

COMMENTS ON THE ART MARKET

VOLUME 126

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Number 1!

We were recently informed that our web site was ranked the Number 1 Art & Antique dealer web site in the world for 2009 by Kunstpedia. They do say one is the loneliest number, but when it is you, who cares!

Now I doubt this really means much, but it was surely nice to see that someone noticed all the efforts we have made to create a site that offers people a great deal of information and is easy to use.

We will bask in the glory, while we can, because how many times are you ranked number 1? Not many. And who knows where we will be in the 2010 rankings – when you are number one, there is no room for improvement!

Stocks

Cannot say too much this month about the stock market ... I was so busy with all the art market action that I had little time to pay attention. However, I did buy a new stock ... 10 million shares of SNRS! Now before you start thinking: "this guy must have some serious money", you should know that each share cost 0.0001. So my 10 million shares cost me a whopping \$1,000. I bought this stock on the advice of my son and since its purchase the stock doubled --- it's now at 0.0002. Once it gets to \$10 a share you will be able to reach me at a new address: Beach Hut #1, Tahiti.

As for some of my favorite stocks, here are the end-of-the-month numbers: BofA \$11.60, Citi \$40.97, RIM \$43.60 (not happy about this one), CTL \$43.03, Oracle \$33.70, MCD \$81.62, GE \$19.44, ATT \$31.20, VZ \$36.67 and VOD \$28.10. Overall, it appears I am in the – trading water mode. Maybe my new investment, ok – gamble, will push me into the early retirement mode!

Market Support

Have no fear; I am not going to talk about stocks. What I am referring to is overall market support for specific artists. People often ask us for an opinion on an artist's work and if they are a good investment. The conversation usually turns to the number of works available – some artists have a large number of paintings turning up on the market (Warhol, Renoir, Cortès, etc.) and others have very few (Vermeer, Cezanne, Pollack, Cazin, Munier, etc.). What really makes an artist's market viable is the amount of support it has, or: how many players are in the game? In addition, how many of those players will always be there to make sure the price levels stay up? The more support, the more stable a market becomes.

We have all seen the large number of Warhol works appearing on the market ... they say he produced over 15,000 pieces ... and almost every time they do well. Why? Because there are a lot of wealthy people who own them and those individuals want to make sure the market remains strong. When you have tens of millions, or even hundreds of millions, invested in an artist's work you do not want to see values go down.

Then there are those artist's whose works rarely appear on the market and when one does, there are enough buyers who will be interested, creating competition which, in turn, makes sure prices remain strong.

The concept of market support was tested during the month of May and as you will see, there are a number of artists who have serious market support!

The May Festivities

The month of May is very important in the art world. The major salerooms present their offerings from many different markets and as I stated last month, based solely on the catalogs in hand, some of the sales offered a lot of vegetables and rice, but were a little short on the meat and potatoes. Now I know that some of the auction rooms do get upset with me when I say this, but what I found interesting is that they (and other press people) were saying the same thing ... good, important, works are just not appearing on the auction block. Many collectors have no reason to sell, so why should they? Where else are they going to invest some of their money? Banks are almost at a point where they will be asking you to pay them interest just to hold your money; while the stock market it is still a roll of the dice as to which companies or funds one should take a gamble on.

Anyway, let's get on with the show...

The Impressionist & Modern

The first week of May saw some pretty big sales (big in number of works offered). After viewing them I wondered if they were going to pull it off since my overall impression was that while there were some interesting works, there was also a good deal of filler ... but as you will see, the market is so starved that they were able to make a go of it. I will also add that while their top offerings did well, they were not the most expensive work of art sold during that week --- that came from the 19th Century Sale ... yes, in the 19th Century Sale!

Sotheby's began the week with their evening sale on May 3rd and taking the number one slot here was our old friend Picasso whose *Femmes lisant* brought \$21.4M (falling far short of its \$25-\$35M est.). Coming in second was Jawlensky's *Frau Mit Grünem Fächer* at \$11.3M (est. \$8-\$12M) and in third was a Gauguin sculpture *Jeune Tahitienne* at \$11.3M (est. \$10-\$15M) – the only issue was that the Gauguin had no bidders ... it sold at the reserve to someone who had offered an irrevocable bid before the sale. Bringing up the top five were another Picasso at \$9.6M (est. \$10-\$15M) and a Paul Delvaux at \$9.05M (est. \$3-\$5M).

