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Berlin's art boom goes bust

Art sales in Berlin are imploding after a fat 15 years. But for some artists and collectors, the closure of top galleries is a godsend



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Crashing to earth ... A man photographs an art installation at Berlin's Potsdamer Platz on 14 April 2008. Photograph: Tobias Schwarz/Reuters

For Moll Morgengrau, it was not a happy day. The Berlin-based artist, whose name translates literally as "morning gloom", had finally found a gallery willing to exhibit his poster art: Galerie Verrückt ("crazy gallery"), in the southern Berlin district of Kreuzberg. But no sooner had it set up than the space announced it had become a "victim of the financial crisis" and was closing down.

Morgengrau summed up his feelings in one of the grey-and-white posters unveiled at the exhibition opening – and gallery closing – earlier this month, at which guests drank cheap beer: "A toast to the financial crisis – now everyone feels what it's like to be poor!"

But, Moll doesn't exist. Neither does the gallery. Both have been invented for an exhibition and performance that is due to be staged at galleries across Europe by a group of Berlin-based Danish and German poster artists. Known as Surrend, they have a reputation for pushing political taboos. Previously they have taken on the likes of Vladimir Putin and Mahmoud Ahmadinejad in their poster art, and ended up battling lawsuits with both men. They made headlines in London in 2005 after handing out 1,000 original works of art to startled passersby.

This time they have turned their satire on themselves, in a project that looks at how artists are coping with the global economic crisis. In particular, the focus is on Berlin – home to an estimated 600 galleries – which has boomed like no other city as an art capital in recent years, but is now feeling the pinch. Galleries are closing every month, international conglomerates are shutting down their local branches and many others are downsizing or laying off employees. Profits are reportedly down by a third. "Lots of galleries will close over the next months," said Jan Egesborg from Surrend. "Artists – including us – are finding it a lot harder to raise money, and there are going to be a lot of Moll Morgengraus around."

Egesborg believes artists will soon start to leave the city if they can't make ends meet. "The fact is artists have to make a living. This idea that they need no money and are happy living in garrets is a bit of a myth. They have kids to feed and rents to pay as well, and if they can't do that in Berlin, they'll have no choice but to leave.

"Our message is the art world is in a big depression, but it is not the end of the world – we hope we can inspire people to overcome their worries."

Those worries seem significant. The New York gallery Goff + Rosenthal has closed its

presence on Berlin's Brunnenstrasse, while the Mumbai giant Bodhi Art created shockwaves when it recently closed down its gallery in the Halle am Wasser complex.

Giti Nourbakhsh, who has run a gallery in Berlin for almost 10 years, said: "I was making a fat profit until the end of July, but since September it has been dead." She has reduced her opening hours and the working hours of her employees.

But experience tells her she will pull through. This is Berlin, a city of high unemployment and low rents, and there is a widely held theory that because it has long been a relatively cheap place to live, it may be better able to weather the storm than others. "Local gallerists are more resistant to the crisis. They are used to the unfavourable circumstances. And anyway, even during the boom years, Berlin was more an arena for producing art than a market for buying it," said one gallerist from a well-established gallery who asked not to be named.

It is around 15 years since the first commercial gallerists started setting up their modest showrooms in the reunited Berlin. They used everything from shop windows, private apartments and corridors to backyards, cellars and converted factories. Over time, international collectors started discovering the city. While the majority of gallerists remained small, some moved into elegant 19th-century villas, into specially built city-centre buildings or into chic, renovated storehouses. All of them, small and large, participated in the art-market madness of the past few years. Then came the crisis.

It's a story with two sides, says the anonymous gallerist. "It's a relief that the days of the speculators are over, for the time being at least," she said. "Many were buying up works and delivering them straight to the auction house to sell them on – destroying any sort of pricing policy." Optimists say the crisis is an opportunity. Jette Rudolph of Galerie Jette Rudolph, considered one of Berlin's most cutting-edge establishments, agrees: "Such a crisis as this is like an invitation for people to be more experimental."

A clear development is that young collectors are using the opportunity to focus on discovering and buying up the work of young artists whose prices have not yet soared to unreachable heights. Michael Schultz, who has two galleries in Berlin as well as ones in Beijing and Seoul, said: "There are many young collectors in the world, and they are having a great time at the moment. It's particularly exciting to be able to position yourself with a promising young artist. It's a chance to get ahead of the pack."

There is also evidence that more attention is being given to older artists who never quite broke through, but whose work – having been dragged out of gallery storerooms and dusted down – is now being looked at in a new light. The Barthelmeß and Wischnewski gallery in Berlin's well-to-do district of Charlottenburg is currently enjoying much attention with The Light of the Impressionists, its show of paintings from virtually forgotten 19th- and early 20th-century Berliner Moderne artists such as August Blunck and Adolf Müller-Cassel. All have modest price tags from €3,500-€6,000 (£3,265-£5,600).

And new galleries are still managing to open up, such as Kirsten Hermann's rather wonderful Galerie für Modefotografie (Gallery of Fashion Photography), whose opening show focuses on images that were rejected because a model laughed too much, was too gawky, or let her stretch marks show. Then there is the new Cruise & Callas gallery, still considered as a bit of a secret waiting to be discovered: it opened in a converted mechanics yard in Kreuzberg last September and has become a meeting point for young artists. Mario Testino is among those to have dropped in.

And, of course, there is always room for satire, as demonstrated by the forlorn Moll Morgengrau.

