



# THE BUSINESS OF AN ART FAIR

The great and good of the art and design world flock to London's art fairs each year, but how important are they to the market? And how do fairs make their money? Lorna Jenkins takes a closer look



LEFT TO RIGHT: Pablo Picasso, *Il Volto*, 1960, Courtesy Sylvia Powell; Renoir, *Le Port De La Rochelle*; Armchairs by Gio Ponti for Hotel Parco del Principe Rome, c1964, Courtesy Portafondo; Claudette Colbert Starfish brooch, designed by Juliette Moutard for René Boivin, 1937, Courtesy Siegelson



The global art market is back on track, bringing in total sales of \$63.7 billion (£49.2 billion) in 2017, up from last year's \$56.6 billion haul, according to The Art Market report released at Art Basel in March. For the UK, the British Art Market's figures are a little less glowing, though still impressive. The overall value is just under £9.2 billion, a 19 per cent decline from 2014. The UK has just lost out to China as second place in the global art stakes.

The centre of one of the world's strongest art markets (now third place) is undoubtedly London. But galleries here are being stretched. One research project conducted by gallerist Vanessa Carlos two years ago estimated that 50 per cent of London's galleries are in the red. The big players (Gagosian, Hauser & Wirth, David Zwirner) can afford to keep their large Mayfair spaces, as



well as international bolt holes, and are doing well in the current climate. Smaller dealers, on the other hand, are increasingly moving up to first and second floor spaces, or losing their galleries completely because of a hike in rents, creating polarisation between the two groups.

Arts fairs then, create a welcome democratic experience, for both the dealers and the visitors. A small regional antique dealer sits alongside the well-financed galleries, both welcome the same collectors and visitors, both have the same marketing advantages, both have a 'pop-up shop' in a central location – in the case of LAPADA, PAD, Frieze and Masterpiece, in what would otherwise be unaffordable locations.

Dealer sales at art fairs were \$15.5 billion globally last year, according to the Basel report, up 17 per cent from 2016. Dealers said they made 46 per cent of all their sales at fairs. And while fairs continue to spring up on every street corner – there were 55 around the globe in 2000, now there are 260, according to the report – galleries, on average, participated in five fairs a year. However, the cost of attending them has crept up, with dealers reporting a 15 per cent increased spending on fairs.

"I think for galleries a fair gives you the opportunity to meet thousands of people in quite a short period and add to your list of potentials," says Freya Simms, the new chief executive of LAPADA (the 10th edition of the Association of Art & Antiques Dealers fair took place in Berkeley Square in September). "You obviously have access to these people and you might make sales, but also it is a marketing opportunity where you can build relationships with people you haven't seen before."

"I think that there are many people who are feeling squeezed by rent, so some people have had to lose their shop fronts and have gone to first floor premises, so the fairs are becoming a vehicle for them to have a fantastic shop front. And even more than that, they can pick the pieces that they feel are most suitable to that event, they can really be playful and build something specific for that period the fair is on, which is quite exciting."

For Patrick Perrin, founder and president of PAD, which takes over the leafy square soon after LAPADA leaves in October, fairs act as "an important showcase."

"Fairs connect them with returning and new collectors and create an exciting moment to present the best of their programme. However, the gallery spaces are still vital parts of our ecosystem despite the high costs involved."

Fair directors are coy on revealing stand prices, but this is where they make their money, as well as sponsorship and ticket sales. For LAPADA, the booths were £400 a square metre in 2009, add in rent rises and inflation and you're looking at least double that figure now. LAPADA gives away a lot of tickets in magazines and marketing



campaigns, though it does make money from the £20 entry (£65 for a collectors' preview, similar to Masterpiece and PAD London's ticket prices). This year's LAPADA sponsor is Killick & Co, a suitable investment partner with its Grosvenor Street location round the corner from Berkeley Square.

"The art market has always been seen as an area where not only is it quite affluent people on one level, but people are doing it as an interest or a hobby so people are relaxed, so it's a nice way of building awareness," says Freya, who previously co-founded art PR firm Golden Squared. "You have this concentrated time frame where you have access to this audience, which is also quite an attractive thing. It's quick burst to build relationships and build on later."

It's no secret that Deutsche Bank is Frieze's high-profile global sponsor, boosting the London fair's financial power no end, while the Royal Bank of Canada can be seen adorning the (tent) walls of Masterpiece.

PAD suitably has a champagne partner, as many of the fairs do, but no huge financial sponsor. "Sponsorships are an important source of revenue for most fairs and present an opportunity to engage new audiences," Patrick says. "However in the case of PAD, we are

not interested in having big brands attached to our name for the sake of it. Nor would we partner with a brand for pure financial reasons. It's about the right synergy and commitment."

Frieze is one of the more pricey fairs for visitors, with a combined ticket (both Frieze London and Frieze Masters) costing £64, and a £537.50 price tag on a "bespoke tour for two", making the Regents Park-based fair a little less accessible than some of the smaller fairs.

For fairs where ticket sales are of lesser importance, who do they want through the doors?

"It's important to find the right balance between quality and quantity. For a boutique fair like PAD London with limited space and a high-end programme, we have to make sure that the visitor experience remains pleasant," says Patrick.

"Of course we want our exhibitors who have spent money to be there, to meet the right people and sell as much as possible," says LAPADA's Freya. "Our focus is on working very hard and working with the right partners and accessing visitors that are interested but also of the mind set to buy and collect."

"But also I would say that we just want people that are interested, because you develop that interest and you might start buying at a certain level. Whether it's a school child, a student or a high-net-worth individual who has been collecting for a long time, all of those people are incredibly welcome."

With changes in legislation in ivory, import and export tax, Brexit and political uncertainty, it is a challenging time for the market, but PAD still plans on expanding.

"We launched our third iteration in Geneva in January, which will continue next year in conjunction with Art Genève, and we are looking into expanding into new destinations in Europe in the near future," Patrick reveals.

LAPADA is in a somewhat unique position in that the fair is a showcase of its members, for whom it works to support.

"I am expecting challenges," says Freya. "[On Brexit] there could be some opportunities in terms of currency dips, but equally, the onerous task of import and export could be tricky. I am very aware that the trade has strains coming from quite a lot of different areas, so whether it is legislation, rent, online choices, there is quite a lot we can do in terms of support and more to help our members do the best trade they can."



FROM TOP: Suku mask, Congo, early 20th century. Courtesy Lucas Rallon; Georgina Warne, The Seeds Of Love. Courtesy Jonathan Cooper