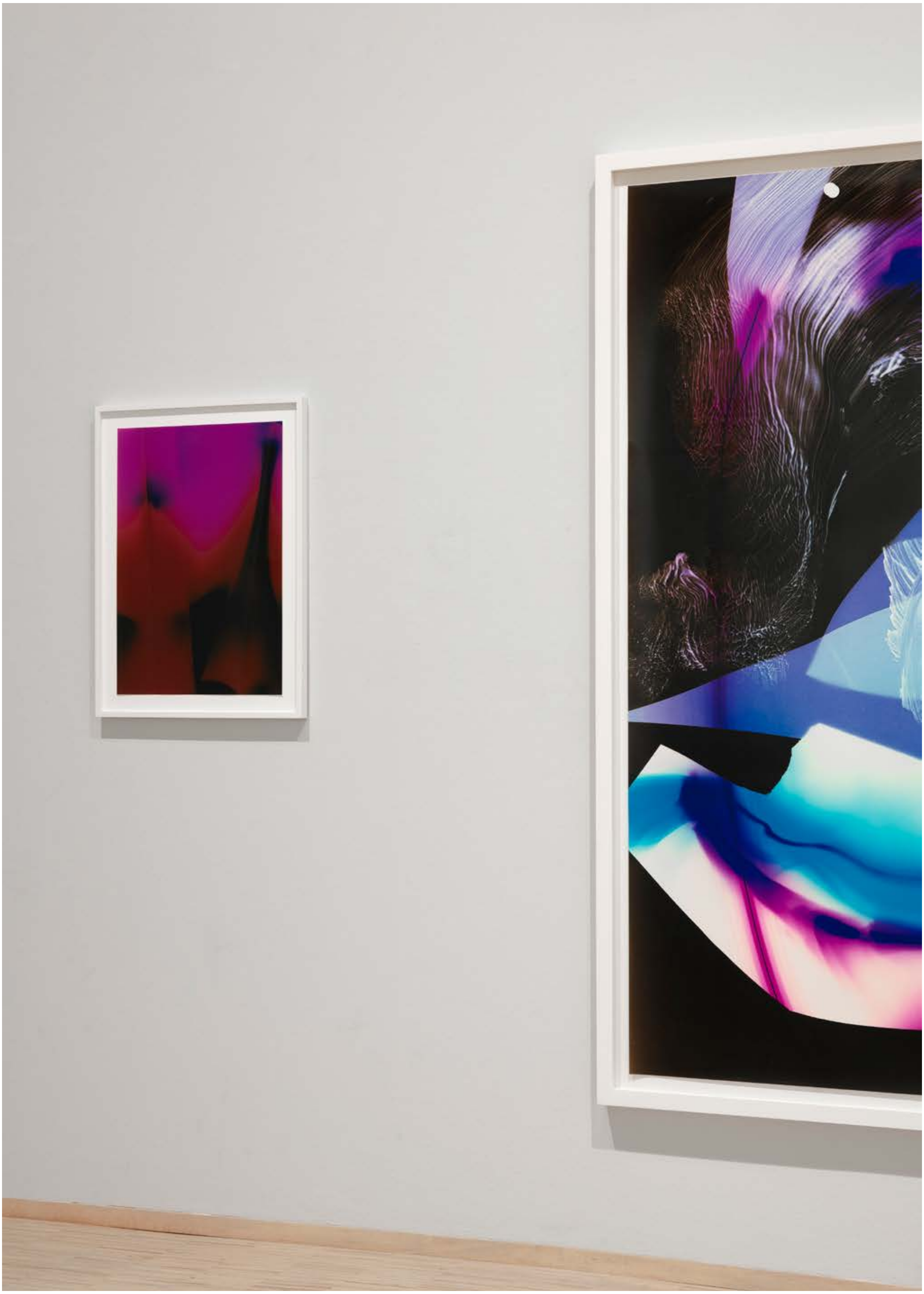
Beyond these factors exist the more subjective variables which can be equally impactful on an artwork's value, such as surface impasto, color palette, and impact, which again require in-person analysis by an expert with extensive market experience.

Looking ahead

In a period of renewed economic uncertainties, persistent inflation and a shifting currency reserve status, the value of credit and holding onto hard assets is perhaps the greatest that it has been in the last 50 years.

New technologies and initiatives are expected to expand the business of art lending, making it a more efficient, streamlined and secure financial tool for suitable clients. These include AI-driven art valuations, sophisticated collateral monitoring and tracking systems, the modelling of risk and liquidity levels, as well as the centralization of lenders' collateral interests globally. What remains consistent is that the unique and growing capabilities offered by art lending make it an increasingly attractive option for the complex financial needs of wealthy individuals and families around the world.

Untitled (from the series "Folds")
Marta Djourina, ongoing since 2016, direct exposure on folded analogue photo paper with different light sources, unique, 62 x 40 cm; Exhibition view, Solo presentation as part of Eberhard Roters-Stipendium, Berlinische Galerie - Museum of Modern Art, Berlin, 2021, Photo: Chroma



Untitled (from the series "Folds")
Marta Djourina, ongoing since 2016, direct exposure on folded analogue photo paper with different light sources, unique, 40 x 30 cm

PART **02**

Art-secured lender survey findings 2025

This section's analysis is based on a survey of 23 lenders (17 art-based lenders and six private banks), which provides a strong market representation. This sample accounts for more than 50% of the 40 identified active lenders and brokers in this sector, offering a reliable and representative overview of current market dynamics.

Size of the 2025 art-secured loan book

Figure 131: Asset-based lenders: What is the estimated size of your current art-secured lending book?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

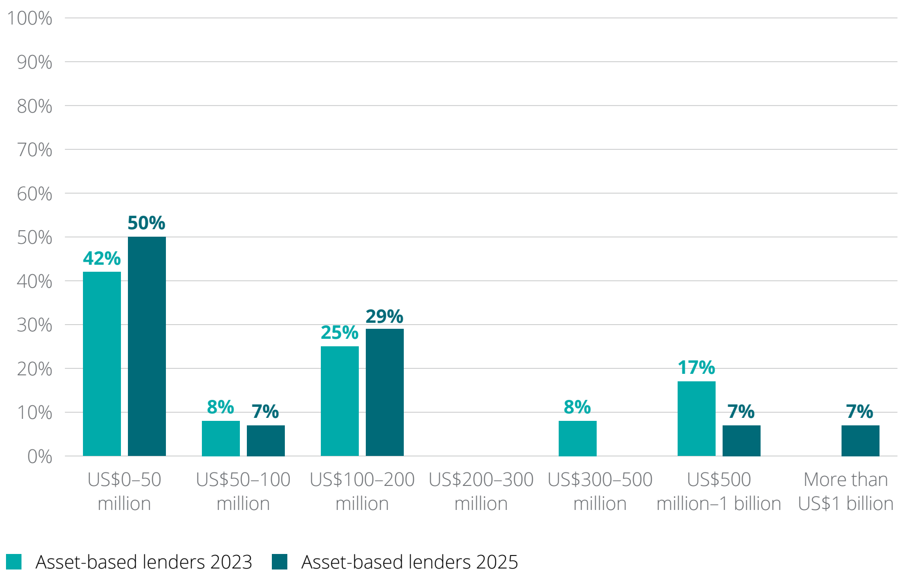
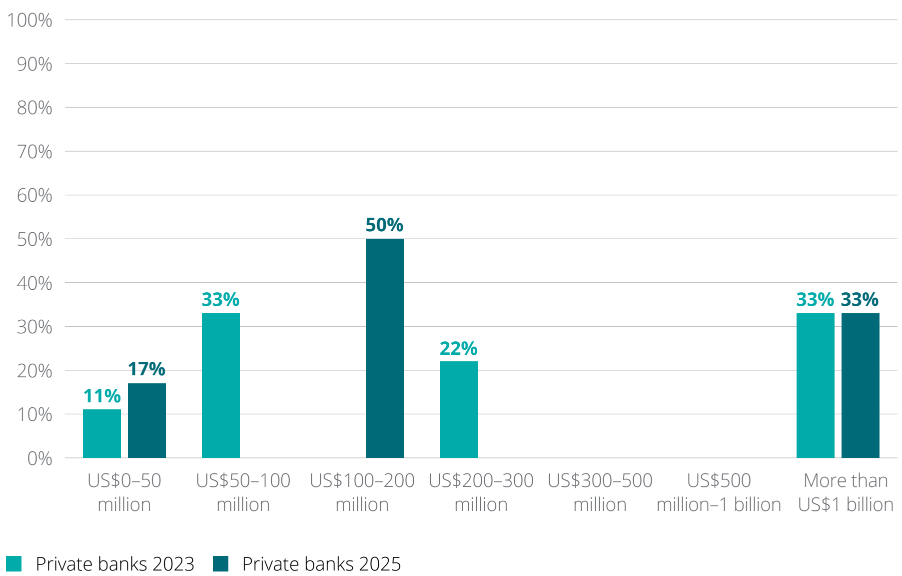


Figure 132: Traditional lenders: What is the estimated size of your current art-secured lending book?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Asset-based lenders have long been pioneers in the art-secured lending market, offering specialized expertise and a higher tolerance for risk than traditional banks. Our survey data from 2023 and 2025 confirms their importance to the sector's growth, while also highlighting a market that remains fragmented with uneven scale.

A significant portion of these lenders' loan portfolios remain relatively small. The share with a loan book of US$0 to US$50 million, the most common bracket, increased from 42% in 2023 to 50% in 2025 (seven asset lenders).

However, the share of asset-based lenders in the US$100–200 million range grew from 25% in 2023 to 29% in 2025 (four lenders), which indicates that a select group is successfully scaling their operations. This mid-tier growth is being driven by greater client adoption, increased deal flow, and likely expanded geographic or institutional reach. Collaborations with private banks are also boosting momentum, as they increasingly turn to third-party providers to offer art-lending services rather than building their own in-house capabilities.

Lending books above US$500 million remain the exception, with only two (14%) of asset-based lenders in this category in 2025. While a few are approaching institutional scale, most operate within niche or boutique parameters. These focus on HNW clients, art galleries and dealers, offering bespoke structures and engaging in opportunistic lending across a broader spectrum of art and collectibles.

The absence of asset-based lenders in the US$200–300 million range in both 2023 and 2025 also suggests that firms either stay small or scale aggressively, with few plateauing in the middle.

In summary, while asset-based lenders are still central to the expansion of art-secured lending, their footprint is largely defined by small to mid-sized portfolios. The coming years may see further divergence, with a handful of firms scaling rapidly while others remain agile, specialized players.

Private banks (traditional lenders): Private banks have undergone a significant shift in their art-lending portfolios. In 2023, their portfolios were widely distributed, with 33% in the US$50–100 million range, 22% in the US$200–300 million range, and a notable 33% holding more than US$1 billion in art-secured loans. This broad spread highlighted a mix of firms, with some actively expanding their lending programs, while others had already integrated art loans into a mature, institutional offering.

By 2025, this distribution has polarized significantly around two clear sizes. Half the private banks surveyed (50%, or three banks) reported portfolios in the US$100–200 million range, indicating growth from smaller books into a more scalable, commercial phase. Another two banks surveyed (33%) still reported loan books exceeding US$1 billion, cementing their role as dominant, institutional-scale players operating far beyond their peers.

The data also reveals a significant clustering away from the smaller and mid-tier brackets. Notably, none of the private banks reported operating in the US$200–500 million and US$50–100 million ranges, and only one private bank had a book below US$50 million, indicating that very few private banks are operating at a small scale.

Average size of the art-secured loan book for the asset-based lenders surveyed was an estimated US$248 million, up from US$185 million in 2023. This increase is partly due to Christie's re-entering the art-secured lending market, a space where Sotheby's Financial Services already holds a dominant position with an estimated loan book of US$1.6 billion as of January 2025.[239] The average art loan book for traditional private banks was an estimated US$2.7 billion,[240] though there are substantial differences between the smallest and largest providers.

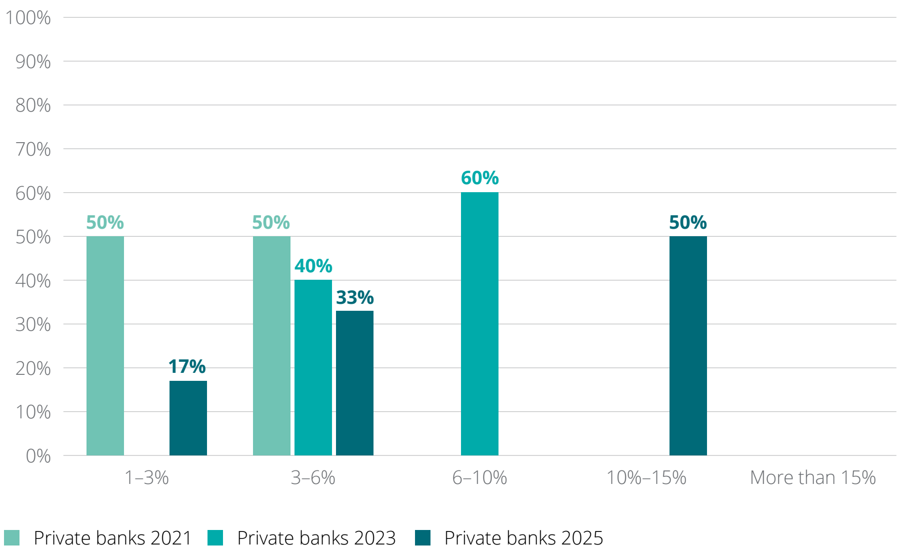
Cost of funding on the rise: The latest data shows that interest rates for art-secured loans have continued to climb since our 2023 survey. Among asset-based lenders in 2025, three charged between 10% and 15%, and two lenders (14%) reported rates exceeding 15%, a significant jump from none in 2021 and 2023. However, the majority of asset-based lenders still quote lower rates: seven (50%) charged in the 6–10% range and another two charged below 6% in 2025.

Figure 133: Asset-based lenders: What is the level of interest that you typically charge for an art-secured loan?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

Figure 134: Traditional lenders: What is the level of interest that you typically charge for an art-secured loan?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



In 2025, three of six private banks surveyed charged interest rates in the 10–15% range, a significant rise from none in 2023 and 2021. This suggests that even traditional lenders are raising the costs of art-secured loans. Of the remaining banks, two charged 3% to 6%, and one typically charged below 3%.

Despite these rising costs, lenders do not anticipate a market slowdown over the next two years. Among asset-based lenders, 10 (67%) expected their art-secured lending business to grow by more than 20%, with seven of those (47%) forecasting growth above 30%. In contrast, all six private banks predicted a more stable, moderate expansion, with growth projected in the 5–10% range.

This optimism may reflect a key shift in borrower behavior. If the auction market continues to weaken, as suggested by signs in the first half of 2025, collectors may increasingly turn to art-secured loans as a liquidity channel. This would boost demand and help sustain lending activity, even in a more expensive funding environment.

Higher LTV ratios signal more understanding and confidence among art-secured lenders: In 2025, four of the private banks (57%) surveyed typically applied a 50–60% LTV ratio on art-secured loans, an increase from 40% in 2023. A similar trend is evident among asset-based lenders, with two (14%) applying an LTV above 60%, up from 8% in 2023. With new art-risk insurance tools and initiatives entering the market, lenders could potentially push to higher LTV thresholds. However, a cautious approach remains, as another two (14%) applied more conservative LTVs in the 30–40% range in 2025, up from 8% in 2023. This reflects the reality that higher LTVs require not just confidence, but precision. As Sotheby's Financial Services highlighted in its contribution (page 366), successful art-secured lending demands a blend of quantitative and qualitative risk analysis, since the fair market value can overstate actual sale results by as much as 30%. Therefore, lenders must balance growth with prudent valuation, careful back-testing, and awareness of market dynamics.

Slightly higher default rates for asset-based lenders in 2024 compared to 2023: In 2024, five of the 14 asset-based lenders surveyed (36%) reported a rise in defaults (up from 8% in 2023), while two (14%) saw the same level (up from 8% in 2023), and none experienced lower levels. Half (50%) had no defaults in 2024, a significant drop from the 83% who reported the same in 2023. This contrasts sharply with traditional lenders, none of whom experienced any defaults in 2024. This difference may signal a more cautious approach to their art-lending activities, and it also reflects the nature of their products, which are typically recourse loans—unlike the non-recourse structures more common among asset-based lenders.

Figure 135: Asset-based lenders: What is the level of interest that you typically charge for an art-secured loan?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

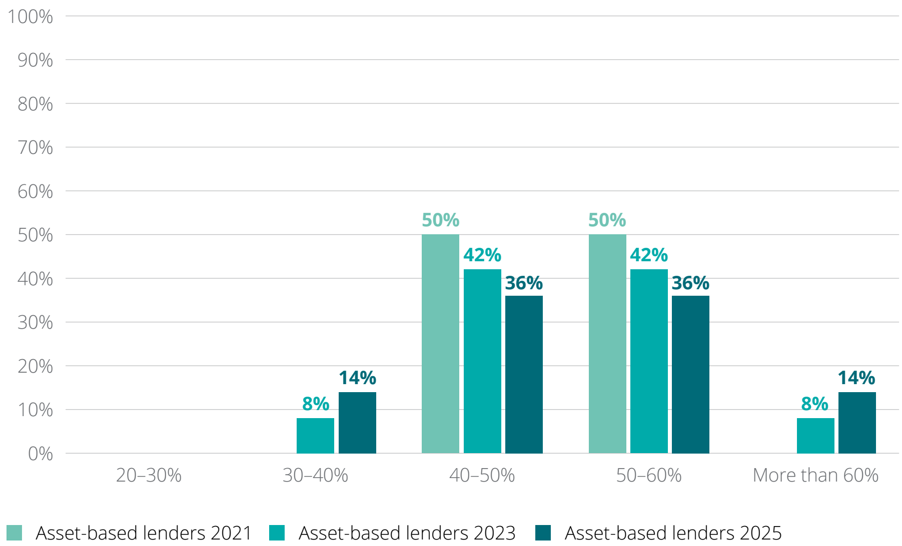


Figure 136: Traditional lenders: What is the level of interest that you typically charge for an art-secured loan?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

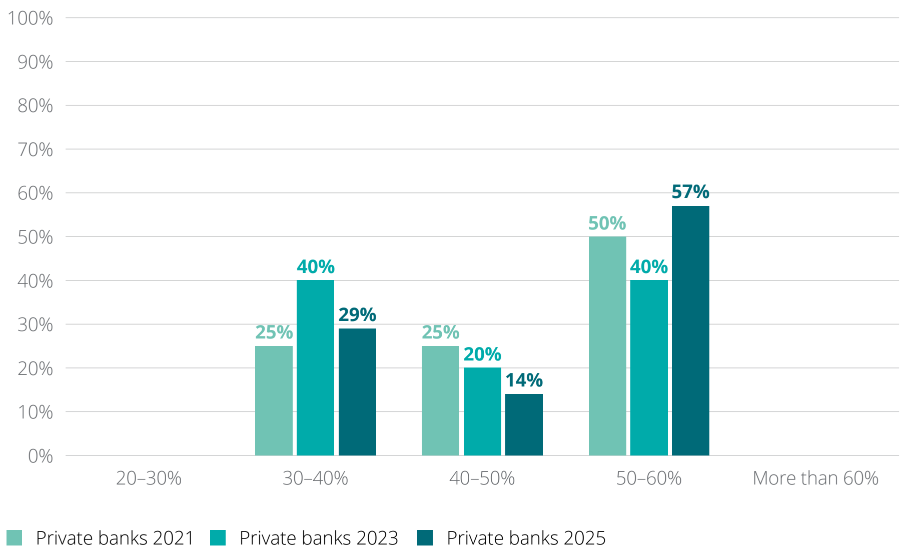


Figure 137: Asset-based lenders: In your experience, what was the level of defaults during 2023 compared with 2024?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

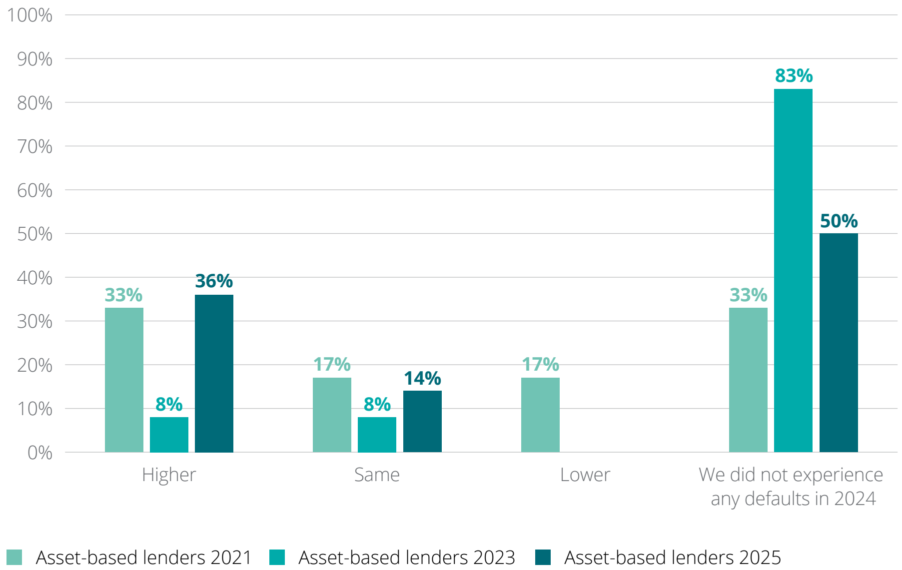
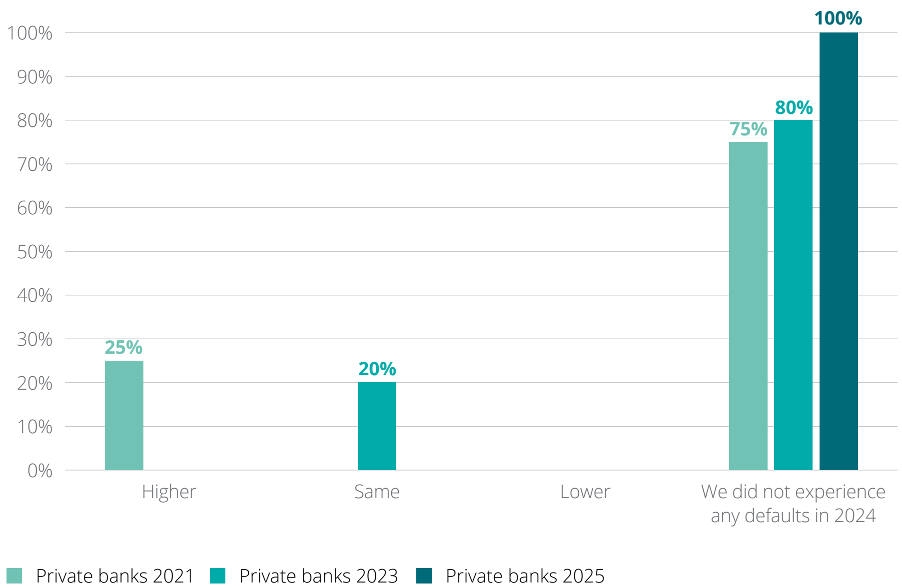
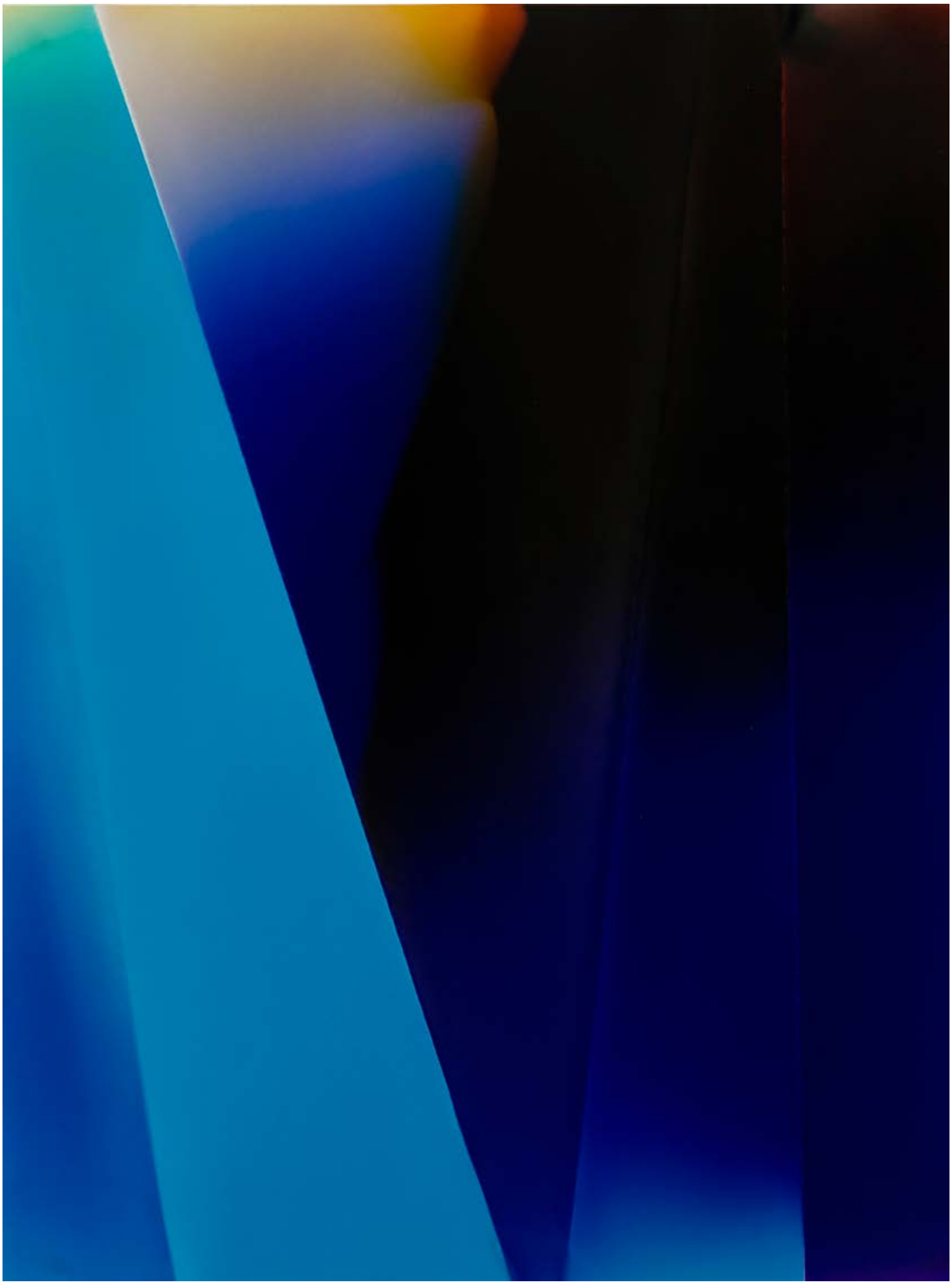


Figure 138: Traditional lenders: In your experience, what was the level of defaults during 2023 compared with 2024?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025





Untitled (from the series “Folds”)
Marta Djourina, ongoing since 2016, direct exposure on folded analogue photo paper with different light sources, unique, 40 x 30 cm

What were the most important demand drivers for art-secured lending services over the last two years?

Our latest survey findings offer a compelling look into why borrowers are turning to art-secured lending and how those motivations have evolved significantly. The data from 2023 and 2025 shows a clear trend: as the market matures, demand is shifting from opportunistic arbitrage to more strategic, liquidity-driven and wealth management-oriented uses.

Liquidity is king: The primary driver for art-secured loans in 2025 is the need to provide liquidity for business operations, cited by 90% of all lenders (up from 83% in 2023). This is now a universal motivation for private banks, with 100% reporting it as a key reason clients seek art-backed financing. The trend reflects art's growing role as a functional asset, especially during periods of economic uncertainty. As noted in the Christie's Art Finance article (page 384), these loans' flexibility, combined with favorable rates, allows clients to leverage their art and luxury collections to navigate volatile financial periods, thereby buying time and liquidity. In essence, art-backed loans are becoming a strategic buffer.

Opportunistic art acquisitions: Using loans to acquire new art without selling existing works remains a strong motivator. In 2025, 70% of all lenders cited this as a major use case, up from 67% in 2023. Specifically, 71% of private banks and 69% of asset-based lenders identified this as a prime driver over the last two years. This is likely to catalyze future growth, as a softer market may incentivize collectors and the art trade to benefit from lower prices and less competition.

Figure 139: All lenders: What are the most important demand drivers for art-secured lending services over the last two years?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

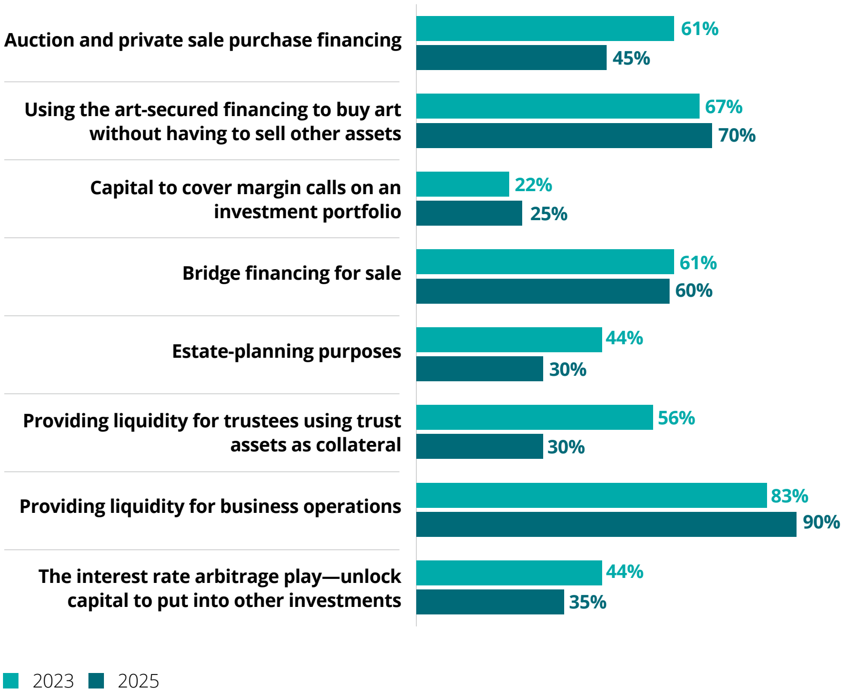
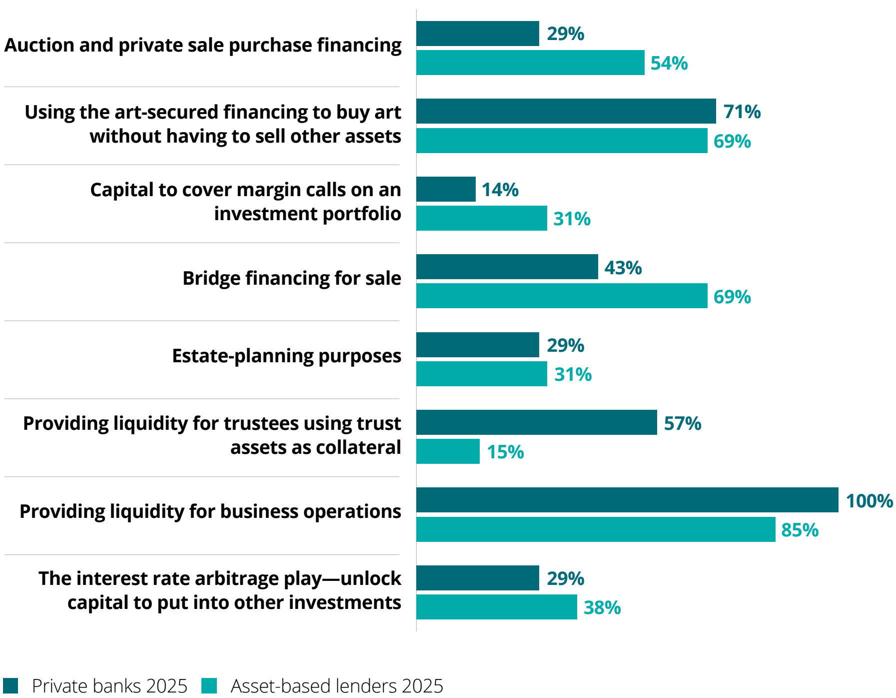


Figure 140: Private banks versus asset-based lenders: What are the most important demand drivers for art-secured lending services over the last two years?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Bridge financing for sales remains a strong driver, especially among asset-based lenders (69%), who typically serve clients with more urgent or transactional needs. This use case highlights how art-secured loans offer flexibility in managing timing mismatches, such as covering liquidity gaps between sale and a new purchase.

Interest rate arbitrage is losing appeal: In contrast to previous years, interest rate arbitrage has fallen out of favor as a rationale for unlocking capital. The share of asset-based lenders citing this as a demand driver dropped from 58% in 2023 to 38% in 2025. For private banks, this figure was even lower at just 29%. As interest rates have risen, the strategy of borrowing cheaply against art to reinvest elsewhere has become less compelling.

Private banks prioritize estate planning...: Private banks are increasingly focusing on longer-term, strategic uses for art-secured lending. In 2025, 57% cited providing liquidity for trustees as a demand driver (versus just 15% of asset-based lenders), while 29% cited estate planning, a figure that has held steady from previous years. This aligns with their core role in managing intergenerational wealth. As noted in Christie's Art Finance article (page 384), 47% of HNWIs in 2024 sold their inherited art to settle estate taxes. Art-secured lending can provide an alternative by giving borrowers the necessary liquidity without forcing them to sell sentimental assets. This highlights the growing importance of art lending as a tool for wealth preservation and succession planning

...and charitable giving: according to Christie's Art Finance (page 384), collectors are also increasingly using art-secured lending to support charitable giving without selling prized works. Donors can either take out loans against their collections and gift the cash, or donate artworks that institutions can themselves borrow against. This strategy allows liquidity to flow into CRTs and DAFs, enabling tax-efficient, flexible and discreet philanthropic planning. As DAFs gain popularity in wealth management, art lending is becoming a valuable tool for aligning estate and legacy goals with long-term charitable intentions.

The shift in demand drivers reveals a broader transformation in the art-secured lending landscape. What was once seen as a niche or opportunistic product is now becoming deeply embedded in clients' financial strategies. Asset-based lenders continue to cater to transactional and flexible needs, while private banks are embracing art lending as a sophisticated tool for liquidity, trust structuring and strategic acquisition.

Regional focus: Shifting global priorities in art-secured lending

As the art-secured lending market matures, its geographic focus is evolving in response to changing macroeconomic conditions, wealth distribution and regional market dynamics. The 2025 data shows a resurgence of traditional strongholds and a gradual rise in strategic interest across Asia, offering new insight into which regions lenders believe will drive growth in the next five years. This reveals a continued reliance on traditional markets but also a growing divergence in the geographic strategies of asset-based lenders and private banks.

The US reclaims its dominance: The US remains at the forefront of both current activity and future expectations. In 2025, 75% of all lenders cited the US as the most important region for growth over the next five years. This figure was even higher among private banks (86%), reflecting their deep client networks and well-established wealth platforms in the region. Asset-based lenders were similarly bullish, with 69% forecasting the US as their primary growth engine. This continued optimism reinforces the US's position as the global anchor of the art-lending market, supported by legal frameworks, liquidity and a large collector base.

Europe and the UK: Europe (excluding the UK) and the UK also rank highly for future growth, especially among private banks, where 86% regarded Europe and 57% regarded the UK as key regions in 2025. In contrast, just 54% of asset-based lenders cited Europe and the UK as top priorities. This divergence suggests private banks are focused on institutional wealth markets, estate planning and trust-based lending prevalent in these markets. Meanwhile, asset-based lenders may be more focused on flexible and transactional

Figure 141: All lenders: Which of the following regions are the most important for your business at the moment?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

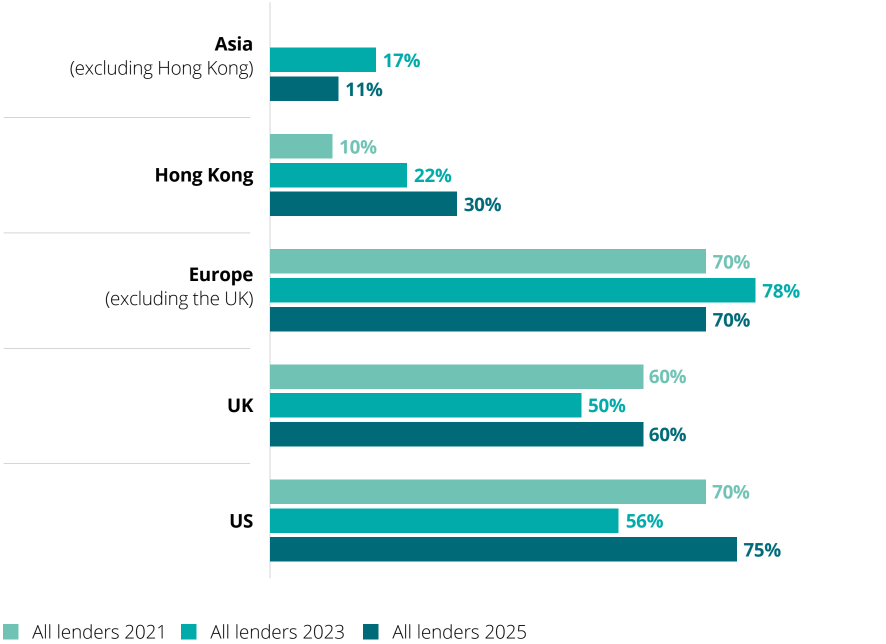
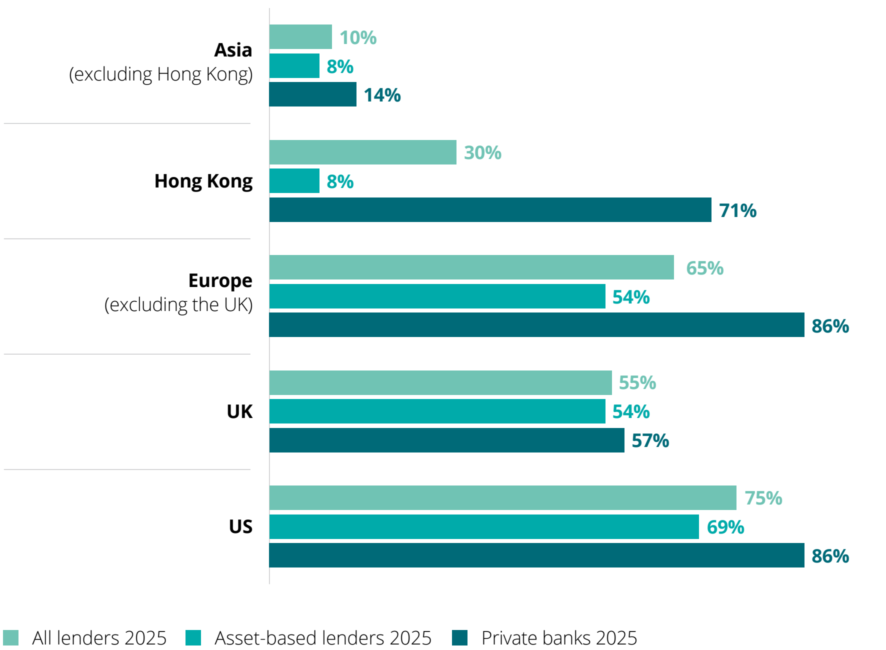


Figure 142: Asset-based lenders versus private banks: In the next five years, which region do you think will be the most important in terms of future growth for your business?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Untitled (from the series "Folds")
Marta Djourina, ongoing since 2016, direct exposure on folded analogue photo paper with different light sources, unique, 40 x 30 cm

markets with higher turnover, such as the US. It is worth noting that the strong regional emphasis on Europe and the UK in these results may reflect a survey sample weighted toward European banks. However, only a limited number of European banks currently offer art-secured lending services, giving US banks a strong position to lead the charge. This poses a strategic question: if European institutions remain on the sidelines, their clients may increasingly turn to US lenders to meet their art finance needs.

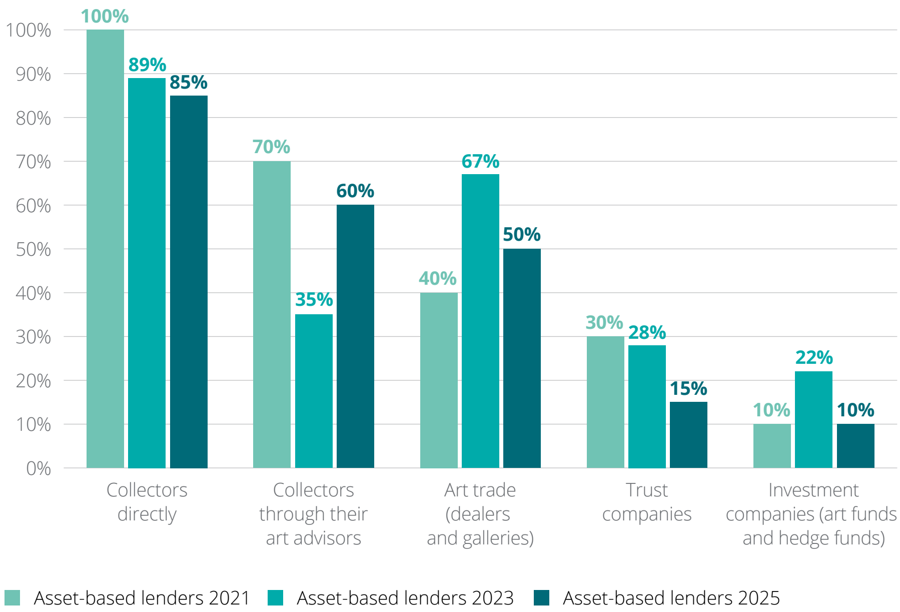
Hong Kong—a future growth market for private banks: The biggest geographic divergence appears around Hong Kong. While only 30% of all lenders expected it to be critical for future growth in 2025, this figure masks a stark contrast between lender types: just 8% of asset-based lenders believed Hong Kong would be important over the next five years, compared to a commanding 71% of private banks. This indicates a strategic pivot by private banks toward Asia's wealth centers, where cross-border trust structures, family offices and next-gen collectors are emerging. Hong Kong remains a critical hub for accessing Asian private wealth, a space where private banks have the brand equity and regulatory tools to compete.

Asia (excluding Hong Kong): Asia beyond Hong Kong remains a low-priority region for most lenders, with only 10% of all respondents citing it as a focus for future growth in 2025. This includes 8% of asset-based lenders and 14% of private banks. While interest in Singapore, South Korea and other parts of Asia is growing, the region still faces barriers to scale, such as legal complexity, smaller art markets and underdeveloped art financing ecosystems.

Who are the key clients in art-secured lending?

Figure 143: Over the last 12 months, who would you rank as your most important group of clients?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



As the art-secured lending market evolves, so too does its client base. Data from 2021, 2023 and 2025 reveals a meaningful shift in how lenders connect with these clients and which other client segments are emerging or fading away.

Collectors are increasingly reached through intermediaries: Private collectors remain the most important client group for art-secured lenders, although their share as a primary client base slightly declined from 100% in 2021 to 89% in 2023, and further to 85% in 2025. The way lenders reach these clients is also shifting. The proportion of lenders working with collectors via their art advisors fell from 70% in 2021 to 35% in 2023, but rebounded sharply to 60% in 2025. Collectors are also increasingly reaching out to lenders through their family offices. This trend indicates a growing professionalization of the art-lending process, with advisors and family offices playing a key strategic role in facilitating transactions and helping collectors access capital.

The art trade experienced a post-COVID spike, followed by stabilization: Lenders also continue to see opportunities in serving the art trade, although its importance has been less stable. The share of lenders who considered dealers and galleries important clients spiked from 40% to 67% in 2023, likely due to post-pandemic liquidity needs among dealers struggling with cash flow or inventory turnover. By 2025, the number dropped to 50%, suggesting that while the trade remains a significant client group—especially for asset-based lenders more attuned to inventory-backed financing—its demand has normalized, making it more of a supplementary market, not a central growth engine.

Trust companies and investment funds: Two client categories are becoming less central to the art-secured lending market. First, trust companies, once important in structuring art finance for UHNWIs, have steadily declined in prominence, dropping from 30% in 2021 to just 15% in 2025. Second, investment firms, such as art funds and hedge funds, have remained a marginal client base, hovering at just 10% in 2021 and 2025. A temporary uptick to 22% in 2023 may have reflected opportunistic borrowing during financial market volatility, but the drop in 2025 suggests these entities have either found alternative liquidity sources or prefer other financing routes.

The art-secured lending market seems to be moving away from broad institutional channels toward more relationship-focused client engagement, particularly via trusted advisors. Today, the most successful lenders navigate this evolving client ecosystem by maintaining direct access to collectors, while also building partnerships with the advisors and intermediaries, such as family offices, who influence their financial decisions.

INDUSTRY **INSIGHTS**

From private bank to art market insiders:
Critical lessons we've learned about art-secured lending

Scott Milleisen
Global Head of Lending, Sotheby's Financial Services

Matthew Conway
CFA, Lending Specialist, Americas, Sotheby's Financial Services

Art-secured lending is a specialized segment within private wealth finance that presents unique challenges due to the subjective nature of valuations and the market's limited transparency. Effective risk management requires a rigorous approach that goes beyond traditional fair market value assessments, integrating data analytics and back-testing, critical analysis of comparable sales, and real-time insights into market dynamics.

Introduction

Art-secured lending is a unique segment within private wealth finance. Quirky market dynamics and limited public information create distinct challenges in appropriately calibrating risk for art-secured lenders. Because art's primary demand driver remains its "emotional value," traditional valuation methods based upon future cash flows do not apply.

Conceptually, we grasped this when we moved from private banks to Sotheby's Financial Services (SFS).[244] SFS is a fast-growing division of Sotheby's that offers loans to collectors, secured by their fine art, collectible cars, and luxury objects. However, we quickly discovered how art distinguishes itself from other asset classes, requiring a different approach to valuation and credit underwriting.

The two main lessons from our time at the largest asset-based art-secured lender are:

1. The most common valuation metric used in art-secured lending—fair market value (FMV)—has inherent flaws.
2. Beyond valuation, other factors should be considered in assessing the probability of achieving an estimated asset price, including data analytics, detailed comparable sales analysis, and real-time market intelligence.

The 2022 record-breaking sale of the Macklowe Collection at Sotheby's proved the importance of freshness to market and evolving sale dynamics at the market's highest end.

SECTION 1:

Fair-market valuation for art-secured lending has inherent flaws

Art-secured lenders commonly rely upon third-party appraised FMV in valuing collateral. Per IRS guidelines, "FMV is the price that property would sell for on the open market. It is the price that would be agreed on between a willing buyer and a willing seller, with neither being required to act, and both having reasonable knowledge of the relevant facts."[245]

This is a flawed metric for art-secured lenders who rely on third-party disposition channels because **the price a willing buyer pays does not equal the net price a willing seller receives**. Assuming no dispersion in outcomes, **the shortfall for a seller is up to 30%.**

Why? Because FMV includes transaction costs, such as commissions and selling costs, which for auctions can be up to 30%. As shown in Figure 144, an item sold at auction for US$1.27 million (the FMV) actually nets the seller US$1 million.

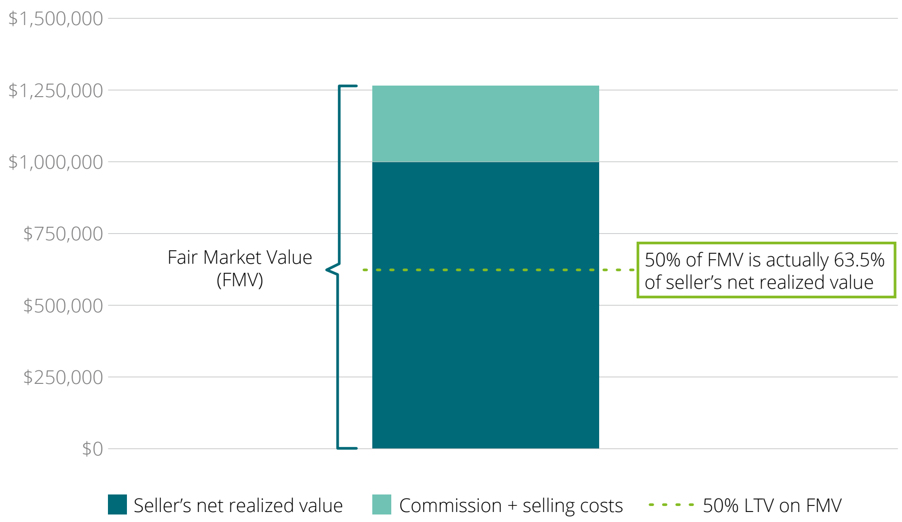
Relying on a precise number does not capture the range of prices achieved under varying market conditions. If we knew the price, auctions would not exist. When evaluating an ascribed value, these questions should be considered: "How is an artwork expected to perform versus the ascribed estimate? Will it sell at, above, or below my estimate? Is there a chance it may not even sell at my reserve price?"

Auction results naturally show a range of outcomes, as variables like the market, selling location, or category all play a role. In turn, art-secured lenders must understand the potential spectrum of outcomes that may be achieved for artworks they lend against.

Ultimately, risk officers must understand what valuation they are underwriting and why, and it is just as crucial for UHNWIs and their family offices to understand as well. When forecasting anticipated cash flows from sales rooted in FMV, rather than net proceeds, they may overestimate by 30%. This can create liquidity shortfalls and force additional, unplanned sales.

Figure 144: FMV in art-secured lending has inherent flaws

Source: SFS.



Note: In this example, a 50% LTV ratio against FMV implies a 63.5% LTV against the seller's net realized value.

An artwork is ascribed a FMV of US$1.27 million and sells for this price.

- Seller nets: US$1 million
- Commissions and selling costs (i.e., buyer's premium): US$270,000

Key learning:

A 50% loan-to-value (LTV) using FMV for value implies 63.5% LTV on a net realized value, assuming no dispersion in prices, because transaction costs are included in FMV.

Art-secured lenders and risk officers must understand which valuation metric they are underwriting to and why.

UHNWIs and their family offices can benefit from forecasting cash flows from sales rooted in net proceeds, not in FMV. Overestimating value can force additional, unplanned sales.

SECTION 2:
Other factors to consider beyond valuation

A. Data-driven risk modeling

Analyzing market data is table-stakes for any credit analysis; it allows for modeling risk and accounting for dispersions in asset prices. When making securities-based loans at private banks, we leveraged immense amounts of data to make risk decisions, including performance during stress periods, trading volume, and volatility. With public securities, we had real-time information and dozens of financial metrics at our fingertips, in addition to in-house expertise.

These data-driven risk models rarely exist in art-secured lending. Price transparency is limited, and there are no future cash flows or earnings multiples available. Being closely aligned with a marketplace helps.

To assess our ability to transact within the current market, SFS applies a data-driven approach, leveraging proprietary and public data to quantify, for example, the market's depth (e.g., underbidders and new entrants) and to understand liquidity using sell-through rates, among other factors.

Back-testing collateral sales results—comparing actual net sale proceeds against ascribed valuations—is a fundamental cornerstone for any secured lender. Lenders can strengthen valuation models, calibrate risk tolerance, and adjust to changing market conditions.

At SFS, in the 12 months leading up to February 2025, our clients elected to sell US$270 million in collateral. The weighted average "net-sale-price" to "collateral-value" for the period was 100.2%. This means, on average, our realized sale prices aligned with the values we ascribed.

B. Valuation integrity through scrutinizing comparable sale results

A comparable sales analysis requires scrutiny. For example, in commercial real estate lending, it is typical to outsource appraisals to third parties who provide voluminous reports, including condition notes, market analyses, demand drivers, supply considerations, and comparable transactions. A value is then ascribed based on the comparables.

But lenders often do not take this at face value. Instead, they (rightly) scrutinize the comparables to ensure they understand the asset's value, since it is their money at risk.

When it comes to art, third-party appraisal reports are often much simpler, providing basic cataloging information and an ascribed value; sometimes, comparables are provided. Because outsourcing an appraisal does not outsource the risk, lenders must evaluate the analysis themselves.

Below are the questions we may ask when evaluating comparables:

- How recent are the comparable sales? How does the market compare today?
- Are the works truly similar in quality, rarity and condition? What about the provenance? How fresh-to-market are the works?
- If my comparable sold in Hong Kong, can I achieve the same results in the US?
- Who were the underbidders? Are they still in the market?
- What was the net sale price to the seller in a private transaction? How did that compare to the asking price?

Neglecting a critical assessment of these factors can result in overlooking key risks.

C. Market dynamics, demographic changes, and buyer behavior

Beyond the data, qualitative insights support our risk-decisioning. We benefit from ongoing, real-time conversations with collectors, fiduciaries, dealers, and art advisors closely attuned to market dynamics.

While artificial intelligence (AI) may one day expedite identifying comparables, the specialist overlay will remain essential. This is due to the market's opaque nature and that relying on price data alone leans on precedent, without considering the current environment and tastes.

Proximity to the marketplace provides visibility into:

- Identities of market participants: who is buying or selling, what they are looking for or offering, and at what price?
- Market sentiment: is there oversaturation in this artist, is the work truly one-of-a-kind, or is another expected to come to market in a few months?

In some cases, it is crucial to understand how the market may perform if a particular buyer no longer participates in the market. Will the work still achieve the price if the borrower is not bidding?

Importantly, collectors' demographics and tastes are rapidly evolving. Millennials are a growing force in the high-end art market; in 2018, they represented only 7% of bidders for lots of more than US$1 million, but by 2022, this had increased to 16%.[246]

Coming out of the pandemic, in 2021, 39% of buyers at Sotheby's were first-time buyers.[247]

As older collectors pass away, younger generations will shape how art is bought and sold. Understanding changing tastes and approaches to buying will allow art-secured lenders to adapt and successfully navigate the market.

