

COMMENTS ON THE ART MARKET

VOLUME 122

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

Our Upcoming Shows

Over the next three weeks we will be exhibiting at two important art and antique fairs in Palm Beach, Florida. The first is the American International Fine Art Fair which runs from February 5 – 13, 2011; it is a long show and covers two full weekends, so I hope some of you can attend.

Then over President's Weekend (February 18 – 22, 2011) we will be exhibiting at the Palm Beach Jewelry Art & Antique Show. Complimentary tickets for this one will be sent via email on February 7.

Either show is a great excuse to leave the snow, ice and cold of the Northeast!

You Heard it Here First

I think we are going to get our 19th Century back! While they will not officially admit it, Christie's is rebuilding their 19th Century painting department. I guess they finally realized it was a mistake to combine the Old Master and 19th Century departments – especially after their competition's most recent sale was a blockbuster; more on this, and their recent combined sale later in the broadcast.

A Few Quick Words on the Stock Market

Well, I am pleased to say that I paid very little attention to the stock market this month ... too many other things to deal with --- like shoveling huge amounts of snow off the driveway. However, my newsletter would not be complete without a few words on this topic.

We were close ... almost at the magical 12,000 close! While we did breach that level for a moment or two over a period of 5 days, the ever present 'bad news' always seems to rear its head at the right, or wrong, time. But we are still up about 400 points for the month and that is not a bad thing. At that rate, 15,000 is not far away!

As for my favorite stocks, some were up and others down this month (and this Friday was not a very good day – all my stocks were down, a solid **RED** day) ... RIMM hit \$60.15, Citi was at \$4.72, Oracle – 32, Pfizer - \$18.15, CTL - \$43.02, BofA, \$13.60, AT&T - \$27.49, GE - \$20.20, MCD - \$73.28, VOD - \$28.24 and Intel - \$21.46.

More of the Same – Only Slightly Different (Things Dealers Don't Like to Hear or See)

This past month we were at the Los Angeles Art Show and after 5 days and tens of thousands of people, I did hear a few new, or variations on, Comments I Would Rather Not Hear and Things You Should Not Do. This list is getting long!

1. What, no pamphlets? Yes, someone made a beeline for my desk and that was the first comment out of their mouth! My reply ... actually, there were a bunch on the desk yesterday, but the brochure hogs took them all; next time you will need to get here a little earlier. I will add that at the L.A. show we had over 2000 catalogs, flyers and cards ... most disappeared by Friday afternoon so I had to ration the rest, and

by early Sunday afternoon everything was gone. On the bright side, this did lighten the load for our trip home ... those brochures and catalogs are heavy!

2. This was said while pointing to a work in a friend's booth ... I received a copy of your brochure in the mail and had an artist friend copy that painting; it is now hanging in my living room. Do you really think a dealer wants to hear that? Look, if you cannot afford the original and want to make a copy, be my guest, but do not tell me about it. In addition, please do not show up in my booth with a photograph of the copy and try to convince me that it is as nice as the original! (Yes, that happened as well).
3. If I wasn't in litigation, I would buy that work. Is that really the kind of information you want to share with a stranger!? Believe me, I do not want to know that ... and now knowing that, do you think I want to sell you a painting?
4. Blocking the Box – I covered this with regards to your cell phones, but in L.A. I encountered a new variation on the theme --- the MP3 player. Please don't block the booth while determining which playlist you are going to listen to. In L.A. one young girl spent 10 minutes blocking the front of our booth while scrolling through her music – I just sat there in amazement. I will add that once she got to a selection she liked, she did spend time looking at the paintings.
5. Entering a booth when the show is over and you have no intention of buying – a big No No! If you are coming back to finalize a deal, any gallery will be happy to have you come back; but if you are just coming in to 'look', then that is inappropriate and unsafe. The show in L.A. closed at 5 pm on Sunday and visitors were asked to exit the show. At that point I placed chairs in front of the openings to our booth and proceeded to take out all the packing material and started removing the paintings from the wall – items were scattered all over the floor. At least 4 different people walked into the booth to look around. Note, the fact that the front of the booth has been blocked means you should not enter unless you ask permission. This is not just for your safety, but for the safety of the works of art that are no longer hanging on the walls.

Updates from Other Markets

January is normally a little slow in the art world, but there were some sales and I will get to those later. Right now I thought I would update you on interesting results from other markets.

Computers - an Apple 1 computer (one of the first 200 built in 1976) came on the market and was purchased for \$213,000. It was reported that only 50 of them are still in existence and that this one was sold in 2009 on eBay for \$50,000 ... goes to show that you should never throw anything away!

