

COMMENTS ON THE ART MARKET

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Upcoming Museum Show

A few months ago the gallery was contacted by Professor James Rubin (one of today's leading scholars of French Impressionist art) concerning an exhibition he was considering working on for the Museum of Evreux, France. The museum planned on participating in Normandy's second Impressionist Festival which takes place over the summer. This year's theme is water and since the last festival was such a success, many more museums are participating. Can you guess which artist Evreux has chosen to feature? None other than one of our favorite early 20th century landscape painter – Louis Aston Knight! Yes, that is correct – L.A. Knight. The exhibition will open on June 22nd and our gallery has not only helped secure many of the works on display (from private collections), but will loan 4 paintings from its inventory.

This is the first major museum exhibition devoted solely to the works of Louis Aston Knight and will bring more attention to the artist and his work. As soon as the exhibition catalog is available, we will let you know.

Where the Gallery is Heading

Over the past year I have received a number of emails and phone calls from readers and clients wondering if the gallery is changing its focus ... scaling back the 19th century and moving more towards the contemporary. Have no fear; nothing can be further from the truth!

The Rehs family has built its reputation on dealing in outstanding quality works by many important 19th century Academic, Realist, Barbizon and Impressionist artists and we will continue to do so. We are still conducting scholarly research on the lives and works of Knight, Dupré, Munier and Blanchard for our catalogue raisonné projects and are actively buying and selling period pieces --- just keep an eye on the Recent Acquisitions page of our recently updated web site.

In addition to our love of the 19th century, we also enjoy championing the works of contemporary artists we feel possess the abilities and qualities that made some of the 19th century artists so great. Over the past 18 months, Rehs Contemporary Galleries has tripled its roster of young talent and we will continue to do so. In March we presented "The BIG Gamble" - a wonderful exhibition featuring artists from the Ani Art Academies – and for those who stopped by for a visit, I know you will agree that their works are pretty impressive. I am confident that some of these artists will be future masters and continue the academic tradition we all know and love. I know the 'academics' are not the 'sexy' part of the contemporary art market and do not capture the headlines; but I will bet you that more people are happier owning an academic work than some of the stuff that is presented as 'art' in other areas (and let's face it, without the support of galleries like ours, many of these talented artists may never have a chance to display their works to a wide audience). We plan on doing what we can to keep the academic candle burning for years to come. Also, remember that even Knight, Munier, Bouguereau, Dupre, Vibert, etc. were 'contemporary' artists at one point and their works were handled by the most important galleries of their time – Goupil, Boussod, Knoedler, Tooth, etc.

Stocks

April was a pretty busy month and I had little time to check my stocks ... in fact, I only looked at them on the 30th ... wow, another up month! The S&P 500 hit 1,597 (another record) and the Dow Jones hit 14,839 (not an all time high, but pretty close – oh, that all time record high was hit on April 11th -- of this year!).

As for my favorite stocks, most are still doing very well ... Altria (\$36.51 Up), JP Morgan (\$49.01 Up), Emerson (\$55.51 Down), Chevron (\$122.01 Up), Exxon (\$88.91 Up), GE (\$22.29 Down), Berkshire B (\$106.32 Up), AT&T (\$37.46 Up), VOD (\$30.59 Up), Verizon (\$53.91 Up), Wal-Mart (\$77.72 Up) and Coke (\$42.33 Up), MCD (\$102.14 Up) and DuPont (\$54.51 Up). My least favorite, and the only one still in the red, is Apple (\$442.78) ... back to where it was a couple of months ago, but still far from the \$530 it cost me!!

