

COMMENTS ON THE ART MARKET

VOLUME 220

Rehs Galleries, Inc.
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Upcoming Gallery Exhibition

LUSH



Opening: Saturday, May 4th, from 1 – 6 pm

This May, Rehs Contemporary will unveil a series of new works from Julie Bell at her first solo exhibition, *Lush*. The body of work put forth is a culmination of more than a year's work... and a lifetime of examining a myriad of textures and surfaces all through the exploration of diverse themes, both terrestrial and otherworldly.

The show will run from May 4 - 24th.

In The News

[**ONE REPORT CLAIMS THE ART MARKET IS GROWING AND MILLENNIALS ARE ACTIVE**](#) Natasha Gural (Forbes.com) gives a nice summary of the lengthy Art Basel and UBS Global Art Market Report. The report claims that the worldwide art market rose by 6% last year to an estimated \$67.4 billion...

Something New

Over the years, we have been contacted by various companies looking to reproduce our images on greeting cards, book covers, posters, etc. This past month we decided it might be fun to offer some of our favorite images on different products. Now you can click on the two links below and see the works we have chosen and the products you can order:

[**Rehs Galleries on Redbubble**](#)

[**Rehs Galleries on Fine Art America**](#)

Stocks & Crypto

By: Howard

Thankfully, it was another busy month for the gallery, and I had very little time to check on the markets – so I missed all the fun! By the way, was there any fun?

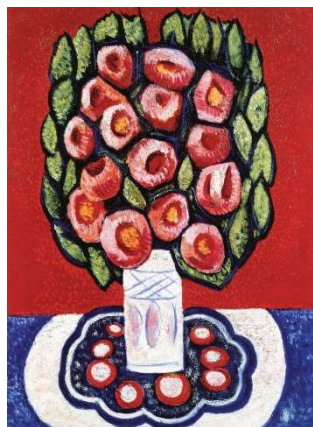
When I checked the market on Friday evening (the 29th), I noticed that the Dow was at 25,928.68 ... only 12 points above its close at the end of February. After seeing that, I figured there would be very little upside for me. Then I checked the crypto market and found that Bitcoin moved in a positive direction – closing at \$4,134.26 (up over \$300 for the month – Amy was happy). Also, Litecoin hit \$61.69 (up \$16.26), Ripple was at .3098 (down a fraction), and Ethereum closed at \$146.27 (up \$9.42). Crude Oil prices increased and closed at \$60.18, up from \$57.41. Gold seems to be on a downward trend, dropping \$18 to close at \$1,297. The British Pound has been having some difficulties and dropped to 1.3046 and the Euro dropped again, closing at \$1.1221.

Now for the best part, my stocks: JP Morgan (\$101.23 – down \$3.13), Exxon (\$80.80 – up \$1.77), AT&T (\$31.36 – up \$0.24), Verizon (\$59.13 – up \$2.21), Wal-Mart (\$97.53 – down \$1.46), Coke (\$46.86 – up \$1.52), DowDuPont (\$53.31 – up \$0.08), Merck (\$83.17 – up \$1.88), Disney (\$111.03 – down \$1.81), Intel (\$53.70 – up \$0.74), Apple (\$189.95 – up \$16.80), Microsoft (\$117.94 – up \$5.91), United Technologies (\$128.89 – up \$3.22), Bristol-Myers (\$47.71 – down \$3.95), Cisco (\$53.99 – up \$2.22) and Emerson (\$68.47 – up \$0.32). I also added a new one – Pepsi ... bought at \$117.47 and it closed at \$122.55 – up \$5.08. Thirteen up and four down – not as good as last month, but still not too bad.

Tales From the Dark Side

By: Alyssa

US Medical Giant Finds Forgeries in their Collection



A recent court case has exposed a sneaky “bait-and-switch” scandal, bringing to light the risks of conservation. According to the case, Abbott Laboratories, the US medical giant, came to learn that at least two, and probably many more, works from their massive art collection are forgeries. One of the most interesting points is that when they were purchased, the paintings were authentic. At the heart of the case is *Maine Flowers or Roses from Hispania* (1936-37) by Marsden Hartley that was purchased by Abbott in 1960 from the Associated American Artists Gallery in New York. The piece was sent to a conservator in Illinois for cleaning in 1987 and returned to the collection. Unfortunately, what is being alleged is that the conservator reproduced the work and sent Abbott back the reproduction and sold the original. Carol Feinberg of New York, the current “owner” of the Hartley, is being sued for the return of the work by Abbott. Feinberg’s husband purchased the painting in 1994 for \$351,000 from Berry – Hill Galleries. Neither side knows how the gallery ended up with the painting, but Abbott’s name was removed from the provenance. Lawyers representing Feinberg claim that the work was purchased in “good faith,” and in September filed a suit in Illinois for a declaratory judgment to confirm her ownership of the work, asking at least \$100,000 in damages for Abbott’s “slander of title”.

