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### Tracking the art that came to market as the crisis struck

#### What happened to works that hit the block in November 2008?



Roy Lichtenstein, *Five Brushstrokes* (1983-84) © Roy Lichtenstein Foundation

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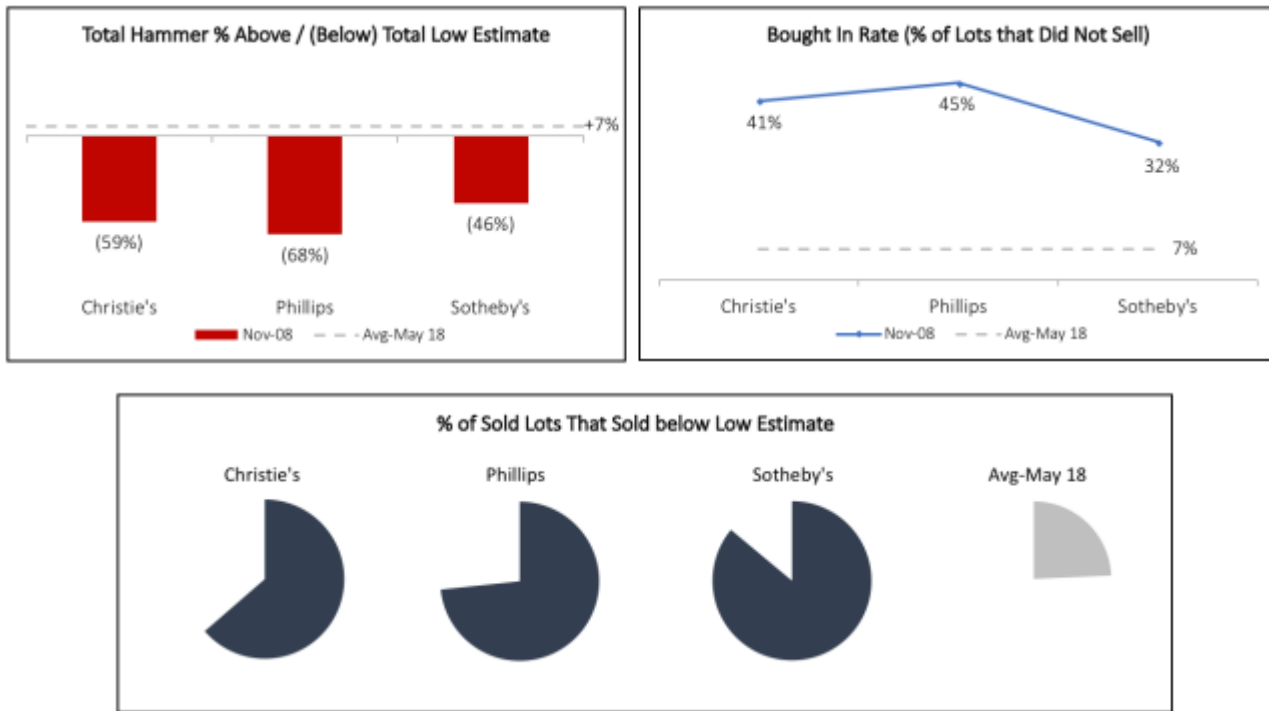
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Ten years ago, on 11 November 2008, the art market braced for a week of marquee auctions of contemporary art in New York in the midst of a global financial meltdown. The S&P 500 had fallen by almost 40% since the start of the year; JP Morgan Chase had acquired failing Bear Stearns in March; the US government bailed out mortgage companies Fannie Mae and Freddie Mac that summer; and Lehman Brothers collapsed in the fall.

The auction houses were bracing themselves. In the end, Christie's, Phillips and Sotheby's evening sales realized less than half the total low presale estimates. Of the lots that did sell, more than two-thirds went for below their respective low estimates.

Here we are 10 years later, about to begin a new round of evening sales in New York. Before then, let's look back at what

happened to some of those works of art that went on the block a decade ago.



