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**With Sydney's commercial galleries struggling to get people through the door due to the rise of online trading, attitudes to selling in the art world are being forced to change. Elissa Blake speaks with art dealers and artists about their survival strategies.**

**I**s it going to be a one-pot-of-coffee day or two? This is the question vexing prominent art dealer Rex Irwin each work-day morning. Some in the art trade measure the health of their business against international auction-house trends. Others on the number of red dots next to paintings after an opening night's wine and cheese. Irwin measures his in coffee.

"Three years ago, we made four pots of coffee a day because people came in and settled down to talk about art," Irwin says. "Now we make four pots of coffee a week because people can see the pictures on our internet site and they don't feel the need to come in until they've committed to the sale – and sometimes not even then."

Art insiders say the tide of buyers purchasing their art online is now making itself felt among Sydney's gallerists. Now, as in fashion and electrical goods retailing, the traditional ways of viewing and buying art are changing, and probably permanently.

Several of Sydney's galleries have already hit the wall, having reacted too late to the change in their business or finding themselves unable to react at all. Others have shifted to more affordable locations or smaller spaces. Some have forgone bricks-and-mortar altogether in order to sell exclusively online. Almost everyone is looking hard at their websites – many of which have failed to keep pace with the social-media revolution – and are setting up accounts

with Twitter, Tumblr, Facebook, Flickr and LinkedIn. Consumer loyalty to one dealer has gone. And no one knows what's going to happen next. Is the internet killing the great art galleries of Sydney?

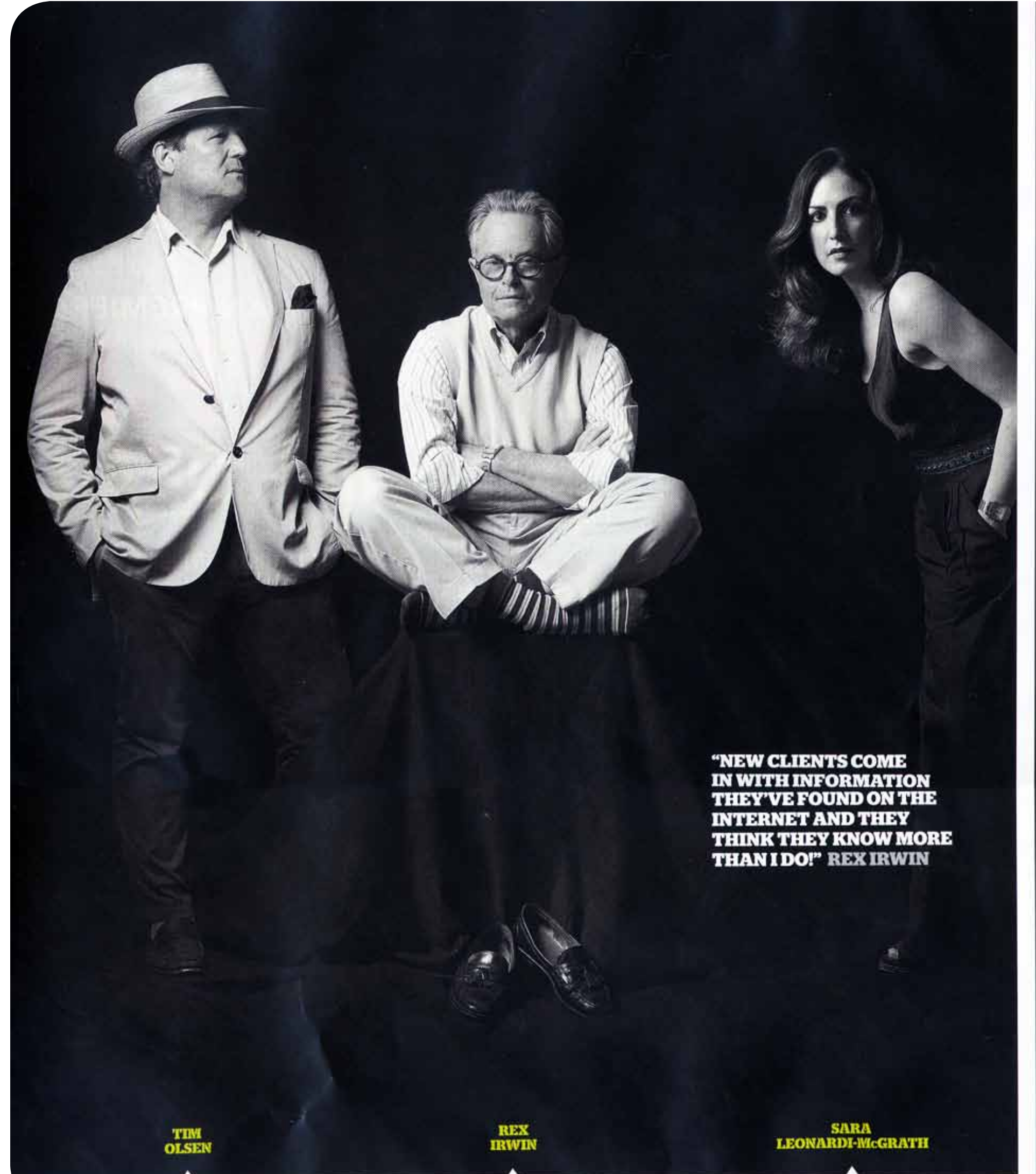
"We are certainly more exposed," Irwin says. "When the internet was first happening, I'd offer a picture and people would say, 'I saw the same Lucian Freud print in Copenhagen online and it was \$2000 less.' At first, I felt defeated. But now I say, 'You should buy it, you'd be mad not to.'"

