

COMMENTS ON THE ART MARKET

VOLUME 135

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A Vetting (Or Should I Say Vexing) Problem

This past month we participated in the American International Fine Art Fair; one of the best in the U.S. Setup was a rather long, tedious and an almost deadly endeavor - I added deadly because at one point the workers were installing a ceiling in our booth and dropped a 10 foot long 2 x 4 that grazed my wife's back ... another inch or two and it would have been all over! Thankfully she was only a little shaken up.

On Friday morning we finally finished hanging the paintings and posted the cataloging cards on the walls ... then along came the vetting committee which was comprised of three museum curators – I will not reveal their names here, but you can always click on the following link – The Vetting Committee. I never had the “pleasure” of meeting them before so I introduced myself and let them go about their business.

The three spent about 10 minutes going over the works in our booth, thanked us and walked away; this was what I had expected since I knew that the condition of all the works was outstanding and there would be no issues regarding authenticity. A few minutes later a woman came back into our booth with a sheet of paper from the committee and I expected it to say “Passed” – was I wrong. Written on the paper were the instructions that I remove Mark Lovett's paintings ... the reason: they were not “show worthy”. I was shocked, to say the least. I stood in front of Mark's paintings (which were hanging next to paintings by Holly Banks, Sally Swatland, Ben Bauer and Gregory Harris, and I just could not figure out: why on earth they were not show worthy? I started getting aggravated and wrote across the paper – APPEAL. I then found a member of the show promoter's staff and handed it to them and said: “this is a bunch of Bull...!”

A short while later the woman who originally handed me the paper walked back into my booth and stated that the vetting committee would like to see me. I was asked to follow her to a meeting room at the front of the show. I walked in and seated around the table were the three committee members. I sat across from them and they asked: you are appealing? I stated I was and asked: what made the works not ‘show worthy’? The three seemed perplexed by this question and began by telling me that the work was decorative and somewhat commercial. In addition, it brought down the other works in the room where it was hanging. I was shocked and continued to press the issue. They then went on to tell me (in a somewhat annoyed tone) that one particular painting *Spring into Fall* was salacious, bordered on child pornography and brought down the look of our entire booth. In addition, it was their job to make sure that works like those are not displayed since many visitors would see them, be offended and complain to the owners of the show. I must tell you I was more than shocked ... I was actually disgusted and sickened by this.

I left the room in total amazement and wondering how anyone could look at Mark's paintings that way – the only thought racing through my mind was: what sort of people were these vetters? After returning to my booth I took the paintings off the wall and placed them in the closet as the opening was fast approaching. Throughout the opening event all I could think about was the vetting issue and by the end my blood was boiling.

The next morning I composed and sent the following email to the promoter:

The vetting issue that arose yesterday afternoon has left me with a horrible taste in my mouth. How, on earth, can any NORMAL person look at the Mark Lovett painting (image attached) and think that it is anything more than a wonderful depiction of youth and innocence? The fact that YOUR committee decided, in their minds, that it is salacious and borders on child pornography is preposterous and makes me wonder what issues they may have.

What I decide to show is my decision and I will NOT be dictated to by a few museum curators whose opinions, I now, do not respect. So, as of today I will be hanging the painting. I will say that they were probably right in stating that the painting was not right for the room it was in ... so I will be hanging it on the FRONT wall of my booth.

If YOU have an issue with this I will talk with YOU and only YOU. In the future, I will abide by your vetting committee's decisions when it relates to the authenticity or condition of a work I am showing; I will NOT listen to their personal opinions on the Show Worthiness of a painting I am displaying. I have one of the best reputations in the business and have been in the art world for far too long to be edited by YOUR committee.

Howard

PS – I will also insist that YOUR committee not return to my booth during the course of this show ... they are not welcome in my space.

When I returned to the show that morning I rearranged the paintings in my booth and hung Mark's *Spring in Fall* on the front wall. I will add that throughout the remaining 10 days of the show not one person had a negative comment about the work ... everyone admired it. In addition, while I saw the various members of the vetting committee walking through the show they never came near our booth again (as far as we know). I should add that later that day the show promoter spoke with me and stated that there were other issues with the vetting and he was rethinking the whole idea.

