

# ARTNEWS

FEATURES — HOW TO FIX THE ART WORLD — WINTER 2017

## HOW TO FIX THE ART WORLD, PART 3

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Q: How do  
you fix the  
art world?

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***Art Dealer***

In my experience the commercial art world is always changing: the balance between dealers and auction houses has changed dramatically in the last 25 years and it continues to change every season, as does the competition between the auction houses themselves, and their proliferation. Is there something “wrong” with this competition and should it be “fixed”? And if so, how? There are obviously many complaints about this development, but it depends on whom you talk to.

The art market is constantly evolving - there is no "right" or "wrong" that needs "fixing"

HANDWRITTEN TEXT BY DAVID NASH

Dealers complain about auction tactics and their hypocritical lack of transparency; auction houses complain about each other—and transparency! The auction houses continue to increase their buyers' premium because they compete so fiercely for prime properties that they cut into that premium in order to give a rebate to the seller to induce the consignment. This is clearly a ridiculous situation: the auction houses make no money selling these "record-price" works. Also, buyers resent the steadily increasing premiums they are forced to pay, which affect mainly the lower- and medium-priced lots. Is there something inherently "wrong" with this aspect of the art world? What would be the "right" system? It evolves all the time.

The commercialization of contemporary art is another topic that people complain about. Until about 1985, contemporary art had a very low resale potential. If a collector bought the latest work of a living artist, he could not expect to get much of his money back from its resale—like a new car. Now, many buyers buy contemporary art with the expectation that they can make money by "flipping" it—if they have "invested" in the right artist. This is a big change in the balance and the attitude of the market. Is it "wrong" and does it need "fixing"?