

THE ART OF



COLLECTING

WHO TO KNOW. WHAT TO BUY. WHERE TO GET IT.
HOW TO SHOW IT. HERE'S EVERYTHING YOU NEED
TO START AN ART PORTFOLIO THAT WILL MAKE YOU THE ENVY OF
YOUR FRIENDS—AND MAYBE A LOT OF MONEY.

BY RACHEL WOLFF

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A Christie's evening auction in 2011.
On the wall are Roy Lichtenstein's
I Can See the Whole Room (1961)
and Mark Rothko's *White Cloud* (1956).

AT THIS VERY MOMENT, THE NEW YORK CITY flagships of Christie's, Sotheby's, and Phillips de Pury & Company are prepping artworks that are expected to collectively fetch nearly \$700 million this month at the year's final round of major contemporary auctions. Meanwhile, thousands of gallerists, museum directors, art advisers, and collectors are booking flights, reserving hotel suites, and planning exclusive dinner parties in advance of Art Basel Miami Beach in early December, where hundreds of millions of dollars more will change hands. This is the way of the modern art world, in which auction houses routinely shatter their own sales records and the cognoscenti zip from one extravaganza to another on the increasingly crowded international-art calendar, leaving a trail of VIP lanyards, auction paddles, and champagne flutes in their wake.

While it feels like the global economy is stalled for good, the art market has been soaring again since the Great Recession officially ended in June 2009. (Case in point: The Lichtenstein and the Rothko pictured on the previous pages sold last November for \$43 million and \$18 million, respectively.) In fact, according to Christie's specialist Loic Gouzer, art has "outperformed almost every other kind of investment open to the public in the last 10 years." A recent study placed the art market's value at nearly \$60 billion, and in February *Forbes* declared it the world's strongest economy. More than three times as many contemporary artworks were sold at auction in 2011 than a decade earlier. Thanks to the gallery and art-fair boom and demand from countries like China and Brazil, contemporary art has become a legitimate asset class—like stocks, only sexier.

But for newcomers, the art market can seem impenetrable. "It's really not standardized, really murky, and really confusing," says Kathy Grayson, owner of The Hole, one of New York's hottest galleries. Neophyte buyers with big budgets can become frustrated when they discover that wads of cash don't guarantee access to sellers. "Having the financial means isn't necessarily enough," explains New York art adviser Mark Fletcher. "The art market is, for better or for worse, a discriminatory marketplace built on relationships of trust."

Don't be intimidated. As with any specialized milieu, to be successful you just need to know the lingo, the etiquette, and the players. What's more, a smorgasbord of new resources have emerged that make entrée into this world easier than ever. Here's everything you need to become a savvy art collector.



Swizz Beatz, rapper, producer

"I don't buy art because of the value anymore, like how I used to. I buy it because I love it. I got my wife [Alicia Keys; see "Last Call," page 128] into art in a major, major way. I had [art dealer] David Rogath put on a private gallery show for her of the fashion illustrator Erté's work. She said that was the day she fell in love with me. She just threw me an art party, and me, Beyoncé, Jay-Z, my wife, and Fab 5 Freddy all painted this one canvas. That might be the most important piece in my collection right now." Swizz Beatz has a Brooklyn art studio where he paints in his spare time.



From top: Sol LeWitt, *Wavy Brushstrokes* (1995, expected to sell for \$60,000 to \$80,000 at Christie's); Orly Genger, *Untitled (Bronze Knot)* (2011, \$7,000 at Cavtak Gallery); Wolfgang Tillmans, *Headlight (I)* (2012, \$57,000 at Regen Projects). Opposite: Sarah Kurz, *Mon Amour, Mon Ami (Le bonheur)* (2012, \$5,500 at Allegra LaViola Gallery).



How to Make a Deal

There are three places where you're most likely to purchase a piece of art. Here's a handy guide to navigating them.

