

RICS Arts & Antiques Market Survey

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Q4 2010

Arts and Antiques market buoyant

- Robust price rises at the All Lot level in Q4
- The higher end of the market is the strongest performer
- The best performing sub-sectors continue to be Silver and Jewellery; the worst performing are Oils and Water Colours and also Books

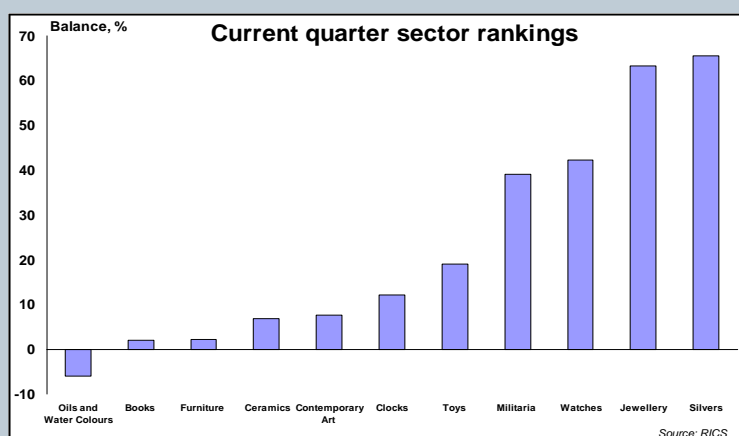
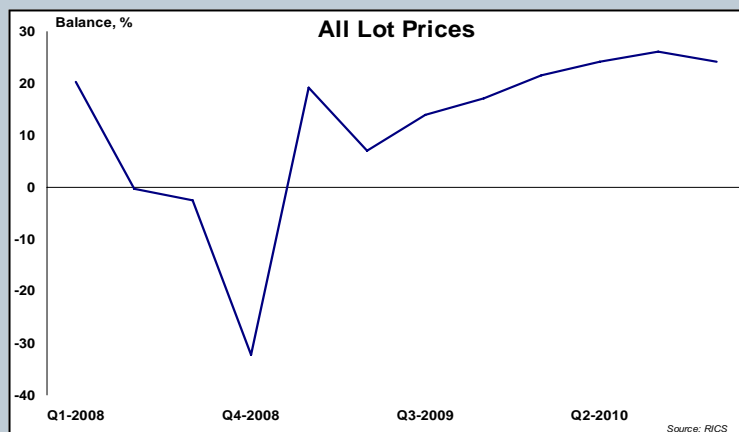
The Q4 2010 RICS Arts and Antiques Market Survey showed prices continued to rise. The All Lot price balance edged down from +26 to +24 but this still signals robust price increases i.e. 24% more respondents saw prices rise rather than fall compared to 26% in the previous quarter. Anecdotal evidence from survey respondents suggests that record low interest rates are pushing those with savings into alternative asset classes such as the arts and antiques market. The headline price balance has been in positive territory for 8 consecutive quarters.

The breakdown of the headline All Lot balance shows that price increases were strongest at the higher end of the market, with the price balance in the £50,000+ category rising from +20 to +42. Prices in the lower and middle end of the spectrum covered in the survey still recorded increases albeit at a slower pace. Indeed, in the £1 to £1,000 category, the net balance fell from +16 to +10, while in the £1,000 to £5,000 category, the net balance declined from +33 to +15.

Ten of the eleven sub-sectors showed a positive balance with only Oils and Water Colours recording a negative balance (-6). The best performing sub-sectors continue to be Silver and Jewellery, recording net balances of +66 and +63 respectively (the highest since the survey began in Q1 2008). The continued buoyancy of these two sub-sectors reflects the elevated underlying value of precious metals.

Respondents were asked to name the strongest performing areas. Chinese art and ceramics were heavily cited, with many surveyors also reporting high volumes of Chinese buyers in the market. As expected, the Silver and Jewellery sub-sectors were also seen as one of the strongest performers.

