

# Citi

## STATE OF THE ART MARKET 2026

Don't Call It a Comeback

April 2026

**citi** Wealth

# Contents

<b>Why the Art Market's Recovery Is More Complicated Than It Looks</b>	<b>3</b>
<hr/>	
<b>Signals from the Secondary Market</b>	<b>4 – 5</b>
<hr/>	
<b>After the Boom: Consolidation in the Primary Market</b>	<b>6 – 7</b>
<hr/>	
<b>The Gulf and the Rebalancing of Global Art Power</b>	<b>8</b>
<hr/>	
<b>Conclusion: Collecting with Clarity in an Uneven Landscape</b>	<b>9</b>

# Why the Art Market's Recovery Is More Complicated Than It Looks

The art market entered 2026 amid greater optimism than we have seen since its peak in 2022. The positive sentiment is largely the result of headline-grabbing results at November 2025's marquee Modern and Contemporary Art auctions in New York and reports of strong sales at major art fairs, including Art Basel Paris and Miami.

The inaugural edition of Art Basel Qatar has elevated the Middle East's standing on the international art scene, notwithstanding the uncertainty following recent geopolitical events.

Nevertheless, expectations of market recovery in 2026 are tempered by ongoing gallery closures. Various prominent, long-established institutions either shuttered for good or downsized in the second half of 2025. This all may imply a market where confidence is highly selective and collectors are operating with increased caution.

# Signals from the Secondary Market

Following years of declining sales, the November 2025 Modern and Contemporary Art Auctions in New York registered an impressive total of \$2.2 billion. That was 77 percent up on last year's equivalent amount, albeit still down 30 percent from 2022's high-water mark.

This outcome was driven by the high quality of the material on offer. Crucially, auction houses also skillfully managed consignor expectations by setting conservative estimates and negotiating guarantees for roughly 70 percent of the lots in their evening sales.<sup>1</sup>

There is no better example of strength at the top end of the market than the headline-grabbing \$236.4 million fetched by Gustav Klimt's *Portrait of Elisabeth Lederer* (1914-1916). Drawn from the collection of the late Leonard Lauder, this storied painting set a new auction record for the artist and became the most expensive Modern work ever sold at auction. (It was also the most expensive piece ever sold by the venerable auction house Sotheby's).<sup>2</sup> With an opening bid of \$130 million, the contest lasted for over 20 minutes, with six unique bidders vying to acquire this iconic work.



Courtesy of Sotheby's

<sup>1</sup> Small, Z., Halperin, J., & Schneider, T. F. (2025, November 20). In a \$2.2 Billion Week, the Art Market Finds Its Footing. The New York Times. <https://www.nytimes.com/2025/11/24/arts/design/2-2-billion-week-art-auctions.html>.

<sup>2</sup> Kazakina, K. (2025, November 18). Leonard Lauder's Klimt Fetches \$236.4 Million at Sotheby's. Artnet. <https://news.artnet.com/art-world/leonard-lauders-klimt-painting-fetches-sothebys-2713549>.

The staggering result and the depth of bidding signals notable strength for museum-quality works. However, Sotheby's left nothing to chance going into this landmark sale. The multinational auction house guaranteed Lauder's collection for around \$400 million, according to market sources, a process that took weeks. At 9:00am on the day of the sale, symbols in Sotheby's online auction catalog flashed up that denoted irrevocable bids were in place for all three Klimt paintings from the Lauder consignment.<sup>3</sup>

The November sales highlighted that the Modern and Post-War categories are at the forefront of the market's rebound. In addition to the Klimt, new records were set by several Modern works. Among them were Frida Kahlo's surrealist self-portrait, *El sueño (La cama)*, 1940, which became the most expensive work by a female artist to sell at auction when it went for \$54.7 million at Sotheby's on November 20th. Indeed, various Surrealist artists – many of them women – shattered records during the marquee week, including Dorothea Tanning, Leonor Fini, Wolfgang Paalen, and Hans Bellmer.<sup>4</sup>

AS DEMAND SURGED FOR HISTORICALLY VALIDATED ARTISTS, THE NEW YORK AUCTIONS ALSO DEMONSTRATED THAT THE MARKET FOR YOUNGER CONTEMPORARY ART REMAINS FRAGILE. THIS MAY BE A CONSEQUENCE OF THE HIGHLY SPECULATIVE ACTIVITY IN THIS FIELD OVER RECENT YEARS.<sup>5</sup>

In November 2024, Christie's, Sotheby's, and Phillips featured 16 "ultracontemporary" – defined as born from 1975 onward – artists in their evening auctions. In November 2025, they offered nine, and with uneven results.

