

Success Strategies for a Valuable Art Collection

Art is power and culture is power: soft power and it should not be the preserve of the wealthy. At Liz Xi our clarion call is 'art for all': anyone, with passion, can collect art. Nonetheless, the reason for collecting art is various and irrational, a bit like falling in love.

Is it necessary to be wealthy to build a valuable collection?

Absolutely not! Some would argue that too much money can be an obstacle to success. To quote Anton Herbert of Ghent: 'It's very bad for a collector to be rich, because he can buy badly. The challenge is to achieve high results with little spending.' The Anton and Herbert Collection (Please refer to our article, *Collections: from Keynes to the Empress Farah Pahlavi Art*).

[Collections: from Keynes to the Empress Farah Pahlavi Art](#)



'The need for comfort'
Cătălin Petrișor
2012

The Alchemists of Money: The Background of Some of the World's Leading Collectors

Bill Gates	\$79bn
Carlos Slim	\$69bn
Bernard Arnault	\$36.6bn
Francois Pinault <small>owner of Christie's, Château Latour and Gucci</small>	\$13.2bn
The late Duke of Westminster	\$13bn
Reinhold Würth	\$9.7bn
J. Tomilson Hill <small>Blackstone Group</small>	\$8.5bn
Roman Abramovich	\$8.4bn
Frank J & Lorenzo Fertitta <small>3^d & 4th highest paid men in the USA</small>	\$2.3bn
Liu Yiqian & Wang Wei <small>owners of Long Museum</small>	\$1.38bn
Charles Saatchi	\$100mn

The greater the discrepancy between rich & poor the higher prices in the art world rise

The alchemists of money invest millions of their private wealth in art. This is understandable in today's highly distorted and turbulent financial market. With interest rates at their lowest since the Napoleonic era and the highest levels of global indebtedness, specialists are of the sound opinion that real assets are, in these uncertain times, about to experience an exciting and strategic resurgence.

In the obverse, there are many cases where those on a limited income have succeeded to build valuable collections, some worth hundreds of millions of dollars. A limited budget helps to: '*train the eye; limits expenditure; concentrates the mind to seek out the highest quality for good value*': Liz Xi

The golden thread that runs through these successful cases is that the collector has combined intellect with a joy for art. The art world cannot resist the charisma of such 'devoted collectors' and magically all doors are open to them. Whereas the mercenary, those looking to flip art for short-term gain, are rarely favoured in the primary market: the best pieces are offered as a privilege only to those collectors who have earned a good reputation. We would humbly submit that we are not suitable for speculators; those wanting to make a quick return. We promote long term collecting by people who are interested in the art not money.

'In the art world collectors are turned down when it is obvious they want to buy for pure investment purposes. It is paramount that artworks find a serious collection – thereby protecting the artist and their artworks.'

Elizabeth Xi Bauer

'I really think that art has to be about long distance running and not about the sprint.'

Hans Ulrich Obrist, art curator and critic

There exist 2 primary strategies for collecting: a broad encyclopedic approach: *horizontal* collecting and a *vertical*, in depth approach.

Freddy & Muriel Salem

Valeria & Gregorio Napoleone

Pamela & Richard Kramlich

Rena Conti & Ivan Moskowitz

Herbert & Dorothy Vogel

Empress Farah Pahlavi

Ingvild Goetz

Dominique & Jean de Menil

Sir John M. Keynes

Anton & Annick Herbert

Successful collections have, historically, been built with:

- a a common theme
- b specific art movements
- c a focus around a nexus of artist
- d a set of medium

[Collections: from Keynes to the Empress Farah Pahlavi Art](#)

'The proletarian art collectors'

No discussion on collecting would suffice without reference to Dorothy and Herbert Vogel, the 'proletarian art collectors'. The legendary duo, one a postal worker and the other a librarian, could not have been considered wealthy (their combined income never exceeded more than \$40,000 annually). Yet they created one of the world's most significant collections of modern art, which they ultimately bequeathed to the National Gallery. Over a span of some 50 years Dorothy and Herbert amassed more than 5,000 works of art by artists such as Sol LeWitt, pop artist Roy Lichtenstein, photographer Cindy Sherman, minimalist Robert Mangold, Richard Prince and post-minimalist Richard Tuttle. A collection worth millions and described by J Carter Brown as: 'literally priceless' and up there alongside the Rothschilds, Gettys and Rockefellers: 'a work of art in itself'

'They passionately collected some artists, and they collected them from the beginning, before gallery or critical interest.'

