Robb Report WEALTH IN PERSPECTIVE

Divided We Fall

A FAMILY BUSINESS SURVIVAL GUIDE

How Renewed Entrepreneurial Vision and Good Governance Unite Successful Third Generation Owners



THE LOST ART

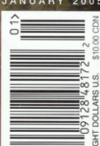
Will Fraud and Ownership Disputes Imperil Your Collection?

BUILDING CHARACTER

Incentive Trusts Rein In Wayward Heirs

DROWNING SORROWS

An Elite Wine Auction Washes Troubles Away JANUARY 2005



worth.com
A GurtCo Media Publication



Brazil Nuts

Collectors and architects are raving over finely crafted furniture from South America's premium designers.

By David Kaufman

N A BALMY AUTUMN EVENING last year, a crowd of sharp-eyed and sharply dressed design-world insiders descended upon a furniture gallery in Manhattan's Tribeca. Assembled for yet another contemporary furniture exhibition opening, the crowd sipped wine and mixed and mingled while paying honor to the show's most important pieces, as well as their man-ofthe-hour creator. The pieces included a sturdy, brown, wood and Formica desk for \$12,000, a black, upholstered sofa for \$30,000, chairs for \$6,500 and a bench for \$10,000. Collectors are often prepared to pay such prices for top-of-the-line French pieces by the likes of Jean Prouve or rare works from American icons Ray and Charles Eames. Only these items were not

French, American or even

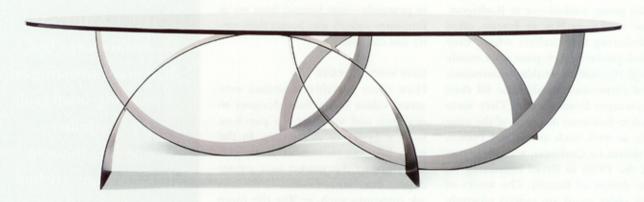


Italian. They were made by a little-known designer named Sergio Rodrigues, from Brazil.

Yes, Brazil. With fans ranging from farsighted collectors to chic architects and interior designers, fine Brazilian furniture is quickly evolving from a mere curiosity into a true design phenomenon. As the recent Rodrigues show demonstrates, Brazilian design is not of the low-quality, high-volume variety sometimes associated with talent from the developing world. Rather, "These are pieces of amazing quality that can translate well into any interior," explains Victoria Thiessen, assistant vice president of the 20th-century design department at Sotheby's. "This work is hard to find and in many cases is only getting rarer," she says. "We are seeing extremely robust prices for this work, that [are generally] remaining steady and strong."

enthusiasts, Jeanne Greenberg Rohatyn discovered Brazilian furniture almost by accident. A devotee of international furniture fairs and the very latest auction catalogs, the New York gallery owner noticed individual Brazilian pieces hidden among the better-known names of the design world. For someone with an already impressive modern furniture collection, Rohatyn is not the type who regularly stumbles

Clockwise from left: Gaivota armchair by Ricardo Fasanello, circa 1971; wooden vases from Espasso; Fasanello's Arcos iron and brushed steel coffee table; a cedar and linen Paxiumba lamp by Etel Carmona.



upon an entirely new category of talent. "But this was uncharted territory, brand new to the market," she says. "The pieces were unusual, elegant and beautifully made, with this chunky, comfortable quality that I had never been able to find before, particularly at these price points."

Design experts are calling these abstract and organic, yet wholly utilitarian, attributes the hallmarks of the Brazilians. And like so much of Brazilian culture, these elements are linked directly to the distinct materials native to the country. Chief among these are Brazilian hardwoods, rare species like jacaranda or rosewood (which was popular just after World War II), as well as hardwoods used today like imbuia, sucupira, freijó and cedro. "Everything in Brazil comes up from the ground and this is what this furniture is all about," explains Zesty Myers, owner of Manhattan's R 20th Century gallery, which hosted a recent Rodrigues exhibition. Pairing the sturdiness of these woods with the detailed craftsmanship of Brazil's designers results in pieces built for use, not just display. New York fashion designer and collector John Bartlett calls it "a wonderful combination of furniture and art."

The genre divides roughly into two distinct categories. On one side are young designers, such as Etel Carmona, Carlos Motta, the duo Luciana Martins and Gerson de Oliveira, and the Campana brothers, all based in Brazil's commercial capital of São Paulo. Of this young guard, Humberto and Fernando Campana are generating the most buzz. Currently creating works in both wood and inventive synthetics, the Campanas are designing both for their own studio as well as for major European manufacturers such as Edra, Alessi and Swarovski. Subjects of a recent retrospective at London's Design Museum and winners of large-scale commissions such as the Italian embassy in Brasilia, the brothers are already well known, as the prices for their work attest.

The Moss Gallery in New York, for example, sells their near iconic Favela

chair for Edra-crafted from commonplace pinus wood-for \$3,200, while their Vermelha chair, a steel shell covered in cotton rope, also for Edra, runs \$6,795. Although they work with larger corporations, the

Campanas remain more class than mass, insisting on supporting small-scale local suppliers, including those in Brazil's impoverished favelas, or slums, for their prototypes and private line. "The Campanas are everything that's good about design right now," gushes Sotheby's Thiessen, who applauds the duo's commitment to their community as well as their aesthetic vision.

