

# COMMENTS ON THE ART MARKET

## VOLUME 171

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Rehs Galleries, Inc.  
Rehs Contemporary Galleries, Inc.  
5 East 57<sup>th</sup> Street, New York, NY 10022 – (212) 355-5710  
[www.rehs.com](http://www.rehs.com)

### Upcoming Shows



We are very pleased to inform you that for the next few months all of our works will be in the gallery ... yes, there are no shows on the horizon until this summer! Ok, that could change at any time, but right now we are home!

During the month of April, we will be hosting SEX32 -- our 3<sup>rd</sup> exhibition featuring the talented artists from the Ani Art Academies. We are expecting to present about 40 really impressive works of art and the accompanying catalog will feature a nice essay by Peter Trippi, the editor-in-chief of Fine Art Connoisseur magazine. Peter received Masters Degrees from both the Courtauld Institute of Art and New York University; in addition, he co-founded the peer-reviewed journal Nineteenth-Century Art Worldwide and wrote the definitive book on the 19<sup>th</sup> century British artist John W. Waterhouse (1849-1917).

SEX32 will open at the gallery on April 18<sup>th</sup> and we hope that many of you will have an opportunity to stop by.

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### Stocks

By: Howard

Now this is the sort of ride I like. If you remember correctly, last month I posted my comments on the 29th when the DJIA was at 17,416 and there was one trading day left. Since the market opened on Feb 2 at 17,169 that means Jan 30th was one DOWN DAY! However, that is all water-under-the-bridge because on Feb 27th we were at 18,132 ... we gained almost a 1,000 points! YES!! In addition, while there were some days that featured big swings, in the end the advance seemed pretty orderly. 10 more months like this and we will all be pretty happy – LOL! I know, all good things must come to an end.

And in case you are wondering, here are my month end numbers: JP Morgan (\$61.28 – up 11.93%), Emerson (\$56.88 – down 9.15%), Exxon (\$88.54 – up 0.67%), GE (\$25.99 – up 9.2%), AT&T (\$34.56 – up 5.75%), VOD (\$34.56 – down 2.77%), Verizon (\$49.45 – up 7.38%), Wal-Mart (\$83.93 – down 3.33%),

Coke (\$43.30 – up 3.29%) and DuPont (\$77.85– up 8.56%). You should note that I sold my Emerson and bought Merck at \$60.43 (it is now at \$58.54 – down 3.12%) --- remember, when I buy, you sell ... and when I sell, you buy ... LOL!!!

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### **Really!**

By: Amy

Well, while it doesn't happen often, I must say that this past month there was definitely a lack of material to write about, short of one amazing, but unconfirmed sale....which I will get to. Is everyone staying home and just trying to stay warm?!

That being said, there were a few collectables that did catch my eye, and surpassed their estimates. The first was part of a 100 lot antiquities sale where bidding was highly selective and only a third of the lots sold. The top lot was a rare alabaster male figure standing 21 ¼ inches high, from the region of Yemen and dating back to the 6th-2nd century. It had a presale estimate of €10-15K and hammered down at €275,440 (\$306K)...not too bad!

Next up is a little item that only caught my eye because I love elephants; it's an early 20th century copper weathervane in the shape of an elephant. Estimated at \$1500-2500, it sold to the trade for \$20K in an online auction, despite the condition report noting that it had some bent elements, rust and paint loss... I really want to know what would it have sold for if it were in perfect condition.

Last month I reported on the astounding sale of James Watson's Nobel Prize. Well, in the same sale, an anonymous bidder, who must love books, or clocks, or physics, or history, or science artifacts, or all of the above, purchased a book titled *Horologiuk Oscillatorium* by Christiaan Huygens (1629- 1695) for \$965,000! (est. \$150 – 200K). The book details how Huygens applied Galileo's concept of using a pendulum to aid in timekeeping. Huygens was the first to apply the concept to a real clock, enabling a timepiece to stay accurate to the seconds of a day, not the minutes or hours; the new technology was used all over Europe in clock making! Really!

