Sotheby’s

History

Sotheby’s first sale took place on 11 Mar. 1744 at the Exeter Exchange in London’s Strand and totalled 826 GBP. Samuel Baker, a book seller and occasional publisher, sold ‘several hundred scarce and valuable books’ from the library of British nobleman Sir John Stanley as a single auction event in his own sale room. The company became the leading auctioneer of aristocratic libraries, and in 1823, following Napoleon’s death, Sotheby’s sold the books he had taken into exile to St Helena. A literary thread has continued to run through Sotheby’s history with sales ranging from the original autograph manuscript of Lewis Carroll’s *Alice’s Adventures Under Ground* (1928) and the unpublished papers of Sir Isaac Newton (1936), to the collection of Dr. Martin Luther King Jr. (2006), and a 710-year old copy of the Magna Carta (2007) which sold for 21.3m USD.

The firm added the name Sotheby after Baker’s death in 1778 when his estate was divided between his business partner George Leigh and Baker’s nephew John Sotheby. By the 1840s, the company had extended its role to take in the sale of prints, coins, medals and antiquities, and by 1883 it had begun to sell works of art instead of sending them down the road to Christie’s. In 1917 Sotheby’s moved from Wellington Street, the centre of the book trade, to 34-35 New Bond Street in Mayfair, the heart of the art world, which marked the beginning of a new era for the company.

The “Settled Land Act” of 1882 allowed the British aristocracy to sell land and valuable collector’s items in order to save their estates; this was around the same time as Americans started to engage with auctions in Europe. The restructuring of British society after the First World War meant the beginning of the end of a way of life for many of the owners of British country houses who had to dispose of their collections. In response, Sotheby’s focused more strongly on the sale of pictures and decorative works of art.

Sotheby's turned the traditional 'House Sale' into a greater occasion when it conducted the first auction at the residence where a collection was housed with the 1929 sale of the contents of Kinmel Park in Wales. One of the most prestigious of Sotheby's house sales was conducted in April 1937 in the ballroom at 148 Piccadilly, one of the residences of the Rothschild family. The sale was broadcast by the BBC and achieved the great sum of 125,000 GBP. Since then, among the notable collections handled by Sotheby's have been Thurn und Taxis (1993), Baden-Baden (1995), Chateau de Groussay (1999), and more recently Brook Astor (2012), Mrs. Paul Mellon (2014), and the Duchess of Devonshire (2016).

Peter Wilson, who became partner in 1938 and Sotheby's charismatic chairman in 1958, is widely seen as a major influence on the international art trade from the 1950s onwards, "an opinion which is not merely the creation of Sotheby's own publicity machine" (Cooper). With Wilson as part of the leadership team, Sotheby's exceeded Christie's turnover for the first time in 1951. In 1955 Sotheby's moved to take advantage of America's de-restriction of its wartime currency regulations, which re-established free trade, by opening an office in New York. Sotheby's became the first auction house to cultivate Americans as both sellers and buyers in London. The New York office immediately brought important consignments from American collectors, such as the André De Coppet library, and in 1957 the collection of French Impressionist and Post-Impressionist paintings by William Weinberg, which were both sold in London. Under Wilson's leadership, the company pioneered new methods for conducting auctions. Sotheby's held specialised auctions of Impressionist and Post-Impressionist paintings from 1955 onwards, and in 1958 Peter Wilson auctioned off only seven Impressionist paintings from the American collection of the late Jakob Goldschmidt at a glamorous black-tie gala event – the first stand-alone evening auction held in London. It was attended by celebrities such as Kirk Douglas, Anthony Quinn and Lady Churchill and achieved a total of 781,000 GBP.

In 1964, Sotheby's bought America's biggest fine art auctioneers, Parke Bernet, more firmly establishing itself as the leading auction house for wealthy American collectors. By 1978 Sotheby Parke Bernet's net turnover was over 160m GBP, nearly double Christie's total. The auction house significantly expanded its client base beyond trade to private buyers as public demand for modern art rocketed. Record-breaking sales brought great publicity, further strengthening the position of auction houses in the art trade. In 1975 both Sotheby's and Christie's jointly announced the introduction of a buyer's premium of 10 percent, while the vendor's fee was reduced from 15 to 10 percent. Today the buyer's premium far outstrips the seller commission, which can be forgone to secure high value lots or collections. Auction houses had also started to give guarantees to consignors to secure works and therefore had a financial interest in some of the lots coming up at auction, a practice not without controversy. Since the 1970s, this has been marked in the sales catalogues.

Under Peter Wilson, Sotheby's continued its program of global expansion and established its image as the most international auction house. It became the first international auction house to conduct sales in Hong Kong (1973), in Russia (1988) and India (1992), and when the French auction market was de-regulated in 2001, it started to conduct sales in Paris. Sotheby's was also the first to have a presence in mainland China (2012). In 1977, the year of Wilson's last great house sale at Mentmore Towers, Buckinghamshire, Sotheby's became a publicly quoted company. When Wilson retired in 1980 an era came to a close.

In 1982, Sotheby's opened new flagship salerooms in New York at 1334 York Avenue, and a new chapter began when American businessman Alfred Taubman acquired the company in 1983, taking it back into private hands. He listed Sotheby's on the New York Stock Exchange in 1988, making it the oldest company traded on the NYSE. In 2002, the company found itself at the centre of a controversy when the European Commission fined it almost 13m GBP after finding both Sotheby's and Christie's guilty of a serious violation of EU competition rules. Both auction houses had been fixing the commission fees for sellers from 1992 onwards, and for buyers from 1995 onwards – and this at a time when the two had a combined market share of around 90%.