The 4th Generation

From Alyssa

Since the last newsletter it seems as though the gallery has been busier than ever. It's the last week of "The BIG Gamble" and people are still eager to make it to the gallery before the works are taken off the wall. The opening day was a great success and I am glad that several of the works sold. The artists of the Ani Art Academies are truly original and inspirational. It was a wonderful experience getting to know each and every artist and it will be great to host another show of their works in the near future ... or better yet -- slightly distant future; it was definitely more work than we thought! Anyway, I would like to thank each artist that contributed to the show and made this amazing display possible. The talents you possess are astounding—so keep it up! Furthermore, I would like to thank one artist in particular, Timothy Jahn. The day before the show's opening Timothy invited me to partake in a photo shoot for an upcoming painting. Not only was it a blast, but I was able to get a behind the scenes look at the preparations he takes in order to create an entertaining, stimulating, and complex painting. Checking out of reality, slipping into some vintage clothing and becoming an artist's muse for a bit is something I would definitely do it again given the chance! I cannot wait to see how this one turns out. Maybe I will have some updates next time.

And some real RECENT NEWS (from today) ... the Art Renewal Center's winners for the 2012/13 International Salon Competition are in and a number of the works are in The BIG Gamble: Jason Brady's *Just a Game* came in first and was awarded a Purchase Prize (yes, the Art Renewal Center bought the work from the show). In addition, Rodney Davis's *The Last Dance* was also awarded a Purchase Prize (so that one is now in the Art Renewal Center's collection as well). The following works (still on view at the gallery) were finalists in the drawing competition: Alicia Lang's *Deliverance*, Leah Waichulis's *Venture*, Sharon Hourigan's *Veiled Fortuna* and Emma Hirst's *High Steaks* was a finalist in the Animal Category.

On a side note, Timothy Jahn's *Good Help* (sold last year) was a finalist in the Figurative Category.

From Lance

We spent the last weekend of April at the show in Chicago and while we had a very successful show, something else from the weekend stands out in my mind. One evening a young woman stopped by our booth and asked if I had time for an interview? She did not want to discuss the art, but the use of social media in the art and antiques world. As most of you know, Rehs Galleries has quite the Facebook presence and have taken our marketing efforts to other social media platforms, including Twitter, LinkedIn, Instagram and Pinterest. What I found so surprising was our conversation after I was asked: "Did I feel Facebook and the other modes of social media were at all helpful?" Well, obviously I think they are helpful but from what I was told by the interviewer there are many (MANY!) other dealers (at least from this show) who feel that the vast majority of social media users are very young and therefore not their target clientele. WHAT!?

I can't express to you enough how big a misconception that is. On a side note, during setup we posted some pictures on Facebook of our booth and recieved a message from a client asking about a new piece they spotted in one of the images. Sure enough, they purchased the painting before the show even opened! It's always nice to have a red sticker on the wall when a show opens. But back to my original point, I decided to open up our Facebook page's statistics and give some hard data. It turns out our audience is nearly 50/50 in terms of male to female and every age group has a strong representation (between 7 & 12% of the overall audience). To be honest, I was actually surprised as to how even the distribution was; but it was quite clear that there are just as many old folks reading our status updates as kids.

So what, what does that all mean? Well, first of all it means that there are certainly many legitimate/potential clients sifting through the mess of information that is Facebook. It also means that there are lots of young people who are interested in art, and more specifically the art we carry. Luckily for us, young people grow up and some of them will be... you guessed it, art collectors. It is foolish to think social media does not work in the art and antiques world. Not only has it brought us a significant number of clients but it has allowed us to

move our gallery forward and add new artists to our contemporary roster. Even our show “The BIG Gamble,” all began with a picture that happened to show up in my dad’s news feed.

The potential is there and it is great.

Go Knicks!

Really?

It was great seeing all our friends in Chicago this last week and now I am looking forward to seeing everyone here in New York when we exhibit at the 67th Street Armory for the AADLA Spring Show this weekend.

