

HAMMER HOUSE

At auction house Phillips de Pury, they're lining up to revolutionise the art business: promoting free access over froideur and a fashionable but well-founded focus on contemporary art. The opening of a new European HQ at London's Howick Place – renovated by developer Alessandro Crivelli (see page 107) – is certainly putting clean white space between Phillips and its more traditional rivals

PHOTOGRAPHY: DANA LIXENBERG WRITER: NICK COMPTON

From left, Phillips de Pury's Michael McGinnis, worldwide director of contemporary art; Rodman Primack, managing director London; Simon de Pury, chairman; Genny Jarvin, director of photographs London; and Alexander Payne, worldwide director of design, at Howick Place on the day of a sale held during Frieze Art Fair earlier this year. Franz West's *Untitled (Bench)*, 1993, was part of the estimate-busting sale, going for £102,000, against an expected £40,000-£60,000



This is a queue neither familiar with nor well disposed to queuing. It's Saturday night during the week of London's Frieze Art Fair, a super-buoyant commercial celebration of high-chic contemporary and conceptual art, and the international art-collecting A-list have moved on Victoria en masse. Most of them, it seems, are either queuing to get into Phillips de Pury's new Howick Place HQ or are already inside taking an awful long time over spending an awful lot of money.

Ladies in expensive black arrive in expensive black SUVs, march along the queue in disbelief, taking in how many other ladies in expensive black are waiting, huffily, for the doors to open, then reluctantly join the queue. Or not.

The sale began at 10pm and the hammer goes down on the final lot at 10pm. For Phillips - an old English auction house, founded way back in 1796, that has lately rebranded itself an 'art company' and committed to the utterly contemporary - it is a good day, with £42m of sales.

Damien Hirst's *Eternity*, a piece made up of intricately arranged butterfly wings, sells for £4.7m against an estimate of £2.5m-£3.5m. Takings on a collection of contemporary Chinese art are double the high estimate, and a swathe of Russian works sell for way beyond expectations. Record auction sales are also achieved for Jake and Dinos Chapman, Zaha Hadid, Gavin Turk and Kai Althoff.

Sale over, the crowd can at last glug champagne and rattle their jewellery to the disco sounds of Chic and Nile Rodgers in Phillips' huge upstairs gallery at Howick Place (retro-cool acts are expertly chosen for the target demographic).

The auction house must be more than pleased with the pulling power of its new London home. And it hasn't even moved in yet. Frieze week sales and exhibitions are being held in make-shift galleries, as much of the space, including a huge glass-covered winter garden where future auctions will be held, remains a work in progress. But Howick Place has already established what it can be: an auction house that looks (and behaves) much like a serious contemporary art gallery, and the anchor tenant of a new art-centric commercial community.

The building is an 1894 former Royal Mail sorting office, off Victoria Street. Phillips' 40,000 sq ft share of it, designed by young British architects Nissen Adams, with US designer Bill Katz, officially opens in February 2005 and will include museum-quality galleries, offices, an auction room, a tea room and a bookshop.

This new European HQ means Phillips now has major bases in London and New York (Katz-designed galleries in the Meatpacking District), the two cities it sees as the hubs of the international



SUPERFLY GUY

Adding to the buzz at Phillips' autumn sale at Howick Place was this work by American artist Tom Friedman, who also designed our limited edition cover this month (see page 026 for details). *Untitled*, 2002, sold for £36,000

contemporary art market. For Phillips, and its majority owner Simon de Pury, the London opening is further evidence of a remarkable turnaround of fortunes.

Swiss-born de Pury, 56, grew up in Basel. He had plans to be an artist, but by 1974 he had decided his interest could be better deployed and was working on the front desk of Sotheby's in London. Four years later, he was director of sales of Sotheby's Geneva and was then invited by leading art collector Baron Hans Heinrich Thyssen-Bornemisza to curate his collection. When he said yes, it put him at the heart of an international network of collectors, giving him one of the most valuable contacts books in the art world.

He returned to Sotheby's in 1986 and, ten years on, he was its chief auctioneer and chairman of Sotheby's Europe. But he was tired of its bureaucracy, and in 1997 he left to open two galleries in Switzerland with Daniella Luxembourg.

In 2000, he received another offer he couldn't refuse. Bernard Arnault, head of LVMH, had recently bought Phillips for £70m. He wanted to pump it up and take on the auction duopoly, Christie's

and Sotheby's, and he believed de Pury and Luxembourg could help him do it.

