

ART ADVISORY E-BULLETIN

JANUARY 2011 - Edition Eight

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Abramovich Transforms St. Petersburg Naval Dock

With an interest in Contemporary art inspired by his partner Dasha Zhukova, Russian oligarch Roman Abramovich will invest almost \$400 million to build a new museum complex on St. Petersburg's New Holland Island. Abramovich's own art collection has grown to include pieces by Lucian Freud and Francis Bacon.

Named after its resemblance to Amsterdam, New Holland Island in St Petersburg is an artificial 18-acre island, originally used for timber storage and ship building, that was created in the 18th Century. The site, which has been left abandoned and covered in rubble, will be transformed into a commercial and

cultural centre with museums and art galleries. John Mann, a spokesperson for Abramovich's investment company Millhouse, confirmed that the company had "won a tender to restore and develop New Holland" and added that an investment contract for the site would be "signed shortly".

In 2006, plans to develop the island to a design by British architect Norman Foster were abandoned after investors withdrew because of the economic downturn. Mann said architects and experts hired by Millhouse are now drafting a "fully-fledged master plan".

Record Breaking Chinese Works of Art

A record breaking Qianlong-era porcelain vase sold for \$85.9 million at British auction house Bainbridges on 11 November 2010. The sale indicates that despite a global recession, 2010 was the year that Chinese collectors really began to make their presence felt in auction houses around the world.

Investing in Art

1858 Ltd. Art Advisory is frequently called upon to assist clients when investing in art, taking into consideration clients' individual objectives. Buying well is key to successful art investment and is a delicate balance between aesthetic appreciation and financial savvy. In the current market, works from

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private collections with an excellent public exhibition history are in high demand and occupy some of the top lots by value at auction.

Economists have predicted that over the coming years a concern about future inflation or the return to financial instability may drive individuals towards increasing their portfolio allocation to art. With a low correlation to other asset classes, as a hedge against inflation, record prices, strong returns and increased institutional buying has sparked significant interest in art as an asset class.

Buyers and sellers should always seek an independent and impartial advisor to undertake thorough due diligence at all stages of the collecting process. With an unregulated market, inflated prices and counterfeit works, a good advisor will ensure clients avoid the many pitfalls and potentially unpleasant surprises that can occur in the market place.

The Three Graces, Cranach

In a breathtakingly new approach, The Louvre has acquired *The Three Graces* by Lucas Cranach raising funds through public donations. The museum had initially raised €3 Million but fell short of the €4 Million price tag and so took the bold approach of going public to raise the additional funds required. The acquisition was completed in record time with the campaign beginning on 31 November 2010 and completed well before the 31 January 2011 deadline set by the museum.

The painting depicts three goddesses from ancient Greek mythology called the Graces, known in Greek as the Charites. It has never before been seen in public as it has belonged to the same family since 1932. Through French law was offered to the museum before it entered the auction market.

The painting will be presented to the public in February. Currently Cranach's work is on display at Musée Royal des Beaux Arts in

Brussels and will be at Paris's Musée du Luxembourg from 9 February 2011.

Art Calendar Highlights

The World of Lucas Cranach

Musée Royal des Beaux Arts
Until 23 January 2011
<http://www.bozar.be/>

Cranach et sont temps

Musée du Luxembourg, Paris
9 February – 23 May 2011
<http://www.museeduluxembourg.fr/>

Sajjil: a century of Modern Art

Arab Museum of Modern Art,
Qatar
30 December 2010 – 28 May
http://www.mathaf.org.qa/mathaf_exhibitions.html

Modern Life: Edward Hopper & his time

Whitney Museum, New York
Until 10 April 2011
<http://whitney.org/>

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