

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 – treading 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 if carried an estimate of \$1.5-\$2M and sold for \$4M (wow) ; for the rest of this report, please visit our web site.

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 – and 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. See our site for the rest of this report.....

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.

From the 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: 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.

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