

Wine Auctions & Investments

Anthony Rose

Scarcely a week seemed to pass without a Bordeaux hard-luck story: growers on the verge of bankruptcy, a derisory advertising and branding exercise, and no let-up in the gloomy retail outlook.



ANTHONY ROSE

Yet despite the long faces, bordeaux retained its strong position as the bedrock of the *en primeur* and secondary markets. Thanks in part to a strong 2003 *en primeur* campaign, 80 per cent of Farr Vintners' £42-million turnover was in bordeaux. And Christie's reported that bordeaux accounted for more than 90 per cent of its wine-sales turnover. Bordeaux's global appeal was further enhanced by the growing presence of online broking and auctions.

Sotheby's announcement of a brisk start to the auction year was deceptive, with only three of its top 10 lots selling above their high estimates. Christie's sluggish January sale, when the cellar of a continental connoisseur struggled to find buyers, was more indicative of the realities of the market. It became so quiet on the auction front that Sotheby's took the unprecedented step of cancelling the February sale. Could this have had something to do with the comparative weakness of the dollar? Given the importance of the American fine-wine market in particular and currency fluctuations in general, the answer was probably yes.

Between the activity generated by the successful 2002 burgundy *en primeur* campaign and the keenly anticipated 2003 bordeaux, there was something of a rally in the saleroom in the spring. The becalmed 1996

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vintage gathered momentum with all First Growths gaining in price. In June, £1,955 was paid for Lafite and £1,725 for Latour. Prices for 1995 and 1996 continued to firm as the wines began to disappear from wholesale and retail outlets and started to become more drinkable. Yet the clamour for the 2000 vintage and, latterly, the 2003 *en primeur* campaign appear to have created a Cinderella who is on the verge of going to the ball but not quite there yet.

The excitement generated by the continuing appearance at auction of the in-fashion bordeaux 2000s has been one of the year's ongoing stories. There was no let-up in collectors' appetites for Pétrus 2000, which achieved £5,290 for six bottles, while, at their best, Ausone, Margaux, and Mouton all achieved high prices. In November, Sotheby's range of 2000 Château Mouton Rothschild direct from the château all exceeded their high estimates. Jeroboams at £3,450 (low estimate £1,200) and six-magnum lots at £4,140 apiece (low estimate £2,400) were impressive results. Nevertheless, prices for the 2000 vintage were starting to deflate, and at one sale L'Evangile, L'Eglise-Clinet, and La Conseillante failed to attract bidders.

Until 2000 came along, there had been an unbridgeable saleroom divide between the mature vintages of the 1980s and the oceans of fresh young bordeaux blood flooding the secondary market. But the 2000 vintage has breathed welcome life back into the ailing secondary market for bordeaux, and 2003 may well do the same, albeit on a smaller scale. The astonishing and much-hyped 2003 bordeaux *en primeur* campaign precipitated Liv-ex's biggest month ever and Farr Vintners' second-biggest such campaign after 2000. By way of a contrast, mature clarets from the best vintages of the 1980s along with classic vintages such as 1961, 1982, and 1990 remained in strong demand.

With bordeaux 2000 starting to come off the boil, however, and vendors realizing there was little money to be made in the short term, the auctioneers cast their net in the direction of younger vintages. The overlooked vintages remain unchanged, with 1993, 1994, 1997, 1999, and 2001 leading the list. The 1997s were being sold throughout the year at something like half their *en primeur* prices. As substantial volumes of 1998s and 1999s were also available, the 2001 vintage started to hit the saleroom in quantity, creating a pile-'em-high-sell-'em-cheap mentality. For buyers priced out of the market for the 2000s, and with 2003s bought expensively *en primeur*, these younger vintages represent good value for medium-term drinking.

What of the garage movement? With the exception of Le Pin, brokers Farr Vintners and Liv-ex confirmed that garage was indeed dead in the water, at least for the time being. Since garage wines have failed to show longevity at auction, the classic tried-and-tested wines are very much back in the box seat. Such 'bling' factor as there was made Cristal champagne

one of the dominant themes of the year. The 1996 Cristal, for instance, outperformed Liv-ex's basket of top bordeaux by nearly 50 per cent in price.

Outside France, the success of Christie's April sale of a private collection of mature Rioja was an indication of a strong year for Spain, while traditional Italian producers such as Giacosa and Giacomo Conterno, along with Super-Tuscans such as Ornellaia, Masseto, and Sassicaia also performed well.

