

# COMMENTS ON THE ART MARKET

## VOLUME 92

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### Rehs Galleries News

Well, everything has now been moved out of the gallery and into storage -- so we are officially closed for renovations until the beginning of September (we hope). I will report that while cleaning out a gallery (all the paintings, computers, files and books) is not an easy task, it was definitely worth the effort --- we could not believe what accumulated over the past decade; we even found boxes that we never opened from our last move. Not only will the gallery have a new paint job, carpet and much more storage space, but a great deal of 'junk' has found its way into either the trash or a giant mobile shredder. One of the more humorous aspects was the speed with which some of the stuff we threw out was snatched up by people walking by the piles of trash – we were even told that they were fighting over some of the items! If we knew what was going to happen, we could have filmed and posted it on the Internet! As they say, one man's trash is another man's treasure.

While we will have very limited access to our inventory for the next 6 weeks, our online gallery will remain active, and we will continue with our sales updates and newsletters. We hope you all have a wonderful summer and we will:

♪♪ “See You In September” ♪♪

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### The Art Market Continued

As we all have seen, July was another stomach churning month for the stock market and another amazing month for the art market. From the end of June through the month of July attention turned to the sales in Europe with offerings in the Old Master, 19<sup>th</sup> century, Impressionist, Modern, and Contemporary markets – when will we get a break? I have said this before and will continue saying it -- if the auction rooms do not stop flooding the market with works of art, someone on the art market train might pull the emergency break and we will all

experience a very abrupt, but well deserved, 'time out'. Now, having said that, the results from the sales in Europe still show that there are many buyers, both in the US and abroad, eager to add to their growing art collections – and the best works are making astonishing amounts of money!!

The action started with the Impressionist and Modern sales in London and as many of you may have heard, there were some blockbuster results. Taking the lead, by a wide margin, was Claude Monet's *Le Bassin aux Nymphéas* which made a record £40.9 million (\$80 million); coming in a distant, but very respectful, second was Gino Severini's *Danseuse* at £15 million (\$29.6 million), and Degas' pastel *Danseuses a la barre* (est. £4-6 million), a beautiful ballet image and one of my favorites, brought £13.4 million (\$26.5 million). Bringing up the top five were a Giacometti sculpture at £9.45 million (\$18.6 million), and a 16 x 10 ½ inch Dora Maar image by Picasso at £7.88 million (\$15.5 million).

The two main evening sales offered 136 lots; 116 found new homes, for a total of £246.7 million (\$485 million) -- a sell through rate of 85%. Pretty impressive after all the action that has taken place this year. When combined with the Day Sales the 3 day total hit £297.9 million (\$586 million) with a total sell through rate of about 70% ... also a reasonable number when you take into consideration the overall lack of quality and desirability of the works being offered – many of the items in the day sales were not among the more attractive works. And in case you are wondering, 38% of the buyers came from North America, 56% from Europe and the balance from 'other' places.

Right on the heels of these sales were the Post-War and Contemporary– and once again, the results coincided with the time of year – hot, hot, hot!

Taking the first and second positions in these sales was the ever present Francis Bacon whose *Three Studies for a Self Portrait* made £17.29 million (\$34.5 million) and his 14 x 12 inch *Study for Head*

of George Dyer at £13.76 million (\$27.4 million) – talk about “bringing home the bacon”! Rounding out the top five were Jeff Koons’ *Balloon Flower* at £12.9 million (\$25.7 million); Lucian Freud’s *Naked Portrait with Reflection* at £11.8 million (\$23.5 million); and Basquiat’s *Untitled* at £5.1 million (\$10.1 million).

The two evening sales, which also included works by Prince, Warhol, Klein, Dumas, Rothko, etc., made a total of £180.9 million (about \$360 million). Of the 133 works offered, 119 found new homes for a sell through rate of about 89.5%. The two day sales, those ‘less expensive works’, saw 666 offered and 500 sold (75% sell through rate) for a total of £49 million (about \$98 million). Combined, these 4 sales totaled about £230 million (\$458 million).

