

RICS Arts & Antiques Market Survey

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Price rises gather momentum, driven by higher end

- The All Lot price balance records sixth positive reading
- Price rises at the higher end of the market gather momentum, in contrast to lower end
- The best performing sub-sectors continue to be Silver and Jewellery; the worst performing are Ceramics and Clocks

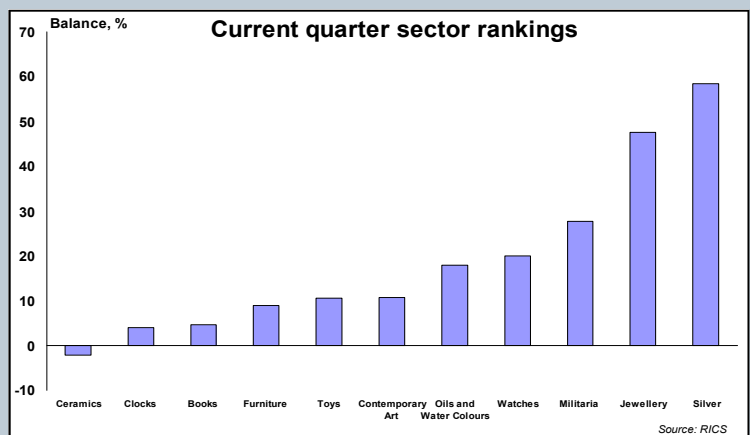
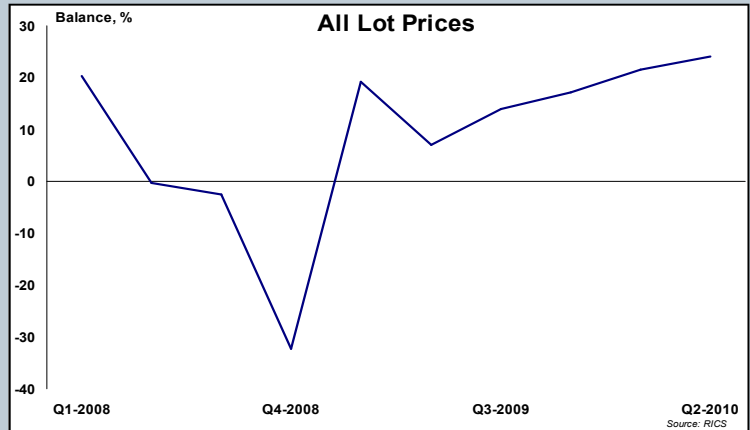
Arts and Antiques price rises gathered further momentum in Q2, the latest RICS Arts and Antiques Survey shows. The All Lot balance increased from +22 to +24 i.e. 24% more respondents saw prices rise rather than fall (the highest reading since the survey began in Q1 2008).

A breakdown of the survey results shows that price increases at the higher end of the market i.e. above £5,000 gathered momentum, whereas below this threshold, prices continued to rise but at a slower pace. Indeed, in the £1-£1,000 and £1,000-£5,000 categories, the price balances fell from +24 to +20 and from +27 to +16 respectively. However, in the £5,000-£50,000 and £50,000+ categories, the price balances rose from +18 to +25 and from +18 to +36 respectively. Anecdotal evidence from respondents suggests that buyers are putting a premium on the very best items, given their low availability at the moment.

Ten of the eleven sub-sectors (including the newest category, Watches) showed a positive balance. Only Ceramics recorded a negative balance, but at -2, this suggests the price falls were very small. The best performing sub-sectors continued to be Silver and Jewellery. The Silver balance increased from +57 to +58 and the Jewellery balance increased from +41 to +48. These areas have been buoyed by the persistent strength in precious metal prices.

Respondents were also asked an open question on which sector was the strongest in their opinion. Gold, silver and jewellery were, unsurprisingly, the most cited areas, but a significant number of respondents also mentioned oriental art and oriental ceramics (category not included in the survey).

Over the next 12 months, survey respondents expect both demand and availability to increase. However, demand is expected to increase at a faster pace than supply. Indeed, the expected demand balance was +36 compared to +17 for the expected supply balance.



