

‘Ageability’ key when investing in wine

Six bottles sold for R13 000 at auction; savour the best advice first

Joseph Booysen

THE SALE of six bottles of vintage wine for R13 000 at an auction in Cape Town recently was testament that wine is fast becoming a popular luxury investment. This is according to the latest Knight Frank Luxury Investment Index.

The report said wine was the most popular luxury investment globally, overtaking collectable cars. The reason was the exclusivity associated with some wines, because limited volumes were produced.

Six bottles of 1977 Zonnebloem Shiraz were sold for R13 000 at the 2017 Nedenburg Auction.

Michael van Deventer, Vinotèque and e-commerce manager at Distell, said

although investing in wine might seem more exciting than investing in more traditional asset classes, selecting a good investment wine was much like picking a stock on the JSE. “A lot of research and thought goes into selecting the right wine to invest in, and, just as you would consult a financial adviser about the stock market, it is crucial to seek professional advice on what makes a wine investment-worthy.”

Van Deventer said desirability is what makes a particular wine a worthy investment, and although iconic wines tend to be produced in smaller volumes, this is not the only factor to consider.

“When selecting an investment wine, it is important to look for the best vintages, awards that the wine has won, and, possibly most importantly, ‘ageability’. Therefore, in order for a wine to reach a status whereby

it can become an investment, it needs to reach maturity and rarity first. Ageability is the backbone to a rare investment wine, and, unfortunately, very few South African wineries have back-dating vintages in the Vinotèque, an online wine sales platform, or an archive of sorts.”

Elize Coetzee, the cellar master at Zonnebloem, said a large volume of high-end South African wines were of the white variety, whereas the global consensus was that only reds can be considered a true investment. “This is unfortunate, because we have some amazing white wines in the Cape, and while many of them do possess ageing capacity, the investment mindset is simply not there,” said Coetzee.

She said that, as with any investment, wine collectors face the risk of their wine losing value. “Wine is a commodity, and,

like any other commodity, will suffer with shifts in the economy. Other factors that could cause an investment wine to become less valuable over time include a shift in ownership of the winery, a change of wine-maker or poor storage conditions.”

Coetzee said that although wine had proved capable of earning investors healthy returns, only those who are passionate about it should consider it as an investment. “Wine investment, much like the collection of fine art, is often considered as more of a hobby than a method to earn financial return. A love of wine, however, is not enough to ensure a good investment, and it is advisable to get a professional assessment of the wine from someone who is able to offer a historical understanding of the producer and vintage.”

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