

Report: Fine Art Fund talk

Transparency is relative

At a brunch organised by the Fine Art Fund yesterday the main focus was the booming art market, especially in India and China. "If I said a year ago that we would hold a \$200m auction, it would have seemed like crazy hubris, but we just did that," said Amy Cappellazzo, co-head of Christie's contemporary art department.

Cappellazzo believes the biggest change of 2006 has involved private sales, citing two by Los Angeles collector David

Geffen—a de Kooning to Steven Cohen for a reported \$137.5m and a Pollock to Chicago's Kenneth and Anne Griffin, for a sum said to be \$80m.

"Private sales used to be a very Byzantine, clandestine market, but these ones were publicly confirmed and written about," noted Cappellazzo. "In the past, when we offered a work privately it was treated as privileged information. Now we can be sure that as soon as we hang up the phone, the person's

first call will be to Larry Gagosian, or Bob Mnuchin or Bill Acquavella. These buyers use analysts when they collect just as they do in business."

The effect, she says, is that the market for heavily traded artists such as Warhol, Hirst, or Pollock becomes much more efficient, bringing them into line with the sort of dynamics present in real estate or stock markets. At one level, this is surely bad news for dealers, who have long profited from the art mar-

ket's opacity. On the other hand, Cappellazzo argues, it pushes prices higher across the board. "If someone reads that Ken Griffin paid \$80m for a Pollock, then spending \$8m seems reasonable."

Such permission comes with a caveat. The prices for these reported sales are usually leaked by the parties involved (who have an interest in boosting the value of their holdings) and there is no way to confirm these independently. For example, British

collector Charles Saatchi sold Hirst's shark suspended in formaldehyde (*The Impossibility of Death in the Mind of Someone Living*, 1991) for a price reported by the Saatchi Gallery at \$12m. However, sources close to the Hirst market maintain that the true price was closer to \$8m, meaning that anyone buying other Hirsts based on the shark's "confirmed" price is off by a cool 50%. Transparency may be coming, but it's not here yet. **M.S.**