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Top 1%

What's Hot Now: A Wine Cellar in Your Home

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The who's who among the country's luxury homeowners used to dazzle guests and jealous neighbors by sitting them down in the plush leather chairs of their new home theaters.

But today, the home-entertainment system is as common a luxury as an iPod. Now a new breed of specialty room -- the wine cellar -- is fast on its way to becoming the next standard in luxury real estate, says Jim Donald, president of Tuscan Wine Cellars. He estimates that nine out of 10 homes in the high-end areas of most cities have them.

Glenn Norrgard, senior vice president at **Sotheby's International Realty** saw the cellar trend take off in New York City four or five years ago with the advent of larger, more upscale downtown condo developments. A loft in Soho, one of the first to adopt this trend, added a tasting area to its cellar.

According to a 2007 study of 407 Unique Homes readers and luxury homeowners sponsored in part by consulting and design firm Wine Trend, over half of the respondents said the importance of wine amenities has increased compared with five years ago; they gave increased wine collecting as the main driving factor.

Paul Koder, president, CEO and wine consultant of Wine Trend, says realtors should no longer expect high-end buyers to want a space without wine storage. Deluxe amenities, such as wine cellars, ranked as a very important factor in considering the purchase of a home with 90% of the survey respondents.

Through globalization, increased travel and more-disposable income, Americans are becoming increasingly savvy about what's on their plates and in their glasses.

Koder, who attends expos in France every year and has cooking and sommelier degrees, expects per-capita consumption of wine in the U.S. to equal that in Europe in 2008. This is good news for companies such as **Constellation Brands**

(STZ), which recently conducted a survey of premium wine consumers that showed a large percentage of them buy and drink wine to project a more sophisticated image.

In the U.S., says Donald, "It's becoming more common to have a couple glasses of wine with family or friends than to drink a case of beer."

Koder's consulting firm, founded in 2004, caters to a lifestyle in which money is not an issue but quality is. Many of his clients own second or third homes and say that a quality wine cellar is the one thing lacking.

Better With Age

Imagine walking your date into a cellar made entirely of limestone and hand-forged wrought iron wine racks to look up through the windows of the vaulted ceiling into the water fountain above it. It can be done -- for \$800,000.

More important than impressing dates and having a sumptuous array of spirits at your fingertips, a properly constructed wine cellar can add value to a home. "Realtors think homeowners are interested in prestige, when they are more interested in a return on their investment," says Koder, most of whose clients work in the financial sector.

Each time Wine Trend finishes a cellar project, it provides a folder to the homeowner stating how much value the room adds to the home and an estimated appreciation.

Four years ago, says Koder, a quality wine cellar was possible for around \$19,000. Today, the same cellar can't be done for less than \$40,000.

According to the study, demand is likely to continue to grow, as only 15% of those polled now own a wine cellar but 59% said they were interested in purchasing one in the future.

And with the housing market cooling down, says Koder, wine amenities help homes fetch a better price and even make properties more attractive to buyers.

Besides adding property value, 83% of survey respondents gave wine entertaining as the top reason to install a wine cellar.

The Price of Preservation

According to the survey, 58% of respondents prefer to consult a specialist when considering the installation of wine amenities -- and for good reason.

Donald is surprised at how many architects and designers build cellars that look stunning but have serious defects when it comes to actually preserving and storing wine. Despite all the bells and whistles, says Koder, you won't be happy with the return unless the room does its job: preserve your collection in an efficient manner.

Generally, wine cellars must be kept at around 55 degrees Fahrenheit and at 70% relative humidity. Koder even gathers information from clients about their current and probably future tastes in wine in order to select the proper storage equipment and capacity.

People forget that at any given time, 90% of your inventory should be in the process of aging, Koger points out. To have a workable collection with a quality representation of different types of wine, Donald says around 2,000 bottles should do the trick, but he's seen cellars store up to 35,000.

Wine Trends also offers custom high-tech inventory-management solutions to catalog and keep track of your wines. Its cellars range from \$30,000 to \$250,000; on average, its clients spend around \$50,000.

Tuscan Wine Cellars construct old-world wine cellars designed to have the look and feel of a century-old room, characterized by brick, stone, wrought iron and vaulted ceilings. It uses reclaimed antique brick and timber imported from Europe, along with European artisans who often hail from a second or third generation of craftsmen. Its cellars range from \$50,000 to \$200,000.

In contrast, some-high quality cellars are made entirely of metal. What really adds value, says Koder, are extras, such as a separate dining area with a warmer temperature.

The Grapevine Spreads

High rises, hotels and resorts are also seeing the need for wine amenities to attract residents.

The Ritz-Carlton

is opening a Dallas location on Aug. 15, 2007, which will include a wine cellar in Fearing's, the hotel's restaurant. "Many people who will use the restaurant will be local to Dallas and really wine savvy," says Bonnie Crail, director of PR of Ritz-Carlton. "Selecting a wine is as exciting for our diners as selecting a menu item."

All 511 acres of Vineyard Estates in Charlottesville, Va., are devoted to the wine lifestyle. Residents have their own plots of land to make and grow wine right alongside the Kluge Estate Winery.

Tuscan Wine Cellars has completed projects for luxury town-house complexes in which each resident has a separate cubby in the community cellar. "You just started hearing more about this sort of thing in the last three years," says Donald, who notes that cellars are also in high demand in resort areas such as Aspen and Park City, Utah.

The wine-storage trend has even spread into such industries as food, says Norrgard. Fresh Direct, for example, provides cold storage for its customers' selections in the lobbies of luxury condos.



So realtors and home owners, pay attention. Your demographic is reaching for a sauvignon blanc instead of a brewski. Make sure to arm your property accordingly.

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