I knew that Mark Lovett would find this whole story of interest so I posted it on Facebook and Twitter. There were many reposting and dozens upon dozens of people were as equally shocked and disgusted by the committee's thoughts. Below are just a few of the replies we received:

D.C. - see this is what I hate about the way people impose their distorted thinking upon an image and thereby restrict the public from seeing a beautiful and original piece. As an artist I find this appalling. I think it gets in the way of actually DOING of art. I really think that we are entering an age of where art will become less and less original and more constricted by distorted concepts like this. So now if you paint a piece where children or young people are the subject you could be hauled off for painting porn. Unbelievable.

K.S. - Wow - they have warped minds. How are we supposed to represent our children? Is it safer just to paint children like benign smiling objects or is it important we paint as they are. It's human nature to find children beautiful and appealing - it's the warped world we live in that takes this beyond a natural response which should be just to "nurture"

B.W. - LOL LOL ! I don't know if you knew this..... Renoirs little girl on a sofa was not permitted in an important Salon show for the exact same reason... maybe it's a good sign!

In general, vetting, when done right, is an important element of a show since it helps protect the general public from buying a work that is either in poor condition or is just not right. However, when people begin to impose their own personal opinions of the meaning of a work, and then try to force those thoughts on others, that is when the line has been crossed ... and in my opinion, in this instance that line was **CROSSED!**

I should add that two weeks later we participated in another vetted show in Palm Beach and this time Mark's paintings made it through without a comment ... but then again I was on the vetting committee☺!!

Stocks

As you can see, my newsletter is rather late. The reason, we have been tied up with the Palm Beach shows for most of the month and because of this, I am afraid that I have very little to say about the stock market ... just no free time to think about it.

However, I did check my portfolios once I returned to New York (March 1) and I am pleased to report that not only has the stock market climbed to levels we have not seen in quite some time, but my portfolios are looking a little better (a 6% increase – wow). While the numbers of stocks in the RED still outweigh those in the BLACK, there are less of them!!! Among my favorite gambles are GE at \$18.97 (in the

black); BofA - \$8.13 (lots of red here); Citi - \$34.10 (a little red left); CTL - \$39.03 (just hit the black); JPM - \$40.63 (in the black); Oracle - \$29.96 (black); MCD - \$99.50 (black); Pfizer - \$21.41 (black); AT&T - \$30.87 (black); VOD - \$27.18 (strong black); Altria - \$29.96 (another strong black) and my two favorites – RIMM - \$13.79 (so RED it hurts my eyes) and SNRS - .0001 (neutral – darn, still need to work).

The Art Markets

The Impressionist & Modern

February is when all the major auction action moves to London and on the 7th things started to really heat up. That evening Christie's offered their Important Impressionist & Modern works and the flames began to roar. Taking the top slot here was a Henry Moore sculpture *Reclining Figure, Festival*, that made £19.1M (\$30.1M ... leaving its £3.5-£5.5M estimate in the dust – it also turned out to be the top lot of the week). In second place was Miro's *Painting-Poem* which made £16.8M (\$26.6M – also leaving its estimate of £6-£9M in the rearview mirror) and in third came Gris' *Le livre* at £10.3M (\$16.3M – falling short of its £12-£18M est.). Rounding out the top five were Liz Taylor's Van Gogh at £10.1M (\$16M – est. £5-£7M) and Signac's *La Corne d'Or, Constantinople* at £8.8M (\$13.9M – est. £4-£6M).

When the evening ended, of the 88 works offered, 76 found buyers (86%) and the total take was a very strong £134.99M (\$213.3M). As with many sales the top ten accounted for a large percentage of the sale; here they made £83.3M (\$131.6M) or almost 62% of the final total.

The next day they followed up with two more sales - Works on Paper and their general Impressionist / Modern Paintings. Top lot in the works on paper sale was a Kurt Schwitters at £870K (\$1.4M – est. £100-£150K). Of the 135 works offered, 103 sold (76%) and the total was £7.4M (\$11.7M). The painting sale saw a Chaim Soutine take the gold medal at £1.1M (\$1.7M – est. £400-£600K) while a Schwitters took the silver at £691K (\$1.1M – est. £200-£300K). When this sale ended, of the 161 works offered, 137 sold (85%) and the total take was £18.3M (\$29M).

Between the evening and day sales, Christie's brought in £160.6M (\$254M) from the 316 works sold (82.3% sell-through rate ... total offered: 384). In addition, they offered a lower end sale which added £2.16M (\$3.4M) and another evening sale from a private collection – the Impressionist & Modern works from this sale brought in another £16.3M (\$25.8M) – top lot was a Miro at £5.8M (\$8M – est. £4-£7M). So when all added, Christie's grand total was £179.1M (\$282.6M) ... their corresponding sale in 2011 brought in £107.5M (\$172.4M), so 2012 was a much stronger showing.