GALLERIES

Choose a favorite and build a relationship. Find dealers by browsing the exhibitor lists at big fairs or by wandering your city's gallery district. Once you know who you'd like to work with, show your commitment through small purchases. When the gallery sees you're serious, you'll get more access to its artists and supply.

Don't buy an artist you don't know. Always peruse the artist's CV, which most galleries make available, for notable shows. Rachel Lehmann of New York City's Lehmann Maupin suggests asking the gallery assistant questions like, "Does the artist belong to a movement? How long has he been working? Where do you think he's going?"

Be decisive once you know what you're getting. An artist's prices can increase as much as 50 percent after a successful gallery show. Kathy Grayson of The Hole offers this rule of thumb: "You should be able to buy paintings from someone's first show—regardless of how big or beautiful—for under \$10,000."

Barter. Galleries rarely publish prices for the work on display. Ask for a figure, then gently ask for a discount—10 to 15 percent is typical—but don't push it. "If someone offers me 50 percent of the retail price, the answer is going to be no and I'm probably going to avoid them," Grayson says. Know that it can be difficult to get any discount at all for in-demand artists or those whose output is small. **Buy on an installment plan.** It's almost always an option. **Be prepared to wait to enjoy your purchase.** When buying a work from an exhibition, you can't take it home until the end of its run. But remember: Reviews and visibility can increase its value before it's even on your wall.

FIVE UP-AND-COMING GALLERIES TO KNOW

1. Overduin and Kite, Los Angeles overduinandkite.com
2. Kansas, New York City kansasgallery.com
3. The Hole, New York City theholenyc.com
4. Jessica Silverman Gallery, San Francisco silverman-gallery.com
5. Lisa Cooley, New York City lisa-cooley.com

ART FAIRS

Go to the right ones. You could spend all year fair-hopping, but most aren't worth your time. The marquee expos are Art Basel, held in June in Switzerland, Art Basel Miami Beach in December, the Armory Show in New York in March, Frieze London in October, and Frieze New York in May. Satellite shows like NADA and Pulse that run concurrently with the big fairs are great places to spot emerging talent.

Get VIP access. Most transactions happen at the VIP preview, before a fair's public opening. You can get in by working with an art adviser or joining a collectors' group. VIP status also offers perks like cocktail parties attended by art-world figures and tours of local collectors' homes.

Manage your expectations. Blue-chip work is often sold even before the VIP preview, because big galleries send images of works they plan to exhibit to regular buyers ahead of time. Such presales are far less common at smaller expos like NADA.

But go ready to buy. Galleries are much less cagey about prices at fairs than when they're in their home turf. "The context is purely commercial," says Rachel Greene of the consulting firm Art & Advisory. Keep an eye out for special sections within the fairs dedicated to new galleries and emerging work, like Art Positions at Art Basel Miami Beach. If you do decide to buy, the process is the same as in a gallery.

FIVE UNDER-THE-RADAR FAIRS

1. NADA, December 8–9, concurrent with Art Basel Miami Beach; newartdealers.org
2. Untitled, December 5–9, concurrent with Art Basel Miami Beach; art-untitled.com
3. Independent, March 7–10, 2013, concurrent with the Armory Show in New York; independentnewyork.com
4. The Dallas Art Fair, April 12–14, 2013; dallasartfair.com
5. ArtRio, September 2013; artrio.br

AUCTIONS

Attend a viewing. The major contemporary-art auctions at Sotheby's, Christie's, and Phillips de Pury & Company occur in November and May in New York City and in October, February, and June in London. Public exhibitions of the works take place a week in advance. Buddy up to one of the auction specialists who will be on hand to answer questions; they can serve as de facto (and free) art advisers.

Spend a little extra. Part of what you're paying for is access. "Galleries have collectors they will always give priority to," says Christie's specialist Loic Gouzer. "At auction, if you want something, you can get it if you pay the highest price."