This past month there have been some fabulous finds...in my opinion. Chinese porcelain seems to be all the rage these days, and after a Yongzheng (1722-36) blue and white bottle vase sold at the end of last year for £2.6 M (plus the buyer’s premium of 18%), many optimistic consignors sent pictures of their Chinese porcelain pieces to auction houses in hopes of the next great find. One lucky consignor had what was deemed an imperial piece; an 8 inch vase from the Qianlong period (1736-96) which sold last month for £950,000 on an estimate of £10,000 – 15,000.

In the world of coin collecting, the “Holey” grail of Australian coins came up for sale and a private collector paid AUS\$495,000 for the coin, aptly named the *Holey Dollar*. This was one of the 40,000 Spanish silver coins that Governor Lachlan Macquarie bought in 1812 to solve a currency shortage in the colony of New South Wales. The Governor, to ensure that the coins would not leave the colony had a hole cut through the center and thus became a “Donut,” with a value of 5 shillings and the center piece became known as the “Dump” with a value of 15 pence...these were the first Australian coins. The coins were withdrawn from circulation in 1829 and were sold off. Only 300 of the coins are left of which 200 are owned privately.

In the world of the written word, a letter from 1953 by Francis Harry Compton (1916-2004) to his son, Michael, outlining the revolutionary discovery of DNA structure and function, was recently sold for \$6M ... a world record for any letter sold at auction! The family said all the proceeds will fund scientific research. You know what this teaches you? Hold on to all those old letters!

And my favorite this month, a T206 1909 Honus Wagner baseball card hit a home run at auction when it made \$2.1M. The card was initially issued by the American Tobacco Company from 1909 to 1911. Fewer than 200 cards were issued when Wagner, a Pittsburgh Pirates shortstop, requested the tobacco company stop using his image in cigarette packs. Guess he knew then that smoking was bad for you. So now what I find so interesting is that shortly after this sale, notorious memorabilia dealer Bill Mastro, admitted to doctoring up a different T206 Honus Wagner card by trimming the edges to make the card appear to be in near perfect condition, thus increasing its value. The card was once owned by Wayne Gretzky and now belongs to Arizona Diamondbacks owner Ken Kendrick, who bought the card for \$2.8 million in 2011. It will be interesting to see what if anything happens legally and what effect this admission makes on the card’s value.

The Art Market

Once again, I really do not know what to say since it was another slow month in the public forum – at least in the areas I cover. There were a couple of pre-season sales that took place in NYC, Paris and London and two main sales at the tail end.

The first was a lower level American painting sale on April 11 and the top lot here was Robert Henri’s *Little Irish Girl* at \$197K (est. \$70-\$90K). In second was N.C. Wyeth’s *Waite Seized Him and ...* at \$137K (est. \$120-\$180K) and in third there was at tie J. J. Audobon’s *Maryland Yellowthroats* (est. \$70-\$100K) and Leroy Neiman’s *Torero* at \$119K (est. \$60-\$90K).

By the end of the session, of the 199 works offered 152 found takers (76.4%) and the total take was \$4.1M – with the top 10 works making up about 29% of the total.

Then there were a number of sales that took place in Europe – again, all lower to mid-level. On April 10th Christie’s, Paris, offered an Old Master and 19th century works on paper sale that brought in €1.97M

(\$2.57M) with the top lot being a pair of Paris scenes by Jean-Thomas Thibault, done in 1799, that made €187,500 (\$246K – est. €12-€18K) – that seller was happy.

On the 15th they followed up with an Old Master and 19th century painting sale. The total take here was €5.1M (\$6.7M) and the top lot was Charles Le Brun's *Le Sacrifice de Polyxene* at €1.44M (\$1.9M - est. €300-€500K) which was discovered in a suite used by Coco Chanel at the Hotel Ritz, Paris – it was purchased by the Metropolitan Museum of Art, NYC.

Two days later their London office offered a lower level Post-War and Contemporary Art sale which made £2.3M (\$3.53M). Top work here was a Judit Reigl titled *Outburst*, from 1956, which made £134K (\$205K – est. £5-£7K) – another happy seller!

