

Know Your Art

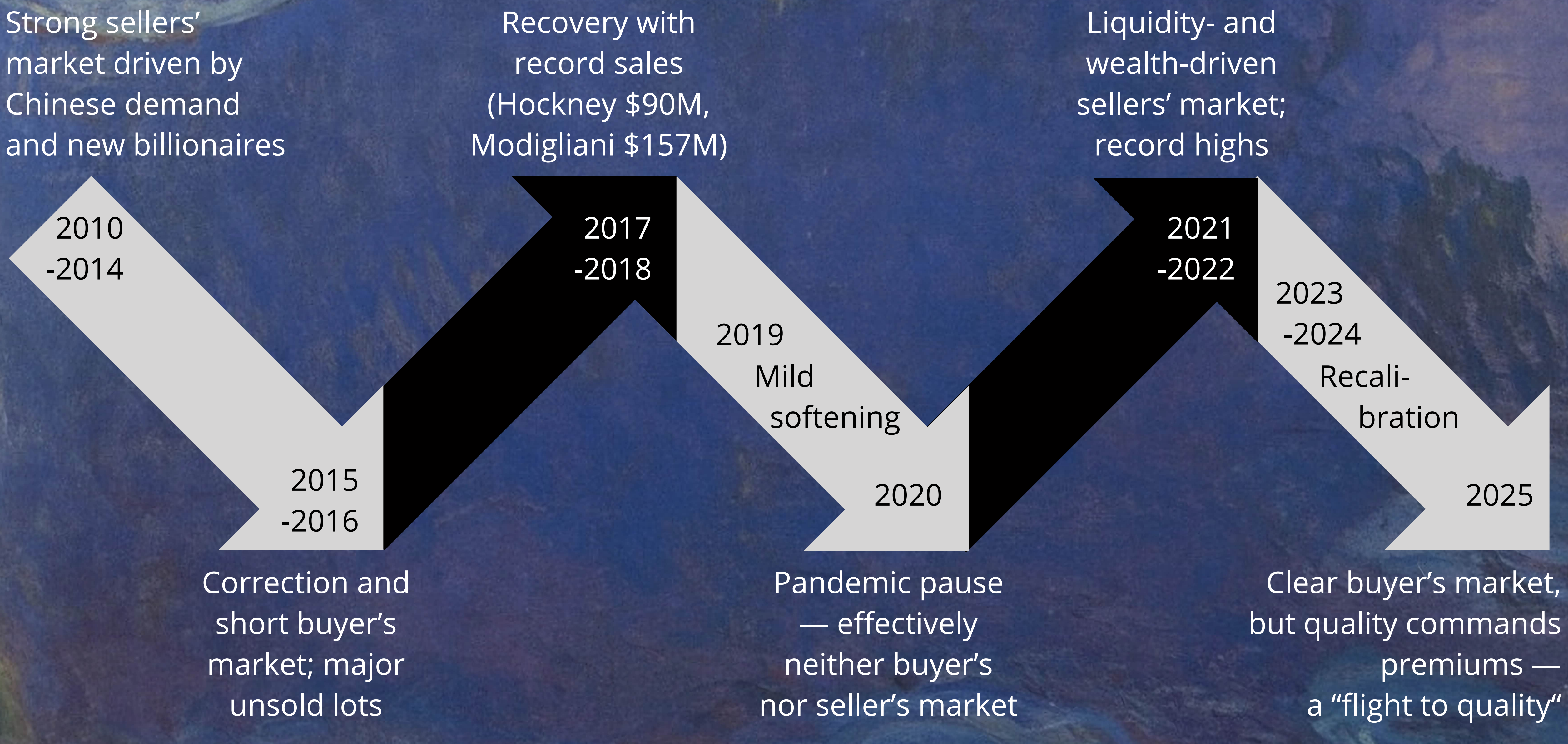
The Morgen & Stern Global Blue-Chip Art Market Report 2025

1. Buyers Market

Claude Monet, *Nymphéas*, circa 1914-1917, \$65M, Nov 2024, Sotheby's



Sellers' Market



Buyer's Market

2. Auctions vs. Private Sales

- 01** **Auction results show a significant contraction**
In 2024, the value of works sold above \$10M fell by 45%
- 02** **In contrast, private sales increased**
Sotheby's +17%, 20% works above \$20M; Christie's +41%
- 03** **Specialized players outperform**
Market participants focused on blue-chip private sales

For Sellers

- Price discretion
- Flexible timing
- Avoidance of public failures

Strategic Advantages

Private Sales

For Buyers

- Exclusive access
- Stronger negotiating position
- Creative deals

M&A

Performance-based payments bridging 20-30% gaps

Luxury Goods

Bonus clauses tied to visibility or institutional support

Creative deal examples

imported from other industries

Sport Transfers

Base price plus milestone bonuses (e.g. museum shows, auction records)

Real Estate

Sale-leaseback for display; earn-outs akin to rental yields

3. Strategic Recommendations

Piet Mondrian, *Composition With Large Red Plane, Bluish Gray, Yellow, Black And Blue*, 1922, \$47.5M, May 2025, Christie's

For Buyers

- Leverage market power**
Negotiate discount, payment terms, guarantees, trade-ins
- Prioritize quality**
Focus on the best example of an artist you can afford
- Do your homework**
Use digital tools to strengthen your negotiating power
- Creative structures**
Earn-outs, upside-sharing clauses, or loan-to-own

For Sellers

- Be realistic**
Anchor prices to 2023-24 comparables, not 2021 peaks
- Channel strategy**
Use private sales for discretion and control
- Marketing edge**
Provide thorough data and appraisals to reduce buyer risk
- Strategic patience**
Hold if offers are too low, consider art-for-art exchanges

For Both

- Win-win mindset**
View negotiations as collaborative problem-solving
- Hybrid structures**
Shared-upside models can bridge valuation gaps
- Strict contracts**
Like M&A deals: transparency and legal framework

Please visit www.morgenandstern.com to receive the full report

Methodology & Disclaimer

This research combines public data with private sale insights and was conducted by Morgen & Stern using four independently trained language models. Outputs were cross-checked under a man-in-the-middle protocol to reduce bias and ensure neutrality. All findings were reviewed and consolidated into this report. Note: this report does not constitute legal, financial, or investment advice.