

COMMENTS ON THE ART MARKET

VOLUME 132

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

Web Site Update

We recently made a small change to our web site. Now, when you look at an image, if there are alternate images (framed, verso, etc.) they will show up, below the main image, as thumbnails. All you need to do is click on any of these images and a new window will appear ... you can then scroll through all of the additional photos just by clicking the right or left side of the image. We hope you find this to be a more 'user friendly' feature.

Stocks

Well, the story is getting pretty old by now ... it goes up, it goes down, and we are all disgusted by the whole show. At this point my portfolios are not looking very pretty ... unless red is your favorite color. A majority of my individual gambles ... sorry, investments ... are blinking red. My best performing stocks are currently Vodafone and Altria ... so I guess the world is spending a great deal of time smoking, drinking and talking on the phone. I would go a little more in-depth, but this month's Art Market news took up a lot of space.

The Sales

Well, once again, November proved to be a very eventful time in the art world. The action started the first week with the New York Impressionist / Modern and 19th century sales. As has been the case the past few years, the good did really well and the 'stuff' found little interest ... the market is still very selective; which, from my point, of view is very good.

My online version of this newsletter provides in-depth coverage of the Impressionist, Modern, Contemporary and other 19th century sales that took place. Due to space restrictions in the printed version I opted to feature full coverage of two 19th century sales.

19th Century – No Magic Hats Here

Once again, Sotheby's placed its 19th century sale at the end of their Impressionist and Modern sales ... hoping to capitalize on all the activity. It is still hard for me to believe that someone who buys Picasso, Klimt, Magritte, Matisse, etc. would really be interested in the standard 19th century works. I can see that there might be some crossover from the Impressionist buyers, but after 3 days of over \$400 million being sold in those periods, are the same people ready to look at what can only be classified as the 'more affordable works'? I have my doubts. In

order for the 19th century works to gain momentum, we need a 19th century sales week ... like they had in the past; and if they really believe that their big players in other markets are interested in our market, just send them a catalog. Anyway, on with the show:

When the catalog arrived, it appeared that Sotheby's had a much better sale than the competition ... covered in last month's newsletter. And after viewing the works, I was pretty sure their results would be far better than Christie's ... which, in the end, they were.

Now I must admit that I was more than surprised at the top lot: a masterful Herring Sr. titled *Preparing to Start for the Doncaster Gold Cup* which carried an estimate of \$400-\$600K and sold for \$2.1M ... and we all thought the British Sporting market was dead! Go figure. Taking second place was our old friend Bouguereau whose 1897 *At the Fountain* made \$1.98M (est. \$1-\$1.5M) – this work last sold in 1999 for \$900K; and in third was Charles Herman's *Bal Masque* at \$1M (est. \$1-\$1.5M) ... an extremely large work (126 x 158 inches) that was bought in 1992 for \$650K. Rounding out the top five were Corot's *Ronde d'Amours* at \$963K (est. \$900-\$1.2M) and a wonderful Munnings – *Crossing the Ford* – that made \$915K (crushing its \$250-\$350K estimate)... yes, another Sporting painting ... could this be a trend? Probably not, but who knows.

After their fairly recent success with works by Alma-Tadema they were able to pull in another 4 works; however, none of them really matched the power of *The Finding of Moses*. Tadema's *Education of the Children of Clovis* (a large and not a very attractive work, in my opinion) managed to sell for \$915K (below its \$1-\$1.5M est.). A chalk and pencil version of the same subject carried a \$40-\$60K estimate and sold for \$69K – and to be honest, I liked the work on paper better. Then there was his *A Spring Festival* which had the right subject matter, but was not a very attractive piece (in my opinion) which actually sold for \$579K on a \$1-\$1.5M est. – talk about a low reserve ... someone really wanted to get rid of that one! And the last piece was a nice watercolor that we sold a number of years ago and now carried an estimate of \$70-\$100K – about twice what we sold it for --- it failed to sell ... someone shouldn't have been so greedy! Now maybe the market for Tadema has come back down to reality because the works offered here made more realistic prices; but I guess we will have to wait for another work in the Moses class to be sure.

In addition, there were other interesting, and not so interesting, works. Among the interesting pieces

were: Bouguereau's *Yvonne sur le...* at \$615K (est. \$500-\$700K); Godward's *Contemplation* at \$639K (est. \$300-\$400K – this work sold in 1998 for \$162K and again in 2007 for \$288K ... nice increase) and his *A Congenial Task* that made \$723K (est. \$200-\$300K); Knight's small *Chrysanthemums* at \$165K (est. \$100-\$150K) and Munnings' *The Young Entry...* at \$495K (est. \$200-\$300K – sold in 1987 for \$88K; again in 2001 for \$468K and again in 2005 for \$621K – so a bit of a loss for the seller). Among the not so good works (remember, this is just my opinion): Bouguereau's *Le Citron*, which was definitely over-cleaned at some point, sold for \$231K (est. \$250-\$250K); Raffaelli's *Le Vieux Saveteur ...* not very attractive ... failed to find a buyer – thank goodness; Vibert's *The Fortune Teller*, which had condition issues, failed (est. \$300K-\$500K) and Mogan's *The Flood* also passed with an est. of \$150-\$200K – not the best subject matter.

