

COMMENTS ON THE ART MARKET

VOLUME 193

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HAPPY NEW YEAR

We wish all our readers and friends a safe, healthy and prosperous New Year. Volume 193 marks the beginning of our 17th year of Comments on the Art Market ... we look forward to bringing you more interesting updates from the art world and please keep in mind that my little Stock Market rants are only there for your enjoyment and should not be taken too seriously. It is all in fun!

Upcoming Fairs

Right after the New Year we will be exhibiting at the Los Angeles Art Show ... a fair we have participated in since its inception in 1994. This year's edition opens on January 11 and continues through January 15.

We have a limited number of tickets, so if you would like to attend please let us know as soon as possible. For more information on the show, please visit our site.

Upcoming Gallery Exhibitions

We are very excited to announce that in May we will be presenting a two-man exhibition highlighting the works of Todd M. Casey and David Palumbo titled *Skin & Tonic*. We are expecting to show about 100 works between the two artists. Stay tuned for more information!

REHSing Artists

By: Lance

Presenting The Work AND Yourself – Carrying over from my last article about “making contact”, I am going to get into how that interaction may manifest itself in the real world... we know how to figure out which method of contact will be best for a given gallery, but how does that introduction play out and what should you be mindful of?

When it comes to physically presenting your work to a new gallery, you want to give them all the pertinent information they need to make the decision. The first and most important thing is the work itself. No matter what medium you work in, always make sure you present good quality photographs! It is well worth the investment to have your artwork professionally photographed for your presentation portfolio; that is, make sure photographs are high resolution (we recommend at least 300 DPI resolution, in the range of 2400x3000 pixels), they are completely in focus, and include the entire artwork. Further, if your work has depth (heavy impasto, sculpture, etc.), it is important to convey that through your images; include angled shots or even better, consider using short videos to accurately represent your work... you want the person reviewing your portfolio to experience the work as intended. Additionally, be sure to notate all of the relevant details that relate to each work included in your presentation... that is, the title, medium, size, signature location, year completed, exhibition history (if any), current retail pricing (or desired retail pricing), etc.

Another aspect I would strongly recommend is being upfront about your production process and other commitments you have... in other words, how many weeks did it take to complete a particular work (what is the timeframe to complete a similar work), are other galleries showing this same body of work (are the artworks

going to be rationed and distributed evenly to all of your retail spaces), do you also create other types of artwork that you do not plan to make available to the gallery (some galleries specialize in certain types of work, therefore some artists are left looking for representation of just a portion of their body of work), and equally important, do you have a full-time/part-time job to supplement your income which will impact your ability to produce works effectively and efficiently.

There are a great number of factors that can determine your ability to secure representation, and believe it or not, many of them have nothing to do with the work itself ... after a gallery reviews your work, if they decide they may want to represent you, they will certainly be reaching out to learn more about your work AND YOU.

One of the most important things to remember (and most often forgotten) is that the Artist-Gallery relationship is a professional working relationship. Let's think of this in terms of almost any other retail business; a food market, a clothing store, you name it ... you have various producers/manufacturers (a.k.a. the artists) and you have the stores/retailers (a.k.a. the galleries). So, a store is looking to add new items to their inventory (art) and is determining which manufacturer (artist) to go with. Aside from the products in and of themselves, the retailer will likely evaluate each of the manufacturer's business practices... meaning, do they deliver their products on time, are the products of consistent quality, is the manufacturer responsive to communication, are they reliable, etc. I'm sure you see where I am going with this... if you are difficult to work with, it will be more difficult for you to find consistent and solid representation. Sure, you may get a gallery to bite based on the work you initially present, but that is not what we are after here... part of the bigger picture is maintaining a long lasting relationship where you can lay the foundation of your career and establish a collector base. So with that, it is important to convey early on that you are committed to fostering a long and healthy relationship and are not just looking to unload what you have laying around in the studio. In my last article, I said "make the gallery want you" – being an enticing prospective business partner can end up putting you in that position.

Compliance!

