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Art Market Buoyant at Record Breaking London Sales

The statistics poured out by Sotheby's and Christie's publicity machines during a remarkable week of sales in London in February projected a picture of record sales totals, soaring art prices and increasing participation by new art buyers. Inevitably the reality was rather more complicated than that but it was certainly a good week for the art market.

The overall figures for the Impressionist, modern and contemporary art auctions were the largest ever seen in Europe although not yet in the same league as last November's sales in New York. Christie's total was £199.8 million (\$392.1m), which was a 41 per cent increase on the corresponding week of auctions in London in June 2006, while Sotheby's was not far behind with £186.6 million (\$365.1m), a combined figure of £386.4m (\$757.2m). However these statistics need to be treated with caution. A few years ago a typical evening Impressionist sale in London consisted of 35 to 40 works but now the big two auction houses have created monster events by adding in German and



CHAIM SOUTINE
L'Homme au Foulard Rouge
ca. 1921, oil on canvas, 39" x 27" inches

Austrian art, Surrealist pictures and works that in the past would have been consigned to the day sales. At Christie's on 6th February, 145 works were offered for sale while on the previous evening Sotheby's had 98. It is hardly surprising that sale totals have gone up.

The week also saw widely varying results for different sectors of the market. The move away from Impressionist paintings towards modern and contemporary works is gathering speed. In the 1980's the Japanese buyers who fuelled the market loved Renoir but taste has moved on and of the Frenchman's five paintings offered by Christie's two failed to sell and three sold on or below the low estimate. Sotheby's did get £6.8 million (\$13.4m) for Renoir's *Les Deux Soeurs* but the hammer price was only just above the low estimate and there was little enthusiasm in the room.

By contrast there was fierce bidding at Sotheby's for Chaim Soutine's *L'Homme au Foulard Rouge*, which the vendor, the American collector Dorothy Cherry, had bought for £1.5 million in 1997. A leading art agent, a French dealer and a senior member of Christie's staff tussled over the 1921 picture on behalf of clients before it was bought by a bidder in the room, thought to be a Spanish collector. The price was £8.7 million (\$17.2m), the highest of the night and well above the estimate of £3.5 million to £5 million (\$6.9m to \$9.8m). Mrs Cherry said before the sale that when she paid a record price for the Soutine a decade ago "the art world thought I was nuts". This time the painting beat the record once again but nobody cast doubts on her sanity. Soutine, once in the second rank of 20th Century painters, is now a market favourite, helped by the fact that he was born in Russia and is therefore attractive to that country's newly rich art buyers.

Russian financial muscle was clearly evident throughout the week and Sotheby's said that Russians bought 9 per cent of the lots at its evening sale of Impressionist works. Another Russian private collector



PETER DOIG
White Canoe
1990/1, oil on canvas, 79 x 94" inches

paid the most eye-watering price of the sales for the increasingly important painter Peter Doig's *White Canoe* at Sotheby's contemporary art auction. The estimate was £800,000 to £1.2 million (\$1.5m to \$2.3m) but the price soared to a record £5.7m (\$11.3m) leaving some observers shaking their heads in disbelief. The 1990-91 picture was one of six reportedly recently sold to Sotheby's by Charles Saatchi for £5.6 million (\$11 million). For once Saatchi may have misread the market and jumped too early.

At Christie's evening sale of post war and contemporary art only two of the 84 lots failed to sell and the auction house ran up a total of £70.4m (\$138.4m), the highest ever in this category in Europe. With Americans cautious about bidding because of the weakness of the dollar, European buyers dominated. There was tremendous competition for Andy Warhol's *Brigitte Bardot*, which went to a telephone bidder for £5.4 million (\$10.6m), more than twice the high estimate. Francis Bacon's *Study for Portrait II*, one of his pope series, got a more cautious response because of its punchy £12m (\$23.5m) estimate. But the picture, sold by the Italian film star Sophia Loren, was bought by Andrew Fabricant, an American dealer acting for the Richard Gray Gallery, for a record £14m (\$27.5m). It was the highest price of a week that, despite some uneven patches, shows that the art market is still on a roll.

News in Brief

Russian contemporary art auction

The spending spree by Russian collectors showed no signs of abating at Sotheby's first-ever London sale of modern and contemporary art on 15th February. Although one fifth of the 113 lots failed to sell, the rest totalled more than £2.6 million (\$5.1million), which was £500,000 (\$980,000) more than the overall pre-sale high estimate.



ERIK BULATOV
Revolution-Perestroika
1988, oil on canvas, 78¼ x 78¼ inches

Twenty-two artists' records were broken and Russian private collectors bought all the ten most expensive lots. The top price of the day was £288,000 (\$565,632) for Evgeny Chubarov's 1992 Jackson Pollock-style work *Untitled*, which had been estimated at £40,000 to £60,000 (\$79,000 to \$119,000). Eric Bulatov's parody of Socialist Realist art *Revolution - Perestroika*, which had been expected to fetch £80,000 to £120,000 (\$158,000 to \$237,000), sold for a record £198,000 (\$388,872).

Sotheby's held an auction in Moscow in 1988 when the Soviet government was keen to broadcast its policy of greater openness and earn some foreign currency but the experiment was not repeated as both Communism and the art market collapsed in the early Nineties.

Dubai becomes the Middle East's art market capital

The Gulf state of Dubai is emerging as the principal centre of the art market in the Middle East. A number of art fairs are planned and on 1st February Christie's held a sale of modern and contemporary art that totalled \$9.4 million (£4.8 million) with 92 per cent of the lots selling.

Dubai is just two hours flying time from India and Indian collectors or dealers bought many of the most expensive lots including *Untitled (SFP83-173)* by Sam Francis, which went to a private buyer for \$419,200 (£214,000). Another Christie's sale of contemporary jewels and watches totalled \$11.8 million (£6 million).



SAM FRANCIS
Untitled (SFP83-173)
acrylic on canvas, 132 x 48 inches

Pennsylvania Academy swops Eakins

The Pennsylvania Academy of Fine Arts has sold one painting by the Philadelphia-born artist Thomas Eakins in order to buy another. *The Cello Player*, which the museum and art school had owned since 1897, has gone to an unnamed buyer for an undisclosed sum to help raise the \$68 million (£34.6 million) needed to buy Eakins's classic work *The Gross Clinic*.



THOMAS EAKINS
The Cello Player
1896, oil on canvas, 64¼ x 48¼ inches

Tax and Law – Points of interest

1. Business Property Relief from IHT might be the answer for chattels that are no longer of pre-eminent quality and are used in a business
2. Trustees beware - since the last budget the discretionary trust regime for trusts with Heritage property can now apply to Life Interest and A&M trusts
3. Business Asset Taper Relief can apply to chattels used in a business reducing Capital Gains Tax to 10%
4. De-accession and National Museums - the consultation period on Spoliation is over