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HOW TO ACQUIRE A VINEYARD IN 4 QUESTIONS

INTERVIEW BY NICOLAS DE ROUYN - JUNE 2007

What is the market situation in your area ?

Since the beginning of the year, we have been offering national coverage of the main vineyards in France, through our own network of agencies managed by an oenologist in each area. Overall, the property market for « holiday vineyards » and rare vines and land, which have been our speciality since I created Bureau Viticole nearly 20 years ago, is active. Demand has remained steady and is characterised by high quality requirements. The offering has increased as a result of the global wine glut, but it remains very limited for exceptional properties. It is an opportunity market segment stamped with pragmatism and realism.

What about prices ? Up, down, stable ?

The market is highly contrasted from that point of view and is a constant reminder of the duality, which is always exacerbated during a glut, between luxury and exceptional products, and the rest of the offering. The same applies to the vine and vineyard markets. On our specific markets, we have observed a stabilising of the regular price increase over the last nine years. Properties sell for their real value, each in their own category.

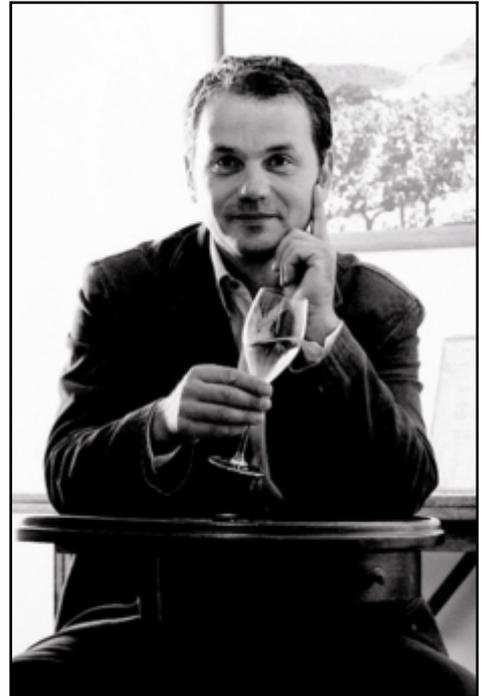
Can we talk of a crisis ?

The deep-seated change which is occurring throughout the wine industry worldwide is present in everyone's minds. The uncertainty of the economic situation leads to very contrasting situations. All regions combined, the crisis will have had little effect on the small circle of rare vineyards and exceptional properties, which has remained very active due to the restricted number. It could be very different for the rest of the market if cash flow problems caused by an on-going slump were to make owners sell up quickly. If that happens, for the same quality of land, location and management, those who have not anticipated the need to embellish their vineyards and upgrade the architecture of their buildings and gardens, could find their cash flow and intrinsic value weakened and even worse, particularly if they are forced to liquidate everything in a hurry.

Who are your customers ?

Our clientele is historically French but the number of buyers of international origin has been constantly increasing, and now accounts for half of all purchases. The properties we have sold since the beginning of 2007 confirm the predominantly European origin of buyers, with a clear increase in Anglo-Saxons and Scandinavians

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and the emergence of a new class of Russian and Asian investors. Our buyers are mostly private investors with a high personal implication. « Passive investors », whose aim is to benefit from a « wine-grower's card » and the image of the wine myth, are less frequent and confined to the prestigious vineyards of Bordeaux, Burgundy, Champagne and Châteauneuf-du-Pape. The new style of wine growers are mainly men in their late fifties from the business world, prosperous industrialists, young retirees or people looking for a second career, that are also lovers of wine, open space and nature. Some of them, hedonist visionaries, choose the land as though it were a religious vocation, while others opt for a slice of life as a wine-grower. The era of investing in land to pass it on to the next generation is over. Their projects are now short-term ; they are looking for the « real thing », conviviality and quality of life, but as a family unit, while benefiting from a holiday-tye atmosphere. I have defined this concept and called it the « résidence du vin » or « holiday vineyard » and coined the term « Potager viticole » which roughly translates as « wine garden ». It is a human-sized project in which the difficulty should not exceed the pleasure ; it is both a consumer and a producer of passion.

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