

COMMENTS ON THE ART MARKET

VOLUME 127

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

Upcoming Shows

Once again we will be participating in the Baltimore Antiques Show which runs from August 25 – August 28, 2011 at the Baltimore Convention Center. We will email tickets sometime in July.

The Stock Market

Where have all the profits gone? My portfolio is having a real tough time staying in positive territory ... ok, I am in the black (according to my computer program) but the numbers are dropping every month. At the current rate I will be lucky to break even by year's end.

As for some of my favorite stocks, one is now among my least favorite --- RIMM! Come on guys ... we were once in the \$80s, now we are trying to hold on to the \$28 ... and yes, I am in the red on this one – big time! Among my others: GE - \$18.53 (down), AT&T \$31.23 (same), VZ \$36.75 (up), MCD (up), Citi \$40.85 (same), VOD \$26.65 (up) and I added a new one: Cisco. And in case you are wondering about SNRS ... it is still at .0001 – so I bought another 10 million shares!

Tales from the Dark Side

Here are some new, and updated, tales:

Rima Fine Art and Custom Framings (Scottsdale, AZ) seems to have angered Mark Teich who purchased a Renoir pencil sketch from the gallery for \$48,000 and subsequently found out that the piece was worth no more than \$6,000. In addition, Rima Fine Art provided an appraisal valuing the work at over \$110,000. This one seems to be headed for court so I will update you at some point in the future.

MOCA – back in 2007-2008 the museum allowed Louis Vuitton (LVNA) to build a shop and stock it with items featuring the patterns designed by Takashi Murakami. In addition, LVNA acted as an art dealer for five series of what purported to be genuine limited edition Murakami fine art prints based on the textile patterns... These prints sold for \$6,000 or \$10,000 each and now at least two of the buyers are claiming that not only are the pieces worth far less, but the certificates of authenticity do not comply with the strict requirements set forth by the California Sale of Fine Prints Act. Now neither, the museum or the artist are named defendants ... so they are going for the deep, deep, pockets of Vuitton. Should be interesting to hear what happens.

Richard L. Feigen & Co. – Richard and Sandra Verri purchased a Rosa Bonheur from the dealer in 1991 for \$15,000 titled “Landscape with a Peasant Girl and Her Cow”. In 2010 the Verri decided to sell the work and approached the dealer to see if they would assist in the sale ... they had no interest. The couple then approached Sotheby's who determined that the work was in fact by Rosa's brother and that parts of the painting were added at a later date (possibly posthumous additions). The Verri demanded a refund, but the dealer stood by his attribution so now it looks like there will be some court action ... stay tuned.

Please visit the web site for the rest of this article.

The Art Market

By the end of May, the auction action switched from New York to Europe ... with London being the center of attention. There was so much activity that I am only covering some of the sales.

20th Century British

On the 26th of May Christie's put forth its Modern British sale at the overall results continued to illustrate the strength at the upper end of the market. The sale offered 175 lots of which 120 sold (a sell-through rate of just 69%); however, the prices paid for some of the stellar works were rather staggering. Taking top honors was L.S. Lowry's *The Football Match* which made £5M (est. £3.5-4.5M) -- it was last on the public market in 1992 and sold for £120,000. In addition, strong prices were seen for Sir Stanley Spencer's *The Crucifixion* which brought £1.75M (est. £1-1.5M) – last on the market in 1995 at £420,000; and S.J. Peplow's *The Coffee Pot* that made £800,000 (est. £800-1.2M) – an auction record.

In the end, the sale brought in £15.2M (est. £14.6-21.2M) ... so they needed the buyer's premium to push it over the edge; however, this was the highest total for a Modern British sale ... beating the 2007 result by £2M.

**Please visit the web site for the rest of this article.*

19th Century

On June 7 the action moved to Amsterdam for a small sale of 19th Century European paintings at Sotheby's ... and in my opinion they would have been better off waiting until the fall for this one. What I found very interesting is that they actually had a 3 page post sale press release and a Sotheby's spokesperson was quoted as saying: *This very successful total result shows us again the strong demand nowadays for paintings of good quality*

coming from private collections. Look, they offered 81 works and sold 38 ... a sell-through rate of 46.9% and a total take of €1.586M (\$2.31M) – not a sell-through rate I would be boasting about. Now I was trying to figure out how they came close to their presale expected range of €1.5-2M, according to the press release, when more than ½ of the works offered did not sell ... at first I thought maybe it was some sort of magic trick, but upon closer examination I realized that most of the unsold works were the lower valued items (31 of the 43 were estimate to sell for €10K or less)!? In addition, many of those were balanced out by some of the pricier works selling for more than their estimates. Top lots in this sale were Willem Koekkoek's *Winter street scene* that made €229K – (\$333K - est. €100-150K), C. Springer's *Figures at the Fish Market in Delft* which made €163K – (\$237K - est. €150-200K) and Schendel's *A Vegetable Seller...* brought €145K – (\$210K – est. €100-150K). Other works that help make up for the large unsold percentage were a Verheyden at €97K – (\$141K – est. €12-18K), a Verveer at €103K – (\$150K – est. €50-80K) and an Arntzenius at €79K – (\$115K – est. €20-30K). This sale shows that a few good works can make up for a great deal of 'stuff' that is not going to sell. Like I have been saying, in the current market, less is more!

