

In the pink

The ebullience seen at Frieze London and Frieze Masters is a sign the international art market is in good health



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AFTER years in the doldrums, the art market is brushing record highs, last year registering US\$66 billion in sales. As new collectors emerge, the contemporary art segment is comprising a larger proportion of the market.

The art market mirrors the booms and busts of the global economy, albeit with a short time lag. Think back to Sept 15, 2008. The inconceivable had just happened; US investment banking giant Lehman Brothers filed for bankruptcy. It would set the ball rolling on the worst financial crisis in 80 years.

Just a few hours later at Sotheby's auction house in London, art world enfant terrible Damien Hirst would sell US\$170 million worth of sharks in formaldehyde and canvasses of spinning colours. The almighty sale – by far and away a record for a single artist – had coincidentally converged on the banking collapse of the century.

For the art market, the party couldn't last. Plunging stock markets and far-reaching redundancies took the wind out of buyers' sails. Sotheby's share price dived 80 per cent while rival Christie's suffered similar losses. The worst affected segment was contemporary art, where prices had reached stratospheric levels fuelled by new collectors from India, China and Russia. At Christie's and Sotheby's flagship annual auction of contemporary art in 2009, sales were down by three-quarters on the previous year.

Roll forward six years and it's a different story. The contemporary art market, like the global economy, is looking ebullient once more. As a whole, the art market is touching an all-time high of US\$66 billion, according to The European Fine Art Foundation (TEFAF). Of this, post-war and contemporary art was the largest sector, growing 11 per cent in 2013 and accounting for 46 per cent of the market total.

This segment makes up 59 per cent of total sales in the US, which is still the biggest buyer of art in the world. China, accounting for a quarter of the market, is in second place, while the UK is third.

Contemporary art's renaissance is strongly linked to the sheer amount of cash in markets. Wealth creation in emerging markets is generating hundreds of new millionaires seeking to build their first collection. Contemporary art is a

good entry point for newbies, explains Laurence Dreyfus, a Paris-based art historian and consultant, previously employed at Sotheby's.

"My clients enjoy buying contemporary art because it's fresh, it's an adventure, and the price is more accessible than (those for) Old Masters," says Ms Dreyfus. She adds that the living element is one of increasing importance. "They like the fact they can meet the contemporary artist, there is a social network, and they can talk about it together. It's important to have a contemporary culture and be close to what's going on today, because we can't live too much in the past or in the future."

Art is also a lot more physically accessible. Gone are the days when art could only be purchased through an esoteric network of private dealers or white-walled galleries – or in the confines of an auction house. Online art and antiques sales in 2013 were estimated conservatively at more than US\$2.7 billion, or about 5 per cent of the market, and could grow at a rate of at least a quarter per annum, according to TEFAF.

International art fairs

International art fairs such as Frieze and Art Basel are further democratising the market, bringing a smorgasbord of art within reach of millions. At Frieze London in Regent's Park in October, more than 100,000 people flocked to the show.

While some were there to drink champagne and people-watch, there were serious buyers too. Angela Choon, senior partner at contemporary art gallery David Zwirner, says there were "significant sales... and a sustained presence of quality collectors throughout the fairs, which also reached our Mayfair gallery, resulting in a sold-out Oscar Murillo exhibition". Buyers snapped up works by Sigmar Polke, Bridget Riley, Chris Ofili, Marlene Dumas, Kerry James Marshall and Wolfgang Tillmans, she adds.

Meanwhile, Kurt Mueller, director of Los Angeles-based David Kordansky Gallery, reports a similar story: "The response to our presentation of Mary Weatherford's new neon paintings was phenomenal. All 10 works sold immediately."

He adds that "sales were swift", particularly "among new collectors, institutions, and an increasingly curious public".

Even Damien Hirst was back in favour, despite stories of rotting sharks and paintings made on a production line. Daniela Gareh, partner at White Cube, mentioned "several sales on the first day of the two new bodies of paintings by Damien Hirst".

But for many, art isn't a worthwhile purchase until it has survived a couple of centuries. Old Masters was the most popular category of the art market until the 1980s. In 2013, it only accounted for 10 per cent of the overall art market with sales of just over a billion dollars, according to TEFAF. Sales are fewer because the market is finite – you can't commission another Canaletto. But sales prices are often higher because of their rarity.

Mindful of the demand, for the last four years Frieze has split into two: a 15-minute walk from the colourful and kitsch Frieze London is its quieter, understated sister, Frieze Masters, with 130 galleries. There, you find classic pieces from Picasso and Goya, as well as curiosities such as Japanese *netsuke*, 15th century Italian maiolica and rare Egyptian wooden sculptures.

The show here is geared towards the collector as opposed to the speculator, with Hauser & Wirth and Moretti Fine Art collaborating on "an ideal collection" of works, placing 14th century Italian panels alongside Hans Arp and Louise Bourgeois. Galleries Karsten Schubert and Tomasso Brothers Fine Art juxtaposed modern pieces by Bridget Riley and Old Master drawings with ancient portrait sculptures. This approach is gaining traction because Frieze Masters is usually the domain of seasoned collectors, says Flavio Gianassi, a director at Old Masters gallery, Moretti Fine Art.

"Old Masters are often in the hands of families and only come up for sale very rarely. It can be a once-in-a-lifetime purchase," he points out. "Most Old Masters buyers are well researched and passionate about the art they are collecting," says Mr Gianassi. "You need to know about this to understand what you are buying. With contemporary it's more about the name that you are buying. It's fashionable because everyone is buying that name," he adds.

"I feel a little sceptical about the price of contemporary art, because there could be a big bubble. You're spending a million dollars on a brand-new artist, but you don't know about its preservation. A painting by Bellotto or Canaletto has been around for 300 years so it has stood the test of time."

And regardless of boom and bust there will always be a small core of devoted buyers for whom art is a passion and a life choice, be it contemporary, Old Master, Impressionist and modern or even Chinese calligraphy.

As Ms Dreyfus explains: "Art allows people to dream a little, to leave their everyday reality." **W**

Billionaire is the global luxury lifestyle website and magazine for ultra high net worth and affluent individuals pursuing the good life



PHOTOS: JACK EVERITT

CONTEMPORARY CULTURE

(From top) *Things on the Wall*, Roy Lichtenstein; *A View of the Grand Canal Looking South*, Bernardo Bellotto; *Maya au bateau*, Pablo Picasso
(Bottom) Ancient Head of Apollo or Dionysus, Roman, second century AD

