

THE ART OF BUYING

ADAM LINDEMANN HAS PUBLISHED A STARTLING INSIDER'S GUIDE TO THE CONTEMPORARY ART BOOM, WITH THE HELP OF ITS LEADING HUCKSTERS AND HAWKERS. BEN LEWIS REPORTS ON THE BIGGEST SPREE IN HISTORY. OVERLEAF: EXCLUSIVE EXTRACTS

WHEN I FIRST MET THE ART COLLECTOR ADAM LINDEMANN IN 2003, he took me into his kitchen and unceremoniously lifted a stainless-steel bust by Jeff Koons – value at least a million bucks – off the sideboard. Lindemann had made a fortune from a string of Spanish-language Top 40 radio stations. Now he was applying the same principle to art collecting. 'I just buy the greatest hits,' he told me, grinning. 'I don't care what it costs, I just want the best.'

'Why do you do it?' I asked. 'The parties,' he said, 'I just love the social scene and everyone coming up and hugging me.'

Two years later, I met Lindemann again in his new apartment in the Time Warner towers on the edge of New York's Central Park. In the living-room, one wall was filled by a Damien Hirst pharmacy installation. Through the half-open door of the dining-room, I glimpsed a large Ofili resting on two mounds of elephant dung. He took me – via a corridor lined with Matthew Barney photographs – to his children's bedroom. It was decorated with limited-edition wallpaper of garish flowers by the Japanese pop artist Takashi Murakami. 'But what will happen if your children grow up and say, "Daddy, I prefer minimalism"?' I asked. 'Well, that would be their choice,' said Lindemann.

Lindemann's sense of humour, charm and honesty make him a rarity among art collectors and he has turned these characteristics to good use in producing the definitive book about the contemporary art boom. *Collecting Contemporary* is a well-organised set of interviews with the leading players – the dealers, collectors, art advisers, auctioneers and curators. Only an insider could have secured interviews with this elite: there are rumours that several interviewees, including the world's most successful contemporary art dealer, Larry Gagosian, had second thoughts about their inclusion, but Lindemann won out. The resulting volume combines evangelism and indiscretion – it's both a 'how-to' guide and an insight into the 'why'.

First, some facts. In the past decade, contemporary art prices have quadrupled. For the past five years, auctions in London and New York have set record prices for artists; this year was no exception for David Hockney, Rachel Whiteread, Anselm Kiefer, Sarah Lucas, Peter Doig and others. In two consecutive nights last month, the London salerooms of Sotheby's and Christie's sold £55 million worth of contemporary works. *The Art Newspaper* reports that Charles Saatchi bought an oil painting by the hot young newcomer Cecily Brown in 1996 for £10,000 and auctioned it in London, a few weeks ago, for £500,000. Everyone in the business, as Lindemann's cast makes clear, is *a-a-a-mazed*. They explain the boom by saying that we are in an era of unprecedented prosperity. The rich are richer and there are new collectors from Asia and the Middle East. Gallerists have persuaded the new rich that art is important to their lifestyle. The book is full of these kinds of 'adverts' for contemporary art, from all the people with a vested interest in the boom. The dealers, almost without exception, tell us to 'buy art'. The art consultants advise us to ignore cheap works, as the more expensive ones are better and rise faster in value. There's something unnerving about the cult-like enthusiasm for the market displayed on every page.

But it is also possible to find, between the lines in these interviews, hints that the explosion of interest in contemporary art demonstrates all the features of a classic speculative bubble. Collectors admit that only a handful of the scores of artists they are buying will be remembered in 50 years. When the bubble does burst and

everyone is crying 'we wuz robbed', this book will be a key witness for the prosecution. The reality is that, as with the dotcom bubble of the late 1990s, there's a dangerous overlap between the supposedly independent voices and interested businessmen among the commentators, vendors and purchasers. Normal economic rules don't apply – consumers have an interest in paying high prices, because it makes their acquisitions more valuable. Indeed, Lindemann's own world has blurred boundaries: his wife, a former Gagosian employee, is now an important gallerist in her own right, although he doesn't say so in the book. Art critics – the only sceptics in these circles – have been marginalised. Lindemann bothers to interview only one.