Looking forward over the next 12 months, respondents expect demand and supply to increase at roughly the same pace; the expected supply net balance edged down slightly from +36 to +30, while the expected demand net balance fell from +44 to +27. With both net balances at broadly the same level, the trend in prices is likely to be flatter in 2011 than over the past twelve months.



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 = 45

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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
Q4-2009	23	19	19	7	17
Q1-2010	24	27	18	18	22
Q2-2010	20	16	25	36	24
Q3-2010	16	33	36	20	26
Q4-2010	10	15	30	42	24

Furniture

----- Furniture Lots - Not Seasonally Adjusted Balance ¹ -----				
	£1 - £1,000	£1,000 - £5,000	£5,000 upwards	Average
Q4-2009	8	26	-4	10
Q1-2010	17	7	-4	7
Q2-2010	8	10	9	9
Q3-2010	2	8	26	12
Q4-2010	-5	0	11	2

Books

----- Book Lots - Not Seasonally Adjusted Balance ¹ -----				
	£1 - £1,000	£1,000 - £5,000	£5,000 upwards	Average
Q4-2009	0	-4	0	-1
Q1-2010	0	18	17	11
Q2-2010	-3	7	10	5
Q3-2010	-3	14	14	8
Q4-2010	-23	15	14	2

Ceramics

----- Ceramic Lots - Not Seasonally Adjusted Balance ¹ -----				
	£1 - £1,000	£1,000 - £5,000	£5,000 upwards	Average
Q4-2009	-8	3	0	-2
Q1-2010	-3	3	16	5
Q2-2010	-16	2	7	-2
Q3-2010	2	21	29	17
Q4-2010	-26	15	32	7

Silver

----- Silver Lots - Not Seasonally Adjusted Balance ¹ -----				
	£1 - £1,000	£1,000 - £5,000	£5,000 upwards	Average
Q4-2009	63	50	38	50
Q1-2010	61	68	41	57
Q2-2010	69	61	44	58
Q3-2010	62	63	39	55
Q4-2010	66	70	61	66

Clocks

----- Clock Lots - Not Seasonally Adjusted Balance ¹ -----				
	£1 - £1,000	£1,000 - £5,000	£5,000 upwards	Average
Q4-2009	-17	-10	-6	-11
Q1-2010	-5	3	12	3
Q2-2010	-9	12	8	4
Q3-2010	-2	16	22	12
Q4-2010	-16	15	37	12

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
Q4-2009	65	48	17	17	37
Q1-2010	49	50	33	33	41
Q2-2010	51	53	43	43	48
Q3-2010	54	54	29	29	42
Q4-2010	61	64	64	64	63

Toys

----- Toy Lots - Not Seasonally Adjusted Balance ¹ -----					
	£1 - £1,000	£1,000 - £5,000	£5,000 upwards		Average
Q4-2009	28	20	-8		13
Q1-2010	24	25	31		27
Q2-2010	15	11	6		11
Q3-2010	17	33	17		22
Q4-2010	10	24	23		19

Militaria

----- Militaria Lots - Not Seasonally Adjusted Balance ¹ -----					
	£1 - £1,000	£1,000 - £5,000	£5,000 upwards		Average
Q4-2009	25	16	8		16
Q1-2010	36	22	27		28
Q2-2010	38	34	11		28
Q3-2010	30	38	27		32
Q4-2010	44	42	31		39

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
Q4-2009	-19	6	16	17		5
Q1-2010	-15	0	22	45		13
Q2-2010	-20	11	38	43		18
Q3-2010	-14	8	13	36		10
Q4-2010	-53	-9	0	38		-6

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
Q4-2009	5	0	9	9		6
Q1-2010	-4	-9	0	10		-1
Q2-2010	-13	11	24	21		11
Q3-2010	-15	8	12	-8		-1
Q4-2010	-21	5	25	21		8

