

# CACHET COLLECTORS

NOT EVERYONE BUYS ART FOR ART'S SAKE, WRITES **ANDREW TAYLOR**, AND AS A RESULT, PRICES ARE HITTING THE STRATOSPHERE.

**P**ablo Picasso might be one of the greatest artists of the 20th-century, but even a genius can have a bad day. Yet that did not stop an anonymous buyer forking out \$US179 million at auction last May for Picasso's "late, ungreat" 1955 painting *Les Femmes d'Alger (Version "O")*.

That is a steep mark-up from the \$US212,500 paid by Victor and Sally Ganz in June 1956 for the entire series of 15 paintings inspired by Eugène Delacroix's 1834 painting *The Women of Algiers in their Apartment*.

The sale at Christie's in New York eclipsed the \$US106.5 million paid in 2010 for Picasso's *Nude, Green Leaves and Bust*, which *The Guardian's* art critic Jonathan Jones said was far superior.

Jones concluded that art collectors are fools who can be manipulated to spend fortunes on the latest fashion. "And that



is the idiotic level on which art collectors operate, to judge from this sale," he wrote. "Someone has so much money they can fork out colossally for a late, ungreat Picasso just because they read about him in an in-flight magazine or saw a documentary."

Picasso might have raised an eyebrow at the astronomical price given his membership of the French Communist Party. He said in a 1945 interview: "I am a Communist and my painting is Communist painting ..."

"But if I were a shoemaker, royalist or Communist or anything else, I would not necessarily hammer my shoes in a special way to show my politics."

Art Month Sydney artistic director Barry Keldoulis says works of this calibre are an incredibly good, almost guaranteed investment. "Beyond that, there is the social kudos and in many cases, it appears, cross-cultural kudos associated with owning a masterpiece privately," he says. "There can also be lots of publicity, and publicity that shows you are cultured."

The sale price of Picasso's dubious masterpiece pales in comparison with the \$US300 million reportedly paid in a private sale in February 2015 for Paul Gauguin's *When Will You Marry?* "We can't necessarily verify those prices," warns art consultant David Hulme. "They're private sales against sales at auction, which are recorded."

James Goodwin, who directs the art market courses at Christie's Education in London, says auctions account for only half of the art market: "The other half of the trade is pretty murky, unknown, and that includes mostly dealer sales and, of course, private sales."

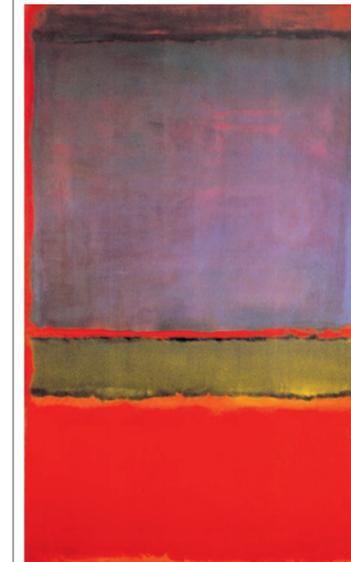
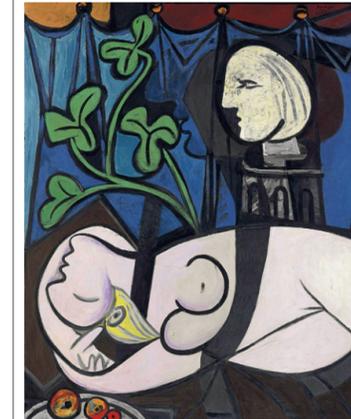
*Les Femmes d'Alger* was one of 10 works sold in 2015 for a total of almost \$US1 billion, including Amedeo Modigliani's painting *Nu Couché* which sold for \$US170 million to Chinese billionaire and co-founder of Shanghai's Long Museum, Liu Yiqian.

Other stratospheric sales include Alberto Giacometti's 1947 statue *L'homme au Doigt* (\$US141 million) and Roy Lichtenstein's 1964 work *Nurse* (\$US95 million).

"Blame the battle of the billionaires," wrote *The Art Newspaper's* Georgina Adam. "The super wealthy vying for a small handful of top works of art by modern masters Picasso, Giacometti, Rothko, Freud and Warhol."

Many of these high-priced purchases are "typical trophy acquisitions – whether it be by an oil-rich Arab state, or newly minted billionaire emerging from a former anti-Western capitalist regime", says art

FROM LEFT: Communist Party member Pablo Picasso may have raised an eyebrow at the \$US179m paid for his *Les Femmes d'Alger* (far left). BELOW: *Nude, Green Leaves and Bust* sold for \$US106.5m in 2010 and is regarded as a superior example of his work; Mark Rothko's, No.6 (Violet, Green and Red) fetched the third-highest price on record for a painting.



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adviser and valuer Jane Raffan. "Art might be first on the list or after other appetites have been served: that private plane or yacht, grand estate, luxury hideaway and favourite football team, who knows, but trophy art is always in the mix," she says.

In *Understanding International Art Markets and Management*, academic Iain Robertson described the art market as "taste informed by greed and made possible by opportunity".

Taste and power are closely related influences on the market, according to Raffan. "Taste takes time to form and to alter, but power, in contrast, is turned into influence and then value much more quickly."

"Overnight gazillionaires often drive prices into the stratosphere; prices that are not achievable on resale."

Goodwin says class, knowledge and "outright snobbery" play their part in the art market, as well as a healthy bank balance: "Sometimes you have to hold your nose a bit when dealing with it, but that's part of its beauty as well."

