

Day 17 - Daniel Chazen

Hirst's sale of primary works at a Sotheby's auction had its pros and cons.

On the one hand, it created some negative publicity for the artist, and probably for the art market as well. For example, The Economist magazine said that for Hirst, **"another Beautiful sale could be ugly"** (Economist, 9/10). Yet, the fact is that 39% of the buyers at the *Beautiful Inside My Head Forever* auction never previously purchased any contemporary art and 24% of them were first time customers for Sotheby's. (Economist, 9/10). So the auction was, to some extent, a positive for the art market. No matter what, I think it will likely go down as one of the most controversial auctions of all time; in large part because of Hirst's own desire to create attention, and undoubtedly, make as much money as possible for himself.

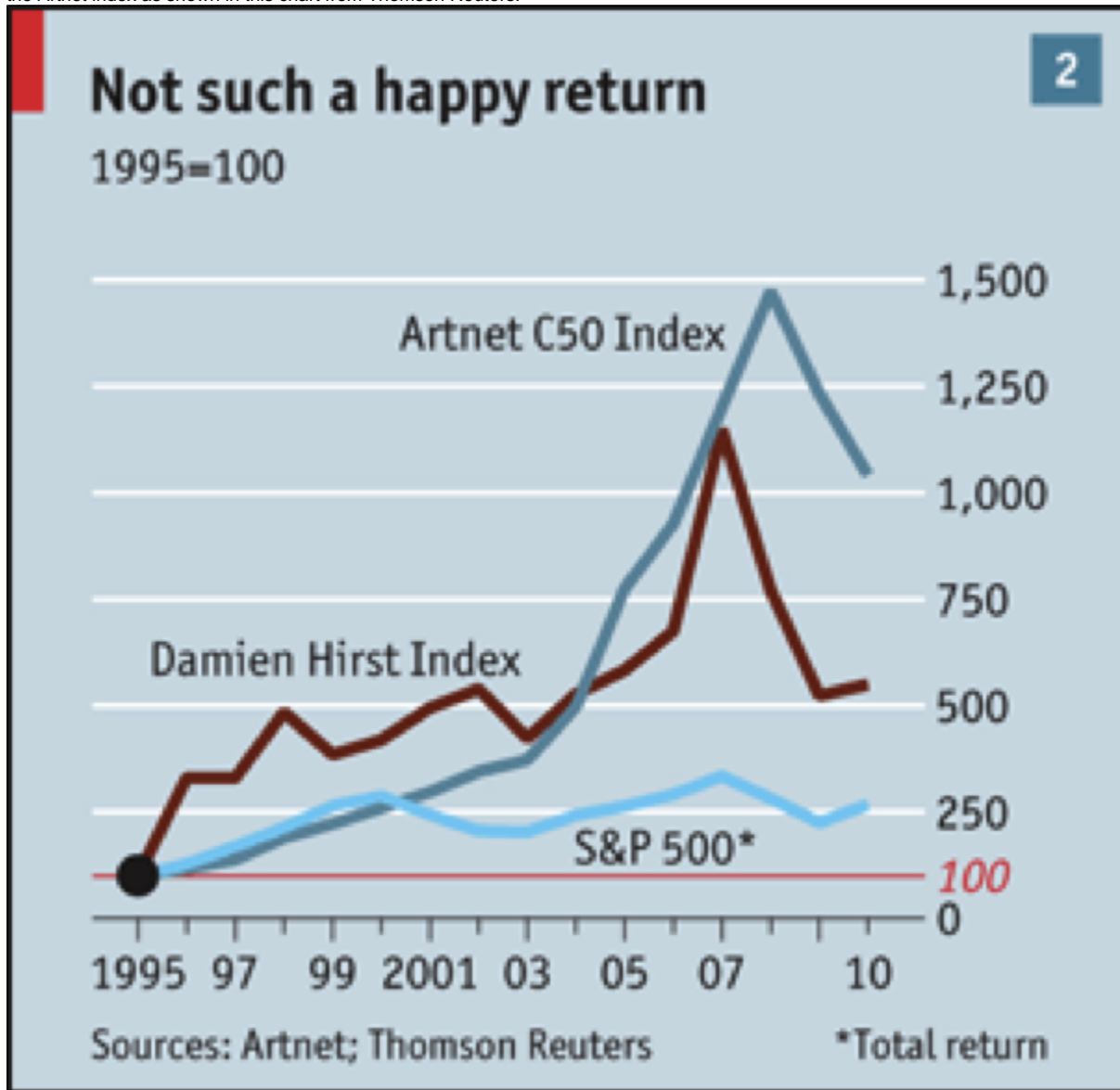
I think Lacayo's comment in his Time Magazine article described Hirst well when he said that as much as a financial victory the sale may have been, it may also have been a "terminus, a house-cleaning by a man overtaken by his own success." That probably explains why his auction sales are now "sputtering." (Jentelson, 1). It seems to me that Hirst got caught up with himself and making as much money as possible. Why else would he go against the established artist-dealer means of doing business, which he knew worked just fine and had already helped make him a rich man? While auction brought in approximately \$200 million, he had to know that he was creating an instant "glut" of his works in the market place. While some have said the idea for the auction was that of Hirst's business advisor, I have to believe that Hirst's ego had a lot to do with it.

