

Comments on the Art Market - Volume 88

April, 2008

New Email Format

Over the years we occasionally receive complaints from our readers that when the emails we send arrive they are filled with strange characters and markings -- this is an issue that arises from text emails being sent from our email service (AOL) to yours. In an effort to eliminate these problems we have signed up with an outside email service that lets us create HTML formatted emails; allowing you to see them just as they were created. Those of you who received our recent Artist Updates have seen that this new format also allows us to incorporate images of the paintings we are discussing and direct links to our web site for additional information.

This newsletter is our first sent through this new service and we would really like to know how you feel about it. If you have a few moments and would like to send us an email with your comments we would greatly appreciate it. Please keep in mind that we will always keep copies of our newsletters on our web site for future reference.

We now hope that all of our readers can enjoy our emails and we look forward to hearing your comments and suggestions; and please do not forget to give us your questions or ideas for future topics.

It Must Be In The Genes

As some of you may have noticed, this past month we had the pleasure of offering three fabulous paintings by Katie Swatland. Now I am sure some of you are saying: I thought the artist's first name is Sally? And you would be partially correct. Sally Swatland is the artist we have represented for the past 7 years, but her youngest daughter, Katie, is an artist as well!

During the past five years we have watched Sally's daughter, Katie, blossom into an extremely talented young artist. After graduating Magna Cum Laude from Syracuse University with a degree in mechanical engineering, Katie chose to follow her dream of becoming an artist. In the summer of 2004 she began an intense study of the arts by reading numerous art books given to her by her mother; the first being [Alla Prima, Everything I Know About Painting](#) by Richard Schmid. She treated it like a text book, diligently taking notes, studying every concept, and labored over making color charts in order to fully understand the dimensions of her palette. She studied for 6 months before even putting a brush to a canvas: *I wanted to understand the fundamentals first and really practice 'seeing' before I put an image on a canvas. For me it was like learning Calculus; without the fundamental basics of Algebra, more complex concepts can not be understood.* She discovered many of the great masters and studied their works to learn ways in which they solved some of the many challenges of painting - among them: Cecilia Beaux, da Vinci, Mancini, Metcalf, Sargent, Sorrolla, Zorn, and two of our favorites, Dupré and Ridgway Knight.

The following summer, 2005, she attended her first academic workshop with her mother, in Wyoming, studying with Scott Christensen and continued with workshops given by Don Demers and Joe McGurl. That fall she met Richard Schmid, who was holding a demonstration in Putney,

Vermont. Richard, and his wife Nancy Guzik, were impressed with Katie's abilities and invited her to paint with them and the Putney Painters. In 2006 Richard offered her the unique opportunity to study with him on a regular basis: *I am fortunate to learn and study with a handful of the great artists of our time. I send my sincere gratitude for their guidance and for sharing their wisdom and knowledge, for all have opened my eyes to the glorious world around me. I no longer just see a tree or a rock; I see the intricate shapes and patterns of light and shadow. I see in terms of pieces of paint.*

Katie continued her formal training during the summer of 2007 at the Palette and Chisel Academy of Art in Chicago. There she spent 12 hours every day, 7 days a week, studying, drawing, and painting from live models. She also studies with Dennis Sheehan and has been greatly influenced and inspired by Nancy Guzik. Katie is now a proud member of the Putney Painters of Vermont.

Today, working harder than ever, Katie feels that: *when you stop learning, you stop growing.* She continues to study from life, and spends a significant amount of time outdoors studying nature and painting from models. She uses these studies, or etudes, as reference in her studio work: *There is no substitute for working from life. A camera can never come close to capturing the subtle shifts in value, color, and tone. It is about responding to your subject and communicating that to your viewer. I strive to capture the essence of the scene, to break it down and simplify it to the bare essentials that grasp the true heart of the human experience.*

During the past 5 years, Katie has worked long and hard to develop and perfect her natural abilities; and it is with great pleasure to announce that this March we began showing the first of Katie's finished works. The first two pieces she delivered to the gallery, *Noelle* (a portrait of her sister) and *Boats at Wainscott*, lasted only a couple of days; the third *Window Light* is featured below. We know you will all enjoy watching this gifted artist's career unfold.

Many people wonder if talent is passed on from generation to generation -- and the Swatland women have added to the growing evidence that there must be a 'talent' gene!



Katie Swatland - *Window Light* - 12 x 16 inches

Market Update Continued

We have all been watching and personally experiencing what I am calling the Greatest Wonder of the World - the stock market; let's face it, most of us are 'wondering' -- how can it gyrate so wildly

from hour to hour, or day to day? This, of course, then brings up the question for our readers: is the art market still holding up in these wild and crazy times?