By: Howard

So, you would think that making a wire transfer to pay for your purchase is a no brainer ... well be careful what information you include or you may just have your bank's Compliance Department on your case. Among our recently sold paintings was one by the Spanish artist Alonso Perez who died in 1914. When our client (Mr. B.) initiated the transfer, he placed the artist's name in the memo field for his records ... and this is part of the reply he received from his bank:

Please be advised that we have not effected the above mentioned transaction as it is under review by our Compliance Department for a possible Sanction or ... Risk Policy issue. Our Legal Compliance Department has requested you provide the following information: Full Name, Address, Date Of Birth for ALONSO PEREZ.

Please be advised that we cannot take any action regarding transaction instructions held until the requested information has been provided and reviewed by our Legal Compliance Department. If a response is not received within a timely manner, the funds could be blocked/rejected in accordance with the sanctioned program.

Mr. B. sent me a copy of this email as soon as he received it and called to apologize ... I could not help but laugh and told him not to worry. He then spent a good deal of time on the phone with his bank trying to figure out what was going on. After going through many levels and finally reaching a senior staff member who understood it was for a work of art, he was assured that they would speed up the process (which I was later told can take 24-48 hours). Oh, our client also sent the following email back to the bank:

... One of the artists whose painting I purchased is named Alonso Perez, who lived from 1881-1914. I put the names in the memo section of the wire transfer template for my own records, and since Alonso Perez died in 1914 I cannot answer your question about his address. In other words, you are asking for the name, address and date of birth of an artist who died over 100 years ago. You have made an error and I would appreciate it if you fix it as soon as possible. I need this wire to go out today. Thank you.

It took two days (so much for speeding up the process) and a lot of phone calls from Mr. B. to his bank for the matter to be resolved ... the funds were finally transferred to our account 2 days later. That same afternoon I was talking with Mr. B. and he informed me that it turns out Alonso Perez is an accused murderer from Las Vegas! Who knew!! In case you would like to read more about Mr. Perez, just Google the name.

Stocks

By: Howard

While reading this section, it is important to remember that it evolved from a story I did in Volume 7 (2001) on the Art Market vs. Stock Market. I have continued writing about stocks because many of us are in the same boat ... just floating along, at the mercy of the big boys. This section is all in fun so please do not take much of what I say about the stock market too seriously and always remember that when I buy something, you might be best served selling it. I am far better picking winners in the art market!!

On the afternoon of the 30th I checked the markets for the month end, and year end, numbers: the Euro closed at \$1.0525 (down a smidge), the Pound also lost a little - \$1.232, Crude continues to climb -- closing at \$53.71, and Gold continues to drop -- closing at \$1,151.8. As for the DOW ... we closed last month at 19,123, by the 20th we were at 19,974 (so close to the 20K mark), but just could not hold on and over the next few days it retreated to close out the month at 19,764 ... still a respectable gain of more than 600 points.

Now for the all-important stuff ... my favorite stocks: JP Morgan (\$86.10 – up 5.56% - nice), Exxon (\$90.27 – up 3.47%), GE (\$31.63 – up 0.76%), AT&T (\$42.76 – up 9.4% - nice), Verizon (\$53.55 – up 7.08%), Wal-Mart (\$69.12 – down 2.18%), Coke (\$41.69 – up 3.21%), DuPont (\$73.40 – down 0.3%), Merck (\$58.87 – down 3.11%), Disney (\$104.22 – up 5.34%), Intel (\$36.30 – up 7.52%) and Apple (\$115.85– up 5.81%). I did add a couple of new stocks to my portfolio this month: Apache (bought at \$66 – closed at 63.47 – down a little) and Occidental (bought at \$69.7 – closed at \$71.23 – up a little).

Continuing from last month's explanation of the market's ups and downs, I will now explain December's ... so, all the big boys at JPM finished celebrating and went back to drinking Cokes while they traveled by plane (which need fuel to fly), with their families, to Disney for the holidays. Their kids were busy calling and texting their friends (so those cell and tech companies were seeing lots of revenue). And then we have all those orders for kitchen countertops, drug refills and new bathing suits that took place last month ... this created a slowdown in new orders/purchases at Dupont, Merck and Wal-Mart. See, understanding the market is soooo simple!

I am really looking forward to 2017 ... trust you are!