Here is the Art Market Monitor's list of the major sales at the auction:

Lot	Title	Low Est. in £	High Est. in £	Price with Premium	Price with Premium in \$
13	The Golden Calf	8,000,000	12,000,000	10,345,250	\$18,661,796
5	The Kingdom	4,000,000	6,000,000	9,561,250	\$17,247,539
51	Fragments of Paradise	1,000,000	1,500,000	5,193,250	\$9,368,104
46	Here Today, Gone Tomorrow	2,500,000	3,500,000	2,953,250	\$5,327,368
9	The Black Sheep with Golden Horn	2,500,000	3,500,000	2,617,250	\$4,721,257
11	Memories of/Moments with You	800,000	1,200,000	2,617,250	\$4,721,257
56	After the Flood	1,000,000	1,500,000	1,777,250	\$3,205,981
54	The Abyss	1,200,000	1,800,000	1,777,250	\$3,205,981
26	The Triumvirate	1,500,000	2,000,000	1,721,250	\$3,104,963
47	D, A, B, D, A	500,000	700,000	1,441,250	\$2,599,871

Here is a YouTube video of the top selling piece at the auction – The Golden Calf.

In hindsight, I think Hirst got lucky with the auction. The financial crisis was just beginning and Hirst was still at the top of his game, in terms of notoriety and sales, at the time of the auction. Also, I think it's uncommon for an auction house to sell primary works unless it is for a charitable purpose. But Hirst was flying high at the time and he was able to pull it off. While I think the end result was more negative than positive for the art market, it's impossible to deny that it was basically a big positive for Hirst himself – despite the fact that his sales have plummeted since the auction. While his sales decline is probably the product of the economic downturn combined with the fallout from the auction, one thing is certain – Hirst made a lot of money. By increasing the price for his primary work (albeit at the expense of his future sales market), he was able to successfully complete an auction with almost \$200 million in sales. By any standard, and even for an already rich person like Hirst, he became a lot richer after the auction, especially if it's true that Sotheby's waived the seller's fees. And his works, while now bringing in a lot less since the auction, are still performing better than the S&P 500 – but not nearly as good as the Artnet index as shown in this chart from Thomson Reuters.



So, I do think that Hirst over-exposed and over-produced himself and his artwork. But it's hard to second-guess an artist who pulled off a \$200 million auction in just a few days. As for the art market as a whole, the pros and the cons seem to have balanced themselves out. While I'm not so sure that Sotheby's will ever become a major seller of primary artwork, it certainly did give the branded auction house a lot of press, which is usually a positive. Even though Hirst went against the grain of the artist-dealer model by going straight to the auction house, it doesn't seem that he started a trend.