Lessons learned

Our time at SFS has taught us that successful art-secured lending requires a combination of quantitative and qualitative approaches to risk. Value is the starting point, but we do not make credit decisions on FMV—it cannot be reduced to a single number and may overstate collateral sale results by up to 30%.

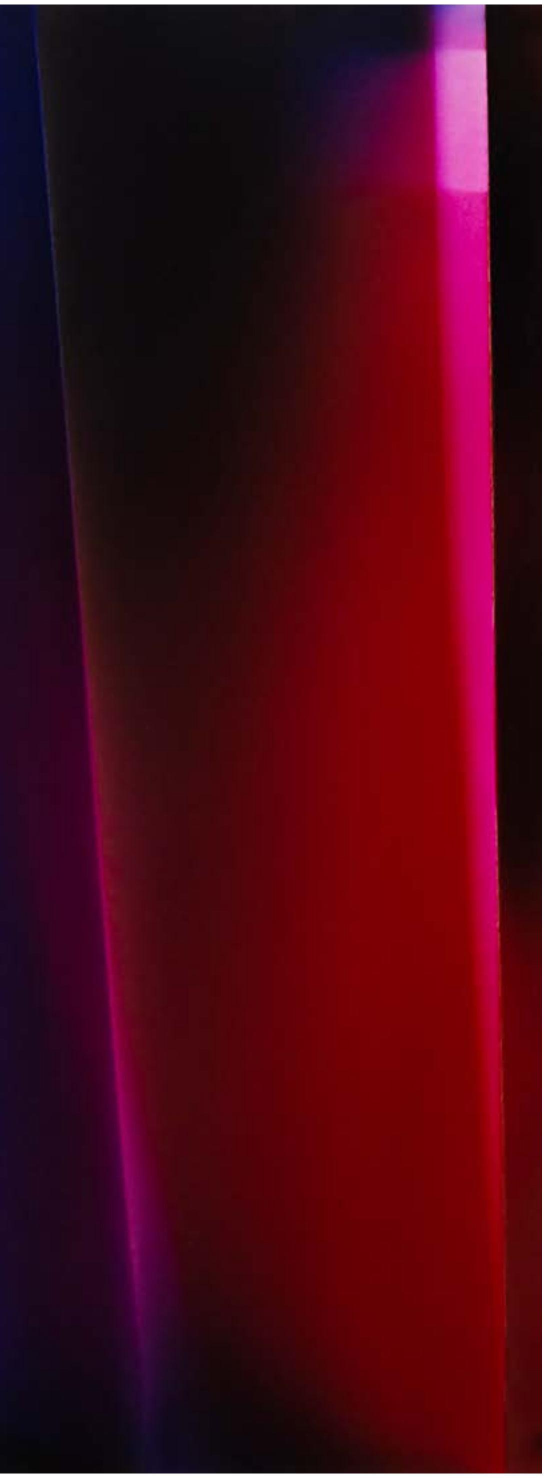
Prudent art-secured lending requires careful consideration of each artwork in the context of changing market dynamics and consistent back-testing of the ascribed valuation methodology.

As we develop more holistic approaches for this business, we remain inspired by the new generation of art collectors who have shown us that the value of art is a continually redefined concept.

PART **03**

Wealth manager, family office, collector and art professional survey findings 2025

Untitled (from the series "Folds")
Marta Djourina, ongoing since 2016, direct exposure on folded analogue photo paper with different light sources, unique, 40 x 30 cm

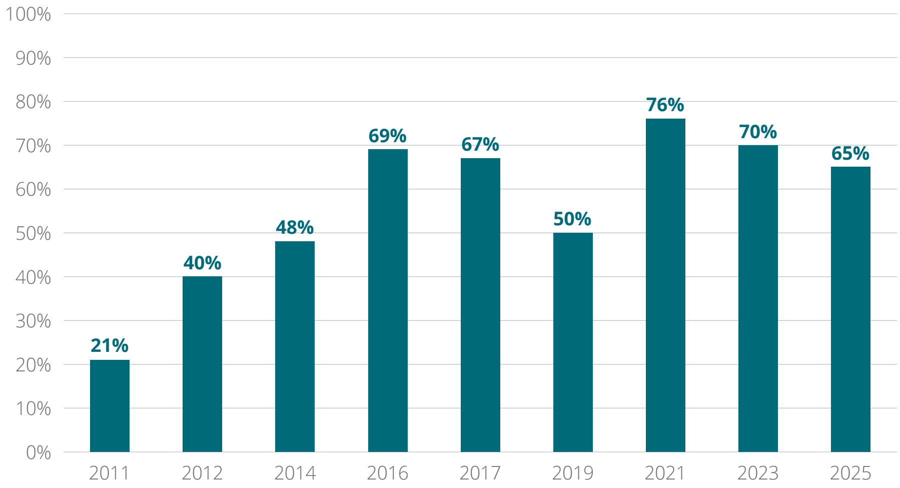


A

Wealth management perspectives

Figure 145: Percentage of wealth managers offering art-secured lending services

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Wealth managers embrace art-backed lending amid rising client demand

Art-secured lending is now a well-established component of wealth management offerings, underscoring art's increasingly strategic role in HNW portfolios. In 2025, 65% of wealth managers who offered art-related services provided art-backed loans—a slight dip from 70% in 2023, but still a clear indicator of how embedded this service has become.

The surge in client demand for the service is particularly striking. In 2025, 73% of wealth managers reported a rise in client interest for art-secured lending over the previous 12 months, more than double the 36% who said the same in 2023. For the 35% of wealth managers with art-related provisions that did not yet offer art-backed lending in 2025, this suggests a strong near-term opportunity for market expansion as barriers to entry continue to fall.

The reasons for using art as collateral are also shifting in telling ways. In 2025, nearly three-quarters (73%) of wealth managers said their clients were leveraging art loans primarily to invest in other business ventures, a significant jump from 43% in 2023. With the art market currently soft, there is less appetite to sell but an urgency to deploy capital. Business investments, especially in sectors with more predictable or near-term returns, could offer a more appealing risk-reward profile than selling art at discounted valuations.

Meanwhile, 45% cited refinancing existing loans as a motivation, a sharp increase from 26%. This suggests a more sophisticated, portfolio-level approach to debt management. In contrast, other motivations have declined: only 36% of wealth managers in 2025 cited purchasing additional art (down from 46% in 2023), a figure that stands in stark contrast to collector motivations. This implies that private banks and family offices are providing these services in a more strategic manner, rather than as an opportunistic acquisition finance service.

In addition, just 36% of wealth managers identified the funding of personal activities as a key motivation (down from 41%). The use of art-secured lending for estate planning purposes has also fallen, with only 9% identifying it as a primary goal compared to 18% in 2023.

These shifts align with the Citi Wealth article (page 350), which notes that for many clients, collections are a tool to create more wealth. The primary reasons clients use art loans are to gain revenue-generating capital, benefit from their art's potential long-term appreciation and, in many cases, continue to enjoy the art in their homes and offices.

The drop in estate planning (from 18% in 2023 to 9% in 2025) and art acquisition motivations (from 46% to 36%) may signal that clients see art-secured lending primarily as a liquidity tool, rather than a means for buying new art or planning for distant generational transfers. This aligns with a broader trend where wealthy individuals are increasingly seeking flexible, non-disruptive ways to access capital in a high-interest, uncertain macroeconomic environment.

These shifts suggest that art-secured lending is evolving from a niche offering into a strategic financial tool used by HNWIs for capital deployment and balance sheet optimization. Wealth managers are adapting to a clientele that sees their collections as multifunctional assets, integral to their overall financial strategies.

Figure 146: Wealth managers: Over the last 12 months, have you seen an increase in interest from your client(s) for art-secured loans? (% saying yes)
Source: Deloitte Private & ArtTactic Art & Finance Report 2025

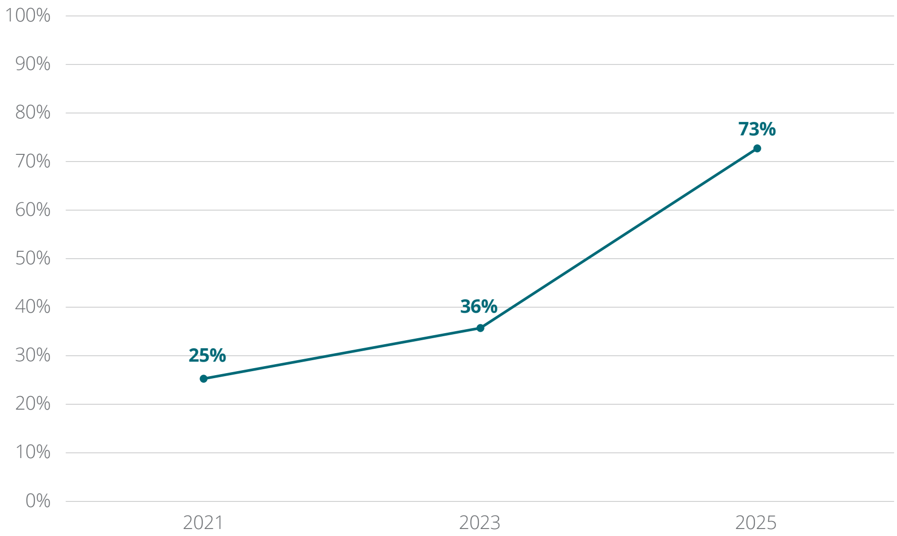
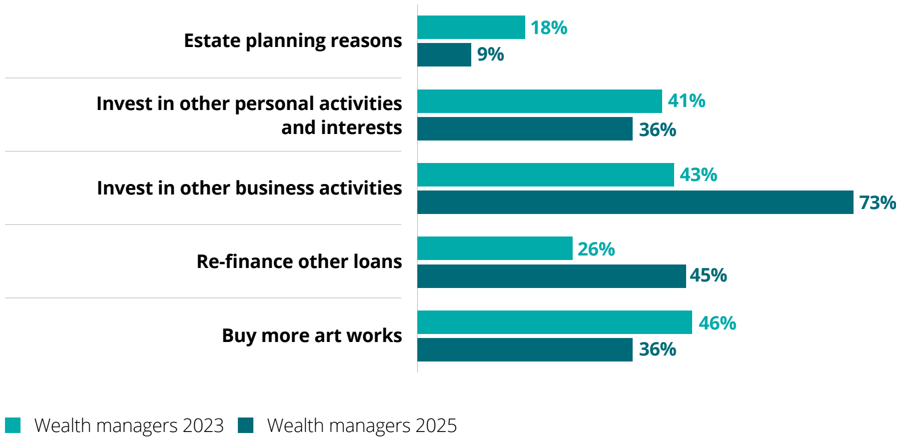


Figure 147: Wealth managers: What do you think are the main reasons/ motivations for using art as collateral?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025

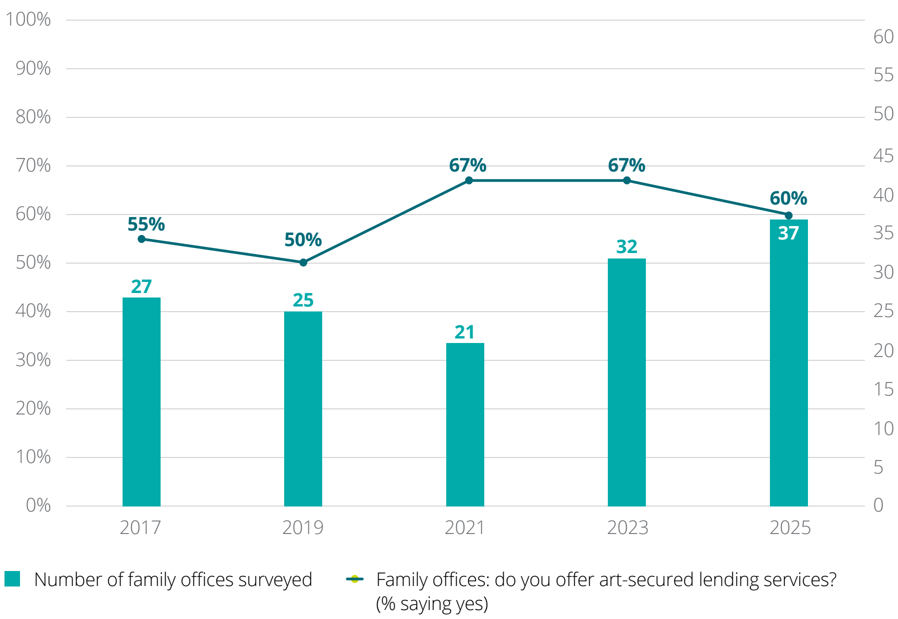


B

Family office perspectives

Figure 148: Family offices: Do you offer art-secured lending services? (% saying yes)

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Family offices lean into art-backed lending as a strategic liquidity tool

Art-secured lending has firmly established itself within the financial toolkit of family offices despite a slight year-on-year dip. In 2025, 60% of family offices surveyed reported offering art-backed loan services, only a modest drop from 67% in 2023. This figure breaks down to 29% of US-based family offices and 88% from the rest of the world. Art finance's enduring importance within multigenerational wealth management and alternative asset strategies is underscored by the fact that 85% of family offices relied on third-party providers to offer the service in 2025 (see Section 2 figure 72 page 188).

What is more revealing is how the purpose of borrowing has shifted. In 2025, 67% of family offices identified investment in other business activities as the primary reason for using art as collateral, almost double the 36% who said the same in 2023. Another 67% cited refinancing existing loans, a sharp rise from 18%.

In contrast, none cited art acquisition (down from 41% in 2023) or estate planning (down from 23%) as a primary motivation. Just 33% cited funding personal interests or activities, slightly down from 36%.

These numbers paint a clear picture: family offices are treating art as a functional financial asset for liquidity and cash flow management, rather than simply for passion or long-term planning.

Figure 149: Family offices versus private banks: What do you think are the main reasons/motivations for using art as collateral for a loan?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025

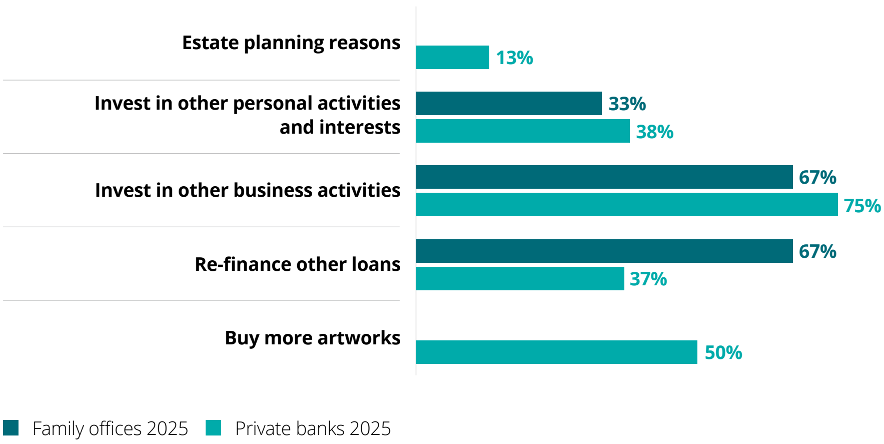
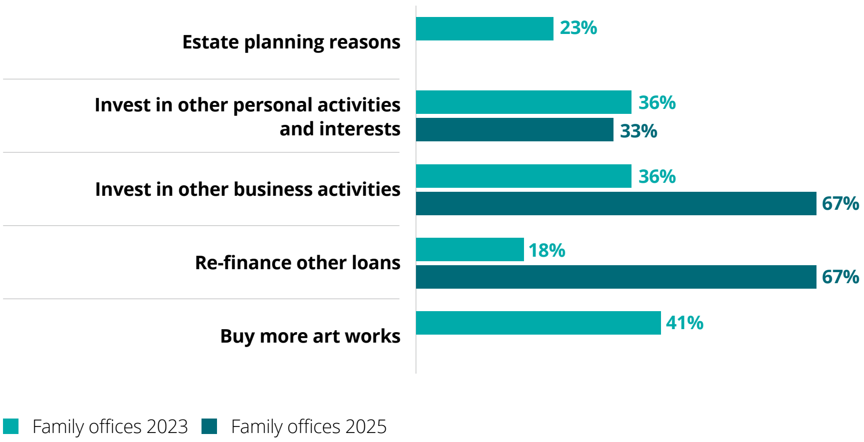


Figure 150: Family offices: What would be the main reasons/motivations for using art as collateral for a loan?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025



c Collector perspectives

Collectors show growing curiosity

Despite the low adoption rate, there are clear signs of growing interest in art-secured lending, especially among next-gen collectors. In 2025, only 8% of collectors reported using their art collection as collateral, slightly down from 10% in 2023. Yet nearly half (47%) of those who have not used this service would consider it in the future, corresponding to the increased interest reported by wealth managers. While still lower than the 54% reported in 2023, it still indicates latent potential for future adoption.
This potential appears strongest among next-gen collectors. While only 6% stated they had used art as collateral in 2025 (down from 10% in 2023), a notable 61% said they would consider doing so (slightly lower than 63% in 2023), compared to just 40% of older collectors. This generational gap suggests that younger collectors have a more financially fluid mindset and are more open to using art strategically.

According to the Sotheby's Financial Services article (page 366), as older collectors pass away and substantial value enters the market, younger generations will shape how art is bought and sold. To successfully navigate this change, art-secured lenders must adapt by understanding these evolving tastes and approaches.

Figure 151: Collectors: Would you consider using your art collection or single work of art as a collateral for a loan?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025

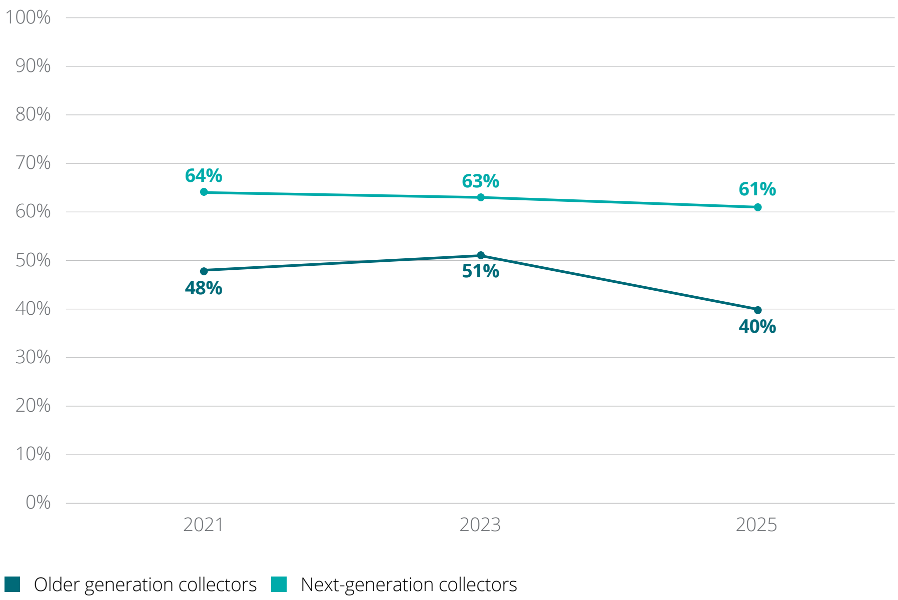


Figure 152: Collectors: What do you think are the main reasons/motivations for using art as collateral?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025

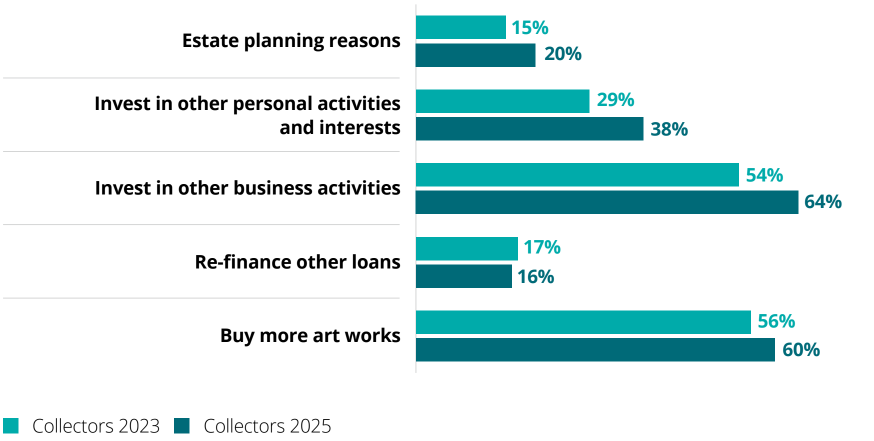
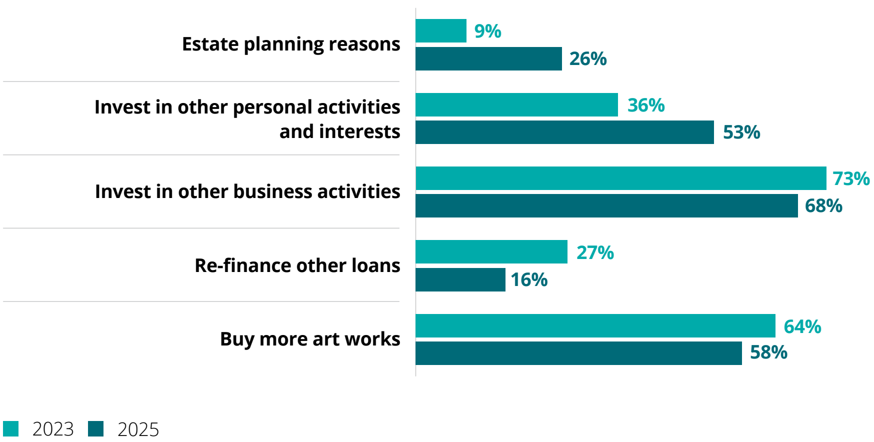


Figure 153: Next-gen collectors: What do you think are the main reasons/ motivations for using art as collateral?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025

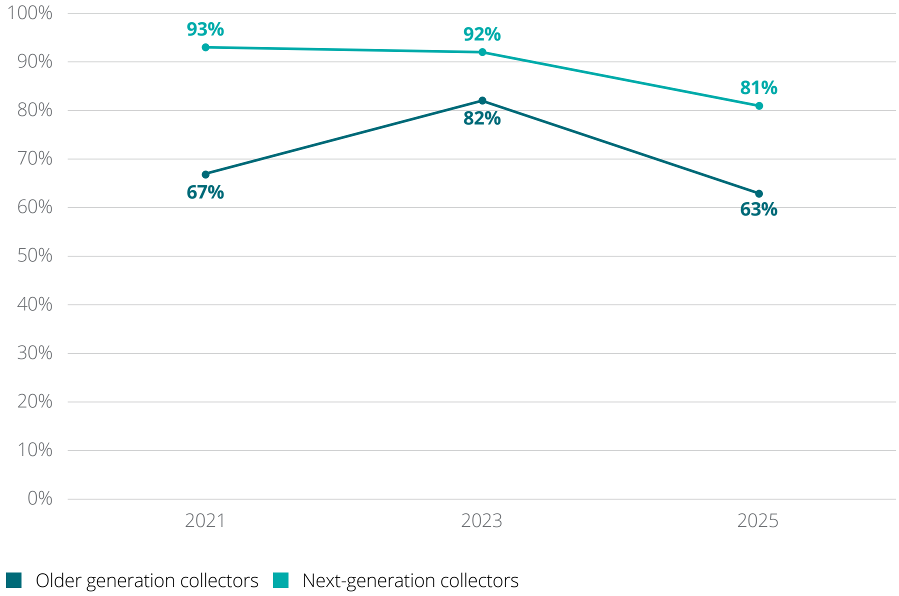


When it comes to motivations for art-backed borrowing, the top reason, cited by 64% of all collectors, was to invest in other business activities (up from 54% in 2023). This was followed by buying more art (60%, up from 56%) and investing in personal interests (38%, up from 29%). A smaller portion cited estate planning (20%, up from 15%) or refinancing existing loans (16%, consistent with 17% last year).

Survey findings from next-gen collectors show some variations this year, though they share one clear priority: 68% reported that investing in other business activities as their main motivation in 2025, a slight drop from 73% in 2023. Following this, investing in personal interests or activities saw a notable jump, rising to 53% from 36% in 2023. Buying additional artworks remained an important driver at 58%, though slightly lower than 2023's 64%. Estate planning also became more prominent, increasing to 26% from just 9% two years earlier. By contrast, refinancing other loans declined to 16% from 27% in 2023.

Figure 154: Do you believe we will see an increase in the number of cases where art owners are putting up their art collection as collateral for a loan in the next two to three years?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Importantly, expectations for future market activity vary widely by generation. In 2025, 81% of next-gen collectors believed that more art owners would use their collections as collateral in the next two to three years (down from 92% in 2023), significantly higher than 63% of older collectors. This indicates that while overall adoption remains low, forward-looking sentiment is increasingly shaped by a more financially innovative younger cohort.

Despite low current participation, the collector segment represents a promising but still-untapped frontier in art-secured lending. The consistent interest among those who have not yet borrowed suggests a mindset shift from art as static wealth to art as active capital.

The sharp rise in business-related motivations mirrors trends seen among wealth managers and family offices, reinforcing the idea that collectors are becoming more entrepreneurial. They are seeking ways to deploy their collections to support other ventures, address liquidity needs or expand their holdings without outright sales, especially in a soft market.

D

Art professional perspectives

Figure 155: Art professionals: What do you think are the main reasons/ motivations for using art as collateral?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

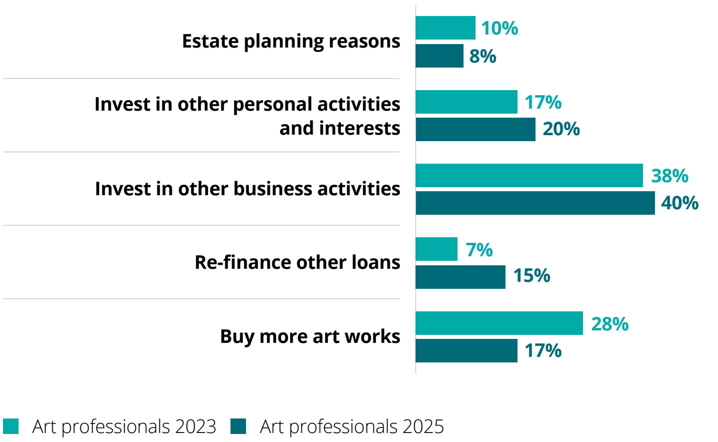
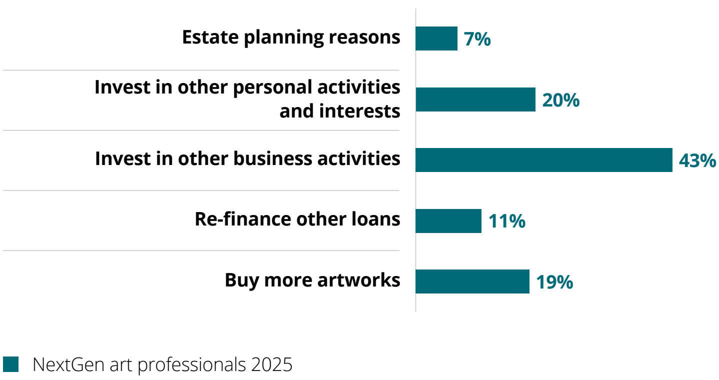


Figure 156: Next-gen art professionals: What do you think are the main reasons/ motivations for using art as collateral?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Art professionals echo next-gen optimism on art-secured lending, despite modest client uptake

Sentiment among art professionals aligns with broader trends observed among collectors, particularly the growing optimism of younger generations. In 2025, 36% of professionals said their clients had used art as loan collateral, a slight decline from 39% in 2023. At the same time, 43% believed their clients would consider it in the future, a figure consistent with 45% in 2023, suggesting persistent interest.

As with collectors, the generational divide is noticeable. More than half (54%) of younger art professionals believe their clients are likely to use art as loan collateral, significantly higher than 37% of their older counterparts. This optimism mirrors next-gen collector attitudes, suggesting a broader generational alignment in viewing art as a financial asset.

When asked about the motivations for using art as collateral, art professionals' top reason was to fund other business activities, cited by 40% of respondents (up from 38% in 2023). Notably, fewer professionals (17%) gave buying more art as a primary reason, a sharp drop from 28% in 2023.

Other cited motivations included investing in personal interests (20%, up from 17%), estate planning (8%, down from 10%), and refinancing existing loans (15%, more than double the 7% from 2023). This data suggests art is increasingly used for broader capital needs rather than simply for expanding collections.

Among next-gen art professionals this year, the primary motivation for using art as collateral was investing in other business activities, cited by 43% of respondents. Buying additional artworks and investing in personal activities or interests were secondary considerations, scoring 19% and 20%, respectively. Fewer next-gen art professionals reported that their clients use art-backed borrowing for refinancing other loans (11%) or for estate planning purposes (7%).

Looking ahead, 76% of younger art professionals anticipated that more art owners would use their collections as collateral in the next two to three years, compared to just 53% of their older counterparts. This gap reinforces the idea that younger demographics on both the client and advisory sides will continue to embrace art as a strategic financial tool.

E Selecting a provider for an art-secured loan: What are the key factors?

Wealth managers

For wealth managers, the perspective is pragmatic and rooted in financial fundamentals. They place the highest importance on three factors, each cited by 80% of respondents:

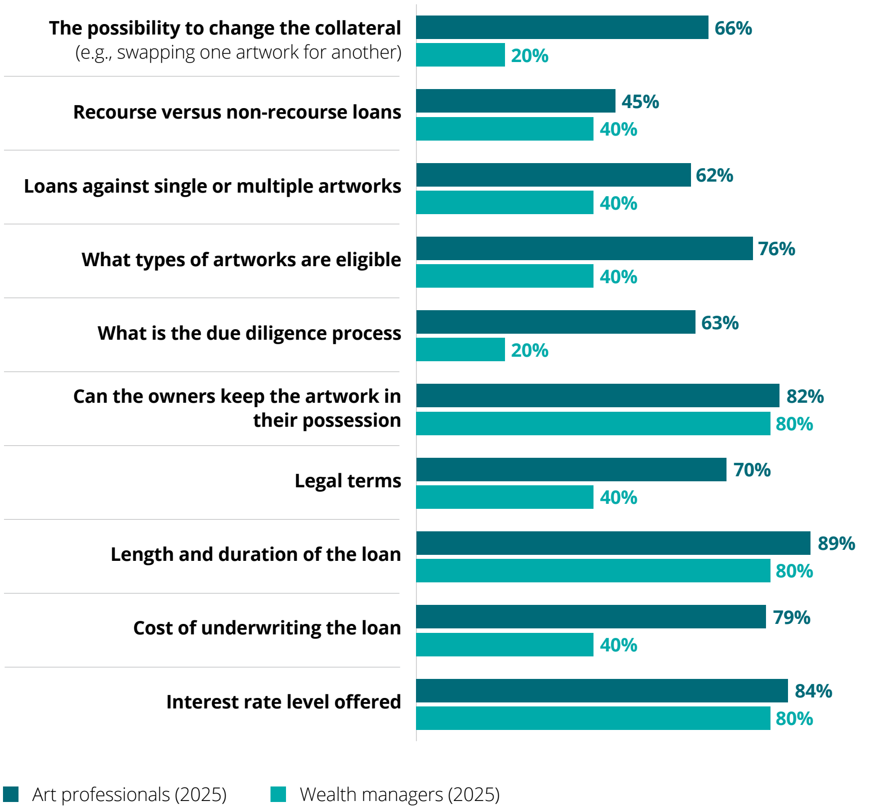
- The interest rate offered;
- The loan's length and duration; and
- The clients' ability to retain possession of the artwork during the loan period.

This underscores a desire for efficient, low-cost financing that does not compromise the client's control over their assets.

Other factors, such as legal terms, underwriting costs and artwork eligibility, register at a moderate 40%, while more nuanced features like collateral flexibility or detailed due diligence requirements rank much lower at just 20%. These responses reflect a preference for simplicity and predictability, aligning with the broader goals of wealth preservation and risk minimization.

Figure 157: Wealth managers versus art professionals: What are the key factors that you are looking for when selecting a provider of an art-secured loan?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Art professionals

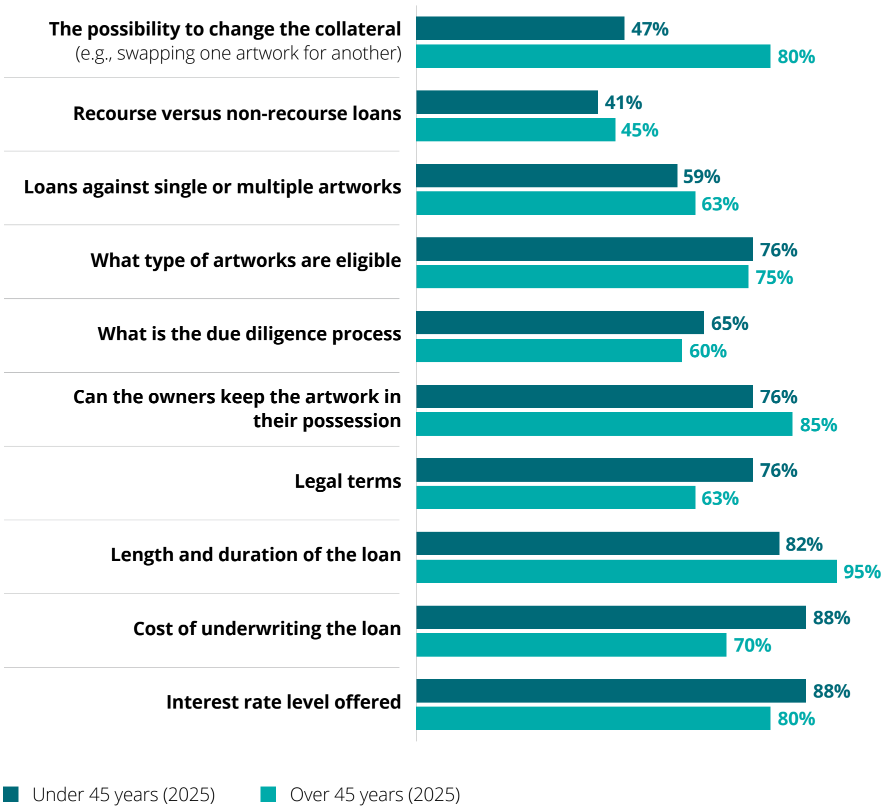
Art professionals bring a more layered and varied set of priorities to the table, particularly when viewed through a generational lens.

Art professionals over 45 echo the concerns of wealth managers, highly valuing the duration of the loan, the ability to keep artworks in their possession, and the option to change collateral as needed. This group appears more concerned with day-to-day collection management, favoring lending structures that support long-term strategic planning. Their lower emphasis on legal terms and due diligence processes suggests they are comfortable with established frameworks or have longer-term institutional experience.

In contrast, professionals under 45 show a more cost-conscious and detail-oriented mindset. They are especially focused on the cost of underwriting and interest rates, both rated at 88%, along with legal terms and transparency around due diligence. This group seems less concerned about ownership during the loan or collateral swapping, instead gravitating toward clear, efficient, and protective financial arrangements. Their responses point to a generation more attuned to the transactional nature of finance and more cautious about contractual complexity.

Figure 158: Next-gen art professionals versus older art professionals: What are the key factors that you are looking for when selecting a provider of an art-secured loan?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



These insights reveal both common ground and distinct expectations. While there is broad alignment around the importance of favorable terms and asset control, divergent views exist on what constitutes a well-structured loan. Wealth managers and older professionals lean toward solutions that offer stability, security and flexibility, while younger professionals seek cost transparency, legal clarity and ease of execution.

For lenders, advisors and service providers, the message is clear: a one-size-fits-all approach will not suffice. The art lending market now demands tailored products—some rooted in traditional wealth management principles, others designed for the emerging client generation. Understanding these nuanced preferences will be essential for anyone looking to succeed in this increasingly sophisticated and segmented space.

INDUSTRY **INSIGHTS**

Buying time

Art-secured lending: A haven for collectors seeking time and solutions in a challenging market

Edmund Bernard
Art Finance Manager EMEA, Christie's Art Finance

Sayuri Ganepola
Global Managing Director, Christie's Art Finance

There is much to celebrate in the 2025 art market, which—despite a slower pace compared to the heights of 2018 or 2022—is still thrumming. More and more property is unlocking, and there is substantial depth of bidding across global salerooms, particularly in the lower price brackets.

At Christie's, we have delivered exceptional H1 results across the Luxury and Old Master categories, with sales up 29% and 15% respectively. 20th and 21st Century art sales were stable compared to last year, and key performance indices like sell-through rate (88%) are up year on year. We are also seeing real opportunities — art market bargains, strengthening currencies, and record-breaking sales across pockets of the market, including female surrealists and Indian art.

But headlines have remained cautious, peppered with buzzwords like "volatility", and "instability". Reports are focused on cautious sellers, shrewd buyers, geopolitical complexities, and (of course) the ever-changing landscape of tariffs. There is no denying that the market's wider picture is still flecked with uncertainty. Global public auction sales fell 25% in 2024,[248] indicating an art market that continues to correct itself post-pandemic.

It is amid these market headwinds that art finance, or art-secured lending, offers refuge, confidence, liquidity, and time.

Calm amid the storm

Art finance is increasingly recognized as a haven of growth, and one of the stronger facets of the current market. Where the wider art market is still seeing something of a correction, art finance has been gaining momentum. Deloitte Private and ArtTactic's Art & Finance Report 2025 indicates that the market size of outstanding loans against art could have reached up to US$ 40 billion in 2025, up more than 20.1 % from 2023.[249]

A number of providers, from private banks to specialist lenders, have become accustomed to significant annual growth over the last few years. Bank of America reported an increase to their loan book of 14% in 2024,[250] Christie's Art Finance saw 24% growth in the same period, and Citibank noted average annual growth rates of around 18% in EMEA over the past eight years, according to *ARTNews*.[251]

This part of the art market offers a widening pool of clients with the means to access liquidity from their collections, across a kaleidoscope of categories. Christie's Art Finance has seen on its loan book an increasing diversification of the type of collateral being used. For example, jewelry, watches and luxury items accounted for 47% of all collateral in 2024, as more clients migrate to art finance from different global regions, and with collecting habits that go beyond blue-chip 20th and 21st century paintings.

Art finance is an effective tool for releasing the liquidity "locked up" within the estimated US$ 2,5 trillion in 2025 [252] in art and collectibles held by ultra-high-net-worth individuals (UHNWIs), at a time and pace that works for the collectors. For many art market participants, now may not be the right time to sell, but that should not, and does not, preclude them from accessing and leveraging the value of their assets.

Regional advantages

Although truly global, macroeconomic uncertainty is affecting different regions in different ways, catalyzing a shift in market prevalence. China, where lighter-than-elsewhere inflationary pressures were substituted with prolonged stagnation in the domestic real estate market, saw its share of art market transactions slip from 19% in 2023 to 15% in 2024, ceding second place to the UK (with an 18% market share).[253]

With this macro turbulence swirling overhead, market participants are mindful of increasingly divergent regional interest rates, as individual economies manage their own issues. At the time of writing, the US's three-month SOFR (4.22%) exceeds the UK's SONIA (3.97%), Hong Kong's three-month HIBOR (2.79%), the Eurozone's three-month EURIBOR (2.02%), and Switzerland's SARON (-0.04%).[254]

Lenders in the art finance space use these regional reference rates, plus their own spreads, when calculating the interest chargeable to borrowers. The more agile lenders will work with their clients, who are typically global citizens, to manage these variances to the borrower's benefit.

The flexibility of art-secured lending, coupled with advantageous rates seen across markets, means clients can leverage their art and luxury collections to help them navigate an otherwise volatile financial period—borrowing in an array of currencies to buy time and liquidity at preferential rates.

A pressure valve

Beyond these market fluctuations, art finance can provide borrowers with the financial flexibility to protect themselves against their own unforeseen financial shocks. It acts as a pressure valve to ease and resolve the fallout from unexpected events, without impacting their wider borrowing facilities, debts or obligations.

According to the *Survey of Global Collecting 2024*, 47% of surveyed HNWIs were having to settle estate taxes using proceeds from the sale of inherited art.[255] Art-secured lending can act as an antidote to this. Borrowers can use their art to release the necessary liquidity to balance these financial pressures, without being forced to dismantle what is often the most sentimental part of any portfolio.

With art-backed lending, time is of the essence; our clients expect prompt, professional services, and we know they will gravitate to a lender that can move quickly, responsibly and securely. For Christie's Art Finance in 2024, the average time between signing an indicative term sheet and the borrower receiving funding was 18 days.

Compare this to raising funds through the sale of artworks, where achieving the best result often means following a more regimented and time-sensitive auction calendar. Simply put, owners can borrow against their Rothko at any time of year—they needn't wait for the next New York evening sale.

The gift of time

As art finance enters the wider discourse of the art market, it is not just individuals who are exploring the space. Charities, museums and organizations are looking at its applications for their fundraising efforts.

The news of former investment banker Peter Kellner gifting Goldsmiths £2 million in cash and £4 million in art is a potential watershed moment in how philanthropic collectors can support these public institutions. Crucially, Kellner's works are donated as unrestricted assets, meaning Goldsmiths has full control over how to use the works, including potentially selling them or borrowing against them.[256]

Philanthropic collectors and the institutions they support are now exploring art finance as a means of providing much-needed funding. Collectors now have a choice - take out a loan themselves, and gift cash, or donate works against which the institutions can then borrow.

A precedent is being set for offering these institutions the option and time to, for example, take out funding against gifts to meet immediate financial needs—including day-to-day expenditure—whilst preserving the gifts themselves.

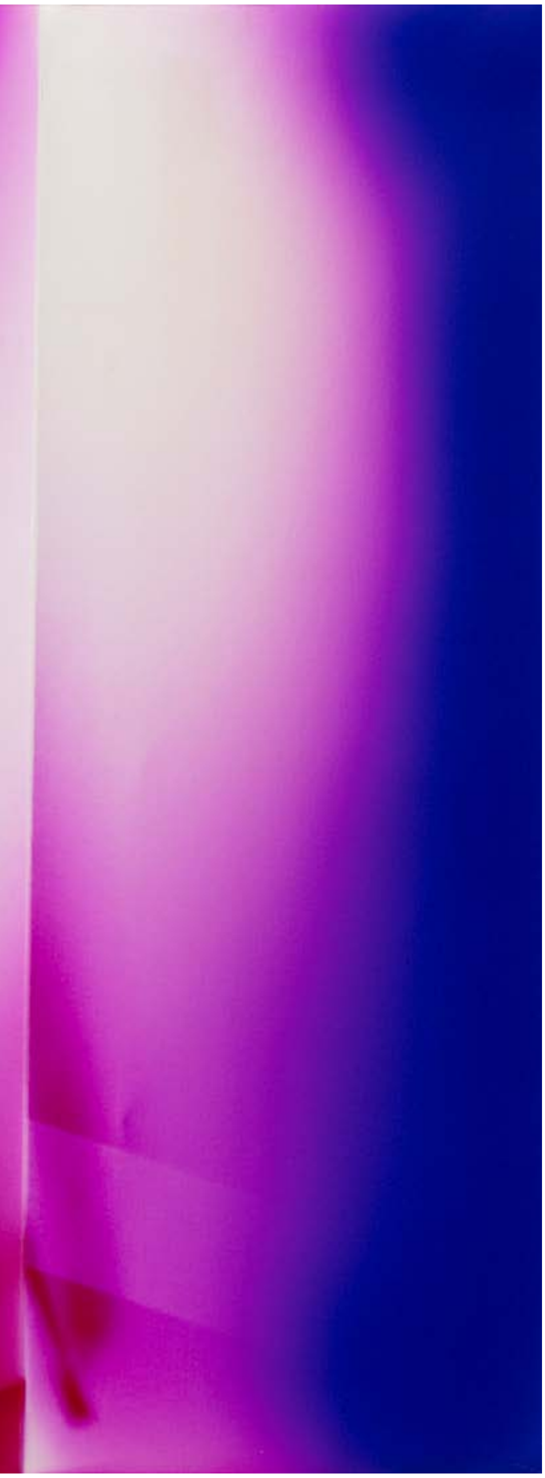
Released liquidity can also be funneled into charitable remainder trusts (CRTs) and donor-advised funds (DAFs). These provide the underlying borrower a flexible and tax-efficient means of controlling how, where, and when their donations are deployed across a portfolio of philanthropic organizations.

In particular, there is growing noise around DAFs across the wealth management space, and with good reason. They are an attractive vehicle for disbursing funds discreetly and efficiently, and for putting capital toward initiatives that mean the most to the donor. Art-secured lending enables donors to inject more liquidity from their assets into DAFs, committing the value of their art collections to charity without obliging a sale.

Borrowed time

Above all, when we speak to our clients, we see art-backed lending as a means of offering them more time. Time to ride out the market, and sell when prices better suit their needs. Time to capitalize on cheaper rates in different markets. Time to seize opportunities that flash across their inboxes. Time to deal with unforeseen tax or financial obligations that may otherwise threaten their portfolios. And time to allow organizations to raise funds on their own terms. It is a part of the art market experiencing real growth, rare in the current climate, and one which all market participants should consider when asking themselves how best to manage their collections, their wealth, and their time.

Untitled (from the series "Folds")
Marta Djourina, ongoing since 2016, direct exposure on folded analogue photo paper with different light sources, unique, 40 x 30 cm



PART **04**

Implications for wealth managers

As the art-secured lending market continues its upward trajectory, a clear message is emerging for wealth managers: art is no longer just a passion asset, but a functional financial tool. This presents a strategic opportunity to reimagine how to serve HNW clients, particularly those with meaningful art collections.

One of the most notable shifts is the rising use of art loans as a strategic liquidity tool. Amid softer art market conditions and less appetite to sell, clients are looking for ways to unlock capital discreetly and efficiently. For wealth managers, facilitating these services enables entrepreneurial agility, preserves collections and enhances portfolio liquidity.

Beyond liquidity, art lending is also taking on greater significance in succession and philanthropic planning. Families are increasingly turning to art loans to release capital without dismantling emotionally significant collections, helping to balance financial needs across generations. Clients may also borrow against artworks to fund donations or even allow institutions to leverage gifted pieces as collateral, offering a tax-efficient and discreet avenue for advisors to add value.

Technological innovation is likely to further accelerate the expansion of the art-secured lending market. An emerging ecosystem of specialized third-party technology providers is streamlining critical functions like valuation, risk assessment and due diligence, addressing long-standing concerns around authenticity, provenance and asset transparency. As these risk management tools become more sophisticated and reliable, they will likely attract a wider pool of capital providers, lowering barriers to entry for lenders and increasing overall market liquidity.

Ultimately, art-secured lending is solidifying its place as a vital instrument for wealth managers. By enhancing liquidity, fostering entrepreneurial flexibility and enabling more sophisticated financial planning, they are empowered to deliver deeper value.

Those who not only adopt these solutions but also understand the strategic drivers behind them will be best equipped to meet the evolving expectations of HNW clients, both today and in the future.

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217. This revenue is calculated by using an average interest rate charge for each of the segments in the art secured lending market, private banks (5% average interest), asset-based lenders (12% average interest), and auction houses (8.5% average interest), multiplied by the lending book's estimated average size in 2025.
218. The breakdown by borrower type is based on findings from the TEFAF Art Dealer Finance Report 2018. We assumed that the ratio of private to art-trade-related lending has been relatively constant since 2018, with an estimated 90% of art-secured loans going to individuals and 10% to the art trade (galleries and dealers). This argument is supported by the fact that traditional, private banking lenders, who lend almost exclusively to private individuals, hold a 75% share of the art-secured lending market. The remaining 25% is allocated to asset-based lenders. Our survey found that 46% of these lenders are strongly focused on the art trade, and 77% are focused on private collectors. This signals that while lending to the art trade is growing, individual collectors remain the core focus.
219. This is the estimated figure going into 2027, based on a growth rate of 8% between 2024 and 2025.
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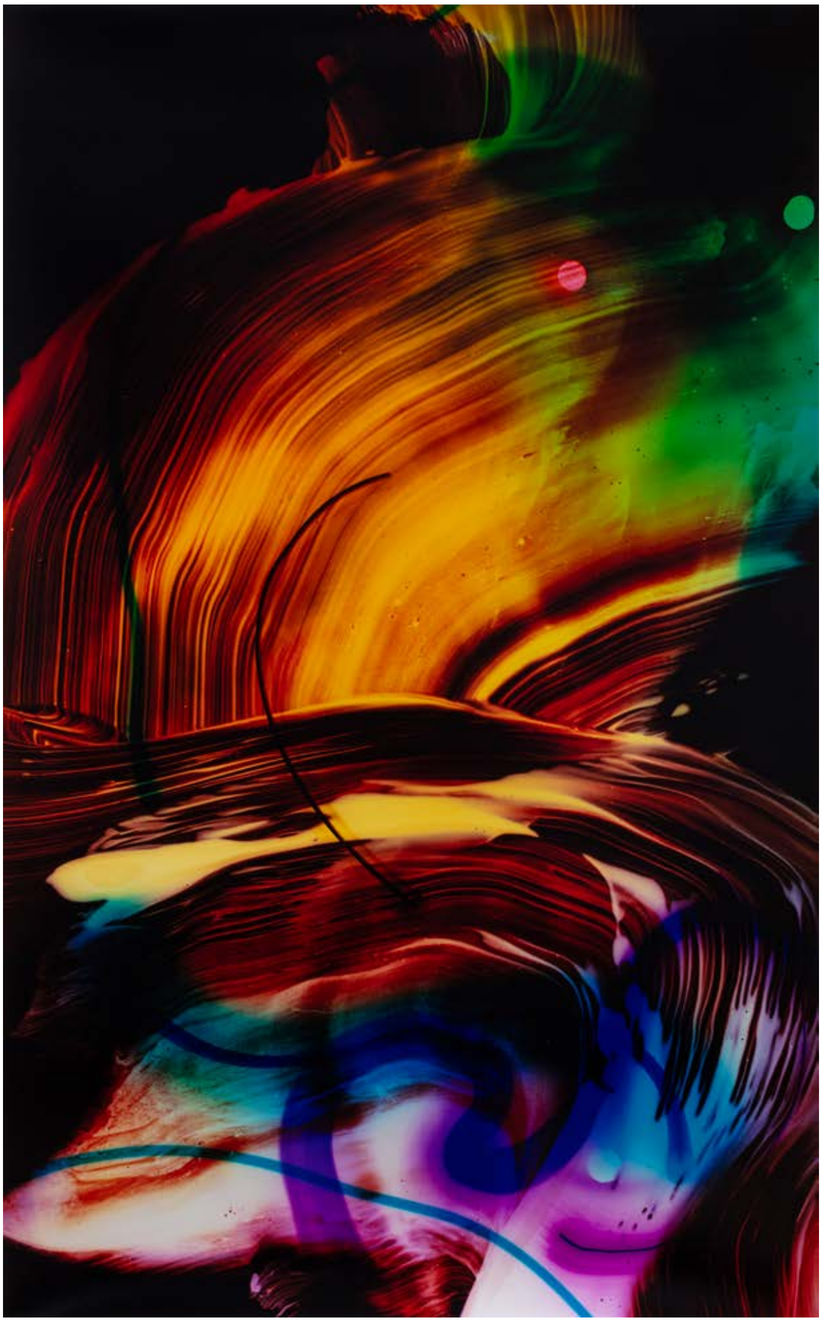
06

Art and investment

Marta Djourina,
presented by FeldbuschWiesnerRudolph at Positions Art Fair, 2022;
Exhibition view: CHROMA



Untitled
Marta Djourina, 2025, direct exposure on on analogue photo paper with different light sources, self-made film negative, unique, 120 x 76 cm

Highlights

As the promise of financial returns fades, art is being redefined—not only as an investment, but as a vessel for emotional, cultural and social value, with the added resilience of a long-term store of value.

Art[257] performance shows signs of improvement this year: Despite a challenging start to 2025, the Artnet Fine Art Index rebounded from a 15-year low of 245 to 262 by the first half of 2025, posting a 12-month return of 4.9%. While this trails the S&P 500's strong 12% return, it signals renewed momentum. This was supported by other art indices, such as the MM Americas Index[258], which surged by 31.7% in Spring 2025 and the MM Europe Index, which rebounded by 22.4% over the same period.

Art[257] underperforms the S&P 500 over the last two decades: From a long-term perspective, Artnet's Fine Art (Top 100) continues to underperform equities, with a 20-year compound annual growth rate (CAGR) of 3.2% compared to the S&P's 10.4%. The 10-year CAGR shows even greater divergence, with Fine Art (Top 100) at a negative CAGR of -2.9% compared to the S&P 500's 13.3%.

Sector performance was uneven in 2025, with only Impressionist (2.4%) and Post-War Art (11.2%) delivering positive 12-month returns. Post-War Art continues to lead the market, not only with the highest 12-month return but also as the only category with consistently positive returns across all short- and long-term periods, including a 20-year CAGR of 2.5%. In contrast, European Old Masters remained the weakest performer, with a -4.8% 12-month return and minimal long-term growth, despite offering the lowest volatility (11%).

The case for art as a substantial standalone investment is becoming increasingly questionable: After more than 14 years of tracking art's long-term performance across market segments, returns are steadily declining. That said, passive investment in art still offers value in capital preservation and inflation protection. For those looking to launch or invest in an art-focused investment product, it will be essential to design a strategy capable of generating alpha, which a passive approach has struggled to achieve.

Appetite for art as an investment is waning across all stakeholder groups, reflecting growing skepticism about its financial returns amid volatility and shifting collector priorities. Interest in art investment products remains, but at slightly reduced levels. The sharpest drop was seen among art professionals, where interest fell from 26% in 2023 to just 12% in 2025. For collectors, the figure similarly declined from 32% in 2023 to 17% in 2025. Wealth managers showed a more modest dip, moving from 23% to 16% over the two-year period. Reflecting a more diverse and sophisticated investor base, there is a rising curiosity about alternative financial products. In 2025, a significant portion of collectors showed interest in alternatives, including art-backed loans (24%), third-party auction guarantees (30%), and fractional investment models (25%).

