

New Artists Draw Buyers to Phillips' Auction House (Update1)

(Adds detail on Sotheby's auction in eighth paragraph.)

By Nina Siegal

May 14 (Bloomberg) -- Art of the past 25 years priced below \$1 million attracted a throng of younger bidders at a \$17.8 million sale at Phillips, de Pury & Co., an auction house in Manhattan's Chelsea neighborhood.

The sale, the last in a series of evening auctions that have taken place over the past two weeks in New York, surpassed its \$12.3 million to \$17.5 million estimate. It also set 10 auction records for artists such as Richard Prince, Christopher Wool and Bridget Riley, though none of them cracked \$1 million.

Estimates for individual works at Phillips were as low as \$20,000 to \$30,000, far less than works at Christie's International Plc and Sotheby's Holdings Inc., the world's two leading auctioneers, which together sold 47 paintings that fetched more than \$1 million a piece this week. The less expensive items created as recently as 2002 drew a new generation of buyers, said art collector David Mugarabi.

"There's definitely some young blood in the system," Mugarabi said during the sale. "It's really the young collectors getting involved, and new people from Wall Street buying. It's a new world, post 9/11, and people aren't looking to save. They're looking to live."

Along with Mugarabi and his brother, Alberto, bidders included photography collector David Ganek, founder of Greenwich, Connecticut-based investment fund Level Global Investors LP, and Adam Lindemann, chairman of Mega Communications, an operator of Spanish-language radio on the east coast of the U.S.

`Momentum'

The success of this year's contemporary art auction in New York has surprised many of the art dealers, museum curators and collectors who gathered in packed salesrooms for three evenings this week.

Christie's for the first time surpassed the \$100 million mark with its sale Tuesday night and on Wednesday Sotheby's sold 100 percent of the works it offered -- the first time that's happened "in as long as anyone could remember," said Tobias Meyer,

Sotheby's worldwide head of contemporary art.

On Tuesday night, Christie's sold \$102.1 million worth of art, with a Jackson Pollock painting from New York's Museum of Modern Art going for \$11.7 million. Sotheby's sale totaled \$65.7 million, setting auction records for 13 artists. The highest price at the Sotheby's auction -- \$5.1 million -- was for a Roy Lichtenstein canvas.

"We were able to benefit from all the momentum that has been building up," said Phillips Chairman Simon de Pury, who was also the evening's auctioneer. "When you have a strong market, it's better to come at the end."

Waving Paddles

Of 63 items offered, only four failed to sell. The most expensive item at Phillips was a Jean-Michel Basquiat painting, "Blue Heads," dated 1983 for \$2.02 million. It was the only item at the sale that had been estimated at more than \$1 million, and it fell within the expected range of \$1.8 million to \$2.5 million.

A 1992 Damien Hirst work, a medical cabinet filled with pharmaceutical containers, "We are Afraid of Nothing," far surpassed its \$500,000 to \$700,000 estimate, becoming the second-most expensive work of the sale at \$1.07 million.

The Hirst and six other items in the sale came from the Pisces Trust, a collection of about 150 artworks created in 1998 by an unnamed private collector in collaboration with De Pury, who is the curator. Some works from the trust are exhibited in Germany, and Phillips has sold others recently.

As with the sales at Sotheby's and Christie's, the room at Phillips was full of waving paddles. A 1993 painting by Marlene Dumas, "Young Boys," depicting about two-dozen naked boys standing in a row, attracted at least four bidders, finally selling for \$993,600, more than three times its \$250,000 low estimate. Works by Maurizio Cattelan, Andreas Gursky, and Richard Prince drew the most potential buyers.

'Financial Resources'

"Three things are driving this market," said Thea Westreich, an art adviser who has several Wall Street clients. "One is the perception of art as an asset. Two is the excitement and vibrancy of the art world -- the activities around the sales are very hip and fun. And the third thing is there's just a lot

more people with financial resources."

Phillips, formerly Phillips, de Pury and Luxembourg, was backed by the world's largest luxury goods company, LVMH Moët Hennessy Louis Vuitton SA from 1999 until May 2002. When the luxury goods company backed out, Phillips was forced to move from spacious offices on East 57th Street in Manhattan to a smaller space on East 15th Street.

In March, Phillips suffered another loss when its president, Daniella Luxembourg, left the company to start a private art dealing company.

Contemporary Focus

The auctioneer discontinued its Impressionist and Modern art auctions after disappointing sales results, including a November, 2002 sale that produced just \$7 million, one-seventh of its \$49 million estimate.

Since then, Phillips has placed more focus on contemporary art. Michael McGinnis, head of Phillips contemporary art department, has focused on what he calls a "niche of collectors" who are interested in artwork from the 1980s and 1990s. In November he mounted a sale that produced \$11 million and at least four auction records.

"If you look at the collectors in the 35- to 45-year range, their focus is the art of this generation, which will represent the future," McGinnis said after the sale. "This is the clientele we've nurtured and had great success with."