Tales from the Dark Side

By: Alyssa

Heritage Auctions, a Dallas-based auction house, filed a copyright infringement lawsuit against Christie's and its independently operated subsidiary, Collectrium. Among other things, Collectrium has a database containing over 11 million items sold through auctions and according to the lawsuit, allegedly stole 2.7 million listings from Heritage's website dating back to 1993. In turn, Collectrium has been reselling the data as part of its own subscription database. Heritage is seeking statutory damages of \$150,000 for each copyright infringement ... 2.7 million x \$150,000 --- wow, that is about \$405 billion!!! Cha Ching!

Not exactly sure how I feel about this case... A 56-year-old employee from the Museum of Natural History in Orleans, France has been convicted of stealing 666 fossils and stones from the museum. Claiming he committed the crimes to pay off his debts after a financially crippling divorce in 2013, the judge took extreme sympathy towards him. He received a suspended sentence of three months in prison, something commonly dismissed after good behavior during a probationary period, and a fine of just 1 euro.... about \$1.05. 364 rocks and fossils were found in his home and about 100 other items sold through eBay were returned by the buyers after the theft came to light.... maybe the "slap on the wrist" decision stems from the small worth of each item; however, I am not sure that a 1 euro fine sets the right example to other "debt-stricken" employees.

Really!

By: Amy

As a new year begins, I tried to find some very old objects whose results left a large footprint. First on my list of fabulous finds is an Allosaurus skeleton that was discovered and excavated in 2013, from a layer of fossil rich sedimentary rock in the Eastern Bighorn Mountains of Wyoming. The 135 million year old Allosaurus was a

mighty predator; this specimen stood a little over 8 feet tall, over 26 feet long and had knife-like teeth measuring 3 inches long. While this skeleton was only 70% complete, it was very well preserved and the skull, with the teeth intact, was complete, encouraging the bidding to roar to \$1.1M! (The estimate was on request.)

In another recent sale, an extremely rare and important skeleton of a Dodo bird flew to an outstanding price of \$432,900... (by the way Dodos didn't fly, which may have led to their extinction since rumor has it they were really tasty). The skeleton, which was 95% complete, was a composite of different dodos retrieved from a swamp on its native island of Mauritius. There are only a handful of complete or near complete dodo skeletons that exist today, and almost all of them are in museums. Dodos became extinct around the 1660s, although scientists at the time did not accept that it was extinct because they were under the (dis)belief that extinction was impossible due to God's influence. Really?! Scientists finally accepted that the dodo was extinct in the 1800s – oh the enlightenment (don't get on my case, I know the Enlightenment was a century earlier) – guess it takes a REALLY long time to get through to people!!

Now I will move on to a couple of old sculptures. An alabaster statuette of Saint Cecilia hammered down at more than 20 times its high estimate when it sold for \$2.4M! (est. \$83-104K). The sculpture was attributed to Gil de Siloe, a Flemish artist (c.1500); while very little is known about him, it is believed that he moved to Burgos, Spain where he was one of the more prominent sculptors for Ferdinand and Isabella during the late Gothic period.

A 16th century Northern Italian bronze bust busted its estimate of \$10.3 – 15.6K when it blazed to the price of \$208K. The bust of a young bearded man generated quite a lot of interest from multiple bidders. I am guessing a couple of people had an idea of who the sculptor was.

And then there was this not-so-old sculpture by Rembrandt Bugatti (1884 – 1916). Bugatti was an Italian born sculptor specializing in wildlife subjects. During WWI he volunteered at a military hospital in Antwerp which, in turn, triggered the onset of depression and later, exasperated by financial problems, he committed suicide at the young age of 31 ☹. His bronze, titled *The Giant Anteater*, garnered great interest in a full room and when the bidding was over, someone paid €1.2M (\$1.28M ... est. \$640-850K) -- a record price for a work by the artist in France! In case you are wondering, his top auction price is \$2.8M for a baboon.