Another work from the Abbott collection, *La Boite a Chapeau Polychrome* by Fernand Leger, purchased in 1944, has also been found to be a forgery. The work left the collection in the 1980s for conservation and the original turned up in Louise Leiris Gallery, then Waddington Gallery and again at Christies in NY and London, though it went unsold in those appearances. Today, the work is believed to be in a European collection.

Heir’s Recover the 7th of 160+ Artworks Looted by the Nazis

Escaping the Nazi regime in 1938, Gottlieb and Mathilde Kraus fled Vienna, leaving behind their prized art collection of over 160 works. Now, after eight years of negotiations, their 17th-century painting attributed to Jan van der Heyden, *View of a Dutch Square*, is to be returned to their heirs.

The work was seized during the war and given to Hitler’s personal photographer and close friend, Heinrich Hoffmann. When the Nazis were defeated, the Bavarian State was meant to return the looted painting to its rightful owner, but instead, sold the work back to Hoffmann’s daughter in 1962 for 300 DM. The following year,



she put it up for sale at Lempertz where it was purchased, in good faith, by the St. Victor's Cathedral in Xanten for 16,100 DM. In 2011, the Commission for Looted Art in Europe submitted a restitution claim on behalf of the Kraus heirs to Xanten. 8 years later, the chairman of the cathedral's foundation stressed that they would "voluntary surrender the work in recognition of the Nazi injustice." It is nice to see that some people still do the right thing — even if it takes them a year, or two, or three...

Unfortunately, *View of a Dutch Square* was not the only work from the Kraus collection sold to Ms. Hoffmann. According to Ann Webber, of the Commission for Looted Art in Europe, another landscape by Nicolaes Pieterszoon Berchem was "handed over" to her in the 1960s and is still on the Art Loss Registry. While this is a victory for the Kraus family, only seven of the 160+ works have been recovered.

Really?

By: Amy

The week of March 18th was Asia Week in New York and there was an abundance of art, antiques and collectibles offered all-around New York City. Christie's and Sotheby's each had eight sales; combined they offered 2,150 lots. In addition, there were several other auction houses offering a fair bit of merchandise, as well as galleries that specialize in Asian Works of Art and Antiques sponsoring numerous events.



Sotheby's presented over 1,100 lots in 8 sales and when the week was over, the total sales amounted to \$45.5M and some pretty impressive prices. The star lots included a rare and important set (2 books) of the Sutra of Perfect Enlightenment by the Qianlong Emperor, dated Qianlong Bingyin (which corresponds to the year 1746); it far surpassed the estimate of \$300/500K, selling for \$2.66M. Another lot that had collectors taking notice was a gilt-bronze figure of the Chinese Buddhist deity Avalokiteshvara from the late Tang Dynasty. The piece was brought to the Antiques Road Show for appraisal at an event in St. Louis where the owner explained they had purchased the figure at a garage sale 20 years ago for about \$75 -100; at auction it carried a \$40/60K estimate. After a fierce 7-minute battle the figure sold for \$2.1M!! That was a really nice return on their \$75 investment! Among the works in their *Important Chinese Art* sale were twenty-two Chinese jade artworks offered by the Art Institute of Chicago, all the lots sold and brought a total of \$3.2M. One lot stood out among the rest, a White Jade 'Imperial Procession' brushpot from the Qing Dynasty that was expected to make \$800/1.2M and when the battle was over, the winning bidder paid \$2.1M!