I know some of our readers are interested in knowing how the values of the Impressionist/Modern artists have held up over the years, so here are a few examples from this sale: Renoir's *Portrait of Claude Monet* (a drawing est. at \$300-\$500K) sold for \$1.02M – the sellers bought it in 1996 for \$171K; Magritte's *La Condition Humaine* also brought \$1.02M (\$400-\$600K est.) and was last sold in the public forum in 1989 for \$374K; Rodin's *Le Penseur* was last on the market in 2001 and sold for \$446K; 10 years later it carried an estimate of \$1.5-\$2M and sold for \$4M (wow!); Picasso's *Pivoine* made \$728K in 1997 and this time made \$3.6M (est. \$2-\$3M); Monet's *La Seine a Argenteuil* brought \$2.9M in 2004, 7 years later it made \$6.2M (est. \$6-\$8M); Lhote's *Les Joueurs de Rugby* made \$98K in 1988 and 23 years later sold for \$2.5M; and finally here is one with a number of results: Chagall's *La Ferme* was sold in 1988 for \$462K, then again in 1998 for \$717K, in 2008 it made \$1.1M and finally in 2011 it made \$1.7M.

Now I do not want you to think that every work offered increased, there were offerings that brought less and others that were recently acquired and failed to find buyers: Giacometti's *Portrait of Maurice Lefebvre-Foint* sold in 2009 for \$3.9M and failed to sell; Degas' *Danseuses au Foyer* (an odd looking piece) sold in 1993 for \$2.6M and failed in both 2009 and 2011 and Renoir's *Baigneuses* sold in 1990 (height of the market at that time) for \$6.8M, then in 1998 it sold for \$3.4M, in 2009 it failed to sell and in 2011 it made \$3.4M (so after deducting the seller's commissions, it was a loss). Even in this market, you still need to buy right!

When the evening's festivities ended, of the 59 works offered 44 found buyers and 15 were returned to their owners for a sell-through rate of 74.6% and a total take of \$170.5M (presale est. range was \$159M-\$230M) – so they made the range after the buyer's commissions were added in.

The next morning Sotheby's presented their day sale and this, as usual, contained a mixed bag of interesting and not-so-interesting works. As we have seen in the past, fresh works, with attractive subjects, in nice condition and appropriately estimated performed well and the top five here were works by Giacometti (\$962K), Le Sidaner (\$873K) and Lipchitz (\$843K), Gonzales (\$813K) and Rodin (\$813K) – all meeting, or exceeding, their estimates. When this session ended, of the 278 works offered 195 found buyers and 83 were bought-in for a sell-through rate of 70.1% and a total take of \$39M.

So, their grand total for this set of sales was: 337 offered, 239 sold, 98 unsold, sell-through rate of 70.9% and a total take of \$209.4M. 2010's corresponding sale saw 304 works offered, 238 sold, sell-through rate of 78.2% and a total take of \$233.2M.

On the evening of May 4th Christie's presented its 'important' offerings and to be honest, I did like a few of them – especially a Monet, Vlaminck, Tanguy and De Chirico. Taking the top slot here were two works: Monet's *Les Peupliers* (est. \$20-\$30M) and Steve Cohen's Vlaminck (est. \$18-\$25M) each made \$22.5M. Both works were rather impressive pieces and definitely show what can happen when you buy right. The seller of the Monet purchased the piece in 2000 for \$7M and the Vlaminck was last on the public market in 1994 where it made \$6.8M. Rounding out the top five were Picasso's *Les femmes d'Alger* at \$21.4M (est. \$20-\$30M); Matisse's *La fenêtre ouverte* at \$15.8M (est. \$8-\$12M) and Picasso's *Homme au mouton* at \$7.1M (est. \$4-\$6M). Oh, the de Chirico I liked made \$4.8M (est. \$5-\$7M) and the Tanguy brought \$2.1M (est. \$1-\$1.5M).