As the book makes clear, the market in art is shrouded in mystery. For all the headlines about soaring prices, it's not easy to see what's going on or to gauge value. Museums aren't meant to dispose of their surplus stock: if they do, they do it surreptitiously. Worse, dealers often compel their customers to give them the first right to buy back a work instead of testing the market at auction. There is no transparency, no way of knowing how many works a gallery sells and for how much. Lindemann himself freely admits that the boom resembles a vast pyramid scheme – but he does not express this view in his book.

Does any of this matter? After all, if the world is becoming wealthier, what else are the rich meant to spend their money on? Surely, it's their own business how they do it. Well, up to a point. I object to the contemporary art boom for reasons that are both aesthetic and political. I am dismayed by the avalanche of second-rate art that is being peddled by a cabal of dealers and collectors as historically significant work. Lindemann does not include an interview with a single artist in his book, a telling omission. But it's not because artists are simply toys in the hands of dealers. On the contrary, artists such as Hirst and Murakami have played their part by producing highly marketable, mass-producible glitzy works, with messages as digestible as an advert, tailored to the era of global capital. This is how our age will be remembered. It's not a cheering thought for a lover of art history.

And then, I wonder, who's really paying for the spree? The super-rich? Or the rest of us? In America, you can use art to pay your taxes, if you donate it to museums. As the dealer Marianne Boesky says in *Collecting Contemporary*, 'If you buy, say, a Murakami for \$50,000 and all of a sudden it's worth \$500,000 two years later, if you hold the work for a year and a day and then donate it, you can take a tax deduction for the full market value, not the cost basis – you are basically making a chunk of money!'

In this country, the Tate and others are campaigning for these American tax breaks to be introduced to Britain. Bad idea. Instead, I believe the American subsidies should be abolished and museums should be freed to trade in works like dealers. Then we would soon see the real value of contemporary art, and it would be unlikely to be the same as that ascribed to it by Lindemann's interviewees. A few dealers might go hungry, but the art might be better. ▶

THERE IS NO TRANSPARENCY IN THE ART MARKET. LINDEMANN HIMSELF ADMITS THAT THE CURRENT BOOM RESEMBLES A VAST PYRAMID SCHEME



Party piece Jeff Koons's
'Balloon Dog' with 'Moon'
in the background

THE COLLECTOR ADAM LINDEMANN

What is it that makes owning art exciting, inviting and sexy? Is it watching that 1964 Jackie on the wall go from \$65,000 to over \$200,000 in a couple of years? For me, the answer is 'no' and, of course, 'yes'. What is exciting is that opportunity to enjoy the work on a daily basis, the ego trip of possession (the 'look what I've got' factor) and, perhaps most important, the act of selecting and purchasing, making a personal aesthetic decision which defines your own individuality and personality within the entire context of art history. Meanwhile, the money does matter. Regardless of your budget, no one wants to pick a loser, and if the appraisal value of that work keeps rising, it helps remind you that your choice was a smart one, you picked a winner, and even if you never want to sell, the picture always looks better when someone offers you a two, three or 10 times return on your investment.

When I began to look around for younger art, I was attracted to a Japanese artist who was gaining momentum: Takashi Murakami. I felt Murakami was the ticket; his work was unlike anything I had ever seen. It was two-dimensional or, as he says, 'superflat', and it looked like he could produce enough high-calibre work to set the world on fire (his factory and much of his art practice is modelled on Warhol's). His manga- and anime-inspired cartoon world was a synthesis of everything I loved about Andy Warhol, Jeff Koons and Damien Hirst, with a uniquely Japanese apocalyptic twist.

As Murakami's work began to heat up in the auction houses, selling for \$500,000 to \$600,000, I remember one of the most respected collectors complaining: 'Don't like it, too easy, it's just no good.' Soon, the expert dealers who hadn't touched the work were grumbling: 'The bubble will burst,' and the collectors who had shunned it fell silent. For the record, his market exploded, and he will have a mid-career retrospective at the Los Angeles Museum of Contemporary Art next year.

The point is that there is no consensus on younger artists, and that's the wonderful thing about the contemporary market: your decision to buy that object becomes part of the artist's potential place in the history of art.'



