

PALACE

ASIA'S ELITE PROPERTY SHOWCASE

161

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PROPERTIES
FOR SALE

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WINE COUNTRY LIVING

From lifestyle properties to fully functioning farms, a variety of options await buyers seeking a home in wine country.

The 10,000 sq ft, 6000 sq ft home in California's West Valley is listed for USD 14 million.



FEATURES - VINEYARDS



*Above: the master suite overlooks planted Chardonnay and the hills of Napa Valley.
Below: the courtyard features a saltwater pool and an outdoor kitchen.*





This chateau in Bordeaux, France is listed with Maxwell Sotheby-Baynes for USD 69 million and includes 54 hectares of vines

ABOUT AN HOUR NORTH OF SAN FRANCISCO, the fields are draped in rows of deep green vines, the sky is a clear cobalt blue and a crisp breeze rolls in from the coast, rustling the oak and olive trees. This is Napa Valley, known predominantly as California's leading wine region, though its enviable lifestyle and Mediterranean climate also make it an increasingly popular place to own property.

"The real estate market took off in a big way around 2010," says Mathew Cook, a partner at MJC Development who builds turnkey vineyard homes in the area. "Prices went from USD 800 per sqft to USD 1,200 per sqft in a period of five years." Today, Cook says prices are up to USD 1,500 per sqft. At just 30 miles long and a few miles wide, Napa has a limited supply of homes and benefits from proximity to the Bay Area's robust job market. Since 2012, property prices in Napa have increased by 57%. Over this time, MJC Development has tapped into a demand among well-heeled buyers for luxurious, hassle-free homes and built properties

designed for seamless indoor and outdoor living.

Their latest property is a 10,000 square foot barn-like structure that shimmers white against the surrounding vines. Outside in the courtyard, palm trees sway above the saltwater pool. Inside, the home comes fully furnished and has four bedrooms, 4.5 bathrooms, an expansive kitchen, dining room, wine cellar and library. There is also guesthouse and a two-car garage.

The property, which is listed for USD14 million, sits on five acres of land, three of which are planted with Chardonnay. The owners currently lease the grapes to a local farmer who cultivates and produces the wine and they take a percentage of the profits, but buyers can also opt to start their own label. This has become a popular practice in the area particularly after former NBA star Yao Ming bought a vineyard in Napa in 2011 and established Yao Family Wines. The buzz he created has also brought an increasing number of Asian

investors to the area—about a dozen wineries have sold to Asian investors in the last few years.

But although Napa attracts its share of oenophiles, not everyone who buys a house in wine country wants to make wine. "About 50% of our buyers care about the grapes," Cook says. "And the other 50% want to live among the grapes and the vineyard landscapes."

A similar split characterizes sales in Old World markets. "Vineyard buyers generally fall into two camps," says Sergio Greco, sales manager at Sotheby's International Realty in Italy. "First there are those who purchase a vineyard for business. This sale usually includes a large winery and requires a lot of expertise and investment." The second group, he says, purchases a vineyard as a "personal hobby". In this case, the vineyard is often a lot smaller and located in a popular tourist destination such as Tuscany.

While it's easy to understand the allure of living on a vineyard, the financial reality and work required do not always align with the romantic

FEATURES - VINEYARDS



Located near Cape Town, South Africa, this 10-hectare farm comes with planted Shiraz and Cabernet vines, a five-bedroom home and a heated pool.

ideal. Buying and running a successful vineyard requires quite a bit of capital (vineyard properties range from USD 5 million to 50 or more than 100 million) and yet experts say it's not a business you should enter expecting to make a lot of money, particularly in the short-term. If you're starting from scratch it can take 10-15 years to reap a reward.

Mr. Greco therefore advises first-time vineyard buyers to purchase an already established vineyard in a reputable location that produces a range of grape varieties. Italy's leading wine-growing regions include Tuscany, Piedmont and Lombardia. One of Mr. Greco's current listings, a vineyard near Sienna, Tuscany, comprises several restored residential buildings, over 243 hectares of land and a vineyard that produces wine from various grapes including Vernaccia di San Gimignano DOCG, IGT Chardonnay, Chianti DOCG and IGT Rosso. The estate also includes equipment and machinery and 18 hectares of olive groves, is listed for USD 17.5 million.

In recent years, Italy has seen an uptick in international investors – buyers from Brazil, India and China are

all active in the market. But Bordeaux remains the most popular among Asian investors. According to Maxwell Baynes, founder and partner of Maxwell-Storrie-Baynes in Bordeaux, about 200 of Bordeaux's roughly 7500 châteaux vineyards are currently owned by Chinese investors. And though demand from China peaked in the 2012 - 2014 period, interest continues. At Vinexpo this year, his company fielded over 20 inquiries from potential buyers.

Prices in Bordeaux are lower than one might expect. Many châteaux on the market are priced at less than USD 5.5 million, with a number in the USD 3 million to USD 4 million category. But properties at this price point do not produce the types of stellar wines the area is famous for. Prestigious appellations such as Pauillac (home to Château Lafite-Rothschild) vineyards cost up to USD 3.3 million a hectare.

Not all buyers are set on Bordeaux, of course. Some also look to France's other growing regions like Burgundy, Champagne, Provence, Loire and the Rhone Valley. And as New World wines increase in prominence, places like

Napa Valley and the Stellenbosch region of South Africa have also come up on the radar for wine-loving international investors.

The "Golden Triangle" of Stellenbosch, near Cape Town, is home to some of South Africa's best-known estates and is often considered ideal with regards to terroir, scenery, and tranquility. Pam Golding Properties is currently listing a 10-hectare farm in Stellenbosch that comes planted with Shiraz and Cabernet Sauvignon Vines. The estate also includes a five-bedroom home with a heated pool. "Most buyers have knowledge of the commercial side of vineyard farms and business in general," says Clarence Collins, Agricultural and Commercial Specialist at Pam Golding Properties. "But some of our buyers are also looking for lifestyle boutique properties with no commercial element."

For those looking to make wine, choosing the right location is only part of the puzzle. "It is also crucial to remember that the best enologist makes the best wine, and therefore buyers need a strong foundation of knowledge", says Italy's Sergio Greco.



In Napa Valley, a wine cellar is conveniently situated off the dining room.

Since most established vineyards are family-run and driven by generations of know-how, first-time buyers have a lot to catch up on.

But Michael Bertolucci of Gates Sotheby's International Realty in California believes this is par for the course for any seasoned investor. "I think most buyers are business savvy and would have no problems moving into the wine or farming industry," he says. Plus, he points out, vineyard management companies are there to help with maintenance, farming and sales, so a vineyard owner can be as hands on or off as they want to be.

Nevertheless, vineyard experts from Napa to Bordeaux all emphasize the importance of finding a reliable and experienced advisor, someone who understands the vineyard business and has a solid track record of facilitating successful transactions. In Maxwell Baynes' view, poor advice is the single biggest risk to a successful vineyard purchase. "This can't be emphasized enough," he says. "Choosing the right advisor will make the difference between the best or the worst decision of your life." 🍷

A postcard-worthy vineyard near Siena, Tuscany, is listed with Sotheby's International Realty for USD 17.5 million.