On the other side of the Brazilian trend are designers who came of age during the middle of the 20th century-

Finely wrought Brazilian furniture has TOP VIEW recently piqued the interest of collectors, designers and architects. Typically available at prices far lower than their European counterparts, superlative Brazilian works combine native woods with meticulous craftsmanship to produce pieces that are suddenly in high demand at auction houses and galleries.

masters such as Rodrigues, Ricardo Fasanello, Joachim Tenreiro, Jose Zanini and even the grandfather of Brazilian architecture himself, Oscar Niemever. This group worked-or in Rodrigues' case works-in Rio de Janeiro, often inhabiting tiny ateliers where they hand-produced each piece for a mostly local clientele of wealthy businessmen and corporations looking to fill their skyscraper headquarters. They were tied to European designers of the same era, as well, such as seminal French architect Le Corbusier, who spent part of the 1940s in Brazil consulting on the design of Brasilia. The works of this older guard are indeed relatively rare and pricey, reflecting both their source materials and their style. "Most

designs were site-specific, created for a single project or use," Thiessen notes. "So they are literally one of a kind." These classics were also typically crafted in jacaranda-now banned from use in furniture-which also boosts their rarity and collectibility.

NEW WORLD ORDER

How these variables translate into actual values varies from designer to designer and whether we purchase from a dealer or at auction. In the main, however, provenance and popularity impact this market to a greater degree than other factors. Collectors ask questions such as: Was the piece made in a design studio or for a furniture manufacturer? Is it a prototype or signed? Was the piece intended for home or office use? Is there an established market value for this designer to help determine what constitutes a fair price? Most followers agree that this is a market still very much in flux. "But overall, the Brazilian pieces are much less expensive than anything at a comparable level of quality and craftsmanship from Europe or the U.S.," says New York architect Matt Bremer, who has incorporated many Brazilian designers into his clients' homes.

In the case of the Campanas, for example, the prices mentioned previously pale in comparison to those garnered at a December 2003 auction at Phillips de Pury & Co., where their Coral prototype seat sold for \$23,900, nearly three times the estimate. Likewise is Oscar Niemeyer, who is perhaps best known for his lead role in designing Brasilia. His 1970s pieces may be rare, but they have been in circulation long enough to ensure high prices. A Niemeyer chaise lounge sold for \$21,000 at Phillips in 2003, again almost twice its estimate, while a pair of club chairs went for \$14,000 at Phillips in 2001. Even at their lowest end, Niemeyer rarely underperforms, Thiessen says, with pieces from both Sotheby's and Phillips' 2003 auctions

THE CAMPANAS remain more class than mass, insisting on supporting small-scale local suppliers, including those in Brazil's impoverished favelas, or slums.

selling in the \$7,000 range, at or just slightly below their estimates.

Sotheby's will soon aim to redefine the marketplace for Brazilian works when it sells one of the first Tenreiro pieces ever to come up at auction: a 1947 three-legged chair estimated at \$40,000 to \$60,000, well above even the values for the Campana brothers. Seamlessly crafted from four separate wood types (rather than veneers), Thiessen, even more effusive than usual. calls it "one of, if not the overall masterpiece of modern Brazilian furniture design." If the Tenreiro chair sells at this price, his work, like Rodrigues', will reach into the upper echelons of contemporary furniture by any designer, and compete directly with the likes of Prouve, Nakashima, Knoll, Eames and other industry luminaries.

ACQUISITION STRATEGIES

Buying at auction allows collectors to participate in positioning a designer's market value-and potentially find an undervalued piece or two. But Brazilian furniture sourced through a private gallery can be a better option



for collectors still trying to learn about the genre. This is the rationale behind Espasso, a two-year-old New York gallery focused solely on topflight Brazilian furniture from the 1940s onward. Except for the Campana brothers, Espasso works directly with most of the industry's young guard, stocking pieces from mid-20th century names such as Fasanello, Tenreiro, Zanine Caldas and even the rare Niemeyer item. Espasso president and São Paulo-native Carlos Junqueira personally sources all of Espasso's designers and has established effective shipping and quality-control mechanisms to ensure Espasso pieces arrive on time and in peak condition. Working with everyone from private collectors, such as Bartlett, to interior designers and architects, like Bremer, Espasso creates custom commissions using Brazil's finest materials at prices much lower than comparable European manufactures. Filled with design books and accessories, samba music and the strong smell of Brazilian espresso, Espasso's oversized, loftlike space also provides newcomers with a sense of how its pieces can fit into existing rooms or homes, demystifying the work and illustrating their utility, quality and comfort. "I want people to feel like they're not just buying furniture, but

Clockwise from left: Rama imbuia wood bookcase by Etel Carmona; Carmona's Esteria ivory acreano wood screen; Julio Katinsky chrome steel and leather chair, circa 1950s. an overall design concept," says Junqueira, who will soon open a second Espasso outpost in Los Angeles.

The downside to buying from a private gallery—as opposed to via an auction—is that the gallery, rather than the market, establishes a piece's price. At Espasso, a chair begins in the \$1,500 range, but sofas or dining tables can reach five times that amount. Pieces at R 20th Century's Rodrigues exhibition, meanwhile, were priced as high as \$30,000, reflecting both the designer's rarity and the presence of jacaranda, as well as the years of effort and half-dozen visits to Brazil needed to

and exhibitions such as Rodrigues' attest, classic pieces that do enter the market are typically selling very well. And as the careers of younger designers such as the Campanas illustrate, Brazilian furniture—as with its fashion and cinema—is reaching ever further into mainstream popular culture. So while collectors can take comfort in the long-term potential of their Brazilian acquisitions, most seem keen on maintaining their portfolios for generations. "Although they're new, I keep telling my son these are heirlooms," says

Ruben Selles, a financial services exec-

utive and Espasso client. "Without a

January 2005 • Worth 113

doubt, they are keepers."

price, however, Drake's pieces "were made to the highest standards, and looked fresh while still feeling classic." Beyond price, their exotic nature or even their sheer craftsmanship, Brazilian furniture draws collectors and industry insiders such as Drake simply for its beauty. True, as recent auctions