Sotheby's was the first auction house to sell works by living artists. In 1973 it sold works from the collection of Robert C. Skull, including works by Jasper Johns, Andy Warhol and Robert Rauschenberg for a total of 2.2m USD. The first ever evening auction dedicated to this category was held in 1994. Sotheby's confirmed its image as a company not afraid of eschewing tradition when it organised an auction together with British artist Damien Hirst that allowed Hirst to circumvent the gallery system and to sell 200 new works directly to collectors. The auction, titled "Beautiful Inside My Head Forever" (2008) made 111.4m GDP (200.8m USD) over two days – 10 times the previous record for an auction dedicated to a single artist, set in 1993 at Sotheby's in New York when 88 works by Pablo Picasso were sold for 20m USD. The event, at the moment the financial crash of 2008 started to unfold, also marked the height of an auction boom.

The appeal of a prestigious or celebrity provenance was highlighted in the last few decades, with the sale of collections of renowned personalities, from Andy Warhol (1988), Greta Garbo (1990) and Jacqueline Kennedy Onassis (1996), to the Duke and Duchess of Windsor (1998), Gianni Versace (2001), and David Bowie (2016).

In October 2018, Sotheby's was subject to a widely publicised prank by British street artist Banksy. Banksy's most popular work, *Balloon Girl*, the last lot of the evening auction with contemporary art in London, had just been hammered down for 860,000 GBP when part of the canvas started to pass through a hidden shredder, 'destroying' the artwork. The winning bidder still wanted the work, and Sotheby's now describes the event as 'the first time a piece of live performance art had been sold at auction'.

Sotheby's was the first to use satellite transmission to allow for simultaneous bidding in London and New York (1960s). In recent decades the internet has changed the way business is conducted. Sotheby's BidNow program allows visitors to view all auctions live online and place bids from anywhere in the world. In a drive to attain greater technical and statistical knowledge, Sotheby's acquired Orion Analytica in 2016, one of the art world's leading experts in art-authentication matters, and the Mei Moses Art Indices, widely recognised as the pre-eminent measure of the state of the art market. In 2018, it acquired Thread Genius, an image recognition algorithm that recommends similar looking works coming up for sale to potential buyers.

The range of services the auction house offers has greatly expanded. In addition to auctions and appraisals, the auction house runs Sotheby's Financial Services, an art financing company, which offers loans against items consigned for sale and term loans against the value of corporate collections. In recent years, Sotheby's has begun to offer collection, artist, estate and foundation advisory services through its subsidiary ‘Art Agency, Partners’, and has set up the gallery arm S|2, managed by Sotheby's Global Fine Art Division (although it does not represent any artists). The company runs three retail businesses: Sotheby’s Wine, Sotheby’s Diamonds, and Sotheby’s Home, the latter established after Sotheby’s bought Viyet, a digital marketplace for furniture and decorative objects in 2018.

In June 2019, the company went private again when Patrick Drahi, a French-Israeli telecoms billionaire and art collector, bought it for 3.7bn USD. Some of its shareholders tried to block the sale with lawsuits.

In 2019, Sotheby’s presented auctions in 10 different salesrooms, including New York, London, Hong Kong and Paris, and had a global network of 80 offices in 40 countries.

Economic Situation

In 2019 Sotheby’s still held the record for an Old Master painting for Rubens’ *The Massacre of the Innocents* which sold in London in 2002 for 49.5m GBP. Between 2004 and 2013, Sotheby’s principal auctioneer Tobias Meyer helped to set many new records. Meyer was on the rostrum when Picasso’s *Garçon à la pipe* was sold in New York in May 2004 for 104.2m USD and broke the 100 million dollar barrier at a public auction. In 2012 Edvard Munch’s *The Scream* became the most expensive artwork ever sold at auction, achieving 120m USD. Meyer’s last triumph was the sale of Warhol’s *Silver Car Crash (Double Disaster)*, which achieved a price of 105.4m USD in November 2013, shattering the artist's previous 71.7m USD benchmark.

In May 2017, Warhol’s record for the most expensive American artist was shattered when Jean-Michel Basquiat’s *Untitled* sold to Japanese collector Yusaka Maezawa for 110.5m USD. The highest price in the auction house’s history this far was set in May 2018, when Sotheby’s sold Modigliani’s *Nu couché (sur le côté gauche)* for 157.2m USD. In October 2018, British painter Jenny Saville became the most expensive living female artist when her painting *Propped* (1992) sold in Sotheby’s London sale room for 9.5m

GBP. In March 2019 Claude Monet's 1890 painting *Meules* sold at Sotheby’s in New York for 110.7m USD, the most an Impressionist work had ever sold for at auction.

Sotheby’s and Christie’s are by a distance the biggest auction houses in the world for fine art, which constitutes about 80% of their respective sale volume. In 2018, Sotheby’s total turnover was 6.4bn USD, with auction sales contributing 5.3bn USD. In 2018 online-only sales combined with lots bought by online bidders at live auctions constituted 37% of all lots sold by Sotheby’s, with a total value of 220.4m USD. Private sales, previously the domain of independent art dealers, have recently been one of the fastest-growing areas of the business and in 2018 accounted for one billion USD of Sotheby’s turnover.