Two young artists, Jadé Fadojutimi and Lucy Bull – both sought after for their brightly-colored abstract compositions – have seen at least 10 of their paintings fetch more than \$1,000,000 since 2022. But in the November 2025 sales, Fadojutimi's painting, estimated at \$800,000-\$1,200,000, failed to find a buyer. This was despite what appeared to be a lowered reserve of around \$550,000. Bull's painting sold for \$490,000, less than half of what a comparably scaled work realized in November 2024.<sup>6</sup>

Perhaps even more revealing was the price-sensitivity evident in a couple of notable misses for established contemporary artists during Sotheby's "The Now & Contemporary Evening Auction," which immediately followed the Lauder sale. Despite a concurrent blockbuster exhibition at the Royal Academy of Art, the \$10-15 million estimate assigned to Kerry James Marshall's 2008 *Untitled* landscape attracted no bidders. The next day at Christie's, however, his much more conservatively valued *Portrait of John Punch*, 2007, garnered competitive interest. Starting from a low estimate of \$4 million, it ultimately went for just over \$7.15 million with fees.

Price-sensitivity also seemed to have been the culprit in the failed auction for the late portrait-painter Barkley Hendricks' large-scale work, *Arriving Soon*, 1973. There have been reports of a private sale of his work around \$14 million. However, the auction estimated range of \$9-12 million for *Arriving Soon* proved too lofty, despite the work being a top-notch example from a venerable contemporary artist.<sup>7</sup>

<sup>3</sup> Kazakina, K. (2025, November 18). Leonard Lauder's Klimt Fetches \$236.4 Million at Sotheby's. Artnet. <https://news.artnet.com/art-world/leonard-lauders-klimt-painting-fetches-sothebys-2713549>.

<sup>4</sup> Rabb, M. (2025, November 24). 16 New Auction Record Set in November 2025. Artsy. <https://www.artsy.net/article/artsy-editorial-16-auction-records-set-november-2025>.

<sup>5</sup> Cassady, D. (2026, January 23). Art Market Sentiment Is Up For 2026, But the Recovery Has a Very Specific Shape. ARTnews. <https://www.artnews.com/art-news/news/arttactic-art-market-outlook-2026-1234770801>.

<sup>6</sup> Small, Z., Halperin, J., & Schneider, T. F. (2025, November 20). In a \$2.2 Billion Week, the Art Market Finds Its Footing. The New York Times. <https://www.nytimes.com/2025/11/24/arts/design/2-2-billion-week-art-auctions.html>.

<sup>7</sup> Freeman, N. (2020, August 7). Wet Paint: Millennial Collector Turns Her Epic NYC Pad Into Art Space, Barkley Hendricks Said to Sell for \$14 Million, & More Juicy Art-World Gossip. Artnet. <https://news.artnet.com/art-world/wet-paint-west-village-firehouse-art-space-1900361>.

# After the Boom: Consolidation in the Primary Market

The November 2025 auctions often betokened a lack of confidence in the Contemporary market. That feeling was most pervasive within the primary market. Numerous galleries in the US and worldwide closed in 2025, largely in the second half of the year.<sup>8</sup>

Most shocking was the shuttering of Tim Blum’s gallery, which he announced he would “sunset” in an interview with ARTnews in July. BLUM Gallery operated in Los Angeles for more than 30 years, with locations in Tokyo and New York established in 2014. BLUM helped foster the careers of major artists such as Yoshitomo Nara and Takashi Murakami.

Blum cited “the system” rather than the state of the market for his decision.

