

Press Review - Le Figaro (Propriété de France)

« THERE IS A MAGIC IN WINE, BUT IT IS VERY DEMANDING. »

By NICOLAS DE ROUYN

Ls Stéphane Paillard an estate agent ? Yes, he looks after property deals. No, he is primarily an oenologist... But then, what is the bureau viticole ?

At 44 years old, including 15 years spent in the French wine-growing areas looking for properties for sale, Stéphane Paillard is rather atypical of the people in high-level real estate. Established for the last few years at Saint Rémy de Provence, he now coordinates the Bureau Viticole. This choice of specialisation owes nothing to chance and everything to vocation, a childhood in Provence. He talks with refreshing frankness about this market of enthusiasts.

The Bureau Viticole, you call that a concept ?

Yes. The market has woken up since the Eighties with the appearance of a new breed of investors. It used to be mainly industrials acting privately, for their own account, and who were looking for a certain type of service which was considerably more than was practised in those days. These investors were wine neophytes, they needed a different sort of assistance and it was in connection with the emergence of this demand that I set up the Bureau Viticole in the Languedoc Roussillon area before finally settling down here in Provence.

This was a new idea ?

At the time, estate agencies used to sell viticultural estates in addition to their usual range of properties. Specialising was a new approach. With this in mind, we have a very different way of working. For example, we represent an estate if we have exclusivity that is renewable for extended periods.

In this way, we have practically always sold the properties entrusted to us. Our involvement far exceeds the scope of simple sales negotiation and we have implemented the accompanying structures necessary to the buyer to take over under optimal conditions, or even to restructure their operations.

In response to the demand from our customers for finding turnkey properties, we have over the years collected around us a small and reliable team of professionals in the areas of oenology, taxation, rural law and architecture.

You must be very sought after ?

Yes, but we only take a very small number of estates. Out of fifteen visits, we very often take on none, sometimes one, exceptionally two. Which explains why we haven't got some of those unsaleable deals that drag on the market, stuffed at the back of our files. We only select estates that match our customers.



"If you just try to make wine with money, you will never make money with wine."

What base do you use ?

My specialisation has developed naturally over time, a little like the picture of what I like in terms of wines. There are emotive wines and expressive wines and the properties that we represent correspond to one or other of these "appellations". An emotive wine, is one that is the image of its owner. At this risk of surprising you, the creation of a wine is the fruit of the addition of a mass of details. A little like buying a property. If 2 to 5% of details are missing, you go from an exceptional wine to a good wine.

If 10 to 15% are missing, you will have a wine without vice or virtue, an ordinary but average little wine. This is where the owner is very important, his ability to manage such details, his culture, his goodwill, etc. It is in all these details that a wine is the mirror image of he who made it. An expressive wine is a wine which has character and, in particular, that of its region. Here, it's a wine which is going to express the Provence culture, perfumes, excitability, the "garrigue" landscape. These are not worldly or well-known wines, these are simple wines. When you arrive in a property, you feel what it exudes in terms of emotion or expression. Basically, our "niche" is the wine's place of residence.

He is the great specialist of character properties in Provence, while I have skills and a certain technical knowledge in terms of wine. It is our complementarity that helps to explain our success together.

Apparently, Yes! The "wine's place of residence", that's a good way of saying it...

Not only. This approach presents several aspects which correspond to the search and to the aspirations, which in fact are not always expressed, of the person consulting us.

The charm, a certain research into the quality of life, the attraction of the myth of the wine, a thorough professionalism at all levels, the guarantee of a fair deal in terms of price and a true realism which tends naturally to demystify the wine world? You've got to thoroughly understand the motivations of those who come to see us in order to have just the right approach in terms of attraction between the property and a potential buyer, a little like a matrimonial agency. Working around the

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table before starting to visit the estates. For an estate, there are one or maybe two people who are the buyers corresponding to the property. One of our characteristics is that we do very few visits. My clients have no time to waste and neither do I.

We recently sold the Château Crémade at Aix-en-provence in the AOC Palette in four visits no more over two years. Similarly, two visits were enough to realise an exceptional vineyard in Burgundy. An yet, these were investments of 20 and 55million francs.

Do you sell vineyards everywhere in France ?

Our natural sector is Provence, of course. The the regions surrounding it, the Rhône valley, Languedoc and, a bit further on, Burgundy or other areas, when we are asked.

Are there a lot of people looking for vineyards ?

We have, on average, two to three contacts a day. It's my responsibility to understand if the person who is coming to see me is really ready for an acquisition or they are only at the stage of wishful thinking. If I really understand what they are looking for and if they are ready to make the step, I should only show them two or three properties.

Do vineyards sell quickly

No. They have their own rhythm. For most of them, you need three to four years. One to three years of preparation, that is sorting out any problems that may arise, inheritances, joint ownership, sometimes financial or even land registry problems. You really have to springclean the palce and make everything clear before envisaging putting it on the market. The we need between six and thirty six months to finalise the sale under good terms for everybody.

We really need to put the highest technology in servicing a transaction and I can tell you I am fanatical baout that, there has to be a meeting between an estate and an investor, otherwise...

What is this high technology ?

We implement a series of surveys carried out by experts accredited with the courts on all the items making up an estate so as to validate from A to Z the quality concerning the choice of a property. These experts are chosen by the client but paid by us, on our fees. In this way, everything is clear and the transaction is in good health. We have nothing to hide.

It is a working philosophy that protect us from later worries. And that's normal, because we consider that we are not allowed to make mistakes.

Do you cultivate secrecy ?

Confidentiality, yes. I work only in the most complete discretion from the point of view of sellers as well as buyers. This is not a recipe, this is my way of life.

In fact, buying a vineyard is a fantasy or not ?

Everything depends on the motivations. There is a myth of the wine, that is clear and it is fairly masculine. If the approach is not too financial, not too dehumanised, if the search is not based on short term profitability ratios, one can expect an acquisition. Otherwise, the investment is bound to fail. One can always invest crazily in technology, make Pharaonic storehouses, employ the greatest oenologists, but all that will never be enough, wine is a product that has to be looked after. If you just try to make wine with money, you will never make money from wine. The expression "raise a wine" is not just by chance and it is not too strong. You need sensitivity, you need a project, you need to recognise the regional characters. Better than a fantasy, there is a magic in wine. But it is demanding.

And you must be able to resell...

Exactly. If you agree to investments that are not in relation to the property and, for one reason or another, the property has to go back on the market, you are sure to lose your shirt! Reasonable investment, meaning a guarantee of staying solvent. Sometimes, and particularly in Provence, it is better to concentrate such restructuring investments on the property element of an estate rather than on the production tool itself.

Does this market have a future ?

There is an exceptional future. I'm not talking about the wine market but about wine-producing properties. I would never commit myself on the wine market, which is world-wide and very subject to world economic fluctuations and it is evident that nobody can forecast developments in macro-economic terms. On the other hand, more and more people want to acquire a wine-producing property because, above and beyond the profitability of the balance-sheet, this is a remarkable long term proprietary investment. What you could rightly call a responsible head of family investment, likely in addition to fulfil a project, a passion and provide pleasure. To the extent that the investment is made with plenty of precautions. Which is what I try to do...

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