



Frans David Oerder's *Magnolias* Sold for world record for the artist

ART INVESTMENT

Hot prices, cool heads

Stephan Welz's first auction for Strauss & Co supports the argument that SA art is a defensive asset class in the global financial crisis.

But it's still early days in the economic downturn, and this hypothesis will be further tested in two more auctions due in April and May.

Record prices received at the Strauss & Co auction were

R935 000 for an Anton van Wouw bronze "Die noitjie van die onerveld", at more than double its estimate. The highlight was Irma Stern's "Magnolias in an earthenware pot" selling at R7,2m (estimate R2,8m-R3,4m). Serious collectors and SA big money packed the ballroom of the Johannesburg country club for the sale.

Welz also worked his audience to a record

R38m total for an SA auction.

A few artists normally overshadowed by the usual top artists achieved record prices for their works, such as Frans Oerder at R1,76m. Frank Spears sold at five times the top estimate for R46 000 and a Battiss oil went for seven times the top estimate at R77 980. A portrait by Eastern Cape artist Dorothy Kay that

Welz said had largely gone unnoticed, went for R1,4m. All of these were considered exceptional examples of the artists' work.

Yet there were clear signs that the frenzy of buying any big name artist's work at any price of the past few years was over. Bidders showed they knew which were the best pieces and a safe bet to preserve their wealth. They broke records while more mediocre pieces, even by Irma Stern and Pierneef, went for around their estimated prices or were unsold (see table).

Art prices have outstripped the listed property sector, which has broken even since 2007 and fell 5% in 2008. The JSE's Alsi fell 14,7% from 2007 and 26,6% in 2008. By contrast, Welz guesses that prime art prices rose 35%-40% since January 2007. But he thinks prices won't rise over the next year.

But the reality of the slowing economy should soon be setting in. Art prices lag the main financial series such as stock exchange and property prices. It is usually the last to rise in a boom and to fall in a recession. The US repeat sales Mei Moses art index has shown that art prices fell marginally in the year to December 2008, from 279 to 271, the first signs of weakness in the art market a year into the US recession.

The early signs of SA weakness could be seen in the absence of frenzy and in the middle range works where Stephan Welz had to use all his skills and experience to entice the bidding. About 15% of the 165 lots were unsold.

But the dealers and collectors argue that, like property, there is a long-term shortage of local stock.

The slowing economy might emerge only in the growing price gap between the best and more mediocre works at Strauss opposition Stephan Welz & Co in association with Sotheby's on April 20, and again at the sale of murdered mining magnet Brett Kebble's collection by Graham Fine Art on May 7.

Ian Fife and Gabrielle de St Clair

NOT ALL RECORDS

Some Strauss and company sales results

Artist and work	Estimate (R)	Price (R)
Irma Stern: Magnolias in an earthenware pot	2,8m-3,4m	7,241m
Irma Stern: White houses, Madeira	4m-6m	5,72m
Irma Stern: Still life with mask	1,6m-2,2m	Unsold
Van Wouw: Noitjie van die onerveld	300 000-400 000	935 000
Van Wouw: The mealiepap eater	300 000-400 000	350 000
Doris Kay: Old oyster woman	700 000-1m	1,4m
Jean Welz: Still life with three vessels	700 000-900 000	1,2m
Jean Welz: Woman reading at a table	300 000-400 000	334 200
Pierneef: Lig en skaduwee	700 000-900 000	724 100
Pierneef: Rainclouds and sunshine	300 000-500 000	400 000
Pierneef: Palm trees near Trichardsdal	900 000-1,2m	980 320

SOURCE: FM RESEARCH