

## MARCH 2012 ART ASSET OVERVIEW

## VOLUME 13 — CLASSICAL CHINESE PAINTING

The Winston Art Group's monthly market update newsletter gives you a closer look at current market trends so that you can best manage your assets and continue to grow your collections. For our current issue, the focus is on Classical Chinese Painting. Asia Week has just concluded in New York, with more than \$170 million worth of art reportedly being sold. Dealers in all fields of Asian Art reported strong sales and the international auction houses posted estimate-breaking results. Winston Art Group breaks down the essentials of the market for you....

## A BRIEF HISTORY OF CLASSICAL CHINESE PAINTING AUCTIONS

The surprising development this year is the resurgence of the market for Classical Chinese paintings in New York. Twenty years ago, New York was arguably the center of the pre-modern Chinese painting market. Throughout the 1980s and into the 1990s, major auctions were held bi-annually in New York, attracting private collectors from Asia, as well as Europe and North America. China's economy was still in the developmental stage and currency regulations as well as travel restrictions prevented mainland Chinese from participating in the international auctions. Collectors and dealers from Hong Kong and Taiwan did, however, attend as active buyers and sellers at the auctions in their own cities. Initially these Asian collectors of paintings--particularly those in Hong Kong, Taiwan, and Singapore--were drawn to the works of the 20<sup>th</sup> century Chinese masters, including Qi Bai-shi, Zhang Daqian, Fu Baoshi, Lin Fengmian, and Xu Beihong. The auction houses catered to the tastes of these collectors by offering the great majority of Modern and Contemporary Chinese paintings in Hong Kong, while continuing to consolidate the best Classical Chinese paintings and calligraphy in New York sales.

During the 1990s, as China's economic engine gathered steam and financial and travel restrictions began to ease, the Chinese were able to dominate all aspects of the Chinese art market and the major auction houses gradually shifted their sales of Classical as well as Modern Chinese paintings to Hong Kong. As a result, auctions of Classical Chinese paintings were not held in New York for more than a decade, although a few dealers continued to trade in this rarefied commodity.

In China, on the other hand, the market for Classical Chinese paintings has exploded during the last decade, with works now routinely selling for more than \$1,000,000, and one painting, a landscape by the Yuan dynasty artist Wang Meng, reportedly fetching an astounding \$62,000,000 at a recent auction. The market for Classical Chinese paintings is one of the fastest growing segments of the art market in China because many Chinese collectors feel that Classical paintings are undervalued when compared to either Modern Chinese paintings or Chinese Contemporary art.

## INDEPENDENT APPRAISALS

**Expertise**—35 senior fine and decorative art specialists.

**Appraisals**—Confidential certified appraisals for all purposes conforming to Internal Revenue Service and Uniform Standards of Professional Appraisal Practice (USPAP) standards.

## CONFIDENTIAL ART ADVISORY

**Brokerage**—Independent wealth of expertise in the marketplace enables us to advise our clients and negotiate the acquisition or disposal of any work of art.

**Financial Services**—For select clients, we facilitate competitive structured loans using art, collectibles, and other assets as collateral.

**Collection Management**—Access to and advice on a broad range of curatorial and collection management services.



Wen Jia (1501-1583), Temples on Mountains of the Immortals, sold for \$1,314,500

## SHIFT IN CHINESE POLICY MEANS SHIFT IN AUCTION HOUSE POLICY

So, beginning in 2011 international auction houses began to re-evaluate their policies. In an effort to offer an alternative to both the Chinese and Hong Kong markets, they experimented with trying, once again, to offer Classical Chinese paintings at auctions in New York. This strategy would make it easier for American and European collectors and institutions to acquire Chinese paintings, but perhaps more importantly, it will encourage those collectors who bought paintings in New York in the 1980s to consider putting them up for sale in a familiar environment.



Shen Zhou (1427-1509), Zhang Gong's Grotto, sold for \$1,650,500

## RESULTS

The results of this strategy have succeeded well beyond anyone's expectations. In the most recent auction of Classical Chinese paintings, held during Asia Week in New York, sales totaled more than \$35,000,000, more than doubling the presale high estimate of \$13,700,000. Nine lots sold for more than \$1,000,000, including two which exceeded \$5,000,000. The highest price, \$5,682,500 was paid for a handscroll of calligraphy by four emperors of the Southern Song dynasty (12<sup>th</sup>-13<sup>th</sup> centuries). Although most of the top buyers were from Asia, the Metropolitan Museum of Art paid \$2,322,500 for an album of *Eight Views of Huangshan* by the 17<sup>th</sup> century artist Zheng Min (right). Another top lot, *Seven Sages of the Bamboo Grove*, a handscroll by Chen Hongshou (1598-1652), was acquired by a private American collector for \$1,650,500.



Zheng Min (1633-1683), Eight Views of Huangshan, album of eight leaves, sold for \$2,322,500

It is clear from the results of this auction, as well as comments from dealers, that New York can be a viable alternative to buying and selling Classical Chinese paintings in Asia. And it is also evident that it is time to have your and your clients' Chinese paintings re-appraised. For more information, please contact our team at (212) 542-5755.

Arnold Chang is Winston Art Group's Classical Chinese Paintings specialist.

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