Christie's started their sales a day later and, in the end, with the help of the Florence and Herbert Irving Collection (approximately 400 pieces), they were the clear winner. Florence and Herbert Irving were really dedicated collectors and one of New York's most philanthropic couples, donating more than 1,300 works to the Met. The most successful sales that week were the day and evening sales dedicated to the Irving Collection featuring Lacquer, Jade, Bronze and Ink objects. These two sales had a stellar 97% sell-through rate and a total take of \$31M! Highlights from the Irving Collection included a rare greenish-white jade 'Twin Fish' washer (bowl) that was from the Qing Dynasty signed with a four-character mark and dated, corresponding to the year 1786. Estimated to bring \$1/1.5M, it swam past the estimate and sold for \$2.9M. A jade carving of a Pig-Dragon turned out to be a real sleeper, or just once again, the specialists got it really wrong – originally bought by the Irving's in 1990 at a store in Bangkok, it was estimated at a mere \$5/7K and after some fierce bidding, the piece surpassed everyone's expectations selling for an astounding \$2.3M!



In another Christie's sale, a rare "Number Three" Jun Jardinière from the Yuan-Ming Dynasty was once again on the auction block (selling in 2008 for \$469K and again in 2013 for \$2.2M). This time around it did slightly better, going into the sale with a \$2.5/3.5M estimate, it sold right in the middle at \$3M! And finally, in the Fine Chinese Painting Sale, a handscroll of fourteen poems on bamboo by Li Dongyang (1447-1516) was the overall winner; estimated at \$800/1.2M, it sold for \$4.6M – bringing in more than half of the overall take for that sale. When the week was over, Christies auctioned off \$79.3M worth of material.

It was reported that by the week's end, slightly over \$150M was spent on Asian art and objects among six auction rooms and 43 galleries. That is really remarkable!

How To Safely Navigate The Art Market – Quality

By: Howard

Another key component to consider when buying art is quality – or, where on a scale of 1 – 10 does any specific work stand in relation to their oeuvre. During your art world journey, at any given time, there will be many available works. If you have focused in on a single artist, make sure that any of the works you are considering rank among their best – not just the best that are currently available. Let's face it, sometimes what is "currently available" is a bunch of crap, especially when you are dealing with historical works of art!

Always keep in mind that even great artists had/have bad days and produce mediocre or poor-quality works. You should also note that some available works may be nothing more than a sketch or study and were never created with the intention of being sold; these were usually created in the development stages of more complex pieces. So you may be wondering, how did these works become available? Good question:

For my example, I will focus on the 19th-century. During that period, it was common to have a studio sale after an artist's death. The purpose of these sales was twofold:

1. To let the art world know that the output from this artist was over.
2. To sell off everything that remained in the artist's estate to benefit the surviving relatives.

While these sales, at times, did include fully finished works, most often they were filled with unfinished pieces, sketches, and preparatory studies. Please do not get me wrong, some of these preparatory works are now considered important works on their own, but here again you need to know the best from the rest. You also need to be aware that there were times when unfinished works from a studio sale, were finished by another artist. Yes, we have seen this. Now the question is – who do you attribute the painting too? Guess it all depends on how much of the original artist's work is still visible.

If you widen your focus to a period or movement (Barbizon, Impressionist, Realist, Abstract, etc.), rather than a specific artist (Monet, Boudin, Corot, Dupré, etc.), you will have an easier time finding quality works simply because there should be a greater supply of good material to choose from. However, when broadening your scope, it is even more important to do your research and look at as many examples from the different artists of that period as possible. See which works have been heralded as the best so you have something to compare the currently available works too.

Distinguishing between good, mediocre, and poor quality works is not something you can learn from reading a textbook. It comes from years of looking and studying the physical works of art (not just photographs). In addition, you need to know which periods and subject matters of an artist are considered their best. Then you need to determine when a specific work was created, how it relates to other works from that period, and then you can begin to determine if it is a good quality example.

You will find that almost every gallery, dealer, auction room, etc. you visit will tell you that their works are 'the best', 'major examples', or even 'masterpieces'. But as we all know, this cannot be the case – not every painting is 'the best', etc. If you do a little homework, you will begin to learn which dealers/galleries/auction rooms really offer great quality works on a consistent basis and those that are just selling a name (or signature).

It is also very important to remember that the best examples of an artist's work will be more expensive than the mediocre ones. But as we always say... the best will always be the best and a second-rate work will always be just that.

Is It Important to Have Certain Works Authenticated? You Tell Me!

