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City in Focus: Baku

Leyla Aliyeva, Vice President of the Heydar Aliyev Foundation has described her home country of Azerbaijan as currently going through an 'unprecedented period of revival', and comments, 'nowhere is this more obvious than in the field of contemporary art'. Her foundation is behind much of the revival, providing valuable backing to new museums, cultural centres and festivals.

Indeed, over the last few years, there has been a real burst of activity in the cultural and art scene of Baku. In 2009, the Museum of Modern Art, housing some 1,000 works by Azerbaijani artists, from 1940s avant-garde works through to contemporary 21st Century works, opened. Conceptually designed by locally renowned artist Altay Sadikhzadeh, working alongside world-renowned architect Jean Nouvel, the new museum also showcases some western art, by artists such as Picasso, Chagall and Dali.

Currently under construction, the Heydar Aliyev Centre, will celebrate the country's musicians, artists and writers, all under one enormous 50,000 square metre roof. British-Iraqi architect, Zaha Hadid, has created an entirely fluid structure, which will house three auditoriums, a library, a conference centre and a museum all connected with ramps and bridges in a naturally floodlit space. In addition, an exterior plaza is hoped to be a new venue for public engagement, in a fast-developing city, where contemporary culture is the new focus.

The celebration of local artists is being further helped by the Yarat Foundation, which recently inaugurated the 012 Baku Public Art Festival. Twenty one Azerbaijani artists are, with the help of historians and archaeologists, choosing locations within the ancient city of Baku as inspiration for new public works, which will then be displayed in these locations, bringing new art directly to the inhabitants of Baku.

Even outside Baku, it is difficult not to be aware of Azerbaijan's artistic

boom. Phillips de Pury & Company hosted the 'Fly to Baku' exhibition in January this year, after its head, Simon de Pury's wife was struck by the quality and originality of contemporary art on a trip to Baku last year, inspiring the show of twenty one artists at their London gallery.



Leyla Aliyeva

Joana Vasconcelos at Versailles

The fifth artist invited by Versailles to display her artwork in the palace is Portuguese artist Joana Vasconcelos, who is the first female artist taking part in Versailles' annual contemporary show, as well as the youngest ever. Known for her large-scale installations, they will this time occupy its Grand Apartments, the artistic heart of the Versailles Palace.

Speaking about her work, Catherine Pégard, the President of the Public Establishment of the Château, Museum, and National Estate of Versailles, said, 'Vasconcelos does not seek to incorporate her work into Versailles, but to incorporate Versailles'. As for Vasconcelos, she says that she sees Versailles 'not as an exhibition space but as a setting totally imbued with art', and calls it 'the ideal setting for celebrating audacity, experimentation and freedom, where creative talent is appreciated like in no other place'.

Calling it the most fascinating challenge of her career, Vasconcelos will be displaying pieces from her Valkyrie series, Marilyn, a pair of gigantic shoes made from steel pans and their lids, and many new pieces, created specially for the exhibition.



Joana Vasconcelos, Coração Independente Vermelho, 2005

Free Ports and the Problem with Insurance

A recent Financial Times Special Report has brought to light the ever increasing problem of free ports for art insurers. As art collectors continue to pay astronomical prices for artworks, the various free ports around the world are beginning to burst at the seams, filled with billions of pounds worth of material. Situated all over the world, including in the US, UK, Switzerland and most recently Singapore, generally near air or seaports, free ports offer a tax and duty free zone where belongings can be stored discreetly. As well as the obvious financial benefits, many art buyers are so for purely investment reasons, and like the anonymity that the free ports offer.

Either way, until recently, there had been a fairly lax attitude towards such storage methods, with insurers offering worldwide coverage to their clients, whilst having little concrete idea of what exactly they were insuring. But new laws in Switzerland, where some of the world's most highly sought after free ports exist, thanks to their state of the art facilities and high security services, have changed all this. The need to now declare what is being stored, its value and country of origin, has highlighted just how much these ports are holding. More importantly, they have made insurers aware of this 'unsuspected and unsustainable risk', as a Financial Times' special report put it.

Each free port is thought to contain an average of \$10bn of art, and the new detailed lists of what clients are storing alongside horror stories like that of the 2004 fire at the Momart art storage facility in East London have resulted in a situation where leading art insurers like Hiscox and Axa are looking much more closely at their coverages for clients with collections in the freeports. The potential losses they could incur if there was any sort of disaster is simply not feasible. The value held in these free ports is simply too high and currently distributed between too few insurers who are forced to look into reinsurance to cover themselves. Whilst collectors think of the ever-increasing value of their art assets, insurers are forced to acknowledge the potential losses that may be awaiting them when the next disaster hits.

