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News



Cartizze's Venetian case study

In Veneto, the most valuable red wine vineyards are still those of Amarone, worth around 400.000 Euros per hectare in Valpolicella (and around 450 to 600.000 in Valpolicella Classica). When it comes to Prosecco, one of the 23.000 hectares in the DOC costs around 250.000 Euros (like Pinot Grigio, currently in the Venezie DOC), while one of the 8.000 of Conegliano Valdobbiadene DOCG costs around 400 to 600.000 Euros and the Cartizze cru (where there are virtually no sales going on, since over 140 proprietors own 106 hectares) is going for 1.5 to 2 million Euros. One hectare in Lugana costs around 250.000 Euros, and one in Soave between 120 and 180.000 Euros.



Uneven landscapes

Even though many vineyards have grown unbelievably in value over the years, this has not happened in all territories of Italian winemaking. On the contrary, there is a sort of polarization going on. In some territories values are going up, but some are going through tough times and are markedly less attractive, with quotes going downward. Additionally, there's another thing to consider. Valuations aside, the real price is decided by a variety of features, such as the age of the vineyards, their position, whether or not they're next to others that are already owned by the prospective buyer (a factor that, just like in the real estate market, often brings higher quotes than the norm). Finally, one must also consider brand value, the prestige of the firm and the notoriety of the territory in question.

Report

Etna leads in the South

The average value of vineyards in the central and southern regions of Italy is a bit lower than in their northern counterparts: in Umbria, one hectare of Montefalco Sagrantino can change hands for around 100.000 Euros, while in neighbouring Marche one of Verdicchio di Jesi or Verdicchio di Matelica is worth between 70 and 80.000, and one in Conero, 70.000. The value of one hectare of vineyards in Etna DOC, Sicily's superstar denomination is a bit higher: 80 to 120.000 Euros.



First Page

An analysis of Italian vineyards' value performance

In the last 50 years or so, a multitude of factors have contributed to the growth in the value of vineyards of some of Italy's most prestigious denominations, which has been almost unsurpassed by any other kind of investment. Among these factors, one can point out the undisputable allure of their landscapes, a wine market that, even in an uncertain economic climate, is still growing apace in territories that create a remarkable added value, a closed system of planting rights for new vineyards, and the desirability the wine sector shows towards conglomerates, financial and insurance groups and investment funds that are looking to invest capital. According to a WineNews analysis of the numbers at play, among entrepreneurs, intermediaries and insiders, the order of magnitude of the appreciation runs close to 2500% for one hectare of Brunello di Montalcino, 1400% for one of Amarone della Valpolicella and over 700% for one of Barolo (excluding the most distinguished crus). "In spite of this", Alessandro Regoli, Managing Editor of WineNews, commented, "in the last few months there's been a flurry of activity when it comes to M&A in the wine world, both in Italy and abroad; deals closed between wine businesses but also investments coming from other sectors and funds from all over the world", which in turn have pushed the values of vineyards to unprecedented levels, leading some to label these recent events as speculation rather than long-term business plans. "In a handful of Italian top-level territories, such as the crus of Barolo and Barbaresco, Montalcino and Bolgheri, just like happened in great international terroirs like Burgundy and Bordeaux", Regoli continued, "the appraisals are going so far up as to become interesting, or rather within the reach of only, investment funds and entities that have great capital at hand, rather than interesting for those who live off the winemaking world, and create business projects that are entirely inscribed in that sector". Nonetheless, these are outliers, given the fact that the success and the value of a wine territory goes hand in hand with the value of its wine on global markets, and very different results in a country as fragmented as Italy.

Focus

Piedmont, Tuscany, Barolo and Montalcino

In Piedmont, one hectare of Barolo goes for 1 to 1.5 million Euros, and all the way up to 2 million for top-level crus. In Barbaresco, one hectare is worth 400 to 500 thousand Euros, but the market is all but non-existent in the Region's two top-level denominations. Barbera is going well, at 70 to 100.000 Euros per hectare and Barbera d'Asti is at the latter end of the spectrum, but some can go for 120.000 Euros or more in Nizza. In Tuscany, Montalcino is still on top of the heap, where one hectare of Brunello is worth around 450-550.000 Euros, followed by Bolgheri, where one hectare is going for 350 to 450.000 Euros. One in the Chianti Classico denomination is worth 130-200.000 Euros, and in Montepulciano one hectare of vineyards in the register of VINO Nobile is worth between 140 and 160.000 Euros. In Maremma, one hectare in Morellino di Scansano goes for 100.000 Euros; the same sum as one in Chianti Rufina is worth, being the exception regarding the rest of Chianti, with one hectare worth around 80.000 Euros. Likewise for the most important white denominations of the Region, Vernaccia di San Gimignano, one hectare is worth between 70 and 90.000 Euros.



Wine & Food

Whites & bubbles: Alto Adige, Franciacorta, Trentodoc, Collio

In Alto Adige, mainly due to its unique grape growing conditions, one hectare of vineyards is still very precious, worth around 400.000 Euros (in some cases, up to 1 million for the most important areas), but here as well, the market is virtually non-existent. Franciacorta's vineyards are worth between 170.000 and 300.000 Euros, just like in Trentodoc, where in particular areas they can reach 350.000 Euros. Collio has the most valuable ones in Friuli, between 100 and 200.000 Euros per hectare, and some very small areas reaching 250.000.

For the record

Finally, some news on CMO funds

The Italian Corte dei Conti (the State authority that oversees the public economy) has approved the decree of the Ministry of Agriculture that distributes EU CMO funds for

2017-2018. The normal procedure can now resume, but all things considered, it might take quite some time - perhaps even until January 2018, according to some.