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## Museum Acquisitions

Several museums took advantage of the 2008 drop in the market by buying works below their low estimates. The Museum of Modern Art acquired Carl Andre's *Equivalent V* (1966-1969)—120 firebricks stacked two bricks high—from *Sotheby's* for a hammer price of \$900,000 (\$1.1m with fees, est. \$1.2m-\$1.6m, estimates don't include fees).

The Broad Museum had not yet opened in 2008 but its founder, Eli Broad, bought several works during the 2008 auctions which are now in his contemporary art museum in LA, which opened in 2015.



Jeff Koons, *Wishing Well* (1988) © Jeff Koons

These included Ed Ruscha's word painting *Desire* (1969) for a hammer price of \$2.1m (\$2.4m with fees)—half of its \$4m low estimate—and Jeff Koons's *Wishing Well* (1988) from his "Banality" series for a hammer price of \$1.85m (\$2.2m with fees)—against its \$2.5m low estimate, both of which were [sold at Sotheby's](#). Christie's [would sell another Wishing Well](#) from the edition a year later; it hammered under its \$1.2m estimate to sell for \$1.1m with fees.

While Roy Lichtenstein's monumental sculpture *Five Brushstrokes* (conceived 1984, fabricated 1994) did not find a buyer at Sotheby's, where it had been estimated between \$6m and \$8m, an edition is [now owned](#) by the New Orleans Museum of Art—where it is prominently on view outside of the main entrance. The museum announced the acquisition in 2013 after Sydney and Walda Besthoff and the Roy Lichtenstein Foundation donated it.

## Auction resales

Several works of art sold during the 2008 auction series have since reappeared at auction. The biggest success by value was John Currin's *Nice 'n Easy* (1999) which features two Renaissance-inspired nude women against a black background. The buyer bought the work [during Sotheby's 2008 sale](#) for a hammer price of \$4.8m (\$5.5m with fees), which was slightly above the \$4.5m high estimate. The work did not appear at auction for another eight years, [selling at Christie's](#) in November 2016 on one bid (likely to be the irrevocable bidder) for a hammer price of \$10.5m, below the \$12m to \$18m estimate (\$12m with fees).

While it went below the low estimate, the sale nonetheless marked a new auction high for the artist and easily surpassed the 2008 record. Including buyer's premium, the work rose in value by \$6.5m and the seller (because the work did not change hands privately in the interim) walked away with a 10.3% compound annual return on the painting based on all-in prices (which was slightly below the 11.7% compound annual return for the S&P 500 during the equivalent period).



John Currin, *Nice 'n Easy* (1999) © John Currin. Courtesy Gagosian

The most recent two works by Currin with auction estimates in excess of \$1m have been images of female nudes; both went unsold due to pushy estimates. The next market test comes soon: Sotheby's [will be offering](#) *The Neverending Story* (1994), Currin's painting of an older bearded man and his doe-eyed female companion, from the collection of David Teiger, during the New York auctions next month.

The biggest winner in terms of annualized returns was Jean-Michel Basquiat's *Ribs Ribs* (1982), a work on paper of a caped man with an exposed ribcage, wearing one of Basquiat's signature crowns and created during the artist's most sought-after year. It achieved the highest compound annual return for any work purchased during the November 2008 contemporary evening sales that was later resold at auction.

The buyer scooped up the [seventh-to-last lot](#) of Sotheby's sale for a hammer price of \$520,000 (\$626,000 with fees), about half the low estimate. The work would [later sell in 2013](#) at Christie's for \$5.2m (with fees) against a low estimate of \$3m. Comparing all-in prices, that represents a gain of \$4.5m or a compound annual return of 60%, considering the work did not change hands privately between the 2008 and 2013 auctions.

Of the five Basquiat works offered during the evening sales in November 2008, only one other sold. The highest value Basquiat that week was Christie's cover lot *Untitled (Boxer)* (1982) from the collection of the Metallica drummer Lars Ulrich—who [reportedly bought it](#) from the Mugrabi family in 1999 for \$1.1m. It sold for a hammer price of \$12m (\$13.5m with fees) against an assumed but unpublished low estimate of around \$12m.