And now for the really big news... while I normally do not cover paintings, this one does fall into my category...Really! According to reports, a painting by Paul Gauguin titled *Nafea faa ipoipo* (1892) (Tahitian for "When will you marry?"), has been sold by the Swiss family that has owned it for almost 100 years to an anonymous buyer for a record setting amount, close to \$300,000,000!! (Yes, I had to put all the zeros in!) Because it is a private sale, the reports are unconfirmed as to the buyer and the actual amount, but it is suspected that the painting was purchased by someone in Qatar, possibly Qatari royalty. The Qatar royal family and the museums there have been buying impressive modern and contemporary art; in 2011 they bought Paul Cezanne's *The Card Players* for \$250M! If in fact it sold for close to \$300M, that would make it the most expensive painting ever!! Really!!!

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### **Tales from the Dark Side**

By: Alyssa

Nathan Isen, 61 – Art dealer and owner of I. Brewster & Co. gallery was charged with laundering \$20,000 through the Pennsylvania gallery. According to reports, in 2012 Isen exchanged 12 Dali prints for the \$20,000. If found guilty, he faces a possible 20 year prison sentence, three years of supervised release, a \$250,000 fine as well as a \$100 special assessment.

Two brothers from Girona – are facing swindling charges after attempting to sell a fake Goya painting to an Arab Sheik for 1.7 million Swiss francs. The best part of this is that when the brothers arrived at a Geneva bank to deposit the money, they found out the bills were mere photocopies. Police detained them until uncovering the details of the art forgery sale. Fake money for fake art ... makes sense. I wonder who was laughing harder!

Pierre Le Guennec, 75 – the former electrician of Pablo Picasso will hear his final verdict and sentence on March 20<sup>th</sup>. Le Guennec allegedly stole 271 unsigned Picasso collages, drawings, sketches or lithographs over the course of 40 years. The defense claims Picasso's wife gifted him the collection and

there is no evidence of theft, Picasso's family and close friends argue that Picasso would never give away such a collection and they must have been taken from his home without his knowledge.

Christopher Hayes, 55- owner of Florida auction house, Elite Decorative Arts pleaded guilty to wildlife trafficking. According to reports, Hayes admitted to illegally selling six black rhino horns through the auction house. The company has agreed to pay a fine of \$1.5 million and will no longer allow illegal endangered wildlife items to pass through the company. Hayes is still waiting on his sentence; he is facing up to five years in prison.

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## **More Art Show Don'ts**

By: Howard

I know that some of you have been amused by my articles on what not to do at shows and I think some people must be reading them --- we heard very few 'things better left unsaid' during the Naples and Palm Beach shows. In addition, people spent most of their time looking at the artwork, rather than photographing it. On top of that, those people who did take photos asked and only took images of works that seemed to interest them. People, we are making progress!

Now before I move on to a couple of uncomfortable situations that did arise, I have a question that hopefully one of our readers can answer: I am always amazed at the number of people who walk up to our desk at a show and take a business card without even looking at the paintings on the walls. When this happens we always ask the person if they need any assistance or if they have any questions? The reply is usually the same ... no. Can someone please tell me what people do with all the business cards they collect? Decoupage? My personal assumption is that we will be added to some spam email list.

Next are some food related situations that arose in Palm Beach – and this must be “read” from the dealer's point of view.

One afternoon a young woman with her baby, nanny and stroller sat down on some chairs in our booth, for over 45 minutes, and proceeded to feed the baby. Now I do not want to come off as heartless (I love kids) and I too have children who were once very young; but a dealer's booth is not the appropriate place to park your family for lunch. There are public places in a show where you can do that.

Dealers spend a great deal of money to be at a show for a very short period of time. They design their booths to be attractive and hopefully inviting for people to enter and look around. Every minute you are picnicking in their booth and blocking some of the artwork on display is potentially costing them money. Most dealers, me included, will be very uncomfortable asking you to leave and truthfully, it is just not fair to put them in that position. In addition, if you are going to do it, please clean up your mess --- we do not want to take out a vacuum after you leave.

The following afternoon I watched as two rather heavysset women, who were on motorized scooters, pulled up to one of the outside walls of our booth, maneuvered their scooters so they were facing each other (basically blocking an entire 10 foot wall) and proceeded to have their lunch. At first I laughed ... two days in a row I became a lunchroom. Then I was a little annoyed as I watched other people try to look at the works they were blocking and those two women just kept on eating and talking. Thankfully, their actions were seen by the security people in the show and were forced to move since blocking the already narrow aisle was a fire hazard.

