

FT Wine Bordeaux

Vineyard dreams could turn to vinegar without a detailed plan

Property There are about 7,000 wine-producing châteaux in the region, many potentially for sale, reports *Adam Thomson*

Kalyks' decision to buy a château, and with it their own wine label, in one of the world's best-known wine-producing regions, is a dream shared by many the world over. Belgians, Germans, Britons and Australians have invested in the area in recent years and are now setting about making their own wine.

Since about 2010, Bordeaux has also been in the sights of Chinese investors, who have bought about 100 châteaux in the region – ranging from a relatively modest, family-run operation to at least two purchases that have exceeded €20m in value.

There are about 7,000 châteaux in the Bordeaux region covering 106,000 hectares of wine-producing land – providing plenty of choice for those looking to purchase a working vineyard.

Moreover, about 80 per cent of those properties and businesses are valued at €5m or under, with the next 15 per cent rising in value to up to €30m.

Many of them are potentially up for

sale as their French owners approach retirement age and, in many cases, their children have chosen different career paths. "French owners often sell because they are getting on a bit and their children would much rather live in the city and suffer a journey to work on the Paris metro every day," says *Rory Ramsden*, a buyers' agent and property finder in south-western France for *Home-Hunts.com*.

Yet Michael Baynes of Maxwell-Storrie-Baynes, which provides luxury property services and is a market leader in the sale of châteaux in the region, points out that, in spite of the potential availability, only between 25 and 35 wine-producing châteaux change hands every year.

"There are streets in Chelsea where you get more real estate sales a year than in the Bordeaux wine industry," he says. "Turnover is slow and it is a very complex and precise market."

One of the reasons for this, argues

Baynes, is that transactions can take a long time to close given the complexity of valuing a château and its assets.

And that also makes it harder for the estate agents. "You need to speculate on marketing but you often have to carry that cost for 12 months at a time," Baynes says.

Owning a vineyard in one of the best-known wine-producing regions is a dream shared by many



For the buyer, timing is also important, says Ramsden. Purchasing a business at certain times of the year can sometimes mean having to wait a couple of years before your château starts to return some of the investment you put into it. You might have to wait until harvest time in September, then for six months of vinification and, if the

château falls within the "Bordeaux Supérieur" appellation, wines must be aged at least 12 months before they can be sold.

So what are the most important things to think about before taking the plunge? Baynes, who handles about 20 per cent of the property market for châteaux in Bordeaux and whose business is an affiliate of Christie's International Real Estate, says that it is important to keep a cool head.

"Captains of industry can arrive here and start to look at everything with love in their eyes," he says. "But it is important to ground yourself and put your business shoes back on. The wine you are going to produce in most cases does not sell itself, meaning strategy and commitment are needed to make a successful project."

Ramsden agrees. If the intention is to run a business, he says, then you will have to make sure that you have a workable business plan, together with a

distribution network for your produce.

"It's lovely to have your own label and to drink your own wine while looking out over your vines," he says. "But if you don't have a business plan that stacks up, your dreams will turn to vinegar."

The Kalyk family looked at about 15 châteaux before finally deciding on one with five hectares of vineyard in Sainte Colombe, a stone's throw from the renowned Saint-Emilion appellation.

"We wanted a small vineyard with the grapes already there because we didn't feel we were young enough to grow the grapes from scratch," explains Glenda.

The couple have already hired a winemaker but they have yet to choose a name for their label.

So will their future bottled produce pay homage to their antipodean roots? Not a chance, insists Glenda: "We want to be in the Bordeaux region and be a part of the Bordeaux groups. There won't be any boomerangs or kangaroos."

Less than a month ago, Frank and Glenda Kalyk were living in their native Sydney thinking about how to spend their retirement. Today, Frank, a lawyer, spends his days in France picking leaves from the vines on his Bordeaux vineyard while Glenda is busy doing up the château that sits on the land.

"We have always loved France and wanted to do something with our two great passions, wine and food," says Glenda. "When we came to Bordeaux, we just looked at each other and said, 'wow, this is it!'"

Bordeaux is an area in the Aquitaine region of southwest France that borders Spain and the Atlantic. The