



Collectors corner

Whether your passion is fine wine, vintage watches or contemporary art, what starts out as a collecting hobby can soon become an obsession

WORDS JAMES RUTTER PHOTOGRAPH BRUCE ANDERSON

With two weeks to go before Sotheby's February sale of contemporary art, Cheyenne Westphal sits in her office overlooking Bond Street examining a scale model of the auction house's galleries. Stamp-sized versions of familiar works by the likes of Andy Warhol, Roy Lichtenstein and Jean-Michel Basquiat are laid out as they will appear for the pre-sale viewing. Westphal, chairman of contemporary art, has masterminded the most valuable sale ever to be held by the auction house in London with works worth an estimated £40m going under the hammer. The following evening, a similar-sized sale will take place at Christie's. The auctions follow hot on the heels of the November sales in New York where \$1bn-worth of art changed hands.

The boom in contemporary art has gone hand-in-hand with the boom in capital markets. A new generation of wealthy financiers is setting out to prove the wisdom of Oscar Wilde's observation that when artists have dinner they talk about money, while when bankers dine out together they talk about art. Westphal smiles when I suggest the timing of Sotheby's sale is fortuitous, given that bonuses

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will be paid by many investment banks at around the same time. "Let's hope so," she says.

The profile of Sotheby's clients has changed dramatically in the past few years, with wealthy financiers increasingly prominent. "We have seen a surprising number of new collectors come through season by season," says Westphal. "October 2004 was a real landmark. It was the first Frieze Art Fair in London and it was also when we sold the contents of Damien Hirst's Pharmacy restaurant. We registered 1,500 bids from clients we didn't know." And where new buyers would previously spend £5,000 or £10,000, Westphal says it is not uncommon for a first-time bidder to pay upwards of £1m for a work of contemporary art.

Collecting is hot. And it's not just art. Collectables such as watches, wine, classic cars, stamps, guns and autographs have seen prices rocket and auction records being smashed. In November, Sotheby's sold a Patek Philippe wristwatch for a record \$1.75m and in February 2006, a photograph by Edward Steichen fetched \$2.9m at Sotheby's in New York – the \$1m barrier for a photograph having been broken for the first time only three months earlier. The

Liv-ex 100 fine wine index, which tracks the prices of 100 rare vintages, was up nearly 50% last year, and 50 cases of 1982 Chateau Mouton Rothschild fetched \$1.05m at auction, the highest price paid for a wine lot.

John Reed, chief executive of private bank Arbuthnot Latham, says wealthy individuals with a genuine collecting mentality rarely collect just one thing: the classic car enthusiast will also collect rare books or watches or wine. "It seems to be almost like a disease. They may pretend they do it for a financial reason, but the idea they might trade is usually a myth." As in other collectables markets, the rising value of fine wines has attracted speculators and investors as well as genuine collectors. However, Liv-ex founder James Miles says the investment potential is usually a secondary concern: people start collecting because they want to drink the stuff. "Of course once you pull the cork on a bottle of wine it really is worth nothing. That's the decision every collector has to make: can they afford to pull the cork?" says Miles.

The rising price of fine wine does, however, enable the canny collector to subsidise their passion. Denis Christie, an investment analyst at Standard & Poor's, grew up on a wine farm in the South African Cape and regularly buys two cases *en primeur* (before the wine is bottled and released to the market), keeps them in bond until the price doubles, then sells one and enjoys drinking the other effectively for free. Christie exhibits the sort of obsessive behaviour that sets collectors apart from those who simply have wealth and a love of the finer things in life. Each month he compiles a spreadsheet of wines available at different supermarkets and retailers, highlighting bargains and interesting newcomers, which he distributes to friends and fellow enthusiasts.

Mark Beeston, chief executive of T-Zero, a credit derivatives technology company, took his passion for sports cars a stage further by launching his own dealership, Dove House Motor Company. He suggests that what marks out a collector is an enjoyment of cars themselves, rather than what they represent as status symbols. "A collector will have an appreciation of the special models and what makes them special: it might be the fact that it is a great driver's car, or the rarity of the model, or the value attached to it, or a combination of all three." Roger Hornett, chief executive of DCM Securities, is a perfect example. He has a passion for vintage cars and owns two Mark VI Bentleys. He says: "I bought the first in 1990, big bore in oyster over shell grey with light grey leather upholstery piped in blue. In 2002 I purchased another Mark VI but the difference is that this is

Opposite, clockwise from top left
 Painting by André Lagrange, from private collection; Patek Philippe 18-carat gold "Calatrava" watch from Collected.Co.UK.Ltd (www.collected.co.uk), the world's first adhesive stamp, the Penny Black stamp; 1982 Chateau Petrus from The Antique Wine Company (020 7359 1109); Studio Archirivolto Charme chair from The Conran Shop (020 7589 7401); Purdeys 12-bore side-by-side gun in Turkish walnut, (www.purdey.com); Davidoff Briar-root pipe (020 7930 3079)
 Below Banksy's *Ballerina* with *Action Man* parts



a Mallalieu Bentley. George Mallalieu only crafted 40 of these coach built vehicles prior to his death."

