



COLLECTING BY CHARLES CURTIS

## • Market Bubbles •

Returns on Champagne, frequently touted as the next big thing in collectable wine, have often been less than bubbly. Even classic vintage Champagne such as Dom Pérignon 1990 has not set the auction world on fire: it averaged US\$256 a bottle at auction in 2010 and has been selling this year for an average of US\$296, a compound annual increase of less than three percent over five years. Some bottles at the top of the market, such as the uber-rare Krug Clos du Mesnil 1979, have actually declined in value during the same period, falling to an average of US\$3,055 a bottle from US\$3,814. So will Champagne ever take off?

The truth is that Champagne is a small, niche market. Only 46 lots of Clos du Mesnil

1979 have traded at auction in the past five years. Caution is advised, as with other categories outside of the mainstream. Still, making gains may be possible by paying attention to prices and trends. Clos du Mesnil 1988 has prospered, reaching an average of US\$1,712 from US\$1,353 five years ago, a 4.8 percent annual rise. A case of the Clos du Mesnil 1996 sold at Zachys Hong Kong for US\$787 a bottle in September 2010, while two similar lots sold for US\$1,571 a bottle at this year's Sotheby's April sales, an annual growth of 14.8 percent.

Similar gains have been posted by other top fizz, including Cristal 1990 and Salon 1996. As always, the secret lies in knowing the market price and being ready to pounce when other bidders are dozing.



## • In La Las Land •

The single vineyard Côte-Rôties from Guigal are among the most revered wines of this renowned Rhône region. Known by the names of the vineyard sites (La Landonne, La Mouline and La Turque), or collectively as 'the La Las', they are, paradoxically, often a poor investment. The much-heralded La Landonne 2009 retails at about US\$600 a bottle; the average in the auction room, however, is just over US\$400, including the buyer's premium.

Older vintages do not fare much better. The La Landonne 1999 reached a high of US\$745 a bottle just before the 2008 financial crisis, plunging to US\$579 in 2009 and remaining essentially flat ever since. Even the landmark 1985 vintage, which climbed to an average of US\$1,018 a bottle last year, has had difficulty outperforming its 2007 high of US\$1,022.

Attentive collectors know they can find attractive prices: Sotheby's New York sold an 11-bottle lot of La Landonne 1985 last fall for US\$835 a bottle, including the premium. Later in the same sale, however, a full dozen sold for US\$1,225 each.

Part of the explanation for this mixed performance is the relatively few bottles that trade hands. Only six lots of La Mouline 2003 have come up for action this year, for example, while Château Latour 2003 has been under the hammer 25 times. Fundamentally, the La Las are still seen by collectors as wines for drinking rather than for speculating, and the safest strategy may be only to buy wines one is prepared to consume.



## • Peak Performance •

Domaine Leroy wines are eminently drinkable in their youth, yet unfold over decades as they mature in the cellar. But is now the right time to stock up on them? The current average price for the Musigny 2009 is more than US\$12,000 a bottle, while the Chambertin of the same vintage averages just over US\$5,000 and the Richebourg US\$2,400.

Historically, these wines have been healthy investments. The Musigny 2002 has risen at auction to an average of US\$5,146 this year from US\$1,035 in 2005. Older vintages have also attracted gains. The La Romanée 1962, for example, averaged US\$2,890 in 2012, up from about US\$1,300 in 2005. Prices have started to drop, however. A six-bottle lot at Wally's Wine Auctions in April averaged US\$3,050, but a month later another half dozen at Zachys New York made only US\$1,735 each.

Recently, even the headline wines in top vintages have seen something of a correction. While three Richebourg 2005s made a record US\$3,267 a bottle at Zachys New York last December, another three made only US\$2,390 each at Hart Davis Hart four months later.

It's no secret that Burgundy generally is at the peak of this market cycle, and any collector should be careful when buying at historically high levels. If history is a reliable guide, however, a well-timed purchase of Domaine Leroy should continue to appreciate; it will certainly drink superbly well.



ILLUSTRATION: STEVEN NOBLE