"Attitudes are changing and it takes a bit of getting used to," Irwin twists the ring on his pinkie finger and lowers his voice. "The new client scares me a little bit," he confides. "I've been in business over 40 years. But new clients come in now with information they've found on the internet and they think they know more than I do!"

Irwin has just moved his stable of established artists – which includes Cressida Campbell, Nicholas Harding and Peter Booth – from the Queen Street space in which he operated for 36 years, into the light-filled, white-walled gallery around the corner belonging to fellow dealer Tim Olsen. Now they are trading together as Olsen Irwin, a merger of two Woollahra art identities ("Just call us shopkeepers," says Olsen) trying to survive in the digital age, where everyone is an expert and no one wants to leave their couch, desk or yacht to discuss art with knowledgeable (and persuasive) dealers.



ANNA SCHWARTZ



TIM OLSEN

REX IRWIN

SARA LEONARDI-McGRATH

**"NEW CLIENTS COME IN WITH INFORMATION THEY'VE FOUND ON THE INTERNET AND THEY THINK THEY KNOW MORE THAN I DO!" REX IRWIN**

Photography/Damian Bennett

STATE

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At 71, Irwin freely admits his generation of dealers has been slow to embrace the digital environment. "I only worked out what eTpos was the other day," he says, laughing.

Neither denies the merger is a cost-cutting measure, but Olsen, 20 years younger at 50, says the partnership also brings other benefits. "I will benefit from Rex's gravitas," says Olsen, who has culled 15 of his own artists in the merger, "and Rex will benefit from my energy and enthusiasm."

"Together, we are quite dangerous," Irwin chuckles.

Dangerous or not, the rest of the art world is watching the changes closely. Penelope Benton and Alexandra Clapham, joint artistic directors of Art Month Sydney, the annual festival devoted to enticing the public into commercial galleries, believe upheaval in the art landscape is cyclical and mostly positive. "Change and new approaches are always exciting," Benton says. "What's happening with galleries at the moment is attracting a great deal of interest and intrigue, which is wonderful for getting people thinking and talking about art and galleries in a new light."

Elizabeth Bay dealer Michael Reid says the internet has fundamentally changed patterns of human behaviour. "Collectors don't walk through the door to anywhere near the degree they did three years ago. They are browsing online and deciding which exhibitions they'll go to," he says. "So, the first significant effect of an online world has been the substantial drop away in visitations to galleries. Art galleries relying on through-the-door trade are very lonely places to be."

As a consequence, the need for the "big white cube" space to display artworks has diminished, Reid says. "Space is important, but nowhere near as much as it once was. Galleries are looking to alternative spaces. Smaller spaces and occasionally hired spaces are now all legitimate."

Benton agrees. "Real estate in Sydney is more expensive than London now. Everybody is so busy trying to keep up with the cost of their lives and so visits are down for galleries. That encourages dealers to rethink the need for a permanent space," she says. "Some galleries are using virtual space and some are moving into lo-fi buildings with rough floors or no ceilings. Pop-up galleries are filling empty shopfronts, and dealers and collectors are going to art fairs. It's all very different to walking into a silent white box, which some people find intimidating."

Sydney dealers Barry Keldoulis and Iain Dawson (formerly of Waterloo and Oxford Street respectively) have both given up their galleries to trade in pop-up shows and art fairs. Australian Galleries owner Stuart Purves has consolidated his two Paddington premises into one, closing his Glenmore Road space, and culling 20 artists from his stable. McGrath's in North Sydney, Salmon Galleries at McMahons Point and Marianne Newman Gallery at Crows Nest have all closed.

Interviewed by the *Australian Financial Review* in 2012, Iain Dawson explained his reasoning for quitting the Paddington space he occupied for two years. Not least was the \$8000 a month he paid in rent, despite Oxford Street's declining foot traffic. Also, he estimated that at least half his sales were being made without the buyer seeing the physical artwork. For his final show, he told the *AFR's* Katrina Strickland, "every single sale was initiated online."

**I**n the same period, however, new spaces have opened. Chippendale now has a burgeoning arts precinct clustered around the popular White Rabbit Gallery on Balfour Street. The Commercial and Galerie Pompom both opened last year on Abercrombie Street. MCLEMOI (owned by Sara Leonardi-McGrath and husband, former Test cricketer Glenn McGrath) opened on Chippen Street in 2012. In Paddington, MICK opened on Gurner Street, and the Alaska Projects opened in a Kings Cross car park off Elizabeth Bay Road.

