

Design

Making a fortune out of Scandinavian cool

Danish mid-century furniture is in vogue, creating opportunities for entrepreneurs



JULY 4, 2017 by: Owen Walker

On entering Ole Hostbo's gallery, the first thing visitors notice is the rich smell of mahogany, teak and rosewood buffed with oil. Tucked down a side street in a quiet Copenhagen neighbourhood, the gallery's drab warehouse exterior gives no indication that inside is one of the most valuable collections of mid-century Danish furniture in the world.

Mr Hostbo's business is not dependent on attracting casual footfall; the showroom is open by appointment only. "Visitors are mainly from abroad — the US, Japan, Germany, France, Switzerland, Belgium and the UK. Many come to the city for a long weekend and come in to

take a look,” he says.

Mr Hostbo is one of a handful of Danish entrepreneurs making small fortunes by selling high-end second-hand Scandinavian home furnishings to international buyers.

Furniture is Denmark’s seventh-biggest export, with sales of \$2.2bn in 2015, up from \$1.7bn in 2010, according to Statistics Denmark. Only a fraction of these sales are furniture from what is known as the “golden age” of Danish design, 1945 to 1965. But many of the pieces made by present-day designers that are popular with international buyers are heavily influenced by mid-century style. The enduring popularity of Danish furniture is due to its simplicity and elegance, with the most prized pieces handmade by skilled craftspeople and hewn from carefully chosen wood.

“One of the changes we have seen is that 90 to 95 per cent of pieces are now being bought by people outside Denmark,” says Peter Kjelgaard, head of design at Copenhagen-based [Bruun Rasmussen Auctioneers](#). Previously, about half of buyers were Danes. “At some point there won’t be anything left.”

The revival of Danish mid-century design began in the early 1990s when Japanese collectors started taking an interest. They were initially attracted to pieces made by Finn Juhl, one of Denmark’s most renowned furniture makers and architects. Mr Kjelgaard describes Juhl as being the “most sculptural of the Danish designers”.

Japanese collectors found mid-century furniture was under-appreciated by locals and began to buy what they could, says Mr Kjelgaard. They were followed by buyers from the US and other European countries, who found the classic furniture sold in Denmark was cheaper than comparable pieces at home.

Export opportunity

Mr Hostbo visited the US in the late-1990s, finding the prices in dollars similar to what he was selling in Danish krone in Copenhagen (there were about seven kroner to the dollar). “I saw there was potential to find pieces locally, then sell and ship them overseas,” he says. “It was quite successful.”

His company, [Dansk Mobelkunst](#) (DMK), which translates as Danish furniture art, sells one

or two pieces a day on average. Prices vary from a few thousand dollars for lamps and furnishings, to \$350,000 for a silk-lined mahogany display cabinet by Kaare Klint, who is regarded as the founder of modern Danish furniture design. Most sales are between \$10,000 and \$50,000.

DMK sells more than €1m of stock a year, with turnover broadly flat over the past few years as fewer but more expensive items have been sold. Mr Hostbo makes 30 per cent of his sales from visitors to his showroom, with 40 per cent coming from online sales and 30 per cent at fairs and exhibitions.

He started buying pieces for himself in his early twenties when they were not as widely appreciated and much cheaper. His collection grew, and he began to deal in order to buy new pieces. In addition to the Copenhagen showroom, DMK has a shop in Paris. “I’m still a collector,” he says, “but now I also sell my collection”.

Bruun Rasmussen holds weekly online auctions of mainly Danish 20th-century design that generate about \$170,000, and four international auctions a year, bringing in about \$1.8m each. The auction house takes 25 per cent commission from online sales and 30 per cent from international sales, including tax.

Danish furniture prices have slowly increased over the past two decades, as demand has grown. Both Mr Hostbo and Mr Kjelgaard picked up pieces in second-hand sales in Denmark in the 1990s for the equivalent of a few hundred dollars, which are now worth 25 times more.

In October 2015, a table made by Peder Moos set the record for the highest price for Scandinavian design [when it sold](#) at a London auction for £602,500 (\$775,000), more than four times its presale estimate.

The Noma effect

Tina Seidenfaden Busck, whose showroom, The Apartment, in Copenhagen’s old centre, is another entrepreneur selling Danish furniture to the rest of the world. Her business has become a [hit on social media](#) and an attraction for design-minded tourists. It also stocks pieces from across Europe.

She says there has been a surge in visitors to Copenhagen over the past half-decade, in part

because of Noma, a restaurant with two Michelin stars synonymous with the “new Nordic” cuisine movement. “Noma put Copenhagen on the map in terms of food and added to its strong reputation for furniture and architecture.”

Ms Busck’s showroom is a 240 square-metre 18th-century apartment, with pieces on display as they would be set up in a home. “I wanted to create a place where I could put all these things in context. Most galleries are very stiff and like a museum. But if you are going to live with a piece of furniture, you have to sit in it and use it.”

Before opening The Apartment, Ms Busck worked for 10 years at Sotheby’s, the auctioneers, in London and Copenhagen. She then worked for a contemporary art gallery in Copenhagen, advising private clients on buying art and design. When the apartment immediately below her home was put on the market five years ago, she decided to buy it and set up her gallery. Since then turnover has doubled every year, she says. About 70 per cent of sales are made online, with buyers mainly based in the UK, US, Germany, the Middle East and parts of Asia.

While stocks last

Mr Kjelgaard compares the most prestigious Danish designers — Juhl, Moos and Hans Wegner — with blue-chip stocks in that “they are expensive but will consistently go up in value”.



Flemming Lassen with Arne Jacobsen

The rise in prices for Danish furniture is also partly because of scarcity — original works are becoming harder to find. “I spend more time searching for pieces these days,” says Mr Hostbo, who recently halved the size of his storage space. “I sold more than I bought over the past few years. But for 20 years before that I bought more than I sold.”

For the entrepreneurs, this creates a challenge of what to do when the stock runs out. Ms Busck is preparing by selling more contemporary Scandinavian pieces, as well as furniture and furnishings from across Europe. Mr Kjelgaard says Bruun Rasmussen is trying to establish its credentials internationally as an adviser and source of knowledge on Danish design.

For Mr Hostbo, there will be a time where there are no more pieces left to find. “That day will come, but hopefully not in my lifetime.”

What to buy

Rare furniture

Peder Moos, a cabinet maker who trained in architecture, is the most sought-after Danish designer. He crafted each piece himself and produced only about 30 to 40 items — all were custom built and would take months

to make. The quality of the craftsmanship and the scarcity of the pieces mean Moos furniture is highly valued. Mr Hostbo has on display a modest looking rosewood, boxwood and ebony chair by Moos valued at \$125,000.

Marta Maas-Fjetterstrom

Ms Busck advises collectors who want their purchases to increase in value to buy rugs by [Marta Maas-Fjetterstrom](#), a Swedish textile designer who died in 1941. Her studio also produced pieces by several of the best-known Swedish designers, including Barbro Nilsson and Marianne Richter.

“There are good designs and bad ones. But if you pick the right ones they are only going to go up in value,” she says. “The old ones are still much cheaper than the new.”

Early designs

Peter Kjelgaard says there is growing interest from collectors in pieces made just before 1945 that influenced later designers. Bruun Rasmussen recently sold one such piece, Flemming Lassen’s [The Tired Man chair](#), from 1936, for \$280,000. Mr Kjelgaard says collectors view such pieces as “exotic” and appreciate them for providing the “foundation for the Danish modern movement”.

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