Christo

To become a collector, just collect

Our best advice is not to be rushed by the dynamism of the market and articles reporting on the fortunes being made in art. Rather, set aside time to acquire knowledge, and if you can combine passion with intellect, then the results will be compounded. The art market has great respect for such an approach. So the starting point for any collection is knowledge: knowledge about art, training your artistic eye and learning about your likes and dislikes. When you collect you evaluate, you weigh and you question: What is the purpose behind this piece? Why this art? Why this particular medium?

We would suggest the following golden rules to put you on a successful path:

- 1 Engage with art because collecting art is both enjoyable and enlightening: 'stand in front of art and ask; what is going on? What was the artist thinking of? What do I feel?' Andrew Renton Cranford Collection

'I'd just look and look... As Gilbert and George told me: to be with art is all we ask.'

Hans Ulrich Obrist

In her very illuminating and accessible book, '*Understanding Modern Art*', Mary Acton outlines a number of helpful questions to contemplate when looking at Modern Art:

What is your initial reaction? Does the work engage you to look at or on an intellectual level or both?

What type of work is it? What is or are the mediums?

What are the aesthetic or pictorial qualities?

What is the subject matter? Or are we (the viewer) the subject?

Is thinking more important than looking?

How important is the setting?

How integral is the spectator to the work?

Has your initial response changed over time? If so, how?



'The Doubt of Saint Thomas III'
Edward Sheldrick
2015

2 Unspoken rules of the art market to know:

- i Don't make investment your top priority and do not drive speculation.
- ii Do not resell work unless you have to; be in it for the long term.
- iii Museums comes first; it is the ultimate validation for an artist and the collector alike.
- iv The price for an artist rises for two important factors: '*One is demand, the second is an increase in respect from an art historical point of view*': Johann König of Berlin's KÖNIG GALERIE.
- v Build relationships; have human, creative and artistic interaction; enjoy the process and the journey; see it as a collection of shared experiences and not a personal gain.
- vi Sit on the board of a museum or build your own. Show a commitment and make a contribution.

- 3 Tales of gargantuan financial gains from the art market rather garble what should be an act of cultural curiosity and ambition. Collecting should be about enriching one's mind and soul and such rewards will yield more beneficial (psychic returns) than monetary bounty.
- 4 The oracle was right to advise: 'know thyself'. By taking the time to understand your responses to a particular work or genre, 'your likes or dislikes' will help to construct a conceptual framework for your collection. The more illuminated the criteria, the more successful the collection.

There exist two primary strategies for collecting:

- 1 A broad encyclopaedic approach: involves buying in breadth and is also known as horizontal collecting. However, with such an approach there exists an inherent risk of a lack of focus is that it can end up resembling the crop of a disorganised shopping trip.
- 2 To be favoured is the vertical, the in-depth approach, which focuses on a select few artists. This strategy provides a deeper insight into the development of an artist thus yielding greater satisfaction. It is concentrated and in-depth—why not explore something to its potentiality? Become the expert collector in the field.

To quote Sadie Coles: '*the type of collector who buys deeply and specifically concentrates on the work of an artist, building up a collection of breadth that can be displayed by or loaned to institutions has an important impact on the artists career.*' The vertical approach has been adopted successfully by Ivan and Rema Conti and those involved with The Cranford Collection. (Please refer to our article '[Collections: from Keynes to the Empress Farah Pahlavi Art](#)')

[Collections: from Keynes to the Empress Farah Pahlavi Art](#)

Successful collections have, historically, been built with:

A common theme:

for example, conceptually or politically tough work as sought by Anton and Annick Herbert, or around female artists, as cherished by Valeria and Gregoria Napoleone. (please refer to our article: Collections: from Keynes to the Empress Farah Pahlavi Art)

Specific art movements:

for instance, the Surrealist collection of Dominique and Jean de Menil, or the Arte Povera nucleus of the Ingvild Goetz collection.