I want to stress that most dealers are not mean people and we really do not want to be put in situations where we may appear to be angry or rude. We want people to feel very comfortable when entering our booth; after all, we are there to sell the works we have on display. Think about this the next time you want to eat in someone's booth: how would you feel if a stranger knocked on your office door, walked in, parked themselves at your desk, ate their lunch and then walked out? After the initial shock, you would probably call security. A dealer's booth is their office for the duration of the show and their doors are always open to you; all they ask is the same courtesy you would expect when inviting people into your place of work.

And now on a related note here are a couple of comments from a reader.

These come from an email I received from Jane, a dealer in Arizona who, receives our monthly newsletter (with a couple of my own additions):

*Oh Howard. Your missive is way too funny and I read it out loud for the gallery owner and both of us had tears in our eyes. It is NOT just you and the shows. This happens here EVERY Day, day in day out.*

*I too seem to be multi-talented and able to do figurative bronze sculptures, fake ceramic food and a wide range of painting styles. [Wait, I am not the only one?]*

*This is what we hear about the oversize ceramics: tap, tap, tap, tap, tap, tap ... what is this? Metal? ... tap, tap, tap, tap, tap, tap ... I'm convinced that a huge segment of the population cannot read. Well into the 98% range. [I did not think it was that high, but what do I know?]*

*Today was a good one: is this where the Hashknife Pony Express will drop off the mail? Really? Does this look like the post office? [You mean the Pony Express still rides? Humm ... guess that is why it often takes a week or more to get some of our mail.]*

*As far as the touching: the best one was a \$50,000 piece (years ago) heavily impastoed that a woman walked up to and volunteered to 'just pick off that glob of paint'. Luckily I grabbed her hand before she had success. The reaction was as though I had poured scalding water on her. [Glob of paint ... that made me laugh.]*

As you can see, we are not the only gallery that experiences this; we are just the only ones who talk/write about it. Unless the dealer or artist gives you permission, touching any work of art is really inappropriate ... and could cause damage. The next time you get the urge to touch something that does not belong to you, ask yourself this question: How would you feel if someone walked into your home and began touching some of your valuable treasured family heirlooms?

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## **The Art Market**

The action came on hot and heavy in February when all attention turned to the Impressionist/Modern and Post-War/Contemporary sales in London. First up ...

### **Impressionist & Modern**

By: Lance

The Impressionist and Modern sales always feature some of the biggest names in the art world... Iconic figures in the likes of Monet, Picasso, Matisse, Miro and Renoir. With that, we tend to see fairly strong prices along with excellent sell-through rates, making these some of the most successful sales year after year. I have to say... it's always refreshing to see a bit of stability and "normal" growth in the art market. Whenever there is a high level of volatility in prices, it makes the market very difficult to analyze and further makes it difficult to put a fair market value on individual works of art.

Sotheby's kicked the week off this year with 75 works on the block in their Evening Sale. Leading the way was *Le Grand Canal* by Monet, an incredibly rare and beautiful work from the series of paintings he completed in Venice in 1908. With an estimate of £20-30M (\$30-45M), I was a bit surprised to see it go for just £23M (\$35M) including premium (keep in mind that without the premium, the work falls short of the estimate range and this was the featured work of the sale and cover piece). Falling into second was Matisse's *Odalisque au fauteuil noir* at £15.8M (\$23M) on an estimate of £9-12M. Rounding out the top three (and possibly rounding out an impressive collection) was another Monet, *Les Peupliers a Giverny* at £10.7M (\$16M – est. £9-12M) which was purchased by a private collector in the US. Of the 75 works, just 11 failed to sell (along with 1 withdrawn) giving a solid sell through rate of 85% and a grand total of £186M (\$280M – Est. £139.2-196.1M).

Moving onto the Day Sale the following afternoon, we start with a surprising *Cezanne* leading the way at £1.3M (\$2.1M) on an estimate of just £2-300K, more than 4 times the estimate! The work is one of 29 known depictions of Cezanne's wife, Hortense (21 are in institutional collections). Not far behind was

*Jeune fille lisant* by Renoir at £1.1M (\$1.7M) on a low £250-350K estimate. Taking third was a work by Henri-Edmond Cross, bringing £821K (\$1.2M - Est. £350-450) and was just one of 182 works to surpass their high estimate in the day sale. In the end, 244 of the 324 lots sold which works out to roughly 75% and a total of £25.5M (\$38.8) which pushed the upper end of the £19-28M presale estimate range.