THIS WAS A REFERENCE TO AN EVER-GROWING NETWORK OF FAIRS, OPENINGS, OBLIGATIONS AND EXPECTATIONS, WHICH HE SAID HAD BECOME TOO DEMANDING IN TERMS OF TIME, ENERGY, AND RESOURCES TO ATTEND OVER THE YEARS.<sup>9</sup>

On the heels of BLUM’s closure, collector Adam Lindemann wound down his New York gallery, Venus Over Manhattan, after 14 years. Next came Clearing Gallery, with locations in New York and Los Angeles. Its owner Olivier Babin – who had earned a reputation for spotting emerging talent – announced he would cease operations, also after a 14-year stint. Fall 2025 brought the closure of New York’s Tilton Gallery, whose beloved owner had passed away eight years previously.

Many large galleries downsized, meanwhile. The Los Angeles locations of both Tanya Bonakdar Gallery and Sean Kelly Gallery were among those to be discontinued, while Almine Rech said she would shed her London location after more than a decade.<sup>10</sup>

This wave of closures and scale-backs has persisted into 2026. On February 4, 2026, London’s Stephen Friedman Gallery announced that operations had ceased amid insolvency proceedings. Highlights of its three-decade history include shaping the career of major artists Kehinde Wiley and Yinka Shonibare. The gallery had previously announced the closure of its Manhattan outpost, after less than 30 months in operation.<sup>11</sup>

<sup>8</sup> Boucher, B. (2025 December 24). The Year in Gallery Closures: A Collapse or a Transition to a Smarter Market. ARTnews. <https://www.artnews.com/art-news/news/2025-gallery-closures-collapse-transition-smarter-market-1234765872>.

<sup>9</sup> Cassady, D. (2025, July 1). After 30 Years in Business, Tim Blum Is ‘Sunsetting’ His Gallery, Pursuing New Model. ARTnews. <https://www.artnews.com/art-news/news/tim-blum-unplugs-from-the-gallery-machine-1234746678>.

<sup>10</sup> Boucher, B. (2025 December 24). The Year in Gallery Closures: A Collapse or a Transition to a Smarter Market. ARTnews. <https://www.artnews.com/art-news/news/2025-gallery-closures-collapse-transition-smarter-market-1234765872>.

<sup>11</sup> Shaw, A. (2026 February 4). Stephen Friedman Gallery goes into administration after 30 years. The Art Newspaper. <https://www.theartnewspaper.com/2026/02/04/stephen-friedman-gallery-goes-into-administration-after-30-years>.



Art Basel Paris 2025, Courtesy of Art Basel

While explanations for the recent wave of gallery closures have varied, the shrinkage of the market is indisputable. Galleries frequently complain of insufficient money coming in to cover overheads.<sup>12</sup> In an interview with ARTnews, however, Kinsey Robb, who heads the Art Dealers Association of America, pushed back against doom and gloom reporting. Instead, she said that the market had merely become “more cautious, more selective, smarter, more flexible.”<sup>13</sup>

Art Basel’s reports from its recent fairs in Paris and Miami indicate that Robb’s interpretation may not be altogether rose-tinted. Galleries saw healthy activity around the fair’s Paris edition in late October.

One of the most substantial sales was for Gerhard Richter’s *Abstrakes Bild*, 1987. This large, multilayered painting – rendered in the artist’s iconic squeegee-blurring technique – was sold by Hauser & Wirth for \$23 million. There was intense focus on the 93-year-old German artist, whose work was the subject of a major retrospective at the Fondation Louis Vuitton in Paris, which coincided with the fair.

Along with the Richter, another transaction that spoke to strength in the upper echelons of the market was Pace’s sale of 20th-century master Amedeo Modigliani’s portrait *Jeune fille aux macarons* (*Young Woman with Hair in Side Buns*), 1918, for \$10 million.<sup>14</sup>

<sup>12</sup> Boucher, B. (2025 December 24). The Year in Gallery Closures: A Collapse or a Transition to a Smarter Market. ARTnews. <https://www.artnews.com/art-news/news/2025-gallery-closures-collapse-transition-smarter-market-1234765872>.

<sup>13</sup> Boucher, B. (2025 December 24). The Year in Gallery Closures: A Collapse or a Transition to a Smarter Market. ARTnews. <https://www.artnews.com/art-news/news/2025-gallery-closures-collapse-transition-smarter-market-1234765872>.

