

The Art Market Year's Grand Finale; NY Post-War & Contemporary Art Auctions and Art Basel Miami Beach in Review

Although the US election didn't trigger the stock market or US dollar to crash like Brexit did to the British Pound and its economy, intended interest rate hikes, quantitative easing and global political unrest have once again caused investors' flight into real assets, such as art.

The auctions were testament to the fact, that demand and prices remain strong if the quality and price is right. Look at Stella's 'Pratfall', Basquiat's 'Brother's Sausage' or Crosby's 'Drown'. The latter is sold by dealers to museums only and hence it was a window of opportunity to purchase one as a private collector. The Stella previously sold for \$2.85m at Christie's in 2013 and now, fueled by a demand surge after his Whitney retrospective, for \$8.9m. The Basquiat was snapped up by long-term dealer Jose Mugraby for \$18.65m from its owner long-term collector Peter Brant, stating that he wanted the work for a long time. Obviously a lot of the works, such as this one, were guaranteed and backed by irrevocable bids to cut the risk exposure of the seller and the auction house but it shows that demand is there. In general, the auction houses played it very safe and especially at the lower end of the market, the Day Sales, struggled to consign explaining the drop in overall sales volume over last year.

Surely, the strong results for selected works sold last month, albeit the slump in total auction sales volumes, will motivate sellers to consign to the spring sales. I am hence bullish about the future of the art market in 2017. The London sales will still benefit by the weak pound and the international trade buying up stock in the Day sales.

And always remember, it just needs two bidders to push up prices and the desire for art as a unique asset appeals to an ever increasing global collectors' community.

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In times of market uncertainty private sales tend to be the safer route than public auctions, unless there is a guarantee backing the sale price but which is usually just the case for trophy works. Therefore while auction houses struggle to fill their offerings, galleries tend to be more fortunate on the supply side but need to evaluate their risk profile.

As with Art Basel in Switzerland prominent sales were reported for established names as Josef Albers, whose estate just got undermanagement by David Zwirner, George Condo.....

We are certainly not in an environment where experiments are made and clients are longing for investment grade material by established names. As collectors hold on to their assets and demand ever increases, the shortage in supply will continue to drive prices in 2017.