Bid by proxy. Let someone who knows the process do the dirty work. Auction specialists can bid on your behalf, gratis, so ask one to do so even if you're in the room. "If you want someone who has only your interests in mind (and not the house's), hire an art adviser. Dealers often push bids up solely to achieve a price that will increase the value of their own holdings. "You have some real sharks in there," Gouzer says. "They prey on young collectors."

Be prepared for surcharges. The "buyer's premium" ranges from 12 to 25 percent, depending on a work's hammer price. You're usually expected to pay within 30 days, but extensions are possible.

FIVE STARTER AUCTIONS

1. *Under the Influence*, *Phillips de Pury & Co.*, March and September; phillipsdepuryc.com
2. *First Open*, *Christie's*, March and September; christies.com
3. *The Contemporary Sale*, *Sotheby's*, March and September; sothebys.com
4. *The Contemporary Art Day Sales*, November 14 at *Sotheby's*, November 16 at *Christie's*, November 16 at *Phillips de Pury & Co.* in New York, and again in May 2013
5. *The Photography Sales*, April and October at *Christie's*, *Sotheby's*, and *Phillips de Pury & Co.* in New York



The Tanya Bonakdar Gallery at Frieze New York last May. From left: Gillian Wearing, *Me as Sander* (2012); Tomas Saraceno, *Galactic Altostratum* (2012); Thomas Scheibitz, *Figur 18* (2012).

PHOTOGRAPH: LINDA NYLIND; COURTESY OF FRIEZE. OPPOSITE: ILLUSTRATION BY MATT COLLINS

Yes, You Can Collect Art Online

Many Web platforms carry works on par with anything you'll find in a brick-and-mortar gallery. Art adviser Rachel Greene suggests making use of their customer-service numbers in evaluating a work you're considering. "If there's any way, see it in person or get more images so you know it's not going to look like a bad dot-matrix print," she says. Here, a few destinations to shop.

20X200.COM ARTWELOVE.COM ROCKPAPERPHOTO.COM

They're not for ambitious collectors, but these sites are a terrific resource for budget-conscious buyers, offering an array of inexpensive prints and photographs, including many from big-name artists.

ARTSPACE.COM

Launched as a gathering place for blue-chip galleries, this year-old site has partnered with New York institutions like David Zwirner, Marianne Boesky, Marian Goodman, and Metro Pictures and international tastemakers like Sadie Coles HQ in London, kurimanzutto in Mexico City, and i8 Gallery in Reykjavik.



Will Kopelman, art consultant

"The first thing I ever bought was a Chuck Close print, a self-portrait, which I still have. I started collecting Old Master etchings as well. I bought pre-Columbian pieces, Egyptian pieces, little things that I could afford at auction. I still like to mix everything, and I would never advise a client to do strictly one thing. If you walk into a house and you see a Dan Flavin or a Donald Judd installation next to a Rembrandt-like head of Medusa, that's going to make an impact. My collection is eclectic, but eclectic within reason. I buy works for my wife (Drew Barrymore), things I know she'll like. But we have very different tastes. We do collect together, but only when we both agree. When we do, it's a great testament to what it is—and we have to try to get it." *Will Kopelman is the founder of Kopelman Contemporary, LLC, whose clients include Robert Pattinson, Zoëy Deschanel, and numerous Silicon Valley executives.*

THE CASE FOR JOINING A COLLECTORS' GROUP

Museum curators don't sell art, but their decisions influence the market. The best way to pick their brains is to join a collectors' group, like the Young Collectors Council at the Guggenheim or Emerge at the Museum of Contemporary Art, Chicago. Memberships—which range from \$500 to \$2,500 a year—get you access to exclusive parties, private openings, studio visits with artists, and face time with staff. Belonging to a collectors' group also offers a way to get on the acquisitions committee, which will clue you in to the rising talents on the museum's radar and reveal curators' criteria for buying—which you can apply to your own collection.

