

## February 2014 - Art Asset Overview

### Volume 24 - Wine

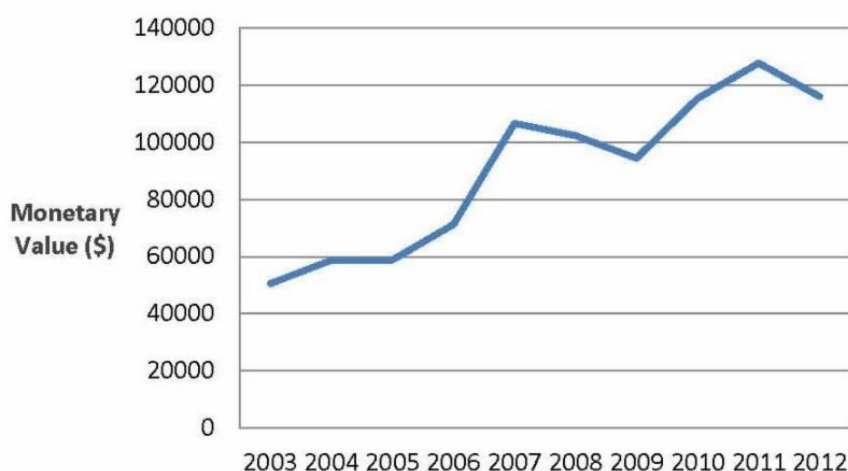
Dear Friends,

Winston Art Group's monthly newsletter is designed to give you a closer look at a particular aspect of the art world so you can best manage your assets and continue to grow your collections. The current issue focuses on wine.

#### MARKET OVERVIEW

The market for collectible wine reached an all-time high in 2011, largely due to a surge in wine purchases amongst Chinese buyers. The last few years have seen somewhat of a consolidation within the market, particularly for Bordeaux and Burgundy, which have traditionally held the greatest demand. The most expensive wine sale at auction was a case of 1978 Romanée-Conti (Burgundy), which sold for \$476,230, more than triple the presale estimate, in November 2013.

#### Vintage Bordeaux



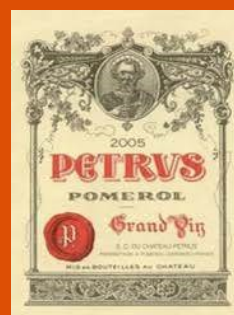
Vintage Bordeaux in USD. Data courtesy of Art Market Research.

#### MARKET TRENDS

Bordeaux and top quality Burgundy wines have historically been the most desirable within the collectible wine market, and the market escalation between 2010 and 2012 was largely due to purchases of these esteemed French wines. More recently, however, we have seen trends toward California wines, cold climate wines, and even British wine.

French-inspired winemaking techniques are increasing in popularity in the Napa Valley and Sonoma regions. This is making for more refined and complex wines coming out of California vineyards. Another trend is an increased demand for cold climate wines from regions including Alsace, Germany and Switzerland. New viticulture technology, some developed by researchers at Cornell and the University of Minnesota, has allowed winemakers to make truly spectacular wines in relatively harsh climates. This has even allowed select winemakers to successfully grow weather-resistant red grape varietals.

Thirdly, while the Champagne region of France remains a force to be reckoned with in terms of both quality and quantity (the region produces more than 300 million bottles per year), British sparkling wines are on the rise. Agricultural conditions in Britain's North and South Downs are very similar to the regions in France where Bollinger and Dom Pérignon grapes are grown, and British winemakers are producing delicious, complex, acidic, and zesty sparkling wines that are exhibiting strong market demand. The BBC reports that demand outweighs supply for British sparkling wine, and it is even the Queen's drink of choice for serving at royal events!



Pétrus 2005, a Bordeaux wine made in limited production from Merlot grapes.

#### WINE COLLECTING

If you are thinking about investing in collectible wine, it is critical to buy the top wines from the best winemakers, and to be sure you have a secure method for storing your investments. Temperature control is key. Wine should typically be stored in an environment cooler than 65° F, ideally in a temperature-controlled cellar.

#### WINE FORGERY

Now more than ever before, it is also imperative to consider provenance before purchasing to avoid buying fraudulent wines. In December, wine collector Rudy Kurniawan was convicted of wine forgery, and could face 40 years in prison. Kurniawan forced more than 1,000 bottles by pasting fake labels on bottles of low-priced wine. He sold dubious rare old bottles of prestigious wines at auction, including Domaine de la Romanée-Conti and Château Latour.

Winston Art Group is the nation's largest independent art appraisal and advisory firm. Independent of any auction house or dealer, Winston Art Group specializes in confidential and objective appraisal services and advice on the acquisition or sale of all fine and decorative art, jewelry, and collectibles.

Winston Art Group is delighted to assist with building, managing, and selling wine collections. For assistance with a wine appraisal, or advice on buying or selling wine, or any of Winston Art Group's services, please contact Claire Brown at [cbrown@winstonartgroup.com](mailto:cbrown@winstonartgroup.com).

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