

MARKETPLACE

Sound Investments?

The newest must-own auction item? Not a Bugatti or a Picasso, but a masterpiece by the legendary Stradivari. **BIANCA BOSKER** investigates the burgeoning interest in centuries-old instruments.

If you were lucky enough to own one of Antonio Stradivari's 18th-century instruments and wanted to sell it, you could most likely reach all potential buyers with just a dozen phone calls, say the experts who sell such things. The people who collect Stradivari's works have typically been almost as rare as the multimillion-dollar pieces themselves.

And yet this spring something unusual happened. When the auction houses of Sotheby's and Ingles & Hayday got their hands on Stradivari's Macdonald, one of just two remaining violas the craftsman made during his prime, the dealers launched an aggressive PR blitz. The viola's global tour included three different continents and presentations to reporters from the news channels that blare on hedge-fund trading floors. Around the same time, Christie's was giving a Stradivari violin, also up for sale, the same celebrity treatment: articles in *Bloomberg Businessweek*; a *Daily Mail* spread; a debut party in Hong Kong.

The publicity campaigns for these rare instruments, long considered far more esoteric collectibles than fine wine or art, signal a change in how they're being viewed, coveted and collected by the ultra-rich. These buyers have developed an increasing appetite for so-called "alternative alternative assets"—valuables that stand a chance of getting more valuable—and auctioneers, in turn, are trying to turn them on to something besides a bottle of Bordeaux, or even a Hirst or Koons.

"Doing such massive publicity [for the Macdonald] was certainly intended to find the next tycoon who wants to add something new to his portfolio," says Jason Price, co-founder of Tarisio Auctions, which handles rare instruments like the Macdonald.

After scaling back during the recession, the world's millionaires and billionaires have lately



Stradivari's "Macdonald" viola, which Sotheby's took on a global tour this year.

splurged—in the last year alone, auctioneers have set new records auctioning the most expensive painting (\$142 million), diamond (\$83 million) and car (\$38 million). The Macdonald, with a reserve bid of \$45 million, was set to be history's most expensive instrument; though it didn't sell, in part because the auction houses required collectors to bid without seeing other offers, industry experts say.

But seen another way, the auction was a grand success, planting rare instruments in

the mind of a new buyer who's become more common thanks to shale oil in North Dakota or business deals in Beijing. After the Macdonald's globe-trotting, Tim Ingles, of the auction house Ingles & Hayday, received a flurry of inquiries from "every continent except Africa." Tarisio's Price says two first-time buyers snapped up Stradivaris in the wake of the Macdonald, and a third bought his first collectible instrument, a Monticello, shortly after. This in a market where Ingles says "busy" means selling three or four seven-figure instruments a year.

For buyers, the purchases carry a sophisticated cachet. "It's a conduit to show that you're civilized," says Liam Culman, who runs a financial advisory firm, Bigelow Sands, specializing in "alternative alternative" assets, and a regular conference on the subject, called Alt². "Before it was, 'I have the McMansion and the big yacht.' Now it's, 'Well, that doesn't show my intellectual and cultural ability.'"

In the age of Toms shoes and FEED bag-driven "conscious capitalism," fine instruments—more than wine, cars, or even paintings—can also have a feel-good quotient. Stradivaris and Guarneris very often are loaned to the world's top musicians, allowing thousands to hear the rich sound that comes from a 300-year-old violin; half a century or more ago, these stringed instruments would have been locked up in bank vaults. "It's a great thing," says Price, "because they're achieving maximum benefit not only to the players, but also the investors."

As long as nothing happens to them. During a recital in March at Sotheby's for a reporter, viola soloist David Aaron Carpenter lifted the Macdonald to his chin before glancing up from his sheet music with a grin.

"I hope I don't break it," he said. ♦