

COMMENTS ON THE ART MARKET

VOLUME 91

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Before I get to the feature presentation, for what it is worth, I want to give you my observations on the current direction of the art, antique and collectibles (AA&C) markets. We are presently in a very odd economic climate: oil prices are incredibly high and nobody seems to know where they are going (the other day one ‘expert’ said they could see it at \$500 a barrel while another said \$50); the dollar’s strength against foreign currencies is rather weak (though it seems to be improving, or at least stabilizing); the news reports are constantly telling us that we are either in, on our way into, or might just miss a recession; then there is the stagflation threat, bank meltdowns, rollercoaster stock prices, and a whole host of ‘experts’ who cannot seem to agree on much. However, even with all this uncertainty, the AA&C markets have been holding strong and in many instances are thriving --- Why?

What has become apparent to many of us in the field is that a certain portion of the world’s population is looking for alternate investment options and many of these people are turning to ‘hard’ assets. During the past 10 years the appreciation seen in many areas of the AA&C markets has been nothing short of astounding and there are still many sectors of these markets that have considerable room for improvement.

Look, many people still view AA&Cs as little more than luxury items and when times are tough they just will not consider a purchase and that is understandable; but more and more of them are beginning to realize that buying an AA&C is not the same as leasing an expensive car or yacht, taking an expensive trip, or visiting your favorite plastic surgeon (since my last update our gallery alone has welcomed four new buyers). AA&Cs last for centuries, bring a continued level of enjoyment, and most importantly are places to invest some of your money. Now do not get me wrong, it is great to own a nice car, take a fabulous vacation, or even splurge on a little nip and tuck; but these are not ‘assets’ and once the money is spent, it is gone.

While I do feel that the overall AA&C markets will come under serious pressure if we begin to see a total global meltdown, it is hard for me to believe that this will happen. What’s more likely is that with the incredible amounts of wealth being created in different segments of the world’s economies, when one falters there should be people in other areas ready, willing and able to pick up the slack – so for the time being we still see relatively calm waters ahead.

And now for a short public service message:

Rehs Galleries is Closing – WHAT!?

Please do not panic. A little over 10 years ago we moved into our new space and now feel it is time to spruce up the place and add some much needed additional painting storage space. We planned on keeping the gallery open during the renovation, but the contractor insisted that he have an empty space. Our initial reaction to this request was “close the space for 8 weeks? You are kidding!” but after thinking about it for a few days it really seemed like the best idea. So, from late July through the

beginning of September our physical gallery will be closed – if any of our readers had planned a visit during this period, we are very sorry for the inconvenience. However, our web site will continue to operate, we will have access to all our artwork, and we can always be reached by telephone or email.

The May Market Continued

The end of May saw the last of the important sales in New York – American and Latin American Paintings. First to cross the block -- the American paintings; whose results were so hot that many people are still shaking their heads. Records abounded and leading the pack was a wonderful Thomas Moran titled *Green River of Wyoming*, 1878 that was estimated at \$3.5 - \$5 million and finally found a new owner at \$17.74 million! Coming in a distant, but far from shabby, second was Edward Hick's *The Peaceable Kingdom with the Leopard of Serenity* (one of over 60 pieces he did of this subject) which carried a \$6-\$8 million estimate and sold for \$9.67 million and bringing up the top 5 were Albert Bierstadt's *Indians Spear Fishing* at \$7.32 million; William M. Chase's *I think I am Ready Now* - \$6.65 million and Marsden Hartley's *Lighthouse* at \$6.31 million. All five of these works were auction records and, on top of that, there were more than 20 American painting auction records recorded during these sales.

Now I know that some of you are thinking that the global art market is strong and that is why the sales did so well -- not true. These were the American Painting sales and these paintings are bought primarily by Americans. Of the 354 lots offered, 287 found buyers which works out to about an 81% sell through rate with a grand total of \$159.6 million – truly amazing numbers!

The following week found New York to be the hotbed of activity for the spicy Latin American art sales ... and I do not think that even a good helping of sangria would have cooled these fires! Leading off this series was Rufino Tamayo's *Trovador* (est. \$2-\$3 million) that sold for \$7.2 million – yes a record; in second place was another Tamayo, *El Comedor de Sandias* (est. \$2-\$2.2 million), that brought \$3.63 million; and rounding out the top five were Alfredo R. Martinez's *La india* at \$2.17 million; Joaquim Torres-Garcia's *Constructif Mysterieux* at \$1.72 million and Claudio Bravo's *Annunciation* at \$1.27 million. These sales also recorded 35 auction records with much of the interest coming from South and North American buyers.