The auction year ended on a high note, with the 2,020 lots at Christie's November sale of Fine and Rare Bordeaux, including Historic Massandra, achieving a total of £1,189,960, including a 1,192-lot cellar of Fine and Rare Bordeaux netting in excess of £800,000. In the same month, Sotheby's raised £896,436 from the 1,414 lots offered at its Finest and Rarest London sale. Yet, over the year, the *Decanter* Bordeaux index fell from 116.77 in late 2003 to 114.44 by the start of 2005. With the continuing weakness of the US dollar at the start of 2005, US stock travelling back to Europe was threatening to keep the lid on price rises generally.

Burgundy was the new bordeaux – is it still?

Unpredictable as ever, burgundy continues to blow hot and cold in the saleroom, sulking one minute, pouting gorgeously the next. Despite being touted as the new bordeaux last year, it showed badly at Sotheby's sale in May, DRC apart. Yet at Sotheby's sale of Fine and Rare Wines, Spirits, and Vintage Ports on 16 June, burgundy came back strongly with high estimates breached by a number of current in-vogue estates in the exceptional 1978 and 1985 vintages, notably Georges Roumier, Rousseau, Dujac, and Leroy.

In a sale from a private northern European cellar with excellent provenance guaranteed, a case of 1985 burgundy and Georges Roumier's Bonnes Mares sold for £5,980 on an estimate of £2,600–3,200, six bottles of 1978 Bonnes Mares made £4,730 (estimate £1,300–1,600), six bottles of 1985 Armand Rousseau Chambertin £3,220 (estimate £1,300–1,600), while a case of 1985 Maison Leroy Mazis Chambertin, Hospices de Beaune, Madeleine Collignon fetched £4,730 (estimate £3,000–3,800).

By October it was downhill again, with Serena Sutcliffe MW, head of Sotheby's International Wine Department, tearing her hair out at the lack of demand for younger vintages of burgundy. Nevertheless, the success of the *en primeur* campaigns for 2002 burgundy whites and the popularity of 1999 and 2002 reds continue to add focus and excitement to burgundy in general. Which is why Christie's Richard Brierley is bullish about burgundy's future: it's "up and up – both red and white from the big producers with an increase at all levels". Sotheby's Robert Sleigh is also confident: "The market for top wines, top producers, top vintages with impeccable provenance continues to get stronger and stronger in both red and white

burgundy, with the traditional producers in the lead highlighted by DRC, Roumier, Leflaive, Ramonet, Coche Dury, Mayer, and Dugat among others."

Rhône, Loire, and vintage port

Top Rhône properties, especially in great vintages, continue to add depth to France's fine-wine offering. According to Sotheby's Robert Sleigh: "The Rhône had a good year, with the 1989, 1990, and 1998 vintages performing well from both the north and the south, with Guigal, Rayas, and Beaucastel at the forefront." At Christie's, Guigal's three top Côte Rôtie *crus* produced impressive results. From the cellar of "a knowledgeable collector", £4,840 was paid for a case of 1985 La Turque, £4,620 for 1985 La Landonne (and £2,860 for six bottles), and 1985 La Mouline went for £4,400. A case of 1978 Hermitage La Chapelle also exceeded its high estimate at £4,070.

In May, to Christie's delight, the first major offering of Huet to appear at auction, directly from Domaine Huet's cool underground cellars in Vouvray, was 100 per cent sold for £95,000, significantly above its pre-sale estimate. Highlights of the Huet sale included a magnum of the 1921 Vouvray Le Haut Lieu Moelleux, which sold for £1,980 against an estimate of £500–700. A six-bottle lot of the 1924 sold for £1,122 (estimate £400–520), and a three-bottle lot of the 1937 fetched £1,295 (estimate £480–650).

And whither vintage port? While the Bordeaux index languished, the *Decanter* VP index moved up from 116.06 over the year to 119.64, largely on the strength of the great 1963 and 1977 vintages. Sotheby's view is that there is an apparent strengthening of the sector in the US, with "1963s, 1970s, 1977s, 1983s, and 1985s all popular, and the 1994s and 1997s holding well". The view of Tom Hudson of Farr Vintners was a little less rosy: "Port is a strong wine that sits uncomfortably with modern living. This is no reflection on the quality of the wine (which is as good as ever). Prices of mature ports are incredibly reasonable (1980, 1983, and 1985 vintages, for example), and consumers are waking up to the fact that (despite tradition) there is little mileage in vintage port for investment."