Phillips became Phillips de Pury Luxembourg, Arnault committed Szosm and the charge on the big two was on. In 2001, Phillips enjoyed a hugely successful year of sales, and Sotheby's and Christie's, still reeling from a price-fixing scandal in 2000, were on the back foot.

Then, in November 2002, one disastrous sale brought Phillips to its knees. An auction of 40 Impressionist paintings in New York raised only \$6.6m, with more than 84 per cent unsold, many of which had been guaranteed. Arnault pulled out. De Pury bought his stake, but had to let a third of the staff go.

Out of this chaos and downsizing, however, the indomitably optimistic de Pury came up with a new plan. In 2003, what was soon to become Phillips de Pury & Company (minus Luxembourg; de Pury now owns 70 per cent) would concentrate solely on contemporary art - from the last 35 years or so - 20th and 21st century design, photography and jewellery.

By 2005, Phillips was back in profit and aggressive in distinguishing itself»



from the old order, pushing a new model for the auction business. It seems a smart move, as contemporary art remains the star turn at auction for all three houses (Phillips does handle Impressionist and modern art via a private sales division).

Michael McGinnis, a tough-talking American and worldwide director of contemporary art at Phillips, is clear that Howick Place puts more blue sky between his company and the traditional auction houses. 'This gives us the opportunity to re-invent the whole industry. Our art can now be shown in a museum-quality fashion, which is the way our collectors want works to be shown when they are sold and how they want to see them when they buy. The white gallery space is the way contemporary art is supposed to be shown, not on carpeted walls and under low ceilings in filthy, old dusty buildings.'

Have no doubt, the auction houses compete for what is still, despite the art market boom, a relatively small number of clients. Behind the gentlemanly facade, that competition is ferocious.

Phillips has set out to appeal to young and neophyte collectors, the hedge

fundlers and dot-corn billionaires. Just the sort who are attracted to the excitement and fresh produce of contemporary art.

'The auction house has always been an intimidating forum for the new collector,' says McGinnis, recently relocated from New York to London. 'I think Phillips speaks the language of people in their twenties and thirties, and allows them to enter this forum without hesitation. That is something we are proud of, whether we are selling a Siom Basquiat or a \$500 Damien Hirst print. Our intention is to make it accessible and mainstream.'

The new Phillipsartexpert.com site—a beginner's guide to art and auctions, with an Ask Simon page and videos of de Pury running through the basics—is part of this attempt to put a friendlier face on the art business. And Phillips has paired up with the Saatchi Gallery to ensure the public free admission when the gallery opens its new home in Chelsea's Duke of York's HQ in 2008.

'I think our vision and Howick Place mean that we can cut through a lot of the BS that people have created around contemporary art,' says Rodman Primack,

formerly of Larry Gagosian's Los Angeles operation and now Phillips' London managing director. 'Everyone should feel comfortable to come in and look and buy.'

For de Pury, the building allows the business to come at collectors with an array of sales methods and attractions, from auctions and selling exhibitions to the Saturday sales initiated in New York. Of the latter, de Pury enthuses, 'we sell right across the categories, from jewellery and design to contemporary art, with items priced between £250 and £10,000. These sales really try to attract people who have never bought at auction before.'

Phillips is a niche player now, rather than a challenger to the big two. But its niche has generated a lot of heat. The company is proving itself the most profitable option for reselling very contemporary (from the last ten years), or 'wet paint', art, and the most accessible route to buying emerging artists, the sort that dealers offer only to select clients.

Indeed, it is Phillips' increasing concentration on art as wet as possible that suggests it might break down the traditional barriers between galleries and dealers (the primary market) and auction houses (the secondary market). 'The primary market is the nucleus of the market,' says McGinnis. 'It is not something we want to tamper with necessarily, but it is not something we are going to ignore if it fits into our business plan. What we want to do is be at one with our generation culturally and that involves primary contemporary art.'

Phillips has also fostered the design-art phenomenon, holding design auctions and hosting selling exhibitions with new works from Zaha Hadid, Ron Arad and Ross Lovegrove. Director of design Alexander Payne says Howick Place will push the design-art agenda further: 'It's a great place to present design. I want it to become a hub of energy for design.'

And what if the contemporary art bubble bursts? DC Pury is confident that the business can survive any pop: 'None of us expects the market to move in only one direction. But we feel there is always going to be a strong interest in what is happening in our period.'

He is also sure that Howick Place can become a thriving cultural-commercial draw. 'There are going to be a number of other galleries. I think you are going to see the whole area change because of what is happening in this building.'