Jean Michel-Basquiat, *Ribs, Ribs* (1982) © The Estate of Jean-Michel Basquiat/ADAGP, Paris/ARS, New York 2018

Repeat sales of Basquiat works at auction have been outperforming the average contemporary art market recently, achieving a median compound annual return of 21% for works that resold in the first half of 2018. Over the past ten years, total sales of his work have reached \$1.7bn—a **staggering 77%** of the entire auction market for works by African-American artists in the same period, which totaled \$2.2bn.

## Bought in, second life

Of the 78 lots that failed to sell across the three evening sales, many found buyers in later auction sales. One of the best second acts belongs to Peter Doig's painting of a former run-down boarding house, *Pine House (Rooms for Rent)* (1994). The painting **went unsold** at Christie's in November 2008 (est. \$4.5m-\$6.5m). It **made another appearance** at auction 11 months later at Christie's London where it sold for a below-estimate price with fees of £1.4m (\$2.3m) against its presale estimate of £1.5m- £2m (\$2.5m-\$3.3m).

After a five-year break from auction, the work reappeared at Christie's New York in November 2014. The market was primed for Doig by now, following several auction sales of his work for more than \$10m over the previous year or so.

On the occasion of the 2014 auction, *Pine House (Rooms for Rent)* set a new record for the artist when it sold for a hammer price of \$16m (\$18.1m with fees) against an "estimate on request", presumably around \$16m. The work is currently the sixth highest-priced work by Doig to sell at auction; all 10 of his top prices have been achieved in the past five years.

## Unmatched 2008 records

The Indian artist Subodh Gupta set auction record after auction record in 2008 for his paintings and redefined sculptures of everyday objects: 18 of his current top 20 auction prices were achieved that year. During the November 2008 contemporary evening sales, Christie's included two works by Gupta as lots five and six while Phillips included one work at the end of its sale.

At Phillips, aluminum cast bamboo branches of *Magic Wands 6 (21 Parts)* (2004-2005) sold for a hammer price of \$115,000 (\$140,500 with fees) against a low estimate of \$120,000. At Christie's, the painting *Steal #2* (2007) (est. \$600,000-\$800,000) did not find a buyer while a cooking vessel-covered rickshaw, *Cheap Rice* (2006) **sold** for a hammer price of \$700,000 (\$842,500 with fees), below the low estimate of \$900,000.



Rachel Whiteread, *Untitled (Twenty-Five Spaces)* (1995). Private collection. © Rachel Whiteread. Image courtesy the artist/ Gagosian, London/Luhring Augustine, New York/Galleria Lorcan O'Neill

Since these sales, a work by Gupta has yet to appear in a major contemporary evening sale in New York (though there were several offered during London sales in 2012). While Gupta has somewhat disappeared from the auction market, he has [made a splash](#) for his large installations, such as the immersive installation set inside a hall of used utensils at Art Basel Unlimited in 2017.

Sotheby's included Rachel Whiteread's wall sculpture *Untitled* (2004) as the second lot of its November 2008 evening sale, but the work [went unsold](#) with a low estimate of \$400,000. Only three months earlier, Sotheby's had set an auction [record for the artist](#) when *Untitled (Colours)* (2002) sold with fees for £400,000 (\$900,000), an earlier work from her series of negative casts of bookshelves.

This work remains her second top price at auction, [edged out by](#) *Untitled (Twenty-five Spaces) (in 25 Parts)* (1994-1995)—25 resin casts of the space underneath chairs—when it sold at Christie's London in 2014 for an above-estimate price with fees of £600,000 (\$900,000) (est. £300,000-£400,000; \$500,000-\$600,000).

Meanwhile Whiteread's reputation has continued to grow. The artist, who was the first woman and the youngest artist to win the Turner Prize in 1993, opened a major retrospective of work from the past 30 years at the National Gallery of Art in Washington, DC, after exhibiting in Vienna and launching at Tate Britain (on view at the National Gallery until 13 January).

\*Additional research provided by [Julia Hernandez](#)