

Investec backs art as an alternative investment

By  Katja Hamilton

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The 10th Investec Cape Town Art Fair ran from 17 to 19 February at the Cape Town International Conference Centre.



Source: Supplied. Tristanne Farrell, senior investment manager at Investec Wealth & Investment, Cape Town.

With over 25,000 visitors, 106 exhibitors from 18 different countries, 337 artists being showcased and 6,700 VIPs, Investec Cape Town Art Fair 2023 was a resounding success.

Here, together with Tristanne Farrell, senior investment manager at Investec Wealth & Investment, and Cape Town fair director, Laura Vincenti, we unpack how alternative investments fit in the market and how a passion asset like art is worth its weight in gold.

■ ***Is it true that investing in art could potentially allow for greater returns than investing in stocks over the long term?***

Investec's Tristanne Farrell: I don't agree. I think every asset class has its place and is also relevant to certain time cycles. Equity markets can deliver excessive returns and have challenging years. It's all about time in the market.

With art you can have a similar effect; not all art will give you a monetary return. You must do your homework and educate yourself in this space and be selective of what works you buy. There is another argument – decide if you are buying for financial gain or because you love it.

■ ***How has investment in art changed over the last five years?***

This would be a personal view, but I think the market has become more accessible. We are also seeing a shift in wealth and in turn a shift in collectors. A lot of money has been made in tech and other industries promoting young collectors.

A lot of the fairs like Fiero Milano's – Investec Cape Town Art Fair prove that art is for everyone. You don't have to buy, but you can come and appreciate it.

Africa still seems to be very a dominant continent for local and international collectors.

■ ***What impact did Covid have on the industry?***

We saw a lot of activity on online platforms – Artsy, Untitled, Strauss to name a few. Young collectors set up their own WhatsApp groups to share shows and catalogues and discuss artists they feel are relevant.



Investec Cape Town Art Fair celebrates a decade of creative achievements

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I personally felt this made the market feel more accessible as you had prices, 3d rooms and information on the artists prior to buying.

■ ***How will NFT art/digital art impact the traditional art industry? Is it the death knell of the industry or do they work in tandem?***

I recently had this discussion with a colleague on this topic. Again, I feel it may be a lack of education in this space, but I haven't ventured into it. I am eager to understand more about it as I don't understand the price points determined on the work. I would like to see more information available around blockchain and NFTs. My gut feeling is they will cohabitate.

■ ***Are more South Africans turning to art as an investment, and how is the Investec Cape Town Art Fair bringing in newcomers to this world and democratising the platform?***

Fair director, Laura Vincenti: I cannot say with certainty that there are more South Africans turning to art as an investment, however there are more South Africans who are more interested at looking at art.



Source: Supplied. Investec Cape Town Art Fair director, Laura Vincenti.

the art platform towards the general public.

I would say that the Investec Art Fair is contributing to bringing newcomers to the art world through its educational programmes over the years and by means of the walk-about and talks which take place annually. In this way it brings local people through the door.

Another thing we have done is to diversify the offerings at the fair and to explain to people that the fair is a great place to get involved in art for the first time because it is a non-intimidating space where you can walk around with other people in an open, buzzing and friendly environment.

In this space they can feel free to ask questions to gallerists and artists without fear of being judged on the basis that they are not art specialists. So yes, the Fair has played a big role in democratising

To collect art is more than an art work on the wall or the expectation of its monetary appreciation, as paintings and art works speak to cultural enrichment and human achievement.

Art is instrumental to cultivating a deeper and more meaningful life - and I think that collecting art has to do with availability, opportunity awareness and passion - so it's really about opening your eyes to a diverse and different world.

ABOUT KATJA HAMILTON

Katja is the Finance, Property and Healthcare Editor at Bizcommunity.

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