As for the numbers: the sale consisted of 111 works (a few more than the competition) of which 66 sold (59.5%) and the total take was \$19.4M – low end of the estimate range was \$17.8M. Christie's 19th century sale (last month) offered 107 works with only 47 selling (44%) and a total take of \$6.6M ... so from the numbers it is clear Sotheby's was able to get better material. Now while their sale's total was far from the May, 2011, (\$44.65M) and November, 2010, (\$61.5M) results – one must remember that each of those sales included works by Tadema that brought "are you kidding" prices - \$29M and \$36M respectively. So if you remove those particular works, we see that this sale's overall results were basically in line with the past few sales in terms of gross dollars; however, it did fall a bit short on the sell-through rate: November 2010: 73.2% (82 offered and 60), May 2011: 66% (100 offered and 66 sold) and November 2011: 59.5% (107 offered and 66 sold) ... an indication that good material is getting harder to find and buyers are paying strong prices for the right works. It also shows that making the sales larger, at this time, is not a good thing!

Drilling a little deeper we see that there were 33 works that fell into the Barbizon/Realist area, of which 25 sold (75.8%); 6 Orientalist works of which 4 sold (66.6%); Sporting had 14 pieces and 8 sold (57.1%); 4 were Marine and 2 sold (50%); 20 Neoclassical of which 12 sold (60%) and of the other 34 works 15 found buyers (44.1%).

Since I did it for the other 19th century sale, here is how the saleroom fared in terms of their individual estimates vs. the hammer price for the 66 sold works: 36 below, 19 within and 11 above. For all of the works offered, their estimates were right 17.75% of the time.

I need to add one more result ... another big surprise to me and a great example of the art market's inefficiencies. Jean Beraud's *Backgammon at the Café*, which had a lot of cracking and pigment separation, made \$387K (est. \$250-\$350K) ... not only was I surprised by the final price, but by the fact that in May this same painting sold in Germany for \$114K ... so the seller made one heck of a score! Wish I could see that kind of return with some of my stocks!!!

Back to the 19th Century – This Time in London

Victorian and Edwardian

While there was more action taking place in New York, I felt it was more important to cover the period of art that really interests most of our readers ... the 19th century. On the 15th Sotheby's London offered their Victorian and Edwardian Art sale and the only thing this proved is that for the most part, the general works from this period are out of favor. Now I looked for a press release, but none could be found so we crunched the numbers ourselves.

Taking top honors here was E.B. Leighton's *Stitching the Standard* at £373K (\$591K - est. £150-£200K) – which shows that something not very "standard" will garner exceptional results. Coming in second was a nice Grimshaw at £313K (\$496K – est. £250-£350K) and in third was Elsley's *Too Hot* at £181K (\$287K – est. £150-£200K).

Now you might say that from those few numbers things look pretty good, but there were a number of other highly estimated works that could not find takers; these included works by Albert Moore (£300-£500K), Godward (£150-£250K), a Burne-Jones/Murray collaboration (£150-£200K) and Stanhope (£80-£120K).

At the end of the day, I would guess that the department wished they had pared the sale down to only 60 or 70 lots. Of the 115 offered, only 59 sold (51.3%) and the total take was £2.4M (\$3.8M – the low end of their estimate range was £3.17M ... they fell far short).

Look, we all know that the lower end of this market has been in the doldrums for a number of years and it is going to take more time before it emerges from the darkness ... at least if the estimate ranges are kept as high as they have been. So if that is the case, why not reduce the number of sales and the number of paintings offered? There are very few buyers for the general High Victorian works of art ... unless they are really great examples or priced very reasonably.

Again, please check the online version of this newsletter for more coverage of the November sales.

Howard L. Rehs

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Gallery Updates: For the month of December we are open Monday – Friday and all other times by appointment.

Web Site Updates: Works by the following artists have made their way through the gallery: Joan Miro, Ridgway Knight, Edouard Cortès, Marc Chagall, Antoine Blanchard and Sally Swatland. And look for new works by Joseph Caraud, Frederick Richard Lee, Antoine Blanchard, Hannelore Baron and Holly Banks that have been, or will be, added to the web site.

Next Month: The Art Market!