

the illusion of youth

The feeding frenzy for **young artists** is getting crazier by the day, as collectors hope to discover the next big thing. But do they really know what they are buying into? By Marc Spiegler

First the track lights flickered. Then they went dead. Coming in the opening moments of the first New Art Dealers Alliance (NADA) fair in Miami Beach last December, it seemed a bad omen, a sign of rank amateurism. For more than an hour, dealers stood in their booths, beseeching visitors to return once the work could actually be viewed.

So much for omens. When the blackout finally ended, four days of frenetic buying began. "NADA was a life-changing event for a lot of us," says Rebecca Smith, owner of the Bellwether gallery in New York, which is currently moving from Williamsburg to Chelsea. "We served ourselves up like tasty hors d'oeuvres on a silver platter, and collectors ate it up. I fought to keep the gallery going for five years. Now I find



myself interviewing people about their intentions before I sell them work. It feels awesome, but it's a little intense."

Piggybacking on Art Basel Miami Beach's drawing power, NADA's young gallerists—two-thirds are New Yorkers and many are close friends—enjoyed a sort of coming-out party. A veteran by NADA standards, Kavi Gupta of the Vedanta Gallery in Chicago sensed a watershed moment: "Several major collectors came sweeping through and buying. Then the others feared they were missing something big and started buying too. At our booth, everyone kept asking for our next 26- or 27-year-old. I realized I should start putting the artist's birth year on the labels next to each piece."

Unlike stock markets, where rallies and dips can be precisely measured, the art market is hard to chart. But once a trend hits critical mass, it is unmistakable. And what Miami dramatically illustrated was a collector obsession with emerging work

that is so strong, it has started to upset the established hierarchies of artists, prices and galleries.

That phenomenon extends well beyond Miami's celebrated youth culture. At this month's Art Basel fair, you can also expect to see major international collectors sprinting from the Art Unlimited opening on June 14 to the Liste fair, which features less established, less expensive artists. Once viewed as unglamorous and unpolished, Liste is now considered prime hunting ground for emerging art, along with newer (though less consistent) events such as the

Affordable Art Fair, which has editions in London, New York, Sydney and Melbourne, and Scope, which takes place in London, New York, Miami and Los Angeles.

Indeed, collectors from L.A. to London have been flocking to young artists. In California, crowds regularly descend upon the graduating MFA shows at Otis, UCLA and CalArts, seeking the next Laura Owens or Jason Rhoades. The same sort of scouting happens in New York, Chicago and London. It often seems that these days, young gallerists break into two camps: those who sign artists while they are still in school and those who stand on principle and wait until graduation day. Meanwhile, in Continental Europe, the loudest buzz centers on the



"Leipzig painters," referring to a phalanx of artists, including David Schnell, Martin Kobe, Tim Eitel and Matthias Weischer, associated with Neorealist painter Neo Rauch. They're all in their late

20s and early 30s, and several have chosen Gerd Harry Lybke of Eigen+Art as their primary dealer, turning his galleries in Leipzig and Berlin into art market hot spots.

"We had to make a new set of rules for Tim, Matthias and David," Lybke says. "For now there will be no studio visits and no more waiting lists, because it was becoming a circus with all the collectors coming through."

Of course, the art world's love of youth is hardly new. You could even say it's built into the very definition of the avant-garde, with its relentless emphasis on innovation. Some of the most prominent artists of the past century got their big break remarkably early. Ambroise Vollard gave Picasso his first solo show in Paris at age 20; Leo Castelli gave Frank Stella his in New York at 24; and Annina Nosei gave Jean-Michel Basquiat his at 22. And in the 1990s, London adman Charles Saatchi made headlines by buying, exhibiting and—not without controversy—reselling young artists. Most famously, he helped launch the careers of the Young British Artists, such as Damien Hirst, Tracey Emin, Rachel Whiteread and Jenny Saville—who actually have little in common except their ages and the fact that Saatchi collected them. By 1998, when he consigned a cache of their work to a Christie's charity auction in London (benefiting, among others, Goldsmiths College, the very school where he had discovered so many

More than any other collector, Charles Saatchi popularized the idea of buying young. Some of his picks: From left, Rachel Whiteread's *Untitled (Square Sink)*, 1990; Jenny Saville's *Prop*, 1993; Damien Hirst's *Acetic Anhydride*, 1991; Conrad Shawcross's *Nervous System*, 2003; and Francis Upritchard's *Save Yourself*, 2003

artists), their markets were white-hot. Lots by Hirst and Whiteread cleared the \$200,000 mark, easily bringing up to 10 times what he originally had paid.