A focus around a core of artists belonging to the same school:

for example, the collection of Anton Herbert.

Understanding the significance of the Valuation filter for contemporary art

In a recent article, Allison Schrager cites the case of a gallerist and economist visiting an art gallery: the economist was troubled on seeing paintings on display that featured the violation of dismembered corpses. But the gallerist said he favoured the works of art and the artist had, in his learned opinion, a favourable career. The artist is now the bee's knees, or hot to have, whose works sell for tens of thousands of dollars.

Ever since the selection of the Duchampian ready-made, artistic skill is no longer sacrosanct and artworks can be measured by their conceptual meaning, after all: 'art is an intellectual exercise' Barbra Gladstone. But in such a world, how do works by artists accrue value? If beauty and skill are immaterial then how can contemporary artists and their oeuvres be evaluated?

For collectors it is important to understand that, to those within the art world, there exists a very rigorous and complex, tried and tested, filter of validation, where popularity and monetary success are not legitimate criteria. (*How to develop an eye for art: part 1 and 2, with practical exercises*).

There exist benchmarks to distinguish between the thought-provoking and not so taxing: instead of asking 'is a work of art good?' or 'is it aesthetically pleasing?' consider is the art 'challenging' or is it 'stimulating.' It is vital for the collector to gain an understanding of this validation filter and its workings. Thus, through such questions one can judge if it is important artistically, socially, culturally and therefore if it deserves recognition in the wider world.

We, at Elizabeth Xi Bauer, have those very experts. A starting point is to look at an artist's biography, which can, signifying his or her standing in the art world, give a preliminary judgement. Have they attended the right school and established a peer group. Check the nature of their first art shows. Are they taking part in important and challenging group shows? Have they been invited for solo shows and presentations? Have they been written about? Have they won any prizes? Have they been spotted by important curators? Have they taken part in important commissions? Have they been bought by any collections? Have they been shown in museums?

Collections that contain works by artists that now command hundreds of thousands or millions of dollars, as in the case of Sir John Maynard Keynes or the Vogels (please refer to our essay on Collections) never purchased those pieces at the top of the market, and bought them when the artist was relatively unknown.

[How to Develop an Eye for Art — Direct Link to the Course](#)

'The gauging of artistic value is carried out in the cultural network by specialists: museum curators, exhibition curators, historians of contemporary art, critics, professors and experts of all sorts.'

Raymond Moulin, Paris

[Collections: from Keynes to the Empress Farah Pahlavi Art](#)

STAGES TO RECOGNITION: EXHIBITED IN THE RIGHT PLACE

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First exhibition, art school degree show: preferably in a prestigious art school, for example, the [RCA](#), [Central Saint Martins](#), [Slade](#), [National School of Fine Arts Paris](#), [Berlin University of Fine Arts](#), [Florence Academy of Art](#), [Pratt Institute New York](#), [Yale](#), [Central Academy of Fine Art Beijing](#) and [Tokyo University of the Arts](#). Artist attracts the recognition of their peers: the stars of tomorrow.

Small artist run studio/public funded space. Activity attracts critical attention.

ii

Any awards, prizes and public commissions: [The Threadneedle Prize](#), [National Open Art](#), [The Turner Prize](#), [The Prix Pictet](#), [The Rob Pruitt Awards](#), [The Helen Chadwick Award](#).

Collected by respected dealers who can exhibit, at home and abroad, for maximum exposure. A dealer builds artist's reputation through sales, such renowned examples include: [Adam Sheffer](#), [Carol Greene](#), [Massimo de Carlo](#), [Kamel Mennour](#), [Marian Goodman](#) and [Dominique Lévy](#).

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Documentation: is there a paper trail? Catalogues, literature, press coverage. Major art publications include: [Art Monthly](#), [Artforum](#), [Frieze](#), [ArtReview](#), [Apollo](#), [Flash Art](#) and [Art in America](#).

Recognition by public institutions: legitimization adds value and status, such as [the Tate](#), [V&A](#) and [the British Museum](#).

