

# COMMENTS ON THE ART MARKET

## VOLUME 112

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I guess it is true that March comes in like a lion and goes out like a lamb; and Mother Nature definitely wanted to show us who was in charge – especially in the New York area!! March was also a pretty good month for the art and stock markets ... and our gallery saw continued interest and very good sales. Among the more notable works that changed hands were fabulous paintings by Bouguereau, Dupré, Knight and Frere.

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### **OK – I Just Could Not Resist: A Chicago Show**

I did say, in my last newsletter, that our show circuit had ended for the season; but then I realized I could not just sit in the gallery, so we have signed up for The Merchandise Mart International Antiques Show. This exhibit takes place in Chicago over the first weekend in May ... complimentary tickets and more information will be provided very soon.

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### **A Few Words on the Stock Market**

Many of our readers have joked with me about becoming a stock advisor – and I always laugh. What I know about the stock market wouldn't fill a shot glass and the only advice I can give is – hope the guy with the dice is HOT! However, I have recently discovered that there may be a latent stock advising gene in my family. My son is finishing up his final semester in college with a major in Finance. Two of his classes revolve around the students setting up fictitious trading accounts - in one he buys and sells stock, the other he trades options. Now while he is doing ok with the stock trading (that portfolio is up close to 7% so far), it is the options account that shows his real potential. As of the day I went to press with this newsletter, he was up 53% (top of his class) ... just too bad it is all play money!!! I will add, I was tempted to give him some real money, but then figured that might be a recipe for disaster – I think I will wait until he has had a little more practice. Now don't get your hopes up, I doubt there will be a financial guru in my home since he has recently informed my wife and I that once he graduates he plans on taking the required Biology and Chemistry courses so he can consider Medical School – Yikes!

As for my real portfolios (which better start bringing in some big returns if Medical School is on the horizon) all seems hunky dory; so far I am up 5% for the year and some of my favorite stocks are doing very well: MCD (over \$66)... RIMM (over \$73) ... Oracle (around \$26) .... Pfizer (over \$17)... GE (over \$18) .... Citi (over \$4 – I am in the black) ... BofA (over \$17). I also must confess, since the end of last month I have yet to turn on any of the stock market channels – what a great feeling! You should try it sometime – it is quite refreshing.

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### **A Few of My Favorite Comments – NOT!**

We started participating in art & antique shows some 25 years ago. In the beginning I found some of the comments people made quite amusing, but 25 years later I am still hearing the same ones ... so I decided to list, in no particular order, a few of the comments that most art dealers would rather not hear while doing a show:

1. That painting is worth more than my house! Believe me, most dealers know that some of the works they offer for sale are more expensive than most homes; not much we can do about that.

And you should be aware that most serious private collections exceed the value of the homes they are in.

2. I would have to sell my house to buy that painting! That sort of information is better left unsaid.
3. Did you paint all of these paintings? Come on ... most of us have wall tags with the names of each artist, along with their birth and/or death dates. Please take a few moments to read the tags before asking that question.
4. These are not old paintings, they look too new! If a work of art was properly cared for, it can look as good as the day it left the artist's easel. And if the paintings you own do not look as good, maybe they have issues that need to be addressed.
5. I have no more wall space! Look, give me a few hours in your home and I will rearrange your works so that you can hang at least another 20 paintings; and if that does not work, I know a carpenter who can quickly cover your windows with plywood and sheetrock!
6. I like that painting, but if I bought it a few parts need to be painted out! What! Look, after you buy a work, you can do whatever you want; but I do not want to know about it.
7. That is a nice work, but I have a better one at home! All I will say to that is: beauty is in the eyes of the beholder.

And here are a few things we do not like to see:

