

Contemporary in Crisis

GROWING EXPECTATION OF AN ART MARKET CORRECTION centers on overheating in the postwar and contemporary category, but this large group—encompassing Mark Rothko and Andy Warhol, Christopher Wool and Oscar Murillo—should not be expected to perform uniformly. To compare areas of relative strength and weakness, we created three dynamic indices for category segments based on auction sales data from 2000 through 2015. The broadest index is based on each year’s overall top 50 performers, comprising perennial blue-chip names



Tauba Auerbach's *Untitled (Fold)*, 2010, sold for nearly \$2.3 million in 2014.

drawn largely from the postwar decades, such as Francis Bacon, Willem de Kooning, Gerhard Richter, Rothko, and Warhol. The second focuses on market leaders born after 1945, encompassing Jean-Michel Basquiat, Peter Doig, Damien Hirst, and Wool. The third was built from sales of works by each year’s top 50 best-performing artists born after 1970. Predictably, the latter group performed most sluggishly early last decade due to their being largely unknown—all were 30 years old or younger in 2000—but in recent years they showed the strongest growth among the three indices as these artists built from relatively low prices. From 2014 to 2015, however, this group was hit hardest by a broad cooling in contemporary auction sales. In this period we see continued, albeit slower growth for both the top 50 postwar and contemporary artists and the top 50 born after 1945, mirroring market sentiment expressed in factors such as weaker sales at Art Basel Miami Beach. Based on these findings, we might expect still-strong performance at this month’s sales among these more established groups, and wealthy collectors may even set new records for trophy works by blue-chip postwar stars.

The market correction of more than 10 percent among artists born after 1970, however, indicates a significant change—the first year-over-year decline since the post-Lehman Brothers deflation of 2008 and 2009. The index’s dropoff is mirrored in the annual sales declines for individual artists highlighted in the table below, showing the top 15 performers based on cumulative sales over the 16-year period under review. Wade Guyton, for example, sold 18 pieces for \$35 million in 2014 yet 10 sales in 2015 totaled just \$5.1 million. Overall, sales of pieces by these top 15 artists declined from 219 in 2014 to 143 in 2015, and even more persuasive proof of the segment’s weakness can be seen in the buy-in rate, which climbed from 18 percent in 2014 to nearly 30 percent in 2015. BY ROMAN KRÄUSSL

