

MARCH 28/29 2020

# FT Weekend Magazine

## THE BATTLE TO CONTROL THE INTERNET

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and Anna Gross



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## Investing in wine

### Part 1



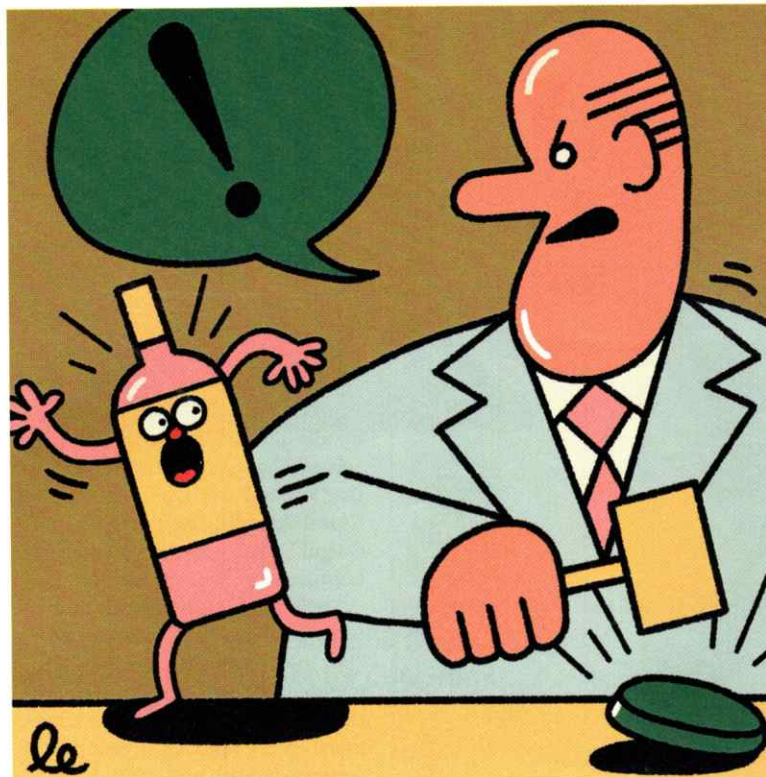
## If it doesn't spark joy - sell it

So strong is the collecting instinct that many of those who start to buy wine seriously end up with collections that would take a couple of lifetimes to consume. As one particularly avid collector put it to me when I asked how long he would have to live to consume every bottle: "I've never done the calculation because - unless I lose my taste buds and have a garage sale - I know I shall die with far more wine in my cellar than I can possibly drink. And I'm still buying almost as fast as I can drink, if not faster."

Ian Mill QC saw the writing on the wall at just the right moment. On October 26 2019, he sold about 65 per cent of his collection through Zachys, New York, netting \$8m and setting 353 world records for prices of individual wines, mainly fashionable burgundy. He had been intending to leave the wine in bond in England but, to encourage bids from the American wine trade, Zachys advised him to ship the wine to the US in advance of the sale. It arrived days before a 25 per cent tariff on wine imported from Europe was imposed.

With 7,000 bottles of handpicked, professionally stored fine wine to sell, Mill was heavily courted by the major auctioneers. Sotheby's had initially proposed holding the sale in Hong Kong, which - given the unrest and economic meltdown there - would not have been so clever as it turned out. As Mill notes now about the Zachys sale at three-star restaurant Le Bernardin: "The timing was great, as the market was just starting to dip." Prices for high-end wines have softened considerably since he sold.

Mill chose the US wine retailer and auctioneer because he felt Zachys' love for his collection and was impressed by their creativity about how best to sell it. The company organised dinners for potential bidders: chez Alain Passard in Normandy; at Fäviken



As imagined by Leon Edler

### Less successful wine investments

All prices for a case of 12 regular 75cl bottles, from Liv-ex, the fine wine database and trading platform.

Buying Bordeaux en primeur, in the spring after the harvest, has been financially rewarding only for the vintages 2008, 2012 and 2014 in recent years.

The most obvious examples of this were the 2009 first growth Bordeaux. Examples: Ch Lafite 2009 released

in 2010 at £13,000 and peaked at £14,500 in January 2011. It is now £7,000. Ch Margaux 2009 released in 2010 at £8,500 and peaked at £8,950 in April 2011. It is now £6,080.

Many of the 2010 Bordeaux were overpriced too. Liv-ex compared prices on release in 2011 with those in February 2020 and found that 23 of the prime 50 wines had fallen in price since they were offered en primeur.

The most extreme example of rise and fall is

Ch Lafite 2008, embossed with a "lucky" eight for the then rapturous Chinese market.

It was released at a relatively modest £1,850 but if you bought at the peak of the market in February 2011 you would have had to pay £14,200. It is currently selling at £7,000.

Prices for Sauternes in general have also fallen, regrettably. Ch d'Yquem 2010 has steadily declined since its release in 2011 at £4,700. It is now £2,580.

just before the world-famous Swedish restaurant closed for good and at The Modern in New York. The idea of these dinners was to show off some of the wines. As Mill reports happily: "Every bottle sang and I'm sure that had an effect."