<sup>14</sup> Albrecht, E. (2025 October 27). Paris takes the art world stage. Art Basel. <https://www.artbasel.com/stories/art-basel-paris-2025-success-world-market>.

# The Gulf and the Rebalancing of Global Art Power

As traditional art centers such as London and New York contend with slow growth and structural challenges, the international art crowd has been turning its attention to emerging regions, especially the Middle East and North Africa. One of the most highly anticipated events of 2026 was February's inaugural edition of Art Basel in Qatar. Belief in the region's prospects is rooted in the rapid growth of local wealth alongside robust public and government investment in cultural infrastructure.<sup>15</sup>

Referring to Art Basel Qatar, which she is overseeing, Sheikha al-Mayassa bint Hamad bin Khalifa al-Thani, Chair of Qatar Museums and the driving force of several of the country's other cultural initiatives, emphasized that the decision to bring an art fair to Doha had not been taken lightly. This venture into the commercial art world is quite a departure for a country that has taken a very different approach to arts and culture than some of its near neighbors. More than twenty years ago, Al Mayassa's father, Hamad bin Khalifa al-Thani, envisioned a culturally rich future for his rapidly developing, gas-rich nation. He thus embarked upon a plan to construct public museums, universities, and the like. By contrast, neighbors including Abu Dhabi and Dubai both prioritized the development of a commercial art ecosystem. Each has a small network of commercial galleries and an existing art fair, with Frieze, Art Basel's main competitor, scheduled to launch a new fair in Abu Dhabi this year.<sup>16</sup>

For the Doha iteration, Art Basel tailored its event model into a smaller and more tightly organized structure. For example, while 240 galleries participated in their Hong Kong fair this year, only 87 exhibited in Doha. Each gallery showed just one, pre-approved artist, rather than a selection from its stable.



Art Basel Qatar 2026, Courtesy of Art Basel

The fair also specifically focused on lower-priced works by regional artists. More than half of the galleries exhibiting at the fair were from the Middle East, North Africa, and South Asia region. Designed more like a biennale than an art fair, organizers hope to encourage deeper engagement with the artworks on view.

According to reporting, many of the larger Western galleries who participated had at least some of their expenses underwritten by Qatari entities. While early reactions seem positive, only time will tell if this somewhat experimental model will prove economically viable for galleries in the future, especially given the recent turmoil in the Middle East. However, given the structural challenges facing the art market, and especially galleries, there will be a push regardless to think about rewriting the established art fair playbook.<sup>17</sup>

<sup>15</sup> Carollo, E. (2026 January 27). The Art Market Enters 2026 With Renewed Confidence and a Sharper K-Shape Divide. Observer. <https://observer.com/2026/01/art-market-outlook-2026-arttactic-survey>.

<sup>16</sup> Dalley, J. (2026 January 30). Qatar's Sheikha al-Mayassa: 'We're a very conservative society, but we're tolerant'. Financial Times. <https://www.ft.com/content/de1dbc6b-5de3-43a8-9c93-712818e8fc7e>.

<sup>17</sup> Carollo, E. (2026 February 4). Curated, Contextual, Slower and Strategic: A New Blueprint for Art Fairs Emerges in Doha. Observer. <https://observer.com/2026/02/sales-report-art-basel-qatar-doha-wael-shawky/#:~:text=Marking%20a%20defining%20moment%20in,biennial%20or%20a%20museum%20exhibition>.

# Conclusion: Collecting with Clarity in an Uneven Landscape

As of early 2026, confidence has returned to the art market, but not uniformly. Optimism is focused at the market's high end and its accessible end. By contrast, sentiment toward the middle of the market is selective and cautious.

Geographic power is also becoming less concentrated, as emerging regions have gained influence while traditional centers contend with slower growth. Rather than broad upward momentum, the market is characterized by buyer discernment. Successful sales typically involve quality works from the most desirable artists.

IN THIS ENVIRONMENT, THE ROLE OF ART ADVISORY BECOMES EVEN MORE PIVOTAL. ART ADVISORS CAN PROVIDE STRATEGIC GUIDANCE TO NAVIGATE COMPLEXITY AND OPACITY.