Sports Memorabilia - at a sale in California a Kirk Gibson's 1988 World Series home run bat, game one, sold for \$576K, his jersey went for \$303K, batting helmet made \$153K, National League MVP award brought \$110K and a World Series trophy made \$45.5K. A Ty Cobb game-used bat made \$73K, a Mickey Mantle autographed game-worn jersey made \$62K and Bjorn Borg's racquet used in the Wimbledon finals against McEnroe sold for \$24.4K. At a sale in Texas Lou Gehrig's home jersey, worn during his first MVP season, sold for \$717K; a gold medal from the 1980 "Miracle on Ice" victory of the US Olympic Hockey team brought \$310K; The Honus Wagner card that was donated to a Baltimore area convent brought \$263K and \$119.5K was paid for a Leroy Neiman painting from 1962 depicting Mickey Mantle.

Snuff Bottles - At a sale in Hong Kong featuring 155 bottles the results were rather impressive. Top lot, an imperial famille rose enameled gold-ground glass lotus snuff bottle estimated to bring about \$250K, sold for \$1.1M (an auction record) and an imperial famille rose porcelain molded and enameled double-gourd snuff bottle made \$1.08M. The total presale estimate was about \$3M and when it ended, all 155 items sold (100% sell-through rate) and a total take in excess of \$7M.

Gems – at a sale in NYC a 6.89 carat fancy vivid purple-pink diamond sold for \$6.9M (\$1M per carat); a cushion-cut D color VS2 22.79 carat diamond ring sold for \$2.82M and a pear-shaped fancy intense pinkish orange 10.91 carat diamond ring sold for \$2.38M. Those colored rocks seem to do very well.

Ok, here is one painting - in 1963 Enid Liess was redecorating a new apartment in Milwaukee and attended a local auction with a budget of \$25. She noticed a modern painting of man wearing a 'Colonial' military jacket which she ended up buying (with a friend) for \$27.50 (the friend gave up her half of the painting as a housewarming gift). A few weeks later she came across a Time magazine article about the artist – Roy Lichtenstein. This prompted her to take the work to her local museum where its authenticity was confirmed; she

took the painting home and hung it on her wall. Fast-forward 47 years and Ms. Liess, who now lives in Virginia, put the painting up for sale and it brought \$128,700. Ms. Liess commented "... I never bought that painting for an investment, or anything like that. I bought it because I liked it." Like I always say ... you need to buy a work because you like it; the rest should take care of itself.

Old Masters & Some 19th Century

At the end of January Christie's continued with their combined sales in NY and once again, the offerings were a bit thin and the results a bit choppy; but as I mentioned earlier, it appears they may have realized the error of their ways ... only time will tell.

While I did not have the ability to view the entire sale, I did have an opportunity to see a number of the lots before I left for Los Angeles ... some of which were nice and others were nothing to write home about. Among the more interesting items I saw were a wonderful Dawson and a fabulous Gérôme; those I was not impressed with were works by Corot, Knight, Tadema and Elsley. The catalogs for this sale arrived and they were huge. I really need to know: why do they need such large and heavy catalogs? They should start making them a bit more convenient to carry around ... maybe cutting down on paper thickness would help?

There were two catalogs for this sale ... an 'Important' morning session and a general afternoon session. The 'Important' session included 75 lots of which 21 fell into the 19th century – which I will discuss now. Taking the top position here was Gérôme's *Master of the Hounds* at \$1.4M (est. \$700-\$1M) --- a very nice painting. Coming in second was Millet's *La fin de la journée* at \$1.3M (\$800-\$1.2M est.) – not one I would want to own – and coming in third was Godward's *At the Gate of the Temple* bringing \$800K (est. \$700-\$1M) – a nice example. Of those 21 works 6 failed to sell (71.5% sell-through rate) and the total take was \$8.16M (the 19th century presale estimate was \$7.45M - \$10.85M); so they were right in the range. Included in this section were 7 Orientalist works which accounted for \$3.65M (expected range was \$2.67M-\$3.93M); or about 45% of the 19th century results.

As for the Old Masters, there were 54 works offered, of those 1 was withdrawn and 22 were bought in (a sell through rate of just 59.5%) and a total take of \$15.5M. The low end of the estimate range for the Old Masters was \$23.4M ... so they fell way short here. You know, maybe the Old Masters are holding back the 19th century!!!

The top three estimated lots in the sale were a Luca Carlevarijs Venice scene which made \$3.5M (est. \$3.5 - \$4.5M); Canaletto's *View of Mestre* which failed to sell (est. \$2.5M - \$3.5M) and a landscape by Joos de Momper II & Breughel II which also failed to find a buyer at \$1.8 - \$2.2M. And of the top 10 highest estimated works, 19th century paintings held the 5th and 6th slots – each at \$800- \$1.2M – the Millet's which sold for \$1.3M and a Bouguereau portrait (not an easy sell) which failed to find a buyer – no surprise there.