And this really unusual piece is for my middle child...yes, your husband could have bought you the Spiral Staircase from the Eiffel Tower for Christmas – really!! The Eiffel Tower was constructed from 1887 -1889 as the entrance to the 1889 World's Fair; it is now one of the most famous structures in the world. The Spiral Staircase (1890), which consists of fourteen steps, connected the second and third floors and was replaced by elevators in 1983. During the sale, it climbed well past its estimate of \$54K when it sold for \$553K! Based on the presale estimate you would think that the result was incredible; but was the estimate just too conservative, given that in 2013 the stairs sold for \$270,587? Regardless, it was a really good return on the investment. L.S. – I will let you know the next time they come up for sale so you can add them to your Eiffel Tower collection!

The Art Market

By: Howard

During the month of December attentions turned to the London & Paris sales ... and boy were there a lot of them – Swiss Art, Impressionist, Modern, Contemporary, Old Masters, 19th century European, Victorian, Pre-Raphaelite & British Impressionist. Hundreds upon hundreds of works. Some of the sales did very well (especially when they included that 1 hit wonder) and other sales had a rough go. This month I have decided to concentrate on the sales that relate most closely to the periods we specialize in (19th century and Victorian); but before I do, here are a few highlights from the other sales:

In the Old Master realm, the sales seemed to have been fairly strong. According to reports, there was steady competition and the estimates were not always on-the-mark – here are a few examples: David Tenier's *Boys Blowing Bubbles in an Interior* (12 ¼ x 10 inches) was estimated at £80-120K and sold for £681K (\$860K), a Van Ruisdael landscape (7 1/8 x 11 3/8 inches) carried a £30-40K estimate and sold for £513K (\$648K), van der Ast's *The Zomerschoon Tulip* (10 ½ x 8 inches) brought £809K (\$1.02M – est. £300-500K) and Savery's *Temptation of St. Anthony* (7 x 10 ½ inches) brought £441K (\$573K) on a £60-80K estimate.

The top lots in the Old Master sales were a Brueghel at £2.58M (\$3.26M – est. £2-3M), a Titian at £2.1M (\$2.66M - est. £1-1.5M) and a Jordaens of the Holy Family at £1.8M (\$2.3M – est. £5-800K). Sell-through rates were running as high as 81% and the total take was over £36M (\$46M).

In the Impressionist / Modern / Contemporary areas there were also some impressive prices. At one Paris sale, James Ensor's small (12 x 20 inches) *Squelette arrêtant masques* was offered with a €1-1.5M estimate and sold for an astounding €7.4M (\$7.9M) ... as you might guess, that sale's total crushed its presale estimate – low end was €7.27M. In fact, it really did not matter if any of the other works sold since they made their number with just one painting ... but other works sold and the sale brought in over €13.3M (\$14.3M) with a 71% sell-through rate.

In another sale, a Pierre Soulages brought €5.2M (\$5.6M – est. €1.5-2M) while a Simon Hantai made €4.4M (\$4.77M – est. €1.5-2M). When that action was over, about €29M (\$31.4M) worth of art changed hands. The presale estimate was €16-23M and they achieved a 84.5% sell-through rate.

19th Century

Up first was the Christie's sale and the top seller was an Overbeck at £581K (\$730K – est. £150-250K), in second was Morbelli's *Vecchie Calzette* at £341K (\$429K – est. £200-300K) and in third we had a tie: Ziem's *Le Palais des Doges*... and Girardet's *A Passing Caravan*, both of which carried £120-180K estimates and sold for £149K (\$187K).

Along with the higher fliers, there were a number which just could not get off the ground and they included works by Courbet, Caffi, Trinxet and Monturiol. By the time the sale was over, of the 71 works offered only 37 found buyers (52%) and the total take was a lackluster £2.27M (\$2.87M) – low end of the estimate range was £3.09M ... so they fell way short.

The following afternoon Sotheby's presented their offerings and again the results were hit or miss. The top seller here was Sohlberg's *From Værvågen, The Fisherman's Cottage* at £1.21M (\$1.53M – est. £6-800K), in second was Kroyer's *Wine Harvest in the Tyrol* at £237K (\$300K – est. £80-120K) and in third was Koester's *Five Ducks* at £150K (\$190K – est. £30-50K).

