

COMMENTS ON THE ART MARKET

VOLUME 12

Rehs Galleries, Inc. - 5 East 57th Street, New York, N.Y. 10022 - (212) 355-5710
www.rehs.com

Volume 7 Revisited

Wow, we have hit Volume 12... a full year of newsletters! I hope you found them somewhat enjoyable and, more importantly, found something that helped you during your quest for the right work of art. There is still much more to talk about and I will continue through 2002 with my segments on 'What to Look for When Buying a Work of Art'.

Before I get to this month's installment, I want to revisit a topic I discussed in Volume 7 - The Art Market vs. The Stock Market. I am sure that many of you have read, in recent weeks, about the results from the various auction sales that have taken place around the world. It seems as though, and as we predicted, that the art market, in general, is holding up very well in these times of uncertainty. Record 'auction' prices have been realized in every category and we are seeing that the good works are selling and the works that have condition problems or have poor subject matters are not; as we have stated earlier, this is the sign of a healthy market. We have talked to dealers from across the globe and many are saying the same thing... the good works are selling and they are finding it very hard to replace them.

Now, where has the stock market been... nowhere! I know that they are now saying that we are seeing the signs of a new 'bull market' and that since September 11 we have seen a 20% increase in the market but lets face it, 20% from that low point is still in negative territory for the year! I am sure that not many would do what I am about to, but I really want to put this in perspective. The other day I was looking through all of my investment accounts and I decided to pick one for this example... an IRA account I set up about 20 years ago (c.1981) and stopped contributing to after about 8 or 9 years... in total I contributed about \$15,000.00. In 1998 I moved my account to Merrill-Lynch and had all of the statements from that point until today in my folder. In December of 1998 that account had equities valued at about \$63,000.00. In December of 1999 it had reach \$97,000.00 (WOW, at that rate of return I would have had over \$5 million in 10 more years!). In December of 2000 it had fallen to \$49,000.00 - **reality check!** And as of October 2001, the value of this account was at \$40,000.00. I am figuring that at my current rate of return, the account should zero out in about 10 years... uh oh! Guess I will be working for a few more years!!

I decided to look back at some of the works we sold in 1998 and see what similar works are selling for today. In 1998 we sold a number of wonderful paintings by Daniel Ridgway Knight... at that time works measuring 26 x 32 were selling in the \$150,000 - \$230,000. Today similar quality and size works are selling in the \$280,000 - \$450,000 range. Another staple in the 19th century market, Edouard Cortes, we were selling good 13 x 18's for \$25,000 - \$30,000. Today the good ones will cost \$45,000 - \$60,000. As a matter of fact, in late 1997 we sold a large one, 26 x 36 inches, for \$55,000 - wonder what that would be worth today?

Now, of course, not every artist has seen similar increases in price, but most have been holding their own and the value of the good works has been on the rise. Please keep in mind that we do not believe that art should be bought only for its investment 'potential'. You need to buy art because you want to have the pleasure of looking at something beautiful and for the excitement of knowing that you own a piece of history. It is a very satisfying feeling to know that at some point you will be able to pass on to your heirs works of art that over the years have given you, and possibly them, great pleasure. One only hopes that they will have a similar experience!

As we have said in the past, it is important to keep the following in mind... art and antiques do not trade like stocks and you cannot look in the paper each day to see what your '13 x 18 inch Cortes' is worth. Each work of art is its own entity and its true value will be determined once it appears back on

the market. What one needs to do is 'buy right', and I do not mean look for the bargains, but look for the 'right' works, if you follow this advice, the rest should take care of itself in the long run.

This month's segment in my continuing survey on what to look for when buying a work of art is:

A Work's Period

It is important to know when a particular work of art was executed/created. Many artists will continue to paint their successful images (subjects) for many years; and you will find that typically the earlier examples - of the artist's signature style or image - will be more expensive. This is more readily seen in historical (deceased artists) works because prices are governed by the general (secondary) market and not by the artists themselves. With living artists, they or their dealers are constantly pushing up prices - creating a market that is always improving. When works appear on the secondary market, then we begin to see which specific works people fight for.

Collectors will usually pay a premium for earlier 'signature' examples of an artist's work. In art historical circles the earlier works by an artist, those from a particular period or of a certain subject matter, are usually considered more important since they can be pivotal points in his/her career.

An example of this can be seen in the works created by Daniel Ridgway Knight after c1895. These works fall into a category that I call his *Rolleboise Period* and these paintings usually feature pretty woman (and at times men) in a garden. Knight began to explore this subject in the early 1890s and it turned out to be a very successful formula. He continued to paint these scenes until his death in 1924 - a period that lasted some 30 years. You will find that, in general, the prices for the earlier works from this period, c.1895-c.1910, will be more expensive than the works from the later period, c.1910 - 1924. Of course there are exceptions to this rule, and one has to judge each work on its own merits, but for similar sized works, in similar condition, with similar subject matters this rule will typically hold true.

You should also keep in mind that occasionally artists actually improved on the subjects they painted over time and in these cases their later works are more valuable. Confusing... you bet, but as I have always stated, you need to do your homework and learn about the artist whose work you are looking to acquire and/or find those dealers who specializes in them.

Howard L. Rehs
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Gallery Updates: The gallery has acquired some important works by the following artists. If you are interested in any of them, please contact us and we will be happy to send on color images: Frederico Andreotti, Antoine Blanchard, Henry John Boddington, Edouard Cortes, Cornelis Christiaan Dommelshuizen, Julien Dupre, John F. Herring, Louis Aston Knight and Andrien Moreau.

Virtual Exhibitions: This month we have added a small exhibition featuring the works of Emile Munier (1840-1895) to our web site. The exhibit features an expanded biography, color images of his work and a photo of the artist. The direct URL is:

[Emile Munier – An Academic Master](#)

We have also added new 'sold' works to the Cortes, Blanchard and Dupre exhibits.

Next Month: I will be discussing how the condition of a work will have an effect on its value.