Part II included 228 works of which 65 were 19th century paintings (there was a separate section for drawings). The 19th century paintings had a combined presale estimate of \$3,487,500 - \$5,214,500 and when they were done, of the 65 offered 2 were withdrawn, 18 failed to sell (a 72.5% sell-through rate) and the total take was only \$2.2M ... well below the expected range.

The results for the entire sale were as follows: 299 works offered, 210 sold (70% sell-through rate) and a total take of \$36.6M (please note that this figure includes the buyer's commission, all other figures above are the hammer prices and do not include the buyer's premium). The top 5 lots for the entire sale (all listed with the buyer's commission) were: Carlevarijs's Venice scene at \$4.0M; Batoni's *Venice Caressing Cupid* \$1.76M (est. \$400-\$600K); d'Hondecoeter's *A Peacock, a peahen....* \$1.65M (est. \$400-\$600K) and two 19th century works – the Gérôme and Millet.

On the other side of the city, Sotheby's had their corresponding Old Master sales and the results crushed the competition. Now I will add that they did have a number of sales, including one for some 'Important' paintings from the Safra Collection which included five 19th century painting (they really looked out of place). I am still wondering: why did they use the word 'Important' since there were many unimportant works? And did they really need a separate catalog? This sale included 59 paintings, of which 34 sold (57.6% sell-through rate) and the total take was \$12.4M. The three top lots were an interior scene by Sorgh at \$1.76M (est. \$2-\$3M) – bought in 1998 for \$1.63M; a still life by Oosterwijck at \$1.43M (est. \$600-\$900K) – bought in 1996 for \$420K – and a coastal view by Van de Velde the Elder at \$902K (est. \$400-\$600K) – bought in 1991 for \$150K; and a number of pricey lots failed to find buyers: a Jacopo Amigoni at \$1.5-\$2.5M, two Giovanni Panini's each estimate at \$1-\$1.5M and a Jan Miel at \$800-\$1.2M. Not a great start, but better things were coming.

The following day they held the Important Old Master Paintings & Sculpture sale and this one brought in the money. Taking top honors here was Titian's *A Sacra Conversazione...* at \$16.8M (est. \$15-\$20M) – not a work I was very impressed with and from the lack of interest, other must have felt the same way. Rounding out the top 5, all of which not only beat their estimates but achieved auction records, were works by Vernet at \$7M (est. \$1.5-\$2M); Wtewael at \$6.24M (est. \$800-\$1.2M); Dou at \$5.3M (est. \$2-\$3M) and Brueghel at \$4.56M (est. \$2-\$3M).

When the day's activities were over 377 works crossed the block and 252 found new owners (66.8% sell-through rate) and a total take of \$90.6M and when you add in the Safra sale the totals were \$109.2M with 286 sold works (a 61.4% sell-through rate); far in excess of the \$36.6M at Christie's. Now to be fair, Sotheby's did offer a lot more work; but even so, the average price per sold lot worked out to \$174,285 for Christie's and \$381,818 for Sotheby's.

So for two years running, Sotheby's has not only trounced the competition, but seems to be gaining market share for these winter sales. Last year Christie's sold \$39.5M worth of art in their combined sales and had a sell-through rate of 65%; while this year they sold \$36.6M and had a sell-through rate of 70% - more works selling, but less gross sales. In 2010 Sotheby's sale brought in \$61.5M with a 73.5% sell-through rate; this year they made \$109.2M with a sell-through rate of just 61.4% --- far less works selling, but more money! From these numbers it appears that Sotheby's is quickly gaining ground in sales volume, but declining in terms of sell-through rates. It is also interesting to note that the top 5 works in the recent Sotheby's sale made more than the entire Christie's sale – \$39.8M vs. \$36.6M. Now, if they would just be a little more selective, they could have higher sell-through rates and along with the higher gross sales.

While the general art market is picking up steam, and more people are looking at art as safe place to park some of their money, the salerooms still need to be selective in their offerings. Keep the sales lean and mean ... and if possible, please make the catalogs a little lighter.

Howard L. Rehs

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Gallery Updates: While the gallery in New York is open, we will also be exhibiting at two shows in Palm Beach this month.

Web Site Updates Among the artists whose works have come and gone from our web site were: Arthur John Elsley, Ilya Bolotowsky, Edouard Cortès and Sally Swatland. Works by the following artists have, or will be, added to our web site this month: Emile Munier, Jean B.C. Corot, Arthur J. Elsley, Jean F. Monchablou, Edouard Cortès, and Antoine Blanchard; below are images of a few recent additions:



Emile Munier (1840 – 1895) - *Armistice*



Jean B.C. Corot (1796 – 1875) - *Souvenir de Coubron; Soleil Couchant*



Arthur John Elsley (1860 – 1952) - *Learning to Swim*



Jean F. Monchablon (1855 – 1904) - *Champs d'avoines, pres Fresnos (Hte. Marne)*

Next Month: More market coverage along with updates on our Tales from the Dark Side.