By: Howard

We hear a great deal about authenticity, expertise, and certificates of authenticity. All are important things to consider when looking at a work of art ... especially if you plan on buying it. One troubling aspect of the art world is that there are people who believe they know it all and feel that they do not need the opinion of a noted expert. On the flip side, there are many who will seek out the opinion of an individual the art world deems the expert on a specific artist — they want to check all the boxes (do their due diligence).

So here is a fun story about one painting that has circled the globe over the past 10 years. In 2009, a large painting of a Milkmaid, cataloged as a Julien Dupré, was offered at a sale in Upstate New York. I saw a poor-quality image and asked for higher-resolution photos. The auction room informed me that the images they had

were the best they could offer and if we bought the painting, and it turned out not to be right, we could return it. We proceeded to buy the painting (paid \$27,600) and had it shipped to the gallery. Once we opened the package, it was immediately obvious that the painting was not by Dupré. It took a few weeks, but we did get our money back. Soon after, I began to wonder what would happen to that painting? Would it resurface at another sale? Would that saleroom contact us before selling the work? It did not take too long to find out.

On November 10, 2010, there was a sale in New York City and one of the featured paintings was the Dupré. It carried an estimate of \$20-30K and luckily failed to sell.

October 10, 2011 – the painting was offered at a sale in Belgium with an €8-12K estimate and sold for €7K.

January 16, 2012 – the painting came back up for sale in Belgium. This time it has an estimate of €5-7K and sells for €4K.

Between 2012 and the end of 2016 the piece appeared at two art and antique shows that we know of – that is only because we were exhibiting at those shows. Both times, the painting was removed from the floor before the opening.

August 27, 2016 – after a 3 ½ year break from the auction market, the painting shows up at a sale in Maine with a \$15-\$20K estimate and sold for \$13K.

September 23, 2017 – the work appears at a sale in Maryland with a \$7-9K estimate and sells for \$10K.

September 26, 2018 – just one year later the painting is offered at a sale in London with a £10 – 15K estimate and sells for £8K.

I do hope someone is racking up the frequent flyer points on this one!

Sadly, this story illustrates the lack of expertise some people/firms have and how little some of them care. If there is a well-respected expert for an artist, the trade (dealers, galleries, auction rooms, etc.) should contact them before offering a work for sale. Having a work properly authenticated will not only help clean up the market but protect potential buyers; in addition, it can help prevent an ugly and costly lawsuit from an unhappy buyer.

The final thing to remember is that when one of these fake paintings are sold at auction, the result is entered into several art databases. In turn, this will skew the overall numbers for those artists. Julien Dupré now has six additional false data points (I say additional because I know there are many others). How many other artists face the same issue? A lot!

The Art Market

By: Howard & Lance

Get 'Em While They're Fresh – Sotheby's Impressionist & Modern (And Surrealist) - London

By: Lance

On February 26th, Sotheby's hosted a pair of back-to-back evening sales featuring Impressionist & Modern works as well as a selection Surrealist works. While the top three lots all came from the Impressionist & Modern offerings, I'll give the overall results for ease when comparing with their counterpart, Christie's, who offered works from the same period the following evening.



At Sotheby's, the top lot of the bunch was Claude Monet's Venice scene, *Le Palais Ducal*, which sold for £27.5M (\$36.2M) on a £20-30M estimate (\$26.2-39.4M). The work was put up for sale by the family of Erich Goertiz, a Berlin-based textile manufacturer in the early 1900s... Goertiz initially purchased the work in 1925 and it has been handed down from generation to generation since, never being offered at auction. Monet only visited Venice once in his life, and on that trip he produced 40 works of art... prior to this sale, the most his most expensive Venetian scene was *Le Grand Canal*, which sold in 2015 for £23.6M.

Taking second was an unusual Egon Schiele... *Triestiner Fischerboot* was completed in 1912 when the artist visited an Italian port after being exiled from his home in Austria – considered to be the most tumultuous and life-changing experience the artist endured. This particular work was first purchased in 1914 and last changed hands in 1962 for an undisclosed sum... it has remained in a private collection since. Now up for auction for the first time, the work handily surpassed its £6-8M (\$7.8-10.5M) estimate as it found a buyer for £10.6M (\$14M).