Art as a store of value: While interest in art for high investment returns may be declining, its enduring strength as a store of value justifies wealth management services focused on protection, succession and strategic monetization. Wealth managers' confidence in art as a store of value rebounded from 14% in 2023 to 25% in 2025, signaling continued belief in art's ability to preserve wealth, especially amid economic and geopolitical instability.

Social impact investment on the rise: Collector interest in culture-linked social impact investment products rose from 24% in 2023 to 32% in 2025. This may reflect growing demand for values-based investing, which blends financial return with cultural and societal impact. Among the next generation of collectors and investors, appetite is rising for products that integrate social impact, sustainability and transparency. These evolving motivations signal a broader transformation in how art is valued, not only for its market performance but for its cultural and ethical resonance.

Recalibrating value—from financial to emotional and social motivations: This year's survey data points to a notable shift in collector priorities. Financial return is no longer the primary driver for acquiring art and continues to lose influence. Instead, collectors are increasingly motivated by emotional resonance, cultural connection and social value, highlighting a renewed focus on art's intrinsic and experiential qualities.

Rethinking engagement with collectors: This evolving mindset carries significant implications for wealth managers and art professionals. As return-on-investment narratives lose traction, engagement strategies must adapt to emphasize art's emotional significance and social impact. In today's portfolios, these intangible qualities may become the most compelling and enduring forms of value.

Both traditional and technology-driven fractional ownership and tokenization initiatives have emerged in recent years to democratize access and create new liquidity pathways. While they have yet to achieve widespread acceptance, they have proven the interest in co-ownership models. For the next-gen, owning a fraction of an artwork is less about control and more about taking part in a cultural narrative (see article page 206).

Untitled
Marta Djourina, 2025, direct exposure on on analogue photo paper with different light sources, self-made film negative, unique, 120 x 76 cm

Family office perspective

Despite rising interest in art, family offices remain wary about structured financial products. Their investment preferences in the art market show cautious engagement, grounded in traditional wealth preservation strategies and selective exploration of alternative financial vehicles. In 2025, interest in art funds sat at just 27%, with even lower appetite for art-backed loans (11%), auction guarantees (15%), fractional models (12%), and social impact offerings (16%). Simplicity and clarity remain key to unlocking engagement.

Cautious approach to unproven investment products: Interest in digital and new types of art investments remains low, with only 16% of respondents showing appetite for non-fungible tokens (NFTs), derivatives or social impact instruments. This reflects skepticism toward products that lack a track record, clear return models or market stability. Rather than rejecting innovation, investors appear to be waiting for greater maturity and credibility before committing capital.

Next-gen perspective

Redefining the financial dimension of art ownership: Next-gen collectors are not abandoning art's monetary aspects; they are redefining them by integrating purpose, access and performance into a more holistic investment mindset. Findings from both next-gen collectors and art professionals indicate a generational evolution away from fads and novelty toward structure, stability and strategic alignment.

Next-gen collectors are moving beyond buzz. While direct ownership of art remains foundational for this group, it is increasingly complemented by an interest in art investment funds. In 2025, 48% of next-gen collectors expressed interest in these funds, down from 55% in 2023. These collective investment schemes appeal because they can potentially reduce individual risk while offering professional oversight and market exposure. Simultaneously, purely speculative or overly complex products are being filtered out.

The younger generation's dual motivation is shaping demand. They view collecting art not only as an aesthetic, intellectual and lifestyle pursuit, but also as an asset class they expect to outperform over the long term. This twin mindset drives the need for new financial products that balance cultural value with capital preservation and growth.

Introduction

Art as investment in a time of transition

As the global economy faces volatility, investors are re-evaluating art's role in their portfolios. The 2025 Art & Finance research confirms that while art is clearly a capital asset warranting wealth management services for protection, transfer and monetization, it has not yet fully proven itself as a traditional investible asset. Despite a decade of growing interest, recent trends show a cooling of enthusiasm, particularly around financial returns.

This reassessment coincides with a rapidly transforming art market. Numerous fractional ownership and tokenization initiatives, both traditional and tech-driven, have emerged to democratize access and create new liquidity. However, very few have gained significant traction, highlighting the persistent challenges of scale, regulation and investor confidence. Performance data reinforces this caution, with art indices suggesting that only active portfolio management can generate compelling alpha, emphasizing the complexity of treating art as a standard investment class.

The CAIA article by Aaron Filbeck, CAIA, CFA, CFP®, CIPM, FDP (page 412) points out that the art investment market is becoming more accessible and credible for investors looking for diverse returns. As better data, platforms and investment structures emerge, art may move past its old reputation for being opaque and exclusive, and increasingly become a relevant part of portfolio strategy discussions.

However, Filbeck also cautions that the tokenization process still has a long way to go. Digital assets and related technologies have not yet been widely adopted or standardized around the world, and legal challenges remain unresolved regarding property rights and securities law.
This duality of growing credibility and persistent friction mirrors market sentiment. Further underscoring this complexity, Betsy Bickar, Head of Art Advisory at Citi Wealth, argues (page 426) that it is often a poor financial move to buy art just for investment purposes. However, when people buy art out of a genuine passion for collecting, it frequently proves to be an excellent investment later on. Therefore, art should not be viewed purely as a financial asset at the time of purchase.

Nevertheless, interest in art investment products persists, albeit at slightly lower levels and with a shift in focus. Among the next generation of collectors and investors, there is a growing demand for products that integrate social impact, sustainability and transparency alongside financial return. These evolving priorities signal a broader transformation in how art is valued, moving beyond its market performance to encompass its cultural and ethical resonance.

"Art is capital. And artists will tell you the same thing: The art they create is an economic product – the basis of their livelihood. Art has also been latent capital for passionate collectors who bought and treasured beautiful, curious, or precious things. Indeed, humans made, collected, and traded aesthetic objects before the modern human species emerged. Art played a role in politics and diplomacy even before money existed. Appraisers have opined on the value on art in estates since the Dutch Golden Age."[259]

Professor William N. Goetzmann, Yale School of Management

Untitled
Marta Djourina, 2025, direct exposure on on analogue photo paper with different light sources, self-made film negative, unique, 120 x 76 cm

Art investment trends and developments

This section explores the evolving status of art as an investment through three interconnected lenses:

PART **01**

Art market performance: A look at the performance of art as an asset class:
Drawing on Artnet's market data, we analyze the performance of various art segments since 2000 and compare them with traditional asset classes.

INDUSTRY **INSIGHTS**

Art as an asset class

This article examines the art market's performance in 2025, highlighting its resilience amid global economic uncertainty. It details how, despite a mixed outlook and short-term volatility in some areas, the fine art market continues to offer diversification benefits and positive long-term returns.

By Mia Fernandez
Senior Data Analyst, Artnet
and Roselle Menchavez
Data Analyst, Artnet
and Robert Cacharani
Director of Data Science, Artnet

INDUSTRY **INSIGHTS**

Art going mainstream? Don't paint the asset class with a broad brush

This article explores the transformation of art from a speculative luxury into an investible asset, driven by innovations in finance and technology, as well as shifts in investor demographics. It highlights three key trends: increased market transparency, the rise of fractional ownership, and growing adoption by wealth managers and institutions.

By Aaron Filbeck,
CAIA, CFA, CFP®, CIPM, FDP Managing Director, Global Content Strategy, CAIA Association

PART **02**

Survey findings 2025
We examine shifting sentiment across wealth managers, collectors and art professionals, particularly around new investment models and generational preferences.

INDUSTRY **INSIGHTS**

Art: A good or bad investment?

This article argues that art should be bought out of passion, not as a pure investment, as collectors who love art tend to see the highest financial gains. It emphasizes that a deep, subjective understanding of art is key to a valuable collection, even more so than market data.

By Betsy Bickar,
Head of Art Advisory, Citi Wealth

PART **03**

Fractional ownership and art investment:
Building on both data and survey insights, we provide an overview of the landscape of fractional and tokenized art investment, highlighting recent trends.

PART **04**

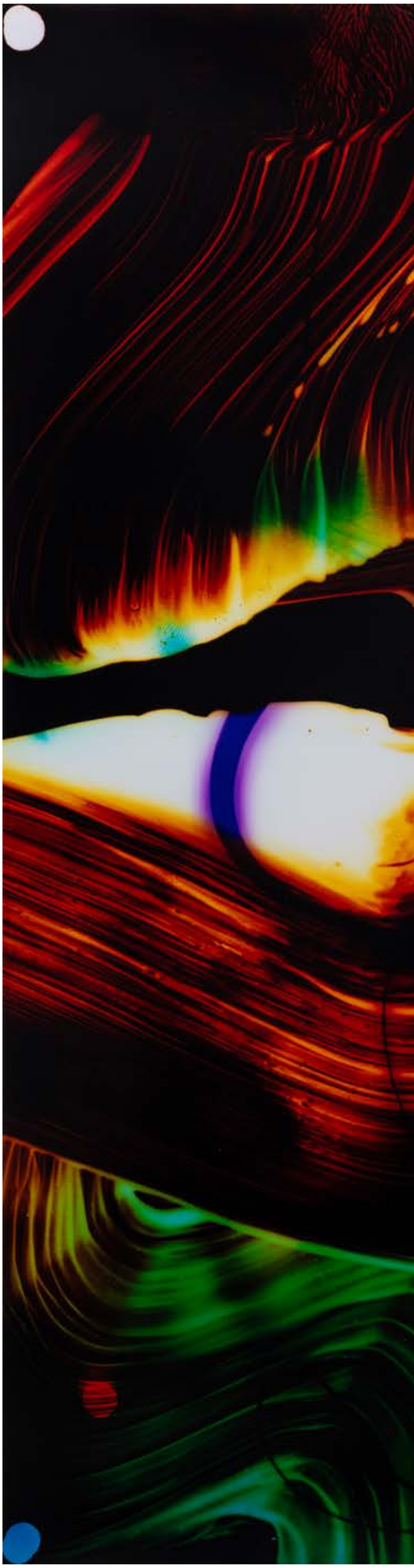
Implications for wealth managers

Together, these perspectives offer a clear view of where art stands today: not quite a mainstream investment vehicle, but increasingly central to conversations about value, impact, and long-term wealth stewardship.

PART **01**

Art market performance:

A look at the performance of art as an asset class



Art has emerged as a compelling, yet complex, alternative asset class, valued for its cultural and aesthetic qualities as well as its potential for long-term financial returns. However, measuring its performance as a pure investment is challenging due to illiquidity, subjective valuations and limited data transparency.

After more than 14 years of tracking long-term performance, a clear trend has emerged: art returns are steadily declining. This makes the case for art as a strong standalone investment increasingly questionable, with Artnet indices showing consistent underperformance compared to other major asset classes. Still, passive art investment offers value for capital preservation and inflation protection. For art-focused investment products to succeed, they must generate alpha, something a passive approach alone has struggled to achieve.

According to Yale School of Management professor William N. Goetzmann: *"Although the results of these [academic] studies have varied, many have found that the average investment return on art over the long term is somewhere between that of stocks and bonds – but with higher volatility than stocks. Most agree that art has a modest to low correlation to other asset classes. These estimates also vary depending on the time period you study; like all assets, the art market has experienced sustained run-ups and declines...Properly constructed and understood, indexes can tell us a lot about art's role in an investment portfolio."*[260]

This section explores the historical and contemporary art market performance using key data and insights from Artnet's extensive auction database. We also examine emerging academic efforts to build robust and transparent art indices, which aim to address the limitations Goetzmann highlights and provide a clearer picture of art's behavior as a financial asset.

Untitled
Marta Djourina, 2025, direct exposure on on analogue photo paper with different light sources, self-made film negative, unique, 120 x 76 cm

NEW ACADEMIC INITIATIVE: MM ART INDICES

On 16 July 2025, Professor Mei Jianping of Cheung Kong Graduate School of Business (CKGSB), in collaboration with SDA Bocconi's Andrea Rurale, Brunella Bruno and other scholars, launched the MM Continental Art Price Indices, building on the success of the MM Chinese Art Indices launched in 2023. This initiative is part of a broader partnership between CKGSB and SDA Bocconi to advance research in art market finance. The two institutions also signed a memorandum of understanding to collaborate on index development at Bocconi's newly formed Art Market and Finance Monitor.[261]

The MM Continental Indices track auction sales of over 43,000 artworks by nearly 8,000 artists globally, using data from Sotheby's, Christie's and Phillips. The indices are segmented by artist origin (Asia/Africa/Oceania, Europe, and the Americas) and are based on rigorous academic models.[262]

Here is a breakdown of the art indices performance from 2000 to 2025:

- The Asia/Africa/Oceania Index rose from 1 (2000) to 6.21 (2025), with a CAGR of 7.7%, but fell 6.4% in Spring 2025.
- The Europe Index grew from 1 to 1.73 (2.3% CAGR), rebounding 22.4% in Spring 2025 after COVID-19-related declines.
- The Americas Index increased from 1 to 2.88 (4.4% CAGR), jumping 31.7% in Spring 2025 following sharp COVID-19-era drops.[263]

A key strength of this initiative lies in its academic independence. Developed and published by neutral, research-driven institutions with no commercial stake in the art market, the MM Art Indices provide a more objective and reliable framework for analyzing global art price trends, free from potential conflicts of interest.

INDUSTRY **INSIGHTS**

Art as an asset class

Mia Fernandez
Senior Data Analyst, Artnet

Roselle Menchavez
Data Analyst, Artnet

Robert Cacharani
Director of Data Science, Artnet

Art market performance

As the global economy becomes more unpredictable, the art market continues to prove its value, though not without limitations. Interest in art is shifting; it is now valued not only for its personal and decorative qualities, but also for its investment potential.

Recent economic fluctuations have introduced volatility into global markets, but certain sectors of the art world have remained resilient, often avoiding significant and sustained losses. Because art has a low correlation with financial markets, it serves as an attractive alternative investment during difficult economic times.

Although returns have historically lagged behind traditional benchmarks, the art market continues to pique investors' interests by offering diversification benefits and the potential for long-term returns, making it an appealing complement to conventional assets.

Fine Art

From the perspective of the ongoing trade war, the Artnet Index for Fine Art made an impressive comeback this year.[279] Entering 2025, the market dropped in value to 245, its lowest level in about 15 years, but rebounded to 262 by the end of the first half of the year.

Additionally, the index showed a positive 12-month return of 4.9%, though it still trailed the S&P 500's booming 12% returns. Despite the Fine Art Index's relatively high volatility of 19%, different art movements show varied performances and often behave independently.

Due to post-pandemic recovery and ongoing economic challenges, the performances of the various art sectors have notably shifted. While the overall Fine Art Index showed modest improvement, only two of the five major segments had a positive 12-month return: Impressionist and Post-War Art, at 2.4% and 11.2%, respectively.

Nevertheless, all five significant categories recorded a positive 20-year compound annual growth rate (CAGR). The Fine Art market maintained a stable 3.2% 20-year CAGR. In particular, Post-War Art reached the highest 20-year CAGR (2.5%) among the major market sectors, spotlighting a promising long-term investment potential.

Figure 159: Artnet Index for Fine Art

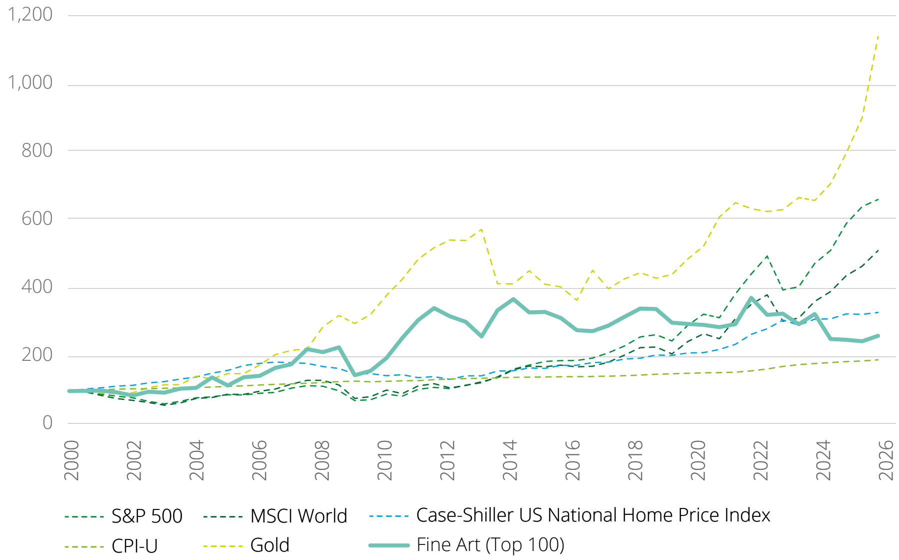
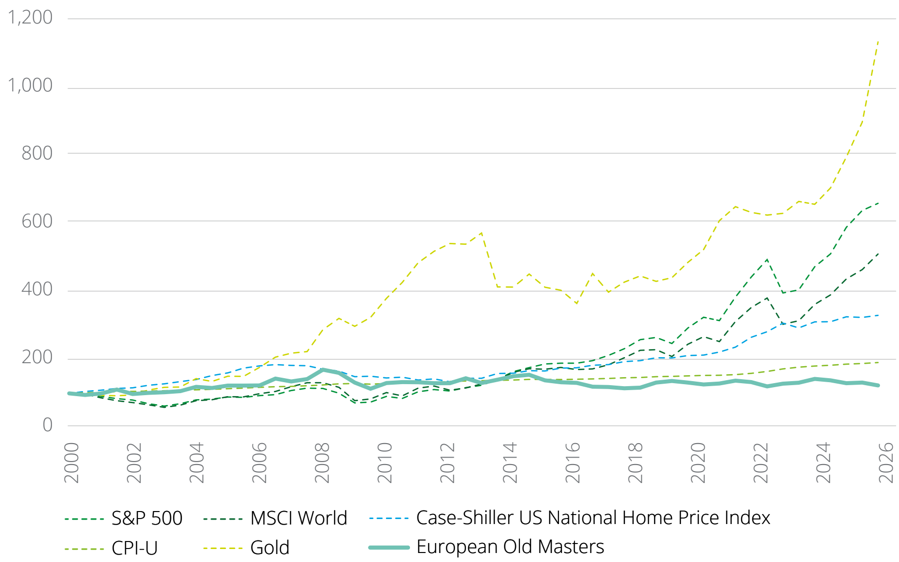


Figure 160: Artnet Index for European Old Masters Art



European Old Masters

The European Old Masters segment (European artists born 1250–1820) continues to underperform compared to both financial markets and other art sectors.

In the first half of 2025, the segment's value declined to 123, a significant decrease from 131 at the start of the year. This reflects a 12-month return of -4.8% and a five-year CAGR of -0.9%. The only positive return was a minimal 20-year CAGR of just 0.03%, demonstrating weak market performance despite its rich historical significance.

Despite this decline, the European Old Masters category showed the least risk among the major art sectors with the lowest volatility of 11%, maintaining a sense of stability while other markets fluctuated.

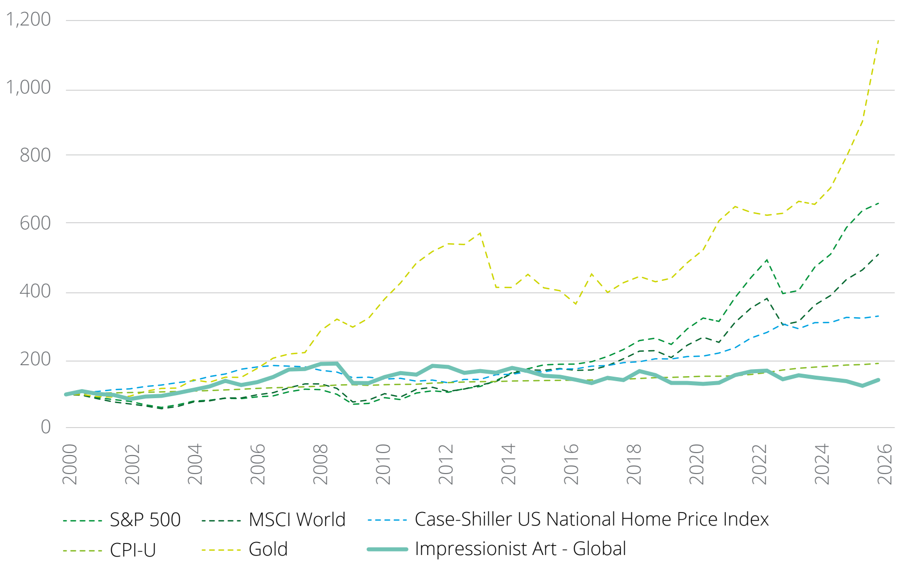
Impressionist Art

In contrast to the European Old Masters market, Impressionist Art (artists born 1821–1874) showed a positive short-term return. After a steady decline starting in 2023, the market began to recover in the first half of 2025. With a market value of 146, Impressionist Art saw a 2.4% 12-month return and a modest 1.2% five-year CAGR. However, at the end of 2024, the sector hit an all-time low of 126, its most subdued level in almost two decades.

According to the Artnet Price Database, Impressionist Art's sales at the end of 2024 totaled US$1.13 billion, a record low for this category in the past decade, excluding 2020. Within the high-end segment (works selling for more than US$10 million), sales unfortunately reached just US$305 million, the lowest for this price band from the same period , aside from 2020.

Entering 2025, the sector remained subdued, generating only US$507 million in the first half of the year and continuing its weak high-end performance, with only two lots selling for a combined US$91 million. Despite a positive 20-year return of 0.5% in the first half of 2025, the market continued to underperform as of mid-2025.

Figure 161: Artnet Index for Impressionist Art



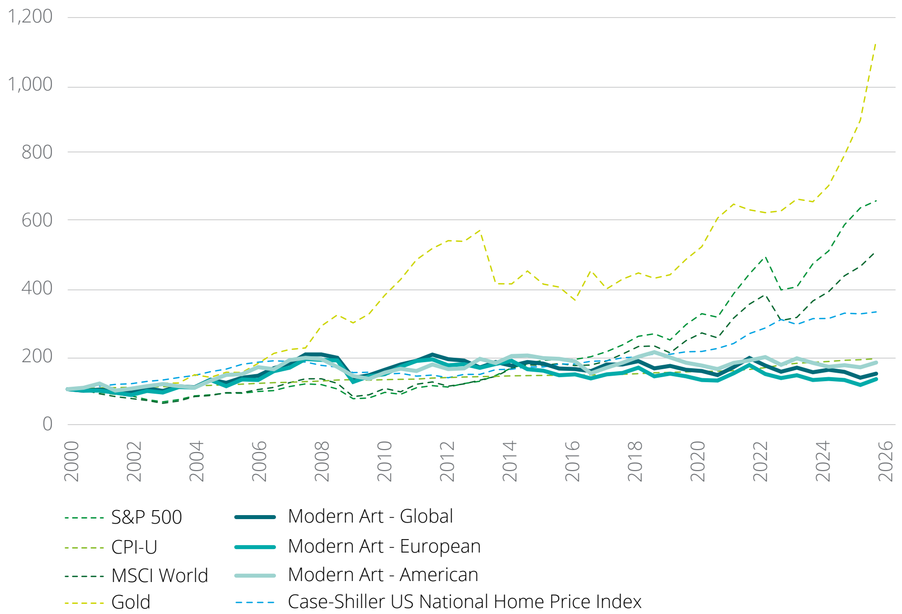
Modern Art

The Modern Art segment (artists born 1875–1910) entered the year at a value of 134, its lowest point in nearly two decades. By mid-2025, it had climbed by 9% to reach a value of 147, a meaningful short-term rebound. Despite this improvement, this sector returned a -3.2% 12-month CAGR, a -1% 10-year CAGR, and a 0.4% 20-year CAGR. While this collecting category has struggled to generate significant returns, it has maintained a sense of stability with periods of slight underperformance.

A closer look reveals that Modern Art by American artists has been outperforming works by European artists and the overall global market in recent years. By mid-2025, American Modern Art reached a value of 180, while European Modern Art ended at 130. Similar to the Impressionist sector, both American and European Modern Art categories saw modest short-term gains but continued to show poor long-term growth for 10-year and 15-year CAGRs. American Modern Art recorded a 4.8% 12-month return and a 2.4% five-year CAGR, while European Modern Art saw a 12-year return of 2% and a minimal five-year CAGR of 0.7%.

Looking at the long term, this segment showed a 10-year CAGR of -0.8% and -0.6% for European and American Modern Art, respectively, and a minimal positive 20-year CAGR of 0.05% and 1.1%. While these records indicate a modest short-term return, its long-term performance remains weak.

Figure 162: Artnet Index for Modern Art



Post-War Art

Post-War Art (artists born 1911–1944) continues to be the art market's strongest performing category. Historically, this segment has outperformed all other major art categories, a trend that carried into 2025.

After a decline that began in 2022, a peak period for the overall art market, Post-War Art rebounded to reach an index value of 307 by mid-2025. The sector gained an impressive 11.2% return over the past 12 months and a 1% return over the past five years.

Notably, Post-War stands out as the only segment to deliver positive returns across both short-term and long-term periods. As of the first half of 2025, the category showed a 0.5% CAGR over 10 years, a 1.7% CAGR over 15 years, and a 2.5% CAGR over 20 years, highlighting its current momentum and sustained resilience.

Similarly to the Modern Art sector, European and American Post-War Art had a positive 12-month return of 15.2% (the highest of any sector), and 5.5%, respectively. Despite this strong performance, it also demonstrated the highest volatility of all the segments, with 17% for the global market and 21% for the American market.

Figure 163: Artnet Index for Post-War Art

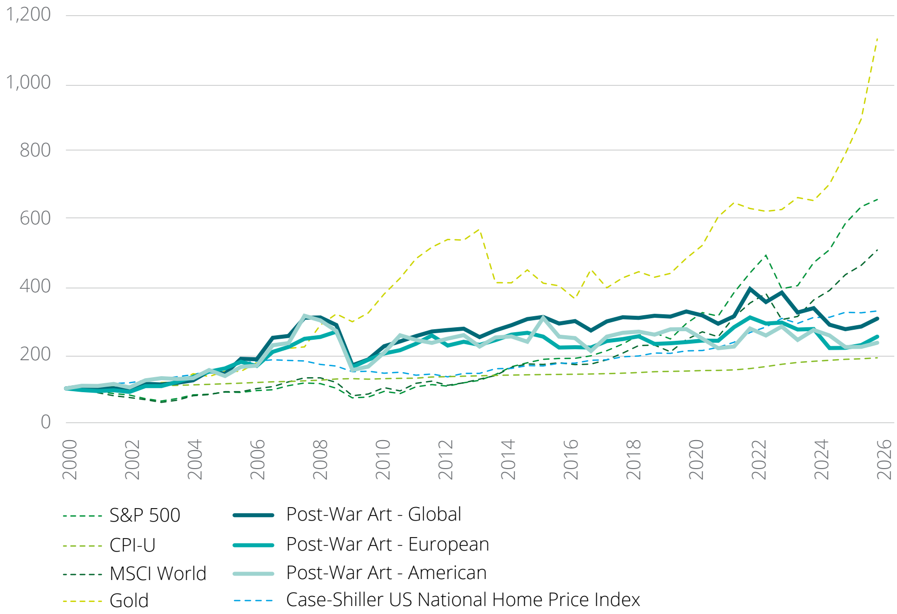
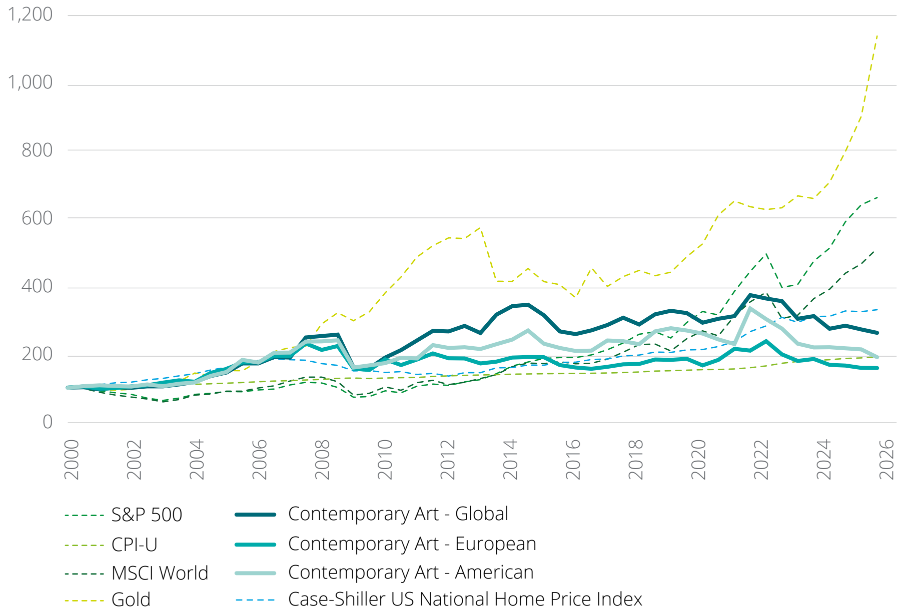


Figure 164: Artnet Index for Contemporary Art



Contemporary Art

Similar to Post-War Art, the Contemporary Art segment (artists born in 1945 or later) has historically shown strong performance compared to other market sectors. However, unlike the Post-War category, Contemporary Art has yet to rebound. In the first half of the year, the index dropped to a value of 262, with a 12-month return of -7.3%, the weakest of all the major art categories.

Both European and American Contemporary Art also recorded significant declines, with a -4.6% and -12.1% return, respectively, the worst performance of the major categories. Despite this downturn, Global Contemporary Art still shows enduring promise. It remained one of the few sectors with positive long-term growth, with a 1.5% 15-year CAGR and a 2.1% 20-year CAGR, emphasizing its lasting potential.

Overall, the Fine Art market in 2025 presents a mixed but cautiously resilient outlook. While certain movements—like the European Old Masters—continue to face downward pressure, others—particularly Post-War and Impressionist Art—show encouraging signs of recovery and resilience. This varying performance highlights the importance of diversification within art investments.

Amid global economic uncertainty and market volatility, art remains less about consistent financial outperformance and more about its resilience, emphasizing its significance as both a cultural asset and a potentially rewarding alternative investment.

Figure 165: CAGR up to H2 2024

UP TO H2 2024					
Artnet indices and financial indices	**12-month return**	**Five-year CAGR**	**10-year CAGR**	**15-year CAGR**	**20-year CAGR**
Fine Art	-2.5%	-3.5%	-2.9%	1.5%	3.8%
European Old Masters	-5.1%	0.8%	-0.5%	0.1%	0.3%
Impressionist Art - Global	-13.0%	-0.8%	-2.1%	-1.2%	-0.5%
Modern Art - Global	-14.8%	-2.7%	-2.6%	-1.1%	0.6%
Post-war Art - Global	-1.7%	-2.2%	-1.0%	1.5%	3.5%
Contemporary Art - Global	-0.8%	-1.4%	-1.4%	2.4%	3.2%
S&P 500	25.0%	14.5%	13.1%	13.9%	10.4%
MSCI World	19.2%	11.7%	10.5%	10.6%	8.5%
Case-Shiller US National Home Price Index	4.1%	8.8%	6.9%	5.5%	3.6%
Gold	27.5%	11.4%	8.1%	5.9%	9.3%
CPI-U	2.7%	4.2%	2.9%	2.6%	2.6%

Figure 166: CAGR up to H1 2025

UP TO H1 2025					
Artnet indices and financial indices	**12-month return**	**Five-year CAGR**	**10-year CAGR**	**15-year CAGR**	**20-year CAGR**
Fine Art	4.9%	-1.8%	-1.8%	0.2%	3.2%
European Old Masters	-4.8%	-0.9%	-0.7%	-0.5%	0.0%
Impressionist Art - Global	2.4%	1.2%	-0.6%	-0.9%	0.5%
Modern Art - Global	-3.2%	0.5%	-1.0%	-1.1%	0.4%
Post-war Art - Global	11.2%	1.0%	0.5%	1.7%	2.5%
Contemporary Art - Global	-7.3%	-2.9%	-0.2%	1.5%	2.1%
S&P 500	12.0%	16.0%	13.3%	14.7%	10.6%
MSCI World	16.8%	15.1%	11.2%	12.1%	9.1%
Case-Shiller US National Home Price Index	1.2%	8.3%	6.6%	5.5%	3.2%
Gold	42.7%	13.3%	10.9%	6.7%	10.6%
CPI-U	2.6%	4.5%	3.1%	2.6%	2.6%

Taking a deeper look at the return on investment over different periods, we see a surprisingly positive long-term CAGR across all major art collecting categories. Despite short-term volatility, all sectors recorded positive returns over 20 years, highlighting fine art's potential as a long-term investment.

Post-War Art led the market with a 12-year return of 11.2%, followed by Impressionist Art at 2.4%. Conversely, the weakest-performing segments were Contemporary Art (-7.3%), European Old Masters (-4.8%), and Modern Art (-3.2%). These fluctuations reflect both ongoing shifts in demand and the broader economic conditions affecting market behavior.

When compared to other financial classes, fine art exhibits a moderate relationship with traditional financial markets. The Artnet Fine Art index shows a correlation of 0.35 with the S&P 500, 0.37 with MSCI World, and 0.32 with the Case-Shiller Home Price Index. Notably, the Gold Index has a -0.03 correlation, suggesting that art could protect against inflation, especially during periods of market uncertainty.

Figure 167: Volatility and correlation up to H1 2025

Artnet indices	Volatility	Correlation with S&P 500	Correlation with MSCI World	Correlation with Case-Shiller	Correlation with Gold	Correlation with CPI-U
Fine Art	19%	0.35	0.37	0.32	-0.03	0.01
European Old Masters	11%	0.17	0.20	0.14	0.14	0.20
Impressionist Art - Global	14%	0.45	0.55	0.11	0.32	0.05
Modern Art - Global	14%	0.34	0.40	0.24	0.04	0.00
Post-war Art - Global	17%	0.32	0.37	0.42	0.03	0.04
Contemporary Art - Global	15%	0.39	0.41	0.40	0.01	0.09

Liquidity of art

Art has long been valued for its cultural and aesthetic value, but in recent decades, it has also become a significant alternative asset. HNWIs, institutions, and even investment funds are now viewing art not just as a passion purchase, but as a store of value and potential source of financial return. However, unlike traditional financial assets, art behaves differently in terms of market dynamics and accessibility.

This section examines the art market to assess the liquidity of art assets—how easily they can be bought or sold and the factors influencing their marketability—and what this implies for their role in a well-diversified investment portfolio.

Transaction costs

High transaction costs typically discourage trading, especially in less liquid markets. Conversely, lower fees are linked to greater liquidity and more active exchanges. Yet, the art market has remained resilient, even as major auction houses have steadily raised buyer's premiums over the past decade.

Since 2016, Sotheby's, Christie's. and Phillips (SCP) have applied a 25% premium on lower tier lots (averaged across major locations). Sotheby's and Christie's increased theirs to 26% in 2020, and Christie's followed with a rise to 27.4% by 2022. Mid-tier premiums remained at 20% through 2019 across all three houses, then climbed slightly above 21% by 2022, with Christie's reaching 22% in 2023. High-tier premiums, which ranged from 12% to 12.5% in 2016, rose to 14.5%–15.8% by 2023. Sotheby's peaked at 14.9% in 2020, while Christie's and Phillips increased their rates to 15.8% and 14.5%, respectively.

Despite these rising fees, collectors remain active and confident. Their sustained participation suggests that SCP's credibility, expertise and global networks continue to justify the cost, reinforcing art's position as a dependable long-term investment.

Trading volume

Trading volume is also a key indicator of market activity, reflecting the number of transactions and, by extension, the level of market participation and liquidity. According to the Artnet Price Database, from 2018 to 2022, global auction volume excluding SCP remained robust, with annual lots sold ranging between roughly 141,000 and 206,000. The highest volume was recorded in 2021 with over 206,000 lots sold, likely fueled by the market's post-pandemic rebound. However, by 2023, the global volume dropped significantly to just under 93,000 lots.

In contrast, SCP auctions, though representing a smaller share of total lots sold, consistently maintain a strong presence in value and selectivity. Between 2018 and 2023, these three auction houses sold between 13,600 and 23,700 lots annually, yet their average prices far outpaced the global figures.

For instance, in 2022, SCP sold just 23,676 lots, about one-eighth of the global volume, but achieved an average price of US$387,568 per lot, compared to the global average of US$19,273. Even as these houses' volume declined in 2023, with only 13,622 lots sold, the average price remained high at US$268,872, with sell-through rates hovering above 80%, underscoring sustained confidence in top-tier auctions.

Unfortunately, entering 2024, the market experienced a weak performance, marked by a low demand for lots, especially high-end ones. Between 2015 and 2023, the average number of lots sold annually hovered around 41,000 works, but in 2024, only 37,832 lots were sold at SCP.

The contraction was especially noticeable in the high-end bracket, where just 482 lots were sold above US$1 million, the lowest value in a decade (excluding 2020), and only 77 trophy lots (sold above US$10 million) were transacted. Similar trends were also observed in the broader global market.

Shifts in market demand

The middle-tier market, by contrast, showed greater resilience in the global market. Lots priced between US$100,000 and US$1 million in 2024 generated the highest total sales of any price band, reaching about US$2.9 billion, reflecting a shift in global interests. The change suggests that investors and mid-tier collectors are favoring more affordable works that offer long-term potential.

A contributing factor to these shifts is the growing influence of a younger demographic. According to Artnet's *The Intelligence Report: The Year Ahead 2025*, in 2024, millennials and Gen Z accounted for a quarter to a third of the bidders and buyers at Christie's and Sotheby's, more than double their share from five years earlier.[280] The collection preferences are shifting to contemporary artists, focusing on women and artists of color, which is influencing auction house strategies and inventory.

This is visible in auction trends starting in 2021, with Contemporary artworks accounting for the largest share of offerings across the collecting categories, surpassing Modern art. By 2024, contemporary lots represented the highest number of lots sold, measuring 10,255, emphasizing the category's growing dominance among the next generation of buyers.

This trend continued into 2025, with SCP works reflecting a higher demand in the mid-tier segment. While lots priced between US$1 million and US$10 million remain the highest selling price bracket, works in the US$100,000-US$1 million range ranked second, generating US$767 million in sales. By comparison, trophy lots achieved just US$504 million, a surprisingly low figure for a segment that until recently ranked second by value.

These shifts indicate that while the very top end has softened, liquidity in the mid-to-upper tier ranges remains healthy, shown by the growing participation of younger buyers and an evolving definition of what qualifies as a desirable investment in art.

Market trends and outlook

Overall, while global volume trends reflect broader shifts in market participation, SCP's consistent performance in both value and efficiency serves as an anchor for the high-end of the art market. Their ability to generate substantial sales with fewer transactions illustrates the premium placed on quality, reputation and curatorial strength.

Together, the rise in transaction costs and the shifting dynamics of trading volume reveal a maturing art market that increasingly favors quality over quantity. Despite higher buyer's premiums and a contraction in overall global lot volumes—especially in 2023—SCP have continued to attract serious collectors and achieve strong results. Their success in maintaining high sell-through rates and average price underscores the enduring value placed on institutional trust and access to blue-chip works.

Additionally, liquidity has not disappeared but shifted, with a growing interest in mid-tier and contemporary works, particularly from younger buyers whose preferences are reshaping traditional auction house strategy. These patterns suggest that while cost barriers may deter more casual market participants, they do not significantly impact high-end transactions, which remain resilient and continue to drive the art market forward.

Notes

I. Data sources for Artnet and financial indices

1. All data for the Artnet indices is based on information reported to the Artnet Price Database Fine Art and Design as of:

Year(s)	Data pulled as of
2000-2025	24 July 2025

2. All prices are converted from their original currency to USD, based on the exchange rate on the day of the sale. All prices are adjusted to include the buyer's premium.

3. The Artnet price index employs a hedonic regression framework that explicitly defines an underlying stochastic process, allowing us to treat the volatility parameter of fine art as the object of interest. The model can be estimated using maximum likelihood in combination with the Kalman filter. More about the Artnet indices methodology can be found in *this paper*.

4. Data for **S&P 500** is sourced from Yahoo Finance (*link*).

5. Data for **MSCI World Index** is sourced directly from MSCI (*link*).

6. Data for **Case-Shiller US National Home Price Index** is sourced from the Federal Reserve Bank of St. Louis (*link*), which originally sources the data from S&P Dow Jones Indices LLC.

7. Data for **Gold** is sourced from Yahoo Finance (*link*).

8. Data for **CPI-U** is sourced from the U.S. Bureau of Labor Statistics (*link*).

II. Data scope for Artnet indices

1. Artnet indices are rebalanced annually, according to the top 100 performing artists, as defined by total sales over the previous three years.

2. Indices are composed of auction sales of paintings and works on paper produced by the top 100 performing artists in the category.

3. The art categories are defined as follows:

Art category	Index description
Fine Art	All artists were considered for this category.
European Old Masters	Works created by European artists born between 1250 and 1820.
Impressionist Art	Works created by artists born between 1821 and 1874, excluding single-nationality Chinese artists.
Modern Art	Works created by artists born between 1875 and 1910, excluding single-nationality Chinese artists.
Post-War Art	Works created by artists born between 1911 and 1944, excluding single-nationality Chinese artists.
Contemporary Art	Works created by artists born after 1944.

III. Disclaimer

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INDUSTRY **INSIGHTS**

Art going mainstream?

Don't paint the asset class with a broad brush

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Global Content Strategy
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Introduction

Once the exclusive domain of wealthy collectors and connoisseurs, the art market is now experiencing a radical transformation.

Fueled by finance and technology innovation and driven by shifts in investor demographics and demand, art is transitioning from a purely decorative or speculative opportunity into one that's investible. Today, artwork investors claim the benefits of diversification, inflation protection, and attractive income streams.

Historically, artwork has lived almost exclusively in the portfolios of individual investors. This investor base is broadening thanks to three primary trends:

- Increasing visibility of the art market's diverse risk and return profiles;
- Rising fractionalization and tokenization; and
- Growing adoption by wealth managers and institutions.

Together, these shifts signal that art may no longer sit quietly on the periphery of the investment world.

Greater insight into performance

Traditionally, art investing was perceived as a low-return, high-risk, low-liquidity endeavor for ultra-high-net-worth individuals (UHNWIs). A wide range of studies on art investment returns—typically differentiated by style or geography—report that the median real return to holding art over extended periods is low single digits, ranging from 2 to 4% annualized.[281]

Performance measurement has also been difficult, as artwork is transaction-based and most transactions cover a small minority of works.[282] However, as interest in artwork has grown, so too has transparency regarding performance data and the variations between different artists, locations and time periods.

For example, the Artprice 100© Index, the popular blue-chip art index, has exhibited annualized returns and standard deviations of 7.84% and 14.8% from January 2000 to January 2025, versus the S&P 500's 5.7% and 17.6% over the same period. In other words, this corner of the art market has delivered equity-like risk-return profiles, perhaps challenging the low-single-digit returns reported in historical studies. However, it's important to note that segmentation matters.

At the same time, artwork has exhibited near-zero correlations with other asset classes, suggesting diversification benefits over longer periods.[283] As art investments continue to grow, we're likely to see increased transparency and analysis of art's risk and return characteristics within a portfolio.

While the past does not necessarily dictate the future, greater pricing transparency can enable investors to better understand liquidity, risk and return metrics.

Fractionalization and tokenization: Expanding ownership potential

The art market's illiquidity and exclusivity have long been among its biggest barriers. An original piece may carry an eight-figure price tag, and even mid-range contemporary pieces can command high prices that exclude all but the wealthiest buyers. Of course, like direct real estate investing, these transaction sizes become impractical for liquidity management and diversification for most investors.

However, when barriers are removed, new types of buyers enter the market. According to Art Basel and UBS' *Art Market Report 2025*, sales of prints and multiples grew 18% in 2023, especially among new and younger collectors.[284]

Artwork ownership has recently evolved, with a rising trend toward fractionalization and even tokenization on blockchain platforms. This involves dividing artwork into smaller, tradable units, making ownership more accessible and democratizing the art market. Tokenization could also unlock access to new, previously undiscovered works.

This innovation aligns with a broader trend in private markets: unlocking liquidity and participation through securitization and digital rails.

Art tokenization enables investors to build more diversified portfolios, regardless of their size. Like vintage year diversification, art investors can now own fractions of multiple artworks across different artists, styles or time periods. For example, Artory/Winston launched its first Fine Art Fund in Singapore in 2023, combining the expertise of art curation and selection with blockchain-based technology.[285]

Tokenization still has a long way to go. Digital assets and technologies are not widely adopted or uniformly enforced globally, while issues regarding property rights and securities law remain unresolved.

Institutional and wealth management adoption

Perhaps the most compelling signal of art's arrival as an investible asset is its creeping inclusion in wealth management platforms and, in some cases, institutional portfolios.

A recent example of art being used as a financial asset is Peter Kellner's £4 million art collection donation to Goldsmiths, University of London. While many donations are made to hold, display or educate, this donation was made as an unrestricted asset, which could be traded and financed to fund educational initiatives. Goldsmiths hopes to establish an endowment comprising similar assets.[286]

Artwork is rarely part of a systematic asset allocation framework and, given its size and opacity, we may not see that happen for some time.

However, financial advisors and multifamily offices are responding to client demand for unique exposures and tangible assets beyond traditional alternatives. This trend is fueled by investors' greater insight into art's portfolio diversification benefits, combined with better access to art through dedicated funds or asset-backed tokens on a blockchain.[287]

According to a report by Barron's, wealth managers and family offices are increasingly considering art as a viable investment option due to its low correlation[288] with traditional market instruments.[289]

This shift is partially driven by generational change. Younger HNWIs are more likely to value "cultural capital", digital assets, and collectibles than previous generations. While not every millennial or Generation Z investor will invest in artwork, it has become increasingly socially acceptable.

In response, private banks and wealth platforms are beginning to incorporate art investment strategies into broader real asset offerings. According to Morgan Stanley, art represents a growing component of many investors' balance sheets and is being integrated into wealth management strategies.[290]

At the institutional level, we're not yet seeing pension funds or sovereign wealth funds systematically allocating to art. However, some endowments, foundations and university collections have begun to manage art assets more intentionally. Examples of this are the J. Paul Getty Trust, Calouste Gulbenkian Foundation, and The Louvre Endowment Fund.[291]

Finally, several funds have debuted that directly invest in art or access the market tangentially. Aside from Artory/Winston, companies like Masterworks, Arte Collectum, and YieldStreet have launched dedicated art platforms, acquiring works or lending against them.

Conclusion

The art investment market is expanding its reach, credibility and versatility for investors seeking differentiated sources of return.

By moving from a collector's hobby to a strategic real asset class, it is now increasingly defined by diversity in risk and return, enabled by technological innovation, and validated by rising interest among wealth managers and institutions.

As data, platforms, and investment structures improve, art may finally be shedding its historical reputation of opacity and exclusivity and becoming part of the broader portfolio strategy discussion.

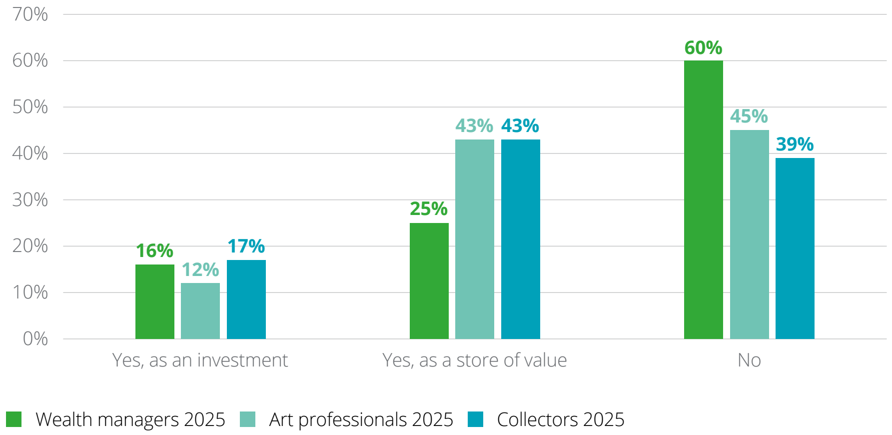
Untitled
Marta Djourina, 2025, direct exposure on on analogue photo paper with different light sources, self-made film negative, unique, 120 x 76 cm

PART **02**

Survey findings 2025

Amid persistent geopolitical uncertainty, the 2025 Art & Finance survey polled art professionals, collectors and wealth managers about their interest in art and collectible assets as an investment or store of value. The results from 2021, 2023 and 2025 provide a compelling window into how sentiment toward art as a financial asset has evolved.

Figure 168: Due to global geopolitical uncertainty, have you seen an increased interest in art and collectible assets as an investment or store of value?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Interest in art as an investment has consistently declined across all three stakeholder groups. Among art professionals, interest dropped from 26% in 2023 to just 12% in 2025. For collectors, it similarly fell from 32% in 2023 to 17% in 2025. Wealth managers maintained a lower baseline appetite throughout, dipping from 23% in 2023 to 16% in 2025. This downward trend suggests that art is increasingly seen as a less attractive vehicle for financial returns compared to other asset classes, likely due to the art market's recent softening, limited liquidity and shifting investor priorities in uncertain times. However, well-advised collectors and wealth managers appear capable of generating alpha through active management, strategic acquisitions and deep market insight. This demonstrates that expertise, rather than passive exposure, may be key to unlocking value in art as an asset.

Resilient perception of art as a store of value: In contrast, the perception of art's role as a store of value has remained strong. Art professionals reported a rise from 37% in 2021 to 47% in 2023, holding at 43% in 2025. Collectors saw a significant increase from 30% in 2021 to 44% in 2023, and also held steady at 43% in 2025. Wealth managers rebounded to 25% in 2025 after a dip to 14% in 2023. This indicates that art is still widely perceived as a safe-haven asset capable of preserving wealth amid inflation, currency risk and geopolitical tension.

Rising skepticism and unchanged confidence: A notable trend is the increase in respondents who have not observed a growing interest in investment amid global uncertainty. The percentage of "No" responses grew from 27% in 2023 to 45% in 2025 for art professionals and from 24% to 39% for collectors. Wealth managers consistently showed high skepticism, with 60% in 2025 reporting no increased interest. This rising caution may reflect the art market downturn that started in 2023 and has continued into the first half of 2025.

The 2025 Art & Finance survey findings reveal a significant evolution in how stakeholders view art and collectible assets during geopolitical instability. While art's appeal as a high-yield investment is clearly diminishing, its position as a store of value remains largely intact. Art is still seen as a wealth preservation tool, particularly by art professionals and collectors.

However, the growing number of respondents reporting no increase in interest suggests a more cautious outlook. As traditional financial pressures mount, stakeholders may be recalibrating their expectations for art's financial and economic utility, a trend already discussed in Section 2. In this climate, the future of art investment may depend less on speculation and more on its intrinsic, cultural and enduring value.

This perspective shift means wealth managers and art advisors must now navigate a landscape where non-financial value is increasingly central to collector decisions.

Changing collector motivations

As discussed in Section 2, financial motivations in art collecting have steadily declined between 2011 and 2025. In 2016, 44% of collectors cited financial gain as their primary motivation, but this dropped to just 33% by 2025, the lowest figure in 14 years.

This shift is driven by:

- Growing economic uncertainty;
- Lower return on art investment in recent years;
- The rise of more liquid and potentially higher-yielding alternative investments, such as crypto assets and equity investments;
- Persistent challenges around art market transparency and valuation; and
- High transaction costs.

Collectors are increasingly prioritizing emotional, cultural and social value over financial return, indicating a broader reorientation toward art's intrinsic significance rather than investment potential.

This shift has significant implications for wealth managers and art professionals who mostly rely on return-on-investment narratives. As the role of art in wealth portfolios becomes more nuanced, its emotional resonance and social impact may prove to be its most enduring assets.

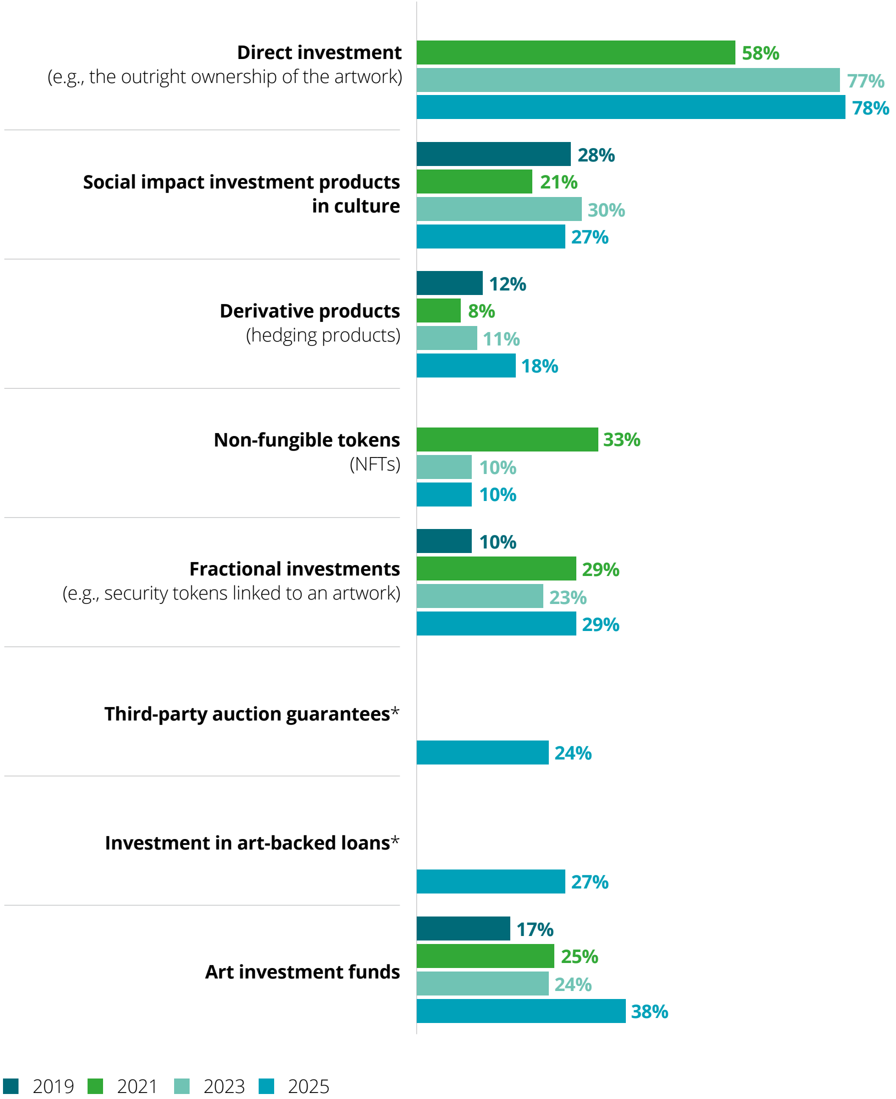
Evolving preferences for art investment products

While traditional models still dominate, a growing curiosity about alternative financial products is evident as the market matures and investors become more diverse and sophisticated. This is seen in the broad interest in new art investment products, from third-party guarantees to art-backed loans.

