

Miami Herald

Despite parent company woes, Art Basel Miami fair is thriving

BY JANE WOOLDRIDGE

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In the 18 years since Art Basel first brought its fair to Miami Beach, Miami-Dade County has been radically reshaped as a center of global culture. While a number of forces — including geography, private art collections, tax laws and the formidable efforts of the Knight Foundation — have helped forge a new city, the Swiss-based fair’s influence is incalculable. Some reports put Art Week’s economic impact at a half billion dollars.

As the current Art Week winds down Sunday after strong sales and attendance, some art watchers point to potential future headwinds in an era where the future seems to arrive before you can say “sold.”

The primary causes for concern: financial difficulties of Art Basel parent MHC Group, the millennial penchant for online purchasing and the age of disruption that seems to plague all established companies, regardless of industry.

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For now, business is brisk at [the city’s most popular fairs](#). Non-commercial projects have drawn intensive interested as well, with Leandro Ehrlich’s “Order of Importance” sand sculpture in Miami Beach and Chinese artist Zhang Huan’s Buddha at Faena Hotel ranking among the most-liked of the 80,000-plus Instagram posts marked with the #MiamiArtWeek hashtag.

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At this year's Art Basel, all signs look positive. The fair launched a new sector, Meridians, featuring large-scale installations (and no small feat, a Joe's Stone Crab pop-up.) Requests by VIPs and museum groups are on track with previous years, according to fair officials. Galleries have reported a healthy number of multi-million dollar sales, and those featuring more accessably priced works — including Miami's Central Fine and Chicago's Monique Meloche galleries — sold all works in their booths within hours of opening.

By Saturday morning, gallerists had confirmed the sale of several large-scale installations in the Meridians sector, said Noah Horowitz, Art Basel's America's director. Visitor numbers were on track to match last year's attendance of 83,000.

The upbeat report followed the announcement just days earlier that Art Basel was pulling out of an experimental, \$15,000-per-ticket conference in Abu Dhabi only two months after it was announced. That cancellation came less than a year after the organization was set to launch a Miami event focused on rare collectible cars, Grand Basel; it too was cancelled.

Since then, MCH Group, Art Basel's parent, has brought in new leadership and shifted its business away from live marketing and trade fairs following the pull-out of several major exhibitors from its Baselworld luxury and watch exposition. Earlier this year, MCH Group completed the previously announced sales of its majority share in the India Art Fair and in Art Dusseldorf.

[Art industry publications](#) have closely followed the publicly held company's plans. So have other, mainstream publications. Just this week, Page Six published a thinly sourced item about "buzz in the art world that the high-flying fair could be for sale." Speculation may have been fueled by public statements by Erhard Lee, whose Zürich-based AMG fund holds a 10 percent stake in the parent company, disagreeing with MCH Group's restructuring strategy and calling for sale of the fairs.

In an interview this week, MCH Group CEO Bernd Stadlwieser emphatically denied the rumor.

"We have no intention to sell the fairs," he told the Miami Herald. "I regret this investor doesn't understand the strategy."

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After an exhaustive review, he said, MCH has decided its future lies in a model established by Art Basel Global Director Marc Spiegler and his team at the Art Basel fairs, of creating a year-round community around vertical themes. “We don’t think anymore of exhibitions, we think of platforms, both live and digital,” said Stadlwieser.

That, says Spiegler, means a 24/7, 365-day way to support patrons: through ongoing conversations between Art Basel staff with museums, collectors, gallerists and artists worldwide, through live forums, face-to-face conversations, art-market reports, Instagram and content about news and trends delivered via its app on its website.

“The conferences and fairs are an articulation of the brand. It’s where people make the connections,” said Spiegler.

To underscore importance of both the art fairs and the path they have forged, the parent company recently [elevated Spiegler to its executive board](#).

As for the decision to forgo the Abu Dhabi conference, Stadlwieser said the time frame set for the conference was overly ambitious, and achieving the quality that is expected with an Art Basel-branded enterprise couldn’t be achieved. “It had nothing to do with money, only to do with the quality.”

Said Spiegler, “People forget Art Basel has launched many experiments. Not all have succeeded.”

Some clearly have — as evidenced by sales at Meridians and a new sliding scale pricing arrangement that makes fair participation financially viable for younger galleries like

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Central Fine and Monique Meloche.



An artwork by Ebony Patterson was one of two works purchased by the city of Miami Beach from Art Basel Miami Beach; it was chosen by a public vote conducted online.