What makes the current phenomenon different is its scale. Depending upon whom you ask, the number of contemporary art collectors worldwide has doubled, tripled or even quintupled in the past decade, and plenty are following the Saatchi model of betting on unknown artists. Many seem intent on proving their hipness, buying art for the same basic reason that they receive Botox injections or acquire trophy wives. "I see a lot of older collectors suddenly running around in Nike sneakers and T-shirts," says Bernard Jacobson, who represents such veterans as James Rosenquist and Frank Stella in his London and New York galleries. "They're desperate to be associated with these fresh young things."

But there is also another breed of collectors who function as tastemakers and prove more serious about the art itself. This spring, for example, Hollywood mogul Michael Ovitz flew to Berlin to buy two new paintings by the 30-year-old Kobe at the Liga gallery, no doubt spending more on fuel for his private jet than on the \$10,000 works. TV executive Dean Valentine, an Angeleno with an even stronger reputation for discovering young artists, recently curated a show of emerging artists at the Andrea Rosen Gallery in New York. Miami real estate developers Donald and Mera Rubell have likewise been snapping up young artists, as has Washington lobbyist Anthony Podesta. And Saatchi himself is still at it, most recently holding an exhibition called "New Blood" in his London gallery to introduce 24 artists, many of them under 30. His picks included conceptual artist Lucy McKenzie, painter Barnaby Hosking, sculp-

tor Conrad Shawcross and installation artist Francis Upritchard.

Call it a new type of competitive collecting: Instead of acquiring blue-chip paintings by postwar giants like Warhol or Rothko to boost one's social standing, these collectors try to pick tomorrow's stars today. Instead of flexing their spending power, they are testing their own taste. "I would be lying if I said I haven't gotten pleasure out of the fact that artists I bought early have succeeded," says Valentine. "With young artists you're gambling on your own taste, along with your understanding of art and art history. The intellectual thrill is similar to studying a racing form at the track and watching the horse race develop just as you predicted."

And then there's the financial thrill, also familiar to racing fans. If the desire for social status helps to fuel this frenzy, so does the prospect of cold, hard cash. Seduced by the astronomical rise that the contemporary art market as a whole has enjoyed over the past 30 years, collectors are buying artists early and cheap in the hopes of sky-high returns.

"When it comes to the hot new things, I see a lot of speculation," says Josh Baer, publisher of the Baer Fax newsletter. "People are trying to get in early and flip the work a few years later at a profit. It's like the '80s bubble, but with 10 times more collectors and prices 5 to 10 times as high."

The goal, whether explicit or not, is to buy the next John



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Currin. Fifteen years ago, when he was still in his 20s, Currin's paintings went for under \$10,000. Two years ago, New York hedge fund manager Adam Sender bought Currin's *Fishermen* for \$100,000, and last year, during the artist's retrospective at the Whitney Museum of American Art, Sender flipped it to publishing magnate Si Newhouse for \$1.4 million. Currin, now 42, may be an extreme example, but there are plenty of other artists climbing the ranks, from photographers Frank Thiel and Elger Esser to painters Laura Owens and Julie Mehretu. In 1995, for example, large-format paintings by 25-year-old Owens sold for \$6,000 tops. In late 2002, right before her retrospective at the Museum of Contemporary Art in Los Angeles, a large canvas fetched almost \$48,000 at Christie's.

Such success stories are compelling—to some, more compelling than the art itself. And that can pervert the very principles of art collecting. "Buying emerging artists used to be an act of faith and connoisseurship, yet now a lot of it seems based on gossip," says Nicholas Logsdail, founder of the Lisson Gallery in London. "Many among this new breed of collectors are not particularly educated about art, and they are buying with their ears, not their eyes."

Buying based on buzz can sometimes go to extremes. "People are calling us to buy work they haven't even seen," confirms Zach Feuer, co-founder of LFL