Balance = Proportion of surveyors reporting a rise in prices minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the unadjusted balance will be 25%)

Number of survey responses = 56

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All Lots

----- All Lots - Not Seasonally Adjusted Balance ¹ -----					
	£1 - £1,000	£1,000 - £5,000	£5,000 - £50,000	£50,000 upwards ²	Average
Q2-2009	18	18	8	-17	7
Q3-2009	6	9	13	29	14
Q4-2009	23	19	19	7	17
Q1-2010	24	27	18	18	22
Q2-2010	20	16	25	36	24

Furniture

----- Furniture Lots - Not Seasonally Adjusted Balance ¹ -----				
	£1 - £1,000	£1,000 - £5,000	£5,000 upwards	Average
Q2-2009	5	5	0	4
Q3-2009	3	6	9	6
Q4-2009	8	26	-4	10
Q1-2010	17	7	-4	7
Q2-2010	8	10	9	9

Books

----- Book Lots - Not Seasonally Adjusted Balance ¹ -----				
	£1 - £1,000	£1,000 - £5,000	£5,000 upwards	Average
Q2-2009	10	5	6	7
Q3-2009	14	17	19	16
Q4-2009	0	-4	0	-1
Q1-2010	0	18	17	11
Q2-2010	-3	7	10	5

Ceramics

----- Ceramic Lots - Not Seasonally Adjusted Balance ¹ -----				
	£1 - £1,000	£1,000 - £5,000	£5,000 upwards	Average
Q2-2009	-20	0	13	-3
Q3-2009	-12	-3	5	-3
Q4-2009	-8	3	0	-2
Q1-2010	-3	3	16	5
Q2-2010	-16	2	7	-2

Silver

----- Silver Lots - Not Seasonally Adjusted Balance ¹ -----				
	£1 - £1,000	£1,000 - £5,000	£5,000 upwards	Average
Q2-2009	39	42	35	39
Q3-2009	44	42	24	37
Q4-2009	63	50	38	50
Q1-2010	61	68	41	57
Q2-2010	69	61	44	58

Clocks

----- Clock Lots - Not Seasonally Adjusted Balance ¹ -----				
	£1 - £1,000	£1,000 - £5,000	£5,000 upwards	Average
Q2-2009	-3	-7	29	7
Q3-2009	3	6	12	7
Q4-2009	-17	-10	-6	-11
Q1-2010	-5	3	12	3
Q2-2010	-9	12	8	4

Notes:
 1 Balance = Proportion of surveyors reporting a rise in prices minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the unadjusted balance will be 25%)
 2 This category was added in Q2 2008

Several new categories have been added in the Q2 2008 survey, namely: books, jewellery, toys, militaria, oils and watercolours, and contemporary art. The latter two categories have replaced paintings in the Q1 2008 survey.

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Jewellery

----- Jewellery Lots - Not Seasonally Adjusted Balance ¹ -----					
	£1 - £1,000	£1,000 - £5,000	£5,000 - £50,000	£50,000 upwards ²	Average
Q2-2009	32	33	18	18	26
Q3-2009	36	47	45	45	44
Q4-2009	65	48	17	17	37
Q1-2010	49	50	33	33	41
Q2-2010	51	53	43	43	48

Toys

----- Toy Lots - Not Seasonally Adjusted Balance ¹ -----					
	£1 - £1,000	£1,000 - £5,000	£5,000 upwards		Average
Q2-2009	18	15	10		14
Q3-2009	17	23	14		18
Q4-2009	28	20	-8		13
Q1-2010	24	25	31		27
Q2-2010	15	11	6		11

Militaria

----- Militaria Lots - Not Seasonally Adjusted Balance ¹ -----					
	£1 - £1,000	£1,000 - £5,000	£5,000 upwards		Average
Q2-2009	26	40	31		32
Q3-2009	42	36	23		34
Q4-2009	25	16	8		16
Q1-2010	36	22	27		28
Q2-2010	38	34	11		28

Pictures A) Oils and Water Colours

----- Oil and watercolour Lots - Not Seasonally Adjusted Balance ¹ -----						
	£1 - £1,000	£1,000 - £5,000	£5,000 - £50,000	£50,000 upwards ²		Average
Q2-2009	-16	-3	15	25		5
Q3-2009	-29	-6	14	9		-3
Q4-2009	-19	6	16	17		5
Q1-2010	-15	0	22	45		13
Q2-2010	-20	11	38	43		18

Pictures B) Contemporary Art

----- Contemporary Art Lots - Not Seasonally Adjusted Balance ¹ -----						
	£1 - £1,000	£1,000 - £5,000	£5,000 - £50,000	£50,000 upwards ²		Average
Q2-2009	-22	-20	-33	-21		-24
Q3-2009	-48	-32	-29	-27		-34
Q4-2009	5	0	9	9		6
Q1-2010	-4	-9	0	10		-1
Q2-2010	-13	11	24	21		11

Watches

----- Watches - Not Seasonally Adjusted Balance ¹ -----						
	£1 - £1,000	£1,000 - £5,000	£5,000 - £50,000	£50,000 upwards ²		Average
Q2-2009	n/a	n/a	n/a	n/a		n/a
Q3-2009	n/a	n/a	n/a	n/a		n/a
Q4-2009	n/a	n/a	n/a	n/a		n/a
Q1-2010	n/a	n/a	n/a	n/a		n/a
Q2-2010	33	31	10	6		20

