Advice Given on Buying Art Items as Investment

By SYLVIA PORTER

There's a gag making the rounds of the Madison Avenue art gallery world which has an aggressive dowager accosting a gallery director with the demand: "I'd like to see your growth paintings."

Actually, the gag isn't far off. Record numbers of Americans — both artistically sophisticated and amateurs — are now investing all-time high sums in paintings, sculptures and drawings strictly for profit.

"Demand: 'I'd like to see your funds' are springing up and inviting investors to chip in for the purchase of paintings to be kept for future resale."

O.K. Let's say you have extra cash to invest and 'art' is your choice. Here are 10 rules to guide you.

(1) Before you lay out a penny, invest as much time as you can reading art auction catalogs in a field which interests you, visiting galleries to see what works are available and how much they cost, inspecting art works before auctions, attending auctions to get the feel of them.

You might even subscribe to art auction catalogs published by major galleries in the field of your interest. Many of these catalogs give after each auction, prices paid for each item which appeared in the pre-auction catalog. K E E P these catalogs for later comparisons of prices for various items.

(2) When you decide to buy, do so cautiously at first. Don't spend all you have on one item you think is a good buy.

(3) Make sure you have, also before you buy, a really special feeling about a painting or sculpture — a sense which tells you it has greatness. Or have somebody who has this type of instinctive feeling represent you as a buyer or bidder at an art auction.

(4) Deal with a top gallery or art dealer. Don't be afraid to frequent the very best; at the world-renowned Parke-Bernet gallery, nearly two-thirds of all pieces sold at auction go for under $300, and a significant 15 per cent for under $50.

Also, as Victor Hammer of New York's Hammer Galleries, says, "a top gallery is interested in holding your patronage. If you are not satisfied, it will always 'trade back' anything you bought for at least what you paid or more."

(5) Be wary of works by modern artists in current fashion. Inflated prices can easily be the result of an exhibit by a single major museum; after the excitement of the show has subsided, prices tend to drop as well. ("Pop art" is now fading on the market.) Buying art works because they are a current rage is akin to buying stocks on tips at a cocktail party.

(6) If there is a museum director or curator in your community, ask for his advice on buying. Or use the services of specially assigned personnel at large art galleries whose job is to guide you.

(7) Unless you are an expert, spread your financial risks by investing in the works of a variety of different artists.

(8) Buy the best examples you can afford in any category. In the words of Louis Goldemberg, president of the famed Wildenstein Gallery in New York, "not every Rembrandt is worth $2,300,000 and not every Monet is worth $1,500,000."

For buyers with considerably more limited funds, Goldemberg advises, a GOOD drawing by a given artist may be a better buy than a poor painting. Hammer suggests, "You'll find contemporary artists of the greats who were overshadowed in their era a better buy than new artists who have not been tested by time."

(9) Decide, before you buy, how much money you can afford to invest and stick to that ceiling. If you find a more expensive work irresistible, arrange to pay for it over a period of time.

(10) Have an understanding with your dealer or gallery trading up — so he'll repurchase works for you as you have more to invest in high-quality art.