In some ways, Howick Place is an odd proposition, at once an open-door cultural space and a commercial art business aimed at a new and monied elite. But Phillips genuinely wants to engage with London on both levels and to encourage a cultural-commercial flaring in what was a pretty dull part of town. It is more evidence of an increasingly blurred distinction between 'public' and 'private' cultural space and an increased desire to get close to 'the art', wherever and however it appears. >>>

www.phrUpsdePury.com

HANGERS OUT

Art handlers take a coffee break from setting up works including Cecily Brown's painting, *Night Passage*, 1999, which later sold for £468,000; and Anish Kapoor's sculpture, *Untitled*, 1999, which went for £524,000

A key selling point of Howick Place for Phillips de Pury was its developer, Alessandro Cajrati Crivelli, and his track record of creating cultural-commercial quarters in unpromising places. 'He had such great vision of what he could do with this building,' says Rodman Primack, managing director of Phillips London. 'Unlike most developers, he was interested in how this place could develop culturally, and that makes it much more exciting than dealing with someone whose only concern is how much money he can make per square foot. He was very excited that we were going to be taking this space. And we have developed a fantastic working relationship with him. We consult with him about how it can grow in general, not just our space, but the whole space, the spaces around us.'

Howick Place is Crivelli's first London development and **something** of a tactical shift. But there is enough profitable history to suggest he and Phillips can really start something with the building.

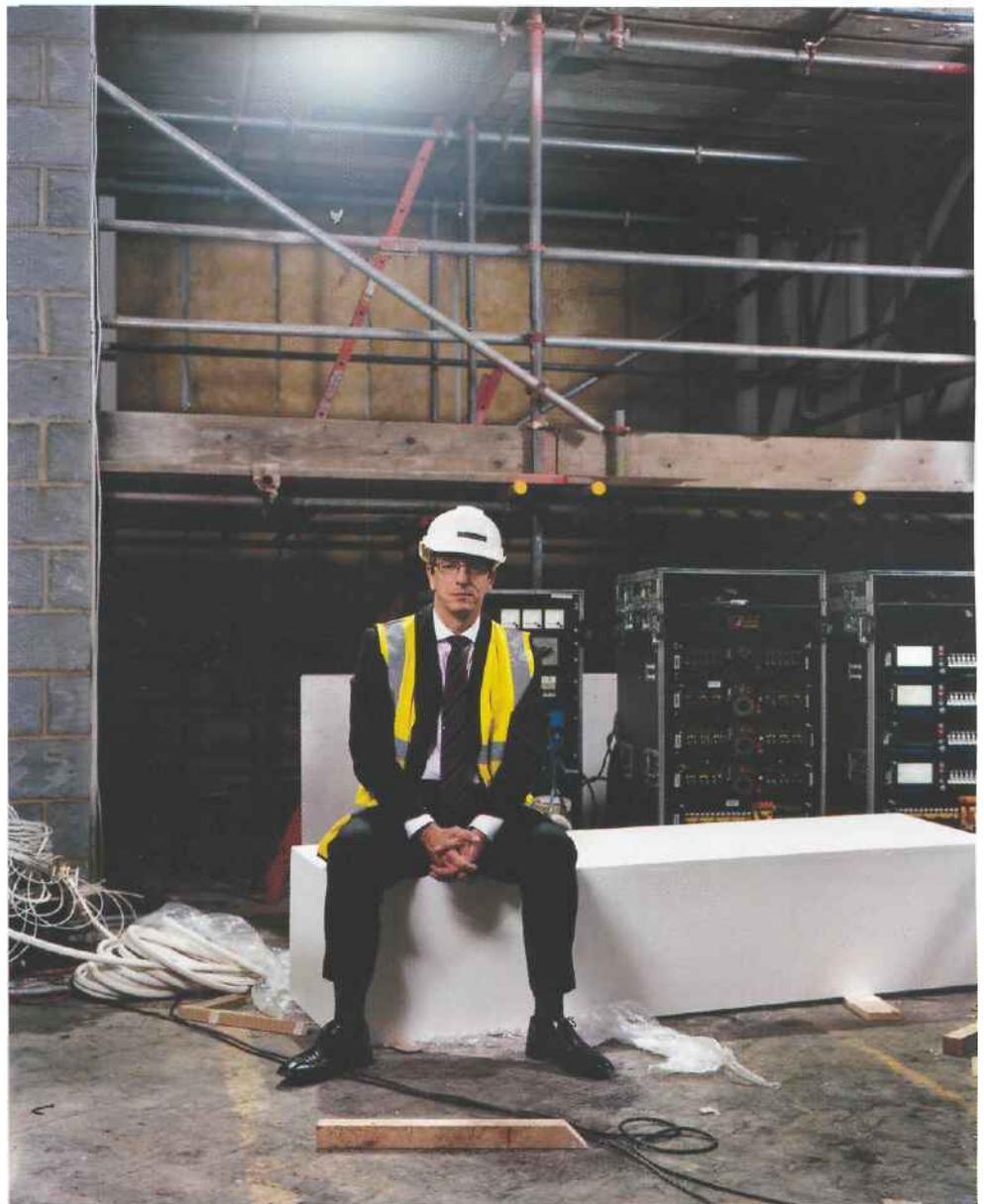
Crivelli made his name in Milan. In 1996, then a consultant in mergers and acquisitions with a passion for art and design, Crivelli started buying up disused factory buildings in a rundown area of west Milan. He had one big idea: that creative companies liked volume and they liked being around other creatives. And this is what he was going to offer.