1. Brochure hogs. These are people who walk into booths and take every piece of free printed material the gallery has (some take multiple copies); and the worst part is that most of these people never look at the works on display. Some of them even wheel around little carts to hold all their spoils. I have always wondered what people do with all of the material they collect? Decoupage? Wallpaper the living room? Frame and hang the images? Sell them at a local flea market? Someone has got to let me know. Here is something these people need to keep in mind: all of that printed material costs the gallery money and each gallery only brings a limited supply to any particular show ... so please don't become a brochure hog. And if you must take the items, at least spend a few moments looking at the original works hanging on the walls – at least the dealer will feel their might be a reason why you took the brochures.
2. Chair hogs. These are people who have no interest in the works being show, but take a seat in someone's booth and sit there for an awfully long time (I have seen people sit in booths for more than 1 hour). In addition, many of them see nothing wrong with talking on their cell phone the entire time they are seated. Sorry, but that is just rude. That booth is the dealer's place of business/office; so if you need to take a break, most shows offer public areas where you can sit, rest and even talk on your phone.
3. Space hogs. These are people who block the entire front of your booth in order to stop and talk to their friends (and I have seen people stand in front of a booth for 30 minutes or more). Again, please have a little courtesy for the dealer ... not only do the booths cost a great deal of money, but we are only there for a short period of time. If you need to catch-up with old friends, find one of the public spaces in the show.
4. Sales people. I know that many 'art related' industries think that going to a show affords them a great opportunity to see a whole group of dealers in one location ... and you know something, you are correct. But what you need to remember is that the dealers have spent a lot of time and money to prepare for the show and want to spend their time talking with potential buyers and current clients. If you are going to stop by, then make it a quick hello --- most of us do not want to spend 20 or 30 minutes (during the show hours) listening to a sales pitch.

It is important to keep the following in mind. Dealers participate in shows to see existing clients and/or meet new ones, educate the public and hopefully sell some of their works. In addition, many are very happy to have people just come by and look (even if they have no intention of buying). And there are even a few of us who will happily talk with people whose interests are solely educational. Just remember the following: some of the comments you might want to say are better left unsaid (we have heard them a thousand times before), try not to sit in, or block-up, the booths if you have no interest in the works being shown and please leave a few brochures for the other visitors.

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## The Art Market Continues

This past month saw a number of major art fairs take place and reports were that business was good --- lots of active buyers and many new faces ... all positive signs for the art market's future. However, in

terms of public sales, at least in the areas I normally cover (19<sup>th</sup> & 20<sup>th</sup> century), very little of importance took place; but there is always something!

### The American

At the very beginning of March both New York salerooms offered their mid-season American art auctions and with very little serious meat on the table nobody expected great results. Now before I get into the specifics I must say that I was thoroughly amused by an email I received from a firm that sent an analysis report on the upcoming sales ... as stated in their email, the firm strives: *to develop quantitative methodologies custom made for the art world that are capable of analyzing general trends without overlooking the singularity of each unique work*. This is scaring me ... people are trying to analyze the art market as they would the stock market. OK, I will try to keep an open mind, but in general I have to say -- give me a break! Please do not turn the art market into an investment analysis circus.

I have said this before, the public art market's successes or failures have more to do with what, and how much, is being offered than anything else. When the market is booming and people are making lots of money, more buyers enter the market and with limited supply (for deceased artists) prices escalate; but trying to give accurate investment advice for any specific work is almost impossible since each one is unique and there are so many factors that will impact on any one of them during the specific day they are sold: the number of works already on the market, the number of works by an artist in that specific sale, current economic climate, and the importance / quality / condition / etc. of that work. Let's face it; if there are a dozen works by an artist available in a specific sale, some are going to do far better than others since people can easily compare one to another. However, if those same dozen paintings were spread out over 12 different sales, the results would, more than likely, be markedly different.

Anyway, I downloaded the attached document and was confronted with a report that read like some research firm's analysis of a Fortune 500 company. Lots of Q1, Q2, Q3 comments, phrases like 'price deflation' and 'value distribution'. There were brightly colored line and bar graphs with titles like *Indexes of Quarterly Performance* and *Resurging Average Prices*; pie charts labeled *Lachaise's Price Determinants* and *Quarterly Value Distributions*; a Glossary of terms and a really nice Disclaimer in which they make: *no guarantees as to the accuracy of the information provided in this document*; that made me laugh!

Here is my main issue. Very few, if any, of the individuals writing these reports actually see the works being offered. They are basing their information on the reported results. It is so important in the art world to look at the items being offered; making sure that the works are, in fact, real/authentic, and knowing the quality, period and condition of each piece; all of which will have a huge impact on price.

Now I know that I often give a great deal of statistical information on the sales, and do use the final results for much of that information, but (and this is a big BUT) I also view almost all of the sales I write about and actually look at the condition and quality of the works being offered.

I will continue to stress this: every work of art is an individual entity, while every share of common stock, from any specific corporation, is identical to the next. And here is my advice: worry less about statistical analysis and more about what is being offered. You do not want to get caught-up in the hype and start buying because the stats say that a specific artist's work is hot ... we have all seen what happens when those artist go from hot to cold – it is often a very quick change and the results can be devastating.