The Art & Finance survey 2025 asked wealth managers, art professionals and collectors which art investment products interest them the most. Comparing the 2023 and 2025 responses reveals how perceptions are shifting, what products are gaining traction, and where the future of art investment may be headed.

Direct ownership: Despite the emergence of new financial tools, direct ownership remains overwhelmingly popular across all groups. In 2025, 92% of art professionals, 85% of collectors and 78% of wealth managers preferred this form of investment. These consistently high figures since 2023 point to a deep-rooted attachment to art ownership's tangible, emotional and personal aspects. The preference for outright ownership reflects a trust in art's physicality and cultural permanence, as well as a desire for full control over the asset. This strong sentiment indicates that financial innovation must complement, not replace, the personal and aesthetic values inherent in art collecting.

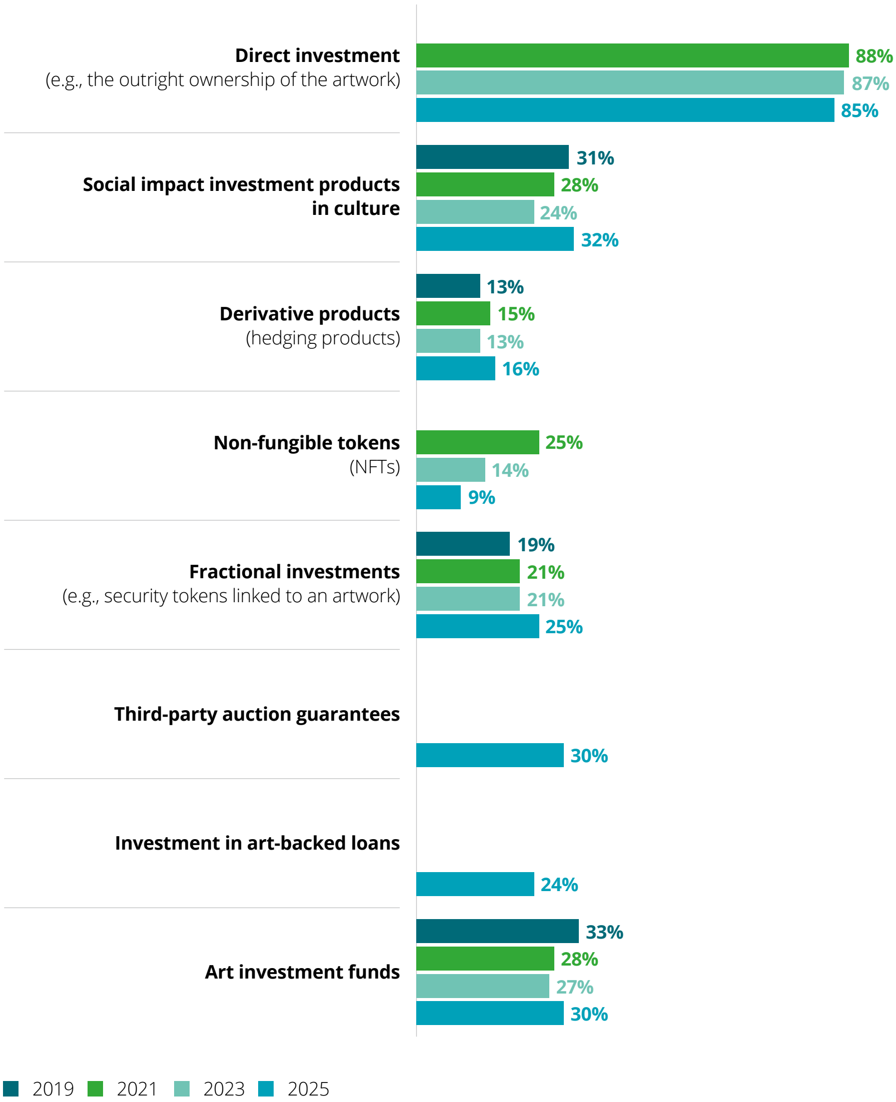
Figure 169: Wealth managers: In terms of investing in art, which of the following art investment products would most interest your clients?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025



* included for the first time in the 2025 survey

Figure 170: Collectors: In terms of investing in art, which of the following art investment products would be of most interest to you?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Art investment funds: Appetite for art investment funds has grown steadily, particularly among wealth managers and art professionals. From 2023 to 2025, interest rose from 24% to 38% among wealth managers and from 36% to 44% among art professionals, while collectors showed a modest increase from 27% to 30%. This suggests a growing comfort with structured, diversified models that reduce the burden of expertise and curation required by direct ownership. This trend could signal a shift toward financial intermediaries playing a larger role in the market. However, the number of active funds remains limited, and few have built a consistent track record, highlighting the ongoing challenges in effectively scaling such models.

Fixed-income through art-backed loan securities: In 2025, the Art & Finance Survey introduced a new investment instrument: art-backed loans. Among respondents, 32% of art professionals, 27% of wealth managers and 24% of collectors expressed interest. These loans offer investors exposure to the art market through a fixed-income structure, providing attractive yields by investing in a diversified loan pool secured against high-value artworks, typically by blue-chip artists. These figures suggest an emerging appetite for financial products that blend traditional investment logic with the art market's distinct characteristics.

Auction guarantees: Another new addition to this year's survey, auction guarantees, also sparked significant enthusiasm. By guaranteeing a minimum sale price for an artwork, investors take on some risk but stand to gain if the final auction price exceeds the guarantee. This structure turns auction participation into a financial strategy linked directly to market performance. In 2025, 42% of art professionals, 24% of wealth managers and 30% of collectors indicated a strong interest in this investment product.

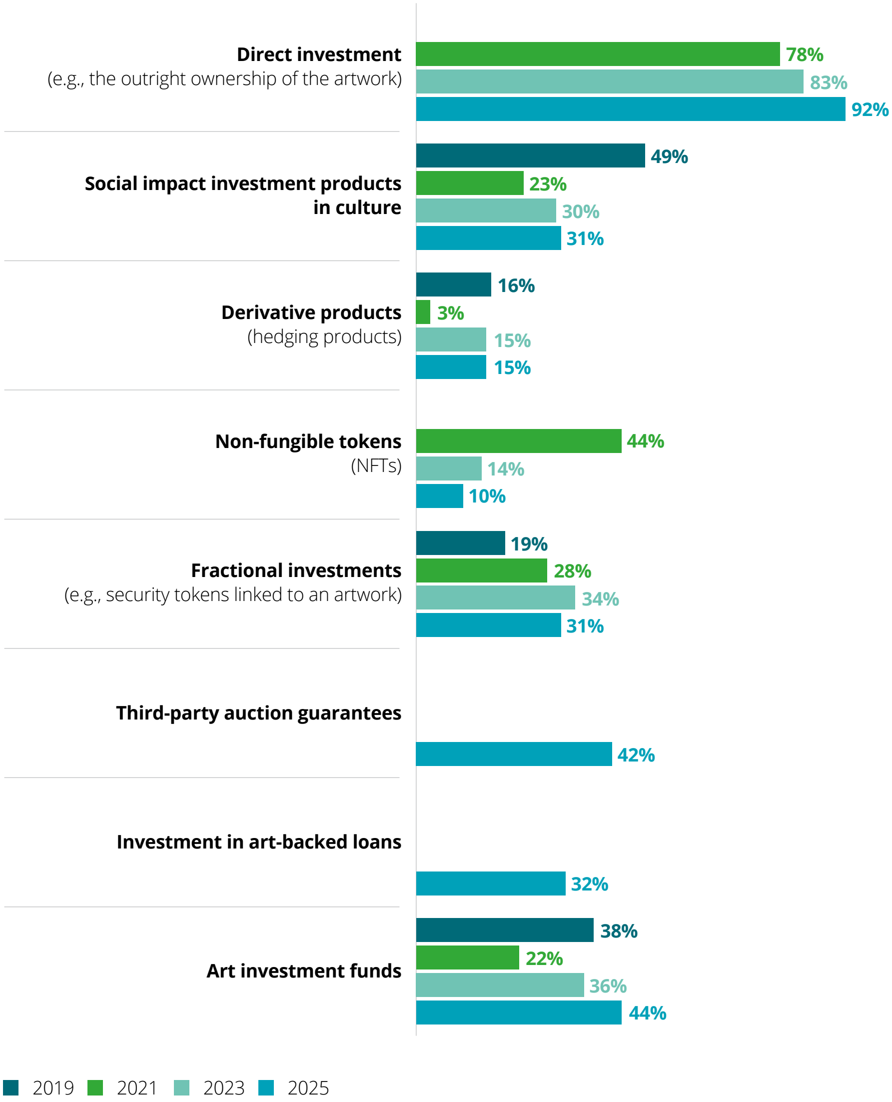
Fractional ownership: Interest among wealth managers rose from 23% in 2023 to 29% in 2025, and among collectors from 21% to 25%, while art professionals saw a slight dip from 34% to 31%. These products are pitched as a way to democratize access and increase liquidity through shared ownership. However, hesitance remains, possibly due to regulatory ambiguity, a lack of secondary markets and concerns over governance. While fractionalization may hold long-term potential, especially for younger investors, its limited uptake implies that trust and transparency remain critical barriers to adoption.

NFTs saw a notable drop in favor across all stakeholder groups. In 2025, only 10% of art professionals and wealth managers, and just 9% of collectors, expressed interest, down from slightly higher levels in 2023. This decline reflects the NFT market's broader cooling after its speculative boom, suggesting that stakeholders now view NFTs as peripheral to serious art investment strategies. While their novelty-driven appeal appears to have diminished, the underlying technology may still have applications in provenance tracking or digital ownership.

Derivative products, such as hedging instruments for art price fluctuations, remain niche but are showing slow growth. Interest rose among wealth managers from 11% in 2023 to 18% in 2025 and among collectors from 13% to 16%, while art professionals remained steady at 15%. While these products are still largely unfamiliar in the art world, they could appeal to more financially sophisticated investors to manage volatility or hedge exposure in larger portfolios. While their limited adoption points to a need for greater education and infrastructure in art finance, their slow and steady rise suggests the dawn of a more instrumented and strategically managed market.

Figure 171: Art professionals: In terms of investing in art, which of the following art investment products would be of most interest to you?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Social impact investment: One of the more notable shifts is the growing appetite for social impact investment products related to culture. Interest increased most significantly among collectors, from 24% in 2023 to 32% in 2025, with steady figures among art professionals and wealth managers. This reflects a broader global movement toward values-based investing, where cultural engagement, sustainability and positive societal outcomes are factored into financial decisions. As collectors seek more than financial returns, products that align with social and cultural missions may be a promising growth area, particularly for next-gen collectors and philanthropic investors (see Section 4 page 310 for more information).

ART FUND CASE STUDY

Arte Collectum is a pioneering alternative impact investment fund with art as the underlying asset. Shares are registered with Euroclear and listed for public trading, with distribution through major Nordic banks like Nordea and SEB, and are available for purchase by investors in Sweden, Denmark, Finland, Norway and the UK.[264]

Their strategy is to acquire and actively manage artworks by women and minority artists, contributing to a more equitable art market and minimizing the gender and ethnicity price gap. This is not only for social impact, but for investment returns. The company aims to acquire and promote works that have historically been sidelined by the market for reasons unrelated to quality.

Arte Collectum I, the first fund, closed in early November 2022 with a volume exceeding €20 million. The second fund, Arte Collectum II AB, was launched in autumn 2024 with a similar structure and strategy. The fund is denominated in EUR, has a duration of six years with a possible two-year extension, and a three-year investment period. If an artwork is sold within 18 months of acquisition, the proceeds can be reinvested in new art; after the investment period, the money will be paid to the investors.[265]

The fund is an alternative within alternative investments and has a target return of 12% per year after fees. Performance-based remuneration for Arte Collectum II AB is structured so that investors receive 80% of the gains above a 6% annual threshold, while Arte Collectum receives 20%. Both funds have completed due diligence with Nordea and SEB.[266]

To promote artists, build provenance for the works and make art more accessible to the public, Arte Collectum strives to lend its artworks to leading museums and exhibitions worldwide and have them published in journals, catalogs and books. For example, Arte Collectum I artworks have been featured in 12 exhibitions, including the Whitney Museum of American Art in New York City and the Fondation Cartier in Paris, with nine upcoming exhibitions throughout Europe and the US.[267]

This also benefits the investment because museums only borrow an artist's best work, therefore validating the fund's works as key pieces. The fund's capacity to support artists in a way similar to a museum also leads to an added positive effect on the primary market, allowing Arte Collectum to receive significant discounts, in line with museums.

Through pooled funds like Arte Collectum, impact investors contribute to the democratization of the art market, giving those without prior access the opportunity or means to invest in top-class works at a significantly lower purchase threshold. This also promotes a more equitable art market by minimizing the gender and ethnicity price gap.[268]

Next-gen perspective

The preferences of younger collectors from 2021 to 2025 reveal a generation that is fluid in its investment interests, responsive to market trends, and increasingly discerning about what delivers both financial and cultural value. Their responses suggest a progression from early experimentation to a more discerning approach that favors stable, established forms of art investment.

Figure 172: Next-gen collectors: In terms of investing in art, which of the following art investment products would be of most interest to you?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025

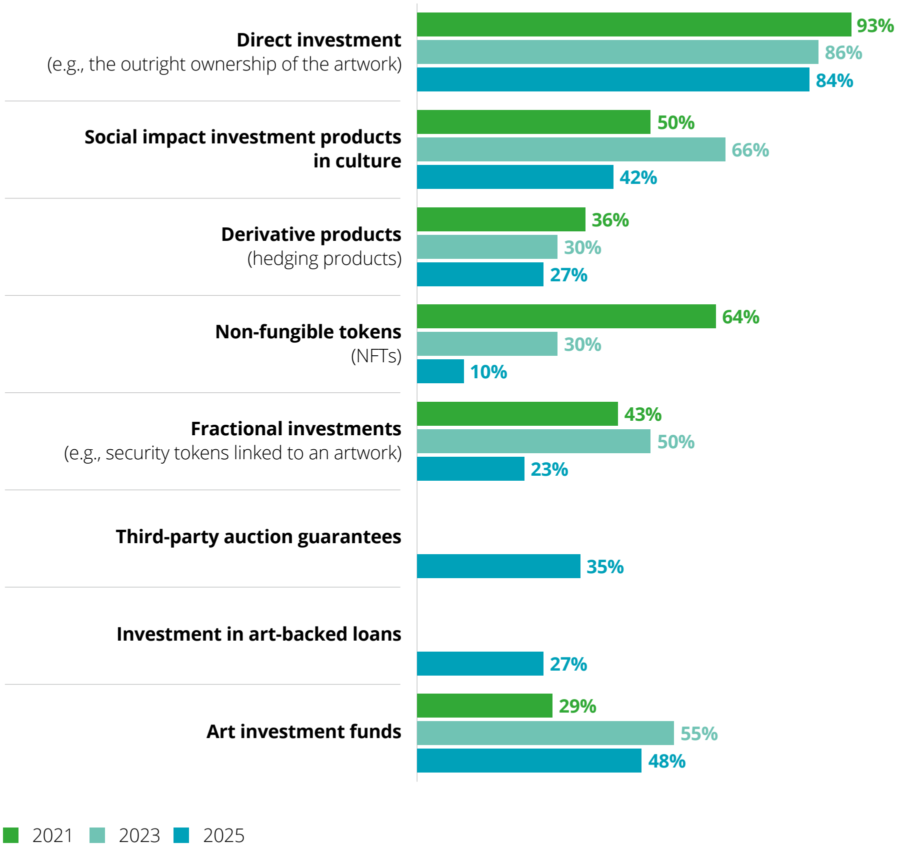


Figure 173: Next-gen versus older collectors: In terms of investing in art, which of the following art investment products would be of most interest to you?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025

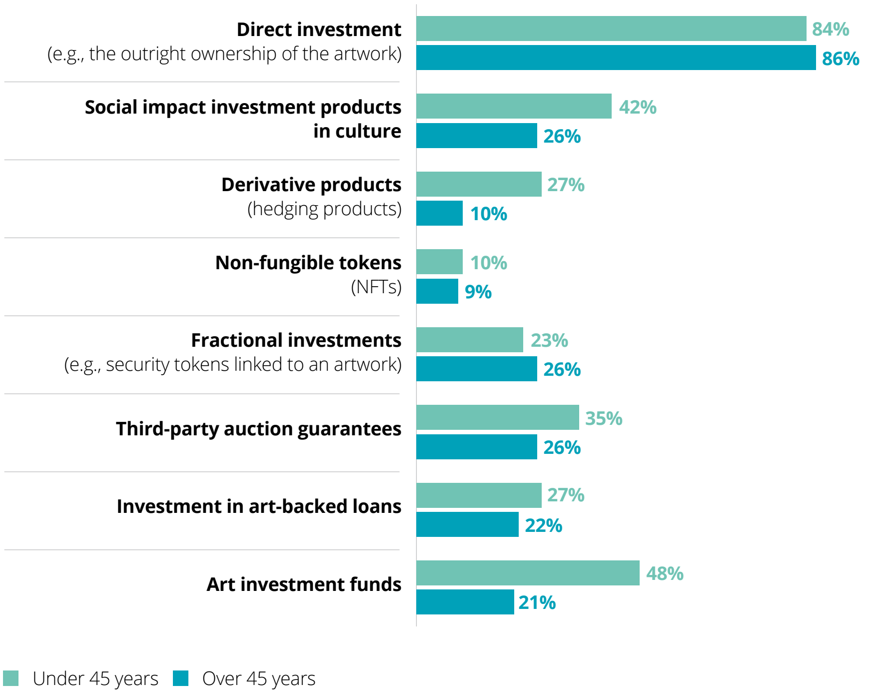
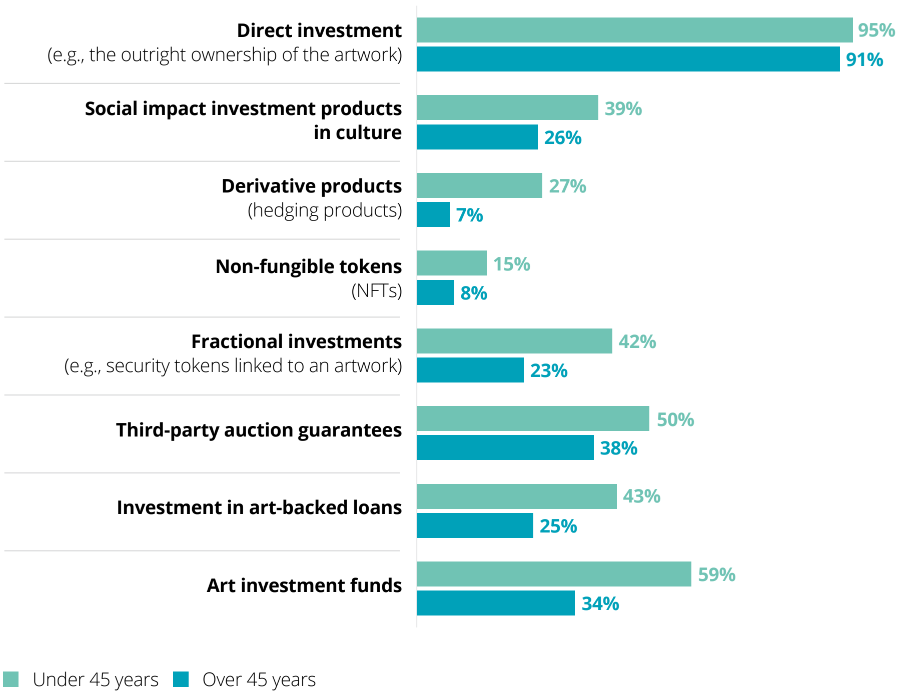


Figure 174: Next-gen versus older art professionals: In terms of investing in art, which of the following art investment products would be of most interest to you?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025



The investment preferences of next-gen stakeholders

Collectors and art professionals under 45 are financially aware, culturally engaged, and increasingly selective about their participation in the art market. Their responses between 2021 and 2025 indicate a shift from an initial embrace of innovation to a more grounded and discerning approach, which balances financial performance with cultural value and long-term credibility.

As highlighted in the Bank of America and Deloitte US contribution (see page 176), younger generations now view art not just as an aesthetic and lifestyle pursuit but also as a strategic asset. This perspective is mirrored globally; according to HANA Bank, individuals in their 30s to 50s, particularly in Korea's rapidly growing "Young Rich" demographic, see art as a viable and strategic investment vehicle (See article on page 172).

At the same time, collectors like Karen and Sylvain Levy describe art as a hybrid asset, part cultural capital, part speculative venture (See article on page 206). For this group, art offers more than financial returns—it provides identity, community and narrative value, reflecting their personal worldviews. However, they remain cautious of the art market's opacity and illiquidity, favoring fractional ownership models and blockchain-based transparency to mitigate risk.

In short, younger generations are not abandoning the financial side of art; they are redefining it by integrating purpose, access and performance into a more holistic investment mindset.

Direct ownership remains the cornerstone of art investment among both groups. While collector interest dipped slightly from 93% in 2021 to 84% in 2025, young art professionals showed even stronger conviction, with 95% favoring outright ownership. This suggests that despite rising interest in alternative financial products, owning the physical object retains unmatched symbolic and financial appeal.

However, beyond direct ownership, preferences begin to diverge, with next-gen art professionals more open to **structured financial products** than collectors. For example, 59% favored **art investment funds** in 2025, compared to 48% of collectors. Similarly, 50% of professionals were interested in **third-party auction guarantees** and 43% in **art-backed loans**, outpacing collector responses (35% and 27%, respectively). This likely reflects art professionals' deeper familiarity with the art market's financial mechanisms. Their comfort with institutional tools signals an appetite for vehicles that offer both access and risk management.

In contrast, **fractional ownership and NFTs,** once hailed as revolutionary, have fallen sharply out of favor. Among collectors, NFT interest collapsed from 64% in 2021 to just 10% in 2025. Young professionals echoed this, with only 15% still interested. Similarly, fractional investment, despite peaking at 50% among collectors in 2023, dropped to 23% in 2025. While art professionals showed more resilience here (42%), overall, enthusiasm has waned. Concerns over a lack of track record, poor financial performance, volatility, regulatory ambiguity and speculative hype have undermined the initial promise of greater accessibility and liquidity. These figures suggest that digital innovation, while still valued, is no longer compelling without substance and stability behind it.

The story around art investment funds also reflects this evolving maturity. Among next-gen collectors, interest grew rapidly from 29% in 2021 to 55% in 2023 before moderating to 48% in 2025. For next-gen professionals, the 2025 figure sat higher at 59%, indicating a preference for professionally managed exposure. This aligns with their broader comfort with structured finance models, whether through funds, guarantees or loans. However, despite this appetite, the number of new initiatives remains limited, reflecting ongoing challenges in designing scalable, viable collective investment vehicles.

Social impact investment also saw a measured retreat. Among collectors, interest fell from 66% in 2023 to 42% in 2025. Young professionals tracked close behind at 39%. This suggests that while both groups are motivated by ethical and cultural considerations, they are increasingly demanding transparency, accountability and measurable outcomes before aligning their capital with impact narratives.

Finally, **derivative products** remain a niche interest, with only 27% of young professionals and 27% of young collectors expressing enthusiasm. These lower numbers most likely reflect the complexity and lack of available products, particularly in a market where pricing and liquidity remain opaque.

A generation of sophisticated selectors

Findings from both next-gen collectors and art professionals suggest a move away from transient trends toward a preference for structured, stable and strategically aligned investments. Although direct ownership remains a cornerstone, there is a growing inclination toward collective investment schemes that mitigate individual exposure to risk. At the same time, purely speculative or overly complex products are being phased out.

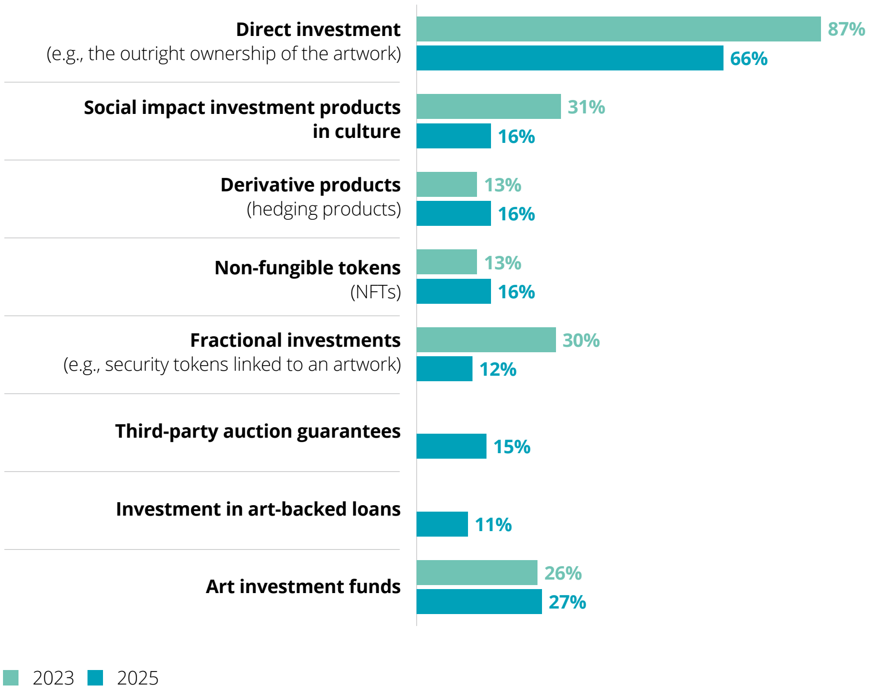
Whether through passion or profession, this generation is redefining art investment, demanding that innovation delivers on both financial logic and cultural meaning. For advisors, fund managers and product developers, the message is clear: this generation expects art investment to be smart, transparent and tailored, not just trendy.

Family office perspective

Family offices and art investment: A cautious curiosity

Figure 175: Family offices: What art investment products would you be most interested in?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



The investment preferences of family offices paint a picture of cautious engagement, grounded in traditional wealth preservation and selective exploration of alternative financial vehicles. While they are known for their discretion and long-term investment horizons, their choices here reveal both a clear preference for control and a reluctance to adopt newer, more complex structures.

Direct investment in art is the most preferred approach, with 66% of family offices indicating interest (down from 87% in 2023). This aligns with their traditional philosophy of tangible asset ownership, with art seen not only as a store of value but also something to be enjoyed and passed down through generations. This strong preference suggests that art, for family offices, still fits within a broader estate and legacy planning framework.

However, when it comes to more structured or finance-driven models, appetite dropped significantly across the board in 2025. Art investment funds, including club deals, registered at just 27% (about the same as in 2023), indicating modest interest in pooled, professionally managed vehicles. While these structures offer diversification and lower barriers to entry, family offices may believe they lack the control and discretion they typically value.

Other financial mechanisms received only limited attention, such as art-backed loans (11%), third-party auction guarantees (15%), social impact investment products (16%, down from 31% in 2023) and fractional ownership models (12%, down from 30%). These low figures suggest family offices are not currently seeking to actively monetize art assets or engage in liquidity strategies, likely due to a lower immediate need for leverage or greater comfort with illiquidity. It also indicates a limited awareness of the range of structured art investment solutions emerging in the market.

The appetite for digital and speculative products is similarly muted. NFTs, derivative products and social impact instruments each attracted just 16% of interest in 2025. This indicates a high skepticism toward innovations that lack a proven track record or stability, and a need for maturity and credibility before engagement.

For family offices, the art investment landscape is still rooted in direct control, long-term value and legacy. Their selective interest in newer models suggests a high bar for due diligence and alignment with core investment principles. While they may explore professional fund structures or emerging impact frameworks, these must offer strong governance, a clear upside and minimal complexity to gain traction.

As Betsy Bickar, Head of Art Advisory at Citi Wealth, explains (page 426) while art should not be treated like other investments, it should still be included in a wealth plan with a proper structure and exit strategy tailored to the heirs' preferences for art. Her insight underscores a key tension for family offices: while passion may drive initial acquisition, succession requires structure. With generational shifts in taste and art's inherent illiquidity, long-term planning—including expert advice, sales strategy and exit preparation—is essential to preserving and maximizing value.

Untitled
Marta Djourina, 2025, direct exposure on on analogue photo paper with different light sources, self-made film negative, unique, 120 x 76 cm

INDUSTRY **INSIGHTS**

Art: A good or bad investment?

Betsy Bickar
Head of Art Advisory, Citi Wealth

The first question a potential art buyer might ask is, "is art a good investment"? Is it about managing risk and return? Art has no income statement, balance sheet, price-earnings ratio, or cash flow statement, and it is generally illiquid. An investor could try to research its growth potential, or the artwork's fundamentals, which are arguably analyzed only subjectively by various experts using terms such as "museum-quality" or "A+". One could also take a deep dive into the data, about half of which is not publicly available, as roughly 50% of artwork sold is estimated to sell via private sale. If one were to bring up the topic of "investing in art" in a dinner conversation with a seasoned art collector or dealer, it might elicit a knowing smile and an end to the conversation.

The art of high returns

Although it may sound simplistic, collectors who pay less attention to the ups and downs of the art market are typically the ones who realize the highest gains; likewise investors entering the art market with hopes of a strong return often find themselves soured on the market and buying art. While the above factors don't typically apply to art, investors may say, "there *must* be some pattern I can identify to make a profit in this market. It can't be that complicated"… or is it?

One can certainly categorize art as an asset, often a very valuable asset. However, the term "investment" implies that when one purchases a work of art with a primary motivation of financial gain. Counterintuitive to the financial investor's mindset, more often than not, when one buys art simply as an investment it often turns out to be a poor one. Conversely, when one approaches purchasing art by virtue of "collecting", the art often turns out to be one of the best investments a collector ever made. **Art truly should not be treated solely as an investment at the time of purchase.**

How passion fueled record-breaking art sales

How can that be the case? Paul G. Allen's collection, one of the most renowned and most valuable examples, realized over US$1.5 billion in a single evening for 60 artworks.[292] He viewed art collecting as a pleasurable activity more than anything, one which happened to yield strong financial gains. Mireya Lewin, Vulcan's director of art collections, stated, "He acquired according to his passions, interest and personal aesthetic, and he gave special consideration to works that represented the true oeuvre of an artist."[293]

David and Peggy Rockefeller's collection sold for a total of US$835 million.[294] Their methodology was described by David Rockefeller as: "We never bought a painting with a view towards 'forming a collection' or to 'fill out a series,' but simply because, in the end, we couldn't resist it. Through this rather unscientific process, we have been fortunate to have surrounded ourselves with beautiful works of art that have given us unending and increasing pleasure as we have lived with them over time."[295]

"Unscientific" analysis of a collection worth US$835 million? How can it be that **art appreciation is the key to making a profit** from buying art—doesn't that sound too good to be true?

Beyond the numbers: The true art of collecting

The beauty of art is that it is purely subjective, regardless of an artist's intent. Once a person dives into this form of looking at and appreciating art, they start to understand what the larger community of art enthusiasts feels and sees in a particular work of art, and patterns emerge despite the subjectivity, but those patterns are specifically tied to artistic content, not to market value. Only then can one understand the quality of a work of art and the logic of how a dollar value can be assigned to it.

An artist who has only been painting for a few years may see a huge spike in value very quickly – and often see a huge drop in value shortly thereafter. This is where the "investor", i.e. someone who is trying to buy low and sell high, can get burned, misinterpreting increased demand and limited supply as potential for return on investment.

The art market usually stumps this type of investor, but not the seasoned collector, art dealer, the senior auction house specialist or the gallery owner. These people often have a particular area of expertise – perhaps the gallery owner has worked with painters from 1990s for three decades; perhaps the auction house specialist has seen hundreds of Picassos, of all periods and subjects pass through his hands; perhaps the art dealer has gone to thousands of museum and gallery shows in her lifetime and has a mental inventory of every color de Kooning ever used in a painting. These are not things that can be looked up, quantified, or analyzed with numbers or algorithms.

Certainly one can quantify and analyze market data – but **market data is in fact *not the most valuable data to employ when purchasing art*.** The most valuable data is only discerned after many years and decades of focused and concentrated looking, and even then it forms an informal structure in one's mind.

Some examples are how Vincent van Gogh evoked emotion with the twist of a line; how Henri Matisse altered perception of spatial relationships more effectively in one canvas over another; how Thomas Cole evoked the sheer power of nature using a representation of light, shadow, earth, sky, and air. All of this speaks to the appreciation of art, not of its prices, current or future value. One must separate the two in order to truly form a valuable collection. When does the art market matter? A nuanced understanding of the market is important when buying or selling art. However, if one views art as a long-term hold, the art market becomes important only insofar as to purchase or sell at the correct price at any given moment in time. The art market is rather inefficient and opaque, so it is important not to generalize or draw too many conclusions about the art market as a whole.

Art collections as assets: Planning for asset protection

Family offices, take note: although art should not be treated like other investments, as with any asset, art should be integrated into an overall wealth plan with proper structuring and a deaccession strategy tailored to the heirs' art preferences. In many cases the next generation does not have the same passion for the type of art their parents collected, and art is notoriously illiquid.

A good long-term plan involving experts to advise beneficiaries is prudent to seeking to maximize value as it relates to selling, creating effective marketing, and using appropriate vendors and commission structures. Examples may include gallery or auction house private sales, enhanced hammers or guarantees. The overall plan for the future of the art collection may also include gifting or liquidity strategies such as a loan against the art as collateral, and factors such as long-term care and storage.

It's not uncommon to see clients who acquired artworks more than decade ago sell for multiples of the purchase price. We have also seen many works simply hold value or increase at roughly the same rate as the overall stock market. However, some artworks, even by established and important artists, lose value over time. Although not ideal, it is not unexpected that some artists' markets will fade. Various art indices will tell different stories of success, due to lack of quantifiable data outside of auction results. An art collection containing true masterpieces of almost any genre, along with well-chosen emerging art, typically appreciates in value significantly within ten to fifteen years, especially if selected for acquisition using an art-historical lens.

Moral of the story? Art can be a valuable asset but go out and have fun with it—if art collecting isn't enjoyable, you probably won't make a profit anyway.

Untitled
Marta Djourina, 2025, direct exposure on on analogue photo paper with different light sources, self-made film negative, unique, 120 x 76 cm

PART **03**

Fractional ownership and art investment

Rethinking ownership: The evolving role of fractionalization and tokenization in art investment

Since we first started exploring fractional ownership and tokenization in the 2017 edition of the Art & Finance report, the art investment landscape has evolved significantly. What began as experimental concepts—fractional ownership, art tokenization and art-backed securities—has now emerged as a more mature and increasingly regulated market segment. A new generation of platforms and offerings promises to lower entry barriers, expand market access, and unlock new forms of liquidity for investors and collectors.

Over the past eight years, the market has witnessed a gradual acceleration of innovation, particularly with blockchain-based financial products like fractional NFTs and security tokens. Some are being developed in compliance with securities laws and financial regulations, signaling the legitimization of art investment products within broader capital markets. Several platforms, such as Matis, Masterworks, ARTEX Global Markets, Artory and Splint Invest, are now operating under the oversight of financial authorities.

However, while the potential is clear, widespread adoption has yet to materialize. Trading volumes remain modest, and these models' true liquidity and scalability are still being tested, suggesting their long-term viability remains an open question. The key challenge is proving that art can serve as a viable financial investment compared to other alternative assets.

Recent art index performance data shows that art's risk-return profile is relatively unattractive, particularly when factoring in the additional costs and inherent risks of direct investment. So far, it appears that only active management strategies have been able to generate reasonable returns, while passive, buy-and-hold approaches have largely underperformed.

This section explores how evolving ownership models are challenging traditional notions of possession in the art world, shifting from exclusive ownership to access-driven and fractionalized participation. While overall enthusiasm for art investment has softened this year, we examine whether the momentum behind "democratized" art investment signals a genuine inflection point, or is merely testing the limits of what a scalable, compliant and liquid art market may realistically entail.

"The next generation has a growing appetite for collective ownership, aligned with values of accessibility and community. Owning a fraction of an artwork is less about control and more about participating in a cultural narrative. Yet challenges remain, including legal ambiguity, emotional detachment and a sceptical resale market. The success of this model depends on whether it can combine emotional resonance with economic clarity. Liquidity and accessibility are central to its appeal—buyers expect smoother entry and exit points without the burdens of traditional ownership. By avoiding unnecessary costs like storage, insurance and shipping, fractional models offer a more agile and efficient approach to collecting."

See the full article by Karen and Sylvain Levy's article page 206

Fractional ownership market

As outright ownership becomes less accessible for expensive artworks, new regulated models have emerged to meet investor appetite, allowing fractional participation in blue-chip works. The concept of democratizing art investment has gained traction over the past five years, particularly among a new generation of investors who lacked the capital, access or time to engage in the market.

Importantly, fractional ownership is not a new idea, with early examples including art funds and investment clubs from the 20th century. Between 2009 and 2012, China piloted a series of art and cultural exchanges that allowed investors to trade shares in artworks. Backed by government incentives, these exchanges initially flourished; however, due to price volatility and speculation, regulatory tightening in 2012 led to widespread closures. Other countries tried similar approaches but few managed to scale, until recently.

As of today, the regulated fractional ownership market for art and collectibles is estimated to exceed US$1.2 billion[269] in assets under management (AUM), up from just over US$1 billion in 2023. Although the number of platforms and fractionalized artworks has increased over the past two years, growth has been moderated by the shutdown of several platforms and a slowdown in new offerings from Masterworks, the market's leading player. Still, continued activity from European platforms like Matis (France) and Splint Invest (Switzerland) points to sustained investor interest.

Recent fractional investment initiatives include:

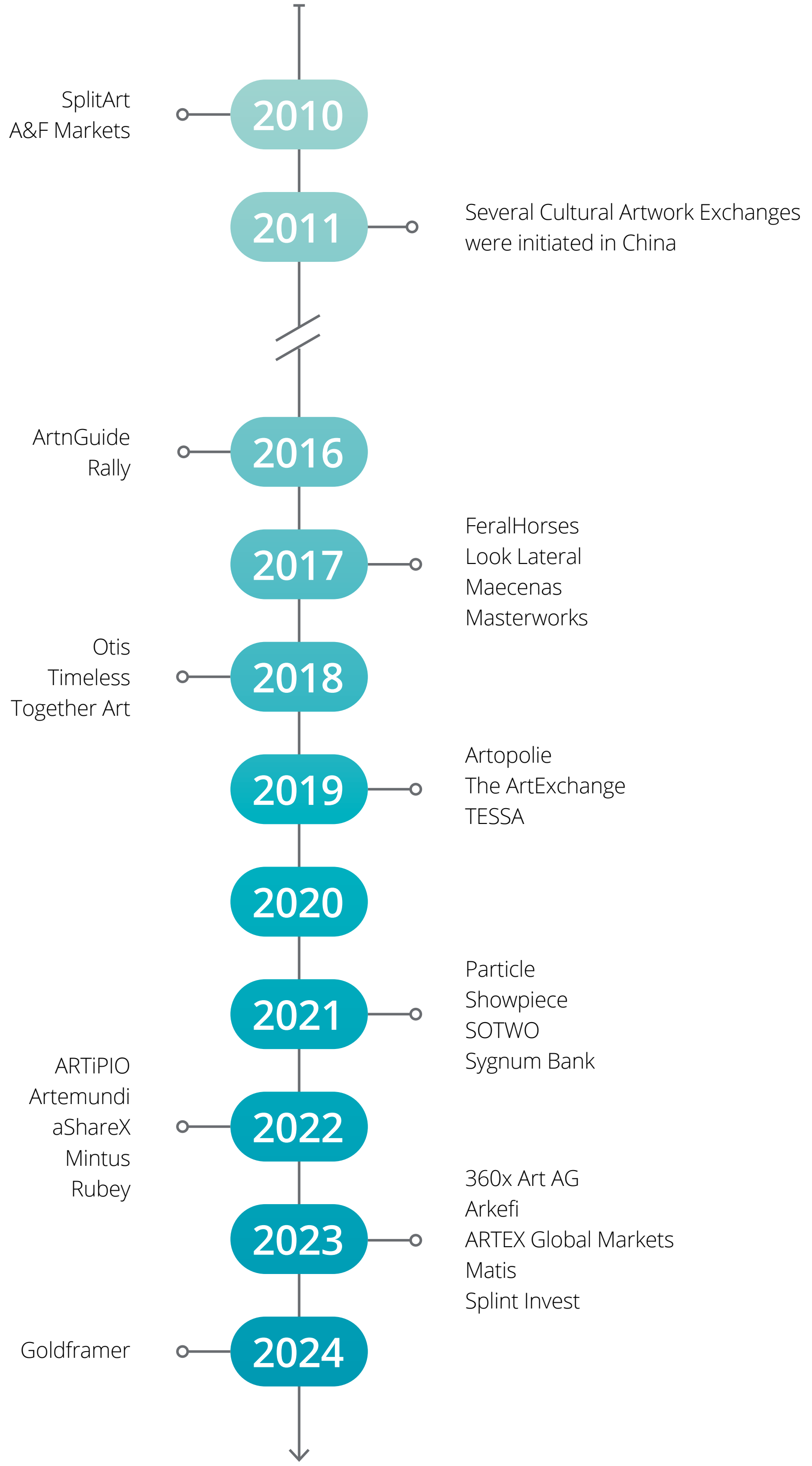
- **Artemundi**, a global art investment company, has partnered with **Splint Invest**, a Swiss fintech platform, to democratize access to blue-chip art investments. Their first project was launched in late September 2023, featuring Salvador Dalí's *The Mill Tower* (1977).[270]
- **Artemundi** is preparing to expand its fractional ownership offering to new markets, including the US—an essential geography in the firm's long-term strategy. This phase will include specialized financial services aimed at serving a broader base of private and institutional clients.
- **M&A Arts**, a European firm focused on art fractionalization, collaborates with **Splint Invest** to offer tokenized shares ("splints") of artworks to European investors. Splint Invest operates under the Swiss Fintech Sandbox regime, and are authorized to hold customer funds up to a total limit of CHF 1 million.[271]
- **ARTEX Global Markets** announced a partnership with **Helveteq** (AG), a leading Swiss issuer of exchange traded products (ETPs), to launch a new range of CHF-denominated ETPs in March 2025.[272] In April 2025, Artex announced preparation for its second listing, Andy Warhol's *Mao* (1972), estimated at €39.5 million.[273]

Amid this evolving landscape, South Korea has also emerged as a market for fractional ownership. As discussed in the Deloitte Korea article (page 128, Section 1), the country has rapidly developed an ecosystem of blockchain-powered platforms. Companies such as ARTiPIO, SOTWO, ArtnGuide, Together Art, and TESSA are enabling small-scale investments in high-value artworks, making the market more accessible to younger and more diverse investors.

Compared to last year, the regulatory environment in Korea has shifted focus from tokenized securities to stablecoins, delaying regulatory clarity around fractional investment platforms. This has led to a noticeable decline in public and institutional interest, with many of these companies now exploring alternative asset categories like real estate and livestock.

Figure 176: Fractional ownership initiatives through time*

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



* For illustrative purpose only and non exhaustive. Several of these initiatives have been discontinued.

Figure 177: Fractional ownership characteristics

	Models/options	Comments
Technology model	• On-chain (blockchain-based) • Off-chain (traditional tracking) • Hybrid (on-chain and off-chain)	Newer platforms lean toward hybrid models for efficiency and security.
Investment horizon	• Long-term (buy-and-hold) • Short-term (peer-to-peer or exchange trading)	Exchanges like ARTEX can offer more liquidity; most platforms still favor buy-and-hold.
Ownership structure	• Direct ownership (co-owner of artwork) • Ownership via legal entities, such as limited liability companies (LLCs) or special purpose vehicles (SPVs)	Legal entity structures dominate; some platforms experiment with direct co-ownership.
Market type	• Marketplace (intermediary model) • Exchange (regulated trading, e.g., ARTEX)	Most platforms are marketplaces; regulated exchanges are just emerging.
Regulatory status	• Regulated (securities or crypto-asset frameworks) • Unregulated (with associated risks)	Compliance varies by region; e.g., the Markets in Crypto-Assets Regulation (MiCA) in the EU and the Securities and Exchange Commission (SEC) in the US. Regulation is seen as key to viability.
Investor eligibility	• Retail investors (e.g., under Reg A[274]) • Well-informed/accredited investors (e.g., under Reg D[275])	Eligibility depends on jurisdiction and platform model; investor protections vary.
Tokenization	• Tokenization enables fractionalization • Covers both bankable and non-bankable assets • Enhances liquidity and access	Tokenization lowers entry barriers and may expand art investment, but adoption remains cautious.

Untitled
Marta Djourina, 2025, direct exposure on on analogue photo paper with different light sources, self-made film negative, unique, 120 x 76 cm

CASE STUDY: MATIS.CLUB

Matis.club is a French investment platform that allows private investors to gain exposure to high-value 20th-century and contemporary art through curated club deals. Regulated by the Autorité des Marchés Financiers (AMF), Matis specializes in acquiring blue-chip artworks by iconic artists, with the goal of capital appreciation upon resale.

Key facts[276] as of 22 July 2025

- Launch activity: Since 2023, Matis has facilitated investments in 62 artworks through its club deal structure.
- Total capital donated: €13.14 million.
- Average net investor performance: 16.4%.
- Minimum investment: Typically around €20,000.

How it works

Each investment is structured through a simplified joint stock company (SAS), allowing investors to participate via convertible bonds. Artworks typically range in acquisition value from €500,000 to €2 million. The selection focuses on highly regarded artists like Andy Warhol, Yves Klein, Jean Dubuffet, Pablo Picasso and Yayoi Kusama. The platform prioritizes artworks with strong provenance and institutional interest, sourced from top-tier galleries and collections.

Exit strategy

Matis aims to realize capital gains by reselling artworks through its global network of galleries and collectors. Liquidity events are generally linked to strategic resale opportunities rather than ongoing secondary market trading.

Tokenization and the future of art investment

Although a relatively small portion of the current fractional ownership market for art and collectibles uses blockchain and tokenization, the direction is clear: tokenization is rapidly emerging as the future of asset ownership. As highlighted in Capgemini's *Top Trends: Wealth Management 2025* report, the tokenization of real-world assets (RWAs), including fine art, offers enhanced liquidity, fractional ownership and 24/7 trading through secure, blockchain-enabled platforms.[277]

While adoption varies, growing regulatory clarity and improved digital infrastructure are accelerating its mainstream integration.

This trend is further reinforced by Deloitte's *2025 Financial Services Industry Predictions* series,[278] which forecasts that the global market for tokenized real estate will grow from less than US$300 billion in 2024 to US$4 trillion by 2035. The shift will be powered by blockchain technology, which allows fractional ownership and addresses long-standing inefficiencies and high administrative costs in traditional real estate investing.

What makes tokenization different, and potentially more scalable, than traditional off-chain fractional ownership models is its ability to:

- Automate key processes through smart contracts;
- Reduce reliance on intermediaries;
- Enable real-time settlement; and
- Provide immutable, transparent records of ownership.

Unlike traditional models that often depend on centralized record-keeping and manual compliance procedures, tokenization creates a standardized and interoperable digital asset infrastructure. This not only drives down operational costs but also allows fractional ownership structures to be deployed and traded at scale, across geographies and investor types.

Together, these projections signal that tokenization is not just a technological experiment; it is becoming a foundational pillar of next-gen asset management, with implications extending well beyond real estate into the art and collectibles markets.

When combined with other technological developments in the art space (see Section 7), this innovation makes it more feasible to offer art-based investment opportunities, provided they can demonstrate a compelling risk/return profile. Even when financial returns are less attractive, such developments hold potential for social impact investments within arts and culture (see Section 4).

Regulatory momentum

There are signs of growing regulatory support for tokenized RWAs. In Europe, **MiCA** took effect in 2024, offering greater clarity for digital asset markets.

In the US, the Guiding and Establishing National Innovation for U.S. Stablecoins Act of 2025 (GENIUS Act, S.919) was passed by the Senate Banking Committee, which could further support the tokenization of RWAs by creating a stable regulatory foundation (see Section 8 page 510).

Outlook

If regulation continues to evolve in step with innovation, **tokenization and securitization models** could unlock latent supply in the art market. For example, owners may become more willing to fractionalize or sell if they can retain partial ownership or access liquidity without fully divesting. This would likely drive higher turnover, broader participation and deeper market engagement in the years to come.

New business models could be developed for artists, galleries, auction houses, cultural institutions and wealth managers with multiple applications, such as funding, wealth planning, impact investment and philanthropy.

Figure 178: Art & collectibles: Examples of fractional ownership platforms

	Founding year	Status	Country
ArtnGuide	2016	Live	South Korea
Rally	2016	Live	United States
Look Lateral	2017	Live	Italy/United States
Masterworks	2017	Live	United States
Otis (acquired by Public.com in 2022)	2018	Live	United States
Timeless	2018	Live	Germany
Together Art	2018	Live	South Korea
TESSA	2019	Live	South Korea
Particle	2021	Live	United States
Showpiece	2021	Live	United Kingdom
SOTWO	2021	Live	South Korea
Sygnum Bank	2021	Live	Switzerland
ARTiPIO	2022	Live	South Korea
aShareX	2022	Live	United States
Mintus	2022	Live	United Kingdom
360x Art AG	2023	In process	Germany
Arkefi	2023	Live	Switzerland
Artex Global Markets	2023	Live	Liechtenstein
Matis	2023	Live	France
Goldframer	2024	Live	Turkey

Disclaimer: This table is provided for illustrative purposes only and does not represent an exhaustive list of fractional ownership platforms. It includes initiatives that currently offer, or intend to offer, fractional investment opportunities in art, and in some cases, additional collectibles. Platforms focused solely on non-art collectibles have been excluded. Inclusion in this list does not constitute a recommendation or endorsement of any specific platform, nor should it be interpreted as financial advice or an invitation to invest in art or collectibles through any of the entities mentioned.

Untitled
Marta Djourina, 2025, direct exposure on on analogue photo paper with different light sources, self-made film negative, unique, 120 x 76 cm

PART **04**

Implications for wealth managers

As the art market evolves, wealth managers must rethink how they position art within broader wealth strategies. The narrative of art as a high-return investment is losing relevance as clients, especially younger generations, increasingly value stability, emotional resonance and social impact over speculative gains.

While interest in art for purely financial return is softening, its role as a store of value is strengthening. Confidence in art's wealth preservation potential has nearly doubled since 2023, underscoring its appeal in uncertain economic times. For wealth managers, this shift creates opportunities to focus on strategic monetization, legacy planning and using art as a long-term asset within estate structures.

At the same time, collector motivations are changing. Emotional and cultural value are becoming central, and social impact is on the rise, particularly among next-gen investors. With demand for purpose-driven products increasing, wealth managers must expand their advisory lens to include values-based investing, cultural stewardship and community engagement.

New financial models like fractional ownership and tokenization have generated interest but remain niche. Clients are intrigued by their potential but remain cautious, prioritizing simplicity, clarity and credibility. In particular, family offices continue to favor traditional, straightforward strategies over experimental vehicles. The art market's complexity, combined with growing interest in financialized models, positions wealth managers as advisors who can interpret risk, conduct due diligence and ensure compliance.

In this changing landscape, successful wealth managers will be those who align with evolving client values, shifting from purely financial frameworks to more holistic, purpose-led advisory models that recognize art's multidimensional role in wealth. At the same time, staying informed on emerging technologies like tokenization and fractional ownership will be key.

While adoption remains limited, these innovations may shape future access, liquidity and engagement, especially for the next generation of collectors seeking flexible and inclusive ownership models.

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Untitled
Marta Djourina, 2022, direct exposure on on analogue photo paper with different light sources, self-made film negative, unique, 120 x 76 cm

07 Art and technology

"Glowing Attraction",
Marta Djourina - Solo exhibition at Haus am Kleistpark, Berlin, Jan - March 2025; Exhibition view: CHROMA

Fluid Contact
Marta Djourina - 2023-ongoing, exposure on analogue photo paper with sunlight and the water of the river Seine in-situ in Paris, unique, 40 x 30 cm

Highlights

Technology is no longer a novelty in the art market; it is the fundamental infrastructure for the future of art creation, ownership and wealth integration.

After 14 years of observation and analysis, the necessary technology has finally reached maturity. The next step is to strategically integrate these solutions into a comprehensive wealth management service model.

Stakeholders consensus about the role of technology: Wealth managers, art professionals and collectors share a strong consensus on technology's influence on the art market, particularly for valuation accuracy, transparency, provenance and traceability, as well as art education. The technology impact indicator—an average measure of 12 impact areas—showed a stable average of 60% for wealth managers, 65% for art professionals and 60% for collectors in 2025.[296] However, the industry's perspective seems to be shifting from early enthusiasm toward a more pragmatic understanding of what digital transformation can achieve in the near term.

