

Art Market *Review*



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The Art Basel and UBS Art Market Report 2020 demonstrates a distinct cooling in the global art market. Public auction sales of fine and decorative art and antiques in 2019 reached \$24.2bn – a significant 17% decline from 2018 (\$29.1bn). While the auction market remained above its 2016 level, notably this was 13% below values achieved a decade earlier in 2010.

Despite declining results, the three largest auction markets – the US, China and the UK continued to dominate sales during 2019, with a combined 84% share of worldwide sales (down from 88% in the previous year). The US market remained by far the largest with 37% of sales (down 3%), followed by China at 29% and the UK at 18% (both unchanged on the previous year).

A closer inspection of the global sales from these three leading market hubs paints a starker picture. In the US, after reaching an historic high of \$11.8bn, the market declined by 23% to just over \$9bn in 2019; while sales in China declined 16% to \$7.1bn and the UK by 20% to \$4.3bn.

Notwithstanding the global art industry's historical resilience in times of economic and political imbalance, the global financial uncertainty appears to have affected sellers and buyers alike. The slowdown in the auction market was largely supply-driven, with a markedly lower number of the higher priced lots coming up for sale. Works at the ultra-high end segment (over \$10m) were the worst performing in 2019, declining 39% in value and with 35% fewer lots sold.

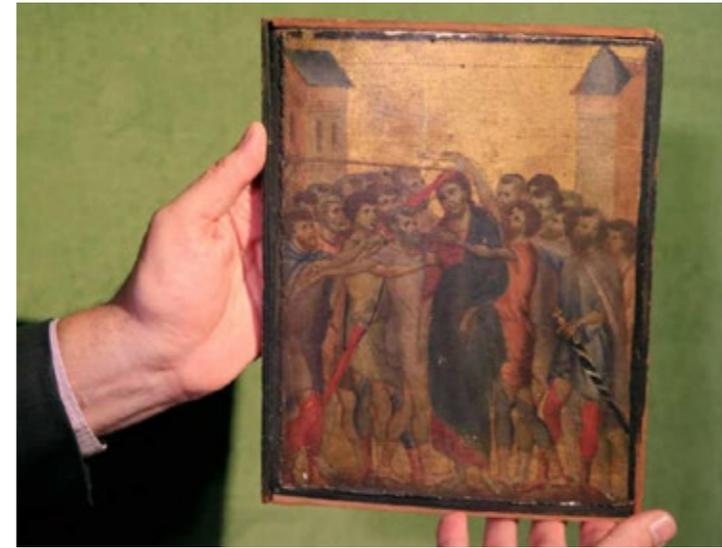
A further reflection of this high-end contraction was the lack of large art estates brought to auction. In 2018 two very high profile single-owner collections - those of Peggy and David Rockefeller (\$835.1m) and Barney A Ebsworth (\$323.1m) - had helped to boost overall sales. Additionally, there were also a lower number of extremely highly priced outlier lots, such as the \$450.3m record auction price achieved by the Leonardo *Salvator Mundi* sale in 2017 – the whereabouts of which still remains mysteriously unknown.

During 2019, nine artworks - eight of which were paintings - sold at auction for prices in excess of \$50m. The highest priced lot, and only artwork to breach the coveted \$100m threshold during the year, was Claude Monet's (1840-1926) *Meules* (1891). Sold at Sotheby's New York in May for \$110.7m, the painting is one of just four works from the artist's famous Haystack series to remain in private hands. The amount achieved set a new auction record for a work by Monet and was the first Impressionist painting to exceed \$100 million, significantly exceeding the artist's previous auction record of \$81.4m realised in 2016 for another of the artist's *Meules* paintings.

The second highest work sold at auction was American artist Jeff Koons' (born 1955) *Rabbit* sculpture. Purchased at Christie's New York in May for \$91.1m by US billionaire hedge fund manager Steven A Cohen, Koon's *Rabbit* sculpture comes from an edition of three plus one artist's proof. Standing a just over one metre high, the work's iconic status rests on its playful appearance based on a child's balloon toy – the seemingly soft form belying the steel medium of the sculpture. The sale underlined the enduring popularity of Koons, breaking the auction record for a work by a living artist set in November 2018 by David Hockney's (born 1937) *Portrait of an Artist (Pool with Two Figures)* at \$90.3m.