Rounding out the top three was Kandinsky's *Vertiefte Regung*, which actually hammered around £5.1M... it was estimated at £5.5-7.5M, so this one fell a bit short... once we add in the buyer's premium that bumps it to a much nicer sounding £6.09M (\$8M). The work was accompanied by provenance dating back to the artist, though it has changed hands quite a few times... recently, it sold in 2010 through Sotheby's New York, where it found a buyer at \$5.6M on a \$4.5-6.5 estimate and then again in 2015, again at Sotheby's New York, for \$6.4M on a \$6-8M estimate. While this time around, the lot fell a bit short, I think the seller could walk away happy with a quick little profit.

Filling in the top 10 of the night, we found works by Magritte (£5.3M – Est. £3.5-4.5M); Kirchner (£3.8M – Est. £2.8-3.8M); Picabia (£3.7M – Est. £1.5-2M); Giacometti (£3.2M – Est. £1.8-2.5M); Degas (£3.01M – Est. £1.5-2.5M); and Picasso (£2.1M – Est. £1.6-2.5M). As always, there were a few lots that failed to garner significant interest and went unsold... those included works by Feininger (£4-6M); Jawlensky (£800K-1.2M); Schiele (£1-1.5M); and Picasso (£1.6-2.4M).

Of the 39 works offered between the two sales, Sotheby's found buyers for 32 of them, yielding an 82% sell through rate and a total take of £87.7M (\$115.3M – Est. 62.1-89.3M).

Bigger Isn't Always Better – Christie's Impressionist & Modern - London

By: Lance

On February 27th, Christie's hosted a trio of evening sales in succession... they then decided to turn around and give the results as if it was a single sale... I genuinely cannot explain the warped minds behind their press department – for the sake of clarity, get it together guys.

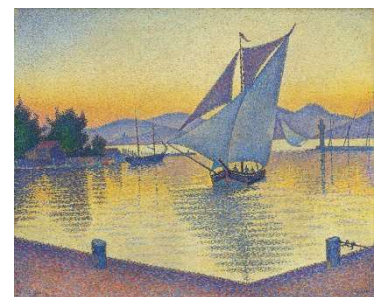


The reported top three lots were split across the set, with one coming from each of the three sales... the overall top lot, coming out of the Hidden Treasures sale, was Cézanne's *nature morte de peches et poires* at £21.2M (\$28M – Est. £19-27M*). The Hidden Treasures sale offered 21 lots from an important private collection (believed to be brothers and art collectors, Monte and Neil Wallace) – much of the work was purchased privately and had been unseen by the public for decades. Unfortunately, this segment of the sale seemed to be stymied by supposed “selective bidding,” but it was more likely the *ambitious* estimates that many of the

works carried. Just 12 of the 21 lots offered in the Hidden Treasures sale found buyers, with another two – a Bonnard and Matisse – being withdrawn just prior. Not including those two lots, Christie's had expected to bring between £97.7-126.1M and they totaled a paltry £50.5M... and that figure includes the premiums! It's worth noting that the vast majority of that “miss” could theoretically be attributed to just one lot... the cover-piece, the star of the show, Monet's large *Saule pleureur et bassin aux nymphéas* (dated 1916-1919), awkwardly failed to attract a single bid... the silence was deafening as the expected £40+ M lot passed.

Side Note During my research I uncovered that pre-sale, Christie's was quoting the Cézanne estimate at £20+ M (Estimate on request in catalog) ... the lot ended up hammering at £18.5M... then, surprise surprise, Christie's dropped the published estimate on the results page to £19-27M.

The number two lot on the evening, coming out of the Impressionist & Modern Sale, was Signac's *Le Port au soleil couchant, Opus 236 (Saint-Tropez)* at £19.5M (\$25.8M – Est. £13-18M). The work came out of the private collection of Canadian cable TV entrepreneur David Graham, who passed away in 2017... in total, 6 works by Signac, Caillebotte, Vallotton, Vuillard and Boldini were sold from Graham's estate in this sale. The £19.5M paid was good for a new auction record for the artist... interestingly, the buyer(s), described as a mysterious man and woman, were bidding with two different paddles throughout the sale... they were unknown individuals to the other dealers present in the room but the duo went on to scoop up some of the best material on the block. In addition to the Signac, the couple also went home with the



number 4 lot on the evening – Gustave Caillebotte's *Chemin montant*, which sold for £16.6M (\$22M – Est. £8.5-10M) and set a new auction record for the artist; along with the number 5 lot on the evening – Renoir's *Sentier dans le bois* which went for £12.6M (\$16.8M – Est. £7.5-10.5M)... in total accounting for nearly £40M or one-quarter of the entire evening sale total!



