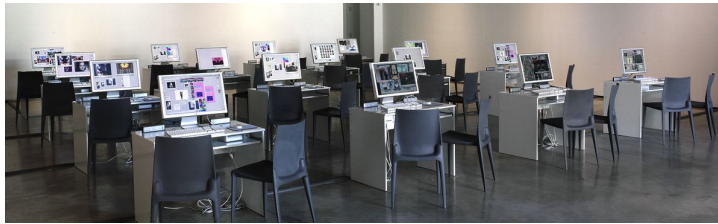


Pursuits Art

A Mega Gallery Is Ramping Up Its NFTs, Even as the Market Stalls

Pace, which has locations around the globe, is betting big on digital art.



Source: @ Lucas Samaras, courtesy of Pace Gallery

By [James Tarmy](#)

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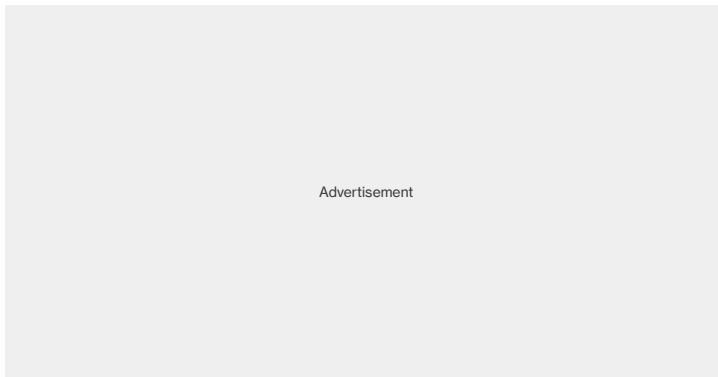
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Digital artworks connected to Blockchain-powered smart contracts known as NFTs (non-fungible tokens) had a brief, spectacular bull run.

The daily number of active digital wallets—in theory, the number of people who bought and sold NFTs connected to artworks—spiked nearly 1,500%, from 143 on Jan. 28 to 2,215 on March 17, [according to the market tracker Nonfungible.com](#). By June 30, that number had sunk 58%, to just 932.

Daily sales, from a dollar perspective, peaked even earlier, on Feb. 1, when people spent about \$7 million on art NFTs. By June 30, Nonfungible reports, totals had fallen to around \$1 million. (Nonfungible doesn't include auction house sales, so the famous [\\$69.3 million Beeple NFT sale at Christie's](#) in March does not count in the data.)



And yet, in the face of what appears to be an indifferent and dwindling group of NFT collectors, the fine art world continues to announce new NFT-related projects.

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from the artist Derrick Adams and is selling it at Sotheby's; the New York gallery Sperone Westwater just opened a show that includes NFTs alongside traditional paintings. And now, the mega gallery Pace, which previously dipped its toes in the water by selling an NFT series by the Swiss artist Urs Fischer, is diving head-first into the market with four separate NFT projects.

“We have an art world that’s really closed, and yet its audience is exploding,” says Marc Glimcher, Pace’s president. “Those two things are incompatible, and that has to

change.”



Lucas Samaras's PhotoFlicks (iMovies) and PhotoFictions (A to Z), installation at Pace Gallery. Source: Lucas Samaras, courtesy of Pace Gallery

NFTs, he believes, might be a tool to effect that change. “What we think is the most transformative change in the business model is that millions of people are spending a couple of dollars, rather than a couple of people spending millions,” he says.

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Glimcher cheerfully acknowledges the market’s lackluster trajectory and remains undaunted. The numbers don’t show millions of people buying NFTs, after all; they show thousands, and there’s no

indication that will change. “Some people are living in the Metaverse,” he says. “Do many more people want something to hang on their wall? Of course, I don’t see any mutual exclusion there, but I do see some behaviors of a new generation starting to be manifested.”

Global NFT Program

And so, Pace is committing, at least in the short term, to digital art NFTs.

This September it will launch its own platform through which to sell its artists’ NFTs. The aim, Glimcher says, isn’t about competing with such NFT marketplaces as Nifty Gateway and OpenSea; it’s more about controlling the environment and interface in which the gallery’s art is presented. As an added bonus, it will help Pace control the prices of its artists’ markets.



Urs Fischer’s *Chaos #1*, from 2021. Source: Urs Fischer, courtesy of Pace Gallery

“Our traditional primary root of sale is the private sale,” he says. “For many generations, that’s introduced [market] stability, because even if an artist’s painting sells for \$10 million at auction, we’re still selling it for \$1 million on the primary market.”

The gallery’s programmatic ambitions are similarly broad. Pace will open an online exhibition of Fischer’s NFTs on July 21. It will showcase an NFT by the artist Simon Denny in its group show Hiding in Plain Sight which opens on July 13, and it’s just begun to represent the conceptual artist Glenn Kaino, who’s planned an NFT project set for mid-July.

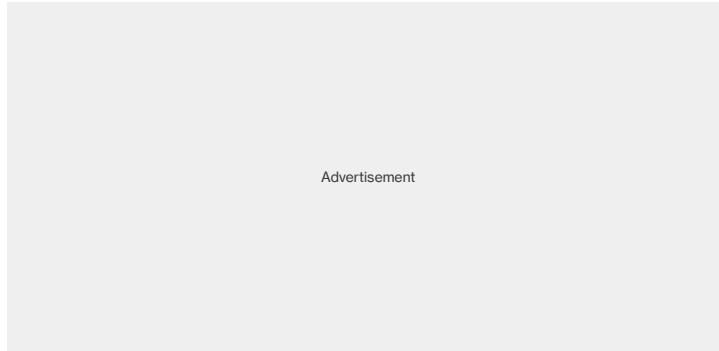
In conjunction with the launch of the NFT platform this fall, the gallery will unveil a series of NFTs by the artist Lucas Samaras, drawn from his archive of digital prints.

Pricing Strategy

Pace’s NFTs will not, by and large, be available to those dollar-spending masses. Fischer’s NFTs are priced at \$50,000 apiece; Denny’s cost \$30,000.



Samaras's NFTs have yet to be priced, but Glimcher says he has an overall NFT-pricing strategy. "I'm going to pull out my magic eight ball, and I'm going to shake it up, then look at the price, and then I'm going to price it a little less than that," Glimcher deadpans, adding that for Samaras "there will definitely be plenty of things that cost less than \$5,000."



(A gallery spokesperson clarifies that, at least for the \$50,000 Fischer works, "to arrive at this sales price we looked at a range of historic data, including the auction records of other Urs Fischer NFTs from the Chaos series on MakersPlace and NFTs by other blue chip artists.")

As a bonus, the gallery has begun to accept cryptocurrency for all of its physical and digital artworks.

"I'm a crypto person," Glimcher says. "I've had crypto for a while." Setting up his gallery to accept Ether took about a week and a half, he continues. "It's really painless to accept crypto," he says. "It's just: Why would you not?"

There are no plans to subsequently convert the Ether payments to dollars. "A little piece of the balance sheet will be in crypto," says Glimcher. "It will be a very modest amount."

Cryptocurrency might be an easy thing to embrace, although if NFTs continue to decline, Glimcher acknowledges that Pace's pursuit of the technology might not pan out.