Despite the \$1 billion of attention-grabbing sales in 2015, the art market may be in decline overall. Goodwin says the Global Art Auction index indicated peaks in July 2011 and January 2015: "It's been on a downer for a year and [it's] pretty steep."

This follows a record-breaking year in 2014 of €51 billion in global art market sales, according to the TEFAF *Art Market Report*, which surpassed the previous high point of €48 billion set in 2007 before the global financial crisis.

"The art market reached its highest ever record of sales with continuing strength in modern and post-war and contemporary art," says the report's author Clare McAndrew.

She also notes: "It continues to be a highly polarised market, with a relatively

FOR DECADES, AUSTRALIA'S BLUE-CHIP SALES HAVE BEEN DOMINATED BY THE WORK OF DEAD, WHITE MALES BUT IN RECENT YEARS DIVERSITY HAS CREPT IN AS MORE NUANCED COLLECTING HAS DEVELOPED.

small number of artists, buyers and sellers accounting for a large share of value."

Goodwin says works by Picasso, Warhol and Vincent van Gogh have attracted some of the highest prices at auction over the past three decades. "The trend is modern with impressionist when they can get it," he says.

Tastes at the high end of the market have fluctuated since the mid-1980s when Goodwin says sales of Old Masters were at their peak. "Then we had that incredible boom when the Japanese imported in 1989 a third of the world's art and collectables," he says. "That, of course, pushed up the price mostly of impressionist pictures but also modern pictures. They were very keen on Picasso and, of course, van Gogh."

In contrast, a top 10 list from the early 20th century would have been filled with Old Masters works by the likes of Rembrandt and Titian, says Raffan. "Tastes change, but it's also important to realise there are many fewer Old Masters works available to the market now, along with impressionist and post-impressionist paintings bought by the Japanese in the 1980s and, naturally, there is a greater number of contemporary works available."

Raffan says artworks attracting record prices at any given time share a common trait: "The artists have been sanctioned by taste makers first and foremost, most commonly art historians and important museums."

Predicting future price movements may not be entirely a mug's game despite the opacity of the market. "No one has a crystal ball, but it is useful to consider past momentum and crashes," Raffan says. "One should look at the new buyers, the sources of their wealth and the economic health of their countries as to clues about sustainable buying and pricing on the market."



China emerged as the equal second-biggest global art market, with Britain, in 2014 with 22 per cent, after the United States at 39 per cent. Japan remains a substantial importer of art, but Goodwin describes Qatar as a blip. "It's still pretty much a Western type of trade and the same for export," Goodwin says.

Another blip is the Australian art market, which had its third-best year in 2015, with \$110 million in sales at auction or about two-thirds the price paid for Picasso's *Les Femmes d'Alger*. It remains below the peak of \$175 million achieved in 2007.

But Hulme describes the local market as pretty good at the moment. He says the art market, which hit a trough in 2009, closely follows the fortunes of real estate. "Since that time, people have been happier to throw

Amedeo Modigliani's *Nu Couché* sold for \$US170m to Chinese billionaire Liu Yiqian in the same auction that Picasso's *Les Femmes d'Alger* was bought for a record price.

money at art," he says. "It's a much healthier market today than a few years ago."

For decades, Australia's blue-chip sales have been dominated by the work of dead, white males, says Raffan. "In recent years diversity has crept in as more nuanced collecting has developed in tandem with the rise of art advisers, and we now see women and Indigenous artists of both sexes in the list."

High prices are not the only drama playing out. A tussle between the renowned American dealer Larry Gagosian and the Qatari royal family over ownership of a 1931 Picasso sculpture of Marie-Thérèse Walter has transfixed the art world. More scandalous was the discovery of 45 crates of looted antiquities belonging to Robin Symes, a disgraced British art dealer who was sent to prison



FROM TOP: Phone bidding for *Les Femmes d'Alger (Version O)* at Christie's New York auction last May; Self-portrait by Rembrandt, whose *Pendant Portraits* painted at a similar time, sold for \$US180m last year; a version of *The Card Players* by Paul Cézanne was bought for \$US272m in a private sale in 2011.



## TOP 10 PRICES

### 1. \$300m\* (estimated)

*When Will You Marry?*  
Paul Gauguin, 1892. Private sale 2015

### 2. \$272m

*The Card Players*  
Paul Cézanne, 1892/93. Private sale 2011

### 3. \$186m

*No. 6 (Violet, Green and Red)*  
Mark Rothko, 1951. Private sale 2014

### 4. \$180m

*Pendant portraits of Maerten Soolmans and Oopjen Coppit*  
Rembrandt, 1634. Private sale 2015

### 5. \$179.4m

*Les Femmes d'Alger (Version "O")*  
Pablo Picasso, 1955. Christie's, New York 2015

### 6. \$170.4m

*Nu Couché*  
Amedeo Modigliani, 1917-18. Christie's, New York 2015

### 7. \$155m

*Le Rêve*  
Pablo Picasso, 1932. Private sale 2013

### 8. \$140m

*No. 5, 1948*  
Jackson Pollock, 1948. Private sale 2006

### 9. \$137.5m

*Woman III*  
Willem de Kooning, 1953. Private sale 2006

### 10. \$135m

*Portrait of Adele Bloch-Bauer I*  
Gustav Klimt, 1907. Private sale 2006

\*All \$US. Source: Bloomberg, *The New York Times*



PHOTOS: GETTY IMAGES