Technology is likely to transform art and wealth management services: This year, we have seen a stronger belief that technology will have a significant impact on art and wealth management services. The average reading across the six technology categories increased from 48% in 2023 to 55% in 2025. This suggests a turning point, with trust in practical technologies rising. Tools like blockchain for provenance and ownership tracking, and artificial intelligence (AI) for valuation, are seen as solutions to long-standing art market challenges like opacity and illiquidity, enabling wealth managers to better integrate art into estate planning, risk management, art-secured lending, art investment and financial reporting.

Collection management tools are essential for legacy planning, consistently being the most valued technology across all groups and years. In 2025, 69% of both collectors and art professionals viewed these tools as impactful, with wealth managers close behind at 65%.

A maturing infrastructure is emerging: Initiatives like the Aura Blockchain Consortium and innovations like AI fingerprinting are creating momentum toward standardizing authentication and ownership. This signals a shift toward scalable, secure and transparent systems that align the art market with broader wealth and luxury asset practices.

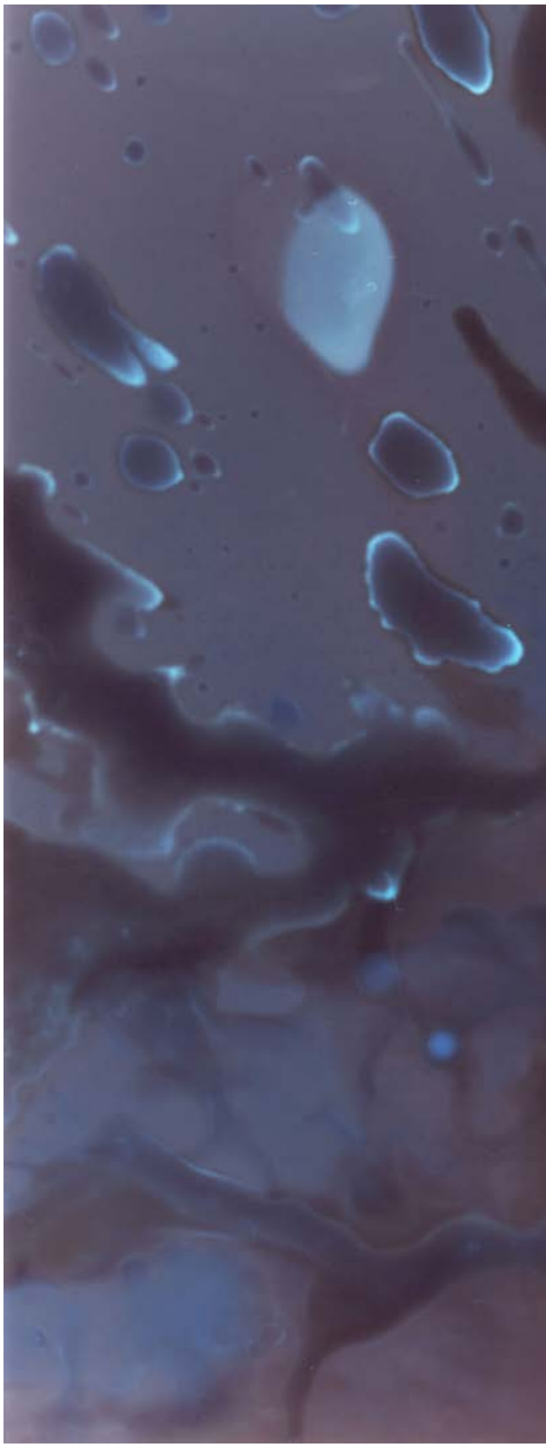
Technology is seen as a powerful enabler for broadening access and enhancing transparency in the art market. A significant share of stakeholders in 2025, including 60% of collectors, believed that digital tools like online platforms, blockchain and fractional ownership can make the market more inclusive and accessible.

Simultaneously, 78% of art professionals and 76% of wealth managers continued to view technology as instrumental in improving transparency, which is critical for building trust and lowering entry barriers to new investors.

Market data insights consistently rank as the highest-impact area for AI across all stakeholder groups. Art professionals (73%), collectors (70%) and wealth managers (61%) all recognized AI's value in aggregating, analyzing and interpreting large, complex datasets in 2025, signaling that market intelligence and analytics are increasingly viewed as indispensable tools.

AI and real-time valuation: Real-time valuation tools combined with human expertise allow intelligent systems to value assets, quantify stability and identify speculative risk within certain limits, helping advisors make data-driven decisions. The integration of valuation analytics with provenance tracking demonstrates how AI can support more secure, transparent and accountable art ownership.

Fluid Contact
Marta Djourina - 2023-ongoing, exposure on analogue photo paper with sunlight and the water of the river Seine in-situ in Paris, unique, 40 x 30 cm



Family office perspectives

Tech priorities refocus toward practicality: Between 2023 and 2025, family offices shifted their technology focus in art and wealth management from speculative innovation to practical applications, with 43%[297] developing broader strategies. Their emphasis on collection management rose from 48% in 2023 to 67% in 2025, revealing a major push to digitize inventories, streamline documentation and improve integration with broader estate planning and wealth strategies. While belief in blockchain for traceability remained strong (54%), confidence in its decentralized finance (DeFi) potential declined from 52% to 46%, reflecting some skepticism around its short-term utility and regulatory readiness.

Risk management takes center stage: Family offices are prioritizing technologies that enhance authenticity, provenance and risk management. Interest in DNA tagging (up from 46% in 2023 to 56% in 2025) and risk tools (up from 35% to 54%) reflects a strong focus on securing and professionalizing art assets.

AI and risk management: Seventy percent of family offices identified risk management as the most impactful application of AI in 2025, highlighting ongoing concerns about trust and credibility in the art market.

Data-driven decision-making gains traction: The uptake of AI, big data and analytics (rising from 55% in 2023 to 58% in 2025) shows growing interest in tools that improve valuation accuracy and market insight.

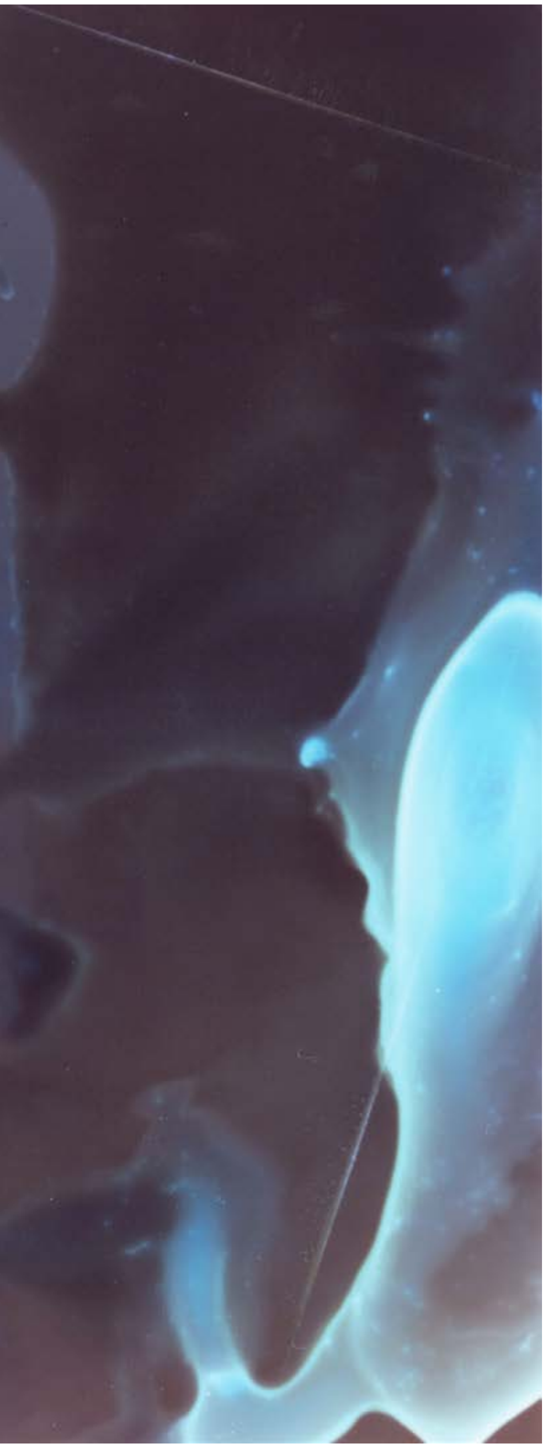
Next-gen perspectives

Measured expectations: From 2021 to 2025, next-gen collectors and art professionals became more measured in their optimism about tech's role in the art market. The next-gen collector technology impact indicator[298] fell from 71% in 2023 to 60% in 2025, while next-gen art professionals' support remained high at 69%. While the younger generation's early enthusiasm centered on transparency, provenance and valuation, their priorities are shifting toward education, engagement, broader accessibility and market transparency.

Collection management tools: Support for these technologies among next-gen collectors surged from 46% in 2021 to 68% in 2025, elevating them from logistical aids to core infrastructure for legacy planning and estate integration. This reflects a maturing mindset, where collecting is no longer just about acquisition but long-term stewardship. Next-gen art professionals were even more enthusiastic, with 75% rating these tools as important in 2025.

AI and art market data-driven insights: Next-gen collectors (81%) and art professionals (72%) showed a generational alignment around the value of real-time data and tech-enabled decision-making.

Alignment with a new generation's values and outlook: As millennials and Gen Z prepare for a historic wealth transfer by 2048, their digital fluency is reshaping expectations, favoring efficiency, personalization and openness to new technologies and models. The future of art and wealth management will depend on how well technology aligns with this generation's practical and values-driven outlook.



Introduction

The convergence of technology and the art market is no longer a future concept; it is a present-day transformation reshaping how art is created, owned, managed and valued. Persistent challenges like opacity, illiquidity and authentication have long hindered the art ecosystem. Now, a new era of technological innovation—from blockchain-based provenance tools to AI-assisted valuation models—is unlocking tangible solutions for all stakeholders, from artists and galleries to collectors and wealth managers.

This section explores how technological tools, once peripheral, are becoming essential infrastructure for integrating art into broader wealth management. Collection management platforms are at the heart of this shift, acting as a gateway for aligning cultural assets with estate planning, risk management and financial reporting. As discussed in Section 3 and specifically in the Speakart article (page 242), these tools form a critical foundation for treating art as a managed asset within HNW portfolios.

The journey has been incremental but clear. From the 1980s' digital design experiments to the 2000s' rise of online marketplaces and the 2010s' explosive impact of non-fungible tokens (NFTs), each decade has layered new possibilities onto the art market. Most recently, the rise of multimodal AI, blockchain-enabled digital product passports, and secure asset tokenization platforms signals a maturing infrastructure poised to rival that of other luxury collectible sectors.

The key question is no longer about the tools themselves, but about their adoption. The EU's Digital Product Passport (DPP) initiative has spurred interesting developments, such as the Aura Blockchain Consortium in Switzerland, which uses blockchain to standardize authenticity, enable secondary sales, and track sustainability. Today, more than 50 member brands and more than 50 million luxury objects are on the Aura blockchain.[299]

Could the visual arts develop a parallel system? Innovators such as Numeraire Future Trends in Abu Dhabi are already testing this possibility, using non-invasive AI fingerprinting to create immutable digital identities for physical artworks.

The promise of this technology is not only to safeguard cultural value but to future-proof it, bridging the worlds of art and finance through better data, secure ownership models, and scalable infrastructure. As younger, digitally native collectors gain influence and global wealth management seeks new asset classes, the integration of technology into art wealth management is not just inevitable; it is foundational to the future of both industries.

Technology has been transforming the art market for years, as illustrated in Figure 179's detailed timeline of the art market's phases of technological development.

Figure 179: Art and technology development timeline

Source: eBuddy, Deloitte's AI tool.

1980s

Initial Digital Influence

- **Introduction of digital tools:**
  Early digital arts tools and software start appearing, enabling digital illustration and design.
- **Computer-aided art:**
  Artists begin experimenting with computer-aided designs and graphics, setting the stage for digital art.

1990s

Emergence of the Internet

- **Online art platforms:**
  Early websites and online galleries begin to surface, providing broader accessibility to art.
- **Digital art growth:**
  With better software, digital art starts gaining traction as a legitimate form of creative expression.

2000s

Expansion of online galleries

- **Rise of e-commerce in art:**
  Platforms like eBay and Amazon start facilitating art sales online.
- **Specialized art websites:**
  Dedicated art marketplaces such as Saatchi Art and Artsy emerge, offering artists more visibility.
- **Social media integration:**
  Artists increasingly use platforms like MySpace and Facebook to promote their work.

2010s

Blockchain and NFTs revolution

- **Introduction of blockchain:**
  Blockchain begins transforming art transactions, ensuring secure ownership and provenance tracking.
- **Emergence of NFTs:**
  Non-fungible tokens become popular, leading to the digital art boom and new avenues for artists to monetize their work.
- **Virtual reality art exhibitions:**
  VR technology allows immersive experiences and interactive virtual tours.

2020s

Artificial intelligence and enhanced digital experiences

- **Online exhibitions:**
  The COVID-19 pandemic accelerates the shift to online art exhibitions and virtual gallery tours.
- **AI in art creation:**
  AI tools such as DeepArt.io and GANs start generating art, leading to new collaborations between AI and artists.
- **Automated art market tools:**
  Machine learning assists in art valuation, trend analysis, and market predictions.

This ongoing convergence of technology and the art world continues to unlock new possibilities for how art is created, shared, experienced and valued. As emerging innovations reshape the ecosystem, this transformation remains fluid, adaptive and far from complete.

Examples of industry initiatives

CASE STUDY: AURA BLOCKCHAIN CONSORTIUM

The EU's DPP initiative has ignited major innovation across the luxury sector. One of the most significant outcomes is the Aura Blockchain Consortium, a non-profit based in Switzerland.

Established by leading luxury groups, including LVMH, Prada Group, Cartier (Richemont), OTB Group and Mercedes-Benz, Aura's mission is to create a unified, open blockchain protocol tailored to the luxury industry. It aims to enhance transparency, traceability and trust across the product lifecycle while elevating customer experience.

Today, the Aura Blockchain Consortium includes more than 50 member brands and secures the digital identities of more than 50 million luxury products on-chain.[300] These brands benefit from a range of functionalities enabled by Aura's decentralized, permissioned infrastructure, including:

1. Creating a unique digital identity for each product to prevent counterfeits;
2. Facilitating seamless ownership transfer and streamlining the resale process;
3. Building customer trust by tracking the entire supply chain, from raw materials to the final product:
4. Engaging customers with innovative Web3 approaches through digital collectibles;
5. Enhancing corporate social responsibility (CSR) and sustainability initiatives by leveraging blockchain technology; and
6. Unlocking the power of NFTs and soulbound tokens (SBTs), opening the door to a world of creative potential and customer relationship management (CRM) optimization.[301]

Fluid Contact
Marta Djourina - 2023-ongoing, exposure on analogue photo paper with sunlight and the water of the river Seine in-situ in Paris, unique, 40 x 30 cm

This section brings together the most insightful expert voices from leading art-tech, advisory and scientific institutions to explore how digital innovation is reshaping the intersection of art, technology and wealth management.

Further insights are provided in Section 3, on page 242 from Angelica Maritan, CEO of Speakart, and on page 240 from Doreen Dawang, VP Ecosystems Analysis at Wondeur AI. Their articles demonstrate how technology can facilitate the integration of art wealth into broader wealth management strategies.

For this year's report, we have divided this section into the following three parts:

PART **01**

Survey findings 2025
This section examines how key art and finance stakeholders—wealth managers, art professionals and collectors—view the impact of technology on the art market. We explore whether it can catalyze further adoption and growth in art and wealth management services.

PART **02**

Data and AI
As AI becomes more advanced, so too have companies' ambitions to embrace these innovative technologies—a trend mirrored in the art market. This part provides an overview of new developments and applications of AI, showing how technology can assist and address some of the art market's most pressing challenges.

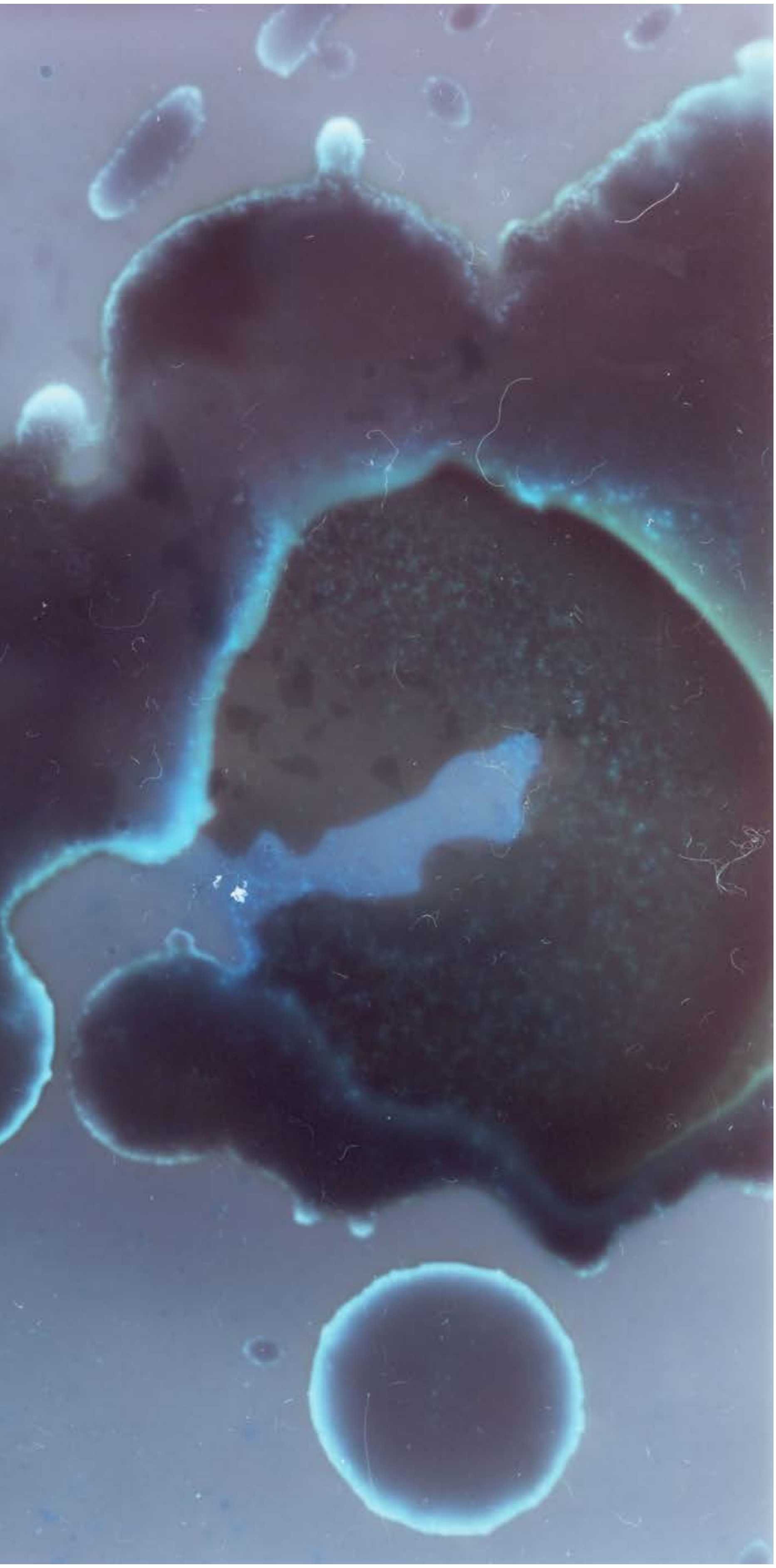
The algorithmic reality: Exploring AI's influence and impact on the art world

This article argues that AI is rapidly transforming the art world, from its role in creation to its impact on the market. It shows how AI is democratizing art and creating new possibilities for artists, while also raising important ethical questions about its use.

By Devang Thakkar,
Global Head of Christie's Ventures

PART **03**

Implications for wealth managers



PART **01**

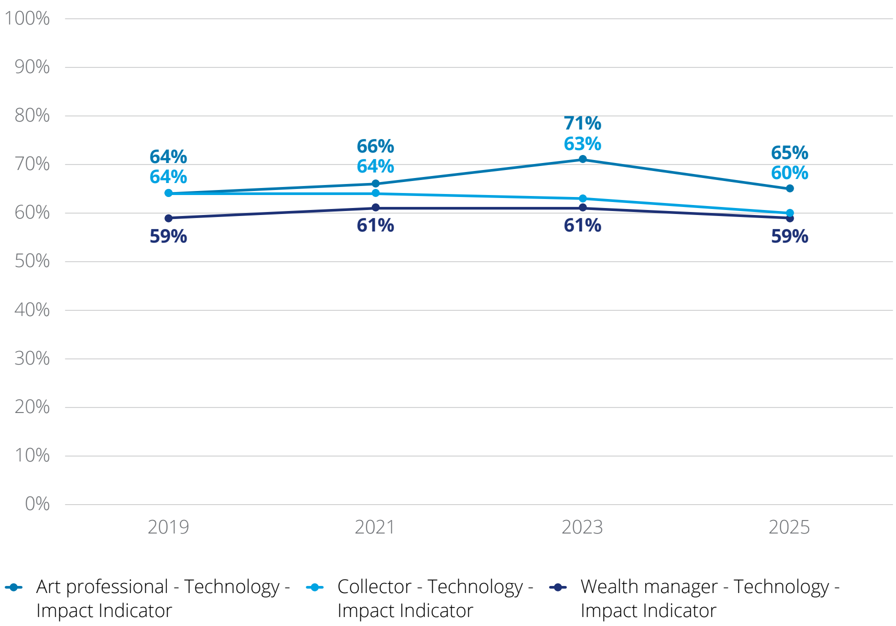
Survey findings 2025

A

Role and impact of technology in the art and wealth management industry

Figure 180: All stakeholders: Technology impact indicator 2019–2025 (average of key areas where online art businesses and new technology could make an impact)

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Since 2019, the technology impact indicator remained relatively stable, **highlighting a strong, consistent belief among stakeholders in technology's power to influence the art market and the art and wealth management industry.** The indicator, an average measure of 12 key areas,[302] averaged 60% for wealth managers, 65% for art professionals, and 60% for collectors. While enthusiasm peaked in 2023, this year's responses suggest a more measured outlook, possibly due to slower adoption rates and deteriorating art market conditions since 2023.

Stakeholders see the greatest impact in areas that address the art market's core weaknesses. Technology is expected to improve valuation accuracy, enhance transparency and broaden access, particularly among younger, digital-native audiences. Promising applications also include provenance, traceability and art education via digital platforms. However, optimism is fading for technology's role in boosting market liquidity, reducing costs, driving investment demand and enabling regulation.

Overall, the findings suggest a shift from early optimism to a more realistic understanding of what technology can and cannot achieve in reshaping the art and wealth management landscape.

Key areas of impact

Improving valuation: As price discovery remains fragmented and often opaque, 60% of collectors in 2025 believed that technology would bring greater objectivity and reliability to art and collectible valuations. This view was widely shared by 68% of wealth managers and 74% of art professionals, who see digital tools, including data-driven analytics, AI and machine learning, as key to improving valuation accuracy.

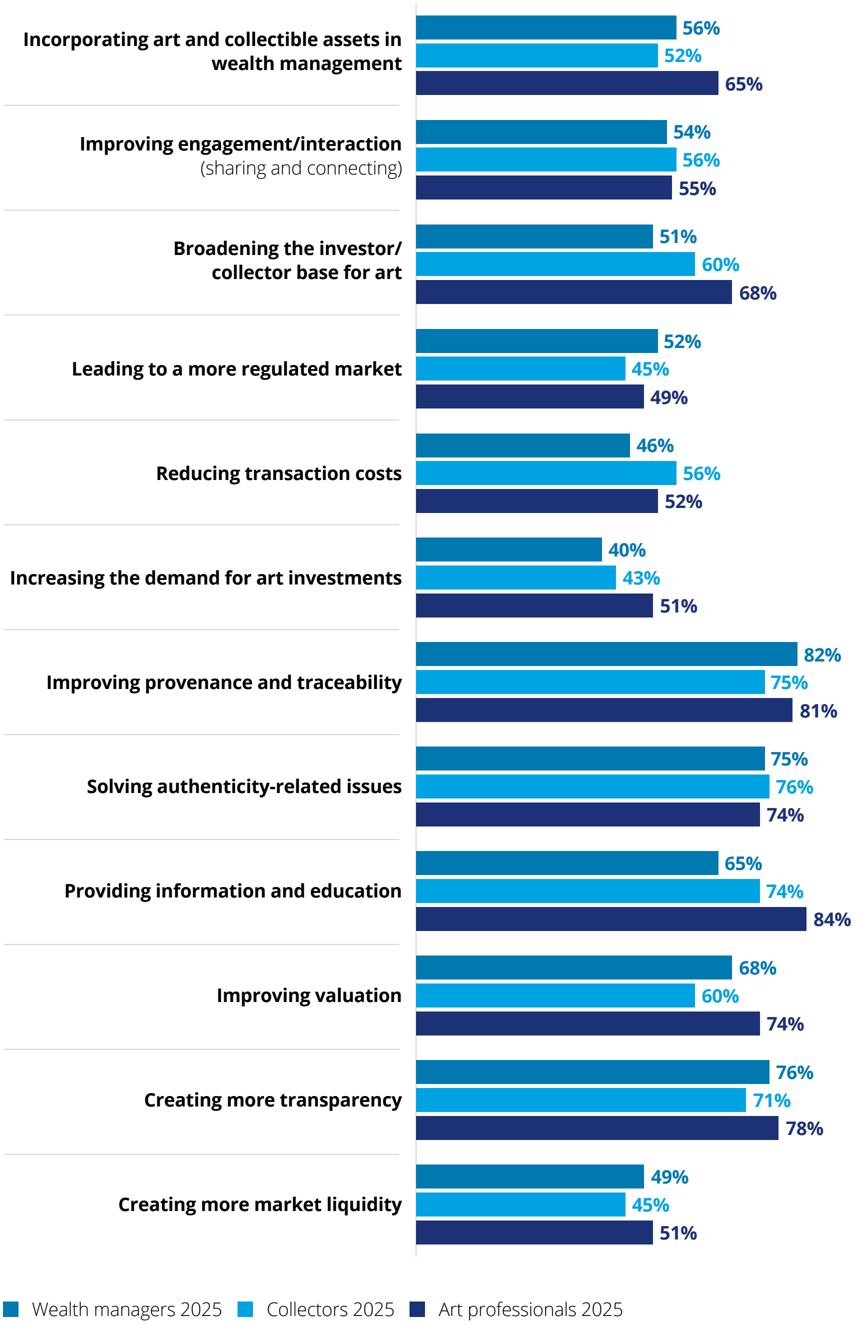
Broadening the investor/collector base: Technology is seen as a powerful tool to make the art market more visible and inclusive. In 2025, 60% of collectors and 71% of next-gen collectors believed technology would broaden market access, a view shared by 51% of wealth managers and 68% of art professionals. Innovations like online platforms, fractional ownership models and blockchain-based art investment vehicles are expected to lower entry barriers and attract a new generation of investors and collectors, helping to diversify and expand the traditional base of HNW buyers.

Transparency: Among all stakeholders, transparency remained the area where technology is expected to have the greatest impact. Seventy-eight percent of art professionals (slightly down from 83% in 2023) said technology had the potential to increase transparency in the art market, while collectors (71%) and wealth managers (76%) showed similar views.

Authenticity, provenance and traceability: In 2025, a significant majority of respondents believed technology would address long-standing issues around authenticity, with 74% of art professionals, 75% of wealth managers and 76% of collectors affirming this view. In addition, 81% of art professionals, 82% of wealth managers and 75% of collectors believed technology would address issues around traceability, identification, attribution, title and ownership.

Figure 181: In which key areas could online art businesses and new technology make an impact?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Fluid Contact
Marta Djourina - 2023-ongoing, exposure on analogue photo paper with sunlight and the water of the river Seine in-situ in Paris, unique, 40 x 30 cm

CASE STUDY

SQARES AG, a Swiss system architect with four years of experience in financial technology, is developing a regulated blockchain infrastructure for digital securities.

Its new initiative, SQARES ART, aims to offer its technology to art storage facilities to inseparably link physical high-value artworks with digital ownership records. Each artwork receives a unique identifier that acts like a digital fingerprint, allowing trading through certificates while the original works remain safely stored.

SQARES ART recently completed the first test phase of the tool in a German bonded warehouse.

Education and knowledge: Art professionals increasingly see technology and digital platforms as key enablers for providing education and knowledge, with a rise in support from 80% in 2023 to 84% in 2025. This year, 74% of collectors said technology was likely to have the most impact on information dissemination, education and learning. This suggests collectors already value the ease with which they can access crucial information on artworks, artists, pricing and market trends, and anticipate this trend to strengthen in the future. It also points to the growing role of online content, webinars, virtual exhibitions and data platforms in empowering collectors and investors to make better-informed decisions.

Market liquidity and investment demand have declined. Confidence that technology would boost market liquidity dropped significantly among art professionals, from 65% in 2023 to 51% in 2025. A similar decline was seen among collectors (from 49% in 2023 to 45% in 2025), while wealth managers' optimism slightly increased (49% in 2025 compared to 47% in 2023). This suggests a growing skepticism about whether online art platforms can meaningfully improve resale dynamics or secondary market access. Likewise, the idea that technology would increase overall demand for art investments is losing traction. In 2025, collectors and wealth managers alike showed a steady decrease in confidence, perhaps signaling that broader economic forces, regulatory hurdles and limited investment infrastructure continue to hold back adoption.

Regulation, cost reduction and digital engagement also showed mixed results. Hopes that technology would help lead to a more regulated market are fading, especially among art professionals, where support fell from 64% in 2023 to just 49% by 2025. This suggests a recognition that true regulation will likely come from government-led initiatives or industry collaboration rather than technology alone. While collectors were more optimistic about tech reducing transaction costs (up from 46% to 56%), both art professionals and wealth managers were more skeptical. Digital engagement also seems to be leveling off since the virtual and online boom during the pandemic years, with fewer collectors (from 60% in 2023 to 56% in 2025) and art professionals (from 60% to 56%) believing that tech would meaningfully improve the way collectors interact with art online.

Lastly, while **the integration of art into wealth management** remains an important theme, support appears to be softening. Among wealth managers, belief in technology's impact in this area declined from 64% in 2023 to 56% in 2025, with collectors also showing a similar downward trend. This may reflect the ongoing challenges of transforming artworks into financial products that meet institutional standards of transparency, liquidity and regulatory compliance. Despite progress in tracking and portfolio tools, fully integrating art into mainstream wealth management strategies still faces significant hurdles.

The findings suggest a recalibration of expectations. While meaningful progress is being made in improving transparency, information access and authenticity, hopes for broader transformation in liquidity, regulation and investment growth are being tempered. The industry seems to be shifting from its initial enthusiasm toward a more realistic understanding of what digital transformation can, and cannot, accomplish in the near term.

Technological tools in the art and wealth management industry

As the intersection between art and wealth management deepens, a range of emerging technologies is being evaluated for its transformative potential. The latest findings show growing confidence in AI, big data and analytics, which are increasingly seen as essential for enhancing decision-making, valuation and predictive insight.

Collection management tools remain a top priority, underscoring their vital role in legacy and estate planning. Meanwhile, interest in risk management tools is also climbing, reflecting a broader awareness of financial and ownership-related risks. Enthusiasm for blockchain appears to be tapering, especially in its use as a traceability register or DeFi tool, suggesting concerns around complexity, adoption and relevance. DNA-based authentication remains a steady but cautiously endorsed area of innovation.

Together, these insights point to a maturing understanding of how technology can add value through practical, scalable and secure solutions.

The potential impact of tech tools on the development of art and wealth management services

In 2025, wealth managers showed growing acceptance of technology for integrating art into wealth strategies, particularly through collection management, AI analytics, and authentication tools like DNA tagging.

The average reading across the six technology categories[303] increased from 48% in 2023 to 55% in 2025, suggesting a turning point. Trust in practical technologies is rising, while more speculative applications like DeFi lag behind. This trend underscores a demand for transparent, data-backed and secure infrastructure to support art as a formal asset class.

The rise of AI, big data and analytics: This category showed the most significant projected growth in importance. Wealth managers' confidence notably rose from 48% in 2023 to 60% in 2025, while art professionals rated it even higher, with support increasing from 53% to 67%. This suggests that AI and analytics are increasingly seen as essential for enhancing decision-making, improving and automating valuations, and providing predictive insights in both financial and art-related contexts.

Collection management tools essential for legacy planning: Across all groups and years, collection management tools are the most consistently valued technology. In 2025, 69% of both collectors and art professionals saw these tools as impactful, with wealth managers not far behind at 65%. As discussed in Section 3, these digital solutions offer vital functionality for organizing, tracking and preserving art assets, making them especially relevant for estate planning and future transfer.

Figure 182: 2023: Which of the following technologies could have the most impact on the development of art and wealth management services?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025

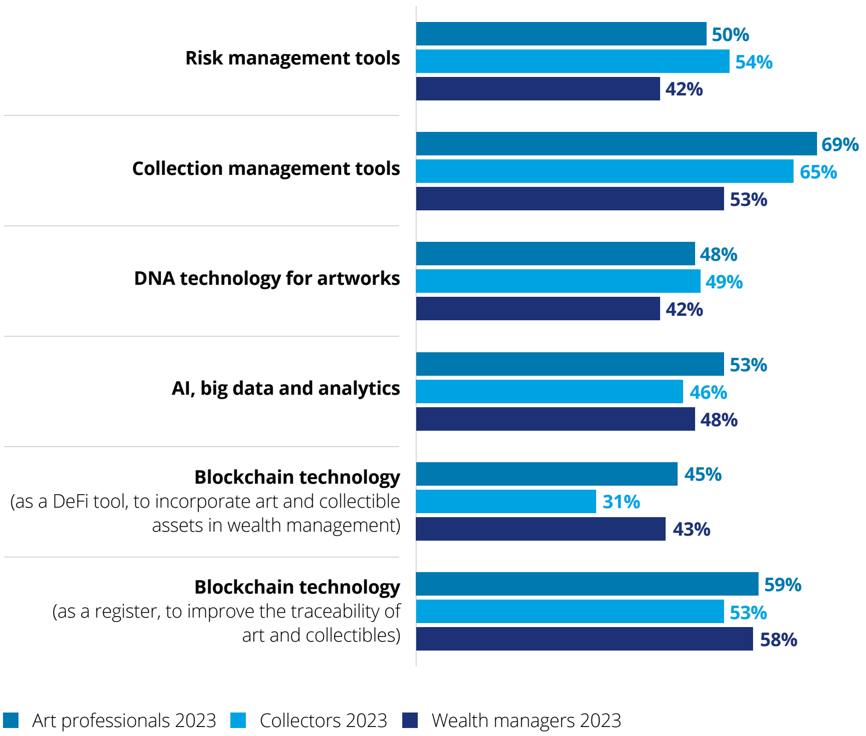


Figure 183: 2025: Which of the following technologies could have the most impact on the development of art and wealth management services?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025

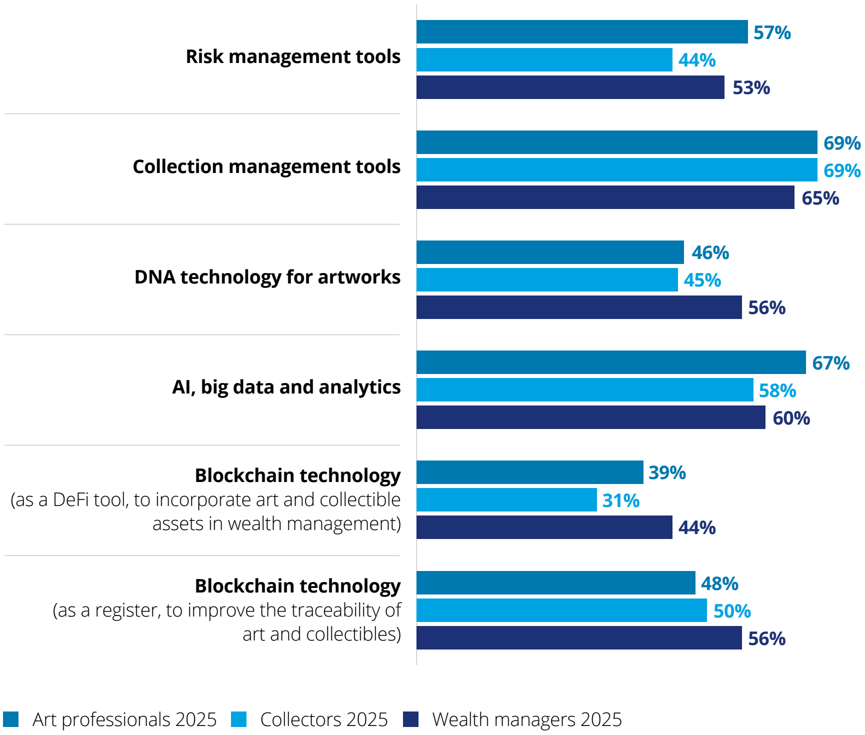
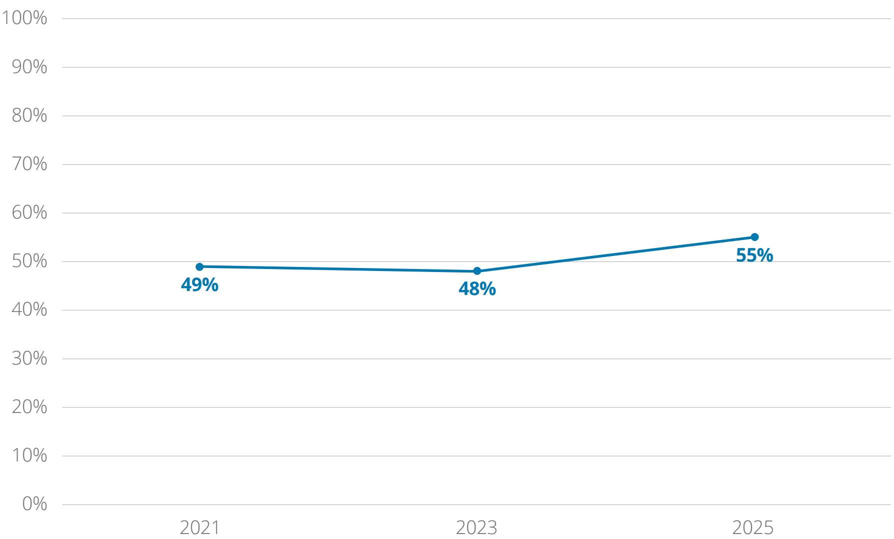


Figure 184: Wealth managers: Art and technology drivers
Source: Deloitte Private & ArtTactic Art & Finance Report 2025



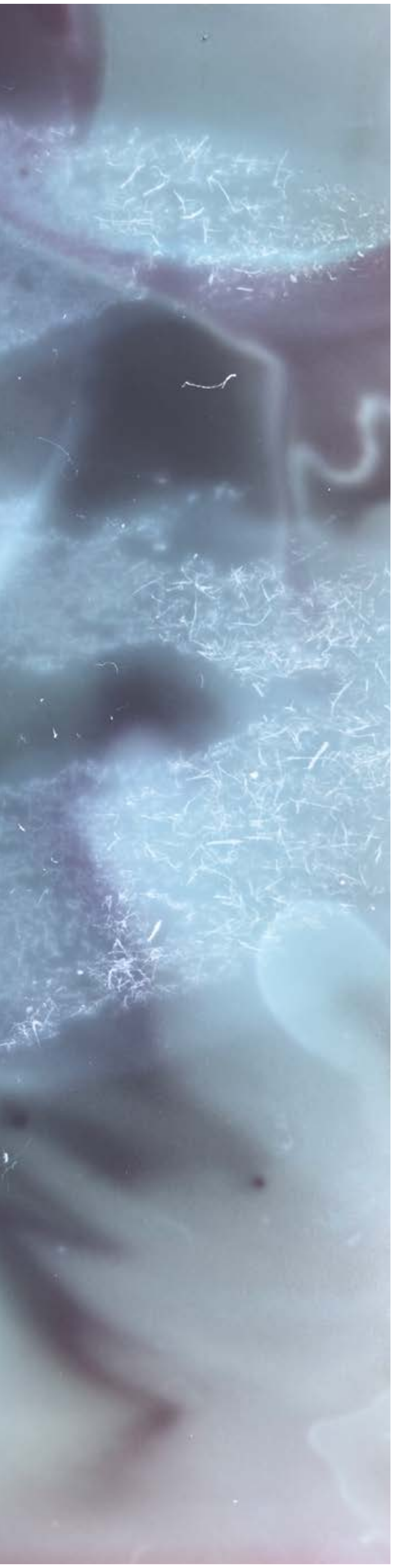
This is an average of the key technologies that could have the most impact on the development of art and wealth management service in Figure 183.

According to Angelica Maritan, CEO of SpeakArt (page 242 in Section 3), the evolution of collection management is not just a digital shift but an intelligent one. She notes that new platforms have evolved from passive databases into dynamic ecosystems that combine high-definition imagery, contextual data and custom reporting.

AI is playing an increasing role in this evolution by forecasting potential, identifying market trends, and automating administrative tasks. Meanwhile, encrypted cloud storage has transformed into vault-grade digital preservation, ensuring resilience against risks that plague physical documentation, such as fires, theft and natural disasters.

Maritan emphasizes that relying on physical records is no longer practical and the shift to digital records ensures that art remains secure, verifiable and accessible for generations to come. These platforms also facilitate seamless collaboration between stakeholders, offering tailored access rights and real-time data sharing, becoming a powerful foundation for future-proofing both individual collections and the broader art market.

While momentum is building, many family offices still face hurdles when implementing technology at scale. Only 43% of family offices are actively developing or rolling out broader technology strategies, signaling a slow but growing shift toward digital sophistication in collection management and other operations.[304]



Fluid Contact
Marta Djourina - 2023-ongoing, exposure on analogue photo paper with sunlight and the water of the river Seine in-situ in Paris, unique, 40 x 30 cm

Blockchain technology's dual role shows diverging value: Blockchain as a register for traceability remained moderately valued, but its support declined among all groups in 2025. Wealth managers' confidence dropped from 58% in 2023 to 56% in 2025, art professionals' from 59% to 48%, and collectors' from 53% to 50%. This suggests that while the concept remains highly relevant, slow adoption, technical complexity and regulatory uncertainties are dampening confidence, especially for institutions and professionals seeking seamless, scalable tools.

Blockchain as a DeFi tool: This application has consistently seen lower levels of perceived impact, holding steady at just 31% for collectors. While wealth managers showed slight growth (from 43% in 2023 to 44% in 2025), its niche appeal suggests skepticism about DeFi's real-world integration in this space. While blockchain-based DeFi tools offer innovative possibilities for integrating art assets into wealth management, significant hurdles such as regulatory challenges, security concerns and market volatility currently limit their adoption. Addressing these challenges will be crucial for broader acceptance. (See Section 6 for recent developments in blockchain-based DeFi tools for fractional investment in art.)

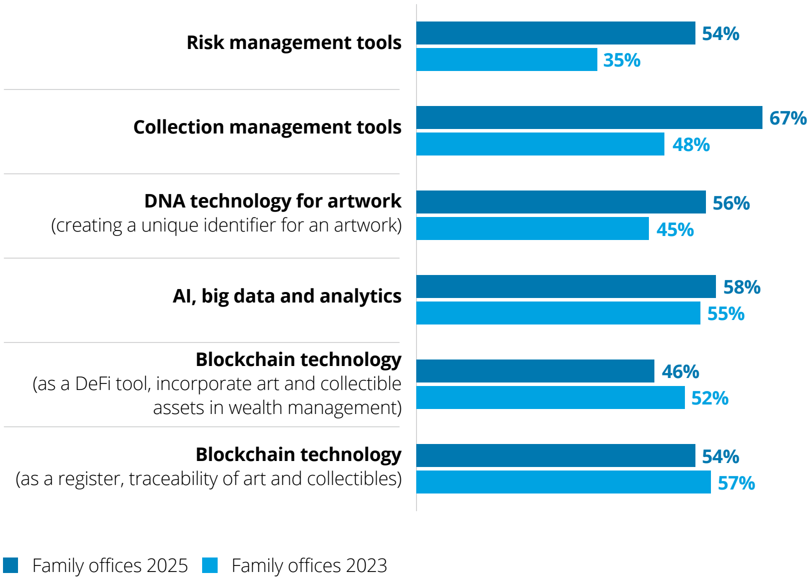
Steady belief in DNA technology for artworks: DNA technology for authentication and provenance remained relatively stable across all respondent groups. Wealth managers showed increased support, from 42% in 2023 to 56% by 2025, possibly reflecting a growing emphasis on authenticity verification. However, this growth was not as strong among collectors (45%) and art professionals (46%), who appear more cautious.

Growing interest in risk management tools: Though starting from a lower base, confidence in this area noticeably increased in 2025, especially among wealth managers (from 42% in 2023 to 53%) and art professionals (from 50% to 57%). This likely correlates with increasing awareness of the financial risks associated with art as an asset class, including market volatility, provenance disputes and insurance concerns. AI can play a vital role here by enabling predictive risk analytics, flagging potential market risks, detecting irregularities in provenance documentation, and optimizing insurance coverage.

B Family office perspectives

Figure 185: Family offices: Which of the following technologies/tech-trends could have the most impact on art and wealth management services in the next two to three years?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Between 2023 and 2025, family offices recalibrated their technological focus in art and wealth management, shifting from speculative innovation toward more practical and applied solutions.

While interest in **blockchain for traceability** dipped slightly from 57% to 54%, the majority still viewed it as a meaningful technology for the near future. However, the perceived impact of **blockchain as a DeFi tool** declined more notably, from 52% to 46%, indicating growing skepticism around its immediate utility and regulatory maturity.

AI, big data and analytics gained momentum, rising from 55% to 58%, reflecting family offices' growing appreciation for tools that enhance valuation accuracy, market insight and decision-making efficiency.

Two of the most significant increases point to a deeper structural shift. Interest in **DNA technology** for creating secure, unique identifiers for artworks jumped from 45% to 56%, underscoring a growing concern with authentication and provenance. Similarly, support for **collection management tools** surged from 48% to 67%, revealing a major push to digitize inventories, streamline documentation, and improve integration with broader estate planning and wealth strategies.

Finally, **risk management tools** also saw a notable rise, from 35% to 54%, aligning with the broader wealth management emphasis on control, downside protection and long-term planning.

Together, these findings suggest that family offices are prioritizing technologies that offer tangible and immediate value, helping them transform art assets into a structured, professionally managed component of their diversified wealth portfolios.

c Next-gen perspectives

Next-gen and the role of technology

Figure 186: Next-gen collectors: In which key areas could online art businesses and new technology make an impact?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

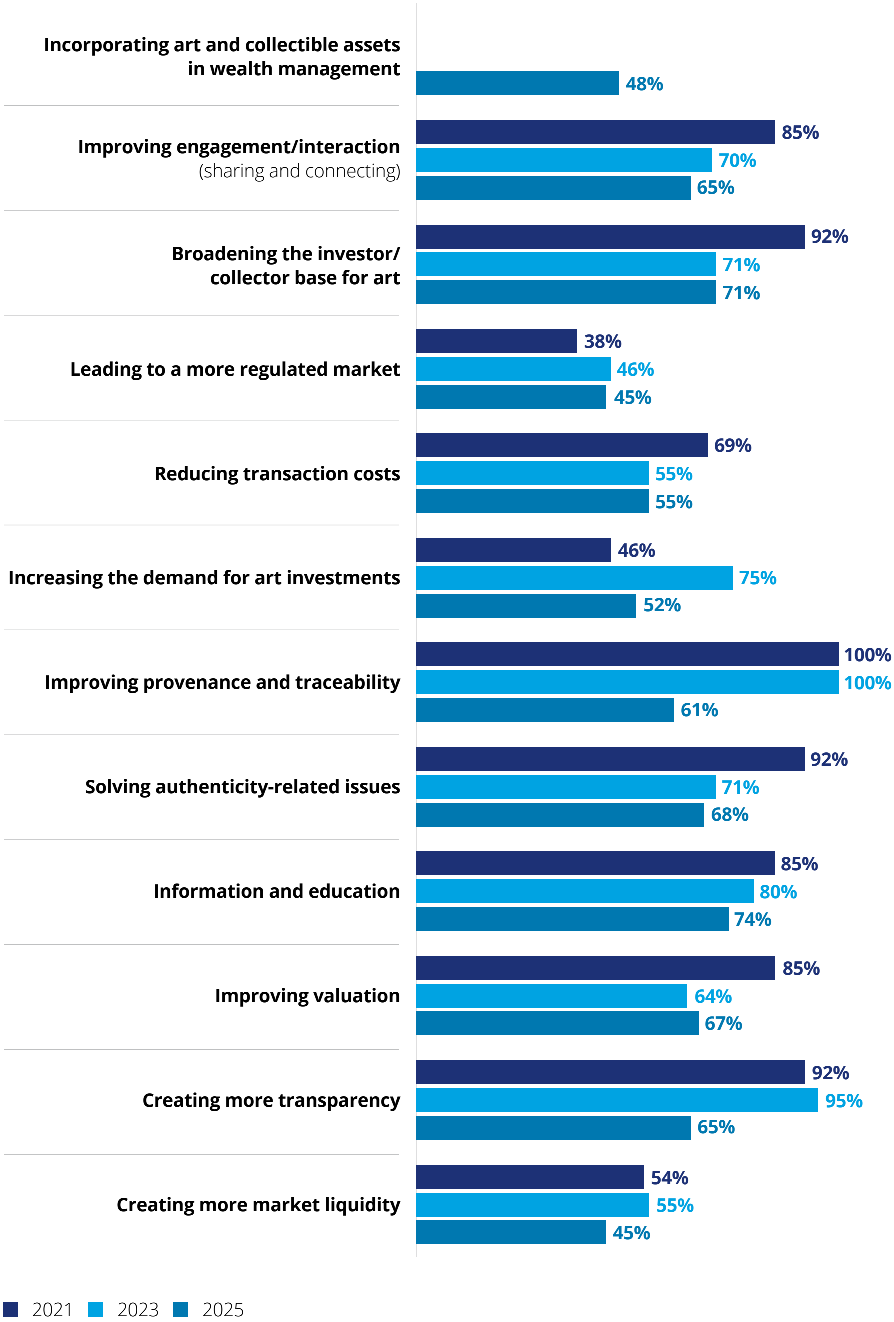
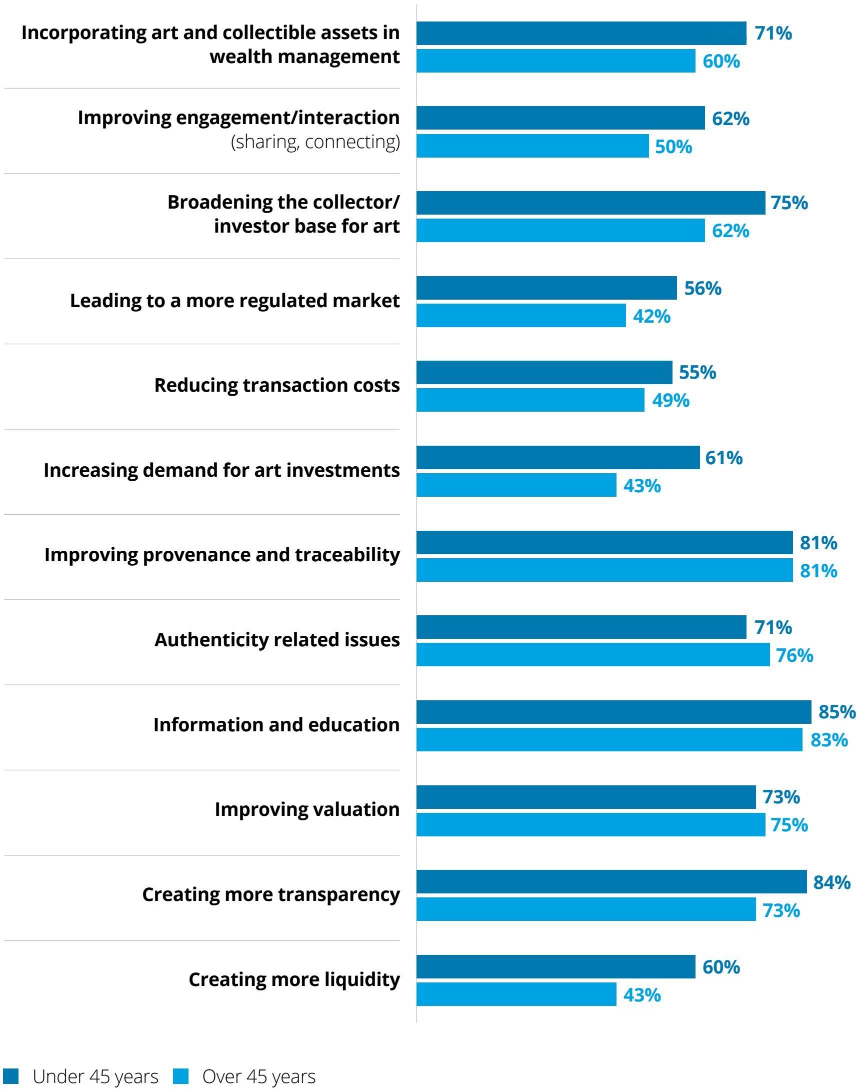


Figure 187: Younger versus older art professionals: In which key areas could online art businesses and new technology make an impact?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Over the past several years, next-gen collectors, typically a digitally fluent group, have become increasingly influential in the art market. Their expectations around technology and online engagement have helped reshape how art is bought, valued and understood. However, data from 2021, 2023 and 2025 suggests that while they remain broadly optimistic about technology's role, their views are becoming more nuanced and, in some cases, more skeptical.

