Is the focus on gallery closures clouding a recovery?

THE GRAY MARKET INVESTIGATES

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INTRODUCTION

To succeed, or at least sustain, in the gallery business over the long term, it's at least as important to be smart about real estate as it is to be smart about selling art. A dealer's rent, location, and property-market timing matter almost as much to their future as their roster, client base, and staff. It's not impossible to overcome signing the wrong lease (within reason, anyway), but it's increasingly tough to do in 2026—and based on the trajectory of the economy, it's poised to get even tougher.

Gallery real estate plays an outsized role in shaping perceptions of the sector's overall health, too. Since all dealerships are privately held, in most countries (particularly the US) they have no obligation to disclose financials that would lay their operations bare. So anyone interested in learning which galleries are soaring or struggling typically has no choice but to rely on proxy indicators.

Physical gallery space has become one of the most popular of these stand-ins. If we can't see a dealer's P&L, the thinking goes, the next best thing is to know whether said dealer is adding locations, expanding their square footage, or contracting one or the other. To adapt the old adage about where a drunk is most likely to search for his car keys, real estate might not be the right place to look for what's missing, but it is where the light happens to be shining brightest.

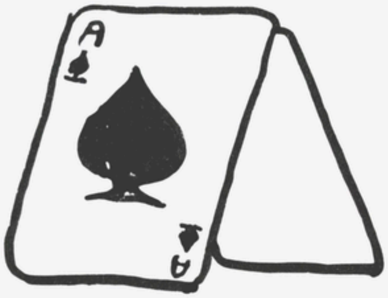
One problem, however, is that cleanly categorizing every real estate move in the gallery sector turns out to be harder than it sounds at first. I know this because now I've tried.

The core of this report is a collection of **68** pacts between dealers and landlords that have been announced or reported since January 1, 2026. I've devised a classification system to group which ones are generally positive, which ones are generally negative, and which ones are too hazy or unusual to say for sure.

It's all an attempt to create what no one else has, to my knowledge: a quasi-comprehensive overview of changes in gallery real estate during a stretch where almost no one seems to agree on how much trouble dealers are in. This way, the overall trends take center stage rather than a few examples cherry-picked to fit a particular narrative or an unforgiving deadline.

Although this data is useful, it's also flawed. There are undoubtedly some real estate moves in the dealer sector that have escaped my net. (Alas, I am but one humble Brooklyn man with a laptop, a few connections, and an astonishingly talented wife willing to volunteer her illustration and design expertise). Some readers will also question some of the ways I've classified the items I have nabbed.

Zooming out further, gallery expansions and contractions are an imperfect—at times, even misleading—signal for the larger sector's wellbeing. Understanding why demands going beyond even the best data and the most polished charts.