Later that day, Christie's had their shot at the Impressionist and Modern market with their evening sale... Taking the top spot was Joan Miro's *Painting*.... I think this title actually just won me over for my new favorite; my sincerest apologies to all the *untitled(s)* out there. Technically, the full title is *Painting (Women, Moon, Birds)* but that is just getting way to descriptive for me... Anyway, the canvas ended up bringing over £15M (\$23M), well over the £5-7M estimate. Paul Cezanne's *Vue sur L'Estaque et le Chateau d'If* took second at £13.5M (\$20M - Est. £8-12M) and another Miro took third at £9.1M (\$13.8M - Est. £7-9M). This evening saw an even stronger sell through rate (than the previous evening) of 88% with 70 of the 80 works finding a buyer and an impressive 47 works with a price tag over \$1 million. In the end, the sale totaled £147M (\$222M - Est. £92.8-133.8M/\$140.68-202.73M).

The Day and Works on Paper sales were held the following day at Christie's with German artist, Ernst Ludwig Kirchner leading the way; his work *Drei Hutten am Hugel, Rote Hutten* brought £806K (\$1.2M - Est. £400-600K). Picasso's work on paper, *Tete appuyee sur les mains* took second at £662K (\$1M - Est. £250-350K) while Renoir's *Nu couche, vu de dos, sur fond ocre* made £506K (\$769K - Est. £380-550K). The two sales offered a combined 227 lots with 176 works selling (77.5%) for a total of £21.3M (\$32.4M - Est. £17.6-26.3M/\$26.6-39.8M).

Comparatively speaking, both sets of sales were in the same ballpark as last year's London sales (keeping in mind there needs to be some variation as the individual works being sold are different). So, if you are looking to park your money (a lot of money) in hard assets.... art may be a good place to start looking.

### **Post-War & Contemporary**

By: Howard

After a week of millions being spent, the salerooms presented their Post-War & Contemporary sales ... and the results were indeed impressive.

Sotheby's started the action with their February 10<sup>th</sup> evening sale and taking the top position was Gerhard Richter's *Abstraktes Bild* (1986) which brought a record £30.4M (\$46.3M - est. £14-20M - this painting last sold in 1999 for \$608K). In second was Francis Bacon's *Two Studies for Self-Portrait* at £14.7M (\$22.4M - est. £13-18M - this same work sold back in 1993 for £354K) and in third was Lucio Fontana's *Concetto Spaziale, Attese* (1965) at £8.4M (\$12.7M - est. £5-7M - the more slices the better). Rounding out the top five were an Yves Klein at £6.1M (\$9.2M - est. £3.6-4.6M) and a Basquiat at £4.4M (\$6.7M - est. £3-4M). In fact, all of the top ten works either met or beat their estimates.

The sale offered 75 works, sold 65 (86.7%) and grossed £123.5M (\$188M); the presale estimate range was £88.6-125.5M ... so with the buyer's premium added in, they almost hit the upper level. Together, the top ten works brought in £83.42M or 67.5% of the sale's total take.

On the 11<sup>th</sup>, the saleroom presented its 'more affordable' works ... but one still needs to have big buckets to play in this sandbox! Taking the top slot here was Peter Doig's *Cold Blooded* at £1.27M (\$1.9M - est. £400-600K); in second was Christopher Wool's *Untitled (D387)* at £545K (\$831K - est. £200-300K) and in third was Andy Warhol's *Dollar Sign* at £413K (\$630K - est. £200-300K). As with the evening sale, each of the top ten works either met or beat their estimate.

At the end of the session, there were 293 works offered, 231 sold (78.8%) for a total of £16.9M (\$25.8M); the presale estimate range was £13- 18.4M.

For the two days, Sotheby's pulled in £140.4M (\$214M) from 296 sold works and according to the saleroom, this was their strongest sale of contemporary art that took place in Europe ... we have all seen what the sales in NY have done!