It is really sad to see that a single piece of news can cause such a negative or positive reaction - housing permits, unemployment for the month, etc. - when we all know that next month those numbers will be revised upwards or downwards. The day I started writing this newsletter (March 15) my stock portfolio was down 11.7% for the year - ouch! And let's not forget March 17 when it was announced that Bear Stearns was just sold for \$2 a share -- sold for \$2 a share on Sunday night and trading at \$5.91 on Tuesday? Hey, I want some of that action!!! Any why didn't my broker call me that Monday when Lehmann hit the low \$20s - only to see it hit the mid \$40s on Tuesday? I am still waiting for those answers. Just in case you are wondering, as of March 26 (they day I printed this) my portfolio was down only 8%!!

So, what effect has this had on the art market? From where we sit, not very much; while we do see a slight hesitation in the decision making process, the art world is still holding strong with many new buyers entering the market -- this month alone we welcomed 5 new clients and sold about 20 works of art. I will add that before this current economic mess most decisions were lightening fast, now it may take a day or two. Come on, how comfortable are you putting more money into the stock market right now? It really has become a giant casino - and if you are going to play, make sure Lady Luck is on your side.

Look, art is fast becoming another valuable asset in people's portfolio and as we have seen over the past few years, there is a great deal of money to be made if you buy the right works and hold on to them for a period of time (actually, in certain instances you do not even have to hold on for too long).

Last month I promised to update everyone on the last of the Contemporary sales in London and as you will read, that one did extremely well.

One of the big sales rooms in London decided to have its contemporary art sale at the end of the month and some feared that the earlier auctions would have taken away from the potential sales of this later auction - well, once again those pessimists were proven wrong.

Top honors for this set of sales went to none other than Francis Bacon when his *Study of Nude with Figure in a Mirror* (1969) brought £19.95 million (\$39.8 million), while second place went to another very familiar name - Andy Warhol; whose *Three Self-Portraits* brought £11.45 million (\$22.8 million); and a surprise third place went to Lucio Fontana when his *Concetto Spaziale / La Fine di Dio* (an egg shaped, hole filled, canvas covered in paint and gold glitter - one of only two such works from the series) brought an auction record £10.32 million (\$20.58 million). You know, I always thought that slashes and holes in a canvas diminished their value - hum, so maybe a few holes in our next Bouguereau, Corot, or Dupré might just increase its value!! Fourth and fifth places went to Gerhard Richter when his *Kerze* (Candle) made an auction record £7.97 million (\$15.9 million) against an estimate of £1.8 - £2.5 million, and his *Struktur* (1) made £4.61 million (\$9.2 million) against an estimate of £1.5 - £2 million - both of these works were bought by Americans. Other artists whose works performed well were Wesselmann, Basquiat, Dubuffet, Liu Ye, George Baselitz, and Roy Lichtenstein.

In the end the numbers speak volumes: the evening sale featured 70 works - 56 of which found buyers and 14 were returned to the owners (80% sell through rate) for a total of £95.03 million (\$189.4 million). The day sale had 295 lots on offer - 250 found new owners and 45 were returned to the sellers (85% sell through rate) for a total of £24.86 million (\$49.2 million). All totaled, 365 works were offered and 306 found new homes with a buy-in rate of about 16%. Together, the two sales brought in £119.89 million (\$238.6 million) and as the auction room reported, this was the highest total for a contemporary sale held in Europe. Now compare this with the contemporary sale that took place a few weeks earlier (during the week of the Impressionist sales). That set of sales saw a total of £91 million (\$179 million) from the 338 works offered with 235 finding new owners and a buy-in rate greater than 30%.

I guess the numbers do support my theory that the art market is only so big and can only comfortably absorb just so much product in a 5 day period. It is time for the sale rooms to understand their role in the global art market and to be careful about when and how much product they offer for sale - something dealers have known and been doing for decades. The people who

pay for these mistakes are the sellers when their works fail to find a buyer and are tainted with the B.I (Bought In) label. I will be shocked if next year the auction room holds its contemporary sale during the impressionist sales week - but we will see.

Gallery Updates: This month works by the following artists have made their way through the gallery: Gustave Courbet, Ridgway Knight, Cortes, Salvador Dali, Sally Swatland, Katie Swatland, John Kuhn, and Holly Banks.

Web Site Updates: We continue to update our biographies and have added, or will be adding, works by the following artists to our site this month: Ridgway Knight, Boudin, Cortes, Blanchard, Swatland, Harris and Kuhn. Below are images of a few of the new additions:



Daniel Ridgway Knight
A Pensive Moment
46 3/4 x 35 3/4 inches



Alfred A Glendening
On the Thames
24 x 42 inches



Edouard Leon Cortes
Quai du Tournelle, Notre Dame
9 1/2 x 13 inches



Eugene Boudin
Le Havre, le bassin du commerce
14 5/8 x 18 1/4 inches



Sally Swatland
Heading to Practice
24 x 20 inches



John Kuhn
Fire Truck
24 x 28 inches

Next Month: Continuing sales coverage and market updates; plus any questions or topics you may have.

Howard L. Rehs
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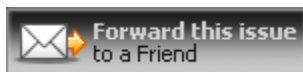
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