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Review by a leading critic can draw attention to an artist. Such influential critics include: [Rosalind E. Krauss](#), [Maurice Berger](#), [Dave Hickey](#) and [Adrian Searle](#).

Major public collections, for example the [Cranford Collection](#) and the [Zabludowicz Collection](#). Being collected in depth or vertically adds gravitas to the collection.

v

Any defining or seminal work: the seminal picture for the development of Cubism was Picasso's 'Les Demoiselles d'Avignon.'

Museum quality: a place in art history

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If an artist is already represented, and exhibited, independently of his alma mater: the umbilical cord has been severed, then his work has passed an important litmus test of quality.

Collections that contain works by artists that now fetch hundreds of thousands or millions as in the case of Sir John Maynard Keynes, the Vogel's or Simmons & Simmons, never purchased those pieces at the top of the market, but bought them when the artist was relatively unknown.

The interesting case of The Doig

Peter Doig was born in Scotland in 1959 and moved with his family to Trinidad and then Canada. He attended prestigious art schools including Chelsea School of Art and whilst trying to make it as an artist he worked at the English National Opera as a dresser and sold memorabilia.

'I was lucky — my first jobs were selling badges and fanzines at smallish concerts.'

Peter Doig

In 1991, he won the Whitechapel Artist award and the Barclays Young Artist Award from the Serpentine Gallery. In 1994 he was nominated for the Turner Prize. Still, his rise to success has been swift and even aggressive.

In 1992, Frieze Magazine compared him to Caspar David Friedrich and Edward Hopper. In the same year he also had a show at the esteemed Whitechapel. Between 1995 and 2002 Doig's output from the studio was relatively slow and this prompted lengthy waiting lists for a number of interested collectors. This created a high demand as his notoriety continued to increase at the same time.

'The Architects Home in the Ravine'
Peter Doig 1991



Such influential collectors include the software pioneer Peter Norton, who bought '*Corn Cob*' 1994 and subsequently gifted it to LACMA.

In this time period, Mira and Don Rubell (brother of Studio 54 founder Steve) started collecting Doig as did Mr Saatchi.

In 2002, Doig's '*The Architects Home in the Ravine*' sold for £314,650. A few years later it sold at Christie's for £7.7 million.

In 2007, '*White Canoe*' sold at Sotheby's for \$11.3 million. Peter Doig's auction record stands at over £18 million (\$26 million) for '*Swamped*' at Christie's in 2015 (on the next page).

He is currently represented by Victoria Miro London, Gavin Brown's Enterprise New York and Michael Werner New York. Peter Doig may be a remarkable example with astonishing sales figures but is it surprising if one examines his stages of recognition? The quality of awards, exhibitions, critical acclaim and collectors surrounding him.

Great art stands the test of time. In the art world's valuation procedure, a disparate group all play a part in the rigorous system of approval and endorsement. If there is integrity and truth in an artist's work then the work will stand the test of time and here exists a strong correlation between quality and price.

Stuart Evans, founder and curator of the Simmons & Simmons art collection, bought '*Iron Hill*' for a few thousand pounds for one of their offices but the value increased so quickly that it was sold for insurance purposes. It was sold at auction for £500,000. Then, a year later it sold for over a million and its current value is now around seven times as much.

'If one purchases with any seriousness and enjoys a bit of luck, it is inevitable that some works will appreciate quickly in value'

Stuart Evans, former partner at Simmons & Simmons law firm and founder and curator of the Simmons & Simmons art collection



A high price can result from two people feeling emotional about an object in a way that defies the natural market. However, the best work is worth more, by a large margin, than just a nice example.

Amy Cappellazzo, Former Chairman of Christie's Post-War & Contemporary Development & Founder and principal of Art Agency

'Swamped'
Peter Doig
1990

Disclaimer

The art market is not a regulated market. None of the statements contained in this chapter are intended or should be construed as investment advice. Past performance should not be taken as an indicator of future performances. Therefore, investors may not get back all they invest. Consequently, art collecting for profit should be considered as an asset class only by those who fully understand and can afford the risks involved.