Sotheby's offered their Impressionist & Modern Art Evening Sale on the 8th and taking the top spot here was a wonderful winter scene by Monet, *L'entrée de Giverny en hiver*, that brought £8.2M (\$13M – est. £4.5-£6.5M) – nice to see one of the 'old names' leading a sale; but it was only the sixth most expensive work of the week. In second place was Kirchner's *Das Boskett...* at £7.3M (\$11.6M – est. £5-£7M) and in third there was Braque's *L'Oliveraie* at £5.1M (\$8M – est. £2-£3M). Rounding out the top five here were Leger at £3.96M (\$6.3M - est. £3.8-£4.5M) and Vuillard at £3.4M (\$5.4M – est. £3-£5M).

When this evening session ended, of the 53 offerings 41 sold (76.9%) and the total take was £78.9M (\$125.5M). Here the top ten works brought £42.8M (\$68M), or 54.2% of the evening's total.

Now at first glance you might say that Christie's evening sale with its £134.99M total crushed the competition's £78.9M; however, you need to remember that Christie's sale offered, and sold, far more works. So when you break it down to the Price Per Lot Sold, Sotheby's comes in at £1.92M vs. Christie's at £1.77M.

Of course, Sotheby's added to their week's total with a day sale; which from the numbers appears to have been much weaker than their competition's. Top lot here was Nolde's *Farbenfreude* at £803K (\$1.3M – est. £400-£600K) while Dufy's *Les Regates* brought £713K (\$1.1M – est. £600-£800K) and Renoir's *Femme en Bleu* (one of those small, late, Rubenesque works) made £601K (\$952K – est. £300-£500K).

When the day was over, of the 271 works offered 198 found buyers (73.3%) and the total take was £17.2M (\$27M) – the expected range was £15.5-£21.8M – so they needed the buyer's premium to reach it. Keep in mind that Christie's day sales offered 296, sold 240 (81%) and brought in £25.7M (\$40.7M) ... much stronger.

When the two Sotheby's sessions ended, their combined total was 324 offered, 239 sold (73.7%) and a total of £96.1M (\$152.2M).

For the week (when we only add the Evening and General Day Sales) the two rooms offered 708 works, sold 555 for a total of £256.7M (\$406.2M) ... as I mentioned earlier, Christie's also had two additional sales: one featuring lower end works and the other a private collection which had both old masters and Impressionist/Modern works. Those sales added another £18.5M which brought the grand total up to £275M (\$435M). All in all, a nice strong showing.

The Post-War & Contemporary Sales

Yes, the following week saw even more art hit the auction block with the Contemporary sales. As we have seen in the past, the action here was fast and furious, with many works of art bringing extremely strong prices.

First up was Christie's evening sale and the results were steaming. Top slot here went to Francis Bacon's *Portrait of Henrietta Moraes* that made a sizzling £21.3M (\$33.4M – est. was 'on request' and I forgot to ask ... sorry). In second was Richter's *Abstraktes Bild, 1994* at £9.9M (\$15.5M – est. £5-£7M) and in third was a de Stael at £5.3M (\$8.3M – est. £3.5-£5M). Rounding out the top five here were a Christopher Wool at £4.9M (\$7.7M – est. £2.5-£3.5M ... this was an auction record for the artist's work) and a Manzoni at £2.7M (\$4.3M – est. £1.8-£2.5M).

When the session was over, of the 65 works offered, 58 (89%) found buyers for a total take of £80.57M (\$126.5M – the low end of the presale est. range was £65M); and the top ten made £53.3M (66% of the total). If you would like to read more about this sale, check out Souren Melikian's [Burst of Buying at Modern Art Sale](#).

On the 16th they continued with their Day Sale and once again there were some pretty strong numbers. The top lot here was a Richter piece titled *Turned Sheets* that brought £1.5M (\$2.4M – crushing its £300-£500K est.). In second came Fontana's *Concetto spaziale* (est. £4-£600K) and Richter's *Abstraktes Bild (1992)* (£3-£400K) each of which made £541K (\$851K). Each of the top ten works met, beat or crushed their estimates.

