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No more business-as-usual: Art Basel demonstrates how dealers can adapt to thrive

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Art Basel has long been considered the ultimate art fair. This year is no different—but even Art Basel is not impervious to market conditions and factors like rapidly developing trade wars, international conflict and threats of recession. During this year's fair, galleries have reported strong sales, but there are signs of shifts in the landscape and question marks about how both the fair and dealers will adapt.

Are prices at the right level?

While there is a general consensus that the art world is a buyer's market at the moment, some experts say prices still need to come down.

"Dealers don't deal with economic reality," says the US-based art adviser Todd Levin. Prices rose sky-high several years ago, but dealers "don't feel that they can ever lower the price of their artists even if the market shifts," he adds.

Levin points to other factors to account for a potentially reduced American presence, like geopolitical instability and economic uncertainty. "The dollar is very weak right now compared to where it has been in the last few years," he says.

For years, US dollars and Swiss francs have tended to have relative parity with one another—during this week at Art Basel, the exchange rate was closer to $1.21 for every SFr1. That difference can make or break some transactions, especially stepping from blue-chip work.

"Even a percentage point on a $75,000 purchase might actually make people stop and think for a moment," Levin says. However, this "won't be for someone buying at that mega-tier gallery level—they are just going to negotiate around that and knock off some percentage of the asking price in order to get where they need to get".