Notes:
¹ Balance = Proportion of surveyors reporting a rise in prices minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the unadjusted balance will be 25%)

Watches was added as a new category in Q2 2010

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Expected Supply

Proportion of respondents expecting a rise, no change or fall in the number of lots offered over the next 12 months

Rise %	Same %	Fall %	Balance
-----NSA-----			

Q1-2010	41	46	12	29
Q2-2010	34	49	17	17

Balance figure is NOT the percentage change in sales but an indication of the trend in expected sales

Figures may not sum up to 100% due to rounding errors

NSA = Not Seasonally Adjusted

Expected demand

Proportion of respondents expecting a rise, no change or fall in the number of buyers over the next 12 months

Rise %	Same %	Fall %	Balance
-----NSA-----			

Q1-2010	50	48	2	48
Q2-2010	45	45	9	36

Balance figure is NOT the percentage change in prices but an indication of the trend in expected prices

Figures may not sum up to 100% due to rounding errors

NSA = Not Seasonally Adjusted

Proportion of surveyors reporting a rise, fall or no change in All Lot prices over the last three months

Rise %	Same %	Fall %	Balance ²
-----Not Seasonally Adjusted-----			

Expected buyers ¹	Expected sales ¹
----- All Lots-----	

Q3-2008	19	60	21	-2	-	-
Q4-2008	9	51	41	-32	-	-
Q1-2009	33	53	14	19	-	-
Q2-2009	26	56	19	7	-	-
Q3-2009	22	69	8	14	-	-
Q4-2009	29	58	12	17	-	-
Q1-2010	30	62	8	22	48	29
Q2-2010	33	59	9	24	36	17

¹ Expectations over the next twelve months

² Balance = Proportion of surveyors reporting a rise in prices minus those reporting a fall (if 30% reported rise and 5% reported a fall, the unadjusted balance will be 25%)

³ proportions are based on simple weighted averages of the three or four price tiers

Figures may not sum up to 100% due to rounding errors.

Total number of survey contributors = 56

Attendees

Proportion of surveyors reporting a rise, no change or fall in the number of attendees over the last 3 months

Rise %	Same %	Fall %	Balance
-----NSA-----			

Q3-2009	64	33	3	61
Q4-2009	64	28	8	56
Q1-2010	64	36	0	64
Q2-2010	47	37	16	31

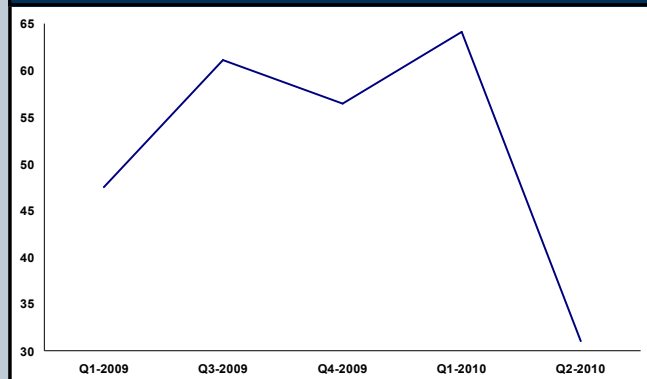
Balance figure is NOT the percentage change in attendees but an indication of the trend in attendees

Figures may not sum up to 100% due to rounding errors

NSA = Not Seasonally Adjusted

Attendees over the last three months

% balance, not seasonally adjusted



RICS Arts & Antiques Market Survey

Selected Market Comments

Aaron Dean MRICS, Gorrings, Lewes, East Sussex, 01273 472503 - The lower end of all sectors is tough with few buyers or even any interested parties. Furniture is very difficult with the 20th century market, (not the stylish items) being particularly hard hit, so much so that Gorrings are not accepting any reproduction items. Dining furniture is at a low ebb.

Anthony Foley ARICS - Vendors lacking confidence in attaining reasonable returns.

Chris Ewbank FRICS ASFAV, Ewbank Clarke Gammon Wellers, Guildford, Surrey, 01483 223101 - Sale entries are up in terms of quantity, quality and value. We have our largest antique sale for over two years this month. Top interest areas are silver and jewellery fuelled yet again by continuing rises in gold and silver prices. Strong international interest and increasing live internet bidding activity. The strength of the Chinese market is a continuing feature. Even more general auctions are showing increased prices and activity in what has been a very depressed market for several years

Chris Maulkin FNAEA, John Goodwin FRICS, Ledbury, Herefordshire, 01531 634648 - Commodity prices have positively influenced the jewellery, coin and silver trade. In particular commodities still seem to be regarded as a safe haven for monies that might usually be held in a deposit account. There has been a consistent demand for top end jewellery from fairly wealthy private buyers both as an investment but also as a way of enjoying and appreciating money that would be earning a relatively low return in the bank.

