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Art as refuge

Turmoil in the financial sector makes visual art an attractive alternative investment. Roberta McDonald asks two experts to tip the best artists to help hedge your bets



(Francesco Guidicini)

Deutsche Bank art adviser Alistair Hicks

Wall Street, Manhattan. Over the past few months, the once-cocky titans of the business district have undergone a humbling beating, causing beleaguered investors to question the solvency of their financial institutions. At No 60 on the famed street, where the New York office of Deutsche Bank juts imposingly into the sky, the same uncertainties are uppermost on everyone's minds but, once inside, you'd never know it.

A burst of colour in the otherwise austere lobby is provided by a canvas called *Abstraktes Bild* by Gerhard Richter, who some describe as Germany's greatest living painter. High above the cacophony of street noise, *Surfer* by the British painter Peter Doig greets employees and clients on the 47th floor heading for the pristine executive dining room, which offers stupendous views of the skyline and the ocean beyond.

Likewise in London, *The Swimmer in the Econo-mist* — a mammoth James Rosenquist piece with swirls of advertising images merged with details borrowed from Picasso's *Guernica* — greets guests entering DB's Winchester House office. Conference rooms are named after artists and everyone is encouraged to interact with the rich and diverse selections on view throughout the building. As pioneers of art in the workplace, DB has accumulated more than 50,000 works since the 1970s and holds the largest corporate art collection in the world. Focusing on art as social responsibility, it doesn't disclose the dollar value of the collection; rather, the energising impact of art on employees and guests.

Liz Christensen, the New York curator of DB's collection, chats with a photographer as she poses in front of a piece by Miwa Yanagi, selected by the bank as Artist of the Business Year

in 2004. Despite DB's recent announcement of £1 billion in losses and mounting scepticism about the art market's ability to withstand a crumbling economy, Christensen remains optimistic: "We are taking a conservative role. It has affected the art department as much as everybody else. Having a good base of art to work with, it hasn't been too much of a hardship."

Alistair Hicks, DB's UK art adviser in London, points out that the impending dip in prices brings better accessibility for collectors. "The art market usually lags behind the financial market. When the market is very hot, sometimes it's difficult to get the artists you want."

Historically, times of financial crisis usher in a new breed of introspective and serious art and the undervalued could re-emerge sporting attractive price tags.

Sotheby's had a banner year in 2007, posting yearly earnings of £465m, an increase of 38%. For the first time, contemporary art led the field with auction sales of £68 billion. Contemporary Chinese art prices increased dramatically, fuelled by their newly moneyed countrymen. Fresh favourites and soaring prices bumped France from the top three nations and the feast has continued in the early months of 2008, as clever strategising by Sotheby's includes courting buyers with deep pockets from the Middle East and Russia.

If 2007 was the year of drunken spending, 2008 could be the year of remorseful sobriety for the art market. In his keynote address at the Frieze Art Fair in London, Dave Hickey urged collectors to "do the right thing". In other words: support

artists with substance. DB is a key supporter of artists in various stages of their careers, Christensen notes. "We in New York try to buy quality, valued artists who are known for their work and not for the hype."

In quieter times, because fine art plays to the unpredictability of fashion and taste, it is regarded as a "passion investment" for ultra-affluent individuals wishing to diversify risk in a portfolio. It's also a market without an established price index, which can make valuation itself a black art. Nevertheless, experts hint that the inevitable fire sales that accompany financial downturns will open up the market.

Case in point: the £300m sell-off by Antonio Homem and Nina Sundell, heirs of the coveted collection of art maven Ileana Sonnabend. The sought-after collection is valued at £500m and boasts some of the biggest names in modern art, including Jasper Johns, Jeff Koons and Roy Lichtenstein. Buyers have been lusting after the collection since Sonnabend's death last October and the family recently relinquished key pieces to offset soaring property taxes.

European buyers took advantage of the weak US dollar to snap up 33% more VIP registrations than previous years at New York's Armory Show at Pier 94. In London, the buoyant contemporary market has been growing by about 20% annually.

Both Christensen and Hicks urge anyone considering investing to obtain professional guidance. "I always try to encourage young, new collectors to work with an adviser," Christensen says. "It is rather treacherous out there. You do have to be cautious."

Even so, trusting one's intuition is key to obtaining works of enduring value. Art is an investment to be admired and appreciated on a daily basis. Try gazing at the Dow Jones Index with the same ardour as a Thomas Ruff photograph.

Christensen says: “Art is emotional. Artists are emotional and we’re emotional. If you try to separate that, it takes the fun out of it anyway.”

Hicks, who also writes in-depth artist profiles for DB’s ArtMag, says gaining a deeper understanding of the living, breathing personalities behind the art is not only fulfilling, but necessary.

“My joy at getting involved with contemporary art has been to meet so many artists and getting to know what they feel. To start, you want to read about artists. Find out what they think, go to the art fairs. Go around the galleries.

“Don’t be afraid of your own opinion. Also, don’t expect to like too much. When it comes to contemporary art, buyers seem to dislike 90% of it. I say: if you like 1%, you’ve done incredibly well. If you look at all of what we see of historical art, it’s less than one percent. If I like one or two pieces, I’m very happy.”

Christensen says Asian artists are enjoying a lot of attention and DB’s house gallery in New York features emerging artists from the Asian diaspora, including the pen-and-ink drawings of Annysa Ng.

The display — Dare to Struggle, Dare to Win — borrows from Mao’s Little Red Book, which is ironic now that China is embracing capitalism.

The marriage of fashion and photography has created a new visual medium that has been steadily gaining momentum since the 1990s. Photographers have exploited digital technology, unleashing innovative and rapidly evolving creations.

“There is so much going on in photography today. Video and film have enriched both photography and painting,” Hicks says, citing Michaël Borremans.

Cuban artists are also in demand as collectors take advantage of Castro’s resignation. Canadian visual artists, too, are garnering notoriety, among them Barbara Astman and Stan Douglas.

As Hickey pointed out at the Frieze Art Fair, there has never been a better time for a young artist, particularly those under 30. However, Christensen says, the current trend of snapping up fashionable artists straight out of school is not necessarily wise.

“We’re such a youth-oriented society that many collectors are feeling pressured. They’re eager to buy but it’s unfortunate, I think, because the artists themselves are yet unformed and very high expectations are being set up. The mid-career artists who have been at it for 20 years, developing their work, have become neglected and invisible.”

Building a stable of art in an unstable economy, once considered a risky business, is the brave new world of investment. As stocks prices plummet and bank accounts dwindle, advocates such as Christensen and Hicks continue to bring us the artists who distil our world and passionately offer it back to us. The best enrich our lives both at work and beyond. 1

View the vast DB collection online at www.db-artmag.de

10 TALENTS TO WATCH

Alistair Hicks's choice

Michaël Borremans — Merges film and photography with painting.

Annelies Strba — Puns serious subjects, as in Les Cathédrales de Monnaie.

Ori Gersht — Contrasts monumental sites in Israel against present realities.

Bert Teunissen — Pure light, powerful portraits and landscapes.

Susan Derges — Explores moonlight and flash through water.

Liz Christensen's choice

Phoebe Washburn — Her absurdist installation in Deutsche Guggenheim conjures a factory-like presence.

Seher Shah — Combines Pakistani heritage with modernist vocabulary.

Alexandre Orion — Graffiti meets "capture-the-moment photography".

Barbara Astman — Uses the body to make unique studio photographs.

Annysa Ng — Pen-and-ink drawings seamlessly combine period European fashion with traditional Chinese.