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Does Money Grow on Art Market Trees? Not for Everyone

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As all the talk of record prices demonstrates, contemporary art has soared in value over the last 10 years, outperforming stocks as an investment and drawing attention to possible bonanzas to be found in the market.

But not all boats have lifted with the tide.

Prices for the work of a variety of artists, including some top names like Larry Rivers, Eric Fischl and Francesco Clemente, have declined or stayed flat at auction in recent years, according to data compiled by Artnet, a company that tracks such sales.

For example, a Dutch Masters painted cigar box, created by Rivers and valued as high as \$40,000 last year, sold in September for less than \$4,000. Last month Mr. Fischl's untitled painting of robed figures in a church sold for \$194,500, \$70,000 less than it fetched six years ago.

And Mr. Clemente's "Parabola," a painting Sotheby's had valued as high as \$90,000 a year ago, sold for a third of that in March. Often these are temporary descents. Other works by these artists can still command hefty prices. A Clemente painting estimated at \$30,000 to \$50,000 at auction this spring sold for \$76,900.

Nonetheless, at a time when so much attention is paid to skyrocketing values, the dreary performance of some artists' portfolios is a topic seldom broached.

"We in the auction business want to put our best foot forward, so when we get a good price, we make a big fuss about it," said Elaine Stainton, the director of the painting department at the auction house Doyle New York. "When we have a disappointing sale, we keep our mouths shut." Perhaps nothing in the art world is as mystifying to the layman as the often abrupt changes in works' values. The market's overall ups and downs make sense. And it seems logical that works by old masters act like stable blue-chip stocks, while contemporary art functions like growth stocks: volatile but with a sudden capacity to crown genius and create fortune.

But how to explain the cruel backslide of artists whose work escalates, then slips in value? Just as it is difficult to pinpoint precisely why work by some artists rises in value, experts say it can be harder still to explain why some artists' value declines.

“There is a constant ebb and flow in art historical reputations,” said Jeffrey Deitch, a longtime New York gallery owner who now directs the Museum of Contemporary Art in Los Angeles. “The reputation of even the greatest figures like Picasso are in flux.”

Certainly the value of an individual work of art can be affected by its size (bigger is better), condition, provenance and how recognizable it is, something often referred to as wall power.

Andy Warhol, for example, is a premium name brand. This month a silk-screened Warhol self-portrait [touched off a bidding war at Christie's](#) before selling for \$38.4 million, well above its high estimate of \$30 million. “Some people like that instant recognizability, that someone can walk into the living room and say, ‘That’s a Warhol,’ ” said Mary Hoeveler, an art adviser in New York.

Prices can be hurt by negative reviews or if an artist has gone a long time without a major exhibition. And it helps to have work held by a famous collector: high-profile collectors create high profiles for the art they purchase.

So it was a setback for the Italian artist Sandro Chia in the 1980s when Charles Saatchi, the British advertising magnate and art collector, bought dozens of his works, then turned around and sold them, depressing the market for Mr. Chia’s work and damaging his career.

“It’s an unfortunate truth that some people buy with their ears rather than their eyes — listening to hear who bought what,” said Cristin Tierney, who owns a gallery in Chelsea and has consulted for Christie’s. “They want to get in on the action. They’re not really looking at the work.”

Then there is the simple rule of supply and demand, that — all other things being equal — paintings by Giorgione, which are rare, might command better prices from some collectors than works by Titian, which are more plentiful. But Warhols, among the hottest items on the market, continue to command high prices, though in many instances they were mass-produced.

“People who are buying don’t realize how great the supply is,” Ms. Stainton said. “If they realized how many examples there were, they wouldn’t value them as highly as they do.”

(While important Warhols routinely bring in huge sums, the Artnet tracking does not show a meteoric rise. Amy King, who directs the company’s database, said that was partly because Warhol’s work had done well at auction for years and partly because the data took in the entire gamut of works auctioned, not just the blockbusters, but also many lesser items that may not have escalated wildly in price. The

price booms for works by Gerhard Richter and Francis Bacon have been more striking. Bacon's paintings often sell for triple what they did a decade ago.)

Mr. Clemente's price history at auction is illustrative, but by no means rare. The data indicates that his work peaked in price two decades ago and has trailed off since.

Why?

He was an art darling in the 1980s, part of a group that included Julian Schnabel, Keith Haring and Jean-Michel Basquiat.

His paintings and etchings, which often focus on the body, sexuality and self-portraiture, were once so popular that three New York galleries simultaneously showcased his work.

"Clemente is so in," observed the London newspaper *The Independent* in 1989, "that he does not feel it necessary to repeat himself."

But now his work is at times cast — some say unfairly — as dated, and he is no longer represented by Gagosian, one of the most powerful galleries in the world.

Still, as a matter of history, he has paintings in every major New York City museum, and in 2007 Roberta Smith, a *New York Times* art critic, described him as "the most resilient of the Italian Neo-Expressionists."

Representatives for artists who have not done as well at auction say the data does not really measure the true value of their work. More ambitious pieces are often sold privately, by dealers, they said, and those prices are generally not made public. Only about half of all art purchases are made at auction, where prices are announced and can be analyzed.

"It's a tool that you really need to use with caution," said Ron Warren, the director of the Mary Boone Gallery, which represents Mr. Fischl.

Some also worry that whatever the accuracy of auction data, using it to track values is a crude exercise that considers aesthetic expressions only as commodities.

"Auctions are a blunt instrument," said Marc Glimcher, the president of Pace Gallery. Better measures, he argued, would be criteria like: "How many galleries are trying to get a Murakami show from Murakami's main dealers? How many museum or gallery shows of X artist are there per year? How many different continents do they show on per year?"

Still, more and more people now consult auction data compiled and analyzed by a growing number of

companies that seek to provide quantitative measures of value. These consultants acknowledge that auction data is an imperfect tool.

“But there is no other verifiable measure of fluctuation of value — up or down — and the overall health of the market,” said Michael Plummer, co-owner of Artvest, an art investment advisory firm. “Without it, we would all be fumbling around in the dark.”

Ultimately, most agree that artist values are a lot like hemlines. They rise and fall, often fueled by something like a new museum show — for example, the one at the Uffizi Gallery in Florence this fall that will feature Mr. Clemente’s work.

Who knows how that might affect his reception at auction?

“Clemente is still stuck with the label of the 1980s artist, which in five years could be super trendy,” Ms. Tierney said. “So maybe a good thing to do is start buying Clemente now. You’ll be ahead of the pack.”

This article has been revised to reflect the following correction:

Correction: June 1, 2011

An article on Tuesday about contemporary artists whose works have declined in value or stayed flat at auctions in recent years, including Francesco Clemente, misidentified the gallery that represents Julian Schnabel, one of a group of artists popular in the 1980s that included Mr. Clemente. While the Mary Boone Gallery used to represent him, he is now with the Pace Gallery.