Watches

----- Watches - Not Seasonally Adjusted Balance ¹ -----						
	£1 - £1,000	£1,000 - £5,000	£5,000 - £50,000	£50,000 upwards ²		Average
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
Q3-2010	37	44	38	23		35
Q4-2010	31	46	46	45		42

Notes:
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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-----				
Q3-2010	45	45	9	36
Q4-2010	44	42	14	30

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-----				
Q3-2010	51	42	7	44
Q4-2010	32	63	5	27

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 months³

	Rise %	Same %	Fall %	Balance ²	Expected buyers ¹	Expected sales ¹
-----Not Seasonally Adjusted-----						
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
Q3-2010	35	56	9	26	44	36
Q4-2010	31	62	7	24	27	30

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 a 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 = 45

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-----				
Q4-2009	64	28	8	56
Q1-2010	64	36	0	64
Q2-2010	47	37	16	31
Q3-2010	62	36	2	60
Q4-2010	45	50	5	40

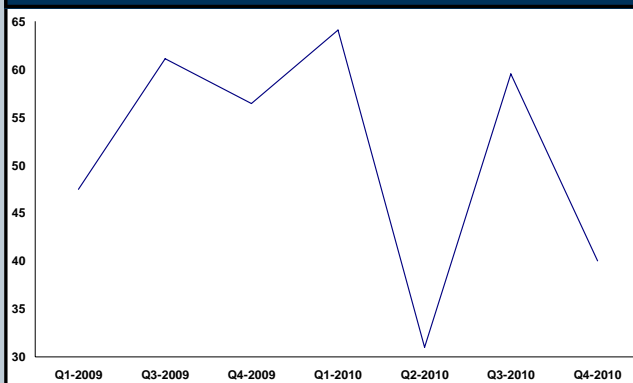
Balance figure is NOT the percentage change in attendees but an indication of the trend in attendees

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

Andrew Acquier FRICS, Andrew F Acquier BA FRICS Chartered Arts Surveyor, 2073536440, London, EC4 - Market very sluggish for many items. Furniture continues to make very modest price gains at most levels. Only market other than jewellery going up is memorabilia, particularly film and rock n roll.

Angus Milner-Brown MRICS, Covington Fine Art Limited, 0131 608 0011, Edinburgh - Chinese buyers have increased prices dramatically in several areas. Notably Chinese ceramics, but also wine and some types of art. I expect this to continue in the short to medium term. It seems likely the market will overheat and drawback, however predicting this is frankly impossible.

Chris Ewbank FRICS, Ewbank Clarke Gammon Wellers, 01483 223101, Guildford, Surrey - Our last three sales have shown increasing numbers of lots and buyers producing three of our highest ever totals. The strongest sector was Oriental where Chinese buyers have been most active. A single owner collection including a high proportion of Far Eastern pottery sold 40% to live internet buyers illustrating that the internet auction platform finds more and more favour with remote buyers who never even come to the saleroom and buy entirely on images. Silver has continued to rise because of the ever rising metal price. Traditional pictures have proved more difficult to sell. Prices included £4,000 for a chess set by Charles Hastilow, and £3,800 and £2,200 for two small pottery cups by Hans Coper. The sale total was £315,000.

Cliff Beacher ASFAV, Henry Adams, 01243 532223, Chichester, Sussex - The collectables market is very strong, antiques in original condition and fine quality items are again creeping up.

Colin Young MRICS FNAVA, Golding Young & Thos Mawer, 01476 565118, Grantham/ Lincoln, Lincolnshire - Sale attendances were up on this quarter with increased internet bidding levels. Prices continue to polarise with the focus on the best items creating the most competitive bidding.

Diane Sinnott MRICS, Tennants Auctioneers, 01969 623780, Leyburn, North Yorkshire - The economy of other countries will have a strong bearing on our market, the next should be India.

Bigwood Fine Art Auctionners Ltd, 01789 269415, Stratford Upon Avon, Warwickshire - Still a cautious market.

