

## Luxury Assets: Wine

### Collect for pleasure, or invest for return?

#### Getting started.

Wine, and pun fully intended, is the very best of liquid assets – worthwhile, joyful, fascinating and constantly revealing. It's truly one of life's great pleasures, bringing people together, enhancing life and even, some may claim, extending life through the cardiovascular benefits of the resveratrol found in tannins. Here are a few worthwhile measures to maximize the value and enjoyment of your wine whether it's for enjoyment or investment – or most likely, a combination of the two.

#### Security/cellarage.

If you are storing wine at home locate a space that has minimal temperature variation, some humidity and is lockable.

The ideal temperature is between 12-16 degrees (C). Cooler is not a problem but will slow the evolution of the wine. Conversely warmer will speed the process up. Humidity of around 50% helps to preserve elasticity in the corks, but more than that can result in labels moulding a little.



Siting your wine store underground is probably the best way to achieve all of the above. If you don't have that natural space, there are companies that will drop in pre-fabricated concrete cellars which self-regulate temperature with no need of machinery for storage of up to 1,200 bottles.

If you want to create more of a feature room you will probably need the services of a specialist a crafts-person to create a bespoke solution.



Create a bespoke space and you will have a real talking point in which to display your vinous treasures. You'll definitely need this if you have an interest in collecting larger bottles, such as a Goliath (27 litres!), which will certainly call for a special occasion if and when you decide to uncork it.

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Bottles should, ideally, be stored flat to encourage the wine to be in contact with the cork, though champagne can be stood upright.

For longer term storage of wines in bond, there are commercial solutions, which can store your wine in chalk cellars, at the optimum, constant of 14 degrees (C). These facilities will also provide insurance, and a guarantee of provenance which will help determine the value of the wine should you decide to cash in your investment at any point.

Check that your household insurance covers the wine at market replacement value.



### CGT exemption.

Wine, should you elect to sell it, enjoys exemption from CGT as it is classified as a chattel, so it already has an advantage over some classes of asset, as well as increasing its value as a gift.

### Timing is important.

The optimum time to buy wines is on release. The first flush of Bordeaux 2022 releases with Cheval Blanc offered at £2880 per six in bond, up from £ 2370 last year, so +22%. Although, this is a truly great vintage, with some critics and chateau owners suggesting it may surpass the heralded 1982.

### Thanks.

**Julian Chamberlen, Director, Farthinghoe Fine Wines Ltd**



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