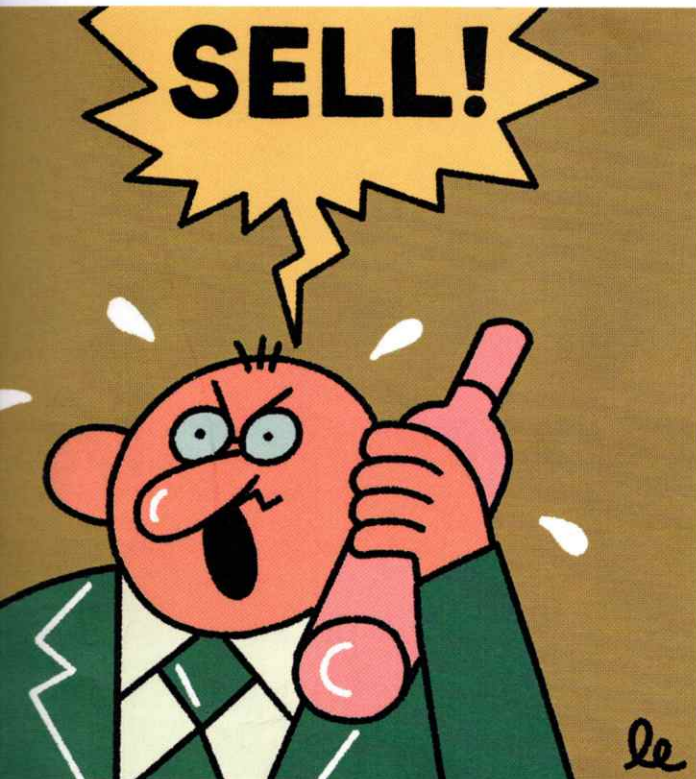
"The people at the dinners bought heavily and I've had nothing but nice words since the sale about how the wines are showing. The wines were sold under my name and I think that probably helped as well, so buyers could have confidence in the provenance of the wine." You can't complain about out-of-condition bottles to an anonymous vendor.

Mills's love affair with burgundy was ignited, as so often, by a

**'Half his collection sparked no joy whatsoever, notably new-world fruit bombs and special cuvée Châteauneuf**

single bottle. A Grand Cru white burgundy, Domaine Leflaive's 1982 Bâtard-Montrachet. "It was infanticide to drink it in 1995, of course, but it completely blew my mind." Mill reports that he became "indoctrinated" when he lived close to the shop operated in the 1980s by Jasper Morris, who would go on to become a notable burgundy expert.

"When I started buying from Jasper, I met all these amazing burgundy producers. Those were magical times," he remembers happily, musing further on the psychology of wine-buying. "You start off completely convinced you're going to drink everything you buy. So, for example, I bought everything duty-paid initially. But, from about 1999, I started to buy in bond because I realised I was going to sell some of my wine. I took a view 15 years ago that equities were an extremely dull investment and that I could do better in wine." ▶



Prices can go down as well as up. Wine is by no means a sure-fire investment'

◀ By 1992, he was already a shareholder in Morris's business Morris & Verdin, as well as later owning a 10 per cent share in Jean-Yves Devevey's Beause Premier Cru. Today, he is also a shareholder in Cabotte, a burgundy-focused restaurant located in London.

I was inspired to write about selling wine by Thomas De Waen, a wine-mad Belgian private equity executive. He emailed excitedly to tell me about his experience: "I had too much wine in my cellar and figured that, Marie Kondo-style, I would sell off anything that did not spark joy. It felt very liberating. Everyone with a big cellar should do this."

He realised that about half his wine collection, bought when he was less sure of his tastes, sparked no joy whatsoever, notably "new-world fruit bombs, special cuvée Châteauneufs and old wines that should have been drunk long ago". He also admits to having been caught up by the hype surrounding some producers and specific wines. "If at some point you develop a true independent taste, you wake up one day and realise that you actually have zero interest in all that Super Tuscan, bordeaux, Grand Cru white burgundy, Guigal La Las, etc that you bought because they were desirable."

He looked systematically and critically at every wine he owned. "For me, the results were eye-opening," he says, and suggested that, "once you go past £20 a bottle, there is very little relationship between the price of a bottle and

how much you're looking forward to drinking it." Accordingly, he cleared out those unwanted bottles and says he's "very happy" he did so.

You don't need a big collection to make money. My brother-in-law amassed quite a few bottles of Dom Pérignon during his previous career. He was very pleased by the three-figure sum each raised when sold by his local auctioneer who, unlike major auction houses, was not particularly interested in exactly how they had been stored.

By contrast, the avid collector referred to at the top of this article has sold wine only twice: "A case of 1983 Le Pin, which I sold when it reached £3,000 [having paid less than £300 for it], and a half-case of 1982 Château Lafite when the Chinese were chasing up the value - or, rather, price - and it reached £24,000 a case."

He defends his collecting habit thus: "I say to myself that since I have mainly bought good wine, which appreciates on the whole, I can always sell it when the Tories have destroyed the NHS and I need money for a high-priced, privately turned wooden leg."

But prices can go down as well as up. Wine is by no means a sure-fire investment, as is evident at the bottom of the previous page. Auctions are the most obvious place to sell wine, but there are several other options available to collectors nowadays. I shall be examining them all next week. **FT**

More columns at [ft.com/jancis-robinson](http://ft.com/jancis-robinson)



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