The next-gen collector technology impact indicator[305] fell from 71% in 2023 to 60% in 2025. In comparison, next-gen art professionals continued to show strong support for technological innovation, with a technology impact indicator of 69%. While early enthusiasm focused on transparency, provenance and valuation, priorities are now shifting toward education, engagement, broader accessibility and market transparency.

From transparency to tangibility: While transparency was once seen as the most promising area for tech disruption among next-gen collectors (92% in 2021, peaking at 95% in 2023), that belief dropped to 65% by 2025. Conversely, younger art professionals' belief remained high at 84% in 2025, suggesting that professionals still view increased transparency as a critical technological benefit, even as collectors' expectations cool.

Provenance and traceability: Next-gen collectors' support for technology's role here fell sharply from 100% in 2021 and 2023 to just 61% in 2025. Despite this dip, 81% of younger art professionals continued to rate this as a high-impact area, underscoring ongoing optimism that digital tools, such as blockchain and secure databases, can help resolve long-standing issues around authenticity and title.

Information and engagement still important: Education and access to information remained key areas of alignment. Over 70% of next-gen collectors in 2025 still viewed digital tools as vital for accessing artist data, market trends and price histories. This was supported by 85% of younger professionals in 2025, who also saw these tools as essential to market participation and decision-making. Similarly, 65% of collectors and 62% of younger professionals believed technology enhances engagement and interaction through digital platforms, immersive experiences and community tools.

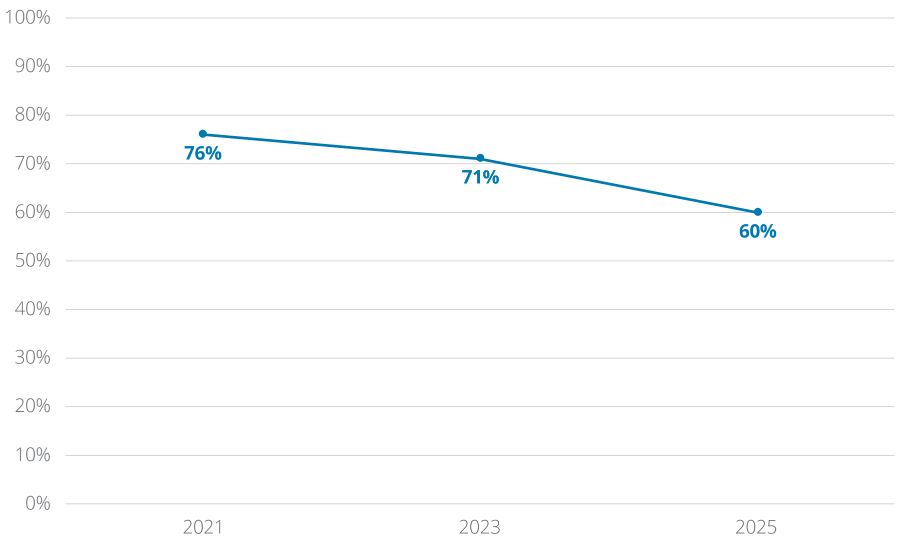
Investment value viewed with caution: Confidence in technology's ability to drive demand for art investments has declined. Among next-gen collectors, this belief fell from 75% in 2023 to 52% in 2025, with just 45% seeing it as a way to increase liquidity. Younger art professionals remained more confident, with 61% believing tech could stimulate demand, and 60% seeing potential for greater market liquidity, suggesting a continued push to align art with broader investment strategies and platforms.

Broadening access remains a shared priority: One area of consistent optimism is technology's potential to broaden the collector and investor base. In both 2023 and 2025, 71% of next-gen collectors believed digital tools could democratize the art market. Among younger art professionals, support was even stronger at 75%. Both groups see digital platforms as key to improving visibility, inclusion and participation, especially among younger, more diverse audiences.

Next-gen collectors and younger art professionals continue to view technology as a powerful agent of change in the art market. However, their expectations are evolving to reflect a more grounded, experience-based approach to digital transformation, one that values depth, inclusivity and long-term impact over early buzz.

Figure 188: Next-gen collectors: Technology impact indicator

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



This is an average of the key areas that online art businesses and new technology could have the most impact – see Figure 187.

From hype to practical technologies

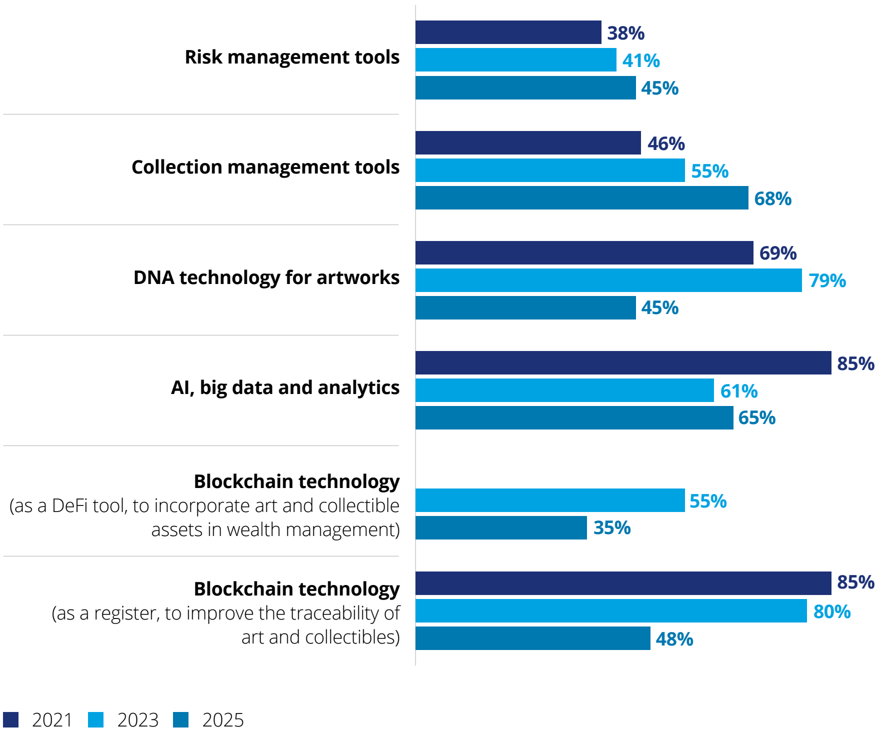
As technology continues to redefine industries, the art and wealth management space is witnessing a generational shift in priorities and expectations. This part explores which technologies next-gen collectors and art professionals believe will shape the future of art and wealth management over the next two to three years.

While initial enthusiasm around blockchain and DNA-based authentication has waned, there is growing traction for AI, analytics and collection management tools—technologies viewed as offering practical, strategic value. These evolving attitudes highlight a maturing outlook, where innovation is measured not just by novelty, but by its ability to support transparency, efficiency and long-term asset stewardship in a changing wealth landscape.

Blockchain technology: In 2021, 85% of next-gen collectors embraced blockchain technology as a means to enhance traceability, believing it could significantly impact the art world. By 2025, that confidence had dropped to just 48%. A similar trend was evident for blockchain as a DeFi tool: interest peaked at 55% in 2023 but fell to 35% in 2025. While initially hailed as a breakthrough for transparency and liquidity, blockchain's slow industry adoption, regulatory uncertainty and complex infrastructure have tempered expectations, particularly among a generation used to seamless, intuitive tech. Notably, next-gen art professionals showed slightly more sustained interest, with 55% valuing blockchain for traceability and 48% for DeFi. This suggests their optimism is higher than that of collectors', though both groups are growing more cautious.

Figure 189: Next-gen collectors: Which of the following technologies could have the most impact on the development of art and wealth management services?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

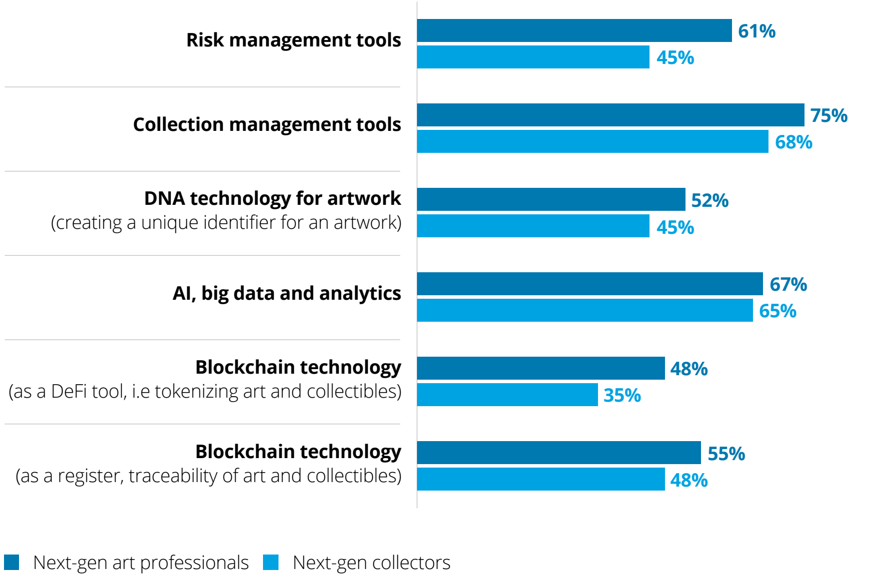


AI, big data and analytics: In contrast, enthusiasm for AI proved more resilient. After a dip from 85% in 2021 to 61% in 2023, support among next-gen collectors rebounded to 65% by 2025. Their renewed interest stems from AI's potential in valuation, fraud detection and portfolio analysis (see also Part 2 on AI and its role in the art and wealth management industry). This trend was echoed strongly by next-gen art professionals, 67% of whom saw AI as the most impactful technology in the near term, reflecting a shared belief that intelligent, data-driven systems will play a central role in future decision-making.

Collection management tools: Perhaps the most compelling shift has occurred in this area. Among next-gen collectors, support surged from 46% in 2021 to 68% in 2025, elevating these tools from logistical aids to core infrastructure for legacy planning and estate integration. This reflects a maturing mindset where collecting is no longer just about acquisition, but long-term stewardship. Next-gen art professionals were even more enthusiastic, with 75% rating these tools as important.

Figure 190: Next-gen collectors versus art professionals: Which of the following technologies do you think could have the most impact on art and wealth management services in the next two to three years?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



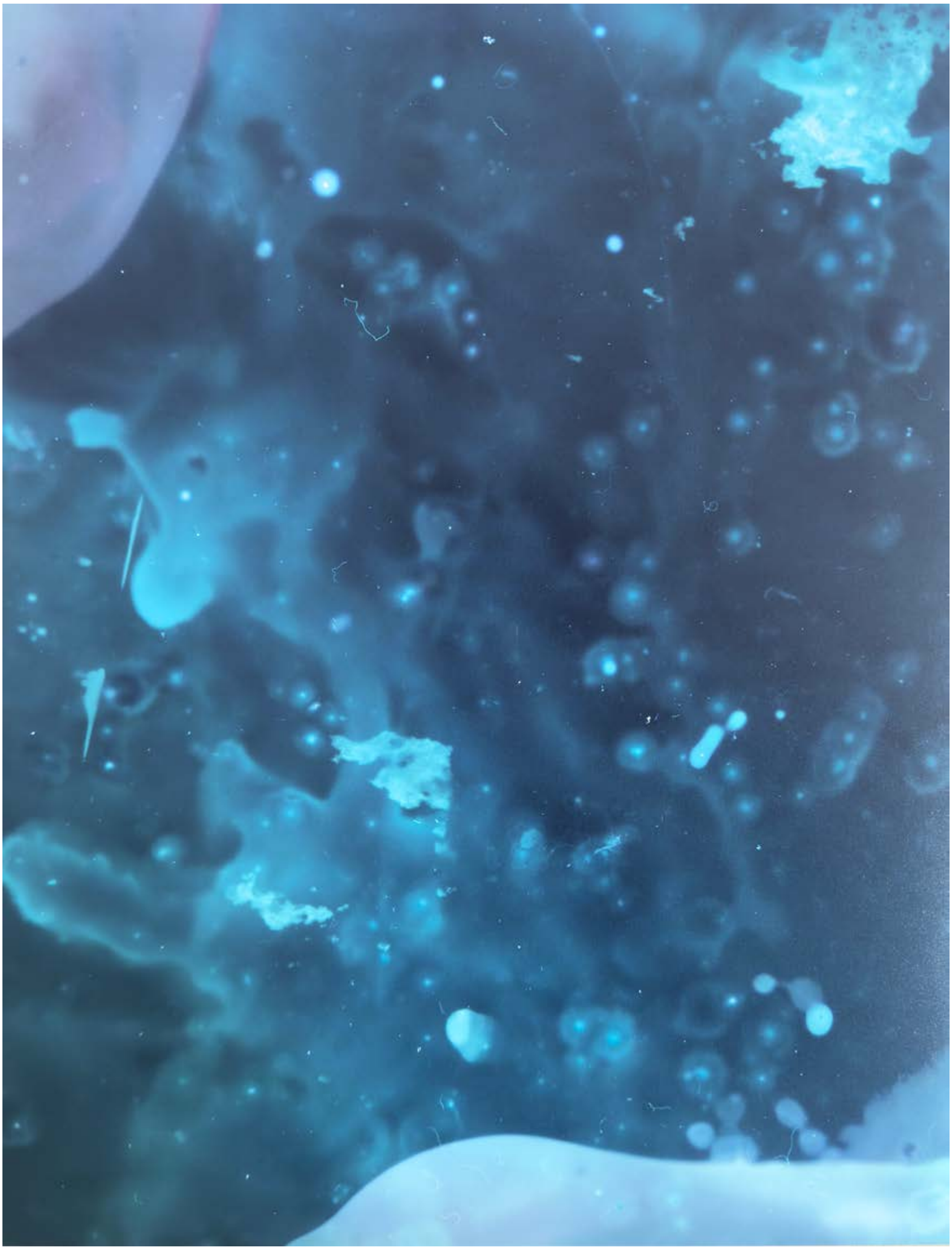
Authentication technologies: DNA-based authentication lost momentum among next-gen collectors, falling from 79% in 2023 to just 45% in 2025. Concerns include fragmented implementation, the lack of industry standards, and doubts over scalability. Still, 52% of next-gen art professionals continued to see potential, signaling that while collectors grow more skeptical, professionals remain cautiously optimistic about future breakthroughs in authentication.

Risk management tools: Historically a lower priority, these tools gained recognition among next-gen collectors as their collections grew in value and complexity. Support increased from 38% in 2021 to 45% in 2025, signaling increased awareness of risks related to market volatility, insurance and authenticity. This was reinforced by 61% of next-gen art professionals placing strong emphasis on these tools, perhaps reflecting professional experience with asset protection and risk protocols.

The attitudes of next-gen collectors and younger art professionals reveal a generational recalibration: from early excitement over disruptive technologies like blockchain to a more pragmatic embrace of tools that deliver measurable strategic value. Technologies like AI and collection management platforms are gaining traction due to their real-world applications and integration potential. Meanwhile, enthusiasm for blockchain and DNA-based tools is softening, as doubts persist about their scalability and regulatory clarity.

As Devang Thakkar's contribution points out (page 476), art businesses must embrace AI and innovation as they prepare for the next generations of collectors, especially as millennials and Gen Z are set to receive an unprecedented transfer of wealth by 2048. Their digitally native preferences and values are poised to reshape the art market; not just through efficiency and personalization expectations, but also through openness to new concepts like fractionalization and tech-enabled ownership.

Therefore, the future of art and wealth management will not be shaped by innovation alone, but also by how well technology aligns with the expectations of a digitally fluent, asset-conscious generation.



Fluid Contact
Marta Djourina - 2023-ongoing, exposure on analogue photo paper with sunlight and the water of the river Seine in-situ in Paris, unique, 40 x 30 cm

PART **02**

Data and AI

AI in art and wealth management

The *Deloitte Tech Trends 2025* report posits that AI will soon become so ubiquitous that it will be a part of the unseen substructure of our daily lives, like electricity. We will not "use" AI; we will simply experience a world where things work smarter, faster and more intuitively, a world of algorithms so seamlessly integrated they feel like magic. It will become the foundational layer for business and personal growth, quietly humming in the background to optimize traffic, personalize healthcare and enhance education.[306]

AI is no longer a distant concept in the art market and within art and wealth management; it is rapidly becoming a practical tool with transformative implications. This year's survey of collectors, art professionals and wealth managers reveals a strong and growing consensus around AI's potential to revolutionize market intelligence, valuation accuracy and risk management.

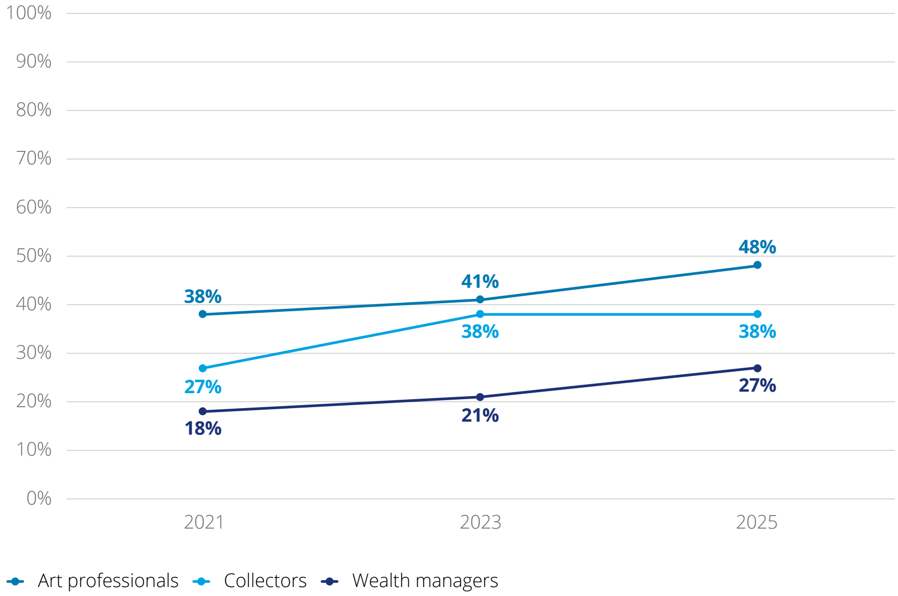
Yet, adoption is not without friction: trust in the underlying art market data remains low. In 2025, only 27% of wealth managers, 38% of collectors and 48% of art professionals expressed a high level of trust, a finding further discussed in Section 8. For wealth managers in particular, this persistent skepticism (73% report low trust) continues to constrain AI's full integration into wealth strategies.

As a result, AI systems must do more than predict trends; they must prove their transparency, reliability and data integrity to gain institutional confidence.

Further, as AI's capabilities in valuation and portfolio oversight advance, stakeholders are signaling a strong preference for human-AI collaboration over full automation. Wealth managers, in particular, favor augmented intelligence

Figure 191: What level of trust do you have in the art market data (qualitative and quantitative) that is currently available (% of respondents saying "high" or "very high")?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



models that enhance, rather than replace, expert judgment. This highlights the growing expectation that AI tools be not just sophisticated, but also auditable, explainable and aligned with regulatory standards.

The data also reveals important generational and professional distinctions. Next-gen collectors and younger art professionals are particularly focused on AI's potential for personalization, digital engagement and operational efficiency. In contrast, wealth managers continue to prioritize AI's capacity to improve decision-making, manage risk and drive performance.

As AI continues to mature, these findings suggest that its impact will depend less on technical innovation alone and more on its ability to address the specific priorities and realities of the stakeholders it is designed to serve.

Examples of recent developments

AI and authentication

Art recognition

AI is becoming a core tool in art authentication worldwide. Companies like Art Recognition now deliver high accuracy through AI systems trained on curated datasets. As a part of its continued growth, Art Recognition recruited art crime expert and Pulitzer Prize finalist Noah Charney as an advisor in 2025.[307]

In December 2024, a significant milestone was reached when the Swiss auction house Germann Auktionen successfully sold a painting authenticated solely by AI.[308] This landmark event demonstrated growing market confidence and marked a turning point where AI tools are no longer seen solely as academic exercises, but as meaningful contributors to real-world art transactions.

From a technical perspective, a long-standing challenge has been the need for large training datasets, often requiring over 100 images per artist. In 2025, the AI development team at Art Recognition overcame this limitation with latent augmentation.

This method turns each image into a series of numbers or “digital fingerprints”, which can be mixed to create new examples for the AI to learn from, even if those new images do not actually exist. Thanks to this, the AI can now be trained even with a limited number of real images, as is the case with Vermeer, who left behind just 28 known paintings. Together, these advancements reflect a broader shift in the industry.

The growing role of AI in authentication must be balanced with transparency, reliable data sources, and collaboration with human experts to ensure both scientific rigor and market trust.

ArtDiscovery

ArtDiscovery is a company using science, AI, provenance research and connoisseurship to say one thing with confidence: this artwork is, or is not, what it claims to be.

ArtDiscovery has introduced the world’s first art authenticity guarantee, underwritten by a major insurer with an A+ rating from AM Best. This endorsement is the culmination of years of research and development, leveraging a unique methodology that combines traditional connoisseurship and provenance research with advanced scientific analysis and AI. Together, these tools allow ArtDiscovery to reach levels of certainty that were not previously possible.

At the core of this process is ArtDiscovery’s reference infrastructure—likely the world’s largest privately held library of historical pigments and binding media—and a database of materials and techniques from authenticated works. AI is used to detect patterns and similarities in materials and methods across artists, regions and periods.

ArtDiscovery has also developed AI brushstroke analysis tools, adapted from astrophysics, to provide an additional layer of analysis beyond what is available to the five senses, comparing any given work against an artist’s known hand.

Once a painting successfully passes this process, ArtDiscovery issues a certificate of authenticity. The certificate is unique because it is insured; a guarantee underwritten by its insurance partner.

This insured certificate has significant implications. For buyers and sellers, it provides an unbiased assurance at the point of transaction. For lenders, it addresses a long-standing gap: authenticity has historically been an uninsurable risk, limiting the use of art as collateral. By mitigating this risk, lenders can now offer more favorable non-recourse loans, supported by an A+ third-party credit.

The insurance covers the financial fallout of an error in an authenticity certificate issued by ArtDiscovery. For example, if a work authenticated as a Matisse and valued at £5 million were later scientifically proven to be a forgery or misattributed, the insurer would cover any resulting loss in value.

AI, valuation and risk management

Several innovative initiatives are emerging to enhance the valuation of artworks using AI. While not offering a traditional mark-to-market solution, they combine expert knowledge with technology to streamline and support the valuation process.

This approach allows for continuous monitoring of a collection's value, helping wealth managers more effectively integrate art assets into broader wealth management services, including art financing, estate planning and art insurance.

Overstone: The AI-powered art valuation and risk management platform

Overstone is one such company that provides independent measurements of art's financial indicators and risks. Their solution delivers quarterly valuations that combine AI-driven analysis with expert oversight, supporting informed decision-making across lending, insurance, reporting and risk management for collectors.

Their tool covers all major art and collectibles categories—including paintings, sculpture and classic cars—with an active secondary market and a value over £30,000. It is used to enable valuations at scale, rather than to replace specialists entirely.

Overstone is under the regulatory oversight of the Financial Conduct Authority (FCA) and is ISO27001 certified.

In 2024, a strategic partnership[309] between **Overstone and Cytora** enabled specialty insurers to access Overstone's art intelligence via Cytora's digital risk platform. This integration provides underwriters with richer insights into valuation, price trends, liquidity, and risks like condition and authenticity, ultimately improving risk evaluation and decision-making.

In Q4 2024, **Addepar integrated Overstone**[310] into its partner program, allowing users to dynamically integrate art collection valuations into the Addepar platform. Overstone's AI, combined with insights from experienced art specialists, enables users to monitor and optimize their art collections' financial value.

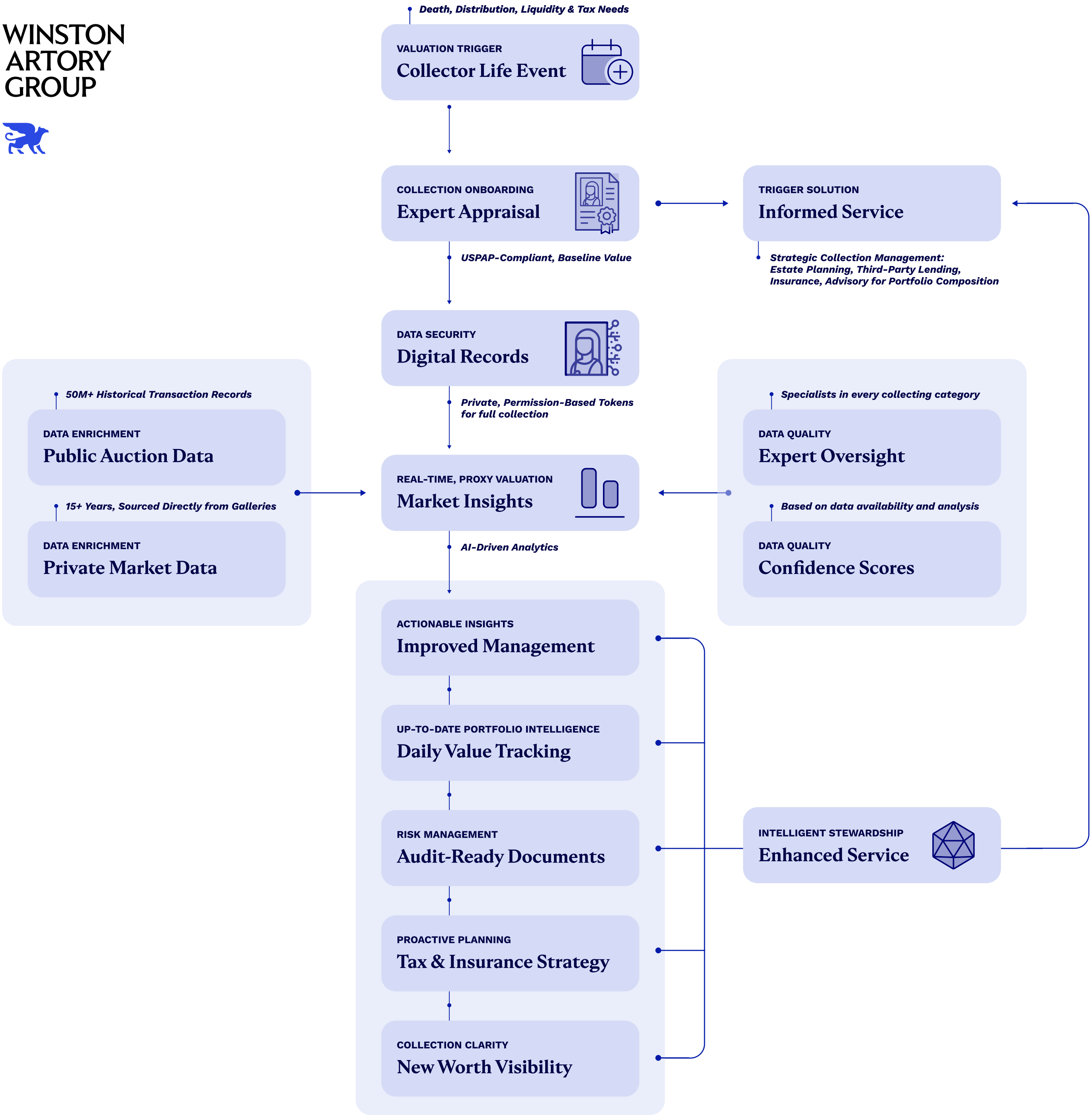
Winston Artory Group: Bringing "real-time" valuations to art and collectibles—A new frontier in private wealth strategy

Valuing art and collectibles is a persistent challenge for collectors and their advisors, as traditional appraisals are often infrequent and out of date. Winston Artory Group is addressing this with "real-time" valuations, a new approach designed to provide continuous, up-to-the-minute insights.

This new valuation model aims to offer meaningful benefits to multiple stakeholders. For wealth advisors, it provides a clearer, more holistic picture of a client's total net worth at any given time. Insurers gain audit-ready documentation for more accurate coverage, premiums and claims. And for collectors, this ongoing real-time data helps to identify opportunities for liquidity and planning, from strategic sales to loans and tax strategies.

Figure 192: Winston Artory Group's real-time valuation process

Source: Winston Artory Group



Real-time valuation in practice

Real-time valuation involves the ongoing, expert-supported tracking of an artwork's value, updated daily based on market activity. The process begins with a formal onboarding appraisal by experts compliant with the Uniform Standards of Professional Appraisal Practice (USPAP), which serves as a baseline for future updates. The company's proprietary due diligence tool instantly surfaces relevant comparable sales from its database, accelerating and strengthening the appraisal process.

From there, valuations are continuously updated using a combination of public auction results and an extensive dataset of private dealer transactions, which provide broader market visibility than publicly available data alone. For works with active secondary markets, confidence is highest. And for those with limited comparables, Winston Artory Group relies on proprietary dealer sale price data and flags the cases for expert review to ensure accuracy and consistency.

The system provides a valuation range rather than a single number, reflecting both market variability and a confidence score. All results are reviewed by senior appraisers who provide final judgment and market context. The system is designed to support and enhance expert-led processes, not replace them.

Winston Artory Group uses AI to enhance both the structure and analysis of its art market dataset, which aggregates historically inconsistent information from public and private sources. AI-powered routines standardize critical fields and apply a neural network-based model to forecast sale prices for art and collectibles. The model leverages both "tombstone" features (like size, medium, and artist identity) and derived features (like market momentum, auction frequency, and price volatility) to generate valuation ranges and confidence scores. Trained on a proprietary dataset of over 50 million records, the system enhances the expert workflow by identifying real-time market signals and trends.

Technology that enhances, not replaces, expertise

The platform uses a purpose-driven infrastructure to centralize and secure information collection. Through a private client portal, collectors and their advisors can monitor value changes, access appraisal records, and manage asset documentation. All data is securely stored, and access is permission-based, with clients retaining full control. While technologies like blockchain help ensure asset record integrity, the company prioritizes discretion, trust and client control above all.

Looking ahead

As private clients increasingly seek clarity across all asset classes, art and collectibles must evolve accordingly. Real-time valuations represent a key step, bringing transparency, auditability and financial utility to a market long governed by tradition and siloed information.

AI, blockchain and identification

Numeraire Future Trends: A digital product passport for cultural assets

Founded by a team with backgrounds at MIT, Stanford, and leading global financial and cultural institutions, Abu Dhabi–based Numeraire Future Trends addresses a critical challenge facing the art world today: preserving and protecting cultural assets from AI-driven, ultra-precise digital reproduction. The company provides a future-ready infrastructure for trust, stewardship and long-term cultural value in an increasingly digitized and decentralized landscape.

At the core of the platform is the DPP, a next-generation, biometric digital identity for physical objects. Using proprietary AI-powered image recognition, the technology discreetly captures microscopic surface details of each artwork to create a unique and immutable identifier: a "biometric fingerprint". This non-invasive process ensures that a physical object, once registered, can be immutably recognized.

This verifiable identification plays a vital role in preserving authenticity and enabling more robust insurance coverage, better risk assessment and secure asset tokenization.

While authentication remains the domain of human experts, identification provides the technological foundation for documenting and preserving authenticity. For contemporary works, the unique identifier is linked to a certificate of authorship signed by the artist and issued via an independent third party. In doing so, the DPP becomes a new generation digital certificate of authenticity, combining authorship, material identity and verified metadata in a single, digitally secured and easily transferable format.

Each DPP also incorporates all relevant artwork information, including provenance, exhibition history, creator statements, ownership records and technical metadata. Numeraire's technology is already trusted by leading private art foundations in Europe, prominent collections across the Gulf Cooperation Council, international galleries, and major photography fairs.

Whether protecting a centuries-old manuscript or a contemporary editioned work, Numeraire offers a robust solution for institutions and collectors alike.

Survey findings 2025

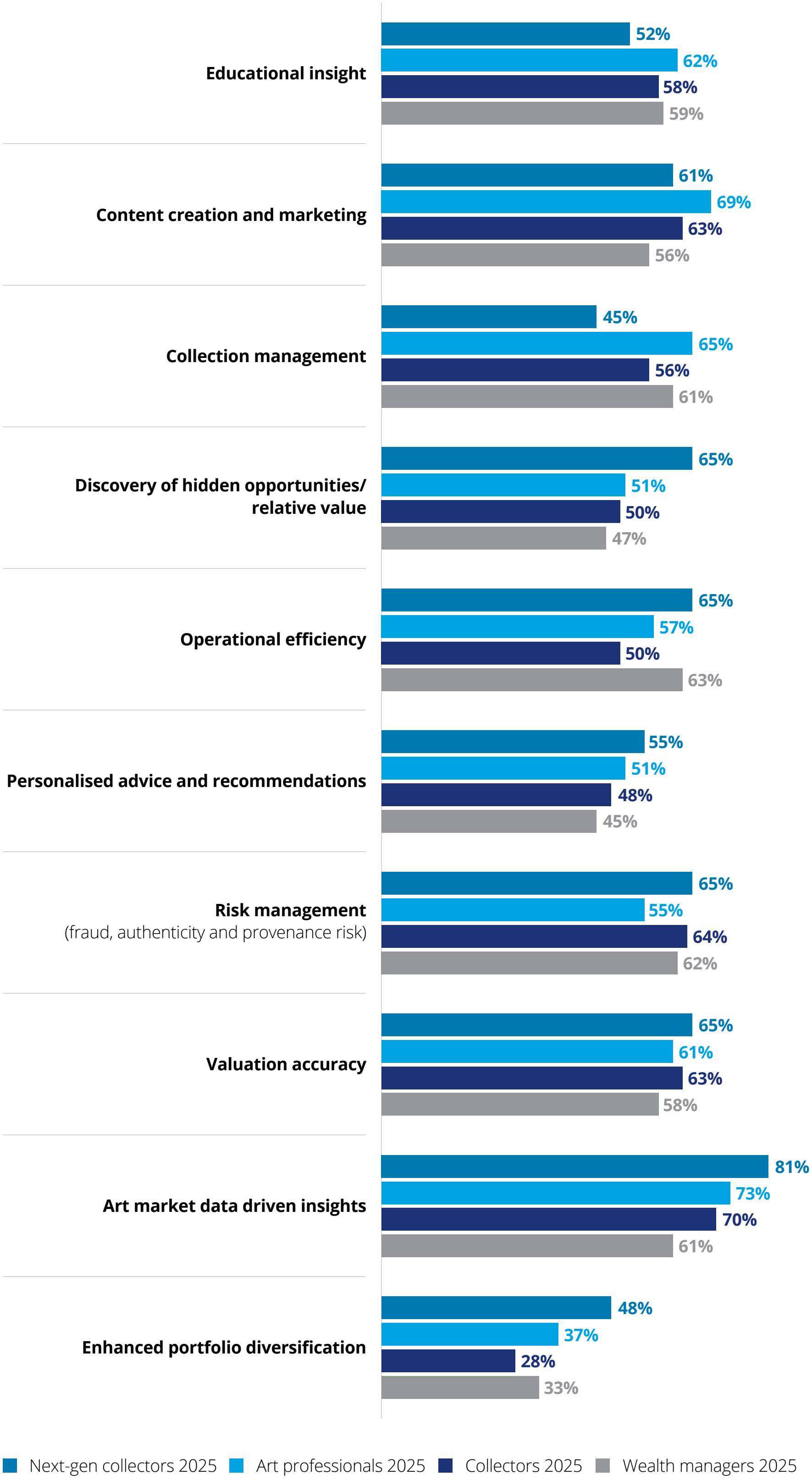
The expected impact of AI on the art and wealth management industry

Art market data-driven insights: In 2025, this was the most consistently high-ranking area for AI impact and a clear priority across all groups. Art professionals (73%), collectors (70%) and wealth managers (61%) all recognized the value of AI in aggregating, analyzing and interpreting large, complex datasets. Leading the way were next-gen collectors (81%) and next-gen art professionals (72%), reflecting a generational alignment on real-time data and tech-enabled decision-making. This convergence signals that market intelligence and analytics are becoming indispensable.

Valuation accuracy: Closely linked to data insights, valuation accuracy was seen as a core AI application for collectors (63%), art professionals (61%) and wealth managers (58%) in 2025. Next-gen collectors led again at 65%, while only 53% of next-gen art professionals agreed. This difference may reflect professionals' doubts about AI's ability to handle subjective variables, like provenance, condition and curatorial relevance. However, the overall findings highlight dissatisfaction with traditional valuation methods and growing trust in AI's potential for objective, data-driven pricing.

Risk management: AI's role in reducing fraud and improving provenance and authenticity verification was strongly supported by wealth managers (62%) collectors (64%), and next-gen collectors (65%) in 2025. While next-gen art professionals (52%) also expressed meaningful support, they were more skeptical of AI's ability to fully replace human expertise. Still, there was a cross-stakeholder recognition that AI could enhance trust in an increasingly high-stakes market. For example, Wondeur

Figure 193: Which areas in the art and wealth management industry do you believe AI technology will have the most impact?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Fluid Contact
Marta Djourina - 2023-ongoing, exposure on analogue photo paper with sunlight and the water of the river Seine in-situ in Paris, unique, 40 x 30 cm

AI quantifies asset stability and identifies speculative risk to help financial institutions and advisors make data-driven decisions, demonstrating how AI can support more secure, transparent and accountable art ownership (see article page 240).

Operational efficiency: In 2025, wealth managers (63%) and next-gen collectors (65%) led in valuing AI for streamlining operations. Next-gen art professionals (61%) were equally enthusiastic, suggesting a generational focus on scalability, automation and workflow optimization, especially in the context of growing digital complexity and time pressures. Collectors (50%) also recognized its value, though to a lesser extent.

Discovery of hidden opportunities and relative value: This forward-looking use of AI was most valued by next-gen collectors (65%) and was also supported by 51% of art professionals, 50% of collectors and 47% of wealth managers. Among next-gen art professionals, 44% also highlighted this function, reflecting an appetite for tools that can reveal emerging trends, undervalued works or new markets by making sense of large amounts of data.

Personalized advice and recommendations: AI's ability to tailor insights to individual tastes and goals was valued by 48% of collectors and 45% of wealth managers in 2025. However, a higher 55% of next-gen collectors and 52% of next-gen art professionals shared this interest, showing a desire for curated digital experiences and algorithmic suggestions that align with individual preferences, collecting history and financial goals.

Collection management: Interestingly, collection management scored highest among art professionals (65%), wealth managers (61%) and collectors (56%). This reaffirms that professionals managing long-term stewardship and estate planning see strong potential for AI to optimize cataloging, tracking and compliance tasks.

Content creation and marketing: AI's role in enhancing visibility through automated marketing, storytelling and digital engagement was widely appreciated. Seventy-three percent of next-gen art professionals considered this one of AI's most valuable uses, higher than art professionals (69%) and collectors (63%). The importance placed on digital visibility aligns with this generation's broader familiarity with branding, social media and content ecosystems.

Educational insight: This also ranked highly among most groups, with wealth managers (59%), collectors (58%), and art professionals (62%) all showing strong support. Next-gen art professionals (59%) were closely aligned, suggesting sustained belief in AI's ability to democratize access to knowledge and context, particularly when learning about artists, provenance or historical trends.

Next-gen perspectives

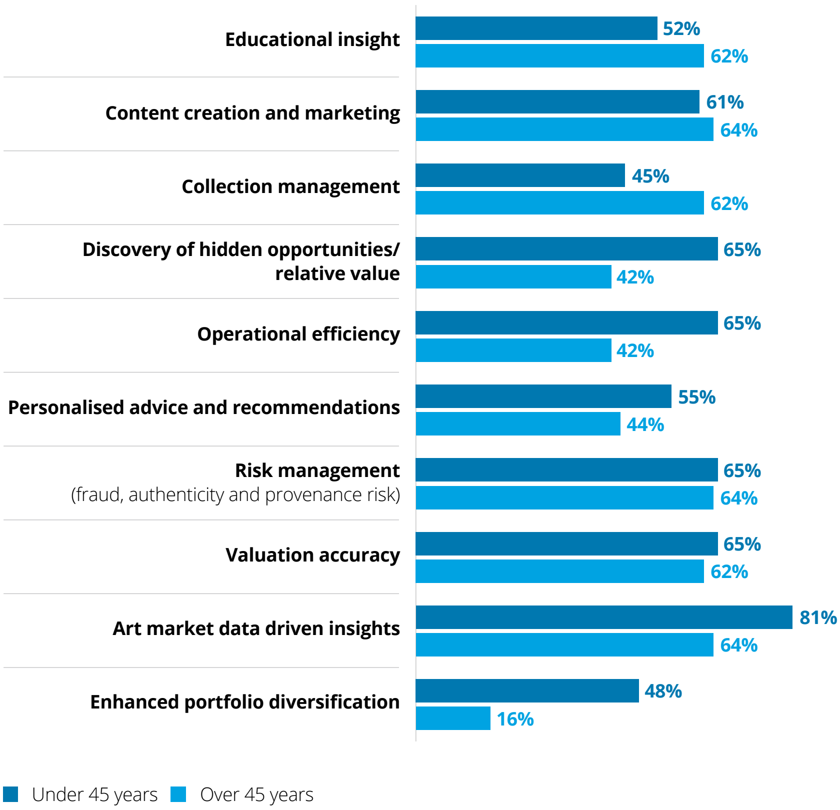
This year's findings highlight a growing alignment between next-gen collectors and younger art professionals on the practical, real-world applications of AI. While all stakeholder groups agree that AI's most transformative potential lies in market intelligence, valuation accuracy and risk mitigation, generational differences reveal varying priorities beneath the surface.

In 2025, next-gen collectors were especially optimistic about AI's ability to unlock hidden market opportunities, enhance personalization and streamline operations. Meanwhile, younger art professionals emphasized content creation, education and collection management, reflecting their daily responsibilities. Wealth managers, as expected, focused most strongly on efficiency, valuation and risk management.

Across all groups, AI is no longer viewed as a futuristic or abstract innovation but as an increasingly embedded tool for driving smarter, more strategic decisions. As adoption grows, its success will depend on how well AI solutions align with the specific needs, workflows and values of different users across the art and wealth ecosystem.

Figure 194: Next-gen collectors: Which areas in the art and wealth management industry do you believe AI-technology will have the most impact?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Family office perspectives

Family offices are approaching AI in art and wealth management with a clear emphasis on informed decision-making. The areas where they see the greatest potential impact reflect a desire to enhance transparency, mitigate risk and build strategic confidence around art assets.

Risk management: At the top of their priorities was risk management, with 70% of family offices identifying it as the most impactful application of AI in 2025. This strong focus on fraud detection, authenticity verification and provenance tracking reflects ongoing concerns about trust and credibility in the art market.

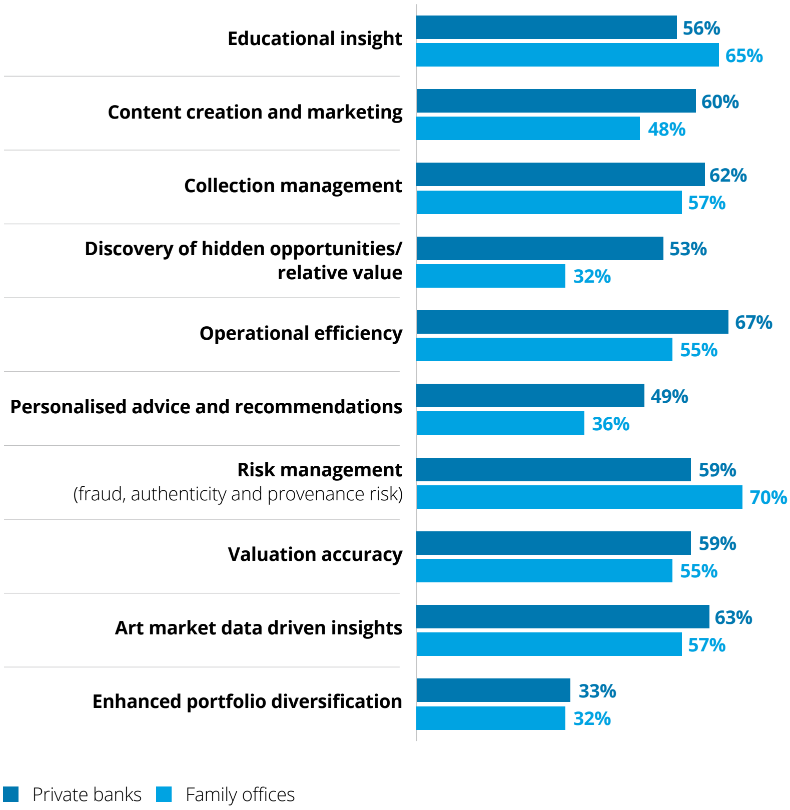
Education: Closely following risk management was educational insight (65%), highlighting a strong demand for tools that can democratize market knowledge and support smarter decision-making across generations.

Valuation and collection management: AI was also valued for its capacity to improve operational and analytical capabilities. More than half of family offices believed AI would significantly enhance valuation accuracy (55%), collection management (57%) and art market data-driven insights (57%) in 2025. These responses point to a growing appetite for robust systems that seamlessly support day-to-day decisions and long-term strategy.

However, there was noticeably less enthusiasm for AI in more speculative or promotional roles. Just 32% saw AI as a driver of portfolio diversification or a tool for discovering hidden opportunities in 2025, suggesting continued caution around using AI for unproven or less structured outcomes. Similarly,

Figure 195: Family offices versus private banks: Which areas in the art and wealth management industry do you believe AI-technology will have the most impact?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



personalized advice (36%) and content creation (48%) were seen as secondary priorities. This underscores that family offices prioritize solid infrastructure and insights over experimentation or marketing innovation.

Overall, family offices are aligning their AI expectations with their broader wealth management ethos: strategic, risk-aware and value-driven. Their focus is less on flashy disruption and more on how technology can deliver meaningful improvements to stewardship, security and long-term performance.

In his article on page 476, Devang Thakkar examines the growing influence of AI on the art world. His insights provide a foundation for understanding how AI is reshaping creativity, collaboration and the broader cultural landscape.

AI is evolving at an unprecedented pace, with innovations pushing the boundaries of what was previously thought possible in creativity and reasoning. The rise of multimodal AI, which can seamlessly process text, images, audio and video, is transforming how technology interacts with the world and enabling new creative horizons.

AI's impact on the art world is visible through advanced tools like DALL-E, Midjourney, and Stable Diffusion, which empower artists to explore hybrid art forms and engage in collaborative creation. The art market itself is witnessing a shift as younger, digitally native collectors adopt these AI-driven tools, fueling economic growth and expanding artistic possibilities.

As this transformation accelerates, ethical considerations around AI's development and deployment are gaining importance, with industry leaders emphasizing responsible innovation to balance its transformative power with societal integration.

INDUSTRY **INSIGHTS**

The algorithmic reality

Exploring AI's influence and impact on the art world

Devang Thakkar
Global Head of Christie's Ventures

Five key takeaways:

- Artificial intelligence (AI) is evolving at an unprecedented pace, with innovations pushing the boundaries of what was previously believed possible, especially in creativity and reasoning.
- The rise of multimodal AI, capable of processing text, images, audio and video seamlessly, is transforming how technology interacts with the world and enabling new creative horizons.
- AI's impact on the art world includes advanced tools like DALL-E, Midjourney, and Stable Diffusion, which empower artists to explore hybrid art forms and create collaboratively.
- The art market is shifting as younger, digitally native collectors adopt AI-driven tools, fueling economic growth and expanding artistic possibilities.
- Ethical considerations around AI's development and deployment are gaining importance, with industry leaders emphasizing responsible innovation to balance transformative power with societal integration.

AI's rapid ascent

The landscape of artificial intelligence (AI) in June 2025 is one of accelerated evolution.[311] AI is an inescapable, pervasive force, with capabilities expanding at a remarkable pace.

Innovations in the field are not just incremental; they represent significant strides in how models understand, create and interact with the world, constantly pushing the boundaries of what is possible. We believe that AI is augmented intelligence, supporting both creativity and invention.

At the time of writing, competition between the various AI models is heating up, with AI's burgeoning reasoning capability one of the most interesting characteristics (Figure 196).[312] Large language models (LLMs) are increasingly acting as human-like thought partners, rather than mere information retrieval systems.

This leap is complemented by the rapid maturation of multimodality, where AI seamlessly processes content across text, image, audio and video, alongside blistering advancements in computing capabilities.

This acceleration is reflected in the *Trends - Artificial Intelligence*[313] report, co-authored by legendary investor Mary Meeker, who has made investments in several major successful internet startups over the last two decades (Figure 197).

In the context of the art market, economic vitality is fueled by access to advanced creative tools and adoption by a younger, digitally native generation of collectors. Artists are increasingly engaging with AI

Figure 196: LLM leaderboard

Source: [LMArena](), snapshot taken 2 June 2025.

First Place Second Place Third Place Default Compact View

Model 202 / 202	Overall	Hard Prompts	Coding	Math	Creative Writing	Instruction Following	Longer Query	Multi-Turn
gemini-2.5-pro-prev…	1	1	1	1	1	1	1	1
o3-2025-04-16	1	1	1	1	4	2	4	3
chatgpt-4o-latest-2…	2	3	1	8	1	2	1	1
gpt-4.5-preview-202…	3	3	1	4	2	2	2	1
gemini-2.5-flash-pr…	3	2	1	1	1	1	1	4
gemini-2.5-flash-pr…	6	3	5	4	4	2	2	4
gpt-4.1-2025-04-14	6	3	5	10	4	7	2	4
grok-3-preview-02-24	6	5	5	7	5	7	4	4
deepseek-v3-0324	6	4	2	9	5	7	5	3
o4-mini-2025-04-16	6	3	5	1	11	9	12	6
o1-2024-12-17	9	6	7	5	5	7	5	11
deepseek-r1	9	6	5	4	5	8	6	5
claude-3-7-sonnet-2…	10	4	5	5	5	3	4	5

Figure 197: AI-s rapid growth

Source: BOND, 2025.

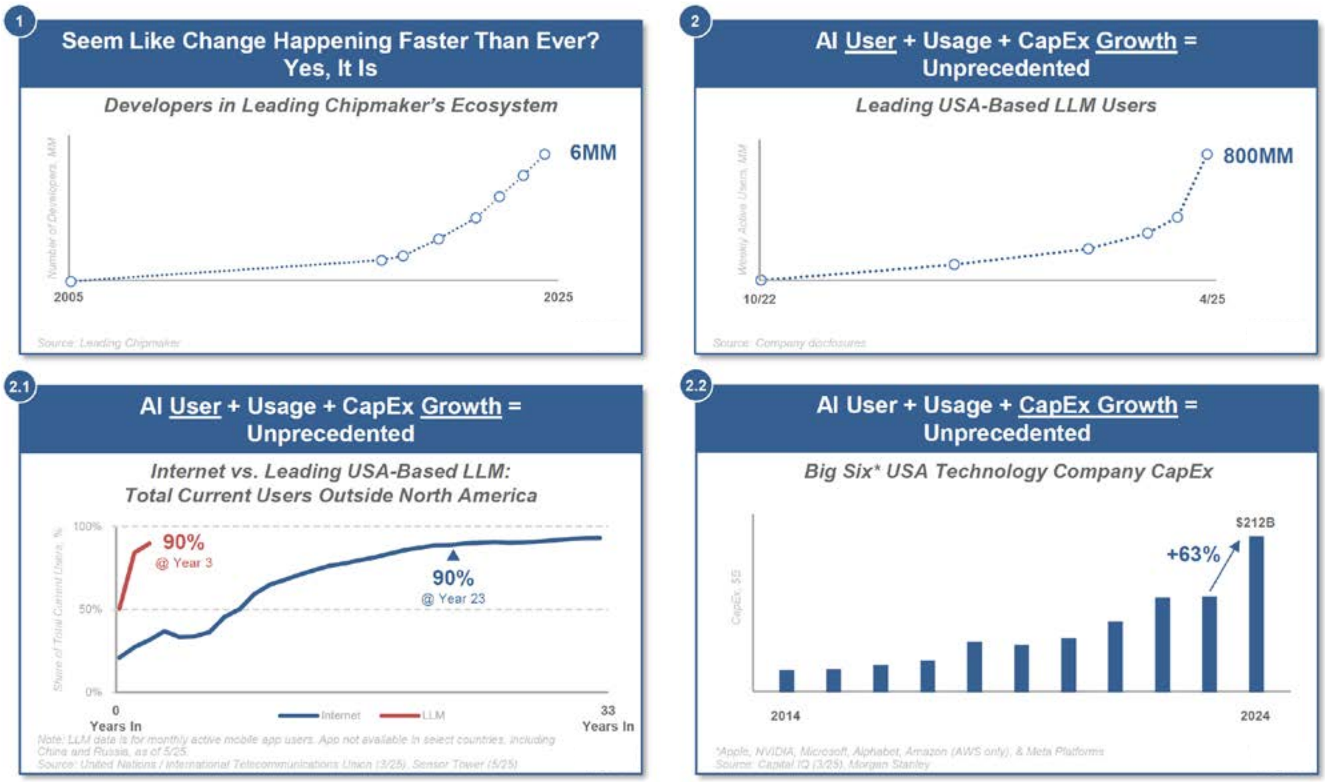


Figure 198: Obvious, *Portrait of Edmond de Belamy*, 2018
Generative Adversarial Network print, on canvas, 2018

Figure 199: Bennett Miller, *Untitled*, 2022-23
Pigment print of AI-generated image

as a collaborative partner, exploring new aesthetic frontiers and hybrid art forms. Open-source models continue to evolve, offering powerful and accessible options for creators.

Mid-2025 finds AI at an inflection point. The technical prowess showcased by industry leaders and the vibrant open-source community is undeniable, promising transformation across sectors. However, this power is increasingly met with calls for responsible development and deployment, especially in our market.

The novelty of AI's capabilities is now matched by the equally complex challenge of integrating them into society, striving for a future where innovation and ethical stewardship advance together.

So, what does it mean for the art world?

AI in art creation

AI's most visible impact in the art world is its role in art creation. AI-powered tools such as DALL-E, Midjourney, and Stable Diffusion can create visually stunning artworks based on text prompts or datasets. These generative AI models, trained on vast repositories of images, can produce paintings, illustrations and digital compositions that rival the work of human artists in technical skill.

