



The \$100,000,000 Club



“What would you buy if you had \$100,000,000 to spend on art”

We all like to dream. The adage in art collecting is that you should buy the best you can afford. So, when it comes to collecting art what would you want to buy if price was no object? What would be your trophy? Art is a passion that inspires someone to collect and even more so to pay a record price for an artwork. Every season the trinity of the bluechip auction houses, namely Sotheby's, Christie's and Phillip's, open their doors to previously unseen and highly coveted artworks and more records are broken.

This past May, 2017, Jean-Michel Basquiat's painting *Untitled* (1982) was sold at Sotheby's for a staggering US\$110.5 million, elevating it to the sixth most expensive work ever sold at auction. The painting was originally acquired by Jerry and Emily Spiegel in 1984 for a mere US\$19,000. Jerry Spiegel grew up on a potato farm and by his wits and ingenuity parlayed that into a real estate fortune. The story of their collection is about how a dedicated couple befriended many of

the artists in their early days, such as Gerhard Richter, Anselm Kiefer and Christopher Wool and sought after their best works before they became the global superstars they are today. These artists, together with the Basquiat is a testament to the Spiegel's eye and taste.

Today, the collecting patterns are changing. The buyer of the Basquiat was a Japanese tech mogul, Yusaku Maezawa, who was also the buyer last season (2016) of another Basquiat piece for US\$57.3 million. He made his fortune in the electronics and tech industry. With a net worth of US\$3.6 billion he has been actively buying the best works available. His recent purchase is only a small percentage of his wealth and he has publically stated his collection is destined for a private museum. He has only been collecting for about 10 years and, unlike the Spiegel's collecting strategy, Maezawa is focused on the same brand names as the Spiegel's such as Jeff Koons, Christopher Wool and of course Basquiat. But, in contrast to the Spiegel's, he is buying publically at auction and paying record prices for masterpieces by blue chip artists that would form the core collection in his museum.

It is this new wealth that has helped create the '\$100 Million Club', a growing group of artists whose works have broken the 9-figure mark in auctions. Its members include

- 01** Jean Michel Basquiat's "Untitled" (Courtesy of Artnet)
- 02** All of Picasso's Variations on Delacroix's "Les Femmes D'Algers" in art collector Victor and Sally Ganz's red room



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the early European modernists Amadeo Modigliani and Alberto Giacometti and of course Picasso. Modigliani's work *Nu Couché*, previously owned by the artist's own friend Leopold Zborowski was sold at auction for \$170 million at Christie's. The painting, which depicts an anonymous model caused a scandal when it was first exhibited at Modigliani's first and only solo show in Paris in 1917. It was acquired by Liu Yiqian, a former taxi driver turned billionaire art collector who acquired the artwork for his private museum, the Long Museum in Shanghai.



Alberto Giacometti is the only sculptor on the list and holds the distinction of being included twice. *L'Homme au Doigt* or *Pointing Man* was created in 1947 for his first solo show in New York. It set a world record for the most expensive sculpture ever sold for US\$141.3 million at Christie's, New York in 2015. (The Giacometti was bought by Steve Cohen, a billionaire hedge-fund manager). This sale broke Giacometti's previous record for the *The Walking Man* which sold in 2010 for US\$104 million.

Picasso tops the list with three works in the US\$100,000,000 club. His first two barely grazed the US\$100,000,000 mark. *Garçon à la pipe*, a rose period picture from 1905 sold for US\$104.1 million at Sotheby's in 2004. The painting was originally acquired by John Hay Whitney in 1950 for US\$30,000. While a beautiful early work, it wasn't considered one of Picasso's most iconic works so it's believed that the Whitney provenance supported the price. Fast forward 10 years and *Nude*,

Green Leaves and Bust from 1932 sold for US\$106.5 million at Christie's. Finally, the most expensive painting ever sold at auction was *Les Femmes d'Alger* from 1955 which holds the world record for the highest price paid for a painting sold at auction at US\$179.4 million. *Les Femmes d'Alger* was a legendary painting from the Ganz collection and was one of a series of 15 inspired by Eugene Delacroix's *Femme d'Alger dans leur appartement*. Picasso often painted a tribute to artists he admired and this series had a dual meaning as its oriental flair was also a homage to his friend Matisse, who had just passed away. This series held a special place in the art market for its importance and its rarity. Picasso's record establishes him as the king of the art market as paintings from several periods in his career are all represented.

What has changed to cause more frequent entries to the US\$100,000,000 club and what are the trends? First, the stratospheric rise in the art market has contributed to these new

entries. In 2002, total sales at auction were about US\$850 million. Now, it's a US\$6 billion industry. Second, there are more billionaires worldwide so we can't anticipate where the new buyers will come from. With the global increase in wealth, the mega buyers could be from China, Russia, Japan or Malaysia together with their western counterparts.

The way people collect art is also changing. In past decades, the early collectors such as the Spiegels and Victor and Sally Ganz, would casually visit a gallery on a Sunday afternoon and interact with the artist and spend time contemplating a work. But with the rise of the art fairs, auctions and art as an asset class the best works are snapped up within hours of being offered. The idea of being on a waiting list propels the ultra-rich to compete for the title to have the best works or "trophy art".

Lastly, the trend is moving to record prices for works of contemporary artists like Basquiat, Richter and Koons. The consensus is

- 03 Christopher Wool and Jeff Koons at The Broad Museum Los Angeles (Courtesy of The Broad Museum)
- 04 Picasso's *Les Femmes D'Alger* (Courtesy of Christie's)
- 05 Giacometti's *The Pointing Man* (Courtesy of Christie's)

the best works of old masters, impressionist and modern paintings are in public museums. So, the new museums like The Broad Museum and the Marciano Collection in Lo Angeles are firmly grounded in contemporary art.

While these price tags might come as unimaginable and unfathomable to most people, it is the art investment aspect combined with the ego to own the best that keeps the market moving. More importantly, the trend of these mega collectors buying to establish their own museums means these masterpieces may still be accessible to the public. Is US\$100,000,000 for a painting considered expensive? It's all relative to your wealth. But, in the words of the impressionist painter Renoir, the only true value of a painting is its selling price. So, buy the best you can afford and maybe one day a painting from your collection can enter the US\$100,000,000 club. ¹⁰

