

New York's billion-dollar art week

Some buy for investment, some buy for love, so markets vary

By Charlotte Burns and Riah Pryor. From Frieze New York daily edition

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The record-breaking Munch that sold for \$119,922,500 (including premium) at Sotheby's last night is not the only multi-million-dollar work of art on offer in New York right now. The inaugural edition of Frieze New York opened to invited VIPs on Thursday, and The Art Newspaper has calculated that art worth as much as \$2bn has been brought to the city for sale through fairs, galleries and auction houses. This number could suggest that the confidence shown in the art market in the mid-2000s is returning at speed. The union teamsters and Occupy protesters seem to think so—but is it really the case?

“The market seems to be on steroids right now, and everything is colliding in New York this week,” says the art adviser Lisa Schiff. “It’s exciting and overwhelming, and a little bit freakish,” she says, noting the number of art events taking place in the city.

But if figures such as \$2bn seem monolithic, the trade is not. The overall sum is heavily skewed by the value of the secondary-market works on offer at the auctions and with some blue-chip galleries (see box). In contrast, Frieze's reputation rests on art fresh from the studio, which is hipper, riskier—and cheaper. Frieze was unable to give a figure for the overall value of the art at the fair, but it seems reasonable to assume that it is similar to the \$350m estimated by the specialist art insurers Hiscox at the London edition last year. That would represent only 18% of our estimated \$2bn total. The artist, curator and critic Robert Storr says that the art market has been fuelled by “two separate things for a very long time”: die-hard art lovers and investment buyers.

There are strata within the 250,000 sq. ft tent, too. A glance at the floorplan reveals the hierarchy. The heftier prices are at the galleries that take up the most space and are selling works by well-known artists. Nonetheless, “there is a clear split between investors buying blue-chip works at auctions and the people we tend to talk to in the gallery, who are either emerging critics, curators and writers or more established institutional buyers and traditional collectors,” says Marc Payot, a partner of Hauser & Wirth (B6). The gallery is selling works ranging from a \$60,000 painting by Rashid Johnson to a \$3.75m pair of sculptures by Louise Bourgeois (on show in the sculpture park). Fellow big-gun David Zwirner (C46) has a display of minimalist work, including a \$1m fluorescent light sculpture made by Dan Flavin in 1969. Kristine Bell, a partner at the gallery, says it is “intrinsic to the buying that our artists won't decrease in value, [but] the investment conversation—if it happens—comes second”.

The mid-sized booths at the fair tend to display works by mid-career artists, priced, on average, between \$20,000 and \$60,000. This is not the masterpiece market that tempts those driven by the idea of art as an asset class, though it might appeal to the “gamblers of the world who think they have a good nose, or eye. Mostly, they have a good ear. We believe we deal with works that have the potential to be masterpieces,” says Stefania Bortolami (A9), who is selling works priced between \$10,000 and \$125,000. The Mexico City-based gallerist José Kuri of Kuriman-zutto (B16), who is showing works by Abraham Cruzvillegas, including two large-scale drawings priced at \$45,000, says: “We have to work hard because we don't deal with the super high end and we don't do much secondary market. But, without sounding idealistic, we're trying to focus on great projects.”

The younger dealers (including the 20 galleries in the Frame section and the 33 in Focus), selling works by largely unknown artists, take up the least space. “I am not anti-art investors; they just don't talk to me,” says Darren Flook of Hotel gallery (F31), which is selling works by artists including Judith Hopf and Anders Clausen, priced between \$5,000 and \$20,000.

If the galleries and artists can be roughly divided, so too can the buyers. “The power now is almost entirely in the camp of those who see art as a financial instrument,” Robert Storr says. “It is big business, and it's international. There is a valuation system associated with the idea of masterpieces that is connected to art as an alternative investment.”

Flexing their muscles at this altitude are dealers who are staging mega-watt shows in their gallery spaces. In addition to what seems like Gagosian Gallery's annual blockbuster Picasso exhibition, multi-million-dollar displays include Haunch of Venison's show “Afro Burri Fontana” (valued at \$25m), Blain Di Donna's André Masson exhibition, Metro Pictures' impressive Cindy Sherman show and several non-selling exhibitions, such as Acquavella's Lucian Freud drawings show and Eykyn Maclean's boutique display of Cy Twombly works from the Sonnabend collection. “The price of entry is high at this level, but you are buying something solid. It's basically the equivalent of an apartment on Fifth Avenue and there are a lot of wealthy people in this game who are looking for big names—artists who will still be around in 100 years,” says the secondary market dealer Christophe Van de Weghe, who opens a \$50m show of “late Picasso works in conversation with Basquiat” next week.

While art dealers and auctioneers wait to see whom their art attracts, it is undeniable that the art market, despite the odd bump, is still expanding overall. There were not “many people buying art for investment 25 years ago, but now they are around all the time”, says Monika Sprüth, the co-owner of Sprüth Magers (B37). Nonetheless, she adds: “Sometimes art lovers become art investors, and vice versa.” As Storr says, “there are so many people involved right now that it is beginning to mimic the investment banks in seeming like it is ‘too big to fail’—though of course it can”.