Of the 596 works offered, 485 found buyers for a sell through rate of about 81.5% and a grand total of \$62 million – great numbers for these sales.

By now many of you will have to agree that the month of May showed incredible strength. Almost every period was represented – from Old Master to Contemporary – and just over \$1.8 billion was sold, just in New York City, at the major public sales!! On a side note or two, it is generally accepted that auction sales make up between 25 – 35% of all art sales – so who knows how high the actual numbers for the month would be if we could add in all the dealer/trade sales that took place; as many of you saw from our email updates, it was a very good month for us. And, it was reported that during this same time the heirs of the late art dealer Ileana Sonnabend sold part, I stress part, of her personal art collection to two different groups of dealers for a reported \$600 million.

The General Market

Over the past few months, sales of Jewelry, Collectibles, Furniture, Decorative Arts, etc. have continued to report amazing results. Among the more impressive were a goldwashed, enameled and

jeweled silver Russian casket estimated at \$50-\$80,000 that sold for \$787,000; a dagger once belonging to Shah Jahan (Mughal emperor who built the Taj Mahal) brought a blistering \$3.3 million; A Henry Borrell, late 18th century, musical automation clock brought a record setting \$4.3 million at a sale in Hong Kong; a small Long Island, New York, saleroom offered a 24 Cent 1869 Inverted stamp that brought \$1.27 million and also offered an unused 15 Cent 1869 Inverted stamp that made \$757,000; a circa 1600 Isfahan carpet (est. \$1-\$1.5 million) sold for a record \$4.45 million; a 1954 Patek Philippe watch sold for \$3.11 million while a 1949 Patek sold for \$4.01 million; the Victoria Cross medal group awarded to the Australian Vietnam War veteran Major Badcoe sold for \$470,000; a pair of 18th century decorative lead lidded garden urns sold in Europe, to an American, for £64,000 (\$126,000); a Royal Doulton Sung vase by Charles Noke (est. £1500-2000) sold to an American buyer for £11,400 (\$22,500); and I will finish off with a few additional art sales from Europe. Among the more interesting pieces were Georgios Jakobides 30 x 20 inch *Grandpa's New Pipe* that brought £460,000 (about \$950,000); Theodore Ralli's *Praying Before the Communion at Megara* brought £600,000 (about \$1.2 million) -- this same painting sold in London in 2004 for £115,000 (about \$207,000); Osman Bey's *A Lady of Constantinople* that sold for £3 million (\$5.92 million); and Helene Schjerbeck's 1882 *The Dancing Shoes* (est. £500 - £700,000) sold for £2.7 million (\$5.33 million).

As you can see, interesting and important works in any area of the AA&C markets are commanding attention from buyers across the globe resulting in impressive and, often times, record prices.

Howard L. Rehs

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Gallery Updates: Works by the following artists have made their way through the gallery:

Montague Dawson, Aston Knight, de Schryver, Hall, Cortès, Bolotowsky, Blanchard, as well as contemporary works by Swatland, Banks, and six by Greg Harris.

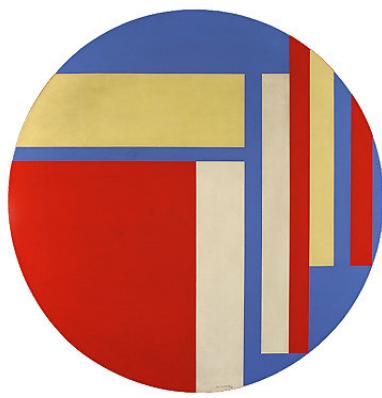
Web Site Updates: We continue to update our biographies (Sextie, Hall, Toulmouche, Girardet and Monchablon) and have added, or will be adding, works by the following artists to our site: Girardet, Cortès, Blanchard, Bolotowsky, Swatland, Banks, and Harris; images of a few are featured below:



Edouard L. Cortes
Quai du Louvre, sous la neige



Antoine Blanchard
Arc de Triomphe



Ilya Bolotowsky
Vibrant Tondo, 1968



Gregory Frank Harris
Sunlight and Roses



Sally Swatland
Nantucket Morning

Next Month: Not sure – any suggestions?

Our July hours, for the weeks we are here, will be Monday – Thursday: 10 am – 5:30 pm and all other times by appointment.