“If the industry changes, we want Art Basel to be the strongest platform. Our goal as a business is to continue to differentiate from the rest. Quality as ever is king. It is incumbent to drive context. ... to builds value around how to see and understand the art, and to create a sense of community.

“Fairs that fail to create that context will feel the change.”

Miami collector Norman Braman, who chaired the local Art Basel committee until stepping down last year, said he met this week with MCH and fair officials. “I feel very confident about the future of the fair in spite of the problems of the parent company.

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They will continue to reinvest in the fair as they have. They have a very large backlog of prominent backlog prominent galleries from around the world, that want to come.”

Art Basel’s longtime global sponsor, UBS, remains a staunch supporter, said John Mathews, who leads UBS’s private wealth management division in the Americas. “The fair is very important to us. Art is very important to our organization and our clients,” who clamored for VIP access in record numbers again this year, he said.. ”Art Basel is a great brand...we remain committed to this space as much as ever. “

Art Basel’s Hong Kong fair faces a different challenge. Ongoing protests have wracked the city for months, leading to speculation that Art Basel might cancel the fair or discount prices for galleries. According to a report in [The Art Newspaper](#), the company is offering 5-10% discounts on booth features such as lighting and on shipping, though not on basic space, said Spiegler.

As for canceling the fair, slated for March, that would be a last resort, he said. “Obviously we’re hoping things will calm down, but we’ll have to wait and watch how things develop. Not moving forward is not a decision to take lightly. We have a dozen people on the ground [in Hong Kong] who feel even more strongly than we do that the fair should continue. Galleries there are still opening shows. Conventions are still happening. It’s not business as usual, but they are conducting business.”

As for the internet art sales that continue to rise — comprising 10% of sales by UBS collectors, according to a report issued by the wealth management giant this week — officials at both Art Basel and Art Miami feel that for now, at least, the personal touch still outweighs convenience, at least with expensive works. “Art fairs are not going to go away,” said Art Miami/CONTEXT director Nick Korniloff. “It’s a very social and cultural interaction. People want to touch and see things, at least at the higher price point.”

Still, the online business is growing, thanks to platform like Artsy and Paddle 8.

At Art Miami, Manuel Ludorf of Germany-based Galerie Ludorff said online sales have become a “significant share” of the gallery’s business. Buyers sometimes make purchases as large as \$100,000 online without coming to the gallery, he said.

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Art Basel's Spiegler thinks online is most effectively used as a supplement to personal interaction. "It creates momentum ahead and a long tail behind."

In worlds digital and physical, Art Basel's experimentation isn't likely to stop. Miami Beach Mayor Dan Gelber said he meets frequently with Art Basel leadership, which continues to look at ways to increase its footprint and add activations throughout Miami Beach during Art Week.

"I have felt no sense of danger or concern at all," Gelber said. Last year Art Basel signed a five-year lease, with an option to extend for an additional five years.

This year, Miami Beach has beefed up its public art budget, allowing it to installation \$7 million in permanent sculptures along the convention center's north edge and the \$300,000 Ehrlich sand sculpture. It also initiated the Legacy Purchase Program, committing \$100,000 for the purchase of work from the fair, chosen by public vote .

Amoako Bofo's "Cobal Blue Earring," was one of two works purchased by the city of Miami Beach from Art Basel Miami Beach; it was chosen by a public vote conducted online.

Top in the online vote was a work by Jamaican artist Ebony Patterson,

"...as the garden secretes a swarm of monarchs feast...a john crow awaits a carcass' fall while scavengers gather to feast below, as we dig between the cuts...below the leaves...beneath the soil;" shown by Monique Meloche, a first-time Basel participant. Three votes behind was Amoako Bofo's "Cobal Blue Earring," shown by another first-time gallery, Marian Ibrahim. The city acquired both.

Gelber noted that seven of the 10 days with the highest average daily hotel rates are during Miami Art Week. "That means a lot of rippling of economic advantages to people who work and people who live here. Plus, they get to see something really interesting."

"When we have vitality in the hospitality industry, we have more money to upgrade our parks, more police, more resources to address resiliency challenges," he said. "So it's a huge economic benefit."

Data from research group STR show revenue per available room doubled between 2000 and 2018. About 85% of the county's hotel rooms are occupied during Art Week,

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according to the Greater Miami Convention and Visitors Bureau — a dead period prior to the advent of Art Basel.

Art Week's halo effect trickles down to businesses including restaurants, hair stylists, flooring installers, caterers.

“Tourism is everyone's business here,” said Bill Talbert, president and CEO of the GMCVB. “The tourists built these roads, this infrastructure, with the taxes they spend. How does it benefit your community? It's about jobs.”