"These galleries are all trying new ways of doing things," Benton says. "They have a different aesthetic or appreciation of what artists are doing. A lot of new doors have opened for artists. I don't think it's worrying at all for them at this stage."

Sara Leonardi-McGrath says her competition isn't actually other art galleries. The competition is in how people are choosing to spend their money. "Will they go on a \$20,000 vacation or spend \$20,000 on a piece of art?" she says. "But I am an extreme optimist. I believe art is a teller of time. Our

shows are a fragment of society and we have a lot to contribute to the culture."

The MCLEMOI gallery, hosting both international and Australian artists, is in a former sex-toy distribution warehouse. ("We are in the industry of pleasing people," Leonardi-McGrath jokes.) The space is immaculate and flexible. Right in the centre of the room is a desk with two open laptops. Leonardi-McGrath spends hours online. "Some of our artists are represented by blue-chip galleries around the world, and those galleries are looking at us online," she says. "We have to have a very strong presence online for both the local clients and the international clients. But art is still a sensory experience. People like to see it, and we like the human contact, that's so important in this age."

Olsen says he thinks it is "absurd" for anyone to buy a work

**"THERE WILL BE AN AMAZING DECADE OF JOSTLING. BUT BUYING A BIG PAINTING ONLINE, I JUST CAN'T SEE HOW THAT CAN HAPPEN." WAYNE ASHTON**



**WAYNE ASHTON**

**PENELOPE BENTON**

**ALEXANDRA CLAPHAM**



**"ART GALLERIES RELYING ON THROUGH-THE-DOOR TRADE ARE VERY LONELY PLACES TO BE." MICHAEL REID**

Berlin dealer Matthias Arndt, who has been trading in a traditional model for 20 years, has made a bold leap into pop-ups. His Sydney pop-up exhibition last June, *Migration*, featured high-priced works from Russia, China, Indonesia and the Philippines, in a temporary space owned by collector Clinton Ng at the end of tiny Jenkins Street in The Rocks. "Pop-ups sound cheap, or they sound like something popping up and closing down," he says. "But this was temporary fundamental engagement. People had to commit to seeing it in the time available, and they did. We had over 2000 visitors."

Arndt believes the art market and appreciation for art has "grown tremendously" and dealers have to reposition themselves. "We can be a shop in which art is offered. But the dealer who does not work globally or travel to art fairs and find new ways to work misses out, and his artists do, too."

He says 60 per cent of first-buyer contact is now online. Like many dealers, he sends emailed images of artworks to potential buyers before they see the original. "I am still committed to carrying the art around to where the audience is," he says. "Looking at original works of art can never be replaced, but in a time of new media we must have new strategies. I can work from anywhere now, it doesn't matter where I am."

**O**ver in Stanmore, at The Chill Rooms studio, painter Wayne Ashton is one of many artists watching the changing landscape with interest. He says he's heard mega-websites are already being built. "Global art-selling sites hosting hundreds of dealers in a kind of one-stop shop connected to well-heeled collectors," he says, shaking his head at the thought of it. "There will be an amazing decade of jostling," he says. "But buying a big painting online, I just can't see how that can happen."

Ashton is one of a growing number of painters selling directly to the public from their studios. His dog Pinsky sniffs around the canvasses, as Ashton pours a glass of champagne. "I think there is a lovely move towards getting closer to where the work is actually made," he says. "There's a real buzz when you've just finished a series of pictures and you can show them right away rather than wait two years for a gallery exhibition. Being in an artist's scruffy creative space is more than warmth, it's excitement and mojo. It's where the work was created, it has all that energy floating around. That's so much more than a shopfront."

Ashton believes more artists will open their studios and become "little micro-contributors" to Sydney's cultural scene. "We can have a party in here for about 50 people. It gets squeezey, but it's really fun and buzzy. The conversations are less formal and the wonderful thing is, late into the night, there's all this amazing disconnected argument going on. It's a place to exercise our intellects, our artistic collaborations, our stupidities and our passions all in one go."

One thing for certain is that more galleries will close. But, says Benton, "Change often inspires other people to take a chance and to do something brave. This changing landscape is also a changing experience for audiences. It's exciting."

Irwin agrees. "The art world is bigger than all of us," he says, philosophically. "When you step into a beautiful gallery, your mind soars. That's what matters." (A)

**What's the future for our galleries?**

shift to online business. Guest speakers Amanda Rowell (director of the recently opened Commercial Gallery), gallerist and curator Joseph Allen Shea, Barry Keldoulis and Michael Reid will share their personal experiences and lead a discussion on the evolution of the commercial art market.

From March 1, Art Month Sydney will be hosting a variety of talks and lectures. One of them will directly address the challenges faced by Sydney's gallery community, precipitated by the global financial crisis and exacerbated by the

**The New Beginning: What's the Future for our Galleries?**  
March 24, 2pm.  
Collector's Space,  
9 Jenkins Street, Sydney.  
artmonthsydney.com.au