The evening of the 11<sup>th</sup> saw Christie's offerings and while the total take was a little less, the sell-through rate was a bit stronger. Taking the top position here was Cy Twombly's *Untitled (New York City)* at

£19.7M (\$30M – est. in the region of £16M). The number two spot was nabbed by Gerhard Richter when his *Vierwaldstätter See* made £15.8M (\$24M – est. in the region of £10M) and in third was Bacon's *Study for a Head* at £10M (\$15M – est. – ready for this --- in the region of £9M). Can someone explain 'in the region of'? That leaves a great deal of wiggle room! I am sure the seller got a pretty firm estimate before offering it. Rounding out the top 5 was another Richter at £9.6M (\$14.6M – est. £9-14M) and a Basquiat at £4.4M (\$6.7M – est. £5-7M) ... the last one fell a little short of expectations – but it was 'in the region of'! LOL!!!

By the end of the evening, of the 62 works offered, 57 found buyers (92%) for a total of £117M (\$178M) – their presale estimate was £94.56-134.24M. Together, the top 10 works account for £59.9M (\$91M) or about 51% sale's total take ... guess we could say they had a slightly more balanced sale.

The next day Christie's had their 'more affordable' sale and again, the total take was slightly less, but overall the sale was much stronger. The top three positions were taken by Andy Warhol's *Golden Shoe* at £723K (\$1.1M – est. £200-300K); Damien Hirst's *Ipratropium Bromide* at £543K (\$827K – est. £250-350K) and Fontana's *Concetto Spaziale, Teatrino* at £387K (\$589K – est. £120-180K). In addition, all of the top ten works either met or beat their presale estimate.

When this session ended, of the 201 works offered, 173 sold (95%) and the total take was £14.8M (\$22.5M) --- the presale estimate range was £9.63-14.25M, so they were just over the top with the buyer's premium.

Between the two salerooms, the contemporary week saw 631 works offered, 526 sold (83.4%) and a gross of £271M (\$414M). Now, just for comparison, here are the last 5 years of February sales:

2015: 631 works offered, 526 sold, total take £271M (\$414M) – average price per lot sold: \$787K  
2014: 666 works offered, 550 sold, total take £281M (\$466M) – average price per lot sold: \$847K  
2013: 620 works offered, 514 sold, total take £190M (\$296M) – average price per lot sold: \$370K  
2012: 555 works offered, 439 sold, total take £162M (\$254M) – average price per lot sold: \$579K  
2011: 534 works offered, 454 sold, total take £134M (\$216M) – average price per lot sold: \$476K

Not really sure what that tells you since any sale can be skewed by one or two works that bring a tremendous price; but if nothing else we can see that the market is still pretty strong. It is also interesting to note that the saleroom's post press releases were going crazy with how well they did; however, these results pale in comparison with what goes on during the New York sales ... in case you forgot, the November 2014 sales brought in \$1.4B ... the equivalent of the last 4 years in London.

And here is one more very interesting and important statistic. Almost half of the money generated from the two evening sales (\$186.1M) came from just three artists – Gerhard Richter (\$96.4M), Cy Twombly (\$51.63M) and Francis Bacon (\$38.1M) and about 60 artist made up the balance of these sales. What this says to me is that while there are some deep pockets around, this market is not very deep. If the big Richter and Twombly works had not come to the market, the results would have been very different. As I have been saying --- what a difference a painting or two can make!

The Rehs Family  
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**Gallery Updates:** No out-of-gallery shows on the horizon and do not forget that SEXE2 will open on April 18.

**Web Site Updates:** This month a number of works have made their way through the gallery; among the artists were: Antoine Blanchard, Anthony Thieme, Vincent Clare, Ben Bauer, David Palumbo, Todd Casey, and Sally Swatland. We have added new works to our web site; below is a small selection of the recent additions:



## HISTORICAL



**Martin Rico y Ortega**  
*A Summer's Afternoon, Venice*



**Antoine Blanchard**  
*Café de la Paix*

## CONTEMPORARY



**John Stobart**  
*New York, East River Departure c. 1880*



**Erik Koeppel**  
*Morning on the Wildcat Brook*



**Todd M. Casey**  
*The Green Fairy*



**Sally Swatland**  
*On the Beach*



**Karl Jensen**  
*Creative Fire*



**Karl Jensen**  
*Torso*





**Erik Koeppel**  
*The Picnic*



**Ken Salaz**  
*Family Sunset, Catskills*



**Ken Salaz**  
*Sunset Looking East, Hampton, NY*

**Next Month:** More action from the auction block.