Lotta bottle

The world's largest bottle of wine, certified by Guinness World Records, is Maximus, a 130-litre bottle (equivalent to 173 regular bottles or 1,200 glasses) of 2001 Beringer Private Reserve Cabernet Sauvignon. The bottle, commissioned by Morton's The Steakhouse, sold for \$55,812 (£30,138) to Wine Ventures, a wine and chocolate store in Tenafly, New Jersey, at Sotheby's New York on 20 November 2004. The entire hammer price, \$47,500 (£25,380), went to benefit Share Our Strength, one of the nation's leading anti-hunger organizations.

Exceptional growth 1999–2004

Position '05	Position '04	Position '03	Vintage	Wine	1999	2002	2003	2004	% growth ¹	% growth annualized ²
1	1	–	1961	Latour	7,920	8,580	34,098	29,020	266	29.62
2	4	–	1998	Le Pin	2,900	6,540	7,590	9,180	217	25.89
3	2	1	1978	La Tâche	5,136	15,630	14,330	15,860	209	25.27
4	–	–	2000	Margaux ³	N/A	2,400	3,910	4,570	186	23.33
5	–	–	2000	Mouton ³	N/A	1,850	2,990	4,370	173	22.23
6	6	7	1978	Guigal Côte Rôtie La Landonne	2,736	6,744	6,000	5,440	99	14.72
7	7	5	1982	Pétrus	7,800	19,550	16,215	14,690	88	13.48
8	10	3	1982	Lafleur	5,532	15,756	9,825	10,260	86	13.13
9	5	–	1982	Le Pin	11,550	15,950	27,495	18,380	59	9.73
10	8	9	1989	Pétrus	6,156	14,832	11,500	8,640	40	7.01

Prices in GBP per case of 12 bottles (best hammer price achieved in year indicated). **Sources:** Christie's, Sotheby's, and Morrell's.

¹ Percentage growth between 1 July 1999 and 30 June 2004. ² Annualized growth between 1 July 1999 and 30 June 2004. ³ £1,600 *en primeur* in 2001.

Blue-chip growth: 1998 vintage

Position '05	Position '04	Position '03	Wine	1999 ¹	2002 ²	2003 ²	2004 ²	% growth ³	% growth annualized ⁴
1	1	1	Le Pin	2,900	6,540	7,590	9,180	217	25.89
2	3	3	Pétrus	3,800	7,520	6,460	7,260	91	13.81
3	2	2	Trotanoy	800	1,740	1,550	1,210	51	8.62
4	4	4	Cheval Blanc	1,150	2,110	1,840	1,725	50	8.44
5	6	6	Haut-Brion	875	1,090	1,230	1,210	38	6.69
6	7	5	Lafite	800	1,150	1,035	1,060	33	5.79
7	9	8	Mouton	780	910	800	940	21	3.79
8	8	9	Margaux	780	830	860	750	–4	–0.8
9	10	10	Latour	780	780	710	665	–15	–3.14
10	5	7	Ausone	1,150	1,420	1,725	935	–19	–4.05

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Prices in GBP per case of 12 bottles. **Sources:** *En primeur* prices Wine Society in bond, excluding VAT.

¹ *En primeur* price 1 July 1999. ² Best auction price in year indicated. ³ Percentage growth over 1 July 1999 to 30 June 2004. ⁴ Annualized growth over 1 July 1999 to 30 June 2004.

Blue-chip growth: 1999 vintage

Position '05	Position '04	Wine	2000 ¹	2003 ²	2004 ²	% growth ³	% growth annualized ⁴
1	6	Latour	775	900	1,080	39	8.65
2	2	Lafite	775	1,092	1,040	34	7.62
3	1	Haut-Brion	775	1,476	960	24	5.49
3	5	Margaux	775	912	960	24	5.49
5	3	Pétrus	3,650	5,076	3,680	1	0.205
6	4	Mouton	775	936	780	1	0.16
7	10	Le Pin	3,300	N/A	3,330	0	0
8	7	Cheval Blanc	1,146	1,272	960	–16	–4.33
9	9	Trotanoy	550	408	410	–26	–7.08
10	8	Ausone	1,146	1,044	N/S	N/A	N/A

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Prices in GBP per case of 12 bottles. **Sources:** *En primeur* prices Wine Society in bond; Pétrus Corney & Barrow; Trotanoy and Le Pin Berry Bros & Rudd.