Now on to the specifics: Taking top honors in the series of American sales was Jules Saintin's *Pony Express* that sold for an auction record \$146,500 (est. \$30-\$50,000); Milton Avery's *Twilight Sea* (\$30-\$50,000) made \$116,500; and Jane Peterson's large *White and Pink Dogwood* – a personal favorite – brought \$116,500 (est. \$20-\$30,000). In fourth, at \$92,500, was a lovely (small) work by Cropsey and there was a tie for fifth at \$68,500 – a work by A.T. Bricher and one by G. Lachaise.

Overall, the works offered were less than stellar, far less in my opinion ... but remember, that is what these mid-season sales are all about. It was also interesting to see that the two salerooms were evenly matched: Sotheby's offered 180 lots, of which 124 sold and 56 were returned to their owners for a sell-through rate of 68.9% and a total take of \$2.31M. Christie's offered 189 lots of which 123 sold, 64 were bought-in and 1 was withdrawn for a sell-through rate of 66% and a total take of \$2.41M; in addition, this saleroom sold 4 of the top 5 lots.

Given the current state of the art market ... one in which people are looking to buy the best works they can ... these two sales did as one would have expected.

## The Impressionist & Modern

The following week saw Christie's mid-season Impressionist & Modern sale. On offer were a whole group of less important works by artist like Lempicka, Matisse, Derain, Rodin, Renoir, Pissarro, Picasso, etc. and nicer works by many of the less important artists such as Dyf, Venard, Camoin, Brasilier, and Gall.

Taking the checkered flag was Charles Camoin's *La salle à manger à Saint-Tropez...* which carried a \$60-\$80,000 est. and sold for \$140,500; second place saw a tie at \$80,500: J.P. Cassigneul's *Femme au chapeau* (est. \$40-\$60K) and Lempicka's *Nature morte à la plante grasse* (also \$40-\$60K); and rounding out the top five were other works by Cassigneul (\$68,500) and Lempicka (\$62,500).

What I found very interesting about this sale was that while many of the artists featured in this sale are not household names, there was a lot of interest shown – all but 6 works met or exceeded their estimates. The sale was compact – only 166 illustrated and by sale time 3 of the works had been withdrawn ... so 163 were actually offered for sale. Of those, 148 sold and 15 were bought-in – creating a sell-through rate of almost 91% and a total take of \$2.56M.

This sale was a great example of what can happen, even in the lower range, when a saleroom offers a select group of works with reasonable estimates.

## Sporting, Wildlife, Victorian & British Impressionist

Once the New York sales were finished, the 'minor' action switched to London where Christie's offered 2 sales of lower end material. Now there is really very little to write home about, but I will give you the highlights.

In the Sporting & Wildlife sale top honors went to Dylan Lewis's bronze of a Leopard which made £56,450 (\$84,500), coming in a close second was Lionel Edwards' watercolor *Over the Hedge* at £55,250 (\$82,654) and in third was Sir Peter Scott's *Mallard and Teal in Flight* at £51,650 (\$77,268). Of the 134 works offered, 90 sold and 44 were bought-in for a sell-through rate of 67% and a total take of £695,387 (\$1.05M).

The following week saw a really lackluster mid-season sale of Victorian and British Impressionist works ... here again not much to write about. Top honors went to one of the oddest looking Arthur Elsley paintings I have seen – *Caught in the Act* (featuring a young girl hoisting a Jack Russell Terrier over her shoulder and a group of hens scattering for cover). This painting has been offered for sale many times in the past 25 years and this is only the second time it found a buyer £25,000 (\$38,075) – last time was in 1992 when it made £17,600. Second place was secured by G.G. Kilburne's *A Game of Tennis ...* a very nice watercolor that brought £17,500 (\$26,653) on a £3-5,000 estimate; and coming in third were a group of studies (8 in all) by Evelyn de Morgan which made £15,000 (\$22,845). This sale included 132 lots, of which 107 found buyers and 25 were bought-in leaving a sell-through rate of 81% (not bad considering what was being offered) and a total take of £427,537 (\$651,139).

One has to wonder – is it really cost effective for them to have these sales?

Howard L. Rehs

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**Gallery Updates:** As I mentioned earlier, we will be participating in The Merchandise Mart International Antiques Fair, Chicago, IL. from April 30 – May 3.

**Web Site Updates:** We have added works by the following artists to our web site: Henry John Boddington, Charles Delort, Louis Aston Knight, Edouard Cortes and Antoine Blanchard. Below are a few of the new works:



Henry John Boddington – *A Summers Rest*



Louis Aston Knight – *A Normandy Garden*



Charles Delort – *At the Window*



Eugene Galien Laloue – *Porte St. Martin*



Edouard Cortès – *Place St. Michel, Notre Dame*

**Next Month:** More market coverage.