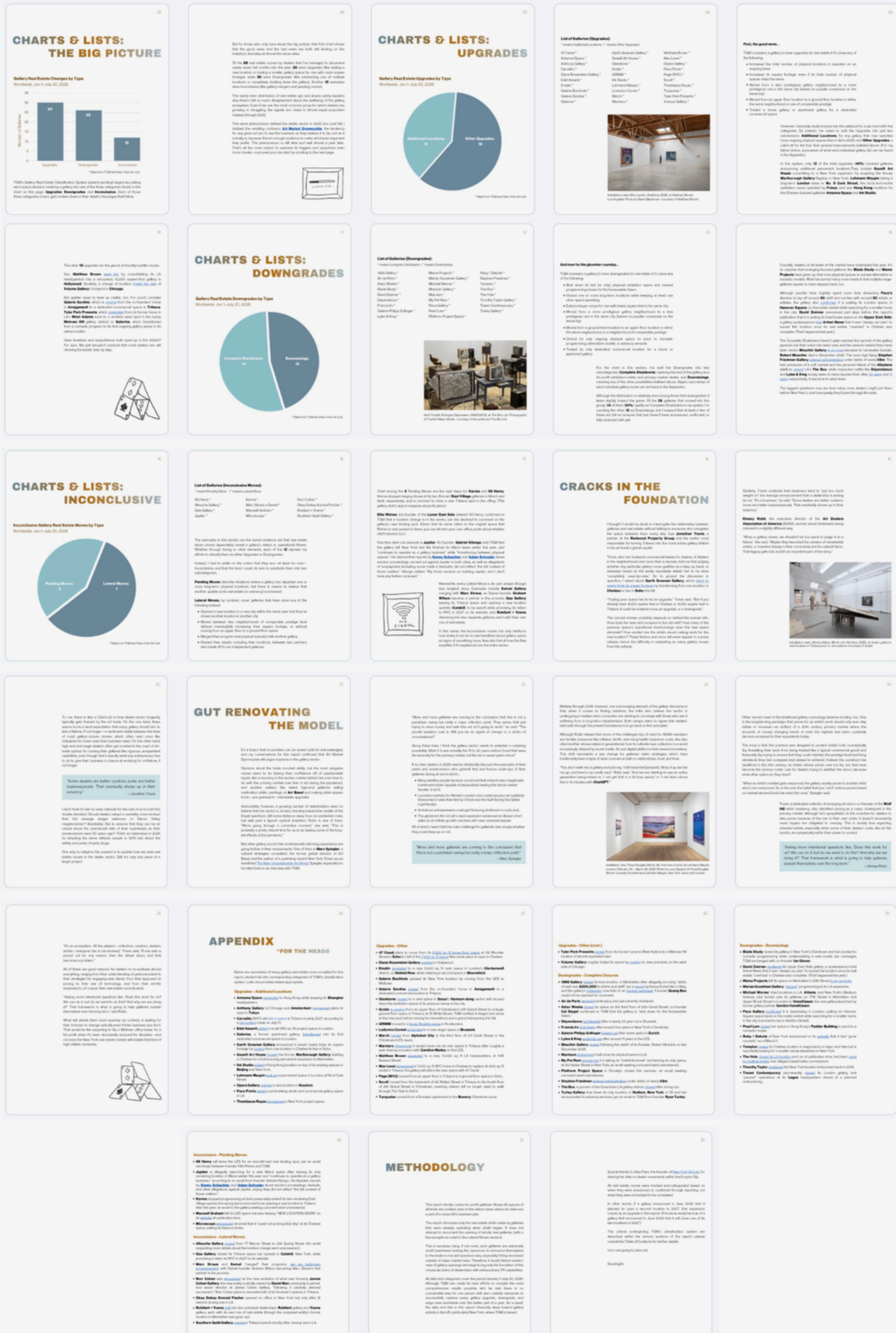


All of these caveats are part of the point. This report is meant to unmask the good, the bad, and the ugly of trying to conduct this fact-finding mission on a global scale, including how fraught it is to assign definitive meaning to every new or newly vacated lease in the gallery sector. (If I've missed something, or if you'd like to partner on a project like this in the future, please do reach out.)

Last but not least, special thanks go to my fellow Substacker **Alex Feim**, whose **New York Art List** is an indispensable chronicle of the city's constantly evolving gallery and exhibition landscape. She was gracious enough to share her data with me for this report, and what follows would have been meaningfully less comprehensive without her work and generosity.

Now let's see where these gallery footprints lead, yeah?

Tim Schneider
Founder, The Gray Market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ABOUT

The Gray Market (TGM) is a weekly editorial project by **Tim Schneider**, a writer, analyst, and private consultant for artists and businesses in the cultural field.

TGM maps the forces shaping the business of contemporary art and collectibles, from inside and out, while keeping one eye trained on how unrepentantly absurd the results can be. Tim especially focuses on how surrounding elements—from adjacent markets like film, music, and fashion to larger industries like finance, tech, and law—impact the art ecosystem just as much as the trade itself.

You're currently reading an edition of **The Gray Market Investigates**, a monthly deep dive into a subject that deserves multiple weeks of reporting, thinking, analysis, occasional doodling, and probably a little humor. The goal is to be smart without being boring. Because this stuff is important, but it's also usually a little bit ridiculous, too.

Tim's bylines can be found at *The New York Times, Financial Times*, Business of Fashion, The Art Newspaper, and more. You can subscribe to TGM at **thegraymarket.substack.com** or learn more about Tim at **timfschneider.com**

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