They can help collectors distinguish between price appreciation based on genuine value and momentum-driven activity, assess long-term cultural and financial significance, and build collections that are resilient across cycles rather than optimized for a moment in time.

Ultimately, the 2026 art market may reward discernment over speed. Collecting success is less about participation and more about positioning. This means knowing when to engage, where to look, and how to balance passion with prudence.

Please contact your Citi Wealth team for more information and to learn more about these trends.

## AUTHOR



**Betsy Bickar**  
Art Advisory Head, Citi Wealth

**For European resident clients this communication is considered marketing material.**

Citi Private Bank, Citi Global Wealth at Work, and Citi Personal Wealth Management are businesses of Citigroup Inc. (“Citigroup”), which provide clients access to a broad array of products and services available through bank and non-bank affiliates of Citigroup. Not all products and services are provided by all affiliates or are available at all locations.

Citi Wealth Art Advisory is a fine art consulting service that provides general advice on the art market, best practices, collection administration, estate consultation, and philanthropic planning.

Alternative assets such as art are speculative, may not be suitable for all clients, and are intended for those who are willing to bear high economic risks. Citi Wealth Art Advisory does not advise clients on purchase or sale prices, how to profit from the purchase of art or guarantee that a particular piece can be sold or otherwise used for a financial transaction for any amount including an amount equal to the purchase price.

The views expressed herein are those of Citi Wealth Art Advisory and do not necessarily reflect the views of Citigroup Inc. or its affiliates. The opinions do not have general applicability and are subject to change without notice. Neither the information provided, nor any opinion expressed, constitutes investment advice and/or a solicitation for the purchase or sale of any artwork.

In the United Kingdom, Citibank N.A., London Branch (registered branch number BR001018), Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB, is authorized and regulated by the Office of the Comptroller of the Currency (USA) and authorized by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. The contact number for Citibank N.A., London Branch is +44 (0)20 7508 8000.

Citibank Europe plc (UK Branch) is a branch of Citibank Europe plc, which is authorised and regulated by the Central Bank of Ireland and the European Central Bank. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. Citibank Europe plc, UK Branch is registered as a branch in the register of companies for England and Wales with registered branch number BR017844. Its registered address is Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB. VAT No.: GB 429 6256 29. Citibank Europe plc is registered in Ireland with number 132781, with its registered office at 1 North Wall Quay, Dublin 1. Citibank Europe plc is regulated by the Central Bank of Ireland. Ultimately owned by Citigroup Inc., New York, USA.

Citibank Europe plc, Luxembourg Branch, registered with the Luxembourg Trade and Companies Register under number B 200204, is a branch of Citibank Europe plc. It is subject to the joint supervision of the European Central bank and the Central Bank of Ireland. It is furthermore subject to limited regulation by the Commission de Surveillance du Secteur Financier (the CSSF) in its role as host Member State authority and registered with the CSSF under number B00000395. Its business office is at 31, Z.A. Bourmicht, 8070 Bertrange, Grand Duchy of Luxembourg. Citibank Europe plc is registered in Ireland with company registration number 132781. It is regulated by the Central Bank of Ireland under the reference number C26553 and supervised by the European Central Bank. Its registered office is at 1 North Wall Quay, Dublin 1, Ireland.

This document is communicated by Citibank (Switzerland) AG, which has its registered address at Hardstrasse 201, 8005 Zurich, Citibank N.A., Zurich Branch, which has its registered address at Hardstrasse 201, 8005 Zurich, or Citibank N.A., Geneva Branch, which has its registered address at 2, Quai de la Poste, 1204 Geneva. Citibank (Switzerland) AG and Citibank, N.A., Zurich and Geneva Branches are authorised and supervised by the Swiss Financial Supervisory Authority (FINMA).

