

Stephen Friedman Gallery

The New York Times

Report: Pandemic Cuts Modern and Contemporary Gallery Sales by 36 Percent

Scott Reyburn

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The survey, by Art Basel and UBS, analyzes the effect of the coronavirus on the world's art dealers. Sales are down, but the wealthy are still buying.



Image: "This is big and global and across the board," the cultural economist Clare McAndrew said of the effects on the market. Sales were hit in part by the cancellation of major fairs like Art Basel. Credit: Fabrice Coffrini/Agence France-Presse — Getty Images

LONDON — The coronavirus pandemic has reduced sales at commercial galleries specializing in modern and contemporary art by an average of 36 percent during the first half of 2020, according to a report published Wednesday by Art Basel and UBS.

Based on responses from 795 galleries representing 60 different national markets, the report, called "The Impact of Covid-19 on the Gallery Sector" and written by the cultural economist Clare McAndrew, is the first major survey of how the pandemic has affected the world's art dealers. Last year, global sales of art and antiques were estimated to have reached \$64.1 billion, with dealers accounting for 58 percent of those sales, according to an earlier Art Basel and UBS's annual analysis.

"This is big and global and across the board," Ms. McAndrew said in a phone interview. The challenge has been "much bigger" than the last financial crisis, she added. "Sales will eventually recover, but I'm worried about the effect on employment," Ms. McAndrew said.

But, she added, "the market churns on."

More than 90 percent of the gallerists surveyed closed their premises during the first six months of the year. Dealer sales were also hit by the cancellation of major international art fairs like Art Basel Hong Kong, Frieze New York and Art Basel in Switzerland. All three events converted to an online-only format featuring virtual viewing rooms.

The report said the percentage fall in gallery sales has been similar to that experienced by the luxury sector from January through June.

The report also found that one-third of galleries downsized during the coronavirus crisis. An average of four staff members were either furloughed or laid off. The report did not give a figure on the number of galleries that have permanently closed, but it predicts that more galleries may be at risk of shuttering before the end of the year and be in a "more precarious position" in 2021.

With international collectors unable to travel to fairs and exhibitions, dealers have predictably become more reliant on online transactions. Last year, online transactions represented 10 percent of total sales at the galleries surveyed. In the first half of 2020, the figure had risen to 37 percent, with more than two-thirds of those sales achieved through the dealers' own online channels, according to the report.

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“Our sales are 20 to 30 percent down,” said the London-based dealer Stephen Friedman, founder of Stephen Friedman Gallery. Mr. Friedman said that he had furloughed a third of his 25 staff members, but had no plans to lay anyone off. Before the pandemic, online sales had represented 15 percent to 20 percent of his business. They have now risen to as much as 70 percent, with about a third of them from online viewing rooms at fairs.

“I feel positive about the future,” said Mr. Friedman, whose gallery is celebrating its 25th anniversary. “We’re planning to be around for a very long time. But we are predicting a two-year interruption to our business.”

The Art Basel and UBS survey also included analysis of the spending habits of 360 high-net-worth collectors. The report found that, despite the pandemic, 92 percent of the surveyed collectors had bought a work of art in 2020. A majority had spent more than \$100,000 on art during the last six months.

“Ninety-two percent seems a big number,” said Candace Worth, a New York-based adviser specializing in contemporary art. “But collectors have been buying online and have been taking appointments with galleries all summer. People are stuck at home, bored and itching to spend money on art,” Ms. Worth said.