'Ceiling height is the great urban luxury,' says Crivelli in his Cadogan Square office. 'I am passionate about that.' And he knew advertising, fashion and design companies were similarly inclined.

The first building he developed - in what would later become Zona Tortona - was a disused gas meter factory and he sold space in it to fashion photographers, small design companies and artists. Then he invested in more properties. 'I could buy one building after the other without much competition. Nobody really understood the value of the properties, these old factories. But they were beautiful. The buildings were affordable and we weren't greedy in exploiting the space. We left Szt ceiling height in one building, which is just crazy.'

Crivelli had imagined that the Italian design companies would be the quickest to move into his spaces, but he was disappointed. 'I wanted to create a kind of permanent Salone del Mobile. The prices were so low and there was just such great space available, but the design companies didn't really get it.' However, Diego della Valle, of the Tod's group, did get it. Tod's was one of the first major fashion players to buy into Crivelli's vision, with Armani, Diesel, Zegna and Hugo Boss among those who soon followed suit.

'I came to the conclusion that there is a huge difference in the industrial vision of



SPACE INVADER

Why the man who remodelled Milan is now making moves on London



Above, Italian developer Alessandro Cajrati Crivelli at Howick Place, which he has been transforming for Phillips de Pury.

VICTORIA, LONDON
 1. Howick Place
 2. Buckingham Palace
 3. Houses of Parliament
 4. Tate Britain
 5. Royal College of Art
 6. Victoria Station
 7. Royal Court Theatre

the fashion companies compared to the design companies. The design companies are nice people, well educated, but they will remain small companies. Fashion is driven by very smart, entrepreneurial people. It is a question of attitude.'

Crivelli now counts many senior fashion figures as friends and associates. 'I am very much entwined in the fashion industry. Though I always think that, because of my glamorous shareholders, I will have access to all kinds of glamorous people. But it never happens. They never introduce me to anybody.'

Crivelli's other big selling point is himself. In an industry not known for its charmers or visionaries, Crivelli stands out as both. He manages to be funny, self-effacing and friendly, yet utterly convincing about what he's doing.

In many ways his work with Zona Tortona is just about done. The model >>



is established, the precedent set. And Crivelli doesn't have to worry too much about bad things happening. 'Sometimes I have little or nothing to do with my clients in terms of what they do with their space. As with Giorgio Armani. But I'm pretty sure he is planning something nice with Tadao Ando. [Ando designed the Teatro Armani, and the pair are now working on another Armani building, just across the road.] It's not like I'm sitting here thinking: "Oh my God, he is going to ruin the area,"' says Crivelli.

Two years ago, Crivelli moved to London looking for a fresh challenge, if it was the fashion industry that bought into his idea in Milan, Crivelli thinks that, in London, it's the contemporary art scene that will understand his volume and 'creative village' pitch. (Crivelli involved himself with the Serpentine Gallery to build bridges with the London art scene. He now sits on the gallery's council.)

Readmits that finding sites that satisfy his demands for volume isn't easy. 'I can't play with too small a building because I can't change the energy of the area. It's a shame, because I think I arrived too late and many things had already been done. And not well.'