Those strong results were not good enough to overcome the bigger lots that did not sell: Sorolla (est. £800-1.2M), Anglada-Camarasa (est. £150-250K), Hammershoi (£150-250K), Mir (est. £120-180K), de Regoyos (£120-180K), Liebermann (£400-600K), Putz (£100-150K), von Stuck (£100-150K). In the end, of the 87 works offered, 51 (62.9%) found homes for a total take of £3.6M (\$4.5M) ... low end of the estimate range was about £4.9M – so here too, they were short.

Victorian, Pre-Raphaelite & British Impressionist

While the Sotheby's 19th century was taking place, Christie's offered their British works of art (I am telling you there is just too much material being offered and the fact that two 19th century sales had to take place at the same time drives this point home). Taking the pole position here was Grimshaw's *Glasgow, Twilight* at £185K (\$234K – est. £100-150K), in second we had a tie at £173K (\$219K): Frampton's (Edward, not Peter) *Our Lady of Promise* (est. £150-200K) and Draper's *The Spirit of the Fountain* (est. £150-250K). Rounding out the top five were John Ritchie's High-Victorian work titled *Winter, St. James's Park, London*. This large canvas was originally exhibited at the Royal Academy in 1858 and was action packed ... it sold for £137K (\$173K – est. £100-150K) ... and a small, 12 x 10 inch, head study by John Waterhouse that carried a £50-80K estimate and sold for £125K (\$158K).

While there were a few rough patches (among them, works by Millais, Tissot and Lear), overall this sale held its own and of the 109 offered, 73 found buyers (67%) and the total take was a respectable £2.6M (\$3.27M).

And finally, we have Sotheby's contribution to this part of the market and as we have seen before, the good always rises to the top – and Mr. Clausen's *The Bird's Nest* was one of them when it sold for £453K (\$568K – est. £150-200K). Two other good examples were La Thangue's *The Farm Pond* at £285K (\$357K – est. £150-200K) and Grimshaw's rather unique *Sand, Sea and Sky, A Summer Phantasy* at £279K (\$350K – est. £100-150K). Rounding out the top five here was John Anderson's *The Palace of Westminster from the Thames* at £231K (\$289K – est. £70-90K) and Grimshaw's *A November Morning* at £200K (\$251K – est. 150-200K).

Here too, there were a few rough spots (Landseer, Spencelayh, Forbes and Lavery); however, they did not spoil the day and in the end, of the 65 works offered, 47 sold (72.3% sell-through rate) and the total take was £3.18M (\$3.97M) which easily surpassed the low end (£2.45M) of the presale estimate.

Thoughts

I still believe that there needs to be some sort of consolidation of the UK's 19th century sales. In the US there has been an attempt to properly curate the offerings and the sales have become much slimmer and trimmer. During the last round, between Sotheby's and Christie's, we saw 128 works and of those 79 (61.7%) sold for \$11.84M (about \$150K per works sold). In the UK we had 332 works offered and 208 (62.6%) sold for approximately \$14.61M (or \$70K per work sold). While the percentages are fairly close, the average amount paid is very different. I know, it does have a lot to do with what is being offered; however, I also know that when there is less supply there is more competition and stronger results.

The Rehs Family

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Gallery Updates: During the month of January we will be exhibiting at the LA Art Show and we hope to see some of you there.

Web Site Updates: Works by Zuber-Buhler, Cesare Detti, Alonso Perez, Edouard Cortes, Antoine Blanchard, Dunkel, O'Neill, Salaz, Casey and Koeppel have found new homes. We have also added new works by Knight, Cortes, Blanchard, Jahn, Koeppel, and others to our available inventory ... below is a small selection:

TRADITIONAL



Louis Aston Knight
Les Vieux Lavoirs, Beaumont



Antoine Blanchard
Quai du Louvre, Hiver



Edouard Cortes
Place de l'Opera in Winter



Johann Berthelsen
Grand Army Plaza and 59th Street

CONTEMPROARY



Timothy Jahn
Red Handed



David Palumbo
Jacqueline 15



David Palumbo
Angela 18



Ken Salaz
Sunset over Hudson Valley...



Stuart Dunkel
Dragon Fish & Visitor



Stuart Dunkel
Guilty



Timothy Jahn
Pear Shake



Erik Koeppel
Coconut Palms



Erik Koeppel
Palms in Evening Light

Next Month: Not sure yet, but I am sure something will pop-up!