Also in the May auction sales in the US, the third highest art work sold in the year was fellow American Robert Rauschenberg's (1925-2008) *Buffalo II* (1964), which realised \$88.8m at Christie's New York. One of the largest of Rauschenberg's iconic silkscreen paintings, featuring the uniquely American images of President John F Kennedy, a space capsule, bald eagle and the Coca-Cola logo, the sale marked a watershed in the artist's auction pedigree dwarfing his previous saleroom high of \$18 million set in 2015.

A review of the top ten items sold at auction during the year is revealing. An interesting marker in these results is the dominance of Christie's and Sotheby's where all of the sales were recorded. More specifically, the top nine lots sold were all realised in New York, with London recording the tenth highest sale through Hockney's portrait of *Henry Geldzahler and Christopher Scott* (1969) – sold at Christie's in March for £37.7m (\$49.5m). In addition, the results further suggest the cooling of the market as the year progressed. Eight of the top



Mocking of Christ (tempera on poplar panel), c.1280, Cimabue (active 1272-1302)

ten auction sales were realised in May, with only American artist Ed Ruscha's (born 1937) *Hurting the Word Radio #2* (1964) selling in November at Christie's New York for \$52.5m – an auction record for the artist.

The top 10 auction results also reflect the wider caution expressed in the market during the year, with a desire to bring to market and purchase works by the gilt-edged artists with cast-iron auction pedigree. The household names of artists from the 20th century and stalwarts of the auction scene feature – from Cezanne and Monet to Picasso, Warhol, Rothko, Bacon, Hockney and Koons.

And of course they are all male. Despite a more concerted effort by some leading art galleries to raise the profile of female artists and a well-intentioned desire to reposition their artistic value and significance in the history of art, this has still to translate consistently to financial value at auction. There were however, some encouraging signs during the year. In January, Sotheby's New York put female Old Masters in the frame with their "The Female Triumphant" sale. The headline lot was Elisabeth-Louise Vigée Le Brun's (1755-1842) *Portrait of Muhammad Dervish Kahn* (1788), which sold for \$7.2m – an auction record for any

artwork by a female artist in the pre-Modern era. While in May Louise Bourgeois' (1911-2010) *Spider* (1997), sold at Christie's New York for \$32.1m – the 15th highest auction lot in the year.

One of the more intriguing stories to come out of the art market in recent years was the rediscovery of an important 13th century painting of the *Mocking of Christ* by the Florentine artist Cimabue (active 1272-1302). The painting was identified by a valuer during the house clearance of an elderly woman in Northern France. Genuine Old Master rediscoveries are rare and can be divisive – as witnessed with the Leonardo *Salvator Mundi*. Here however, infrared reflectography confirmed the painting to be from a larger diptych painted in around 1280, parts of which survive in the National Gallery in London and the Frick Collection in New York.

There are only 10 known works by Cimabue – the tutor of Italian master Giotto – all of which are unsigned and in leading public collections. The painting measuring just 26cm x 20cm is in remarkably good condition despite being dirty after years of being kept in the owner's kitchen displayed above a hotplate. Sold in October by Actéon auctioneers in the northern French city of Senlis for €24m (\$26.6m), the work dramatically outstripped its pre-sale estimate of €4-6m and made the Cimabue the most expensive pre-1500 painting sold at auction. Purchased by US-based private collectors, the French state subsequently blocked the export classifying the painting as 'national treasure' – a status that provides 30 months to source funding to acquire the work itself.

The Cimabue sale was one of the market highlights in a particularly low profile close to the year. As Dr Clare McAndrew, author of the Art Basel and UBS Art Market Report commented, 2019 was "a tricky year, but not disastrous." As 2020 continues to unravel in the wake of the COVID-19 pandemic, these words have a greater sense of foreboding. Quite how 'disastrous' the impact of the disease proves to be on the global art market – as with all other areas of social, political and economic life – remains to be seen. On a very human level McAndrew's report underlines the marked impact the art industry has not just on the global flow of money, with an estimated \$64.1bn of global sales, but also on the 310,000 businesses employing more than 3 million people who rely on it for their livelihood.