Geoffrey Crofts MRICS, Brightwells Ltd, 01568 611122, Leominster, Herefordshire - There appears to be more money around with people investing their savings.

Gerry Berwyn-Jones BA (HONS) MRICS, Bonhams, 01564-732966, Knowle/ Solihull, West Midlands - As has been very well reported, the value of gold and silver objects has risen sharply owing to the concomitant rise in scrap values. Contemporary art has continued to recover following the big fall in prices during the trough of the recession.

Guy Schooling FRICS, Sworders Fine Art Auctioneers, 01279 817778, Stansted Mountfitchet, Essex - An uneven market with some traditional fields proving very difficult. Chinese market very strong, not Japanese. Bullion values have pushed up prices and demand for silver and gold and thus jewellery.

Jeremy Lamond MRICS, Halls Fine Art, 01743 284 777, Shrewsbury, Shropshire - The strength of the market in Chinese artefacts seems assured in the short term with some extraordinary results posted nationwide. There is also strong demand in other sectors for works of good quality with buyers still looking at the investment potential of works of art during the continuing financial downturn.

John D M Thomson FRICS, Thomson, Roddick & Medcalf, 01228 528939, Carlisle - Drop in completed house sales limiting the 'house contents' type consignments a little but otherwise a good flow of goods and probably an increase from vendors seeking a little cash in the recession. Fortunately this is matched by buyers seeking a home for their money in the recession.

Mark Stephen MRICS, Christies, 2077523211, London, South Kensington - Last year was good for us maybe because savings in banks earn so little, collectors are returning to antiques.

Richard Harrison MRICS, G E S & Son (Sworders), 01992 583508, Hertford, Hertfordshire - De-cluttering is still appealing to all ages (even auctioneers), less is more. 20th century design fits in very well with this ideology and remains in demand. Fashions are said to be cyclical, I can't see antiques of the Georgian period and onwards becoming desirable in the near future, I hope I'm wrong.

Robert Coram James MRICS, Coram James, 020 8749 6677, London, West London - Increased interest from those wishing to sell mid-level value items such as furniture and more traditional fine art. There currently seems to be a shortage of better quality items of furniture and fine art coming up for sale, although high prices are achieved when they do make an appearance.

Thomas Jenner-Fust, Chorley's, 1452344499, Cheltenham - Increase in gold prices improving prices for jewellery and other items with gold content dramatically. Bottom end of market continues to struggle.

Toby Pinn MRICS, Clevedon Salerooms, 01934 830111, Clevedon, Bristol - Low returns, especially bank interest rates have resulted in wealthy buyers investing in primarily gold and jewellery, but also anything that takes their fancy. One bidder told me that her financial adviser had told her that she had too much money in her current account and to go and spend some of it. The sale results would suggest that this is not an isolated case.

William Gerard Coughlan FRICS, Hartleys, 01943 816363, Ilkley, West Yorkshire - Scarcity of high quality material.

John Goodwin FRICS, 01531 634648, Ledbury, Herefordshire - Commodity prices seem to be fuelling the price of silver items and jewellery and collectables still seem to be regarded as a 'safe haven' for capital which is attracting only low levels of interest in savings accounts and are being eroded by inflation.

Kidson Trigg Ltd, 1793861000, Highworth, Wiltshire - The Chinese market as we know is strong and getting stronger, this has seen an increase in prices of ceramics of this nature in recent months, over the last few weeks the weather has been a factor but this can be combated by focusing more on e-commerce.

Anonymous - Militaria and medals continue to rise; general demand for traditional and Victorian decorative paintings continues to fall; lesser-value contemporary art not selling as well as was; price rises for Chinese ceramics are phenomenal.

Anonymous - There is a flight to quality - premium top end lots selling very well. Low end and mediocre property, market is very difficult.

Notes:

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

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Subscription information and contributor enquiries

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