Rounding out the top three and our series of sales, was Magritte's *Le lieu commun*, hailing from the Art of the Surreal sale. Coming in with a £15-25M estimate, the work found a buyer at £18.3M (\$24.3M) ... this canvas, consigned by an Asian collector, had never appeared at auction and is just one of a handful of large, hyper-realistically painted men in bowler-hats that still remains in private hands. There were 6 additional works by Magritte and all of them sold... one in particular, *Le Pain Quotidien*, was recently restituted when it was discovered at the Dallas Museum of Art in Texas – the work was stolen off the stretcher bars in 1968 from Brussels-based collector Jan Van Haelen. Now, more than a half a century later, the canvas was finally reunited with its original stretcher as the Van Haelen heirs offered it up with a £2-3M estimate, eventually selling for £3.3M. The Art of the Surreal was by far and away the best performing segment of

the three... just two works failed to sell of the 33 (94% sold) on the block, and the total take was £36.8M on a £32.2-46.5M estimate.

At the end of the evening, the results were uninspiring, to say the least... that's not how we should be describing evening sales. Christie's saw an 82% sell through rate and a sales total of £140.8M – a miserable figure when you realize they went into the evening with a £182-245M... but that didn't stop Christie's from boasting how this was the "second highest total for a Christie's Impressionist and Modern sale in London." Let's be real... if you put enough material out there, it's a sure-fire way of hitting record totals, but that doesn't necessarily mean it was a strong sale.

The 19th Century Sale – Bonhams - London

By: Howard



Towards the end of February, Bonhams London, presented their 19th-century European, Victorian and British Impressionist Art sale. Taking the top two spots were Orientalist works by Ludwig Deutsch that were bought by the seller almost 50 years ago – so we would say they were very fresh. *At the Mosque*, painted in 1895, carried a £300-500K estimate and sold for £460K/\$609K (£561K/\$742K – with commission, w/c), while *Respect*, which was dated 1902, had a £250-350K estimate and sold for £420K/\$556K (£513K/\$678K w/c). In third was Grimshaw's *Two Thousand Years Ago* that hammered at £100K/\$132K (£125K/\$165K – est. £100-150K). According to the provenance for the Grimshaw one would surmise it had not been on the market in over 35 years; however, this same painting was offered at a 2017 Christie's New York sale with a \$220-280K estimate and failed to sell. Rounding out the top five were Stanhope Forbes' *The Bridge* at £75K/\$99K (\$94K/\$124K w/c – est. 30-50K), and William Bell Scott's *The Norms Watering the Tree of Life* at £60K/\$79K (£75K/\$99K w/c – est. £60-80K).

In addition to those, there were respectable results for Thorburn (£62.5K/ \$83K – w/c), Laura Knight (£62.5K/ \$83K – w/c), Couture (£50K/\$66K – w/c) and Latour (£50K/\$66K – w/c). And then there are those works that did not make it out of the starting gate; among them were paintings by Tadema (£150-250K), Deutsch (£100-150K), Noel (£20-30K), Latour (£30-50K), Ernst (£30-50K), Grimshaw (£100-150K), Sharp (£30-50K), and a few others.

By the end of the session, of the 104 lots in the catalog, 82 sold (giving them a respectable 81.7% sell-through rate) and the total take was £2.14M/\$2.8M at the hammer (£2.65M/\$3.5M w/c). The low end of their presale estimate range was £2.2M/\$2.9M, so they needed the buyer's premium to make it.

Digging a little deeper, we see that the top three lots accounted for £1.2M (45.3%) of the sale's total, and the top 10 brought in £1.64M, or 62%. Of the 104 works offered, 25 were below, 37 within, and 20 above their presale estimate range. This gave them a 35.6% accuracy rate – which was nice to see.

The sale was a nice indicator of the 19th century's market. When good quality, good condition, appropriately estimated, and fresh to the market, works appear there is a good deal of interest and strong prices are the result.

The Rehs Family

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