In the world of wristwatches, the equivalent to being obsessed with engines is having a fascination with watch movements. The collectors' market for wristwatches only emerged 20 years ago, although prices have risen rapidly since 2000. According to Alexander Barter, senior specialist at Sotheby's, there are ten or so watch brands that attract collectors but the serious players hone in on two above all others: Patek Philippe and Rolex. While vintage Rolex sports watches have proved popular with new collectors – the price of a vintage Paul Newman Daytona has trebled in the past five years to £30,000 – the connoisseurs favour Patek. Barter says: "Over time, Patek Philippe has delivered consistently high quality not just in their movements, but in cases, dials and so on. They also have fantastic archiving. For any watch, if you give them the serial number, they will tell you the date it was made and they will service it regardless of its age."

There are also some less well-known brands that are achieving a following among collectors, says Barter. Lange & Sohne is a favourite: "They are making all their movements themselves – which a lot of watchmakers don't – and the quality and complexity of their movements is right up there with the best." A Tourbillon from Lange & Sohne that has been out of production for just a couple of years will fetch more than the original retail price at auction, he says, a clear

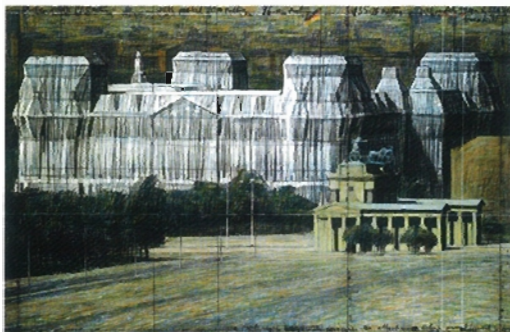
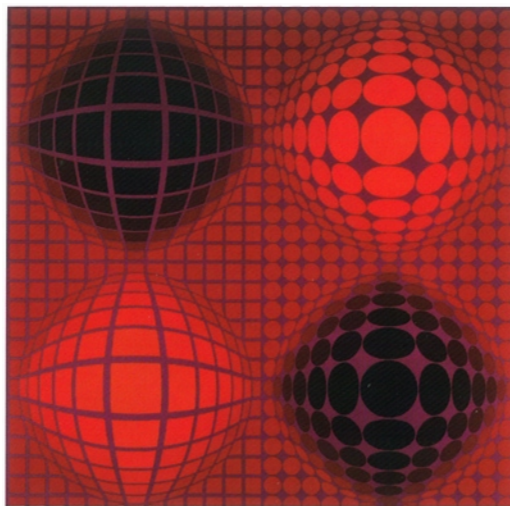
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sign that the brand is popular with collectors.

Paul Grzeszczak, a watchmaker and dealer in vintage watches at Collected Co. UK Ltd, says plenty of watches have sat in desk drawers untouched for decades and can be bought in mint condition. He shows me a very rare, yellow gold Patek Philippe "Eiffel Tower" from 1948, which looks as if it has never been worn (he is selling it for £50,000). For those wanting something vintage but not wanting to part with upwards of £6,000 for an entry-level Patek, Grzeszczak recommends Omega and International Watch Company as the best brands with which to start a collection. "For some reason IWC is very underrated in the UK, but its vintage watches are fantastic and of very good quality," he says.

The internet has transformed collecting through online auctions, search engines and valuation tools such as Liv-ex in the wine market and artprices.com or art.net in the art world. But it can also provide the inexperienced collector with the illusion of knowledge, which means they may miss the nuance or detail that justifies a higher, or often lower, price. Liv-ex allows collectors to buy and sell fine wines online, but Miles says anyone looking to build a collection should make sure they get proper advice: "The first thing to do is develop a relationship with the better wine merchants – and there are so many good ones to choose from in London, who are very knowledgeable. You have to be buying year in, year out to get access to really fantastic wines."

The same logic holds in the art world, says investment banker Robert Tibbles. Having collected contemporary art for nearly 20 years – and amassed an enviable collection of work by young British artists of the early Nineties – Tibbles is asked countless times each week by colleagues or clients to recommend something interesting to buy. He tells them all to find a good dealer: "People's assumption is you don't



need to be helped, but you do on so many levels," he says.

Tibbles tells rich friends to head straight for Jay Jopling at White Cube ("he is the über salesman, he gets straight to the point and makes the work sound very sexy and profoundly appealing"). However, Viola Raikhel at art advisory service 1858 Ltd cautions would-be collectors about trusting the advice of a dealer: "When you go into a gallery you have to recognise that you are dealing with someone who wants to sell you something. They will have a mark-up of as much as 300 per cent and tell you anything you want to hear to close the deal."

She says independent advice is hard to come by in the art world and 1858 is advising a growing number of financiers on their art collections. Raikhel suggests true art collectors are increasingly outnumbered by more casual buyers. They want art they like, but they also want art that will impress their friends and appreciate in value. "Art is the ultimate status symbol, because it displays not only your wealth but the fact that you have elevated your mind and your appreciation of culture."

On a side table in Westphal's office in Sotheby's is a delicate statuette of a ballerina. It is only on closer inspection that you notice the gas mask clamped to the young girl's face and the oxygen pack on her back. *Ballerina with Action Man parts* is a recent work by the achingly trendy graffiti artist, Banksy, and is estimated to fetch between £15,000 and £20,000 at auction. It is the perfect collectable: aesthetically pleasing, with a humorous twist and by a fashionable artist. Unsurprisingly, Westphal expects the piece to easily beat the estimate.

Banksy's Ballerina eventually sold for £96,000 at Sotheby's on 8 February 2007 ♣

✦ WHO'S WHO

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Philippe Garner (photographs).
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Above, from top Victor Vasarely's *VB-VB Rouge* and Christo's *Wrapped Reichstag (Project for Berlin)*, from Sotheby's Contemporary Art sale