

Brexit Confusion Stumps London's Dealers



Journalists are making a brief tour of the waterfront to determine what the UK's Brexit vote will mean for the near-term sales in London this week and the long-term prospects for London as an art dealing center.

Katya Kazakina got there first with this short-term view:

A lot of American, Asian and Arab clients "with dollars and euros in their pockets might think they are in Toys 'R Us," said Rudy Capildeo, senior solicitor at London-based Goodman Derrick LLP, whose clients include artists, collectors and galleries. "I am sure there will be a lot of people who will come to London hoping to pick up bargains." British and European collectors, though, may pull back.

"If you are a non-pound seller, the volatility won't work in your favor," he said. "People are worried they won't get a good price for their works."

On Friday morning, his law firm had four canceled real estate deals in London, with prices ranging from 1 million pounds (\$1.4 million) to 5 million pounds, he said. So far, no art transactions have been affected,

he added.

And a longer term view:

“They will stop buying, stop selling in the next 12 to 18 months,” said Valentin. “A lot of collectors are also business people. Their businesses will be affected. They will be enormously distracted. Art collecting will probably not be something they will have time for.” [...]

“London will continue to be a very prominent art market center although with the uncertainty caused by the referendum it could suffer,” said Valentin, the art lawyer. “This divorce will cost a lot of money, and there will be less money available for culture.”

Robin Pogrebin got these responses:

- “No one is going to be selling much in the U.K. now because sterling is so low,” said J. Tomilson Hill, an executive at the Blackstone Group and longtime collector of Renaissance and postwar art. “So the supply is going to dry up — particularly in the Old Masters market.”
- “When financial markets are in turmoil, the art market offers a safe harbor,” said Christophe Van de Weghe, a Madison Avenue dealer. “The roiling of the currency markets will have a similar effect. Generally, the artworks that would have done well without Brexit will do well despite it.”
- Brett Gorvy, Christie’s worldwide chairman of postwar and contemporary art, also sounded an expected note of optimism. “People come into the market because they want to go with hard assets,” he said, “things they can trust more.”