Why Art Is a Smart Investment

Hugh Grant looked like a genius in 2007 after pocketing £13 million for an Andy Warhol painting he'd paid £2 million for six years earlier. The actor later revealed that he'd bought the piece on a whim after a two-day bender, but the story shows why people of means like to invest in art. Even the recession proved only a momentary drag; by 2010, sales at the major contemporary-art fairs were on their way up again. Some investors have even begun using the acronym SWAG—silver, wine, art, gold—to refer to value havens in the contemporary economic climate. This past year brought records for the most expensive artwork (*The Scream*, at \$120 million) and the most expensive work of postwar art (Mark Rothko's *Orange, Red, Yellow*, at \$97 million, about twice its pre-auction estimate). "Interest rates have been essentially zero, and art seems to be a relatively safe harbor for the global community to put money," says New York City art adviser Mark Fletcher.

Of course, most speculative buyers can't afford a Warhol. Instead, seek out fast-rising artists, like the Los Angeles-based sculptor Sterling Ruby, whose mixed-media construction *Monument, Stalagmite/Recombine Black & Yellow* sold for \$99,000 in October 2009; a comparable Ruby work, *Kiss Trap Kismet*, sold last May for \$208,500. Fletcher encourages new collectors to be forward-thinking—just as with any other kind of investing. "If you're buying what you think art looks like, then you've already missed it," he says. Just steer clear of "artists whose prices are inflated immediately at auction after their first show," cautions Rachel Lehmann of Lehmann Maupin. "It's the same as in a normal market. This is nothing else but a market response to a limited inventory at a higher demand at a certain limited moment. It will come down."

Once you've built your collection, you can raise its worth by lending out works to exhibitions. Let the gallerist, advisers, and curators you meet know that you're eager to do so. And if you own work by an artist that appreciates suddenly—following, say, a career-making show or a death—consult with an auction-house specialist about whether to sell right away or hold on longer. They typically charge a vendor's fee (determined on a sliding scale based on the value of the piece), but it's often waived if you've got something the house is dying to sell.

PADDLER.COM

Another new entry from 2011, it's the auction house of the online world, hosting benefit sales in support of nonprofits and museums like the Royal Academy of Arts in London, the Los Angeles County Museum of Art, and the Public Art Fund in New York City.

VIPART.COM

Founded by respected New York dealers Jane and James Cohan, this two-year-old venture hosts online fairs that run for several weeks at a time, like the Eastern-focused VIP Asia, which is on now through November 4.

Round Numbers: What Art Costs

BELOW, EIGHT PIECES ON THE MARKET RIGHT NOW—WITH PRICE TAGS RANGING FROM THREE TO EIGHT FIGURES.



Daniel Buren, *Peinture acrylique blanche sur tissu rayé blanc et vert*, 1972. For sale at Bortolami Gallery, New York City, \$260,000

8 FIGURES

Barbara Kasten, *Construct PC IX*, 1982. For sale at Bortolami Gallery, New York City, \$8,800



Jonathan Allmair, *Untitled (Plastic Points 2)*, 2012. For sale at James Fuentes, New York City, \$15,000

7 FIGURES



Bryan Graf, *Debris (Field Recording 1)*, 2012. For sale at Yancey Richardson, New York City, \$1,800

3 FIGURES



Darina Karpov, *Crawlers*, 2012. For sale at the Lower East Side Printshop, New York City, \$900

4 FIGURES

6 FIGURES

5 FIGURES



Nicola Tyson, *Dancing #1*, 2012. For sale at Friedrich Petzel Gallery, New York City, \$20,000

8 FIGURES

Andy Warhol, *Marlon*, 1966. To be auctioned at Christie's this month. Expected to sell for around \$20 million



George Condo, *The Manhattan Strip Club*, 2010. To be auctioned at Christie's this month. Expected to sell for \$800,000 to \$1.2 million

ART JARGON

Like any rarefied milieu, the art world has its own lingo. Here, a few of the terms and titles you should know.

