

Business; For Busy Art Dealers, the Fair's the Thing

By BROOK S. MASON

WHEN 53,000 art collectors, curators and other art lovers descended on the Swiss city of Basel to take in the world's largest art fair, which began on Tuesday, 260 art dealers were there with their best offerings -- and an additional 640 wished they were. That is precisely how many art dealers were on the waiting list, said Samuel Keller, the manager of the fair, which is called Art Basel.

That number provides an indication, too, of how much Basel and other top-tier fairs are driving the highly competitive art world. And here is another: By the time Art Basel ends tomorrow, collectors and museums are expected to have bought \$250 million to \$300 million worth of contemporary art, though the exact total is not known because gallery sales are private.

"The sales are fantastic," said David Zwirner, a dealer in New York who has gone to Basel twice before and who always writes up multimillion-dollar sales there.

Even Marlborough Galleries, perhaps the most multinational of art galleries, with outposts in New York and Boca Raton, Fla., as well as London, Madrid, Liechtenstein, Monaco and Santiago, Chile, routinely participates in a rigorous schedule of fairs, including those in Basel, Paris and Cologne, Germany.

The reason is simple: art dealers can often be more productive, both making sales and wooing new clients, at art fairs -- which typically last from three days to about two weeks -- than they can be at their galleries.

"New clients are the main objective of fairs," said Gilbert Lloyd, a Marlborough director based in London. Last year at Basel, he met six new clients, some of whom bought art in the million-dollar range.

So great is the lure of art fairs, with their prospect of steep sales, that their numbers are growing even as the cost of participation is rising. Some dealers barely cover their expenses, which run into the hundreds of thousands of dollars -- for travel, accommodations, insurance, renting space, furnishing a booth and, of course, their sometimes lavish entertaining of dozens of clients.

Sometimes, "simply museum-crating a single picture costs \$5,000," said Penny Marks, a director of Richard Green Gallery in London.

Yet dealers are going to more fairs. Michael Findlay, a director of the prestigious Acquavella Gallery in Manhattan, took a booth at Art Basel for the first time this year even though the bottom-line results of his last fair experience, at the huge European Fine Art Fair, in Maastricht, the Netherlands, came up short. Although \$385 million worth of art traded hands at Maastricht this year, according to David Kusin, an economist in Dallas who tracks the art market by regularly polling important dealers, Mr. Findlay did not make a single sale from the \$20 million display of paintings by the likes of Picasso and Degas that he put on display there.

But, he said, "it's a kind of institutional advertising," well worth the \$100,000 that the gallery spent to secure and build a booth and send inventory to the fair.

It is the contacts made at fairs that are important in the art world, whose worldwide sales in 1998 exceeded \$18 billion, according to a report released a year ago by the Maastricht fair organizers.

"All it takes is a five-minute conversation with a complete stranger and an entire year later, that person will walk into the gallery and begin a collection," said Barbara Mathes, a New York dealer who goes to Basel every year. That has happened to her; once, a client began a serious collection of Calder mobiles, some priced in six figures. Robert Mnuchin, of C&M Arts, said he had had close to a half-dozen similar experiences, some leading to the formation of million-dollar collections.

In May, at the International Fine Art Fair, which its British organizers, Brian and Anna Haughton, stage each spring in Manhattan, Maurizio Canesso, a private dealer from Paris, sold three paintings worth \$3.2 million to new clients. And Matthew Marks, who operates two galleries in Manhattan, said the payback from courting new clients at fairs could be enormous over time. He counts 18 European clients who spend a minimum of \$50,000 annually -- some as much as \$100,000.

Dealers are also eager to meet the many museum curators trolling the fairs. Hundreds of them show up at Basel, and many routinely walk the floor with trustees and donors in tow. "So, when a curator sees a painting he wants, all he has to do is turn to a trustee for the appropriate donation," said Lawrence Lühring, a director of the Lühring Augustine Gallery in Chelsea.

Most dealers decline to reveal sales. But Richard Green, owner of three London galleries that sell Old Masters as well as 18th-, 19th- and 20th-century paintings, provides some indication of what is possible. Each year, Mr. Green participates in three American fairs, two in New York and one in Palm Beach, Fla., as well as the Maastricht fair and the Grosvenor House Fair in London. He also takes part in the Paris Biennale.

"Approximately \$30 million of our annual \$150 million in sales is from fairs," Ms. Marks said. Jack Kilgore, who sells 17th-century paintings from the third floor of an Upper East Side town house, said he made 25 percent of his yearly sales at two fairs, the International Fine Art Fair in New York in May and Maastricht in March.

Fair organizers, which are sometimes private companies and sometimes dealer associations, say buyers are drawn to these gilt-edged shopping malls for their efficiency: comparison shopping is easy. But fairs also create a sense of competition and therefore urgency on the part of clients. "Because they know at the end of the fair we are taking everything away and heading home, most don't hesitate when buying," Mr. Kilgore said.

Most top-drawer art fairs are specialty events, devoted to one type or period of art. Maastricht is predominantly Old Masters; Basel is contemporary; the International Asian Art Fair in New York offers works from all over Asia.

As fairs have grown in importance, the mix of visitors has changed, with more Europeans going to American fairs and more Americans to European ones, fair organizers said. The number of fairs, meanwhile, has shot up. Three years ago, David Lester started a modern and contemporary fair called Art Palm Beach; last November, he inaugurated the Texas International Art & Antiques Fair in Dallas. Sanford Smith, another fair manager, is adding an Art of the 20th Century fair in New York to his roster next November, and Art Basel will open an American version of its contemporary fair next December in Miami. And the Private Art Dealers Association is gearing up for its inaugural fair next October, at the National Academy of Art in New York.

NEVERTHELESS, there is a downside to the increasingly crowded fair circuit. Some dealers say participation takes away precious time from the galleries, hours that could be spent tracking down important art works, nurturing clients and researching paintings.

A few dealers even contend that a single fair a year is enough for courting new business. Per Skarstedt, a Madison Avenue dealer who shows only at Basel, argued that gallery time was essential for servicing clients. He has 40 clients who spend \$200,000 annually. "When they fly in from Europe or Texas," he said, "they want to see me in the gallery, not hear that I'm off at some art fair and won't be back for two weeks."

The sluggish economy and the faltering stock market of recent months may be bigger worries, although most collectors are presumably wealthy enough to weather normal downturns.

Some fairs, in fact, have failed recently. Three years ago, Mr. Lester closed his Beverly Hills art and antique fair because of scant sales and weak attendance; in May, he canceled a "Maastricht type" fair that had been scheduled to begin next October in Westchester County for a lack of dealers.

Dealers are starting to wonder aloud if the fair market is supersaturated. "Some fairs will become regional, while others will fold," Mr. Luhring predicted.

But, for now, as weak fairs fade, new ones are springing up to replace them. Mr. Lester is already looking for new sites -- this time with more capital. Last week, he sold his fairs for \$19 million to DMG World Media, a British conglomerate that owns The Daily Mail of London, among other publications, as well as 260 shows and trade exhibitions. He is eyeing New York, London and Hong Kong as prospects."

Apparently art fairs, particularly contemporary ones like Aqua Art or Miami Basel or Pulse, are key to getting new clients for any start-up gallery. Despite the high start-up costs, getting new clients is paramount. For this market surrounding Salt Lake City, tapping into other national/international market is essential for the survival of any competitive gallery who desires to go beyond the mere local market.