

Introduction

Harry Smith, Chief Executive Officer

In May 2008 we noted that Sotheby's share price was a useful "proxy for the wider art market". At the close of business Friday, the price was almost at a year's high at US\$41.70. This might have been partly buoyed up by the current speculation that rivals Christie's are about to be bought by the Qatari sovereign wealth fund, but nonetheless it reflects a strong market which has seen records tumble in the past few weeks.

In the recent past both the major auction houses suffered as a result of their former policy of guaranteeing works of art for sale. Some of the failures of that period were re-offered recently and sold well below the guarantee levels of a couple of years ago, with some failing to sell altogether. One of these was bought by Gurr Johns acting for a clever client making an opportunistic bid.

Today the auction guarantee has been superseded by the 'irrevocable bid'. This passes the risk to a party who is

also able to bid on the item and benefit either from the irrevocable bid contract, for which he is paid, or from buying it himself.

There have been mutterings in the market about the ethics of such a procedure, but so far it seems to have been accepted by the authorities.

Around the Salerooms

The Duke of Devonshire decided to empty his attics at Chatsworth on 6th and 7th October. Despite dreadful weather, the Sotheby's marquee was packed at the viewing with almost 6,000 visitors over three days. Many of the pieces had come from other Devonshire and Mitford houses.

The sale raised a total of £6.5 million. The top price was for a William Kent designed marble chimneypiece from Devonshire House in Piccadilly, which made more than £500,000. Top flight chimney pieces that are not attached to Grade 1 listed buildings are hard to find, but once installed into a listed building they are hard, legally, to remove, a point which the purchaser might have considered before bidding. Gurr Johns bought a mirror (*fig.1*) on behalf of a client, although this would not appear to be in the finest condition, the quality of the carving is exceptional. The absence of a finial will allow our experts to decide whether to replace it with a Burlingtonian owl or a more exotic bird.

At Sotheby's, some jewellery formerly belonging to the Duchess of Windsor was sold, by a collector who bought them in the sensational 1987 auction after her death.

Again the collection received huge attention in the press. However, whilst the sale total was a considerable success, only two pieces really flew. A brooch formed as a flamingo in diamonds, rubies, sapphires, emeralds and citrines, which cost nearly £500,000 when sold in Geneva in 1987, made just over £1.7 million, and an onyx and diamond bracelet formed as a panther sold for £4.5 million, as against £860,000 in 1987. This would appear to prove the old adage that one should always buy the best.

On 7th October, Christie's South Kensington sold a spectacular bronze Roman parade helmet dating from the late 1st or 2nd century (*fig.2*). It had been discovered at Crosby Garrett by a lucky treasure hunter using a metal detector.

It fetched £2.28 million and an export licence is unlikely to be granted immediately. Local museums, which, remarkably, had already raised £1.7 million to bid at the sale, are now believed to be trying to raise the additional money to acquire it from the new owner.



Fig 1. The Devonshire House Mirror

The Italian sale at Christie's London on October 14 had a bronze sculpture,



Fig 2 Bronze Roman Parade Helmet

Il Cavaliere, by Marino Marini, which made the top price in the sale at £4.5 million. This was consigned by the Swedish trades union, Unionen, which had been heavily criticised when originally making the acquisition. Perhaps Unison should now build on this investment success and collect Richard Prince Nurse paintings (now well down in price) or Anthony Gormley cast iron sculptures.

Bainbridges of Ruislip, an auction house, which, it has to be said, is well off the radar for most dealers, recently sold an 18th century Chinese porcelain vase for about £53 million. Despite this being a record for any piece of decorative art, either Eastern or Western, experts described it as unexceptional and there are already wild rumours circulating in the market, with considerable speculation as to the chances of the purchase being paid for. A similar situation occurred at Christie's some years ago when an early 17th century proto-computer made something in the region of £7 million. The auctioneer was heard to remark to the sale's clerk as he brought down the hammer, "I wouldn't pay out in advance on that one if I were you!"

The star of the New York Impressionist and Modern Art sales was undoubtedly Sotheby's Modigliani, *Nu assis sur un Divan* (*La belle Romaine*) painted in 1917. The

picture (fig 3) had appeared on the market comparatively recently. It was sold, reportedly, by Prince Jefri of Brunei in New York in 1999 when it fetched a record for the artist at \$16.7 million paid by a Turkish banker. This time round Sotheby's had estimated it at \$40 million which itself would have created a new record for Modigliani but it comfortably exceeded that figure to be knocked down for \$68.9 million. However, Sotheby's caught something of a cold with a Matisse portrait of Titine Trovato. This had been offered two years ago with a guaranteed estimate of \$12 - \$18 million. It was unsold on that occasion so one might surmise that Sotheby's were out of pocket to the tune of around \$10 million. This year it was estimated at \$6 - \$8 million, and marked in the catalogue as Sotheby's property, but once again failed to find a buyer. Throughout the sale, the very best quality paintings brought the highest prices, but the auctioneers struggled with the middle range.