As you can tell, even if you add up the total results from all 4 of these sales (about \$17M) they only reach the value of one nice Gerhard Richter Abstraktes Bild painting (not even a really great one since those have made over \$30M) ... gotta love the art market and the prices people will pay for certain things!!

On the 23rd, Sotheby's offered a very slim and trim sale of Orientalist paintings and the results were impressive. Taking the top position here was Ludwig Deutsch's *The Offering* which made £2.2M (\$3.3M - est. £500-£700K) – this was an auction record for the artist. In second was Corrodi's *The Fountain of the Sweet Waters*... at £519K (\$792K – est £200-£300K) – another auction record; and in third was Pasini's *Market Day* at £483K (\$737K – est £400-£600K).

When the sale ended, of the 22 lots offered, 19 sold (86.4%) and the total take was £6.34M (\$9.7M) --- the presale estimate was £2.6-£3.8M, so they blew by that one. This sale was a great example of what I have been stressing for years ... if you trim down the sales and offer just the best, you will be well rewarded.

At the end of the month Christie's presented their main 19th century European painting sale in NYC. When the catalog arrived I immediately noticed it was very thin and my first thought was: nice, a slim and trim sale. After skimming through the catalog it became obvious that sourcing material is getting more and more difficult. Now do not get me wrong, there were a few interesting looking works (from the photos that is), but the overall impression was not a very strong one. Look, we all know that art has become another 'investment vehicle' and less and less really good work is coming to the market ... families are just holding on since they know that in the long run, many of the works they own will become more valuable. Anyway, let's get on with why we are here --- the results!

The sale took place on Monday and the top selling work was Lhermitte's *The Little Goose Girl*... which made \$508K (est. \$400-\$600K – this same work sold last in 2003 for \$266K ... not bad). In second was Munnings *The Whip* which made \$484K (est. \$400-\$600K) and in third was a Corot at \$304K (est. \$250-\$350K ... this one last sold in 2004 for \$209K).

I think you can begin to see that with the highest price painting reaching just \$500K, this sale had some issues – the main one being, almost 45% of the works did not sell! There were two paintings by Bouguereau which had fairly hefty estimates, for what they were, and both failed to find buyers – *Les deux soeurs* (\$1.8-\$2.8M) and *Reverie sur le seuil* (\$1 - \$1.5M) and there were other big name artists whose works just did not hold up to the price range; these included Courbet, Millet, Corot, de Nittis, Jakobides, Munnings, Flint, Stevens, Koekkoek, etc.

In the end, of the 76 works offered only, 42 sold (55%) and the total take was \$4.2M (ugh) --- they were expecting at least \$9.92M (double ugh)! It is important to realize that this sale says very little about the general state of the 19th century art market and more about the offerings in this particular sale ... high estimates on certain works, issues with condition and, at times, not the best subject matter plagued this sale. The message one gets is that you better have really great works if you are going for big numbers.

Howard L. Rehs

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Gallery Updates: The works from The BIG Gamble are coming down and we will be hanging the gallery with a nice selection of 19th century paintings.

Web Site Updates: A good deal of art made its way to new homes this past month; among them were paintings by Brunery, Knight, Jahn, O'Neill, Davenport, Drake, Davis, Hourigan, Reynolds, Brady, Long, Bauer, Koeppel & Wood. In addition, a number of new pieces have been added to the site, a few of which are shown below:

TRADITIONAL

George G. Kilburne – *The Saga of John Peel* (a set of four)



Eugene Galien Laloue - *Le Marche aux Fleurs et la Conciergerie* – 8 x 12 inches



CONTEMPORARY

Jay Davenport – *Perceptive* – 8 x 10 inches



Justin Wood
Still Life with Pitcher & Lemon – 13 x 11 inches



Timothy Jahn
The Assessment – 14 x 11 inches



Ben Bauer – *Snow in Mondovi, WI* – 20 x 22 inches



Next Month: The BIG sales are coming!