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Dealers furious at hotel price hikes

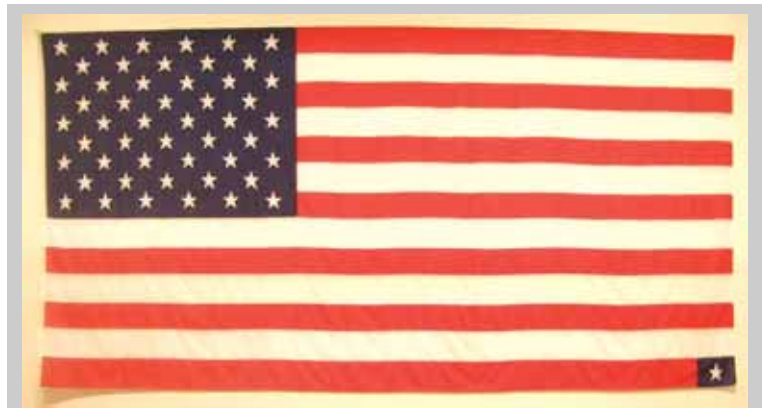
When Art Basel/Miami Beach launched, rates were reasonable, but hoteliers have cashed in on the fair's success

MIAMI BEACH. Dealers exhibiting at Art Basel/Miami Beach (ABMB) this week are furious that hotels in the area have hiked up their prices since the fair debuted in 2002. They say there has been no concomitant rise in quality or service.

When the fair first launched, the luxury hotels here seemed a bargain to jet-setting dealers and

collectors but by this year, surging rates have left them feeling mugged. "It's a civilised form of theft," says German dealer Matthias Arndt. "You pay twice as much, but the service hasn't improved at all." Indeed, for the ABMB crowd, there was little news in *The Miami Herald's* headline yesterday: "South Beach Rates Soar." Not that everyone's taking it lying down. Manhattan dealer Roland Augustine told *The Art Newspaper* that he was meeting with the manager of the National Hotel last night to protest the fact that the very same room had almost doubled in price. "It's a major topic among my colleagues," adds Augustine, who as head of the Art Dealers Association of America has a tight grasp of what's vexing fellow dealers.

What happened? The cost of rooms in 2002 reflected the fact that early December was a fallow



The 51st state

Mark Wallinger's new piece, *US*, on the stand of London dealer Anthony Reynolds (C7) is a giant American flag with an extra 51st star added in the bottom right hand corner. Its aim is to skewer British Prime Minister Tony Blair's lapdogery to President Bush in the run-up to the Iraq War. "I hope that people might see the work as a concise but accurate representation of the sad

capitulation to power by our wretched British government," says Wallinger. Oddly enough, as Reynolds was setting up his stand, no one mentioned Britain when they asked him about the piece. "Puerto Rico came up twice," says Reynolds, who is selling the flag for £75,000. "But then, an awful lot of people around the world feel like they live in the 51st state" M.S.

period for tourism, while today's rates—and the common requirement that guests book a minimum number of nights—reflect the incredible popularity of ABMB in the wider luxury-lifestyle set. Furthermore, Miami Beach has re-established itself as

a tourism mecca and its year-round rates have surged. "This is like artists moving into a neighbourhood and then having to move out when it gentrifies," points out Bruce Turkel, whose ad agency handles the city's "Miami" brand. "The reality is

that Miami has become a high-end destination like Oahu and New York and it's breaking all records for average daily rates. But it's pure supply and demand. People might feel like they're getting jacked, but if they came at a different time, they'd pay less." Clearly, art dealers exhibiting at ABMB don't have that option.

"When we first came here, it was laughably inexpensive," recalls Berlin dealer Thomas Schulte. "Now you pay easily

“These outrageous rates could jeopardise what this fair has brought to this community. No one likes to be ripped off, not even billionaires”

Norman Braman

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what it costs in New York.” And actually, Schulte is wrong: the \$238 South Beach average rate is \$24 higher than the average in New York. Of course, \$238 doesn't buy you much this week. “I'm paying \$625 at The Standard and I couldn't get coffee this morning,” says Los Angeles dealer Javier Peres. “For that you should pay \$62.50, not \$625.”

Although the cost is a major

issue, value-for-dollar is an equally infuriating issue. “The rooms at the luxury hotels are as expensive as the ones in Claridge's in London during Frieze,” points out one New York private dealer, who skipped this year's ABMB altogether. “My European clients think it's outrageous, because these are not real luxury hotels at the international standard.” Complaints have been legion even from guests at luxury hotels—frail

infrastructure, shoddy service, dilapidated hallways, etc. “My hotel costs 30% more than last year and it looks three years older,” says Sperone Westwater director David Leiber, who is staying at the National. “This morning, I had to talk them into bringing a paper to my room.”

But in the end there's more to this furore than money. It has become an emotional issue: many art world insiders feel Miami Beach's hoteliers are

incorrigible ingrates. From an art world perspective, Art Basel/Miami Beach single-handedly transformed the area's reputation, remaking its image from a pit of pulchritudinous parties to one with legitimate cultural standing year-round. “This fair gave Miami an excellent opportunity to rehabilitate its tourism,” says Augustine. “And now we're getting price-gouged.”

Miami collector Norman

Braman, who chairs the ABMB host committee, says he and fair director Samuel Keller and local officials have strived to rein in the rates. “We've been beating on them about this, but a lot of the hotel owners are greedy and short-sighted,” he laments. “These outrageous rates could jeopardise what this fair has brought to this community. No one likes to be ripped off, not even billionaires.”

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