'YOU HAVE TO START JUST BUYING THINGS. COLLECTING IS TO BUY; TO MAKE COMMITMENTS. IF YOU'RE NOT BUYING, THE PROCESS DOESN'T WORK'
Larry Gagosian

THE DEALERS

Art dealers are fascinating people – their egos are often bigger than those of their artists – but they have to be. It takes balls to open an expensive shop that sells stuff no one actually needs and no one may want to buy. You may find the price high, but if it's what you want, make an offer. You may not like the fact that you are now on a waiting list for a painting that you'll probably never get, but that's how an artist's market is formed. The dealer is trying to manage a portfolio for artists for profit – and he or she has bills to pay: 50 per cent to the artist, or more for superstars, overheads, dinner parties, openings, catalogues, magazine ads, museum patronage, and so on. **A.L.**

LARRY GAGOSIAN GAGOSIAN, NY/LA/LONDON

The most important thing that a collector should do is to buy. Of course, that may seem like a self-serving answer from an art dealer, but I mean it seriously. You run into collectors who are so paralysed that they can't buy anything. They say, 'I don't know ... I don't need it.'

You never know, really, until you start living with things and making commitments. It's rare that someone will buy pictures, initially, that, 10 years down the road, they will find as compelling and interesting to live with. They either outgrow them economically – sometimes they can afford better – or their taste totally changes. They start with Impressionism and they end with Minimalism or Pop. You don't know where your taste is going to go, or how fast it will evolve. So you have to start just buying things. Collecting is to buy; to make commitments. If you're not buying, the process doesn't work.'

JEFFREY DEITCH DEITCH PROJECTS, NY

When I came into the market, auctions were much less important. There was much less of the consciousness about who's going to last in the secondary market. Now people feel they want to refine it. If there's something that's not an 'A', you should get rid of it. They want to subject it to rigorous tests. I think that's unhealthy.

Basically, I want to deal with collectors who are serious, and who are stimulating for me to work with. The kind of person who drives us crazy is one who's trying to get a discount on a \$1,000 drawing. I'm happy to give you a discount of 10 per cent, or give you the frame free, but I'm not going beyond that, it's a waste of time.

There's a way to play the game, and I have to deal with people who understand how to play the game. How not to play the game is to buy something from me and not pay for it, not pick it up, and then a cheque arrives a year later from Sotheby's with a note asking me to please release this work to Sotheby's next week. "we're sending a truck".

Sometimes they're good friends of mine – a year after buying something, I open a Sotheby's or Christie's catalogue and there it is. In one case, I called the client up and said, 'Listen, this is not how you play the game,' and they withdrew it from auction. It was still in the catalogue, but it wasn't very good, because if that goes on, I'm going to lose the artist. The artist says, 'What do I need you for? I should just put the thing right into the auction for double what I got.' So people have to respect that there's a way to play the game.'

MARK GLIMCHER PACEWILDENSTEIN GALLERY, NY

Actually, the art market is not really a market; it's too small to qualify as one. Don't tell anyone the answer to this, it's a big secret – when is the art market going to crash? When the stock market crashes, when the real-estate market crashes, whatever market is out there that crashes, that's when the art market will crash.

Art is less a market than it is a basic by-product of human consciousness; it's linked to the general prosperity of the community or society or civilisation as a whole. One needs a lot of money to collect art. This is a very expensive hobby. I like to say that art collecting is not a hobby for the rich, because they can't afford it. That's why I have a print collection ... just kidding. It's simple maths; only a tiny segment of our population is capable of making art and so only a tiny segment is going to be able to afford it – that's just how it is. There's no way that great art can be made democratically.'

