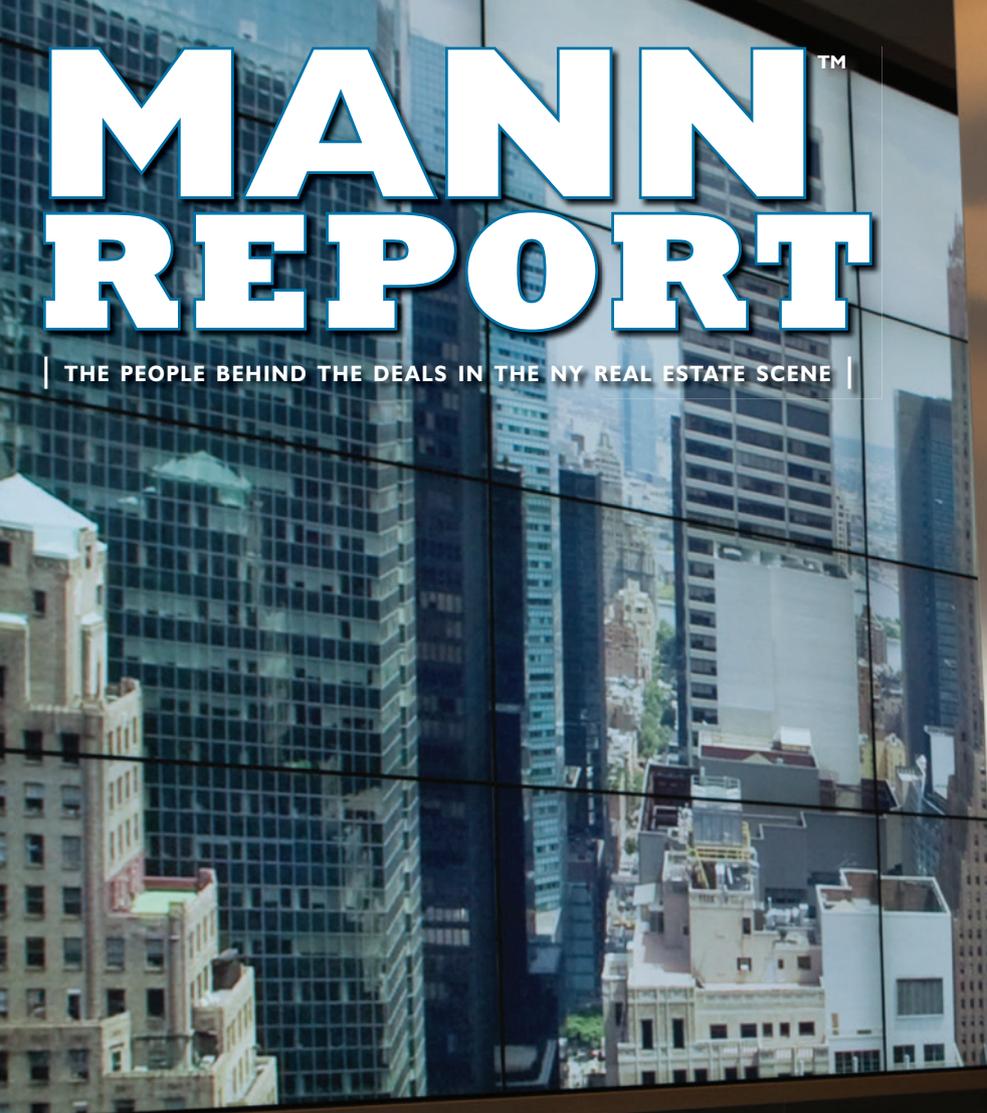


MANNTM REPORT

MARCH 2013

| THE PEOPLE BEHIND THE DEALS IN THE NY REAL ESTATE SCENE |



ALAVI FOUNDATION POLISHES ITS TROPHY BUILDING

650 Fifth Avenue

DR. HOUSHANG AHMADI, PRESIDENT, THE ALAVI FOUNDATION

All About Art!

By Faith Hope Consolo, The Retail Group, Douglas Elliman Real Estate



At first glance, it may be one of the most specialized forms of retail in the world, geared to a very specific market – but fine art galleries also appears to be one of the hot new sectors in the city, with a number of new openings in recent months and more to come.

In some respects, that's not surprising; just look at some of the headline-making record sales from our great dealers at Sotheby's and Christies, including \$120 million for Edvard Munch's "Scream." But not all of the galleries opening these days are for billionaires only.

LUMAS, which specializes in art photography, in fact was created to make the art market more accessible. This Berlin-based gallery just opened its second New York City location at 1100 Madison Avenue. *Rebecca Hossack Gallery*, born in London, will celebrate its second anniversary at 262 Mott Street this spring.

The Drawing Center reopened in November at 35 Wooster Street after a massive renovation and expansion, though the opening was delayed a few days because of Superstorm Sandy. *Adam Lindeman* debuted a 3,200-square-foot space, *Venus Over Manhattan*, at 980 Madison Avenue in spring 2012.

Newly opened (January 23) in Chelsea, a haven for galleries, is the second New York City location for *Hauser & Wirth Gallery*, in the former Roxy roller rink. This is particularly heartening, as many galleries in this neighborhood were damaged during Superstorm Sandy.

More galleries are coming. *Dominique Lévy*, formerly of Christies and L&M Arts, will open a gallery focusing on post-war and contemporary art on both the primary and secondary markets, on the second through fourth floors of 909 Madison Avenue. Taking the ground floor of the building (which recently housed a Rag & Bone pop-up shop) will be Paris-based contemporary art dealer *Emmanuel Perrotin's* New York branch.

Others are moving to new locations. *The Peter Blum Gallery* relocated from West 29th Street to a comparably sized space on the second floor of 20 West 57th Street, while *Karma*, the design shop/art gallery has moved from 21 Downing Street to 39 Great Jones Street, formerly the studio of Ugo Rondinone.

Why is all of this activity taking place now? Globalization and increased international travel have resulted in more people who might not otherwise have been drawn to fine art seeing some

interesting work. As emerging markets become wealthier, many of the newly affluent, particularly from Russia and China, come to capitals such as New York City to start collecting. (A number of New York galleries are opening branches in London.) The New York Times noted in 2011 that Chinese collectors "have become an increasingly powerful force in the market, demonstrating a growing interest in Western as well as Asian art."

And believe it or not, the cruise industry may be a factor – art presentations during days at sea have educated and intrigued more than one guest to begin a collection, or at least encourage them to do more research when they get home.

Economic trends also are a factor in the growing interest in buying and selling artwork. The downturn in housing values also meant that people who might have sold their houses instead are fixing up their current houses. And the comeback of Wall Street always results in big bonuses that go first to buying an apartment or house – and then to filling it with home furnishings and artwork.

Don't forget those who rightly or wrongly consider fine art an investment. CBS News reported last year that contemporary art had outperformed the Standard & Poor's 500 since 2003. On the other hand, other reports say that while "Scream" achieved a record sale, other Munchs on the market at the same time did not sell nearly as well. This could in fact help galleries like a *Lumas*, which sells works from \$500 or so to \$5,000.

Is this a fad? I don't believe so. Even the youngest baby boomers have now reached their peak earning years – and there are only so many cars, sweaters and shoes even they can buy. (Hard to believe, I know, but . . .) Instead, many will now invest in their homes – and their souls – by adorning it with art. That means incredible opportunity for these new galleries, and the many more to come.

Happy Shopping!

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