So, between June 24 and July 2<sup>nd</sup> about £528 million, or \$1.05 billion, worth of Impressionist, Modern, Post-War and Contemporary art was sold; and there was more to come!

The following two weeks saw a plethora of art hit the market, from Old Master and 19<sup>th</sup> century to Victorian and 20<sup>th</sup> Century British (like I said, too much product for the market to absorb). There were many winners and, in some cases, an equal number of losers, but in the end another £128.5 million (about \$256 million) worth of art was sold. While I could go through each sale, I think just some of the highlights will suffice. In the Old Master arena a few ‘long lost’ works appeared and a couple blew the doors off their estimates: J.A. Watteau’s 14 x 11 inch *La Surprise* (est £3 - £5 million) brought £12.3 million (\$24.3 million); while F. Hals’ 18 ½ x 14 ½ inch *Portrait of Willem van Heythuysen* (est. £3 - £5 million) brought £7.1 million (\$14 million); and Turner’s *Pope’s Villa on the Thames* (est. £5-£7 million) made £5.4 million (\$10.6 million). From the 19<sup>th</sup> century market we saw Gustav Bauernfeind’s *The Gate of the Great Umayyad Mosque, Damascus* garner £2.5 million (\$4.99 million); while Gerome’s 16 x 13 inch *Femme circassienne voilée* (est. £400-£600,00) brought £2.05 million (\$4.1 million) – this work was last on the market in 1997 when it sold for \$580,000; and Rudolf Swoboda’s *The Carpet Menders* (est. £200-£300,000) brought £1.16 million (\$2.3 million). In the Victorian arena we saw a rather lackluster sale with some very aggressive estimates and the auction room paid the price – of the 126 items offered, only 69 found new homes (a 55% sell through rate); but there were some winners, including H. Draper, J.A. Grimshaw, and Godward. And finally the 20<sup>th</sup> Century British works experienced a similar fate, of the 214 works offered, only 129 found new homes – a 59% sell through rate!

As always, it is important to remember that these were just the offerings at the two major sale rooms in London – there were many other sales, both public and private, that took place throughout the world during this period, but it does give you a general idea as to the strength of the art market; even during the hazy, hot, and humid days of summer. And it was not too long ago when the art market took the entire summer off; something it desperately needs. It is also crucial to remember that the auction rooms offer what they can get their hands on; unlike most galleries who pick and choose the works they want to offer to their clients. Not every work offered at auction is a good one and a large number are ‘things’ that most knowledgeable buyers would, or should, have no interest in.

I was once quoted in Forbes that the art market is a jungle and without a good guide you are ripe for the picking – now, more than ever, I cannot stress this enough. The quest for the right works of art is supposed to be an enjoyable adventure and with the right guide, you will not only find that this journey is intellectually stimulating, but financially rewarding. Do not get caught up in the hype. I cannot tell you how many people have come to us stating that they were told by someone in the trade that they NEEDED a work by a specific artist and the piece that they ended up purchasing was little more than a ‘signature’. What you NEED is to buy works that not only have meaning to you but are works you will enjoy owning, are strong examples of the specific artist’s work, and hopefully those you will want to pass on to future generations.

Howard L. Rehs  
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**Please remember our August hours --- we have none. We are closed for renovations.**

**Gallery Updates:** Since our last update paintings by the following artists have made their way through the gallery: Jean B.C. Corot, Alfred A. Glendening, two by Louis Aston Knight, as well as contemporary works by Sally Swatland, Greg Harris and four by Holly Banks.

**Web Site Updates:** We continue to update our biographies (Verboeckhoven, Antoine-Louis Barye, Comerre, Tenre and Zampighi) and have added, or will be adding, works by the following artists to our site: Valtat, Blanchard, Swatland, Banks, and Harris.

**Next Month:** Not sure. Since we will be on a forced vacation I might just bore you with – What I did on my summer vacation!!