

GAGOSIAN

THE WALL STREET JOURNAL.

An Art Mogul Talks Shop

Kelly Crow



Owner of Gagosian Gallery Larry Gagosian NOAH RABINOWITZ FOR THE WALL STREET JOURNAL

Few people keep closer tabs on the vagaries of the contemporary-art market than Larry Gagosian, the powerful New York dealer who has spent the past decade expanding his global art network to 12 galleries world-wide—the largest blue-chip franchise ever attempted in the industry.

His latest outpost, which opens next Friday, is located in a hangar-like warehouse on the grounds of Le Bourget airport in northern Paris. The outsize scale of the 17,760-square-foot gallery is fitting, given Mr. Gagosian's penchant for showing outsize sculptures by artists like Richard Serra and Jeff Koons. But this time around, he's launching with a show of new paintings by Anselm Kiefer, a German artist based in Paris who is known for employing a charred palette to create large, war-torn landscapes.

Mr. Gagosian, 67, said the Jean Nouvel-designed gallery will be open to the public, but he's also "intrigued" to see if any clients fly in to visit. Other airport perks won't apply, though. "It's not duty-free," he said.

Last week, he discussed the risks and rewards of expanding amid an uncertain market—and where he's storing his own cash these days. Below, an edited transcript.

You're opening another gallery in Europe during an entrenched euro crisis. How's the market mood there?

People are a little concerned in Europe. It's a question mark. I have the optimism of an entrepreneur, though, so we'll adjust even if things are slow for the next couple years. We're still seeing activity in our galleries in Paris, London, Geneva—even Athens. It's almost become a badge of honor that we have a gallery in Greece. We keep the price points in Athens lower—under \$1 million—and we maintain relationships with collectors there who want to sell things. It's our smallest gallery, but I'm going to keep it.

How are you tailoring shows to suit the appetites of your various audiences around the world?

The art market is global now, and there's becoming more of an international consensus about what constitutes good art. It's not like we calibrate people's tastes. Some people think you've got to sell pictures of palm trees in L.A., but that's ridiculous. People are pretty sophisticated, and they travel a lot. We just showed Joel Morrison in Hong Kong; he's not really well known there, but he's great and we sold him to collectors in Hong Kong and China.

How are your sales in Hong Kong amid China's slowdown?

We've opened private offices in Beijing and Indonesia, but Hong Kong remains our hub, and interest there remains high for some of our artists like Zeng Fanzhi. This summer, we did some deals for him out of Hong Kong. But the thing is, I can't get a huge Richard Serra sculpture into our Hong Kong gallery, so I'm looking to get another space, maybe a big industrial space in the warehouse area where the rents are comparatively reasonable, at least for Hong Kong.

So you're doubling down on Asia's potential. Any other emerging markets intrigue you?

Brazil. We just did the ArtRio fair in Rio de Janeiro, and it was one of the strongest fairs we've ever done—way beyond what I expected. I was on the fence about it because if you add another fair to your calendar, you've also got to send your people there and insure the art and throw dinner parties and all that. You also need to have the art, and artists produce at the rate they want to produce. But I was convinced to try Rio, and it turned out to be a home run. We might head to São Paulo next.

Any downsides to the wider gallery footprint?

Physically, it's getting impossible for me to travel that much. I want to support my artists by showing up at their openings, but I can't always be in Hong Kong one minute and Geneva the next. There's also a limit to what I can manage. I'm not in the luxury-goods business. I sell unique objects. I wish I was in luxury goods because then I could just call the factory and say, "I need 10,000 more of whatever." But I can't—because then it's not art, it's something else. I like to test areas, but there's a time to hold off. I'm not going to open a gallery in India, for example.

Why is India such a dim prospect?

We have some Indian collectors who buy from us in London, but we're not really selling to collectors in India. Maybe we're not approaching it the right way, or maybe we don't have the relationships. Usually when the business is there and the appetite for collecting is there, it

trickles up. It's not happening yet. India remains focused on its local art, and its museums aren't showing international art often enough.

We have some interesting collectors in Turkey, though, and over in the Middle East we're starting to see a slight broadening of the collector base. Right now it's mostly the sovereign families, but I think that'll change when [the Louvre and Guggenheim branches] open in Abu Dhabi in a few years.

Back to the U.S.—the mood here feels chipper all of a sudden. Why is that?

There are more people collecting art here now than there were five years ago. The art world is never going to be popular like the NFL, but more people are buying art and I think that's cushioning, to a great extent, our art-market cycles. During the worst of the recession, you saw collectors everywhere putting the brakes on, but you didn't see the art market falling to zero. We didn't see a deep recession in the art market, we saw a dip. Anybody who thinks art will always go straight up has obviously not been around for very long, but the extra collectors coming in are serving as sort of a safety net.

Where are we at in the market cycle today?

Hard to say. I don't feel like we're in a bubble, but the nature of bubbles is that you never see them. My gut feeling based on previous cycles is that we're in a strengthening period. Spectacular trophy pictures are continuing to sell for dizzying prices because there's still a lot of money floating around the world.

The auction houses have a surprising number of \$30 million paintings coming up for sale this fall. Where's the comfort level among your collectors?

Only a few are buying works of art over \$100 million apiece now, but I'm seeing the middle of the market moving up. Is a \$10 million, \$20 million picture considered midrange now? That's still a lot of money, but a lot of collectors are buying at those price levels now.

Where are you putting your money beyond the art market?

I don't own stocks, never have. I don't understand it, and I'm not comfortable making paper investments. I have clients who run hedge funds who ask if I want to get involved, but it doesn't work for me. Basically, I have art, some nice real estate and I like to have money in the bank. I can still make mistakes with art, but at least I can learn from it. If I make a mistake in the financial markets, chances are I'll make it again. I stick to what I know.

What museum piece would you love to sell today?

There's a Pablo Picasso over at the Museum of Modern Art that I've always wanted, the one with all the women in it, "Les Femmes d'Alger (O. J. R. Version O)." It's a great work of art, and knowing that it's pregnant with his unbelievable career makes it all the greater.

Is there any artwork in your own collection that you would never sell?

My collection is primarily made up of artists and estates I'm involved with [Giacometti, Picasso, Serra], but it's also my way of looking after myself in my old age. So I keep quite a few things at home that I'm not tempted to sell, but I never say never.