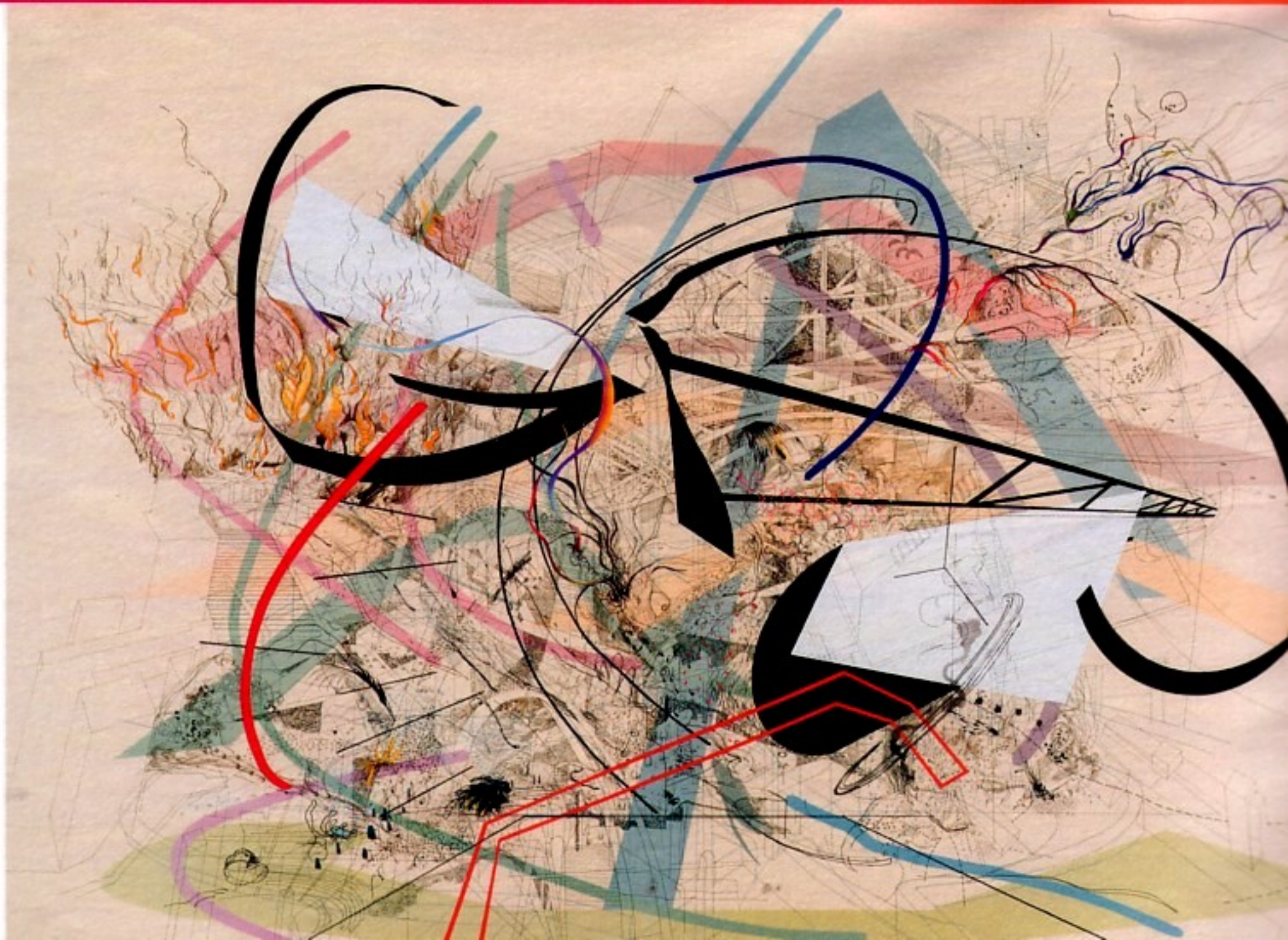
Gallery in New York, one of a handful of new Chelsea galleries that has recently rocketed to prominence. "Collectors are making crazy offers, wanting to buy Dana Schutz paintings for \$50,000." That's double the list price for the 27-year-old artist, and roughly eight times what her work sold for three years ago. Likewise, collectors could have bought a Kevin Zucker painting from LFL when he was a 25-year-old Columbia MFA student for \$3,600. By fall 2003, after the artist had jumped to the ever-powerful Mary Boone gallery, works of the same size were priced up to \$25,000.

What's wrong with this picture? In such a feverish market, the artist gains fortune, if not global fame; the dealer typically gets 50 percent, and collectors can cash out at a hefty profit. It seems like a wildly exciting business proposition. But that's assuming the work grows in value, hardly a surefire outcome. And one of the greatest fallacies fueling the art market today is that emerging art is consistently a great investment. While Saatchi and Valentine have been remarkably prescient in their picks, their bets tend to be self-fulfilling. As soon as a collector of their stature buys, other buyers follow. But that second wave doesn't have such market-making power—and the market they are entering is highly volatile.