COURTESY OF GALERIE EMANUEL PERROTIN, PARIS/© TAKASHI MURAKAMI/© JEFF KOONS; TOM DALLAL

THE ART CONSULTANT

Who are these people and why would you want to pay their fees? The truth is that some of them are very good and, as a collector, you may benefit from them more than you realise. There are galleries all over the place and, if you have a day job, you will want to be in touch with someone who is shopping full-time for good work. Another reason is access: they've been doing business with these galleries for years and they can help you get the works you want. Also, remember that art is also traded privately: works can be sold by one collector to another without passing through a dealer or auction house, and a consultant gives access to this 'grey market'. **A.L.**

PHILIPPE SEGALOT NEW YORK

We work closely with a limited number of clients and we don't have any inventory. We never buy and sell for ourselves, we act only on behalf of our clients. Something interesting is happening now – and that is the development of art events all over the world, from the Venice Biennale to the Basel Art Fair, and the list is long. When you collect contemporary art, you don't only buy works, you buy a way of life; you buy your way into all of these events. When you buy a contemporary artwork, you belong; you become part of a club. It's a lifestyle. You start travelling around the world and meeting people, meeting artists, and you organise your year, your life around your art collecting. It's a lot of fun. I think today that it's a very important part of art-collecting – enjoying the art, and also enjoying the life around it.

In a generation, there are not more than 10 great artists, say between five and 10. You go back to Impressionist paintings and you can name five guys, you go to the Cubists, to the Surrealists and Pop, the same thing, and it's exactly the same today. We could name the 10 great artists of the past 20 years. They will remain in art history and are going to see their prices grow and grow, with fluctuations, obviously, over a long period of time. But many others will disappear, or will see their prices going down.

I am against speculation, because art was not made to be a subject of speculation. It turns out that the people who collect for the right reasons are also the ones who are making the most money, because when you collect as a true collector – again with this eye, with this selectivity, with this toughness, with this determination – you happen to make the best purchases.'

'WHEN YOU COLLECT CONTEMPORARY ART, YOU DON'T ONLY BUY WORKS, YOU BUY A WAY OF LIFE'

THE AUCTION HOUSE EXPERT

Little in an auction house is what it appears to be. Sotheby's, Christie's and Phillips seem glamorous, but the reality is that they are struggling to compete with each other and with all the dealers. Why don't they make more money? Well, it's the glamour factor: all those catalogues and cocktail parties in lavish offices all over the world, as well as the cost of insurance and installation, add up. The auction houses obtain many of their prize works for sale by giving the consignors a 'guarantee'. Often, important or super-hot artworks (costing more than \$1 million) will be guaranteed by the auction house for the low end of the estimate. This means that when the work is estimated at between \$1 million and \$1.5 million, the seller has already received a cheque from the auction house for an amount near the low estimate, and will probably receive only a portion of the gain over the guaranteed figure. **A.L.**

TOBIAS MEYER SOTHEBY'S, LONDON/NY

We are seeing an accelerating trend in buying the art of our time. Contemporary art is being bought by a group of people who are my age (41) and younger. Increasingly, those who have made money in the financial markets want to buy young art, and they also want to buy status art. They want Warhol, Jean-Michel Basquiat, Andreas Gursky and Willem de Kooning.

It also seems to me that these new buyers love the auction process. They love the idea of buying at auction because they think that that is the real market and there is no hidden agenda... These people want to be part of a community of informed people and the last thing they want to do is buy the wrong picture. People thrive on information.

Twenty years ago, you could sell someone a second-rate painting, perhaps a lesser Monet or even an inferior Morris Louis, but it was good enough for them. They didn't know any better and just wanted to buy some art. Now they don't buy second-rate art because they have access to information; they can talk to people. Just as they were smart enough to buy the right stock or the right company, or they were smart enough to invest in the right currency, they want to be smart enough to buy the right object.

Art has proved to be a fantastic investment. Of course, even when I buy art, I buy with the idea that, if I have to sell it, I will get my money out, or I will make some money. Clearly, if you spend \$1 million on something, you want to know that you're not going to lose \$1 million. I think that to expect a return from it, like you expect from a stock or from a bank, is the wrong attitude. A work of art should excite you visually and spiritually. Yes, it should be a good investment.'

'Collecting Contemporary', by Adam Lindemann (Taschen, £14.99), is available for £12.99, plus £1.25 p & p, from Telegraph Books, 0870 428 4115



Comic strip Takashi Murakami's 'Tan Tan Bo Puking – a.k.a. Gero Tan' (right) and (left) his 'Kaikai'