The following evening, November 3rd, Christie's offered a number of works, reported in the press to have belonged to Metropolitan Museum patron Henry Kravis. A striking cubist painting, *Violin et Guitar* by Juan Gris, 1910, (fig 4) also guaranteed (estimate of \$18 million, which too would have been a record for the artist. However it made \$28.6 million and was bought by a European private collector. The highest price of the Christie's sale was Matisse's massive bronze of a woman's

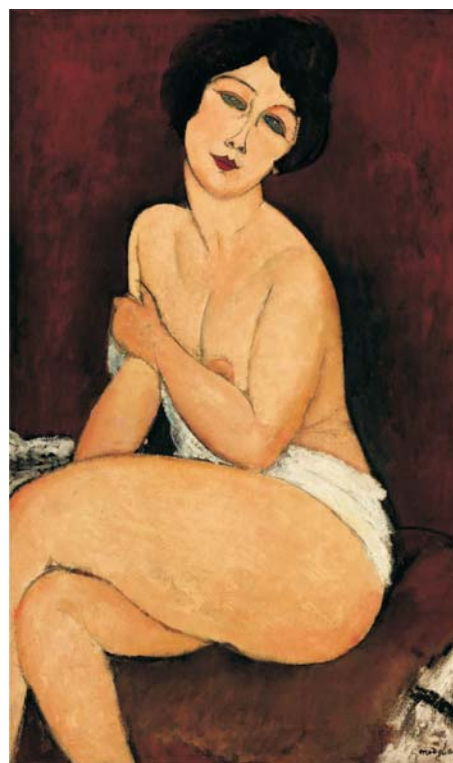


Fig 3. *Nu assis sur un Divan (La belle Romaine)*
Modigliani 1917



Fig 4. *Violin et Guitar*
Juan Gris, 1910

back, which despite being one of a series and having been cast thirty years after his death, still fetched over \$48 million, again a world record at auction for the artist.

Gurr Johns, acting on behalf of private clients, was one of the major buyers at both these sales.

The well reported troubles of the Irish economy have certainly taken their toll on Irish art prices and this has been most pronounced in the paintings sector. Prices for the work of Jack Yeats, Ireland's foremost modern artist, have dropped significantly and are now approaching levels, where they may be fair value again. Perhaps surprisingly, Irish decorative arts – especially furniture – have held up in value well. This may be due to the quirky nature of Irish 18th century design which has an enduring appeal to the market.

"Diamonds are a girl's best friend!" is a well worn saying but some girls may be particularly lucky. In October, Christie's New York sold the Bulgari Blue, the largest, at 10.95 carats, triangular blue diamond to come on the block. This fetched \$15.7 million. Not to be outdone, Sotheby's Geneva offered a massive 24.78 carat pink diamond (fig 5) on 16 November.

This astonishing diamond was knocked down to dealer Lawrence Graff for a world record price for any piece of jewellery at \$46,158,674. The purchaser immediately renamed the gem, The Graff Pink, which is fair enough given the price he paid. In fact, the ability to give a major diamond a name adds to its market value, as most of the major stones are already named and should



Fig 5 The Graff Pink Diamond

not be renamed. Gurr Johns knows of a huge black diamond, as yet unnamed which awaits a new owner – a perfect Christmas present!

The downside of a sale by auction was graphically brought home to the Duke of Rutland, who offered Nicolas Poussin's *Ordination*, from the series of the Seven Sacraments for sale at auction. Five of the series of paintings had been on loan to the National Gallery for many years. Bearing in mind that the Gallery is committed to buying a second Titian for £50 million, a sale at auction might have seemed the best option for the Duke. Estimated at £15-20 million, the painting unfortunately failed to sell. This may not only reduce the value of *Ordination*, but also of the four other paintings still in the Duke's possession.

The problems presented by the Italian government's position of listing great works of art, which essentially means they will never get an export licence, were highlighted in a sale in Milan on 19th October. A pair of Canalettos, *View of the Grand Canal, Venice*, and *View of the Campo San Geremia, Venice*, originally in the collection of the Dukes of Marlborough, were offered for sale by a family who bought the paintings in London in 1957. Both paintings had been notified by the Italian export authorities, and both failed to sell, despite estimate at 60% of exportable market value. A similar fate befell a Guardi, which also had a British provenance, and had been imported into Italy some time before 1948.

Around the Trade

A large group of Andy Warhol's Brillo Soap Pad Boxes have been declared copies, if that is not an understatement. Apparently commissioned by Stockholm museum director Pontus Hulten who died four years ago, many of these boxes have been on the market. However the Warhol Art Authentication Board has termed these as "Stockholm style boxes" for those shown in an exhibition in Stockholm in 1968, or "Malmo style boxes" for those shown in Russia in 1990. Dealers who have bought some of the boxes are now left in a

difficult position since the board has not officially revoked previously issued certificates of authenticity.

News from the International Fair in New York has been mixed. Clearly some dealers had a pretty lean time but others did well, although the general feeling seems to be that glitz is out but major names are in demand.

It is probably polite not to ask the dealers who took part in the Winter Olympia Fair how they did. The air of doom and gloom was positively palpable and many said that it was the worst fair that they had ever done. The art market is clearly not out of the woods yet.

Ever Been Had?

A Quarterly look at Art Market Knavery

The name of Wolfgang Beltracchi (né Fischer) has been seen in the press lately allegedly as the new faker in the market. He seems to have inherited the style of the great 19th century masters, entertaining in a lavish manner; champagne from magnums, flamenco dancers, and all this in Freiburg, Germany. With his wife Helene, whose surname he adopted, he has been selling expressionist paintings from the collection of one 'Werner Jagers'. However no-one seems to recall that Jagers had an art collection. Beltracchi has sold paintings attributed to Max Ernst, Raoul Dufy, Fernand Leger and Heinrich Camperdonk through local auctioneer Lempertz in Cologne, Christie's in London, and no doubt elsewhere. Large sums of money are being talked about, as much as £30 million in total. Both Beltracchi and his wife are presently in custody in Cologne, as is Susanne Beltracchi, his sister-in-law together with two un-named men. Watch this space for the verdict.

Take part in this year's Gurr John's Christmas Quiz!

The quiz will be launched in the week before Christmas, but the judges will determine the winner, being the reply with most correct answers received first by New Year's Day 2011, in the first week of the New Year. A bottle of decent champagne will be the prize.



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