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Contemporary art **The market sprawls**

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YOU don't usually hear loud orgasmic moans during an art auction. But on February 15th at Sotheby's in London five activists interrupted the sale of a painting by Andy Warhol to protest against the British government's proposed funding cuts. The young people, inspired by performance art, began their gig with groans and then unfolded a large red banner that declared the sale an "Orgy of the Rich."

The drama brought home the dizzying disconnection that exists between Europe's morose economies and the vibrant art market. Indeed, the prestigious evening sales of contemporary art, when the auction houses offer their most expensive goods, were bullish. Christie's brought in £61.4m (\$98.9m), the third highest total for a February sale in London; Sotheby's £44.4m. When combined with the results of a single-owner sale called "Looking Closely", which had been held the previous week, Sotheby's total for its post-war art auctions fetched £88m, the second highest February total ever.

It seemed as if the boom was back.

But the art markets of 2007 and 2011 are very different. Nicolai Frahm, who speculates on contemporary art, sees the market as more selective now. "Artists come in and out of fashion very fast," he says, "making it very difficult to predict what will happen." Chyenne Westphal, Sotheby's chairman of contemporary art Europe, explains: "What defined the boom for me is that you could buy one season, sell the next and make a profit. Things are different now. High prices are being achieved but you can't turn the work around so quickly."

Another change that has taken place over the past four years is that art buying is more global than it



ever was. In the past, a handful of artists such as Andy Warhol and Gerhard Richter have had deep markets that have spanned continents. Their long-standing international appeal is the main reason why these two names are still in the headlines. Mr Richter's 1990 work, "Abstraktes Bild" (pictured above), achieved the highest price realised at Sotheby's. It was bought by Patty Wong, the chairman of Sotheby's Asia, for a client at £7.2m. And Warhol's 1967 "Self-Portrait" (pictured right) was the top lot at Christie's, purchased for £10.8m by an American dealer, Larry Gagosian.



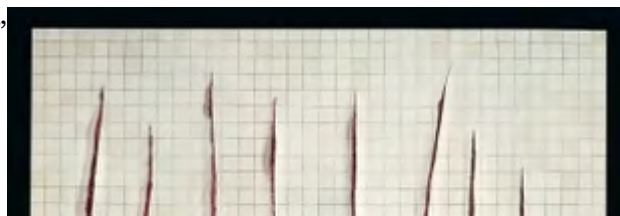
Warhol is usually perceived to have the broader collector base, but Mr Richter enjoyed more multinational demand this week. During Sotheby's evening sale, collectors from seven countries bid on three Richters, whereas buyers from five countries bid on five Warhols. Similarly, at Christie's, clients from nine countries were registered to bid on Richters, with collectors from only five countries taking aim at Warhols.

Today, many more artists have international careers than even a few years ago. At Christie's, on February 16th, 11 telephone bidders from eight countries competed to acquire Yan Pei-Ming's painting of Mao Zedong. Francis Outred, Christie's European head of post-war and contemporary art, explains that the shift is "part of a broader discussion about how art collectors start with their own, then go international."

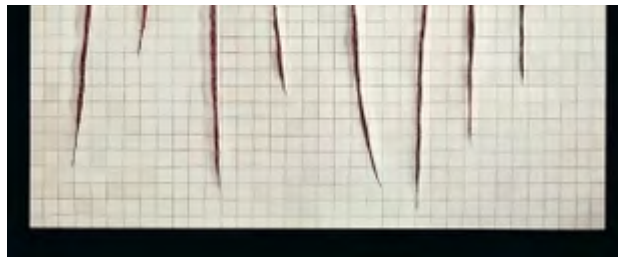
Although the breakdown of Sotheby's and Christie's contemporary sales look similar at first glance, with 51-53% of the lots staying in Europe and 9-11% going to Asia, Sotheby's buyers came from 12 countries and Christie's from an impressive 21. They offered a comparable number of lots. So why the disparity?

A close look at the nationalities of the artists featured in the auctions offers one explanation. The only artist from an emerging economic region in Sotheby's sale was Ai Weiwei from China, whereas Christie's included Adriana Varejao (Brazil), Bharti Kher (India), Almed Alsoudani (Iraq), and Yan Pei-Ming (China). A wider variety of artists invites a broader range of buyers.

Ms Varejao's "Wall with Incisions a la Fontana II" (pictured right) enjoyed a spectacular success at Christie's. Consigned by a Portuguese collector who bought it from London's Victoria Miro



Gallery in 2002 for £20,000, the painting made £1.1m, the highest price ever paid for an artwork by a living South American woman, driven primarily by Latin American bidding. South American interest in Ms Varejao's work may also have had the benefit of spilling over into other parts of the sale, encouraging bidding from the region on works by Cindy Sherman and Eduardo Chillida. Once a bidder is registered, the temptation to take a punt on another lot can be hard to resist.



But not all artists are supported by their countrymen. Although Ai Weiwei is based in Beijing, his work has not been avidly collected in China where he is regarded as politically sensitive and too avant-garde. An active democracy campaigner, his art has mostly found homes in Europe and America. At Sotheby's, Mr Ai's 100kg of handmade porcelain sunflower seeds (pictured [here](http://media.economist.com/images/Lot%201%20Weiwei.JPG) (<http://media.economist.com/images/Lot%201%20Weiwei.JPG>)), a domestic echo of the artist's monumental installation in the Turbine Hall at Tate Modern, sold for €417,004 (\$568,250) to an anonymous buyer on the phone to Gregoire Billault, a contemporary specialist based in Paris. The artist's first sunflower piece, which weighed 500kg, was sold by Faurschou Gallery (of Beijing and Copenhagen) for €350,000 in 2009. That price indicates that, in less than two years, Mr Ai's sunflower seeds have gone from €700 to €4170 per kilo—a sixfold increase. Sometimes, it makes sense to buy early and in bulk.

No discussion of the globality of the contemporary art market is complete without mentioning Damien Hirst. Sotheby's evening sale contained no examples of his work, but Christie's put three Hirsts on the block, including a pristine 1994 spot painting (pictured [here](http://media.economist.com/images/28201946_001.JPG%20) (http://media.economist.com/images/28201946_001.JPG%20)), which realised £881,250. More than two years after “Beautiful Inside My Head Forever”, the Sotheby's sale that nearly suffocated the second-hand trade in Mr Hirst's work, this price was wholesome enough that one commentator, Judd Tully, declared that the artist's market was in “rehab condition”. Gagosian Gallery will be sure to have noticed. It is apparently preparing an international retrospective of Mr Hirst's spot paintings with shows in every one of its locations—Los Angeles, New York, London, Paris, Athens, Moscow and Hong Kong, to name a few. The exhibitions are said to be scheduled for January 2012, by which time the aspirations of contemporary collectors will no doubt be even more groovily global.