Moreover, even in Singapore where the newest free port, located next to the international Changi Airport and deemed of the highest security, insurers are wary. Unlike in Switzerland, the Singapore authorities do not ask for details of artworks or their owners, understandably making this port hugely popular. The consequence of this is not only that there is little physical space left, but also that insurers' capacities are nearly maxed out, and they are struggling to take on more value. Moreover, Robert Read of Hiscox, said, 'We are concerned about the accumulation of risk in storage and free port locations, and we try and keep a close tally of them'. This increasingly collective attitude shows a new era in the art insurance market and one that is going to make storing works more complicated than ever before for art investors. Although some insurers are still willing to offer coverage for works in free ports, with the premiums likely to be over double those offered for storing the same works in private residences, it might just be more tempting to keep one's collection at home.

Art and Business in Orbit

The ArcelorMittal Orbit, located in the heart of London's Olympic Park, is a 115-metre-high sculpture designed by award-winning artist Anish

Kapoor in collaboration with engineer Cecil Balmond, to commemorate the London 2012 Olympic and Paralympic Games. Commissioned by the Greater London Authority, the public artwork is both a permanent and sustainable structure, designed to ensure the Olympic Park remains a visitor destination following the 2012 Games. Unveiled on May 11, having taken eighteen months to construct, the ruby-red lattice of tubular steel is Britain's largest public structure, which stands 22 metres above the Statue of Liberty.

Both Kapoor and Balmond are interested in a place where architecture meets sculpture, and their working design for Orbit was selected from 50 proposals, including a shortlisted design by Antony Gormley.

ArcelorMittal, the world's largest steel company sponsored the project and funded £19.6m of the £22.7m project, with £3.1m provided by the London Development Agency.

Mayor of London, Boris Johnson, has described it as a 'world-class landmark' and a 'symbol of prosperity and growth'. Acknowledging that Orbit is an awkward object, Kapoor and Balmond maintain that they did not want to build something that screamed nationalism. With its red-lattice elbows sticking out, the structure refuses to be any kind of emblem and rejects the idea of a singular image, from any one perspective. Inspired by the Tower of Babel, visitors are expected to intermingle with the work, walking around and inside the coiling form to witness how it changes from every angle, before appreciating the panoramic view of London's skyline from one of two observation floors.

For ArcelorMittal, a Tier Two Sponsor and official steel supporter of London 2012, Orbit was a way for them to demonstrate the beauty, strength and versatility of steel, and of the 2,000 tons of Mittal steel used, 60% was recycled. For Kapoor, Orbit exemplifies his continuous ability to conjure awe-inspiring and unique creations on a large scale.

Both have contributed to a project that challenges convention and provokes conversation, making it an exciting piece of contemporary art. Bridging art, architecture, engineering and business, the tower has turned East London into a place of destination and will continue to do so with the tower to become a full-time ticketed visitor attraction in Easter 2014.



ArcelorMittal Orbit, Anish Kapoor

Scholars Silenced by the Threat of Legal Action

It is a problem that dates back many years. As early as 1877 Whistler took legal action against art critic John Ruskin, accusing him of libel. Today the problem tends to fall around authentication issues, but the charge is much the same: devalue an artwork in my possession by giving your opinion of it, and I'll take you to court.

There have been many such cases appearing in courts in recent years, mostly, though not exclusively, in the US. In 2011 the Warhol Foundation spent \$7 million defending itself in court, after not including a silk-screen in its catalogue raisonné. Despite having spent \$5 million on liability insurance and tightening up its authentication procedure, the Lichtenstein Foundation has decided it will no longer authenticate works; the law of averages, it says, is bound to throw a lawsuit their way sooner rather than later. And although it is still publishing a catalogue raisonné, it is doing so online, and labeling it a 'work in progress'. This is an approach shared by the Calder Foundation.

Last year, scholars Richard Kendall of the Sterling and Francine Clark Art Institute, and Patricia Failing of the University of Washington, both declined to comment publically on a series of seventy four Degas plasters, attributed to the artist. Martin Harrison, editor of the Francis Bacon catalogue raisonné has recently done the same, regarding 600 or so drawings attributed to Bacon. An open seminar due to be held by the Courtauld Institute of Art to discuss them was cancelled with the Courtauld stating they feared 'the possibility of legal action'.

Such cases are endless, but as the art market continues to demand extraordinary prices for certified artworks and expert opinions are capable of altering these from millions down to mere thousands, there will no doubt be many more. In the meantime, whilst the market tries to adapt to these circumstances, scholars and foundations respond by simply keeping quiet. The result is that important artistic dialogue is halted, with many referring to its effect as 'chilling'. Art lawyer Peter R. Stern said simply, 'art scholarship is fighting a losing battle against commerce'.

Art and Property

In 2011, the London property market saw prices rise by 12.1%, whilst the global art auction market generated 21% more than in 2010. Both have set astonishing personal records; the art world has seen the world record price for an artwork at auction broken at least three times in the last two years, most recently with Edvard Munch's 'The Scream' which sold for £74 million, whilst the property world has seen the UK's most expensive house, Park Place, sell for £140 million, whilst in London, a three-storey apartment in the Candy Brothers' One Hyde Park set a record when it sold for £136 million.

