

INSIDE ART

Christie's and Sotheby's Auctions in London Keep the Bubble Afloat

By Scott Reyburn

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London — When art prices rise and rise, there's always talk of a "bubble." But could the 21st-century contemporary art boom be a bubble that never really bursts?

On Tuesday and Wednesday evenings, the Sotheby's and Christie's salesrooms here held the first major test of the top end of the contemporary market since their equivalent auctions in New York in November, which fetched \$1.2 billion.

The London sale nights weren't exactly studded with masterpieces, but the presence of desirable paintings by international names like Gerhard Richter and Cy Twombly helped the two auction houses raise 240.6 million pounds, or about \$367 million. Thanks to ever-expanding global participation — Christie's said it had 327 bidders from 40 countries — the total was 13 percent higher than last February (albeit from 30 percent more material), and both houses sold more than 86 percent of their lots.

"It's going crazy," said Mary Hoeveler, a New York art adviser. "There was a lot of Asian bidding and it helped that there were quite a few American works in these auctions. People want the classic names of the 20th century."

Americans, helped by a strong dollar, were the biggest spenders of the week, according to Christie's London. North Americans accounted for about a third of the value of its evening auction, compared with about 30 percent for Asian and Middle Eastern buyers.

The sensation of the week was the £30.4 million with fees, or about \$46.4 million, paid by an American telephone bidder at Sotheby's on Tuesday for a monumental 1986 Gerhard Richter painting. The seller was the Malaysian financier Jho Low, according to dealers, who has been an expansive buyer of real estate in the United States over the last five years.

The buyer, represented by Cheyenne Westphal, Sotheby's worldwide co-head of contemporary art, caused gasps by making "jump" bids of more than £1 million at a time. Dealers identified him as the Chicago hedge fund manager Kenneth C. Griffin.

The price for the painting, a 10-foot-high abstract numbered "599," with diaphanous expanses of red, blue, yellow and green, was the highest paid at auction for a work by Mr. Richter. The estimate had been £14 million to £20 million. Back in 1999, when Mr. Richter's photo-based figurative paintings were deemed much more desirable, it sold for \$607,500 at Sotheby's in New York.

"Now people want the abstracts," said Andrew Fabricant, director of the Richard Gray Gallery in New York. "They're more accessible, more of them are available and they're instantly recognizable. The figurative paintings have become a more sophisticated taste."

That taste was tested the next night at the Christie's auction, which included Mr. Richter's 1969 canvas "Vierwaldstätter See (Lake Lucerne)," one of four large paintings of the lake that he made. Reminiscent of landscapes by J. M. W. Turner and Caspar David Friedrich, and never previously on the market, the painting had been valued at £10 million.

Four telephone bidders pushed the price to £15.8 million, or about \$24 million — about half the value of the Sotheby's abstract.

Last fall, Christie's \$852.9 million evening sale on Nov. 12 more than doubled Sotheby's \$343.6 million in takings the previous night. Ten days after that auction, Sotheby's chief executive, William F. Ruprecht, announced he would be stepping down. He was soon followed by Christie's chief executive, Steven G. Murphy, prompting art industry analysts to suggest that the privately owned Christie's had gained market share at the expense of profitability.

Since Mr. Ruprecht announced his departure, Morgan Stanley has increased its ownership stake in Sotheby's to 5.1 percent and BlackRock to 7.1 percent, and the auction house has become more generous with its inducements to sellers.

Here in London, this week's Sotheby's sale brought in a total of £123.5 million, or about \$188.4 million, from 75 lots, while Christie's made £117.1 million, or about \$178.7 million, from 62 lots.

The evening sales included no fewer than nine works by Cy Twombly from owners hoping to capitalize on the jaw-dropping \$69.6 million paid for a 1970 "blackboard" Twombly painting at Christie's in November.

The Twombly lot with the highest estimate was the slightly less exuberant 1970 "Untitled (New York City)," valued by Christie's at £16 million. The seller was the Los Angeles film producer Stavros Merjos, who had bought it for \$17.4 million in May 2012. It sold for £19.7 million, or about \$30 million, to a telephone bidder represented by Christie's Hong Kong-based specialist Xin Li. The auction house had guaranteed Mr. Merjos an undisclosed minimum price.

The United States was also the powerhouse of bidding in New York in November.

"American buyers are much stronger," said Nicholas Maclean, a partner at the New York and London art advisers Eykyn Maclean. "Their businesses are doing well," he added. "They want to buy art, but they don't want to flip it."

Meanwhile, the market for young artists whose works skyrocketed in price in 2014 is looking more selective in 2015. The Los Angeles abstract painter Alex Israel was one of last year's sensations, with works selling for as much as \$1 million at auction. This week, a 2012 triptych by Mr. Israel of his spray-painted panels sold for a more muted, within-estimate £305,000 (about \$465,000) at Sotheby's.

The figurative painter Jonas Wood, also based in Los Angeles, is at a different stage of his market cycle. His sellout show that opened in November at the David Kordansky Gallery attracted buyers from several museums.

He gave Sotheby's Tuesday sale a jet-propelled start when his large 2010 painting "Studio Hallway," typical of his approachable, posterlike style, was pursued by at least four telephone bidders to £365,000, or about \$555,000, far in excess of his previous auction high of \$56,250, and of last year's gallery prices of \$100,000 to \$140,000 for his paintings.

Sotheby's has yet to appoint a new chief executive, and Mr. Ruprecht remains on the job. In London, he watched the action from the wings, smiling wryly.

Correction: Feb. 18, 2015

The Inside Art column on Friday, about auctions in London, misidentified the seller of the Gerhard Richter painting "599," which sold for about \$46.4 million, including fees, the highest price paid at auction for a work by Mr. Richter. He is the Malaysian financier Jho Low, not the Hong Kong real estate magnate Joseph Lau.