These models have created a new medium for artists. Aspiring artists, hobbyists and even non-creatives can now produce their own works.

For professional artists, AI often serves as a collaborative tool, augmenting their workflows. Many use AI to generate initial sketches, experiment with color palettes, or explore new styles as part of their creative process. Artists have also started to use AI in unprecedented ways.

AI-generated art made a grand entrance to the market in 2018, when Christie's auctioned Portrait of Edmond de Belamy for US$432,500, an AI-generated artwork created by the collective Obvious.[314] This sale signaled the art world's willingness to embrace AI as a legitimate creative force, even as debates about its value persist.

As AI tools evolve, they are likely to become integral to artistic practice, blending human intuition with computational power to push the boundaries of creativity. In 2023, Bennett Miller's show at Gagosian was an inspiring exhibit of an artist using tools like DALL-E to create thought-provoking images, aiming to challenge our perception of truth in photography (Figure 200).[315]

While some contemporary fine artists use open AI models for rapid artistic experimentation, many have been collaborating with AI for a while, employing machine-learning in sophisticated ways to push their creativity further.

Holly Herndon and Mat Dryhurst use AI in their work as both a generative tool and a lens for critical examination, investigating how AI reshapes authorship, embodiment and digital agency.[316] Their projects include Holly+, a machine-learning model that converts audio into Herndon's voice, and xhairymutantx, which manipulates training data to question representations of identity (Figure 200).[317] Their work blurs the boundaries between performance, pedagogy and activism, using AI to interrogate power structures and the ethical dimensions of data in art and technology.

Still, AI's role in art creation is not without controversy, with questions of authorship and originality looming large. If AI generates a piece based on a human prompt, who is the true creator—the human, the algorithm, or the developers who trained the model? Critics argue that

Figure 200: Holly Herndon and Mat Dryhurst, *Embedding Study 1 & 2 (from the xhairymutantx series)*

Thermal dye diffusion transfer prints; each: 47 3/4 × 71 5/8 in. (119 × 180 cm.)

AI-generated art lacks the emotional depth and intentionality of human-made works, as it relies on pattern recognition rather than lived experience.

Because AI models are trained on existing artworks, often scraped from the internet, ethical concerns also arise regarding intellectual property and exploitation. High-profile cases, such as lawsuits against AI companies for the unauthorized use of artists' work, highlight the tension between innovation and fairness.

AI and art businesses

Beyond creation, AI is revolutionizing the commercial side of the art business. The art market, historically opaque and driven by subjective tastemakers, is becoming more data-driven thanks to AI. Machine learning algorithms analyze vast datasets—past auction results, collector preferences and social media trends—to predict which artists, styles or genres are likely to be of interest and also appreciate in value.

AI also plays a role in pricing. By analyzing factors like an artist's career trajectory, market demand and macroeconomic trends, AI can estimate fair market values (FMV) for artworks. This transparency benefits both buyers and sellers, particularly in a market notorious for price volatility.

However, overreliance on algorithms could homogenize the market, prioritizing commercially viable works over emerging art. If AI-driven recommendations favor certain styles or artists—often those already popular—it risks marginalizing new or underrepresented voices, perpetuating existing biases in the industry.

To help tackle data biases, AI's precision must be combined with human judgment. This approach ensures accuracy while preserving the art world's rich tradition of scholarship.

AI models will forge deeper connections between a more robust and diverse array of comparables, by bridging the current lack of a universally accepted way to describe and attribute artworks. The value drivers and trends derived from these new models may be better understood and may help create a new form of transparent and systematic valuations.

More recently, AI is seen as offering significant opportunities in authentication and provenance. Both areas are critical in the art business, where trust and reputation are paramount.

Models trained on high-resolution images and videos of artworks can detect subtle stylistic markers, brushstroke patterns, material inconsistencies or what lies beneath the surface that distinguish genuine pieces from fakes.

AI also enhances provenance tracking. Blockchain technology, often paired with AI, creates tamper-proof records of an artwork's ownership history, ensuring transparency from creation to sale. By combining AI's analytical capabilities with blockchain's security, the art business can build greater confidence among collectors and institutions.

Curation is another area where AI has interesting potential. Museums and galleries use AI to analyze visitor data—such as dwell time, feedback and demographics—to curate exhibitions that resonate with audiences.[318] For example, the Tate Modern has experimented with AI to optimize exhibit layouts, ensuring artworks are displayed in ways that maximize engagement.

Virtual and augmented reality, powered by AI, enable immersive exhibitions, allowing visitors to explore digital reconstructions of historical art spaces or interact with artworks in novel ways.[319] The evolution of AI-powered computing form factors like Smart Glasses will further accelerate this trend, offering users a personalized and conversational exhibition experience.[320]

Lastly, art businesses must embrace AI and other innovations to attract the next generations of collectors, with millennials and Generation Z set to inherit an unprecedented US$124 trillion in wealth by 2048.[321] This shift in ownership means these generations' preferences and values will have a significant ripple effect across all industries, more so than previous generations.

Since these generations are tech-savvy and digitally native, businesses will need to adapt by leveraging AI to improve efficiency and client experience. Auction houses and other art businesses have a significant opportunity to strategically position themselves with this emerging demographic.

Beyond traditional business practices, innovation is also transforming the art market itself, particularly around ownership. New approaches like fractionalization and blockchain integration are making art ownership more accessible and inclusive, which is particularly attractive to younger generations. This strategy can build a connection with emerging collectors while growing the art market's overall reach through new perspectives and opportunities.

So, where do we go from here?

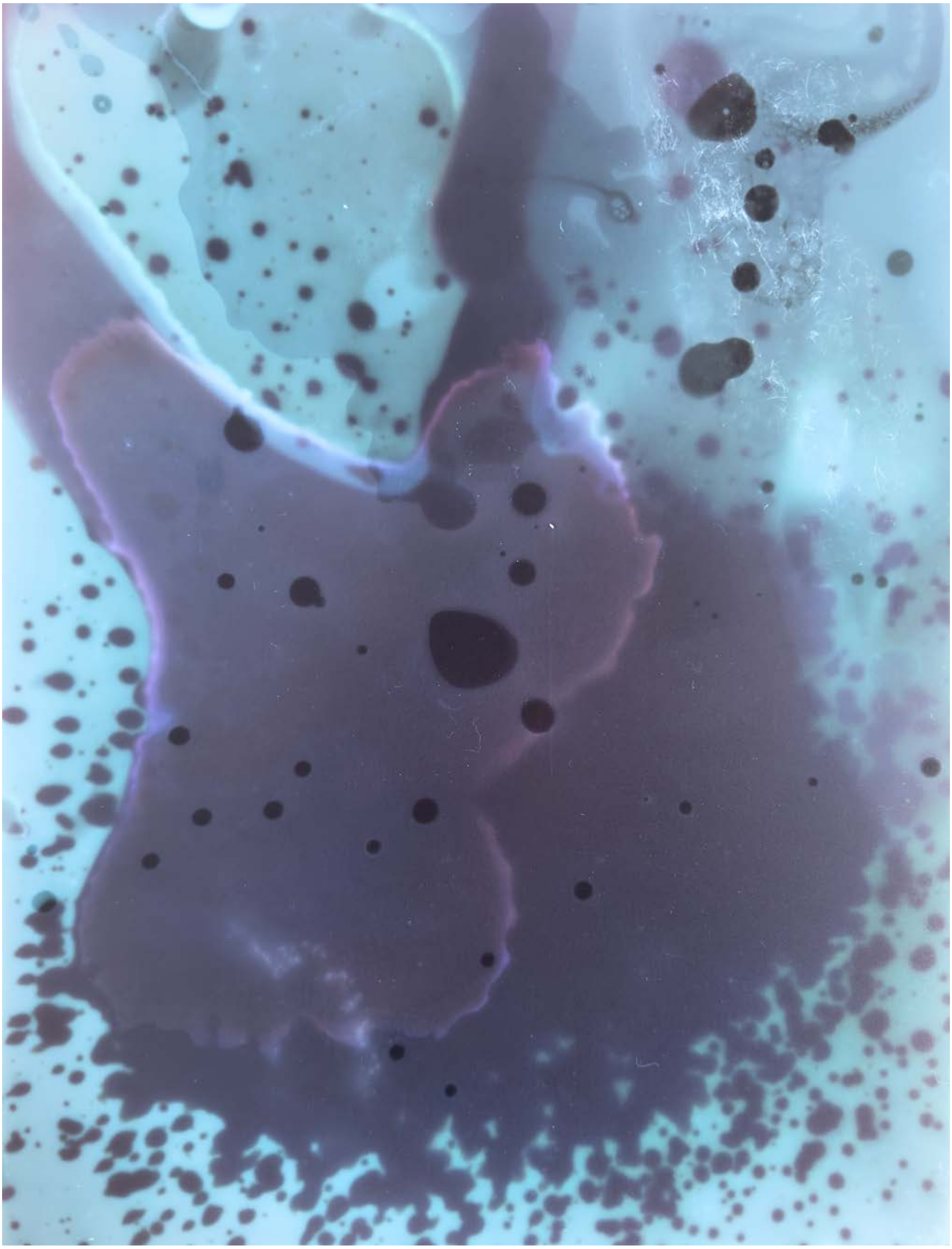
Looking ahead, AI's influence on the art business will only deepen. Generative AI will produce even more sophisticated artworks, blurring the line between human and machine. In the market, AI-driven platforms will continue to democratize access, making the market more efficient.

By embracing AI thoughtfully, the art world can navigate this technological revolution, fostering a future where human ingenuity and algorithmic innovation coexist harmoniously.

The challenge lies in maintaining the delicate balance between tradition and transformation, ensuring that AI catalyzes creativity rather than disrupting the art world's soul.

Fluid Contact
Marta Djourina - 2023-ongoing, exposure on analogue photo paper with sunlight and the water of the river Seine in-situ in Paris, unique, 40 x 30 cm

Fluid Contact
Marta Djourina - 2023-ongoing, exposure on analogue photo paper with sunlight and the water of the river Seine in-situ in Paris, unique, 40 x 30 cm



PART **03**

Implications for wealth managers

A growing array of technological tools is gradually reshaping how art can be integrated into wealth management offerings. These innovations directly address long-standing challenges, such as traceability, real-time valuation and authenticity, which have historically limited art's inclusion in financial advisory services.

For wealth managers serving art collectors, as well as those waiting for robust risk mitigation tools to enter the space, these art-tech developments offer the potential to deliver hyper-personalized, value-added services—not only to private clients but also to institutional players, such as single-family offices (SFOs) and multi-family offices (MFOs).

After 14 years of observation and analysis, it appears that the necessary technology has finally matured. The next step is to strategically integrate these solutions into a comprehensive wealth management service model. This pivotal moment is particularly critical for serving digitally fluent next-gen collectors, who expect seamless, tech-enabled solutions. For technology providers, this is a clear business opportunity to deliver all-in-one platforms comprising collection management, provenance tracking, valuation and other risk management tools.

As digital innovation reshapes the art and wealth management landscape, wealth managers must deepen their engagement with technology and AI-powered tools that improve transparency, valuation accuracy and provenance verification. Integrating art analytics, digital authentication systems, and intelligent collection management platforms into advisory services can create meaningful differentiation, especially as younger clients demand greater educational support and seamless access to credible market insights.

While some skepticism remains around art's liquidity and the regulatory maturity of certain technologies, the tangible benefits—enhanced traceability, valuation consistency, and more informed client experiences—are too significant to ignore. Collaboration with younger art professionals, who prioritize education and stewardship, will also be essential in bridging financial expertise with cultural knowledge.

Ultimately, the future of art-integrated wealth management will depend on how effectively wealth managers harness AI to deliver both operational efficiency and strategic insight, meeting the expectations of a generation that sees technology not as a novelty, but as a baseline for trust, access and value creation.

Endnotes

296. This is based on the average impact on art and wealth management services from the following six technology categories: 1) Blockchain technology (as a register, to improve the traceability of art and collectibles); 2) Blockchain technology (as a DeFi tool, to incorporate art and collectible assets in wealth management); 3) AI, big data and analytics; 4) DNA technology for artworks; 5) Collection management tools; 6) Risk management toolst.
297. Deloitte Private, *The Family Office Insights Series - Global Edition; Digital Transformation of Family Office Operations, 2024*, 2024, p. 8.
298. Next-gen collector technology impact indicator is an average measure of 12 key areas which collectors believe technology will have the most impact on. These are: 1) creating more liquidity; 2) creating more transparency; 3) improving valuation; 4) providing information and education; 5) authenticity related issues; 6) improving provenance and traceability; 7) increasing demand for art investments; 8) reducing transaction costs; 9) leading to a more regulated market; 10) broadening the collector/investor base for art; 11) improving engagement/interaction (sharing, connecting); and 12) incorporating art and collectible assets in wealth management.
299. Aura Blockchain Consortium, "*Home page*," accessed 22 August 2025.
300. Aura Blockchain Consortium, "*Home page*."
301. Soulbound tokens, or SBTs, are a type of non-transferable NFT. Unlike standard NFTs, they are permanently bound to a digital wallet, making them ideal for representing an individual's identity, credentials or reputation.
302. The technology impact indicator is an average measure of 12 key areas that stakeholders believe technology will have the most impact on. These are: 1) creating more liquidity; 2) creating more transparency; 3) improving valuation; 4) providing information and education; 5) authenticity related issues; 6) improving provenance and traceability; 7) increasing demand for art investments; 8) reducing transaction costs; 9) leading to a more regulated market; 10) broadening the collector/investor base for art; 11) improving engagement/interaction (sharing, connecting); and 12) incorporating art and collectible assets in wealth management.
303. The reading is based on the average reading of the importance of the following six technologies: 1) blockchain technology (as a register, to improve the traceability of art and collectibles); 2) blockchain technology (as a DeFi tool, to incorporate art and collectible assets in wealth management); 3) AI, big data and analytics; 4) DNA technology for artworks; 5) collection management tools; and 6) risk management tools.
304. Deloitte Private, *The Family Office Insights*, p. 8.
305. Next-gen collector technology impact indicator is an average measure of 12 key areas which collectors believe technology will have the most impact on. These are: 1) creating more liquidity; 2) creating more transparency; 3) improving valuation; 4) providing information and education; 5) authenticity related issues; 6) improving provenance and traceability; 7) increasing demand for art investments; 8) reducing transaction costs; 9) leading to a more regulated market; 10) broadening the collector/investor base for art; 11) improving engagement/interaction (sharing, connecting); and 12) incorporating art and collectible assets in wealth management.
306. Kelly Raskovich, *AI everywhere: Like magic, but with algorithms*, Deloitte, 11 December 2024.
307. Art Recognition, "*About us*," accessed 22 August 2025.
308. George Nelson, "*Swiss Auction House Becomes First to Sell Artwork Authenticated Solely by AI*," ARTnews, 3 December 2024.
309. Overstone, "*Overstone and Cytora Announce Partnership*," press release, 2024.
310. Addepar, "*Inside Addepar Q4 2024*," accessed 22 August 2025.
311. For more about AI and its capabilities, read Bill Gates, "*The Age of AI has begun*," Gates Notes, 21 March 2021.
312. LMArena, "*Leaderboard Overview*," accessed 14 July 2025.
313. Mary Meeker, Jay Simons, Daegwon Chae and Alexander Krey, *Trends – Artificial Intelligence* (AI), BOND, May 2025.
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315. Gagosian, "*Bennett Miller*," accessed 14 July 2025.
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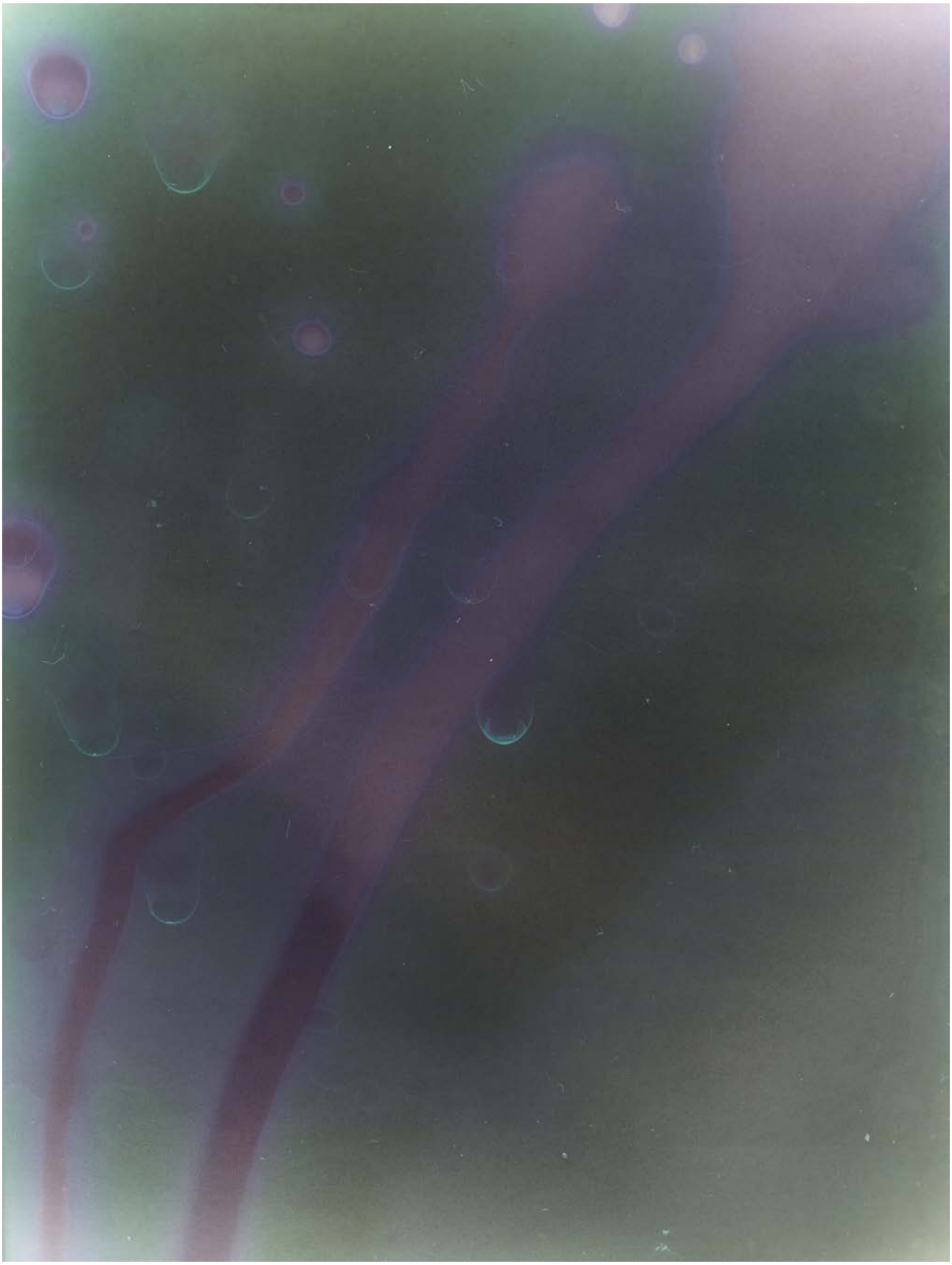
317. Ars Electronica, "*Holly+*" accessed 15 July 2025; Christie's (@christiesinc), "*Who are you through the eyes of the algorithm?*" Instagram post, 21 February 2025.
318. MuseumNext, *Revolutionizing Museums: How AI-Driven Data Analysis Is Changing the Game*, 14 December 2024.
319. Hannah McGivern, "*Time travels and touching stories*," UNESCO, October 2024.
320. Manuel Charr, "*How Seamless Technology Will Transform Museum Visits in 2025*," MuseumNext, 2 December 2024.
321. Cerulli Associates, "*Cerulli Anticipates $124 Trillion in Wealth Will Transfer Through 2048*," press release, 5 December 2024.

Fluid Contact
Marta Djourina - 2023-ongoing, exposure on analogue photo paper with sunlight and the water of the river Seine in-situ in Paris, unique, 40 x 30 cm



08 Risk management and regulation

Untitled (from the series "Folds II")
Marta Djourina, ongoing series, direct exposure on folded analogue photo paper with different light sources, unique, size variable; Exhibition view: CANDELA - part of artspring Lichtkunstfestival, group show, 2022; Installation photo: CHROMA

Studio view Marta Djourina
Photo: Luis Brott, KUNZTEN

Highlights

The art market stands at a crossroads: modernization is no longer a distant ideal but an urgent necessity, as fading trust, stagnant growth and next-gen disengagement expose the rising cost of inaction.

Frustration is outpacing optimism: Despite a striking 82% of wealth managers saying modernization was essential in 2025, expectations for near-term reform are fading. This growing disillusionment was also shared by collectors and art professionals, who are becoming impatient with the art market's persistent resistance to compliance, transparency and operational efficiency.

Collectors losing faith in change: In 2025, a growing number of collectors believed reform around transparency and regulation would take over five years (40%) or may never happen at all (17%). Younger collectors were even more doubtful, with 45% expecting change only after five years, and 19% believing it would never happen, the highest percentage among any demographic.

Art professionals echo collector doubts: While 74% of art professionals said modernization was essential in 2025, their belief in short-term progress is fading. The share who thought reform would never come tripled from 7% in 2021 to 20% in 2025.

Modernization or marginalization: Without modernization, the art market risks losing the next generation of digitally savvy, impact-driven buyers who are turning away from outdated, opaque systems just as a major generational wealth transfer approaches.

Transparency tops the threat list: In 2025, lack of transparency remained the top concern for all groups, rising among collectors (77%) and wealth managers (78%), despite a small dip among art professionals (75%).

Object integrity is crucial for trust: Authenticity and provenance remained a core issue in 2025, especially for wealth managers. While concern fell among collectors and art professionals, 81% of wealth managers still regarded it as a major reputational risk.

Anti-competitive behavior still worrying: Price manipulation and undisclosed conflicts of interest continued to rank high across all stakeholder groups. In 2025, 78% of collectors, 73% of art professionals and 74% of wealth managers flagged this as a serious issue.

Shifting attitudes on secret commissions: Collectors' concern about secret commissions dropped significantly, from 70% in 2023 to 55% in 2025, possibly indicating greater market awareness. However, anxiety grew among art professionals and wealth managers.

Title register demands grow among institutions: While collectors' concern over the lack of a title register declined, it rose among wealth managers to 71%, underscoring institutional pressure for better documentation and traceability.

Money laundering concerns ease slightly: Since 2023, anxiety levels regarding money laundering have decreased across all groups. Wealth managers' concern fell from 71% to 64%, potentially due to strengthened anti-money laundering (AML) regulations. Their buyer confidentiality concerns also dropped from 40% to 36%.

Without modernization, the art market risks losing the next generation...

Global convergence on AML regulation in the art market: Recent legislative and enforcement actions reflect a coordinated global push to classify art market participants (AMPs) as regulated entities. This requires them to follow stricter standards for AML, counter-terrorism financing (CTF), sanctions reporting and due diligence. Notable developments, which signal a turning point toward international regulatory alignment and heightened accountability, include:

- The EU's new AML Package, adopted in June 2024;
- The UK's Office of Financial Sanctions Implementation's (OFSI) updated reporting requirements, which took effect in May 2025;
- Australia's extension of its AML/CTF regime to the art sector by 2026; and
- The US's proposed Art Market Integrity Act.

Self-regulation still favored, but under pressure: In 2025, most stakeholders still preferred self-regulation over government control, with 64% of art professionals and 72% of collectors supporting this approach. But evolving market risks necessitate that self-regulation adapts rapidly to avoid credibility loss.

Trust in art market data is improving, but still leaves many unconvinced: In 2025, just 27% of wealth managers, 38% of collectors and 48% of art professionals reported a high trust in art market data. This is a critical issue because AI, regardless of its level of advancement, is only as reliable as the information upon which it is built.

Tokenization: The regulatory landscape for tokenized assets is complex and evolving. As this new market grows, clear and fair regulations will be crucial for its success. Investors and wealth managers must conduct thorough due diligence, choosing reputable platforms that comply with relevant regulations. At the same time, existing platforms and new projects must ensure they keep up to date with the ever-evolving regulatory landscape.

Family office perspectives

Family offices increasingly focused on structural issues in 2025, such as secret commissions (68%), conflicts of interest (73%) and the lack of title registries (68%), signaling a turn toward concerns about market integrity and transparency.

Regulatory progress reassures family offices: This year, family offices viewed money laundering as a less pressing concern (59% compared to 74% in 2023), indicating increased confidence in regulatory advancements like enhanced AML measures and improved reporting standards.

New technologies offer better risk management tools: Likewise, anxiety over authenticity, forgery and lack of provenance—historically seen as the market's core risks—declined from 83% in 2023 to 68% among family offices. This may signal growing confidence in new technologies like blockchain and AI-based verification tools.

Next-gen perspectives

Loss of relevance to younger generations: The art market risks losing its appeal to the next generation if it continues to resist modernization. In 2025, 58% of next-gen collectors believed the art industry's business practices needed to be updated. Without adaptation, the market risks alienating the very demographic it needs to survive the coming generational wealth transfer. Notably, next-gen collectors expressed greater concern than their older counterparts about the issues that threaten the art market's reputation, including a lack of transparency and standards.

Next-gen shows cautious optimism: Younger collectors and art professionals still viewed opacity and a lack of transparency (81% and 76%) and price manipulation (81% and 74%) as serious threats in 2025, but showed growing trust in blockchain and AI tools to improve provenance and transparency.

Change will take time: Next-gen collectors and art professionals remain notably skeptical about the art market's near-term transformation. In 2025, 45% of next-gen collectors and 59% of next-gen art professionals believed meaningful change would not occur for at least five years, while 19% and 18%, respectively, thought it may never happen at all. These are the highest levels of doubt across any demographic group.

Untitled (from the series "Folds II")
Marta Djourina, ongoing series, direct exposure on folded analogue photo paper with different light sources, unique, size variable; Photo: CHROMA

Introduction

Most wealth managers, collectors and art professionals continue to believe that the art market's current business practices are unfit for purpose, despite increased digital innovation (see Section 7). For over 14 years of tracking stakeholder sentiment, the message has remained largely unchanged: the art market is opaque, inefficient and disproportionately benefits a small number of insiders. However, despite a broad consensus on the need for modernization, confidence in the system's capacity or willingness to reform is receding.

Stakeholder trends indicate a growing frustration rather than optimism. Among wealth managers, the urgency of reform is palpable; 82% believed that modernization was essential in 2025. However, the expectation of short-term change is vanishing.

Although both collectors (64%) and art professionals (74%) stated that modernization was essential in 2025—an improvement from 2023's 70% and 82%, respectively—confidence in the likelihood of short-term change remained low. This suggests that while the desire for reform is growing, so too is frustration with the market's persistent resistance to aligning with compliance, transparency and efficiency standards.

In short, the belief that the art market needs to change is stronger than ever, but the hope that it will do so any time soon is fading. Stakeholders are no longer just calling for reform; they are starting to doubt whether the current system can deliver it at all. Without bold and coordinated action, the gap between a modernized market and its current trajectory will only widen.

While some stakeholders acknowledge that government regulation could improve transparency and reduce risk, a strong desire remains to preserve market autonomy and avoid the administrative burden of formal regulation. The dominant view is that industry professionals are better suited to define and enforce standards around authenticity, valuation and market conduct, areas where public authorities may lack the necessary depth or agility.

However, the art market's growing reputational threats suggest that self-regulation must evolve, and quickly. If it fails to address mounting concerns about transparency, fairness and accountability, public trust could erode further. The choice, increasingly, is not between regulation and no regulation, but between proactive self-reform and reactive government intervention.

The cost of inaction and the risk of falling behind

The art market is already showing signs of stagnation, as seen in Section 1. In 2025, auction sales volumes have effectively returned to levels last seen 16 years ago, reflecting an industry struggling to evolve in step with the world around it.

If the art market continues to resist modernization, it risks losing relevance with the next generation of collectors—the very demographic needed to survive the coming generational wealth transfer.

The lack of transparency remains a core issue. Traditional business practices often obscure vital information like provenance, pricing and authenticity, fueling persistent concerns around fraud and counterfeits. Without improvements, buyer trust may continue to erode.

Beyond risk lies a landscape of missed opportunity. Emerging technologies like blockchain, data analytics, and virtual and augmented reality offer entirely new ways to experience, collect and engage with art. The rise of digital art and the advent of NFTs four years ago underscore a broader transformation in cultural markets, particularly among younger generations.

While the initial hype has cooled due to over-speculation and market volatility, the underlying applications of NFTs remain highly relevant. From digital authenticity certificates to programmable ownership rights and resale royalties, the utility of NFTs continues to evolve, offering real solutions to the art ecosystem's longstanding inefficiencies. By resisting these shifts, the traditional art market forfeits new revenue streams and the chance to reach broader, more diverse global audiences.

According to Nick Eastaugh and Thereza Wells' article on page 96, one key area of untapped potential is the middle market; works priced between US$50,000 and US$1 million. Despite representing only 4% of total lots sold at auction in 2024, this segment accounted for an estimated US$8 billion in sales.

Crucially, it is split evenly between Contemporary and Pre-contemporary works, the latter of which stands to benefit most from advances in data transparency, especially around attribution and provenance. This could unlock two- to threefold growth, implying a total addressable market of US$16 billion to US$24 billion when accounting for dealer activity.

For investors and collectors, this overlooked tier may offer one of the most compelling opportunities for innovation-driven value creation.

In short, the choice is stark. Without decisive action, the art market risks becoming increasingly insular, inefficient and irrelevant. But by embracing modernization, it can reinvigorate itself, expand its reach, and secure its place in the evolving global economy. The time for incrementalism is over; the cost of inaction is already being felt.

This section is divided into the following parts:

PART **01**

Survey findings 2025
This section analyzes what art and finance stakeholders (wealth managers, art professionals and collectors) see as the biggest threats to the art market's reputation, and how regulation and risk management can mitigate these risks.

PART **02**

Recent developments in AML regulations

PART **03**

Risk management, legal and regulatory developments
Here, we explore best risk management practices and the evolving legal and regulatory environment around art and collectibles, including crypto assets, tokenization and fractional ownership.

PART **04**

Implications for wealth managers

Untitled (from the series "Folds II")
Marta Djourina, ongoing series, direct exposure on folded analogue photo paper with different light sources, unique, size variable; Photo: CHROMA

PART **01**

Survey findings 2025

Since 2017, we have been asking wealth managers, collectors and art professionals whether the art market and art industry need to modernize their business practices. The responses have revealed how perceptions have shifted over time due to market developments, digital transformation and changing expectations. This analysis explores current sentiment to the 2017 baseline year.

Figure 201: Modernization—change indicator: Does the art market/art industry need to modernize its business practices?

(Average % of stakeholders saying "Yes")

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

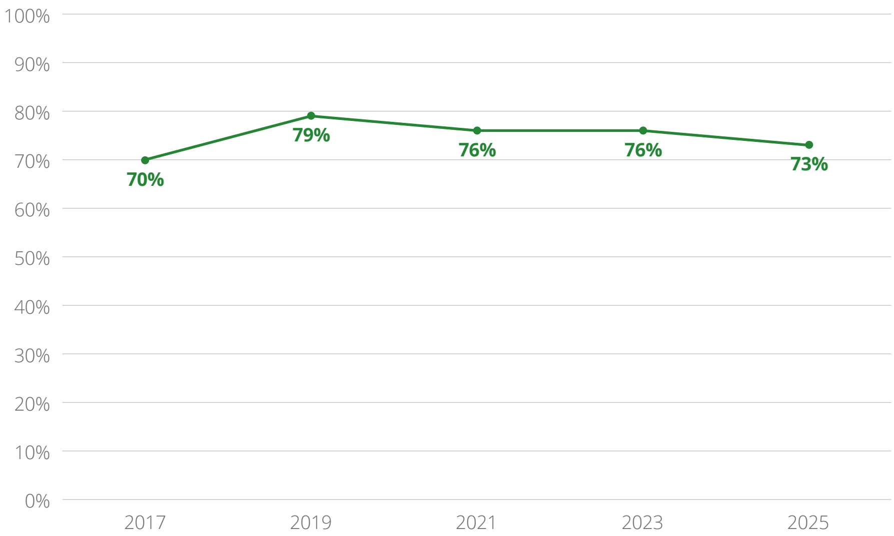
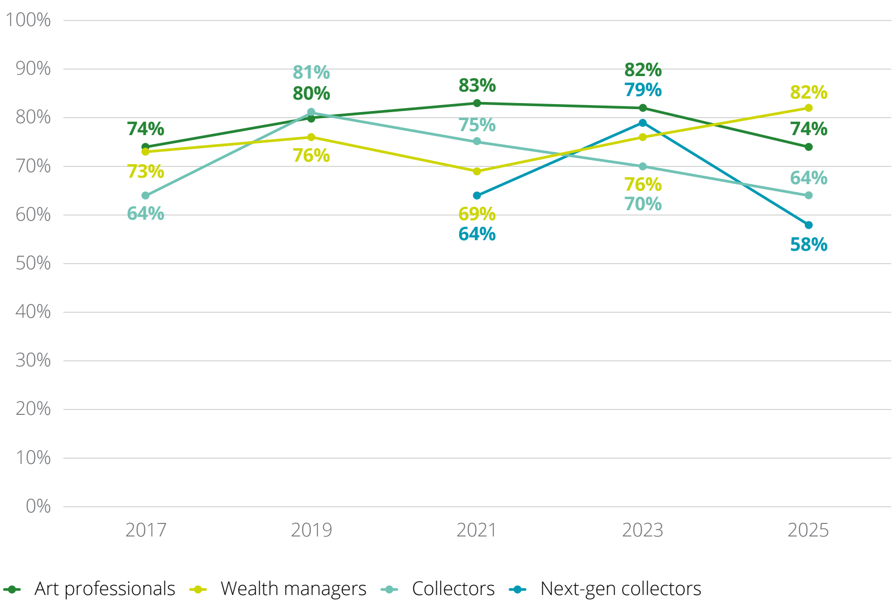


Figure 202: Does the art market/art industry need to modernize its business practices?

(Average % of stakeholders saying "Yes")

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Stakeholder perspectives: Anticipating change, but not expecting it soon

Since we started asking our stakeholders this question in 2019, the art market has faced increasing pressure to modernize its business practices. Wealth managers, art professionals and collectors have repeatedly voiced concerns that the current system is outdated, opaque and ill-equipped for a changing world. While agreement on the need for change has solidified, confidence in the system's willingness or ability to evolve has yet to materialize.

Wealth managers

Wealth managers have long been vocal about the art market's structural shortcomings. In 2017, 73% believed modernization was necessary; by 2025, that number had risen to 82%. This growing conviction likely reflects frustration with the lack of regulation, transaction inefficiencies and minimal transparency, all of which clash with the norms of the financial world they operate in.

In 2021, 27% thought meaningful transparency and regulatory reform would happen within two years. By 2025, that figure had dropped to just 6%, while nearly nine in ten believed change was at least three years away or may never happen. Their view is clear: the need for reform is urgent, but the system has been too slow to respond.

This growing skepticism may explain why fewer wealth managers this year offered art and collectibles services or had integrated them into broader wealth strategies (see Section 2). Instead, many preferred to partner with established third-party providers who can manage these complexities. The recent launch of New Perspectives Art Partners (NPAP), a consultancy formed by seasoned art market professionals tackling entrenched inefficiencies, appears to be a step in that direction.

Collectors

Collectors' responses have been more volatile. In 2017, 64% believed the art market needed to modernize; that figure surged to 81% in 2019, only to revert to 64% in 2025. Part of this year's decline was due to the drop in next-gen collectors believing modernization was necessary, from 79% in 2023 to 58%.

This could signal fatigue or a loss of confidence that meaningful change is possible. Supporting this, the collectors who believed change would come within five years declined, while those expecting it to take more than five years rose steadily. In 2025, 40% of collectors believed change was over five years away (up from 35% in 2023), and 17% thought it may never happen (up from 14% in 2023), more than any other stakeholder group.

It is also worrying that an even larger share of next-gen collectors (45%) believed any move toward regulation was more than five years away, while 19% said it would "never" happen. According to a 2025 Artsy survey,[322] only 17% of collectors said that the art market caters "very well" to them, and only 18% believed galleries are doing enough to educate and engage new collectors.

Art professionals

Art professionals, deeply embedded in the industry's mechanics, are echoing collectors' sentiments. In 2017, 74% believed modernization was needed, a self-acknowledgment that the system was not working as it should. That number peaked at 83% in 2021 during the COVID-19 pandemic, when digital innovation and adoption briefly reshaped market behaviors. In 2025, the share of art professionals who thought further modernization was required had returned to 74%, with an even stronger response from the next generation of art professionals, where 84% said modernization was needed.

Figure 203: Wealth managers: In your view, when will we see an acceleration in the adoption of more transparency and regulation in the art market?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

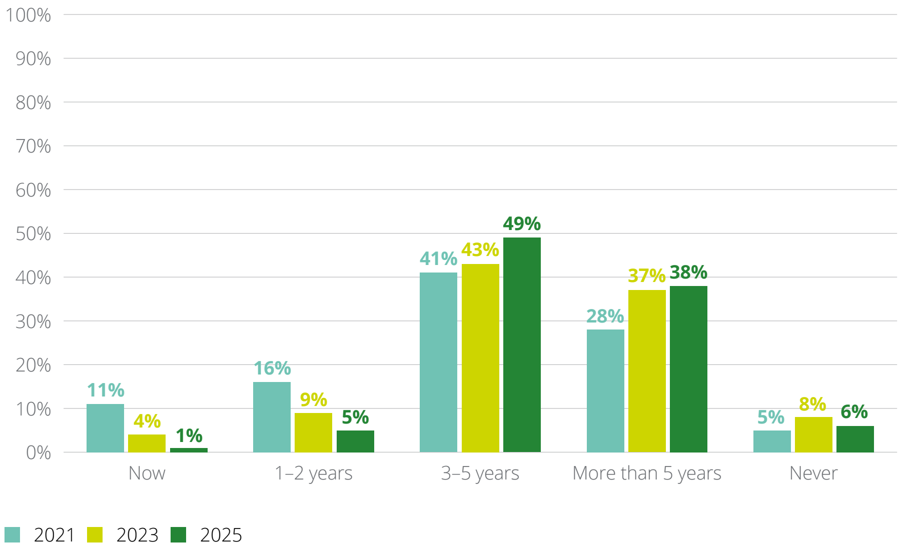
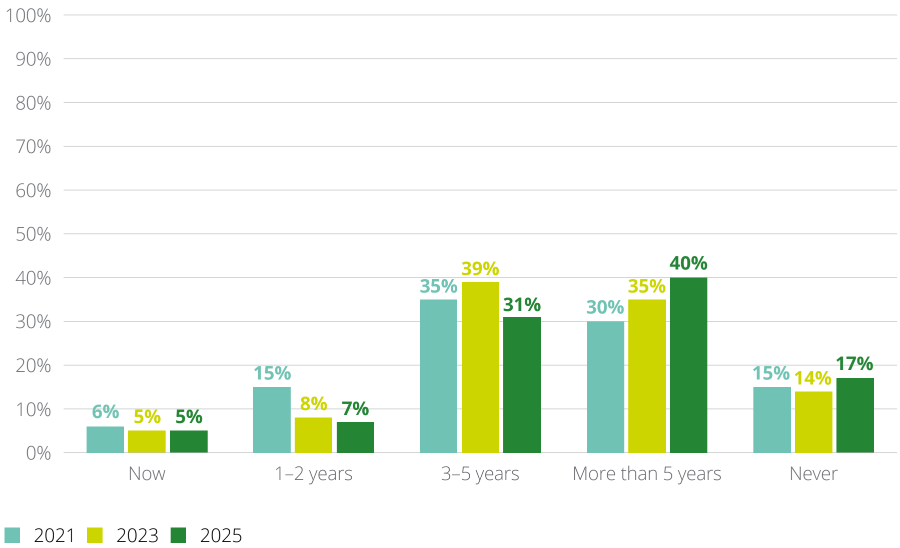


Figure 204: Collectors: In your view, when will we see an acceleration in the adoption of more transparency and regulation in the art market?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Art professionals' outlook for imminent reform has dimmed. In 2021, 26% believed greater transparency would come within two years; by 2025, that optimism had dwindled to 13%. Most strikingly, the proportion who believed transparency would never accelerate had tripled since 2021 to reach 20%. The sentiment is echoed among next-gen art professionals, with 42% believing it would take more than five years and 18% believing it would never happen.

Across all three groups, there is a clear and consistent recognition that the art market is out of step with modern standards. Yet, confidence in the timeline, or even the likelihood of imminent reform, seems remote. What began as a call for modernization is now at risk of becoming a long-term stalemate: stakeholders want change, but few believe the market will deliver anytime soon.

Without decisive action, the gap between what the art market is and what it should be risks widening further. As outlined in Section 1, art market sales have been stagnating, effectively returning to levels seen 16 years ago—a troubling signal for an industry that saw strong growth between 2000 and 2008.

If structural reforms continue to stall, the art market may not just stagnate but begin to contract, putting long-term value creation, stakeholder trust and generational engagement at serious risk.

Key reputational risks

For wealth managers, object-level risks remained the most damaging to the art market's reputation in 2025, consistently outweighing transactional or broader market risks. This long-term trend reflects their strong interest in verifiable, authentic and well-documented assets, which is critical given their fiduciary responsibilities.

Encouragingly, a large majority of respondents across all stakeholder groups believe digital tools can help address these challenges (see page 450-451 – Section 7).

Figure 205: Art professionals: In your view, when will we see an acceleration in the adoption of more transparency and regulation in the art market?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

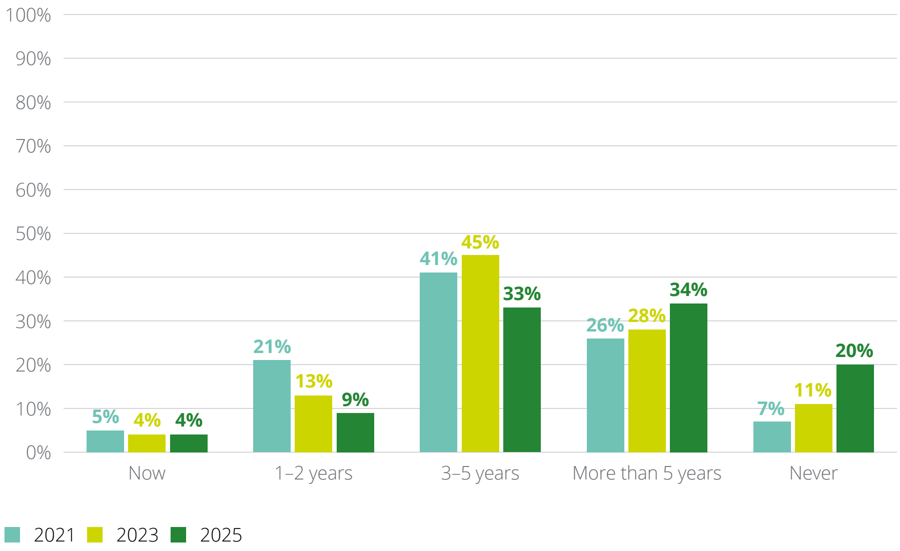
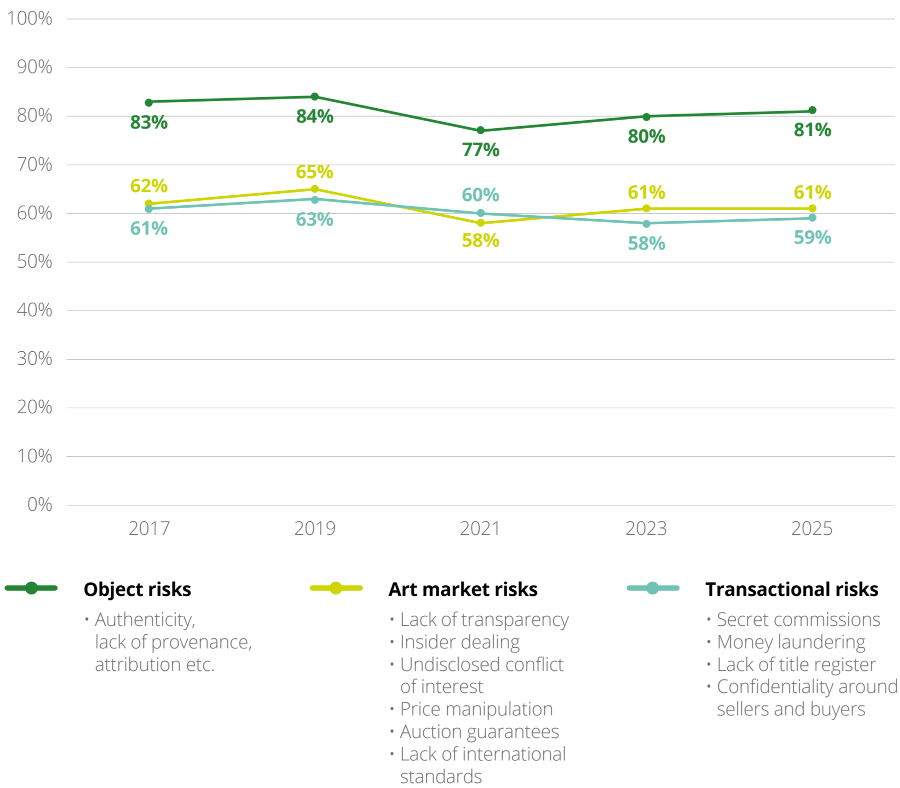


Figure 206: Wealth managers: Which of the following issues are the most threatening/damaging to the art market's reputation?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



This suggests a growing awareness that technology, whether through blockchain, digital cataloging or secure provenance tracking, can play a transformative role in resolving persistent issues around authenticity, ownership and attribution.

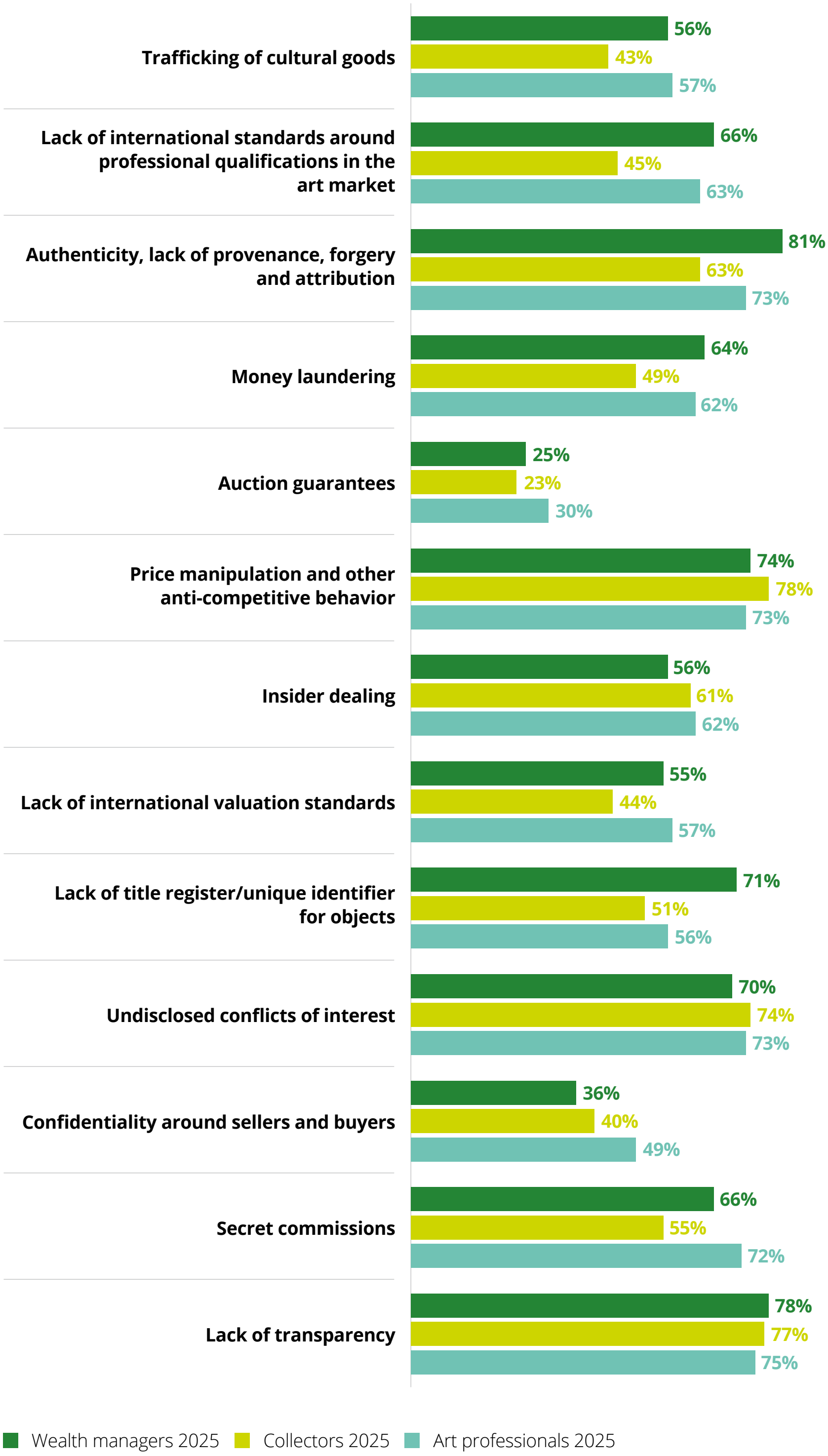
Between 2017 and 2025, concerns over art market risks remained relatively stable, such as a lack of transparency, highlighting unresolved issues that continue to erode trust. Meanwhile, the moderate decline in concern over transactional risks may indicate improved safeguards.

Together with broader stakeholder data, this reinforces the message that building trust in the art market hinges on object integrity and improved transparency, both in what is being sold and how it is transacted.

Lack of transparency: Across the three different stakeholder groups, lack of transparency remained the most pressing and persistent concern, consistently ranked as the art market's top threat. In 2023, 80% of art professionals, 76% of collectors and 74% of wealth managers cited this as a major risk. While art professionals' misgivings slightly decreased to 75% in 2025, they increased among wealth managers to 78% and collectors to 77%, underscoring a rising demand for greater clarity and accountability in transactions. An Artsy survey from 2025 echoes these findings,[323] with 69% of art collectors saying a lack of transparency had deterred them from buying art.

Authenticity, provenance, forgery and attribution: Once the most critical concern for art professionals (83% in 2023), this notably decreased to 73% by 2025, perhaps indicating some progress or shifting priorities. Collectors' anxiety also declined from 72% in 2023 to 63% in 2025. In contrast, wealth managers' unease remained high, increasing from 80% to 81%, highlighting their continued vigilance over the financial and reputational risks of acquiring illegitimate or unverified works.

Figure 207: Stakeholders: Which of the following issues are the most threatening/damaging to the art market's reputation?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Untitled (from the series "Folds II")
Marta Djourina, ongoing series, direct exposure on folded analogue photo paper with different light sources, unique, size variable; Part of the collection of The Sidney and Lois Eskenazi Museum of Art at Indiana University, USA; Photo: CHROMA

Price manipulation and other anti-competitive behavior has ranked consistently high. In 2023, 82% of art professionals and 84% of collectors viewed this as a significant threat. Although these numbers decreased in 2025 (to 73% and 78%, respectively), the issue remained a key concern. Wealth managers expressed growing apprehension, with figures rising from 69% in 2023 to 74% in 2025, signaling an alignment among all stakeholders on the need for fairer and more transparent pricing practices.

Undisclosed conflicts of interest were another shared apprehension. Art professionals reported a high level of concern in 2023 (79%), which slipped to 73% by 2025. Collectors' views remained stable (75% in 2023 and 74% in 2025), while wealth managers reported a moderate increase (67% to 70%). This consistency reflects ongoing discomfort with advisory and client arrangements that may obscure financial motivations and compromise client interests.

Secret commissions: A more polarizing issue is the use of secret commissions. Art professionals' concern rose from 69% in 2023 to 72% in 2025, and wealth managers similarly saw an increase from 60% to 66%. However, collectors reported a significant decline, from 70% to just 55%. This divergence may indicate different levels of awareness about behind-the-scenes financial arrangements.

The lack of a title register or unique identifier for art objects: Anxiety around this issue also varied. While 70% of art professionals viewed it as a problem in 2023, their concern dropped substantially to 56% by 2025. Conversely, wealth managers grew increasingly worried, rising from 60% to 71%. Collectors expressed lower and declining misgivings overall, from 58% to 51%. This widening gap highlights how institutional stakeholders, especially wealth managers, are placing greater emphasis on formal documentation and traceability, likely in response to risk management and compliance needs.

Money laundering remained a systemic risk, particularly in the eyes of wealth managers. In 2023, 71% of wealth managers expressed concern, compared to 66% of both art professionals and collectors. By 2025, this unease had decreased slightly across the board: 64% for wealth managers, 62% for art professionals and just 49% for collectors. This could indicate greater confidence in the art trade's compliance efforts under the new AML regulation[324] that came into force in 2020. Additionally, apprehension around **buyer and seller confidentiality** also declined among wealth managers, from 40% in 2023 to 36% in 2025, which may reflect the perceived effectiveness of these new measures.

Insider dealing shows similar levels of concern across all groups. In 2023, 65% of art professionals, 66% of collectors and 57% of wealth managers considered it a risk, with only slight declines reported in 2025. This suggests that, while the threat remains, it has not worsened.

Trafficking of cultural goods: This is another issue receiving mixed attention. Art professionals' concern decreased from 67% to 57%, and collectors' dropped from 54% to 43%. However, wealth managers' misgivings slightly increased, from 52% to 56%, potentially reflecting a growing sensitivity to regulatory and ethical considerations.