On the 15th we were back in London for a Christie's doubleheader – Victorian & British Impressionists in the morning and 19th Century European in the afternoon. Here again, the results were not the best ... as I have been saying all along, they need to hold furer and stronger 19th century sales ; the filler is just not selling causing pretty high unsold rates.

Taking top honors in the Victorian sale was Frank Cowper's *The Blue Bird* which sailed past its 100-150K estimate to sell for £373K (\$610K) and taking second and third place were works by Munnings: *Shrimp off to Market* brought £265K (\$434K – est. £120-£180K) and a small study titled *Her Majesty the Queen...* commanded 181K (\$296K – est. £60-£80k). Among the biggest failures were: Clausen's small *Head of a Girl* (est. £300-£500K) –

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20th Century British

The evening of the 15th saw Sotheby's Part I of the Evill/Frost sale of 20th Century British Art (there were 3 parts in all) ... and when you read the results you will see why they had little to worry about when their sale in late May only brought £3.76M (covered above). This was an amazing collection of art formed during the mid 20th century and many of the works were acquired just after they were created. The top 4 works were all by Sir Stanley Spencer with *Sunflower and Dog Worship* making £5.4M GBP (\$8.85M: est. £1-1.5M) – it was originally purchase in 1945 for £100 GBP; *Workmen in the House* bringing £4.7M (\$7.75M: est. £1.5-2.5M) – bought in 1937 for £250 GBP; *The Bathing Pool* at £4.2M (\$6.8M: est. £800-1.2M) and bought in 1958 for £200 GBP; and finally *Beatitude 8* made £3.8M (\$6.3M: est. 1-1.5M) – bought in 1944 for £120 GPB.

When the evening ended, of the 30 works offered, 30 sold – 100% sell-through rate and the total take was an amazing £37.4M (\$61.2M) ... the presale high estimate

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Impressionist and Modern (I Feel Sorry for the Trees)

Everyone was waiting for the week of the 21st, when the two main London salerooms presented their Big Guns and their Big Catalogs (total combined weight – 15 lbs – lots of paper and a bunch of unhappy trees). The action started off hot, fast and furious at Christie's evening sale. I started writing while the sale was in progress -- they were up to lot 41 and only 1 piece, by this time, had failed to sell – a pricy Monet. It appeared they were going to have an incredible sell-through rate; but as we all know: you should never count your chickens before they hatch.

Taking the top position here was our old friend Picasso ... actually he took the top three spots: *Femme assise, robe bleue* made £17.96M (\$29.1M) – est. £4-£8M; *Jeune fille endormie* brought £13.5M (\$21.7M – est. £9-£12M) and *Buste de Francoise* made £10.7M (\$17.2M – est. £7-£10M). Bringing up the top five were a Gauguin at £6.4M (\$10.4M) and a Renoir at £5.1M (\$8.2M).

Among the biggest failures were Monet's *Nymphéas* (est. £17-£24M) – which carried the highest estimate in the sale and took up 13 pages in the catalog; a Degas pastel (est. £4-£6M); a Pissarro (est. £1.8-£2.5M), a Van Dongen portrait (est. £2.8-£3.5M) and a Goncharova (est. £2.5M-£3.5M).

When the evening ended, of the 92 works offered 80 sold (a sell-through rate of 87% - pretty good) and the total take was £140M (\$227M). Not bad since their expected range was £114.7-£144.4M.

On the 22nd Christie's followed with their Day Sales and the results here were fairly strong. The morning session consisted of works on paper and the top lot here was a Mary Cassatt portrait at £577K (\$936K) - est. £250

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The Contemporary

I will cover these HUGE sales next month since they are taking place as I am about to send this out ... but I will say that the two sets of catalogs weighed in at 17.37 lbs. ... WOW! A few more unhappy trees!

Howard L. Rehs
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Gallery Updates: GREAT NEWS – we are still on our summer hours ... this month we are open Monday – Thursdays; all other times by appointment.

Web Site Updates: A new and improved biography on Corot has been uploaded. I addition, works by the following artists have made their way through the gallery: de Schryver, Laisement, Delort, Dommelshuizen, Dupré, Aston Knight, Holly Banks and Gregory Harris. And look for new works by Pattein, Bennett, Knight, Dawson, Luny, Caraud and Harris that have been, or will be, added to the web site.

Next Month: Spanning the Markets

***Full length articles can be found in the Newsletter Archive section of our web site: www.rehs.com**