Art Adviser

A consultant employed by a collector to acquire art. Works on a retainer or on a per-acquisition basis. Most charge 10 percent of the collection budget or individual piece price; some ask for regular flat fees.

Art Handler

A trained professional charged with transporting and hanging art. This job is often held by working artists.

Artist Liaison

A gallery rep who helps artists shape their exhibitions.

Auction Specialist

An in-house representative for an auction house who consults with clients on sales and purchases. Can also bid on clients' behalf.

Biennial

A pulse-taking, every-other-year expo that often boosts the profiles (and prices) of the artists featured. The most important are the Venice Biennale and the Whitney Biennial.

Blue-Chip

Big-name, big-money art. Think Jeff Koons, Damien Hirst, Gerhard Richter, Cindy Sherman.

Galleria

A pejorative for the flitty assistant perched behind a gallery's front desk. Not gender-specific. **Larry**

As in Gagasian, the ultimate blue-chip gallerist, with a client list that includes all the aforementioned artists (minus Richter), plus John Currin, Takashi Murakami, and Julian Schnabel.

Primary Market

Art sales that directly benefit artists. Operates almost entirely through galleries, which usually split profits 50-50 with artists.

Secondary Market

Art resales by auction houses and independent dealers.

Underbidder

Can refer to a bidder one-upped just before the auctioneer's gavel strikes down or someone who bids to push the price up without intending to buy. (A Warhol collector, for instance, might underbid on a Warhol.) **Vernissage**

An exclusive preview of an art fair or a major exhibition.



Jeremy Kost, photographer

"One of the first things I bought was an Andy Warhol piece at a flea market, and, frankly, I sold it a couple years later for a lot more than I paid for it. Which then turned into a Joe Bradley—which I paid \$5,000 for and is worth a hell of a lot more now—two Terence Koh pieces, and a few other things. A collection finds its voice over time, and I think it's okay to sell things that don't necessarily fit anymore, so long as you do it in the right way." *Jeremy Kost has a solo show opening at the Andy Warhol Museum in Pittsburgh on December 2.*



How to Display and Preserve Your Collection

- **Insurance:** Use an art-specific insurer like AXA Art or Huntington T. Block. Annual premiums typically range between 0.2 and 0.4 percent, depending on the nature of the works and the conditions in which they're kept. Have your collection reappraised every five years to account for market fluctuations. Add new purchases to your policy before they leave the gallery (the greatest risk of damage comes during transport).
- **Handling:** Auction houses and third-party companies offer professional handling and installation, so you shouldn't ever need to touch a work yourself. If you do, wear gloves—white cotton for paintings and works on paper, latex for something heavy.
- **Installation:** Strive for museum-level standards of heat (70 degrees) and humidity (50 percent). Avoid displaying works in high-traffic areas. If you must exhibit art in direct light, rotate pieces into storage every three to six months (more often for delicate pieces).
- **Repairs:** If you damage a piece—as casino mogul Steve Wynn did when he accidentally punched a hole in Picasso's *Le Rêve* in 2006—don't try to fix it yourself. Consult with the gallery where you purchased the piece for any questions about care. For Wynn-size catastrophes, enlist a private conservator, but be aware that the good ones typically charge \$500 an hour.
- **Storage:** Use art-specific facilities. AXA lists approved locations in the U.S. and Canada, all of which offer manned and electronic security, fire detection and suppression, and environmental controls, on its website. Photograph all works before locking them away.

details.com

For more collecting resources, including a guide to America's best galleries, go to details.com.



THE RULES OF RESELLING

If you own a work of art, you're legally entitled to flip it once it has appreciated in value. But doing so could hinder access to the gallery you bought it from—and others, too, if word gets out. If you want to unload, start by determining the work's approximate value by studying comparable works that have sold recently, using a subscription-based service like Artnet.com or enlisting a private appraiser. Then ask the original gallery if it can reacquire the piece at the new price or broker a sale to another of its clients. If the gallery declines, you're free to pursue other avenues, like an auction house.