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Warhol Price Slashed as Art Basel Fights Slump With Bargains

By Scott Reyburn

June 9 (Bloomberg) -- Prices of work by artists such as **Andy Warhol** are being trimmed at this year's **Art Basel** as dealers aim to beat the biggest slump in the market since 1991.

The Swiss-based art fair, the world's largest, opens to VIP visitors today and will feature almost 300 international galleries showing more than 2,500 artists.

"The idea of bringing a lot of expensive pieces to Basel and just flogging them isn't going to work this year," Adam Sheffer, a director at the New York dealers **Cheim & Read**, said in an interview. "There are fewer buyers around and they're looking for bargains."

Dealers lowered expectations after **Christie's International** and **Sotheby's** respective \$93.7 million and \$47 million totals at the May contemporary-art auctions in New York were 72 percent and 87 percent down on last year. The average auction price of contemporary art has fallen 76.2 percent since May 2008, the London-based company **ArtTactic** said after those sales.

New York gallery **Deitch Projects** will offer at Basel a small 1964 Warhol silkscreen self-portrait based on photo-booth shots, priced at \$675,000. The painting is on consignment from fashion designer **Stephen Sprouse**, who was given the work by the artist, gallery founder Jeffrey Deitch said in an interview.

"It's priced to sell," he said in a telephone interview. "Last year I would have asked at least \$1 million.

"There's now much less going on at the \$5 million-plus level. A lot of the price gains in 2007 have been reversed and we're back to 2005 levels."

Satellite Fairs

Last year Art Basel attracted 60,000 visitors, according to the organizers. Like London's **Frieze Art Fair**, the event doesn't release sales figures. Thousands of other works will be on show at Basel's satellite fairs such as VOLTA, SCOPE and LISTE.

Cheim & Read will show photographs by **William Eggleston** and pieces in various media by Jack Pierson for less than \$250,000, Sheffer said. Last year the gallery displayed works with seven-figure price tags, he said.

Last year's Art Basel -- where **Roman Abramovich** and **Brad Pitt** were spotted among the visitors -- achieved confirmed sales of \$8 million for a **Takashi Murakami** sculpture, \$12 million for a **Lucian Freud** painting and \$14 million for an

Alberto Giacometti sculpture.

Swiss-based **UBS AG**, the world's biggest wealth manager, has been the main sponsor of Art Basel since 1994. In April, the bank announced that it would be shutting down its division advising private clients on investing in art after posting a 20.9 billion-Swiss franc (\$18.3 billion) loss for 2008, the biggest in Switzerland's history. UBS's decision to shut the division won't affect its sponsorship of the event, which will only expire in 2011, according to the bank.

Levin's View

"In this kind of environment there will be two Art Basels," **Todd Levin**, director of New York-based advisers, Levin Art Group, said in a telephone interview. "There will be the art on show in dealers' booths, plus works being offered more discreetly on consignment from collectors in store rooms. This year it will be more like a normal trade fair," said Levin, who has been visiting Art Basel for 30 years.

Among the works priced at the fair in seven figures will be a new multi faceted stainless-steel mirror sculpture by **Anish Kapoor**, offered at the booth of the London-based **Lisson Gallery** at more than 1 million pounds (\$1.6 million). The 7-foot-wide untitled sculpture is one of the Indian-born British artist's most technically ambitious pieces to date, said Nicholas Logsdail, the gallery's director.

Kapoor's Prices

Kapoor is one of the few contemporary artists whose works have continued to sell for consistent prices at auctions and art fairs since the bankruptcy of **Lehman Brothers Holdings** in September 2008.

"His work has a timeless quality," Logsdail said in a telephone interview. "We've also kept our sterling prices the same. This means that anyone whose wealth is in dollars or euros gets a significant discount."

This is the fourth art-market recession Logsdail has experienced and it's "probably the worst," he said.

"The recovery in the stock markets has helped. We're back at the levels of business we were doing four years ago. And that's not bad," said Logsdail.

Exhibitors at last year's Art Basel said a drop in U.S. visitor numbers was compensated by buying from the emerging economies of Russia, Asia and the Middle East. Forbes Russia said in April that Russia's 100 richest people lost 73 percent of their wealth in 2008. Last month Knight Frank LLP said house prices in Dubai fell 32 percent in the 12 months ended March 31.

"Now everyone is affected," said Sheffer.

Korean Artist

New York dealers **Lehmann Maupin** will be showing works by the Korean artist **Lee Bul** priced from \$60,000 to \$150,000.

"The market isn't dead," Rachel Lehmann, a director of the gallery, said in an

interview. "We're feeling some demand from Asian clients and from parts of Europe. The pure New York market has really gone, though. I've spoken to several New York collectors who aren't going to Basel this year."

Several U.S. dealers are also giving the Swiss city a miss in 2009. **R 20th Century**, Moss and Yoshii Gallery are among half a dozen New York-based specialists who won't be exhibiting at this year's Design Miami/Basel fair, which previewed yesterday.

The design fair, featuring 27 exhibitors, has transferred from Basel's Markthalle (where the VOLTA art fair is now installed) to Hall 5 of the city's main exhibition complex, closer to Art Basel.

"I can understand why other American galleries aren't coming," said **Cristina Grajales**, a New York-based exhibitor. "We have a world crisis and everyone has to be careful."

This year's Design Miami/Basel will feature a special exhibition of works by **Marc Newson**, said the organizers.

At Phillips de Pury's design auction in London in May, a Newson "Lockheed Lounge" chair fetched a record 1.1 million pounds (\$1.6 million). A number of other works by once-fashionable names in the "design art" market failed to sell.