When the day ended, of the 187 works offered, 144 (77%) found new homes and brought in £15.35M (\$24.1M) – the low end of the estimate range was about £10M ... so they beat it; between the two sales, Christie's offered 252, sold 202 (80.2%), for a total of £95.9M (\$150.6M).

That evening Sotheby's presented their important works and the results were equally as strong. Top two results here were works by Richter's; his *Abstraktes Bild (768-4)* made £4.86M (\$7.6M – est. £3-£4M) and *Ice* brought £4.3M (\$6.7M – est. £2-£3M). Coming in third were a Basquiat and another Richter at £4.1M (\$6.4M – est. £3-£4M) ... as we have seen in other sales, Gerhard Richter is the current flavor of the month!

When the evening ended, of the 63 works offered 57 found buyers (90.5%) and the total reached £50.7M (\$79.7M) ... the expected range was £35.8-£49.7M; so with the buyer's premium they beat the high end.

On the 17th they presented their Contemporary Art Day Auction and while the overall results were not as strong as the evening sale, it still did very well. The top works mirrored the evening results with Richter's *Abstraktes Bild* – he needs to come up with another title – bringing £960K (\$1.5M - est. £600-£800K) and a Basquiat making £530K (\$830K – est. £400-£600K). The third position was taken by Hirst at £457K (\$717K – est. £400-£600K).

In the end, of the 240 works offered 180 sold (75.6%) for a total of £15.3M (\$24M) and they fell within their presale estimate of £12.4 – £17.5M. When their offerings are totaled, Sotheby's presented 303, sold 237 (78.2%) and took in £66M (\$103.7M) ... far less than the competition.

As for the full week's totals, 555 works offered, 439 sold (79.1%) and a grand total of £162M (\$254.3M) ... a nice monetary increase from 2011's £133.9M (\$215.7M), but the sold percentages were down from 2011's 85%.

My Thoughts

For the two weeks I covered the overall numbers were pretty good: 1263 works offered, 994 sold (78.7%), for a grand total of £418.7 (\$660.5M); this resulted in a price-per-lot-sold figure of about \$664K. Now let's compare these figures to the past two years:

2012: 1263 offered, 994 sold (78.7%), grand total £418.7 (\$660.5M) and price-per-lot-sold: \$664K

2011: 1437 offered, 1156 sold (80.4%), grand total £425.3M (\$683.5M) and price-per-lot-sold: \$591K

2010: 1100 offered, 935 sold (85%), grand total £375K (\$596M) and price-per-lot-sold: \$637K

What we find is that adding many more works to the sales does not really help the market's strength and in my opinion, it is the higher sell-through rates that are the true sign of a strong market ... we are still in a 'less is more' phase. It is also obvious, from the individual painting results, that people are ready to buy good quality works that are priced right ... and if you happen to have a REALLY good work ... the sky is the limit!

Howard L. Rehs

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Gallery Updates: This month we invite you to visit us at our gallery ... no shows for the month of March!

Web Site Updates: Works by the following artists have made their way through the gallery: Cascella, Blondeau, Blanchard (8 works), Oretsky, Jahn, Swatland and Bauer (4 works). And look for new works by Seignac, Frere, Cortès, Blanchard, Ridgway Knight, Aston Knight, Bauer, Jahn and Swatland that have been, or will be, added to the web site. This month I will feature a few works by two of our new Contemporary artists:

Ben Bauer



The Beauty in Winter's Grays
Oil on canvas on board: 18 x 19 inches
Price: \$2,950.00

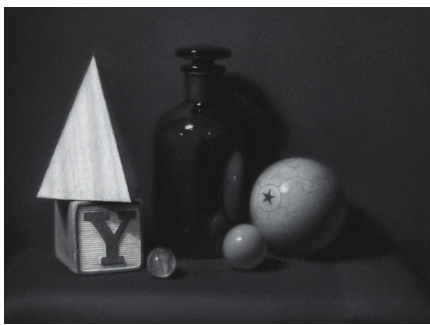


Carlson Meadow
Oil on canvas on board: 19 x 21 inches
Price: \$2,950.00

Timothy Jahn



At Twenty Paces
Charcoal: 12 x 22 inches
Price: \$2,500.00



Memories of Childhood
Charcoal: 7 x 9 inches
Price: \$1,000.00



Study (Skull)
Charcoal: 9 x 14 inches
Price: \$1,800.00



Rehs Contemporary Galleries, Inc., NYC

Morning Delight
Oil on panel: 19 x 19 inches
Price: \$5,800.00

Next Month: More art market action!