Just ask William Goetzmann, an economist at Yale University, whose research shows that contemporary art is a "high beta," meaning that financial returns in the field swing both higher and lower than any other types of art. Or ask Manhattan art adviser Darlene Lutz, who describes an art world forever gorging on fresh meat, digesting artists much faster than before. "When you walk around art fairs, you see huge changes in what's selling from year



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to year," she points out. "A lot of new collectors are running around and buying young artists without much thought or advice. They will be lucky to get 10 cents on the dollar. Too bad for them, but you shouldn't be buying contemporary art to make money."

And making such investments even riskier, the price of entry is rising. "Many of these younger artists are not so cheap anymore," says Steven Henry, director of the Paula Cooper Gallery in New York. "Walking around Chelsea, you'll find paintings in first-time solo shows selling for \$10,000 to \$30,000. For that kind of price, you can get a very nice a Sol LeWitt gouache or a rare, early Donald Judd print." As a rule, inflated prices tend to project young artists into unfavorable comparisons like that. "History always kicks in hard," says London private dealer

and Gerhard Richter again. This sort of hysteria never lasts."

Few experts would go so far as to call the entire market for emerging art a bubble ready to burst. And some young artists will certainly hold their value for years to come. But art-world veterans predict that local corrections are in store. "The first casualties will be artists whose prices are pushed too high right now," Baer predicts. "Their prices have nowhere to go but down." And as the prices sink, so do the artist's careers.

The fallout doesn't end with the artists. When an artist loses commercial appeal, his dealers and collectors are financially exposed. "There will be a lot of upset people," Valentine predicts, "when collectors realize that they can't flip the paintings they bought by some guy just out of art school for \$25,000."



Nicolai Frahm. "For a while I had a collector who was willing to pay \$1.3 million if only I could get him a major Jenny Saville. Now I'd be lucky to get \$600,000. Because for \$1.3 million you could get the real thing: a major Lucian Freud."

While the correlation between an artist's market and his contribution to art history is never perfect, at the moment there are many cases of such generational imbalances, where the prices of younger artists rival those for older artists with wider critical claim and long exhibition histories. Stressing that it represents only one case among many, Baer cites an example from the Armory Show in New York this year: The Yossi Milo Gallery of Manhattan was offering photographs in an edition of seven by 35-year-old German photographer Loretta Lux for as much as \$19,000 each. For that sum, you could buy a larger work by Candida Höfer, who had her first solo show when Lux was 6 years old and remains highly relevant today, most recently representing Germany at the 2003 Venice Biennale. Defending Lux's prices, Milo says the photographer set them herself as a function of the "intense digital manipulation" involved in creating the

work. "Museums are grabbing the works up and demand is high," he adds, unapologetically. "When you're hot, you're hot."

Until, of course, you're not. Historically, such generational imbalances do not last for long. "We had the same kind of phenomenon in the '80s, everyone chasing the young painters," recalls veteran Berlin gallerist Max Hetzler. "But then the collectors stopped to reflect and started to buy established artists like Sigmar Polke, Georg Baselitz

The end result, he imagines, is that "young galleries all over the country will start shuttering their doors."

It's not merely that dealers stand to lose a particular revenue stream, but their relationships with their once adventurous collectors are likely to sour. The more aggressive collectors may even seek to pass on their losses to their galleries, by returning their artworks like so many impulse buys at department stores. "We have had collectors come to us and say, 'Either buy these pieces back at the sale price or I'll just dump the work en masse,'" recalls a prominent London dealer, citing Saatchi as one example. "I have seen cases where that kind of situation actually broke a gallery's back."

Many galleries already complain about the fickleness of collectors who support an artist wholeheartedly in the beginning only to unload their work whenever expedient, or else send it into storage to make room for another newcomer. That scenario may sound harsh, but what else can you expect? After all, in the pop music world, for every Madonna who constantly reinvents herself to stay hot, dozens of Martikas and Tiffanys fade rapidly into obscurity.

A prodigy-obsessed art market functions no differently. "Yes, there are many more collectors, galleries and artists today than ever before, but there are still only so many great voices in any generation," cautions New York art adviser Thea Westreich. "We might remember 15 instead of 5 from this one, but not 50—and certainly not 500. Buying art has become very chic, but in time the market will beat the bejeezus out of many of the hot young kids doing hot young things."

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These artists are on the rise, but whose work will stand the test of time? Opposite: From top, *Maria 2*, 2001, by Loretta Lux; *Babel Unleashed*, 2001, by Julie Mehretu. This page: From left, *Posterity*, 2003, by Kevin Zucker; *Frank as a Proboscis Monkey*, 2002, by Dana Schutz; and an untitled work, 2003, by Laura Owens