¹ *En primeur* price 1 July 2000. ² Best auction price in year indicated. ³ Percentage growth over 1 July 2000 to 30 June 2004. ⁴ Annualized growth over 1 July 2000 to 30 June 2004.

Blue-chip growth: 2000 vintage

Position	Wine	2001 ¹	2002 ²	2003 ²	2004 ²	% growth ³	% growth annualized ⁴
1	Margaux	1,600	2,400	3,910	4,570	186	41.84
2	Mouton	1,600	1,850	2,990	4,370	173	39.74
3	Lafite	1,600	2,050	3,220	4,200	163	37.91
4	Las-Cases	780	N/S	1,640	1,680	115	29.11
5	Latour	1,600	2,375	3,450	3,280	105	27.01
6	Pétrus	5,500	N/S	8,370	10,580	92	24.34
7	Haut-Brion	1,600	2,095	2,990	3,000	88	23.29
8	Ausone	2,400	N/S	N/S	4,180	74	20.3
9	Cheval Blanc	2,500	N/S	5,290	3,900	56	15.96
10	Le Pin	2,640	N/S	N/S	N/S	N/A	N/A

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Prices in GBP per case of 12 bottles. **Sources:** *En primeur* prices Wine Society in bond, Corney & Barrow, and Berry Bros & Rudd.

¹ *En primeur* price 1 July 2001. ² Best auction price in year indicated. ³ Percentage growth over 1 July 2001 to 30 June 2004. ⁴ Annualized growth over 1 July 2001 to 30 June 2004.

SOTHEBY'S TOP 10 IN 2004

- 1 \$76,375 (£41,700) Château Cheval Blanc 1947 (12 bottles)
- 2 \$55,812 (£30,138) Cabernet Sauvignon Private Reserve 2001 Beringer (1 Maximus – 130 litres)
- 3 \$48,175 (£26,978) Château Mouton Rothschild 1945 (12 bottles)
- 4 \$45,380 (£25,300) Romanée-Conti 1971 DRC (12 bottles)
- 5 \$44,650 (£24,111) Château Mouton Rothschild 1959 (6 magnums)

- 6 \$44,062 (£24,058) Romanée-Conti 1966 DRC (12 bottles)
- 7 \$41,125 (£23,030) Château Haut-Brion 1961 (12 bottles)
- 8 \$35,250 (£19,740) Château Haut-Brion 1959 (12 bottles)
- 9 \$35,250 (£19,035*) Château La Mission Haut-Brion 1945 (6 magnums)
- 10 \$30,550 (£16,500) Château Haut-Brion 1945 (12 bottles)

* Caused by exchange rate differences from the previous item.

Grapevine

- **Bonhams (est. 1793)** is the third-largest and fastest-growing auction house in the world. The five 2004 wine sales included three private collections of fine and rare wines (May); a focus on Italian wines, with a special offering of 1999 Brunello di Montalcino and Tuscan icons (July); and a fine collection of Sandemans port (autumn). In November, a jeroboom of 1966 DRC Romanée-Conti sold for just under £11,000.

- **America's first two-coast auction**, sponsored by Zachys, a major New York retailer, and Wally's, a top Los Angeles merchant, was the largest in California history, according to its organizers. At the sale in Beverly Hills on 8 and 9 October, which realized \$4,239,317 (£2,289,231), including 17.5 per cent premium, a bottle of 1847 Château d'Yquem was sold for \$71,675 (£38,753), making it the most expensive bottle of wine ever sold in the US and the highest price ever realized by a bottle of white wine worldwide.

- **The sale of wines** from the legendary Imperial Winery at Massandra in Russia held at Sotheby's London on 3 December 2004 was only the fourth time wines from these historic cellars had come to auction. Despite the opportunity to buy exceptionally rare and old wines

made for Tsar Nicholas II and bearing his imperial seal, the sale fell flat, with only 195 of the 327 lots selling.

- **Sotheby's International Wine Department** ended the year with a worldwide sales total of \$20,750,330 (£11,415,892). Records achieved included cases of 1945, 1959, and 1961 Haut-Brion, a case of 1947 Château Cheval Blanc, and 1959 Château Mouton Rothschild in magnum.