The lack of international standards around professional qualifications in the art market continued to be more concerning to art professionals (63% in both years), while being less so for collectors (55% in 2023, dropping to 45% in 2025). However, wealth managers' anxiety increased from 63% in 2023 to 66% in 2025, suggesting a desire for more professionalization and standardization.

The lack of international valuation standards: This new category was added in 2025. Art professionals reported moderate concern at 57%, collectors at 44% and wealth managers at 55%, indicating that while the issue is recognized, it is not ranked among the greatest threats.

Auction guarantees rate among the least worrisome issues. Art professionals' concerns dropped from 35% to 30%, collectors' from 36% to 23%, and wealth managers' from 34% to just 25%. As auction guarantees have become standard practice, this may indicate greater acceptance and understanding of them as part of the auction market.

Trust in art market data will remain key to AI developments and adoption

While trust in art market data has shown some signs of improvement, it remains relatively low. In 2025, just 27% of wealth managers reported a high level of trust in art market data. While up from 18% in 2021, it still left 73% unconvinced this year. Collectors' trust rose more sharply, jumping from 27% in 2021 to 38% in 2023, but then stalling at that level. For art professionals, the most confident group, trust climbed from 38% to 48%. However, even here, more than half remain cautious.

This lack of trust is a significant issue because AI, no matter how advanced, is only as reliable as the information on which it is built. If the foundational data is viewed as shaky, the entire AI layer risks being seen as a black box—something to question rather than trust. Wealth managers, whose decisions often carry legal, financial and fiduciary weight, are likely to be reluctant to rely on AI outputs that they cannot fully audit or explain.

At the same time, this skepticism extends beyond technology. It is also about how art market data has traditionally been fragmented, opaque and inconsistent. Private sales data, condition reports and provenance histories are often incomplete or difficult to verify. AI promises to bring order to this chaos, but it must first prove that it can work with, or improve, the quality of information available. Without that, many stakeholders will continue to treat AI insights as interesting but inactionable.

Next-gen collectors and art professionals are somewhat more comfortable with digital tools and personalization features that AI enables. They are intrigued by the idea of using algorithms to track portfolio value or uncover new collecting opportunities. But even they hesitate to act on AI-driven recommendations without transparency and clear confidence measures.

Figure 208: Wealth managers: What level of trust do you have in the art market data (qualitative and quantitative) that is currently available?

(% respondents saying "high" or "very high")

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

Figure 209: Collectors: What level of trust do you have in the art market data (qualitative and quantitative) that is currently available?

(% of respondents saying "high" or "very high")

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

Figure 210: Art professionals: What level of trust do you have in the art market data (qualitative and quantitative) that is currently available?

(% of respondents saying "high" or "very high")

Source: Deloitte Private & ArtTactic Art & Finance Report 2025

This is why the future of AI in the art market is less about replacing human expertise and more about augmenting it. Stakeholders want systems that support decision-making, not ones that make decisions in isolation. The most successful AI tools will likely be those that explain their reasoning, show where the data comes from, and allow for human judgment to sit on top of the machine's analysis.

The opportunity, however, is enormous. If AI can help close the trust gap by spotting anomalies, verifying provenance and bringing clarity to opaque transactions, it could become the solution to the very problem holding it back today. The art market is ready for technology that not only delivers speed and efficiency, but also earns confidence by making the market itself more transparent and accountable.

Until that happens, AI risks being a powerful but underused tool, humming in the background, waiting for the day when the data it feeds on is as reliable as the algorithms it runs.

Family office perspectives

Family offices and art market risk: A shift toward structural integrity

Recent data from 2023 and 2025 reveals a notable shift in how family offices perceive reputational threats to the art market. While traditional concerns like money laundering and forgery remain significant, their attention is increasingly turning to deeper structural issues related to transparency, governance and professional standards.

One of the most striking changes was the rise in concern over **secret commissions**, up from 52% in 2023 to 68% in 2025. This suggests that family offices are growing more wary of hidden financial arrangements that compromise trust and fairness. A similar trend is evident in the growing focus on the **lack of title registries** for artworks, which increased by nine percentage points to 68%. This reflects a demand for better object-level traceability, possibly driven by the broader digitization of asset records.

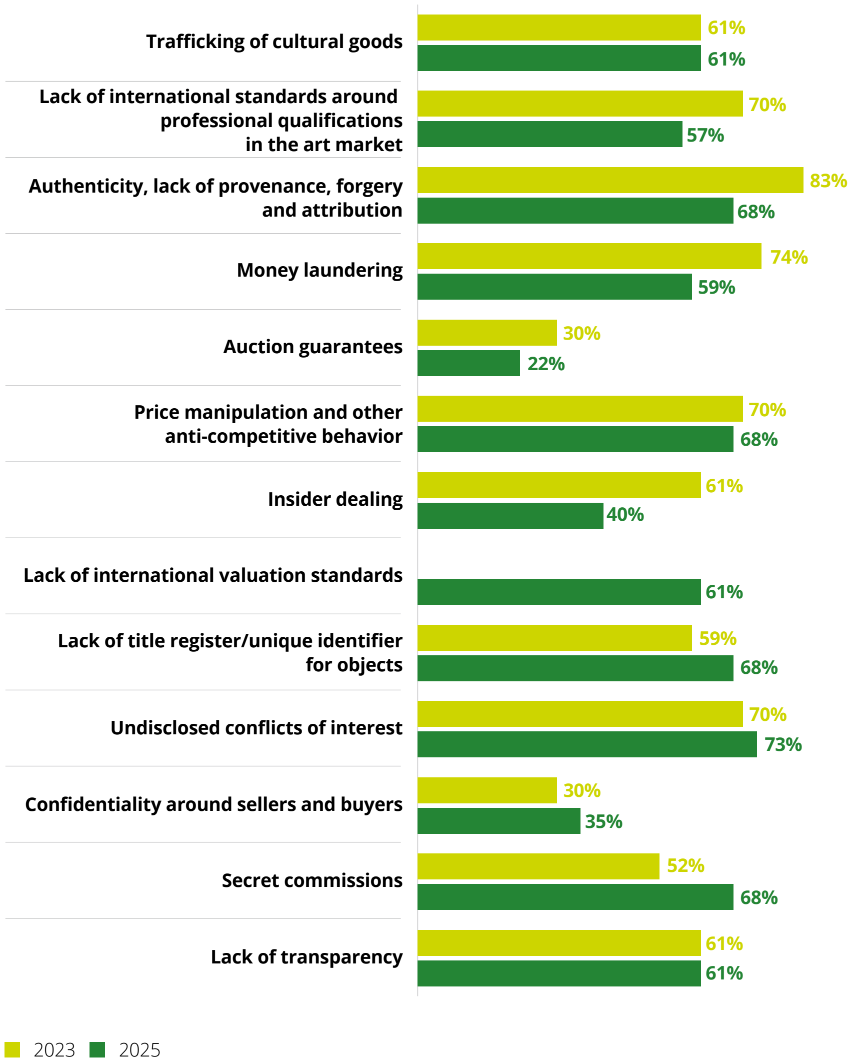
Concerns about **undisclosed conflicts of interest** also increased, from an already high 70% to 73%, reinforcing the perception that the art market often operates without adequate safeguards.

Interestingly, some issues that traditionally dominated headlines are losing urgency. Concern about **money laundering** dropped significantly from 74% to 59%, possibly reflecting greater enforcement or compliance with AML regulations. Likewise, anxiety over **authenticity, forgery and lack of provenance**—historically seen as core risks—declined from 83% to 68%. This may signal growing confidence in new technologies like blockchain and AI-based verification tools.

However, the sharpest decline in family offices' concern was about **insider dealing**, which dropped from 61% to 40%,

Figure 211: Family offices: Which of the following issues are the most threatening/damaging to the art market's reputation?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



a 21-point fall. This may reflect a growing awareness that, unlike in financial markets, the art market is largely unregulated, and the use of privileged information is neither illegal nor uncommon. Rather than seeing this as misconduct, many family offices may now consider it a structural feature of the market.

Some concerns remained unchanged. **Lack of transparency** and **trafficking of cultural goods** both held steady at 61%, indicating persistent reputational vulnerabilities that have yet to be meaningfully addressed.

Together, these shifts suggest that family offices—often long-term, multi-generational investors—are no longer just concerned with criminality or fraud. Instead, they are increasingly focused on the art market's underlying infrastructure: how it is governed, who participates, and whether the rules are clear and consistently enforced.

If the market is to retain family offices' trust and capital, it must meet their rising expectations around professionalism, accountability and transparency.

Next-gen perspectives

A shift in concerns among next-gen art collectors between 2023 and 2025

The 2025 data reveals a subtle but notable recalibration in what next-gen collectors and art professionals consider the biggest threats to the art market's reputation. Several areas show a meaningful decrease compared to 2023, suggesting either increased confidence in certain reforms or a redirection of attention toward newer threats.

In 2025, next-gen art professionals identified a lack of transparency (76%), price manipulation (74%), undisclosed conflicts of interest (73%) and secret commissions (73%) as the most damaging threats. These align closely with the views of next-gen collectors, who rated the same issues among their top concerns: transparency (84%), price manipulation (81%), undisclosed conflicts of interest (71%) and secret commissions (65%).

Despite these persistent anxieties, a subtle shift is underway. Both next-gen collectors and art professionals are showing signs of cautious optimism, particularly in areas where technological innovation is beginning to make an impact. This could suggest growing confidence that blockchain certification, AI-based verification and valuation tools, and digital registries may finally offer reliable solutions to problems that have plagued the art market for decades.

Here are some other areas where we have seen a noticeable decline in concern since our last survey in 2023.

Money laundering: Among next-gen collectors, the sharpest decline was in concerns about money laundering, dropping from 73% in 2023 to just 45% in 2025. This likely reflects the impact of strengthened AML measures across jurisdictions, particularly within the EU and the US. However, younger art professionals continued to rate these risks highly (65%).

Auction guarantees: Similarly, next-gen collectors' fears around auction guarantees dropped significantly, from 56% in 2023 to just 26% in 2025 (28% for art professionals). This signals that young collectors are less worried about the impact of these financial arrangements, partly due to their common use at auction.

Authenticity and provenance, once a pillar of anxiety among next-gen art collectors, continued its downward trend, with concern falling from 79% in 2021 to 66% in 2023 and then to just 58% in 2025. This suggests that next-gen collectors believe this concern can be addressed through more reliable systems, such as digital certification, blockchain registries or AI-based authentication tools. Next-gen art professionals remained more skeptical, with 65% believing that authenticity and provenance remain among the biggest threats.

Figure 212: Next-gen collectors: Which of the following issues are the most threatening/damaging to the art market's reputation?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025

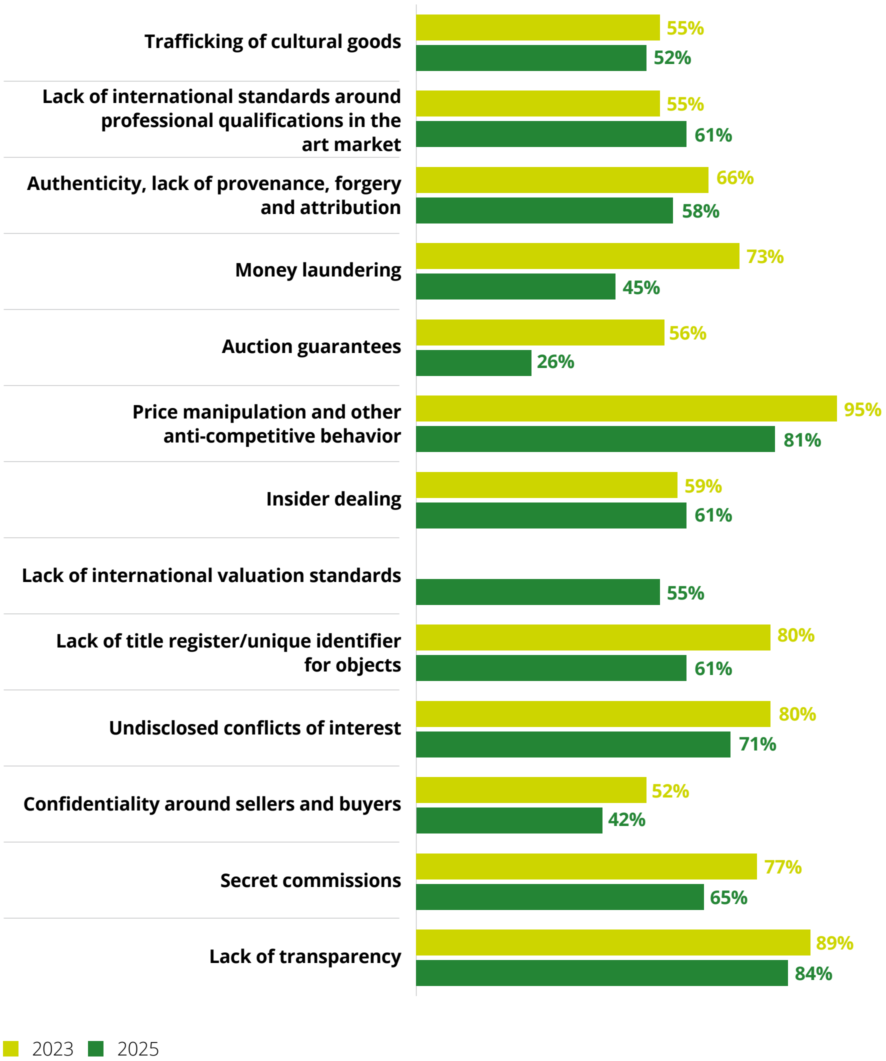
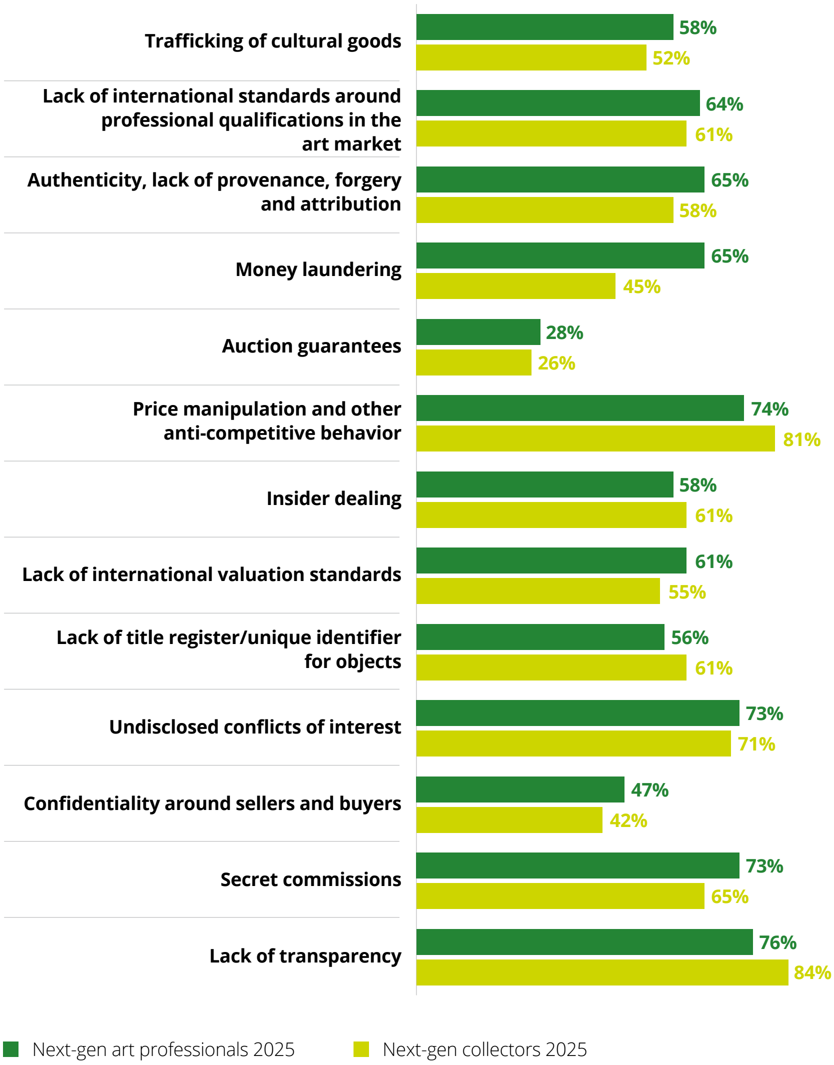


Figure 213: Next-gen collectors versus art professionals: Which of the following issues are the most threatening/damaging to the art market's reputation?

Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Undisclosed conflicts of interest fell from 80% in 2023 to 71% in 2025 among next-gen collectors, and ranked 73% among next-gen art professionals in 2025. While still among the top risks, collectors' decreasing concern may indicate incremental improvements in transparency, and a growing expectation for galleries, advisors and auction houses to be more upfront about relationships that could influence transactions.

Confidentiality of buyers and sellers also dipped from 52% in 2023 to 42% in 2025 among next-gen collectors (47% among art professionals). This decline could reflect a wider acceptance of anonymity as a privacy norm, especially in a digital age, or because AML frameworks demand more behind-the-scenes identity verification.

Secret commissions, which spiked in 2023 to 77%, were less of a perceived threat among next-gen collectors (down to 65% in 2025), but remained high among art professionals (73%). This could suggest the market is gradually responding to pressure for greater fee transparency, although younger art professionals seem less convinced.

Lack of a title register or unique identifier for artworks declined from 80% to 61% among next-gen collectors and 56% of next-gen art professionals. As digital provenance and registry solutions continue to gain traction, this drop may indicate growing optimism about technology's role in tackling historical problems around object tracking and ownership clarity.

The 2025 data suggests that while foundational issues like price manipulation and lack of transparency remain prominent, next-gen collectors and art professionals are showing cautious optimism in areas where reforms and technological innovation have made visible progress.

Collectors: Generational differences in reputational risks

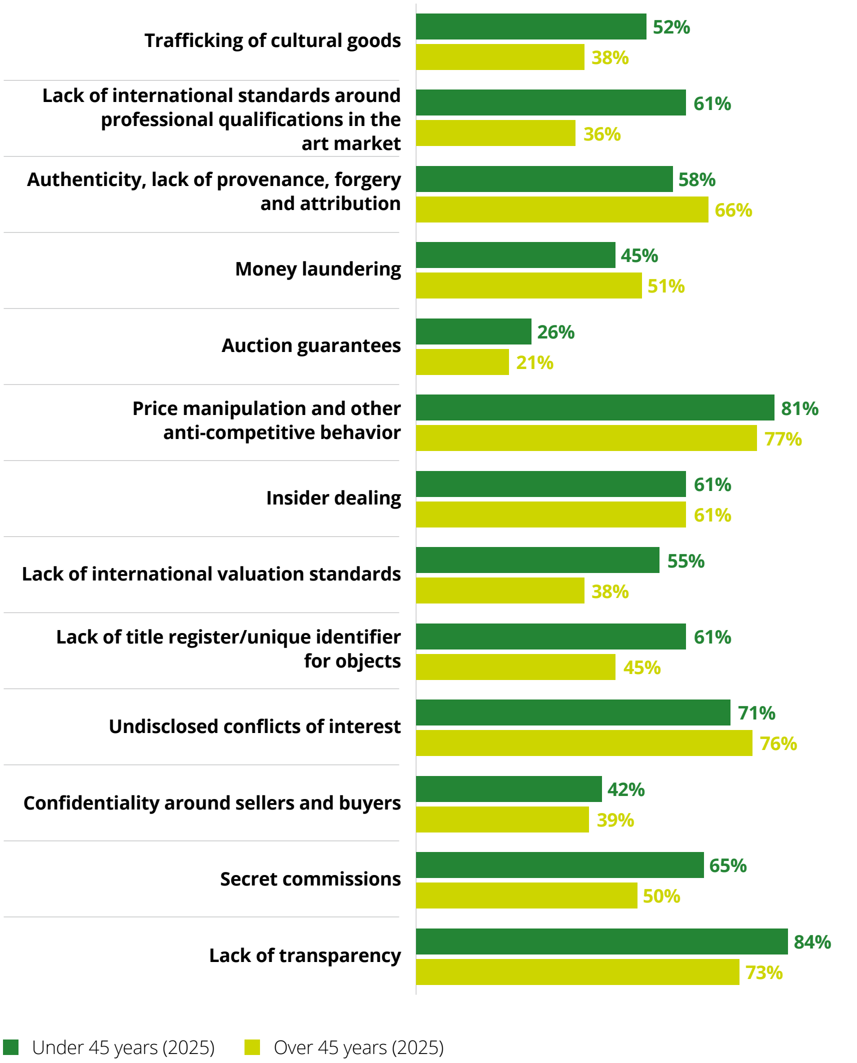
The 2025 data reveals clear generational differences in how reputational risks to the art market are perceived.

Next-gen collectors (under 45) tend to view systemic and structural shortcomings as more pressing. In 2025, they showed significantly higher concern than older collectors (over 45) for issues like lack of transparency (84% versus 73%), secret commissions (65% versus 50%), and the absence of standardized object identification systems (61% versus 45%).

They were also notably more focused on global infrastructure gaps, such as valuation standards (55% versus 38%) and professional qualifications (61% versus 36%), as well as trafficking of cultural goods (52% versus 38%). In contrast, older collectors were more concerned with traditional market risks like undisclosed conflicts of interest, money laundering and authenticity in 2025.

While both groups share concerns over price manipulation and insider dealing, the findings suggest that younger collectors are more attuned to institutional weaknesses, though paradoxically less likely to demand modernization. Whereas older peers remain more focused on familiar compliance threats and ethical concerns rooted in the current system.

Figure 214: Next-gen versus older collectors: Which of the following issues are the most threatening/damaging to the art market's reputation?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Untitled (from the series "Folds II")
Marta Djourina, ongoing series, direct exposure on folded analogue photo paper with different light sources, unique, size variable; Photo: CHROMA

Government or self-regulation?

Over the past decade, self-regulation has remained the dominant preference among key art market stakeholders. While art professionals, collectors and wealth managers have shown varying levels of support for government oversight, most continue to favor industry-led governance.

Art professionals initially expressed strong support for self-regulation (76% in 2016), which dipped to 50% in 2023 before recovering to 64% by 2025. Collectors showed the most consistent backing, with 72% support in both 2023 and 2025 after a brief drop in 2021. Wealth managers were more evenly split but still leaned toward self-regulation (63% in 2025), reflecting a cautiously optimistic stance.

Self-regulation remains the preferred approach because it offers flexibility, insider expertise, and a better fit for the market's complex and global nature. Many stakeholders believe that industry professionals are best placed to set standards around authenticity, valuation and conduct, areas where government frameworks may fall short.

There is also a strong desire to preserve the market's autonomy and avoid burdensome rules that could slow transactions or limit discretion. However, self-regulation must evolve quickly to address the aforementioned threats to the art market's reputation.

Figure 215: Art professionals: Which regulatory approach do you favor to establish trust and credibility in the art market?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025

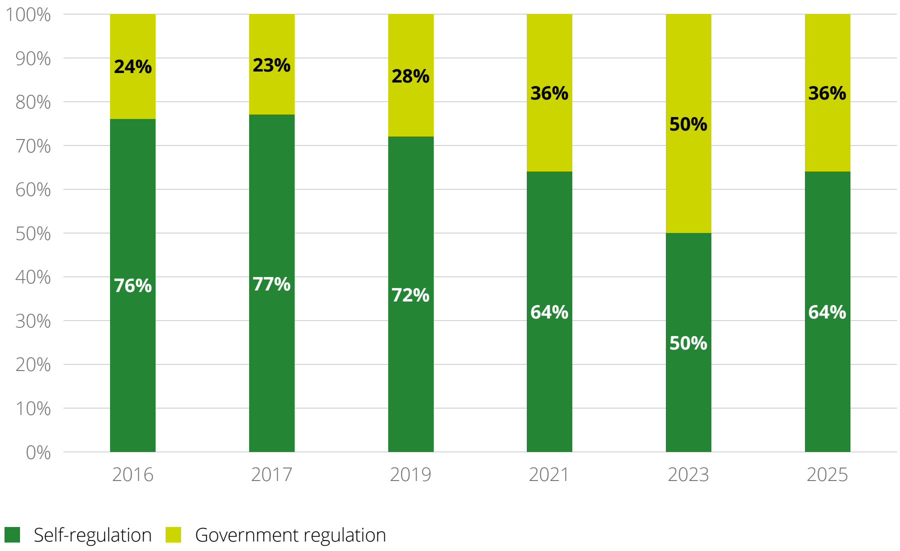


Figure 216: Collectors: Which regulatory approach do you favor to establish trust and credibility in the art market?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025

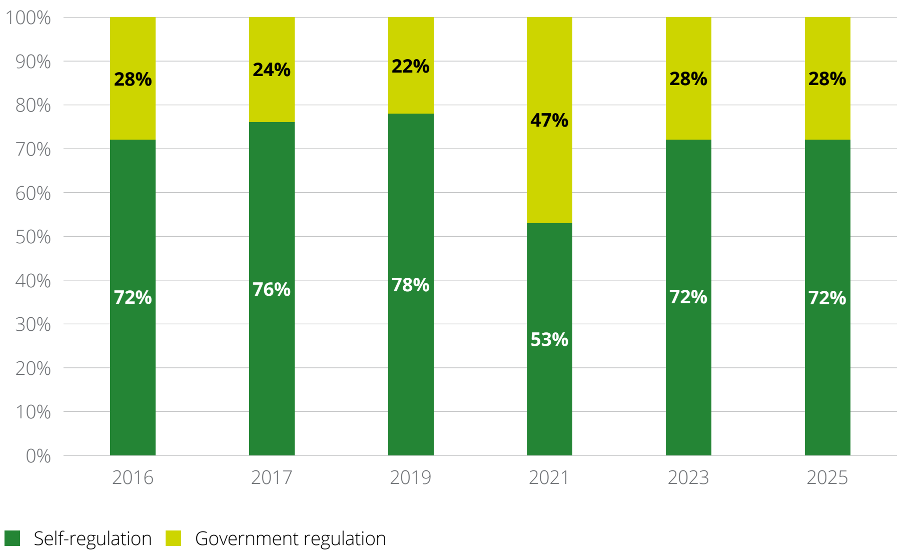
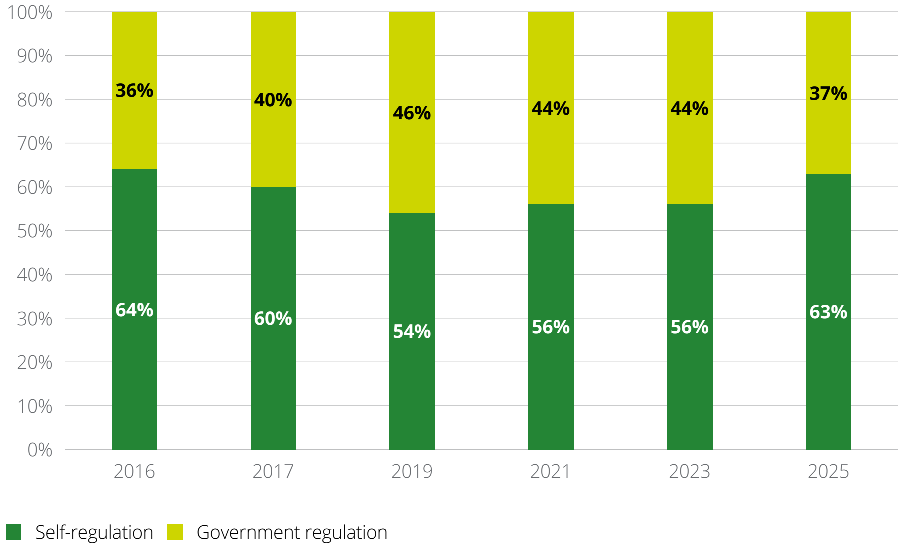


Figure 217: Wealth managers: Which regulatory approach do you favor to establish trust and credibility in the art market?
Source: Deloitte Private & ArtTactic Art & Finance Report 2025



Untitled
(from the series "Folds II")
Marta Djourina, ongoing series, direct exposure on folded analogue photo paper with different light sources, unique, size variable; Photo: CHROMA

PART **02**

Recent developments in AML regulation

As the global art market evolves, so does its regulatory landscape. Efforts to combat money laundering, terrorist financing, and sanctions evasion have intensified across major jurisdictions.

Regulators in the EU, UK, US and Australia are increasing pressure on art market participants (AMPs) to comply with robust due diligence, reporting and registration requirements. These developments mark a turning point in how transparency and accountability are enforced in the art world.

1) Strengthened AML, know-your-customer (KYC) and sanctions compliance

In the EU and the UK, AMPs are facing unprecedented regulatory scrutiny that shows no signs of slowing down.

In the EU, it is becoming standard market practice for AMPs to formally outline their AML/CTF risks within their Risk Appetite Statement (RAS). As a key governance document, the RAS details the key risk factors to which AMPs are exposed, the amount of risk they are willing to accept, and the mitigation strategies they intend to use. These risk factors can include exposure to specific countries, professional sectors, distribution channels and counterparties, as well as the nature or provenance of art pieces.

In the UK, HM Revenue & Customs (HMRC) has penalized over 147 art businesses since 2022, fining them a total of approximately £740,000 for non-registration or AML missteps.[325] This showcases escalated enforcement and highlights the inclusion of art advisors and interior design companies under the regulations, a point many in the industry were unaware of.[326]

According to UK-based FCS Compliance, the most recent set of fines represents a more than 49% increase in the total number of fines for AMPs. The total value of these penalties has increased by a staggering 160% compared to the previous list of HRMC penalties, highlighting the growing financial burden of non-compliance.[327]

2. Recent developments

a) The EU's new AML Package
Adopted on 19 June 2024, this package qualifies AMPs as "obliged entities" that must comply with stricter AML/CTF regulations. It aims to harmonize AML/CTF rules across the EU and close loopholes that criminals exploit to launder illicit proceeds, representing a significant shift toward greater transparency and accountability in the art market.

The AML Package includes:

- The Sixth Anti-Money Laundering Directive (AMLD6), for which Member States have three years from its entry into force to transpose into their national legislation;[328]
- The Anti-Money Laundering Regulation (AMLR); and
- The Anti-Money Laundering Authority Regulation (AMLAR), which establishes AMLA, a new pan-European regulator that oversees existing local regulators and harmonizes AML/CTF practices among EU countries.

b) UK financial sanctions reporting
Effective 14 May 2025, the OFSI expanded the list of "relevant firms" to include high-value dealers and AMPs. Now, any individual or business involved in buying, moving, trading, transporting or storing high-value goods or works of art in the UK must comply with the sanctions regime and report any sanctions breaches or suspicious transactions involving artworks worth over €10,000.[329]

c) Australia's AML/CTF Regime
In Australia, businesses dealing in precious metals and stones, including those in the fine art sector, will be brought into the AML/CTF Regime and required to enroll with the Australian Transaction Reports and Analysis Centre (AUSTRAC) between March and July 2026.[330]

d) The US's Art Market Integrity Act
On 23 July 2025, several US Senators proposed new legislation to amend the Bank Secrecy Act. Called the Art Market Integrity Act, it would require a wide number of AMPs to comply with AML/CTF regulations. These include art dealers, auction houses, art advisors, consultants, galleries, museums or "any other person who engages as a business as an intermediary in the sale of works of art."[331]

PART **03**

Risk management, legal and regulatory developments

This part highlights key legal, regulatory, and risk management developments shaping the art and collectibles market, particularly as it intersects with new technologies and global compliance standards. As innovation accelerates and new asset classes such as crypto and tokenized art emerge, market participants face growing obligations to navigate evolving legal frameworks.

These developments reflect a broader global shift toward stricter oversight, enhanced transparency and cross-border regulatory alignment. Understanding and anticipating these changes is essential for investors, collectors, art professionals and wealth managers seeking to operate responsibly and competitively in this evolving landscape.

A Crypto-assets regulations

1) The EU's Markets in Crypto-Assets Regulation (MiCA)

On 9 June 2023, MICA was published in the Official Journal of the European Union.[332]

MiCA provides a harmonized regulatory framework for the crypto-asset market, applying to both traditional financial institutions and new players involved in crypto-asset services. These institutions must meet specific requirements to be recognized at the EU level, permitting these services to be "passported" across the EU market.

Through MiCA, the EU aims to bring legal certainty to the crypto-asset ecosystem and support innovation, while safeguarding consumer protection, market integrity and financial stability.

MiCA came into full application from **30 December 2024**, except for Titles III and IV for asset-referenced token (ART) and e-money token (EMT) issuers, which applied from **30 June 2024**.[333]

2) Guiding and Establishing National Innovation for U.S. Stablecoins Act of 2025, or GENIUS Act (S.919)

On 18 June 2025, the US Senate Banking Committee passed the GENIUS Act.[334] If enacted, it would establish a dedicated and bipartisan federal framework for regulating stablecoins for the first time in the US.

Together, the GENIUS Act and SEC Staff Accounting Bulletin (SAB) 122 (which reverses SAB 121) lay the foundation for institutional adoption of stablecoins in the US. The GENIUS Act establishes a federal framework for issuing compliant, fully backed stablecoins, while SAB 122 enables banks to custody digital assets without classifying them as on-balance-sheet liabilities.

With these regulatory clarifications, stablecoins can serve as the on-chain cash leg for financial institutions, unlocking real-time settlement, composable services, and broader integration with capital markets and DeFi services.[335]

As these frameworks take effect, we expect to see:

- More banks issuing stablecoins under federal or state-regulated regimes in the US.
- US institutions accepting stablecoins for the subscription, redemption and settlement of tokenized securities.
- The accelerated institutional adoption of tokenized securities.

3) The future of tokenized assets and the global regulatory landscape

The future of tokenized assets depends on how well regulators can adapt to new technologies while ensuring safety and fairness. However, its regulatory environment is still in development. Many countries and jurisdictions are working to create clear rules, but hurdles include:

- Lacking clarity on how existing laws apply to tokenized assets;
- Dealing with the different rules of different countries and regions, making it hard for companies to operate globally;
- Ensuring the security of tokenized assets and protecting investors;
- Determining legal ownership and rights;
- Handling disputes among fractional owners; and
- Navigating complex tax implications.

As the market for tokenized assets grows, regulators are expected to adapt accordingly. If regulators introduce clear guidelines that define how tokenized assets should be issued, traded and taxed, this could build trust among investors and institutions. This added clarity would attract more traditional financial players into the space, boosting liquidity and legitimizing the market.[336]

It is critical for investors and wealth managers to choose reputable platforms that comply with relevant regulations, and for new and existing projects to ensure they adhere to the market's evolving legislation.

B Antiquities and cultural heritage controls

EU introduces new regulations on the import of cultural goods

EU Regulation 2019/880 has finally been fully applicable since 28 June 2025. It aims to prevent the illegal trade in cultural goods and prohibit the import of cultural goods illegally exported from third countries.[337]

The Regulation applies different provisions based on the cultural goods' classification:

- **Part A:** Prohibits the import of cultural goods listed and illicitly removed from their country of origin.
- **Part B:** Requires import licenses for particularly endangered cultural goods that are more than 250 years old, regardless of their value.
- **Part C:** Requires importer statements for cultural goods considered less at risk than those of Part B, such as rare collections and antiquities over 200 years old and with a customs value above €18,000.

Regardless of category, all cultural goods imported into the EU are subject to uniform controls, which enable customs authorities to verify documentation and inspect goods to ensure that they have been legally exported. It is noteworthy that the Regulation excludes cultural goods originating or uncovered within the EU's customs territory.

Untitled (from the series "Folds II")
Marta Djourina, ongoing series, direct exposure on folded analogue photo paper with different light sources, unique, size variable; Photo: CHROMA

PART **04**

Implications for wealth managers

Long seen as an opaque world driven by relationships, the art market is under mounting pressure to modernize from private clients, institutional partners and regulators alike. It is approaching a critical juncture, and wealth managers are at the center of it.

Frustration mounts as optimism fades

The latest findings are clear: frustration is outpacing optimism. While 82% of wealth managers agreed modernization was essential in 2025, their confidence in near-term reform dwindled. At the same time, collectors—particularly the next generation—are losing patience. Nearly half of next-gen collectors believed meaningful change was still more than five years away, and nearly one in five feared it may never come. This highlights a growing disconnect between how the art market operates and the expectations of collectors and wealth managers.

For wealth managers, these trends present both challenges and strategic opportunities. On one hand, those who fail to adapt could alienate a new generation of collectors who are digital natives and value transparency. On the other hand, those who embrace new technologies and demand greater accountability could lead the charge in restoring trust, helping position art as a serious, compliant and valuable asset class.

The role of regulation and technology

Regulation is a major lever for change. There is an unmistakable global convergence toward stricter AML oversight and harmonized standards, from the EU's new AML package to the UK's expanded OFSI reporting obligations, Australia's upcoming AML/CTF requirements, and the US' proposed Art Market Integrity Act.

For wealth managers advising international clients, this alignment offers a valuable opportunity to provide expert guidance on cross-border art transactions. As trusted advisors, they can help clients navigate this evolving landscape by implementing consistent, globally compliant frameworks, enhancing transparency, streamlining processes and reinforcing trust.

At the same time, regulatory clarity makes it easier to work with vetted platforms and third-party providers, reducing reputational risk. While concerns over authenticity, fraud and title disputes remain high, the increasing use of AI-driven verification and blockchain-based provenance tools offers new ways to manage risk and demonstrate due diligence.

A shift in focus

Wealth managers are also witnessing changes in the priorities of institutional clients and family offices. Structural issues like undisclosed commissions, conflicts of interest, and the absence of title registries are no longer niche concerns; they are becoming key criteria in evaluating partnerships and providers. Forward-looking advisors must be familiar with these issues and ready to offer clear, compliant and tech-enabled solutions.

In this context, the role of the wealth manager is evolving from art gatekeeper to strategic partner. Those who stay ahead of the curve by embracing transparency, adopting regulatory best practices, and integrating technology into their services will be best positioned to earn the trust of a new generation of collectors and institutional clients alike.

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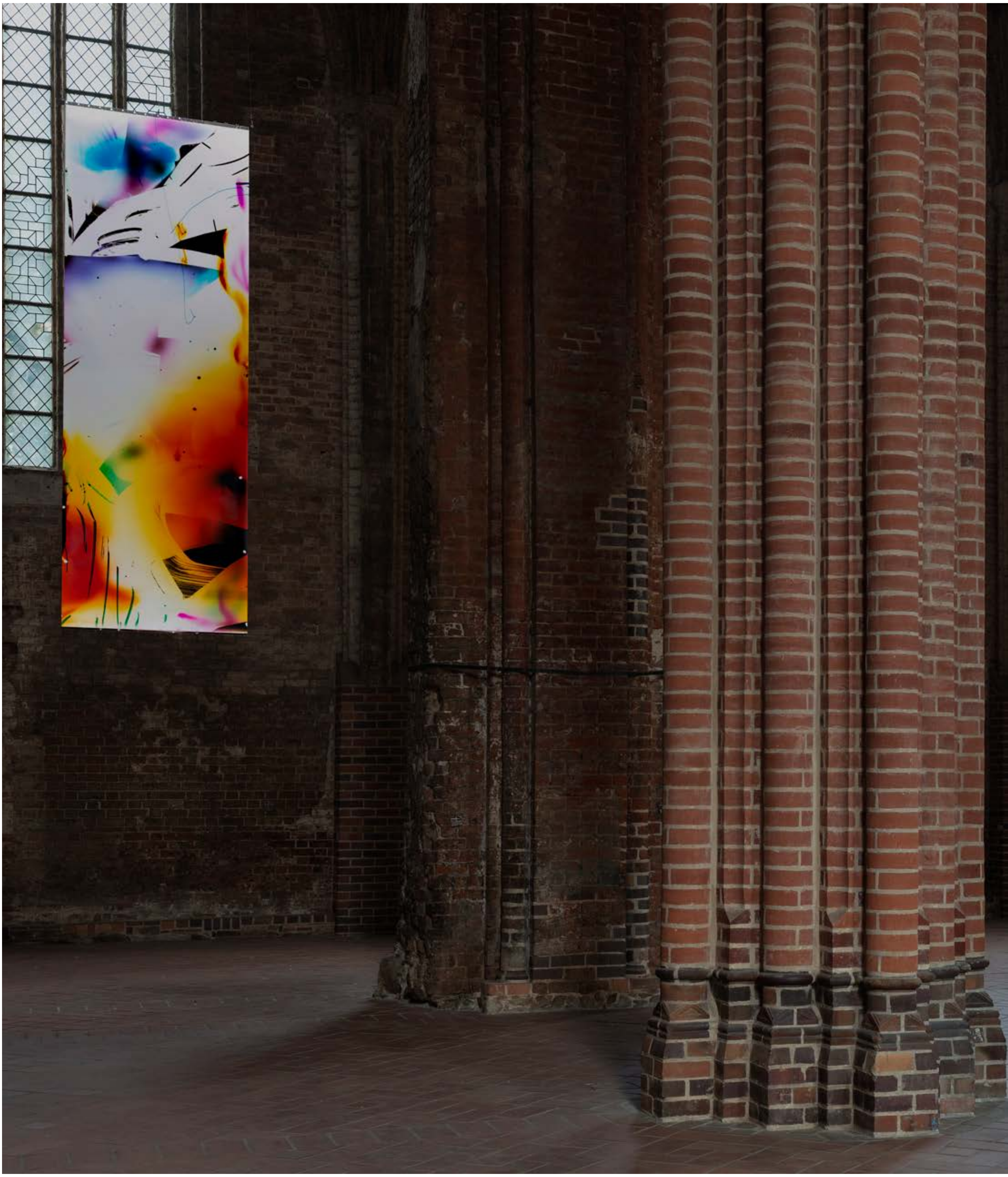
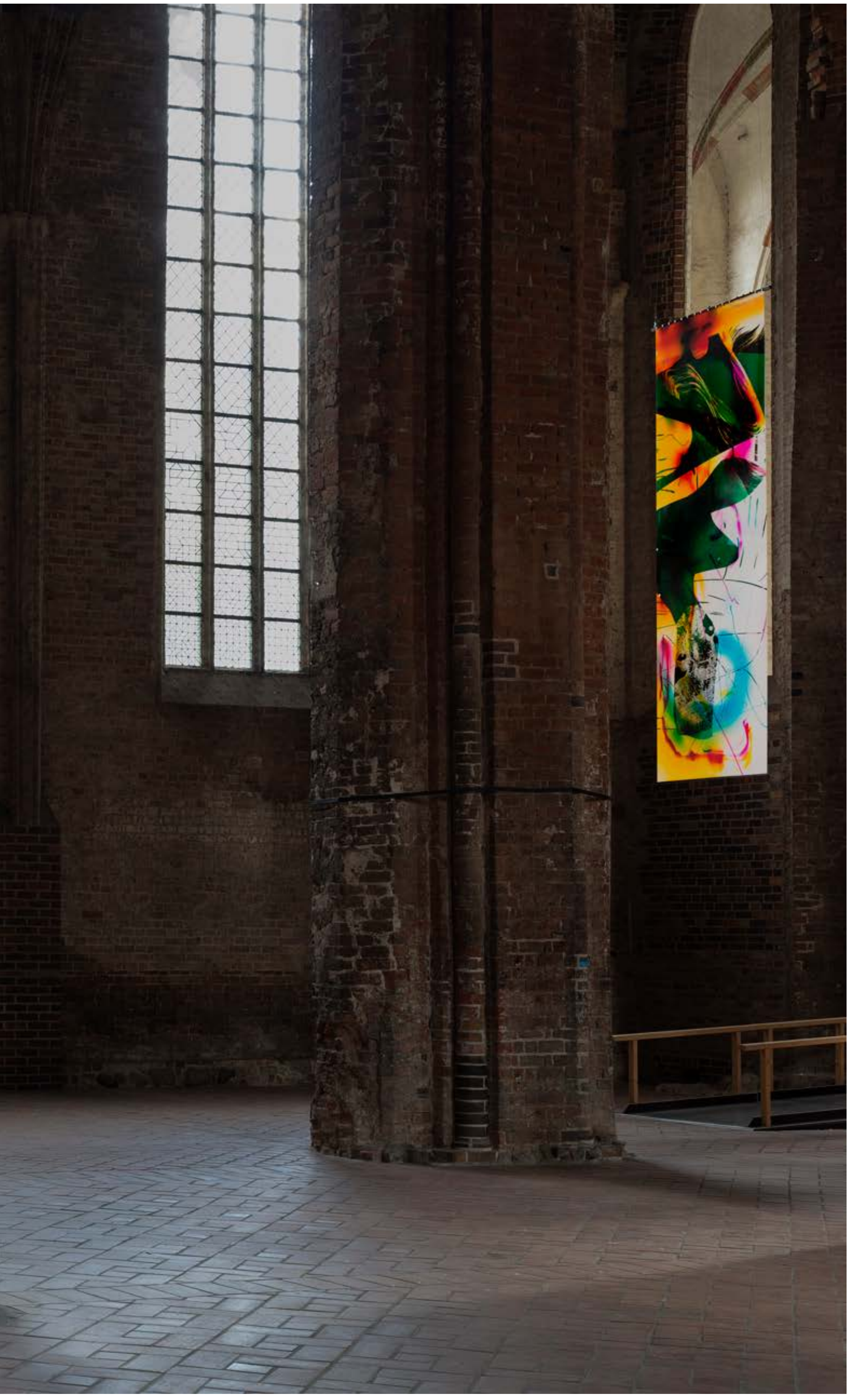
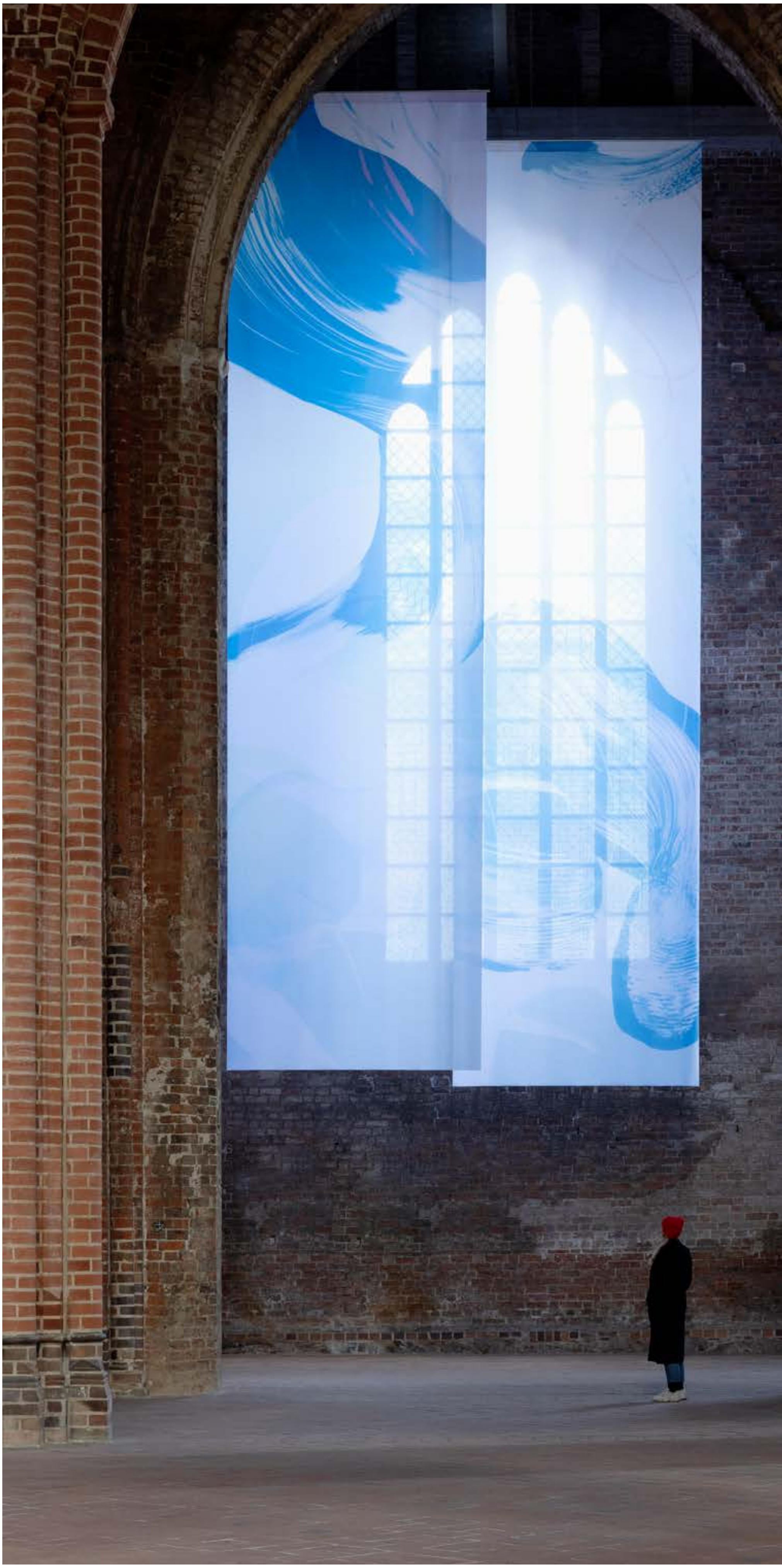
Untitled (from the series "Folds II")
Marta Djourina, ongoing series, direct exposure on folded analogue photo paper with different light sources, unique, size variable; Photo: CHROMA

09 Conclusion





Untitled
Marta Djourina - 2020, direct exposure on analogue photo paper with different light sources, self-made film negative, unique pieces, each 600 x 183 cm; Exhibition view, "Was du nicht siehst. abstrakt", curated by Anke Zeisler, 2020, St. Marienkirche, Frankfurt O; Photo: CHROMA



Intervall
Marta Djourina - 2021, site-spezific installation, print on fabric, 2 parts, each 1150 x 300 cm, St. Marienkirche, Frankfurt Oder; Photo: CHROMA

Art as the next trillion-dollar frontier: Why wealth managers can't afford to ignore collectibles

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Art is wealth, not just passion.
A significant, yet often overlooked, portion of UHNWI wealth is allocated to art and collectibles. Fourteen years of research clearly demonstrate that these assets are effective levers for client engagement, retention and differentiation.

Wealth managers who embrace innovation, strategic partnerships and holistic integration will secure a unique, multigenerational relationship with their clients and gain an early-mover advantage in today's increasingly competitive landscape.

The following points outline the key dimensions every wealth manager should be aware of when exploring the opportunity to integrate art and collectibles into their offering.

1. NEXT-GEN FOCUS:

Interest in art and collectibles is increasingly driven by the next generation, whose expectations center on identity, legacy and cultural impact, differing markedly from those of their predecessors. These collectors demand connection, purpose and experience, seeking art-related wealth management services that balance both passion and investment objectives.

2. MARKET MODERNIZATION:

While the art market's status quo remains an issue, industry stakeholders are finally acknowledging the necessity of a shift. This requires a new ecosystem built on advances in technology, transparency and improved infrastructure, following three years of reduced art market sales.

3. RISING EMOTIONAL MOTIVATIONS:

While combining passion with investment still dominates art buying, emotional and cultural motivations are becoming more prominent. Interest in art is returning to its fundamentals: emotion, cultural meaning, connection and experience.

4. SIGNIFICANT ASSET ALLOCATION:

An estimated 25% of UHNWIs (forecasted to be 164,000 in 2030) collect, with many allocating 10% or more of their wealth to art and collectibles, driven by the dual motives of emotion and wealth diversification.

5. MARKET GROWTH FORECAST:

Given the growing population of UHNWIs (forecasted to reach 654,900 by 2030), wealth allocated to art and collectibles is expected to continue increasing, potentially reaching around US$3.5 trillion by 2030.

6. FAMILY OFFICE ROLE:

Family offices are ideally positioned to support families in protecting, monetizing and transferring art wealth, though they often require access to certain specialized services provided by large private banks.

7. THE GREAT WEALTH TRANSFER:

An estimated US$1 trillion in art and collectible wealth could be passed down to the next generation by 2034 (based on a conservative 5% allocation). This equates to roughly US$100 billion per year over the next decade, requiring urgent collection management, estate, philanthropy and family governance planning.

8. HOLISTIC INTEGRATION:

Client needs and holistic advice are the central rationale for including art in wealth management services. Integrating these services acknowledges art's dual role as both an alternative capital asset and a form of personal expression with intrinsic value.

9. COLLECTION STEWARDSHIP AND ESTATE PLANNING:

Robust collection management and protection are becoming core priorities, forming the foundation of a holistic wealth management service offering, with technology playing a key enabling role. Furthermore, art is increasingly central to estate planning, particularly in the context of the great wealth transfer.

10. THE IMPACT INVESTMENT SPACE:

A new field is emerging around philanthropy and impact investment, supporting culture and creative activities. There is significant potential to design innovative solutions, including blended finance, that address the sector’s needs and meet client expectations. Currently, only 50 investment funds, with a total of US$22 billion in investment, have been identified in the creative sectors.

11. ART-SECURED LENDING GROWTH:

Art financing is expected to reach between US$33.9 billion and US$40 billion by 2025. This potential could be far greater if challenges related to asset transparency were addressed. Technology and specialized expertise can help streamline due diligence and expand this market, which is currently mainly used to develop business activities.

12. DIVERSIFICATION ROLE:

While art as pure passive investment is harder to justify, its role in a well-diversified portfolio remains important. Art assets can provide diversification, protection against inflation, and a hedge against currency risk. New approaches, such as fractional ownership and tokenization, are also emerging.

13. ART AND TECHNOLOGY INTEGRATION:

Art and tech initiatives have matured and are ready for deployment, offering support for better risk management, improved transparency, efficiency, and new forms of client engagement. This is a critical area worth monitoring to support art and collectibles’ integration into wealth management offerings.

14. DEFINING THE VALUE PROPOSITION:

Incorporating fine art and collectibles requires assessing the transversality of the services offered, the value generated through client engagement and retention, the brand position, and the social impact associated with purpose and culture.

Conclusion

Art and collectibles are no longer niche. They are a strategic pillar of next-gen wealth management, offering wealth managers a unique opportunity to connect with clients where emotion, purpose, culture and finance intersect.

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