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TOP 15 ARTISTS BORN AFTER 1970 BY CUMULATIVE SALES, 2000–15

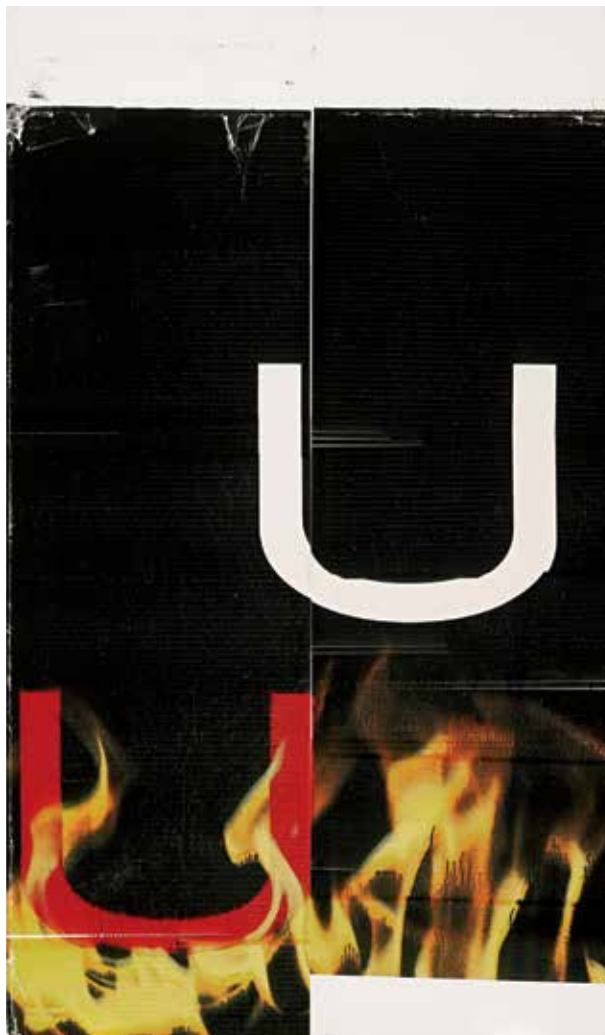
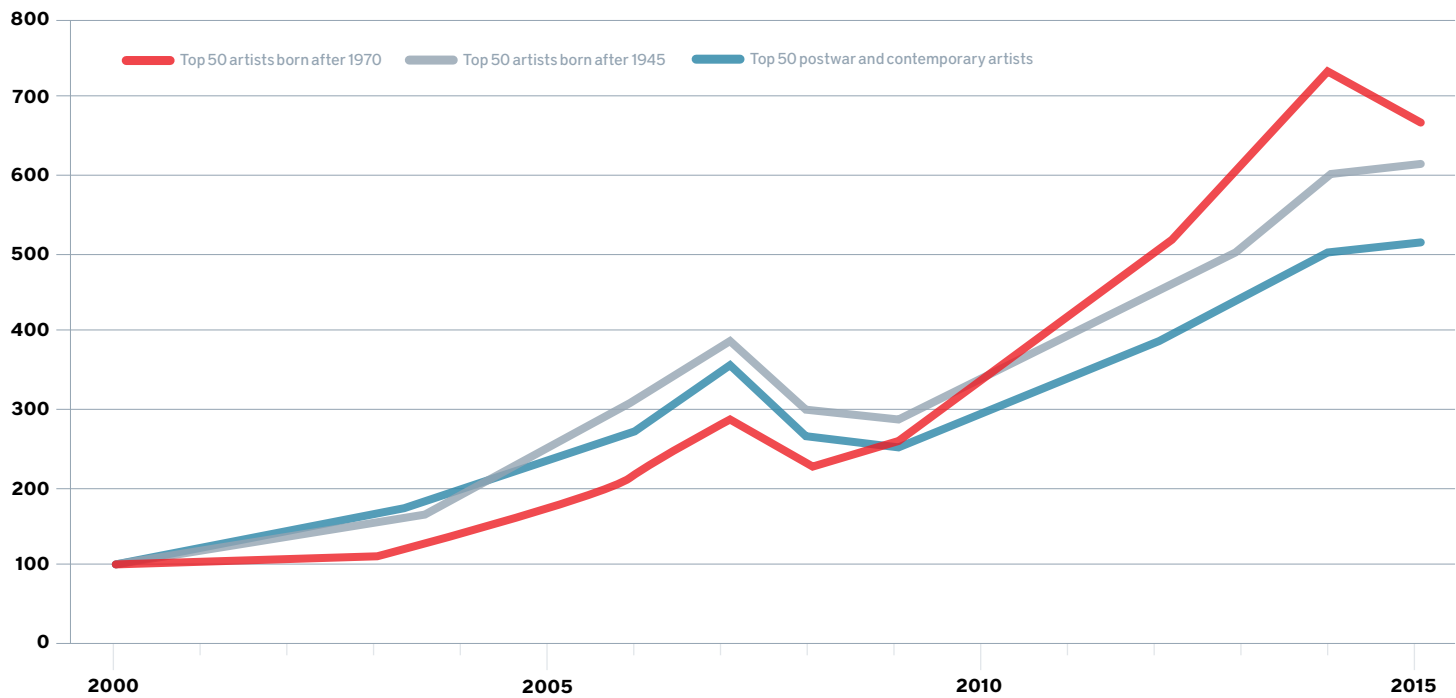
Of the top 15 artists in terms of cumulative sales, only 3 saw total annual sales increase from 2014 to 2015: Joe Bradley, Jia Aili, and Raqib Shaw. Dan Colen’s turnover, for example, dropped \$6.5 million to below \$2 million, while in 2014 his record work sold for just over \$3 million. Even more dramatically, the once-hyped Jacob Kassay saw sales decline from \$1.7 million to just over \$300,000, with only 3 of the 10 works offered finding buyers. Overall, these 15 artists’ auction sales fell from \$95 million to \$52 million.