As with the Sotheby's sale there were a number of offerings whose price changes we could track – here a few of the good and bad: Dali's *Trio féminin* was bought in 1999 for \$63K and made \$663K this time; Schiele's *Liegender Akt* made \$138K in 1989 and \$1M this time; Rodin's *Eternel Printemps* made \$758K in 2002 and \$2.8M now; Caillebotte's *Villas a Villers-sur-Mer* made \$646K in 1998, did not sell in 2003, made \$554K in 2006 and now brought \$902K; Leger's *Le Compotier* was bought in 1999 for \$751K and sold now for \$5.1M; and Monet's *Iris Mauves* brought \$3.5M in 1997 and this time it failed to sell (now to be fair, it had a \$15-\$20M est., which may have been just a little too aggressive).

When the evening ended, of the 57 works offered 47 sold for a sell-through rate of 82% and a total take of \$156M – the low end of their estimate range was \$162.5M ... so even with the buyer's commissions added in, they fell far short.

On the 5th they offered the general works and taking the top three positions were a Lebasque at \$1M; Magritte at \$903K and a Tanguy at \$819K. Of the 259 items offered, 216 sold for an 83% sell-through rate and a total take of \$33.5M

When their sales had ended, the total take was \$189.5M from 263 sold works (they offered 316) and a sell through rate of 83.2%. Last year's corresponding sale saw 348 offered with 289 selling for a sell-through rate of 83% and a total take of \$360M. Now you might be wondering, why such a drop in the total, well last year they had a Picasso that brought over \$106M and a Giacometti that made over \$53M (like I always say: what a difference a painting or two can make).

When the two auction rooms totals are combined 653 works were offered, 502 found new homes (76.9%) for a total take of \$399M.

Some of you may be thinking that I was a little hard on the salerooms, but if you want to read a truly independent assessment of the results you can search the web for the Souren Melikian's articles listed below – he pulls no punches:

Modest Impressionist and Modern Art to Please the Crowd

Money Pours into Impressionist and Modern Art

**The 19th Century Sales
Or
“Watch Me Pull A Rabbit Out Of My Hat!”**

I covered this in my mid-month report: Comments on the Art Market – Volume 125A – for those who missed it please see our online copy. There was some serious market support for Alma-Tadema!

Contemporary – What a Difference a Day Makes

After the festivities from the Impressionist, Modern & 19th century sales ended, all the party-goers were gearing up for the big Contemporary sales ... and some of the soirées turned out to be pretty wild! Now I did view these sales and, once again, have to admit that some of the items offered left me thinking: “what kind of fool would buy that?” and “that is not going to sell!” Well, how wrong could I be? Very! Look, I cannot tell you why a Nike poster (yes, a Nike poster) that was framed and authenticated by Jeff Koons is worth \$146,500, or why some grey felt hanging from a wall by Robert Morris sells for \$458,500 (looked like carpet padding to me); but the fact that they sold tells me that someone must ... at least I hope they do! Anyway, let's get on with the party.

The revelry began at Sotheby's on a Tuesday evening with the Allan Stone sale (Allan was a Contemporary art dealer who died in 2006) and the results from this sale were pretty hot. First place was nabbed by John Chamberlain's sculpture *Nutcracker* (1958) that brought \$4.79M (an auction record) - est. \$1.2-\$1.8M; in case you have never seen a Chamberlain work, they are made from crushed auto parts. In second was De Kooning's *Event in a Barn* (1947) at \$4.56M (below its \$5-\$7M est.) and third was captured by Wayne Thiebaud's *Pies* (1961) at \$4M – est. \$2.5-\$3.5M. There were actually 18 works by Thiebaud in the sale and all but one found buyers. Prior to the sale people were concerned that so many works by the artist might hurt the values, but as we consistently see with Warhol ... more is not necessarily bad – at least in the Contemporary market; another instance of serious market support.

By the end of the evening, of the 42 works offered 39 found buyers for sell-through rate of 92.9% and a total take of \$54.8M – presale estimate was \$32.8- \$46.8M, so they beat the upper level.

On Wednesday (May 10th) they followed with their main evening sale of Important works and while the press release stated that they were “...very pleased with [their] sale total...”, I would say that they were more likely disappointed. Taking top honors here was Andy Warhol's *Sixteen Jackies* at \$20.2M (est. \$20-\$30M) ... now this actually fell short because the estimate does not include the buyer's commission and the final sale price does. In second was Jeff Koons' *Pink Panther* at \$16.88M ... way short of its \$20-\$30M est. and in third place came our old friend Fontana (the artist who slashes his canvases) at \$6.2M ... also falling short of its \$6-\$8M est. Now all was not lost since the balance of the top 10 (works by Basquiat, Warhol, de Kooning, Tansey and Calder) all met or beat their estimates.