- **Christie's International Wine Department** announced a 2004 sales total of \$36,367,940 (£18,872,828) from 42 sales held in seven locations: New York, Los Angeles, London King Street, London South Kensington, Paris, Geneva, and Amsterdam. New York highlights included a 12-bottle case of 1978 Romanée-Conti that sold for \$88,125, while the top European lot of the year was a 12-bottle case of Le Pin 1982 that fetched £21,434.

- **According to William Chadwick**, the final sale of a great year brought J Straker, Chadwick & Sons of Abergavenny, Wales, a 96.6 per cent success rate. "The highlight of the year was the ever-increasing number of buyers, both trade and private, and the continuing increase in optimism." One advantage is that, instead of the usual 10 per cent buyer's premium, there is a charge of £5 plus VAT on lots.

CHRISTIE'S TOP 10 IN 2004

- 1 \$111,625 (£60,665) Romanée-Conti 1934 DRC (12 bottles)
- 2 \$88,125 (£48,420) Romanée-Conti 1978 DRC (12 bottles)
- 3 \$88,125 (£47,894*) Vosne-Romanée Les Gaudichots 1929 (12 bottles)
- 4 \$76,375 (£41,508) Vosne-Romanée Les Gaudichots 1929 (12 bottles)
- 5 \$72,850 (£39,592) Château d'Yquem 1929 (12 bottles)
- 6 \$61,100 (£34,519) Romanée-Conti 1990 DRC (12 bottles)
- 7 \$56,400 (£30,652) Romanée-Conti 1934 DRC (6 bottles)
- 8 \$39,289 (£21,434) Le Pin 1982 (12 bottles)
- 9 \$35,998 (£18,700) Château Pétrus 1982 (12 bottles)
- 10 \$27,876 (£15,341) Château Lafite 1959 (6 magnums)

* Caused by exchange rate differences from the previous item.

BEST AUCTION BARGAINS FOR CURRENT DRINKING

Prices are in GBP per case of 12 bottles, rounded to the nearest £10.

- 1 **Château Pichon-Lalande 1987** (£250) *A derisory sum for one of the current bargains from an overlooked vintage, now deliciously mature and drinking beautifully.*
- 2 **Château Léoville-Barton 1994** (£240) *Traditional, serious, and satisfying – one of the exceptional St-Julien from an 'off' vintage that was overshadowed by 1995 and 1996.*
- 3 **Château Phélan-Ségur 1996** (£120) *Come again? Just £10 a bottle for this sumptuously evolved cru bourgeois from St-Estèphe? Yes, indeed. An absolute steal if you can get your hands on it.*

- 4 **Château Margaux 1996** (£1,600) *Okay, not quite current drinking (give it a year or two), but nevertheless a great, modern Margaux of huge intensity, with great concentration and class, remaining surprisingly undervalued.*
- 5 **Château La Mission Haut-Brion 1997** (£310) *Is this one of the buys of the 1997 vintage? Undoubtedly, and a bargain. Now this tobacco-spicy and concentrated claret has come down to a relatively modest £26 a bottle.*
- 6 **Morey-St-Denis Clos de la Bussière 1997** Georges Roumier (£350) *This fine red burgundy does not appear often at auction but, if you can find it, the elegant cherryish fruit is very drinkable in this vintage.*
- 7 **Graacher Himmelreich Riesling Spätlese 1997** Joh. Jos. Prüm (£200) *Classic, evolved, keroseney, aromatic undertones of the Mosel with richly concentrated, apple-and-honey fruit and zesty-fresh acidity.*
- 8 **Stonewell Shiraz 1998** Peter Lehmann (£300) *One of the best Peter Lehmann Shirazes in a long time, this is intense, concentrated, richly blackberryish, classic Barossa – full of toasty oak and spice. Though starting to drink now, it really needs 10 years.*
- 9 **Château Les Ormes de Pez 2001** (£120) *Who says all young claret needs laying down? This is a bright, smooth-drinking, refreshingly youthful claret from a drink-me-now vintage, just ripe for the plucking.*
- 10 **Château de Beaucastel 2001** (£320) *A classic blend (of 13 varieties!) from a fine Rhône vintage that still needs time. Its compelling spice and black-fruit flavours make it one to be snapped up at auction.*