RANK	ARTIST	TOTAL TURNOVER	TOTAL SALES	2015 TURNOVER	2015 SALES (BUY-INS)	2014 TURNOVER	2014 SALES (BUY-INS)	AUCTION RECORD TITLE	AUCTION HOUSE/ DATE/PRICE
1	Wade Guyton b. 1972/American	\$57,201,873	77	\$5,126,347	10 (1)	\$35,072,049	18 (3)	<i>Untitled</i> , 2006	Sotheby's New York 5/14/14 \$5,989,000
2	Banksy b. ca. 1974/British	\$35,620,002	285	\$2,047,074	18 (10)	\$2,907,646	29 (6)	<i>Keep It Spotless</i> , 2007	Sotheby's New York 2/14/08 \$1,870,000
3	Nyoman Masriadi b. 1973/Indonesian	\$26,638,075	120	\$2,745,946	12 (2)	\$3,848,140	15 (6)	<i>The Man from Bantul (The Final Round)</i> , 2000	Sotheby's Hong Kong 10/6/08 \$1,007,997
4	Sterling Ruby b. 1972/American	\$20,301,346	58	\$5,969,196	11 (8)	\$7,495,963	15 (3)	<i>SP231</i> , 2013	Christie's New York 5/13/13 \$1,785,000
5	Tauba Auerbach b. 1981/American	\$18,540,371	30	\$5,751,037	5 (3)	\$8,098,876	9 (2)	<i>Untitled (Fold)</i> , 2010	Phillips New York 11/13/14 \$2,285,000
6	Joe Bradley b. 1975/American	\$18,529,576	45	\$9,725,861	12 (1)	\$6,296,188	10 (0)	<i>Tres Hombres</i> , 2011	Christie's New York 11/10/15 \$3,077,000
7	Dan Colen b. 1979/American	\$17,370,157	76	\$1,928,006	13 (6)	\$6,524,103	20 (4)	<i>Boo Fuck'n Hoo</i> , 2006	Christie's New York 5/12/14 \$3,077,000
8	Ronald Ventura b. 1973/Filipino	\$16,243,928	77	\$3,522,410	16 (2)	\$4,078,569	19 (4)	<i>Grayground</i> , 2011	Sotheby's Hong Kong 4/4/11 \$1,082,812
9	Jia Aili b. 1979/Chinese	\$13,914,912	21	\$5,701,233	7 (1)	\$4,959,476	7 (0)	<i>Good Morning, World</i> , 2010	Sotheby's Hong Kong 4/4/15 \$1,713,120
10	Matthias Weischer b. 1973/German	\$12,947,845	89	\$674,483	9 (10)	\$497,662	7 (7)	<i>Ohne Titel</i> , 2002	Sotheby's London 10/17/08 \$583,577
11	Nate Lowman b. 1979/American	\$12,021,894	61	\$2,569,384	10 (7)	\$3,615,772	15 (4)	<i>Untitled Marilyn #13</i> , 2012	Phillips London 2/10/14 \$871,027
12	Raqib Shaw b. 1974/Indian	\$11,485,148	39	\$1,159,890	3 (1)	\$742,288	5 (3)	<i>Garden of Earthly Delights III</i> , 2003	Sotheby's London 10/12/07 \$5,491,755
13	Adrian Ghenie b. 1977/Romanian	\$9,760,773	30	\$3,004,807	6 (0)	\$5,846,381	12 (0)	<i>The Fake Rothko</i> , 2010	Sotheby's London 6/30/14 \$2,440,741
14	Oscar Murillo b. 1986/Colombian	\$9,747,539	55	\$1,924,089	8 (4)	\$3,189,633	25 (2)	<i>Untitled (Drawings off the wall)</i> , 2011	Phillips New York 9/19/13 \$401,000
15	Jacob Kassay b. 1984/American	\$8,343,130	56	\$305,750	3 (7)	\$1,668,881	13 (4)	<i>Untitled</i> , 2011	Phillips New York 11/11/13 \$317,000

PHILLIPS

POSTWAR AND CONTEMPORARY SEGMENT INDICES, 2000–15

Breaking the contemporary category into segments roughly reflecting postwar blue-chip stars, midcareer market leaders, and emerging talents allows for a fine-grained analysis. In the five years following 2009, the post-Lehman Brothers base year, the emerging index outperformed the others, tallying 284 percent growth. Yet in 2015 these highfliers gave back more than 10 percent of their value, while blue-chip and midcareer artists held steady.



From left: Nate Lowman's *Untitled Marilyn #13*, 2012, set an artist's record of \$871,027 at Phillips London in February 2014; and *Untitled*, 2006, by Wade Guyton, earned \$5,989,000 at Sotheby's New York in May 2014.

FROM LEFT: PHILLIPS; SOTHEBY'S