In Jersey, this document is communicated by Citibank N.A., Jersey Branch which has its registered address at PO Box 104, 38 Esplanade, St Helier, Jersey JE4 8QB. Citibank, N.A., Jersey Branch is regulated by the Jersey Financial Services Commission. Citibank N.A. Jersey Branch is a participant in the Jersey Bank Depositors Compensation Scheme. The Scheme offers protection for eligible deposits of up to £50,000. The maximum total amount of compensation is capped at £100,000,000 in any 5-year period. Full details of the Scheme and banking groups covered are available on the States of Jersey website [www.gov.je/dcs](http://www.gov.je/dcs), or on request.

In Canada, Citi Private Bank is a division of Citibank Canada, a Schedule II Canadian chartered bank. References herein to Citi Private Bank and its activities in Canada relate solely to Citibank Canada and do not refer to any affiliates or subsidiaries of Citibank Canada operating in Canada. Certain investment products are made available through Citibank Canada Investment Funds Limited (“CCIFL”), a wholly owned subsidiary of Citibank Canada. Investment Products are subject to investment risk, including possible loss of principal amount invested. Investment Products are not insured by the CDIC, FDIC or depository insurance regime of any jurisdiction and are not guaranteed by Citigroup or any affiliate thereof.

CCIFL is not currently a member, and does not intend to become a member of the Canadian Investment Regulatory Organization (“CIRO”); consequently, clients of CCIFL will not have available to them investor protection benefits that would otherwise derive from membership of CCIFL in the CIRO, including coverage under any investor protection plan for clients of members of the CIRO.

**Hong Kong/Singapore: Citibank, N.A., Hong Kong/Singapore organized under the laws of U.S.A. with limited liability.** This communication is distributed in Hong Kong by Citi Private Bank operating through Citibank N.A., Hong Kong Branch, which is registered in Hong Kong with the Securities and Futures Commission for Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities with CE No: (AAP937) and is distributed in Singapore by Citi Private Bank operating through Citibank, N.A., Singapore Branch which is regulated by the Monetary Authority of Singapore. Any questions in connection with the contents in this communication should be directed to registered or licensed representatives of the relevant aforementioned entity. The contents of this communication have not been reviewed by any regulatory authority in Hong Kong or any regulatory authority in Singapore. Investors should exercise caution in relying on this material. This communication contains confidential and proprietary information. It is strictly intended for and may only be distributed to (i) an investor who qualifies as an “accredited investor” in Singapore (as defined under the Securities and Futures Act 2001 of Singapore if the investor is in Singapore or (ii) an investor who qualifies as a “professional investor” in Hong Kong (as defined under the Hong Kong Securities and Futures Ordinance and its subsidiary legislation) if the investor is in Hong Kong.

For regulated asset management services, any mandate will be entered into only with Citibank, N.A., Hong Kong Branch and/or Citibank, N.A. Singapore Branch, as applicable. Citibank, N.A., Hong Kong Branch or Citibank, N.A., Singapore Branch may sub-delegate all or part of its mandate to another Citigroup affiliate or other branch of Citibank, N.A.. Any references to named portfolio managers are for your information only, and this communication shall not be construed to be an offer to enter into any portfolio management mandate with any other Citigroup affiliate or other branch of Citibank, N.A. and, at no time will any other Citigroup affiliate or other branch of Citibank, N.A. or any other Citigroup affiliate enter into a mandate relating to the above portfolio with you. To the extent this communication is provided to clients who are booked and/or managed in Hong Kong: No other statement(s) in this communication shall operate to remove, exclude or restrict any of your rights or obligations of Citibank under applicable laws and regulations. Citibank, N.A., Hong Kong Branch does not intend to rely on any provisions herein which are inconsistent with its obligations under the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission, or which mis-describes the actual services to be provided to you.

In Singapore, art advisory services/products cannot be marketed by Singapore bankers.

Citibank, N.A. is incorporated in the United States of America and its principal regulators are the US Office of the Comptroller of Currency and Federal Reserve under US laws, which differ from Australian laws. Citibank, N.A. does not hold an Australian Financial Services License under the Corporations Act 2001 as it enjoys the benefit of an exemption under ASIC Class Order CO 03/1101 (remade as ASIC Corporations (Foreign Financial Services Providers) Instrument 2025/798).

© 2026 Citigroup Inc. Citi, Citi and Arc Design and other marks used herein are service marks of Citigroup Inc. or its affiliates, used and registered throughout the world.