The property market in London is fiercely competitive and Crivelli's plans are not always the most commercial. 'Three years ago I went to see the owners of Lots Road Power Station in west London. I liked the space and I would have put in three floors in a som-high space. Eventually it was developed as flats and they put in 12 floors. I think I can do something beautiful, but they think they can do something that makes more money. It's a pity, because you can't replicate that kind of building. In a way you massacre it to make money.'

In Howick Place, though, he found a space he could work with. Again, he had to contend with a rival plan to convert the

space into apartments. 'The plan wouldn't have added anything and would have destroyed an amazing building.' This time he won the argument and bought the building. He also has tenants like Phillips who share his visions. 'It's fantastic now that Phillips are in there. Everyone knows Phillips in New York and Milan. And they have a passion for the building that is almost as great as the one I have. Of course, it is a little bit of a risk because you aren't renting to Hong Kong Shanghai Bank. But I am very positive about them. They have caught the right mood. And they are very glamorous, which is what I am looking for with my buildings. But it's just a small example of what is possible in London.' (Crivelli is now renting out other spaces in the building and Mayfair gallery Faggionato Fine Art is the second art business to come on board. Another London gallery was in line to take space but had second thoughts, partly because there is a bubbling animus between the larger art galleries and the auction houses increasingly looking to stray on to their turf, which is only likely to get more bubbly. Crivelli is sanguine about these tensions and insists it is nothing that can't be surmounted.)

The man who brought Phillips and Crivelli together was David Rosen, partner in Pilcher Hershraan, an agency with a virtual monopoly on matching creative companies to appropriate spaces. 'I was already working with Phillips when Crivelli came to see me,' says Rosen. 'We clicked immediately. What you see is what you get with him and he cares about the same things I care about. He just has this passion for cubic capacity, volume and light, good architecture and getting the right clients for the building.'

Rosen is the first to admit that it makes development a more complex process than selling square feet to the highest

bidder. 'Something like Howick Place is different to normal developments because the rules of rents per square feet don't apply. You can achieve the same rentals, but it is a more selective market and you have to wait for the right people to come along.' And, in Crivelli's case, turn away good solid tenants who don't have an exact fit with his long-term strategy. 'Before Phillips took the space in Howick Place, the trendy wing of a big corporate business wanted it. This was a big, big name and they were very safe tenants. But Crivelli turned them away because creatively and culturally they didn't fit in with what he wanted to do.'

Crivelli now has his eye on two other large London buildings, both landmark, both listed. These buildings' listed status work in his favour, scaring off developers who want to chop up the interior. One is 'Very weird', admits Crivelli. The other has an ancillary building that could be knocked down and Crivelli says he would ask Zaha Hadid to design a replacement.

Both of these buildings would again be given over to contemporary art. One idea Crivelli has is to use some of this space as galleries where serious collectors could display the parts of their collections that are surplus to domestic requirements. 'I've met so many serious collectors and realised that, even if you have a large house, you can only have 10 or 15 per cent of your collection on show. The rest is in storage - £200-300m-worth of art. I believe that if you have a passion, to hide it in a basement is not nice.'

He would also like to work on a residential development in London, as long as it has architectural distinction, and he is keen to involve younger architects. 'I think a lot of architects, when they become famous, lose passion, they become business machines.'

Crivelli also makes some interesting points about the people he likes to deal with. 'These are people who don't need to pay a lot of money to buy status because they are the ones setting trends. If I quoted to Giorgio Armani the prices per square foot that a developer like Candy & Candy quotes, he would punch me in the face. I don't like to sell to very wealthy people, I like to sell to people with soul and sometimes people with soul can't pay that much. It's a problem, but we survive.'

While Crivelli advances on other London targets, he is also starting to do similar things in New York, confident that he can show the city what they really could have done with the Meatpacking District. And he's having a nice time in the process. 'Sometimes I think I could do this for nothing,' he says. 'It is fantastic to see these kinds of transformations. And if you can make a little bit of money as well, then it's not too bad.'



ZONA TORTONA
The location of the district's key players

1. Moncler
2. Belstaff
3. Ex-Riva Calzoni
4. Allegrì
5. Fondazione Pomodoro
6. Women Management model agency
7. Zegna
8. Fay and Hogan
9. CP Company
10. Ex-Loro Parisini
11. Ex-Schlumberger
12. Brioni
13. Piombo
14. White & Green
15. City of Cultures
16. Nhow Milano
17. Superstudio Più
18. Deloitte Touche
19. Armani
20. Ex-Richard Ginori
21. G-Star
22. Strenesse
23. Zara
24. Hugo Boss
25. Orciani
26. Esprit
27. Tombolini