

Private Eyes

In an overheated art market, many collectors are turning to cool-headed advisors to land the key buy.

By Linda Yablonsky

At the auction house Phillips de Pury last fall, the hammer fell on a photograph from Cindy Sherman's 1981 "Centerfolds" series at a toe-curling \$478,400, while at Christie's in New York another image from the exact same series went for \$220,300. Depending on how history values Sherman's work, either one collector gave in to auction fever or the other got an incredible bargain. "I can't make sense of the disparity," says Sandy Heller, a Manhattan consultant who works specifically with new collectors. "If someone ends up on the wrong side of a transaction, I just don't want my client to be the one."

Heller is among the elite group of art advisors who help serious collectors collect—insiders with the knowledge to navigate the ever-expanding art market. What was once a pastime for the elite—selecting the perfect painting or sculpture—is now the province of hedge fund managers who view art as the next great investment, wealthy collectors who compete with museums for masterpieces (and inflate prices in the process), and dealers who jet from one multinational fair to the next, chasing the latest artist. Success in such a market can depend more on access than aesthetics, more on timing than taste.

Aesthetic judgment, however, is a sine qua non for an advisor, for in the marketplace, artistic quality and monetary value are often interwoven. A top advisor can tease out both. "How many collectors could stand before five [white monochromatic] Robert Ryman paintings and determine the one worth paying the premium price for?" asks Allan Schwartzman, a New York-based consultant.

Schwartzman is well qualified to make that call. As an art writer he'd attracted the admiration of a Dallas patron, Howard Rachofsky, who subsequently sought him out for advice. "My first gallery experiences were miserable," Rachofsky says. "Dealers can be helpful, but they have a business to run, so they're going to sell the best things to their best clients and you're going to get second or third choice." In 1997 Rachofsky hired Schwartzman to collaborate on building a collection that would resonate with his new Richard Meier-designed house. The timing was impeccable: Schwartzman pulled together a remarkable group of minimalist pieces at prices that now seem very reasonable. Today Rachofsky's collection of minimalist and postminimalist art is one of the country's most highly regarded.

Barbara Guggenheim, a veteran consultant in Los Angeles, explains that one part of her job is to help clients (many of whom are already knowledgeable about art) focus their taste and identify unifying themes for their collections. One movie producer and his wife, she says, "viewed themselves as being socially responsible storytellers, so we hit on this idea of American social realism," and that's the direction they pursued.

But why hire an advisor, when there are plenty of dealers ready with free advice? In fact, collectors can count on dealers to know as much about the work in their galleries—and on auction-house experts to know as much about the work they sell—as even the most learned advisors. And with art fairs and biennials now occurring somewhere in the world nearly every month, many dealers and auction specialists travel and see as much new work as top advisors do. (Such art fairs may be the best venue for novices to meet face-to-face with dealers who normally do business with a select group. An advisor can help make introductions.)

There is an obvious reason to look beyond these gallerists and auction specialists, though: Their interest is mainly in promoting and selling the art they control. Independent advisors, on the other hand, place their clients' needs first and should offer unbiased opinions.

Not that conflicts of interest aren't possible. A client should ask a potential advisor directly whether he or she is representing an artist or buying and reselling work. A sticky situation can arise if an advisor has two clients with the same interest. Who ends up favored? An advisor always tries to avoid such a situation.

The risks in buying art, however, are part of the deal—a fact an ambitious collector knows well. It's rare that any such purchase is both a bargain and a safe choice. The best approach, Schwartzman says, is to "buy the best you can for what you can afford" and hope that it holds its value. Then relax, and enjoy the art.