High net worth individuals (HNWIs) often have property portfolios, and they are now turning to 'investments of passion', which includes art. As well as diversifying investment portfolios, investing in art 'fulfils a complex set of aesthetic and emotional demands' says Laura Battle in the Financial Times. Here again, the two markets overlap; once a property is bought, it needs to be filled with art, though in some cases

properties are bought to house the artworks. This overlap has, however, been present for quite some time; Sotheby's opened its real estate branch as far back as 1976 and Christie's followed in 1995.

The high prices demanded by both art and property investments has attracted many individuals with newly found riches, which in recent years has included many from emerging markets such as Russia, China and the Middle East. Charles Smith, managing director of Sotheby's International Realty UK, says that the Russian influx into London can be traced down to when 'Abramovich bought Chelsea Football Club' in 2003. Many followed, buying some of the most expensive properties in London, followed by a trend to buy back their heritage, proven by the successful Russian art sales held each November by Sotheby's and Christie's in recent years.

Currently the two markets stand out amongst the rest, somehow surviving the downturn, as most others suffer drastically. It highlights their commercial and aesthetic links but it remains to be seen how long the trend continues.



A Sotheby's employee hangs a painting called 'Still Life (Bluebells)' by Natalia Sergeevna Goncharova. It sold at Sotheby's London Russian Art Sale on May 28 2012 for £2.95 million.

Photo courtesy AP Photo/Kirsty Wigglesworth.

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Summer Art Calendar Highlights

Mantegna to Matisse: Master Drawings from the Courtauld

14th June – 9th September

Courtauld Gallery, London

www.courtauld.ac.uk

Joana Vasconcelos

19th June – 30th September

Chateau de Versailles, France

www.vasconcelosversailles.com

How an 1858 advisor can help you:

- **Exclusive Access** to works of art in private collections that are not available on the market
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12th Summer Pavillion by Herzog & de Meuron and Ai Weiwei

1st June – 14th October
Serpentine Gallery, London
www.serpentinegallery.org

Another London: International Photographers Capture City Life 1930s - 1980s

27th July – 16th September
Tate Britain, London
www.tate.org.uk

Misia, Queen of Paris

12th June – 9th September
Musée d'Orsay, Paris
www.musee-orsay.fr

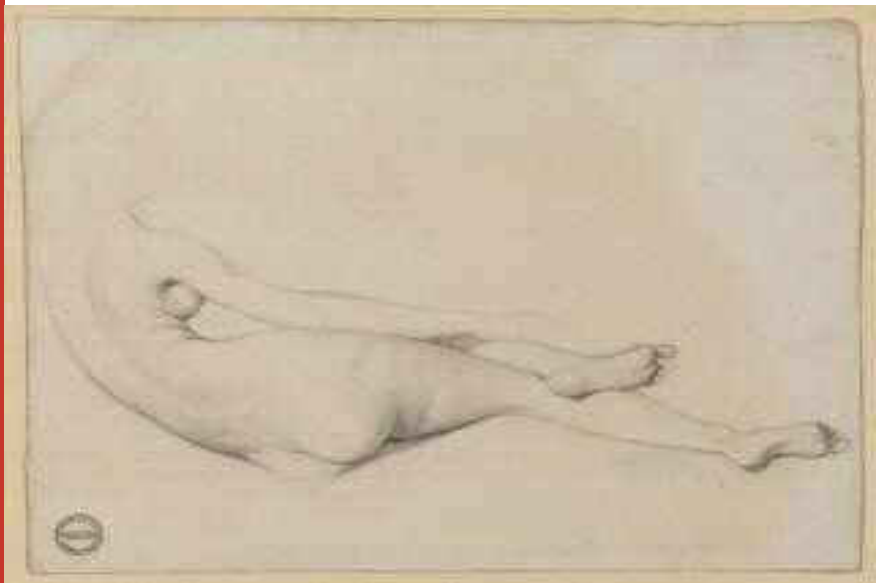


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Old City, Baku courtesy of Wikimedia Commons, Leyla Aliyeva, photo courtesy of <http://www.yarat.az> Joana Vasconcelos, Coração Independente Vermelho, 2005, courtesy of www.vasconcelosversailles.com. ArcelorMittal Orbit, Anish Kapoor, photograph courtesy of www.independent.co.uk, 'Still Life (Bluebells)' by Natalia Sergeevna Goncharova. Jean Auguste Dominique Ingres (1780-1867), Study for 'La Grande Odalisque', 1814, currently showing at the Courtauld Gallery, Jean Auguste Dominique Ingres (1780-1867), Study for 'La Grande Odalisque', 1814, © The Courtauld Gallery, London