When the evening ended, of the 58 works offered, 44 found buyers and 9 were unsold leaving a sell-through rate of 84.5% and a total take of \$128.1 million ... the presale estimate was \$120.8 - \$171.4M ... so I really cannot see them being very pleased with the results --- especially after the competition finished their evening sale the following night! Here is another interesting stat from the sale ... the top 10 works brought in \$72.4M, or 56.4% of the total evening's sale.

On May 11, they presented their Day Sale in which the top lot was a work by Basquiat that made \$1.98M (est. \$700-\$1M). Of the 423 works offered (yes over 400 works and the sale went on and on and on) 333 found buyers for a sell-through rate of 78.7% and a total take of \$59.5M – which was within their presale estimate of \$47M - \$66.1M.

When combined, Sotheby's offered 523 works, sold 421 (leaving a sell-through rate of 80.5%) and took in \$242.88M; this resulted in a Price Per Lot Sold of \$577K.

On the evening of May 11 Christie's presented their Important Contemporary sale and unlike Sotheby's, the results were outstanding ... and as you will see, their evening sale handsomely beat the combined results from all three Sotheby's sales. Taking top slot here was also an Andy Warhol, but this self-portrait, est. at \$20-\$30M, made \$38.4M. In second was a very pretty Rothko at \$33.68M (est. \$18-\$22M) and in third was another Warhol self-portrait at \$27.5M (falling a bit short of its \$30-\$40M estimate).

At the end of the evening 65 lots were offered, 62 found buyers (95% sell-through rate) for a total take of \$301.7M (expected range was \$226.8 - \$317.3M) --- now that was a nice showing. In addition, the top 3 lots brought in \$99.6M, far more than Sotheby's top 10. And the top 5 made just over \$140M, more than the entire evening sale at Sotheby's.

Their day sale also produced some pretty amazing numbers with the top 3 lots being a Robert Indiana at \$4.1M (est. \$2-\$3M) – seems like this should have been in the evening sale; a Warhol at \$1.48M (est. \$700-\$1M) and a Mark Tansey at \$1.3M (est. \$1-\$1.5M). When the session ended, of the 333 works offered, 295 found buyers (89% sell-through rate) for a total take of \$65.7M (expected range was \$45.3 - \$65.1M).

When combined, Christie's offered 398, sold 357 (89.7% sell-through rate) and took in \$367.4M (expected range: \$272.1 - \$382.3M); this resulted in a Price Per Lot Sold of \$1.03M ... almost twice that of Sotheby's. Guess we know who won this round.

Between the two main salerooms 921 works hit the block, 778 found buyers (84.5%) for a total take of \$610.3M. In addition, Phillips offered a sale of Contemporary art and the star piece was a Warhol titled *Liz #5* (being sold by Steve Cohen). The work was estimated at \$20-\$30M and brought \$27M – more Warhol Market support. Their 50 lot sale added another \$94.8M to the weeks total (with a 76% sell-through rate) ... bringing the final number up to \$705.1M.

On a side note (since we show the work of his grandson), it was nice to see the works of Richard Pousette-Dart gathering momentum. Included in these sales were 4 works ... all of which sold: *Head of Antiochus* (a small watercolor) made \$10,000 (est. \$8-\$12K); *Oval Spheres* (1976) made \$230,500 (est. \$80-\$120K); *Starry Host* (1964) made \$266,500 (est. \$70-\$100K) and *Fantasie* (1944-45) – which was used on a cover – made \$614,500 (est. \$250-\$350K).

The Americans

Just when we thought it was time to relax, along came the American sales ... more paintings, more stuff and more happy/sad sellers.

I did make it a point to view these sales and as always, there were some good, some bad and some ugly. Leading off was Christie's and after the week was done I'm guessing they wished they had batted second.

Taking top honors from these sales was George Bellows' *Dock Builders* at \$3.89M (est. \$2-\$3M). In second was a very large and impressive Maxfield Parrish at \$2.88M (est. \$2-\$3M) and in third was an interesting work by Hassam at \$2.1M (est \$2.5 - \$3.5M).

