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The most informative sentence in this book is the last, on page 171: “Those looking at art purely as an investment might first look elsewhere.”

It is curious that this is left to the end of the book, as the reader wonders throughout about the value of investing in art. The truth is that people purchase art for love or pleasure or other emotive reasons, such as a desire to support a struggling artist. However, art as an investment does not stack up. The title of the book suggests this outcome, as it concludes with a question mark: Art as an Investment? Nonetheless, it is an intriguing read.

The book is divided into eight chapters and also has a preface, introduction, notes, conclusion, bibliography and index. Each chapter covers an aspect of the art market, comparing it to other sorts of market, such as stocks and shares (Chapter 2), gold (Chapter 3), wine (Chapter 4), property (Chapter 5), private equity (Chapter 6) and luxury goods (Chapter 7). The book concludes by developing the theme that the notion of art as an investment needs to be scrutinized. It “seems to defy expert definition” (p. 169), making it a “fragile prospect” (p. 169).

The book opens by telling the reader that it will be comparing art, as an investment, to housing or property (Chapter 5) and stocks and shares (Chapter 2). However, it neglects to state that art is not a productive investment, making these comparisons a little odd. After all, productive investments bring a return through dividends or rental income. While the author also compares investment in art to that in wine (Chapter 4), private equity (Chapter 6) and luxury goods (Chapter 7), which also do not bring productive returns, the disconnect remains with the reader. Thus the book is structured around these productive and unproductive investments, bookended by the introduction and conclusion.

In private equity the aim is to buy companies cheap and sell them for more. It is argued that the same end is pursued by art investors. Nonetheless, investing in art remains a gamble. I would argue that it is more of a gamble than investing in private equity, property or the stock market. Art investment is a long-term proposition: the returns usually come to fruition when the artist dies and his or her artworks are limited in number. Further, there is the complicating matter of taste when collecting art. Sometimes artists and/or their works fall out of favour for a very long time. So those wishing to purchase art best do so because of their love of the artwork and the pleasure they derive from it, regardless of its value as an investment.

Gerlis tells the reader (on p. 14) that one is usually advised to divide one’s assets into 30-30-30 plus 10 percentages, allowing the final 10% to be used for luxury investment such as gold or art. While she uses specific percentages rather than my rough estimates, the rule holds. This has been a staple rule of advisors to investors since time immemorial. It makes practical sense for investors not to put all their eggs in one basket, thus protecting themselves from the vagaries of the marketplace – as much as anyone can.

In conclusion, the author states that art has no “intrinsic
worth” (p. 162), as this is a market made up of unique, heterogeneous objects without economy utility. Art cannot be commoditized. In other words, the author recommends going into the art market with “eyes wide open” (p. 170).

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