



High-end Properties and Artistic Synergy Mirror Fine Art Market is a marketplace for fine art.

The ambition to acquire a trophy home and decorate it with world-class artwork is not new. Both, if purchased carefully, combine a pleasurable lifestyle with a profitable investment. According to new data from Christie's International Real Estate, the symmetry in demand for these two asset classes is so close that prices for both have increased by more than 20% in the last year. Emerging-market purchasers are joining forces with buyers in more established markets to keep fine art and luxury residences prices high. [the pearl qatar restaurants](#)

Luxury Defined: An Insight into the Luxury Residential Property Market, a report published by Christie's International Real Estate (CIRE) in April 2014, shows that luxury real estate has a much stronger correlation with the elite end of the fine art market than it does with the general housing market.

"Like luxury real estate, the upper end of the fine art market has seen a rebound in recent years as the world's wealthiest have turned to investments that offer originality, craftsmanship, and experiential luxury," says Joachim Wrang-Widen, Senior VP of CIRE. "Both markets are assets of passion and lifestyle, with limited stock and great demand. The pedigree and quality of a treasured house, like a masterwork of art, drives prices at the very top of the market." Christie's, the only real estate network controlled entirely by a fine art auction firm, compared the three-year compound growth rate in fine art sales and residential sales of properties worth more than \$1 million to the overall growth rate in house prices.

Luxury property purchases surged by 24%, while fine art sales increased by 22%, according to these figures. In comparison, general house sales in the US, UK, Canada, and Australia increased by 6% over the same period, while the S&P/Case-Shiller 10-City US House Price Index increased by 3%.

The Art Market in the World

Last year's global art sales totaled €47.42 billion, making it the second-best year on record. According to figures from the European Fine Art Foundation's TEFAF Art Market Report, this sum was just significantly lower than the €48.07 billion highs reached in 2007.

The two most expensive works ever sold at auction were Francis Bacon's triptych "Three Studies of Lucian Freud," which sold for \$142.4 million in New York in November, going to an unidentified buyer for \$50 million more than the pre-auction estimate, and Edvard Munch's "The Scream," which sold for \$119.9 million in May.

The Luxury Real Estate Market

According to Bonnie Stone Sellers, CEO of CIRE, property sales in the top price ranges have continued to grow, owing to limited inventory, low mortgage rates, and pent-up demand. "If 2012 was the year when the highest end of the luxury industry came back to life, 2013 was the year when the remainder of the luxury market thrived," she says.

With 70% of high net worth individuals investing directly in cities, international buyers demonstrated their commitment to buying in metropolitan regions in particular. This tendency was recognized in PwC and The Urban Land Institute's Emerging Trends in Real Estate 2014 study, which stated that 61% of millionaires live in cities and want a property in a "walkable, urban environment." According to Christie's analysis, the annual unweighted average growth rate in London, Los Angeles, New York, Paris, and San Francisco is 31%.

Newcomers to the market The Stock Exchange

New York, according to art market data firm Artprice, is the "epicentre" of high-end art sales, staging 39 of the top 50 auctions last year. The United States has dominated the art industry for the past two decades, and while it still holds a 39 percent share of the market in terms of value, China now accounts for nearly a quarter of all art sales. According to TEFAF, despite the fact that Chinese purchasers' stratospheric rise in the market halted in 2012, they remain the most important of the younger art markets.

According to Lisa Dennison, Chairman of Sotheby's North and South America, sales of Old Masters at auction houses Christie's and Sotheby's increased by 56.5 percent in 2012, with emerging markets such as the UAE, Mexico, and Brazil joining China to contribute significant numbers of new buyers to the market.

In their 2017 World Wealth Report, consulting firm Cap Gemini notes, "Looking forward, the art market, particularly at the upper end, is likely to continue strong." "Demand outstrips supply not just because masterpieces are rare, but also because their owners are sometimes hesitant to sell due to the difficulty in acquiring assets with equivalent return of qualities."

That is also true of top-end global property, according to CIRE's Wrang-Widen, which is why he feels luxury residential real estate, which is seen as a "safe haven" investment, has particularly significant growth potential.