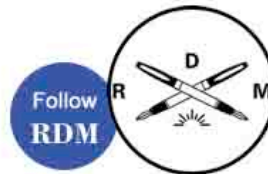




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POLITICS

Christies has a US \$1bn week of art sales



The billion-dollar threshold was a symbolic coup for Christie's and seemed to widen the divide with its rival Sotheby's

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New York — It was a week the art world had never seen before. For the first time, an auction house sold more than \$1-billion of art — over three days at that — a vast outpouring of money that amazed even the wealthy and celebrities who flocked to the auction floor.

On Wednesday, Christie's said it sold \$658.5-million worth of work at its postwar and contemporary art auction, added to the \$705.9-million for 20th-century works auctioned off Monday. The billion-dollar threshold was a symbolic coup for Christie's and seemed to widen the divide with its rival Sotheby's, even if actual profits were unclear.

Sotheby's on Tuesday raised \$379.7-million, with fees, from 63 lots of American-oriented contemporary pieces. At its auction last week, it proclaimed the result, \$368-million, as the second-highest modern and impressionist sale in its history.

"It's a spectacle of excess at the highest level," said Abigail Asher, partner in the New York and Los Angeles art consultants Guggenheim Asher Associates Inc., who was at Monday's auction. "The last few years have been building up to this moment. A new class of buyer has entered the market and they're prepared to pay staggering sums for trophy pictures."

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The availability of such huge amounts of cash to spend on art in the auction market is, on the one hand, a symptom of widening income inequality. But it also reflects the globalised popularity of big-name art as a status symbol, and the increased seriousness with which the world's 170 000 or more ultra-high-net-worth individuals — those with at least \$30-million in cash to spend, by one estimate — take art as an alternative investment.

They have been given confidence by figures such as Laurence D. Fink, chairman of BlackRock Inc., the world's biggest asset-management company, who on April 21 pronounced in a conference in Singapore that contemporary art, as well as real estate in cities such as New York and London, had usurped gold as a store of wealth.

"There's something slightly boastful wanting to own these things," Asher said. "And there's a prevalent sense that this is also about asset gathering, not just collecting."

Wednesday's auction began with a roar. The first item — "Torsione," a metal and flannel sculpture by Giovanni Anselmo — went for \$6.4-million, with fees, or more than seven times its high estimate. "What a start!" said the auctioneer, Jussi Pylkkanen.

A purchase price of \$5.8-million with fees for Joan Mitchell's 1969-70 abstract expressionist painting "Afternoon," a work filled with passages of blue, white and yellow impasto, put the sales total over \$1-billion. The highest price of the evening, \$81.9 million, went for Mark Rothko's "No. 10," an oil composed of floating rectangles of smoldering red and flame on a black background.

Other notable sales were Lucien Freud's 1994 oil painting "Benefits Supervisor Resting," for \$56.2-million, to London dealer [Pilar Ordovas](#); Andy Warhol's monumental 1963 silkscreen on canvas, "Colored Mona Lisa," also for \$56.2-million; and Jean-Michel Basquiat's enamel spray, acrylic and oil stick on canvas called "The Field Next to the Other Road," for \$37.1-million.

A 322-lot day auction Tuesday at Christie's raised \$45.6-million.

If seen as a horse race, the week's results show a growing gap in market share between the two houses — particularly in the all-important sector of contemporary art. That is due in part to Christie's aggressive policy of securing high-value lots by promising wealthy art owners minimum prices. At Sotheby's Tuesday sale, 16 works carried company guarantees. Forty-nine of the 82 lots in Christie's sale Wednesday night had guaranteed minimum prices. Eighteen of the 35 lots in its Monday night "Looking Forward" auction were guaranteed, including a Picasso that sold for \$179.4-million, the highest price ever paid at auction.

While Christie's may be garnering the headlines, it was hard to know who was garnering the biggest profits. Along with attracting customers, guarantees can mean profits for the auction house, because it often splits the difference with the seller when the minimum is exceeded. Whether Christie's actually makes money out of guaranteeing works — which sometimes fail to sell at auctions — remains unknown. Christie's is a privately owned company belonging to French billionaire collector Francois Pinault. Unlike publicly listed Sotheby's, it does not divulge its profits or losses, but does reveal sales.

Christie's willingness to secure high-value lots through expansive guarantees — essentially, buying market share — contrasts with Sotheby's currently more circumspect approach, although Sotheby's relied heavily on guarantees in the fall sales.

"It's very, very opaque," said Paris dealer Christian Ogier. "You just don't know what's going on."

Sotheby's chief executive, Tad Smith, who was appointed in March, sought to reassure investors in a first quarter earnings conference call Monday by saying that the company would not "roll dice in the auction room with shareholders' money." Smith added, however, that "guarantees on high-profile trophy lots can be important marketing investments and potentially generate positive momentum."

About 1 100 works in all have been put on view this week at Christie's New York headquarters, attracting more than 15 000 visitors. The previous high for a weekly series of art sales was the \$975-million Christie's achieved for its contemporary auctions last May, according to the company. — New York Times