And now for some of the Good, Bad and Ugly (my opinion of course): Among the good were: W.T. Richard's *Mackerel Cove..* at \$1.65M (est. \$700-\$1M); Whittredge's *Autumn on the Delaware* at \$303K (est. \$250-\$350K); Frieseke's *Sunspots* at \$1.02M (est. \$800-\$1.2M); Rose's *Martin's Point, Carmel* at \$891K (est. \$350-\$500K); Chase's *The Old Sand Road* at \$1.2M (est. \$700-\$900K) and McCloskey's *Wrapped Oranges...* at \$783K (est. \$250-\$350K) ... in addition, there were many others I liked!

As for the bad and ugly: Homer's *Green Apples* had one of the oddest looking kids I have seen – it failed to sell; Whistler's *A White Note* which was not an attractive work actually sold for \$291K (est. \$300-\$500K); Lawson's *Bathers* that was far too green and muddy for my taste brought \$20,000 (est. \$20-\$30K); Benson's *In Summer* which has a bit of pigment separation found no takers; Hassam's *Celia Thaxter's Garden* carried a big estimate of \$1-\$1.5M and passed; a weak Roesen titled *Still Life of Fruit* found no buyer; a real fuzzy Ridgway Knight passed and Parrish's *Du Pont Mural*, which was in horrible condition, actually sold for \$159K.

Now for the numbers: Christie's offered 138 lots and sold 88 (64% sell-through rate) for a total take of \$22.2M – far below their presale estimate range of \$28.9 - \$43.5M. Sotheby's, with the benefit of going second had the ability to contact potential sellers and let them know about the less than stellar results from the competition's sale, giving the owners the option to lower their reserves. Well, some of that must have happened because of their 121 works offered 84 sold (69.4% sell-through rate) and a total take of \$27.1M - their presale estimate was \$25.3 - \$37M so they made it with the buyer's commissions added in.

Some comparison using the combined totals (PPLS – Price Per Lot Sold):

May 2011 – 259 offered, 172 sold, 66.4%, total \$49.3M, PPLS \$287K
May 2010 – 292 offered, 176 sold, 60.3%, total \$67M, PPLS \$381K
May 2009 – 248 offered, 154 sold, 62%, total \$32.1M, PPLS 208K
May 2008 – 354 offered, 287 sold, 81%, total \$160M, PPLS \$556K

May 2007 – 379 offered, 319 sold, 84%, total \$111M, PPLS \$348K

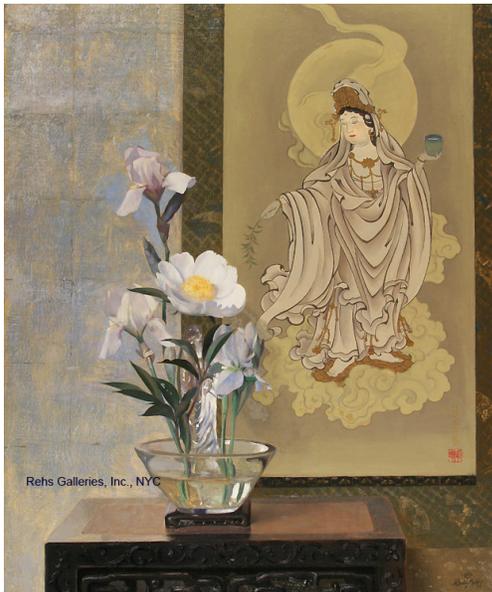
From these numbers, it looks like the American Painting market is still having trouble getting traction.

Howard L. Rehs

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Gallery Updates: HUGE NEWS – it is June and we start our summer hours ... YES!! This month we are open Monday – Thursdays; all other times by appointment.

Web Site Updates: Works by the following artists have made their way through the gallery: Emile Munier, Aston Knight, Cortès, Berthelsen, Pousette-Dart, Katie Swatland, Allan Banks, Greg Harris, 3 by Sally Swatland and 3 by Holly Banks. In addition, works by H.D. Murphy, Greg Harris, Pousette-Dart, Holly Banks and Sally Swatland were added to the site; a few are illustrated below:



Hermann Dudley Murphy
Peony and Kwannon (30 x 24 inches)



Holly Hope Banks
Mandeville and Roses (16 x 27 inches)



Gregory F. Harris
Morning Along the Mill Pond (14 x 14 inches)



Chris Pousette-Dart
Tesseræ of Fields (56 x 42 inches)

Next Month: Surprise, surprise, surprise! More sales!