



INTERNATIONAL ARTS

New Location, New Ambitions for Phillips

By SCOTT REYBURN SEPT. 5, 2014

LONDON — Christie’s and Sotheby’s have long dominated the auction market for fine art. Now Phillips, the world’s third biggest auctioneer of international contemporary works, is about to open a new flagship salesroom here that it hopes could help challenge that duopoly.

The company, with auction rooms in New York and London, plus offices in eight other cities, has moved its European headquarters from Victoria, near one of London’s main railroad stations, to a 73,000-square-foot building at 30 Berkeley Square, in the heart of the wealthy Mayfair district. A high-tech refurbishment by the international architects Aukett Fitzroy Robinson is scheduled to be completed by the end of the month in preparation for Phillips’s inaugural auction on Oct. 15 during Frieze Week.

“It’s a statement of intent,” said Edward Dolman, Phillips’s new chairman and chief executive officer, wearing a hard hat among scurrying workers in the 20-foot-high main exhibition gallery overlooking Berkeley Square. “This gives us the best space for viewing contemporary art in London. It’s potentially a game changer.”

Mr. Dolman, 54, took over at Phillips in July. A former chief executive and chairman of Christie’s and the former executive director and acting chief executive of the Qatar Museums Authority, Mr. Dolman brings managerial gravitas to an auction house that in recent years has been perceived as an

underweight competitor to Christie's and Sotheby's.

Both those companies are global operations that conduct auctions and private sales across a wide range of locations and interconnected collecting areas. Although founded in London back in 1796, Phillips now just sells contemporary art, mostly from the past 10 years; photography; design (a field in which it is a market leader); and jewels. Last year, Phillips's three evening sales of contemporary art raised 35.8 million pounds here, or about \$58 million. The equivalent sales at Christie's took in £179.7 million.

The Mercury Group, the luxury goods distributor in Moscow that acquired Phillips in 2008, is banking on 30 Berkeley Square to close the gap.

Tellingly, at a time when the totals at evening sales of contemporary art are becoming ever-more bloated by financial guarantees — Christie's evening sale of May 13 took in \$744.9 million, the highest total in art-auction history — Mr. Dolman was wary of Phillips entering an arms race to secure the most valuable eight-figure auction lots, which can yield auction houses little in the way of profit.

“The reality of the market is that we have to offer financial packages and incentives,” Mr. Dolman said, referring to the guarantees and payments now being advanced to owners of high-value art. “Sellers now expect these. We do have financial backing, but we're not prepared to give it simply in the vain pursuit of market share. We'll be focusing more on lots valued at \$5 million and below.”

He added: “We've built a commendable reputation bringing extraordinary talent to the market. We're going to carry on with that as well as develop categories of international contemporary art that we're not focussing on right now, such as African, Asian and Middle Eastern.” Mr. Dolman said that Phillips would also be holding “class-leading” watch sales as part of its plans to expand in the luxury lifestyle sector.

In October, 30 Berkeley Square's new exhibition gallery, which is bigger than the equivalent space at either Sotheby's or Christie's in London, will be hosting “A Very Short History of Contemporary Sculpture,” a show conceived by the curator Francesco Bonami that will mix loaned works with pieces that Phillips is offering either privately or for public sale.

At the Oct. 15 auction itself, publicity-shy clients will be able to discreetly bid from one of three New York-style private “sky boxes” that look down into a

6,800-square-foot lower ground salesroom with state-of-the-art lighting by Studio ZNA. Highlights of the inaugural sale will include a 2006 Banksy street sculpture, “Submerged Phone Box,” estimated at £300,000 to £500,000, and a 2013 Alex Israel abstract, “Untitled (Flat),” valued at £200,000 to £300,000.

The privately held Mercury Group doesn’t release financial statements or comment on its business activities. Mr. Dolman said he didn’t know how much his employers had spent on the lavish refurbishment — “we haven’t been told.” He did not deny reports in Britain’s Estates Gazette magazine, Bloomberg and other media that said Mercury paid about £100 million for a long lease on 30 Berkeley Square in the fall of 2012.

The lower four of the building’s seven stories will be occupied by Phillips, with further spaces rented out to “art-related” businesses. As yet, no tenants have been confirmed.

“It’s only a building,” said the New York art adviser Lisa Schiff, founder of Schiff Fine Art. “There is room for more than two major auction houses, but they need to make their contemporary sales more serious.”

Will Phillips’s £100 million-plus move to a flagship building in Mayfair make a difference, giving extra confidence to wealthy sellers? Or will vendors be motivated simply by how much money an auction house is prepared to put on the table?

The new location is certainly a plus. The back entrance overlooks the site of Gagosian Gallery’s proposed new Mayfair gallery. The building also sits near highly regarded dealerships such as David Zwirner and Sadie Coles, and near the five-star Connaught and Claridge’s hotels, where many of the world’s wealthiest collectors stay during sale weeks.

“It’s going to be a big bonus for Phillips being more accessible to collectors, and the art is going to look great in that space,” said Lock Kresler, senior director of the London branch of Dominique Lévy, the latest big-name New York dealer to set up shop in Mayfair. Ms. Lévy, a specialist in museum-quality works by contemporary artists, has leased a first-floor space at 22 Old Bond Street, the former Venetian-style “art palace” of the turn-of-the-century Duveen family of dealers. Like Phillips, Ms. Lévy will have her gallery — a lofty 1,100-square-foot space that is being restored to some of its Edwardian glory — ready in time for Frieze Week. The inaugural show, open to the public on Oct. 14, will focus on works by Donald Judd, Frank Stella and Enrico Castellani.