Christopher Ironmonger FRICS, Bigwood Fine Art Auctioneers Ltd, Stratford Upon Avon, Warwickshire, 01789 269415 - Still hard work and shortage of quality goods.

Clive Stewart-Lockhart FRICS, Dreweatts, Donnington, Berkshire, 01635 553553 - Quality and provenance are strong determining factors in gaining a high price.

Colin Young MRICS FNAVA, Golding Young & Co, Grantham, Lincolnshire, 01476 565118 - There continues to be a growing number of private investors for the better items.

Gary F Thompson FRICS, Scunthorpe, North Lincolnshire, 01724 330821 - For the first time in a number of years the auction houses are now returning in popularity over the internet selling sites. Constant attention to monitoring internet sites and dealing with postage and guarantee when attempting to sell goods is seen by many as a time consuming hassle. The clear benefit of being able to sell through auction rooms is the ability to leave the goods and receive payment without being constantly bombarded by people who think it is fun to bid in 50p increments to 'win' an item. The public are now beginning to appreciate the benefits of selling through the auction rooms and for that reason I believe it is perceivable that well run and reputable auction rooms will again flourish.

Gerald Chidwick FRICS, Gerald Chidwick Chartered Surveyor, Bampton, Devon, 01398 331354 - There is still an element of defiance but it is beginning to weaken.

Guy Schooling FRICS, Sworders Fine Art Auctioneers, Stansted Mountfitchet, Essex, 01279 817778 - The growth in the Chinese market has continued. In our last oriental sale many pieces were making 10 times estimate. Silver and gold prices have risen sharply which has had a knock on effect, increasing jewellery prices. The effect that revised CTG rates will have is uncertain.

Jeremy Lamond MRICS, Halls Auctioneers Ltd, Shrewsbury, Shropshire, 01743 284777 - We have seen some caution over the last three months as people have waited for the election result and the budget. Attendance has increased, as have prices, perhaps reflecting a lack of goods coming to market as the housing market still continues to falter.

John Stancliffe FRICS, Stancliffe & Glover Ltd., Westminster, London, 020 7630 8255 - Sellers believe that prices for chattels are higher than 6 months ago and this increases supply.

Leslie Weller DL FRICS, Weller King, West Grinstead, Horsham, West Sussex, 01403 713587 - Market still weak for brown furniture and rugs. Strong for silver and rare ceramics.

Michael Thomson-Glover MRICS, Stancliffe & Glover Ltd, London, 02076398255 - Refuge investment buying.

Penny Bingham MRICS, Penny Bingham, Fulham, London, 0207 736 0842 - As in the last recession, the traditional market such as old master drawings, early works of art, Islamic items and the impressionist have been the most resilient to price fluctuations. The prices in these areas are maintained due to the shortage of supply of high quality items. Similarly gold coins & jewellery always hold their value in an uncertain economic time.

Richard Harrison MRICS, G E S & Son (Sworders), Hertford, Hertfordshire, 01992 583508 - There is a hint in furniture trade buying that suggests a slight improvement in the market, noticeably on small, clean decorative pieces. Despite the best attempts of TV programming towards antiques the buying public are still fashion led towards minimalism and practicality. The glut of modern built homes on the market aren't particularly designed towards antiques, given their built in wardrobes and lack of dining room in favour of the kitchen/diner and living room/diner.

Roger Williams MRICS, Brightwells, Leominster, Herefordshire, 01568 611122 - Gold and Silver good, the rest very difficult.

Rupert Toovey MRICS, Washington, West Sussex, 07802 203655, - Continued growth and enthusiasm for more traditional taste and fields of collecting.

Tim Scourfield MRICS FAAV, Wilbys Chartered Surveyors, Barnsley, South Yorkshire, 01226 299221 - The numerous television programmes have introduced new buyers to the saleroom but mainly for individual lots. The antique dealers and traders continue to have an increased average age and are rarely replaced upon retirement. Traders buying to sell via the internet are not as prevalent. Brown furniture and moderate quality pottery remain unfashionable.

Tom Christopherson, Sotheby's, Westminster, London, 0207 293 5000 - Very difficult to generalise. Market polarisation between the best and the average good. Only the very best in each category attracts a premium price.

Notes:

Not all contributors provide comments and some contributors wish to remain anonymous.

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RICS Arts & Antiques Market Survey

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