

VINEYARD HOMES

**NAPA COUNTY,
CALIF.**

Median listing price 2012
\$605,000
Median listing price 2013
\$659,900
Year-over-year change
9%

Napa County has approximately 430 wineries and 45,000 acres of vineyards, according to trade groups Visit Napa Valley and Napa Valley Vintners. The region, which consists mostly of Napa

Valley, produces just 4% of California's wines, but represents more than 25% of the total value of the state's wine economy because Napa wines are typically more expensive than wines produced elsewhere. The most widely planted grape variety is Cabernet Sauvignon.

Real-estate prices in Napa County dropped as much as 25% immediately after the downturn that started in late 2007, and only in the past two years has interest in the region begun to rebound, says Chuck Sawday, a real-estate broker with Pacific Union in Napa Valley. Demand is primarily made up of foreign buyers and wealthy people who work in other industries. Most Napa wineries are family owned, with vineyards starting as small as 2 acres. While about 10 to 15 residential vineyards in the \$2 million to \$4 million range are available, premium vineyards are more limited. "It's a heavy investment for many people to step into the wine industry," Mr. Sawday says. This year, there have been only three or four sales of vineyard homes over \$10 million, he adds.

span 3,000 acres, according to the Long Island Wine Council. The region is surrounded by water, giving it a temperate climate and long growing season. Merlot is the most common variety, making up about 30% of total vineyard acreage. Chardonnay, Cabernet Franc and Sauvignon Blanc are also popular. The residential vineyard market has remained somewhat stagnant in the years since the downturn. "Many of these properties are family-owned and did not need to sell in a recession," says Carol Szymaka, an agent with Daniel Gale Sotheby's International Realty in Cutchogue, N.Y. "Now the economy is picking up, and they are revisiting the idea of selling. We're really in that infancy."

In the past few years, many residential vineyards have been privately purchased by large investors and so are not reflected on Multiple Listing Service. Unlike some wine regions, the North Fork still has land available, making it an attractive option for lifestyle buyers, Ms. Szymaka says.

Life Amid The Vines

A look at the housing market in some of the country's top grape-growing regions

BY SANETTE TANAKA

Affluent and overseas buyers are increasingly putting down roots in the country's vineyards. The properties are seen as both a luxury lifestyle and investment opportunity, says Clayton Andrews, senior vice president of Christie's International Real Estate, which recently launched an advisory service for buyers interested in purchasing vineyards. "People want that country-chic way of living," he says.

Most luxury buyers turn over wine-making operations to managers at first, though some become more involved in the process after time, he adds.

Below is a snapshot of the wine scene and residential market in five key U.S. wine regions.

**NORTH FORK,
N.Y.**

Median listing price 2012
\$529,000
Median listing price 2013
\$525,000
Year-over-year change
-1.0%

The wine region located on Long Island's North Fork has roughly 50 vineyards and wineries that

are usually," she says. Texas Hill Country spans 25 counties in south-central Texas and is responsible for about one-quarter of the state's total wine production. It has 35 wineries and about 800 acres of vineyards. Common Texan wines include Tempranillo and Viognier. Inventory is tight in the region, with fewer than five vineyard properties on the market, says Rick Kuper, broker and owner of Kuper Sotheby's International Realty in San Antonio. A growing demand for vineyards has also pushed up prices.

TEXAS HILL COUNTRY

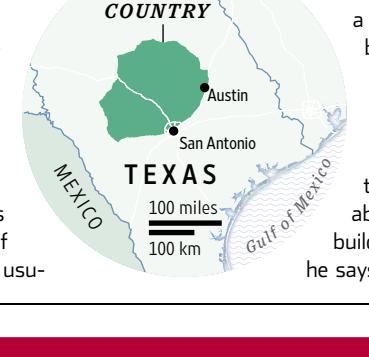
Median listing price 2012
\$259,900
Median listing price 2013
\$284,925
Year-over-year change
10%

Wine grapes usually thrive in hot Texas weather, but freezes and hail storms hurt the vines in early spring, and the region is currently in a drought, says January Wiese, executive director of Texas Hill Country Wineries. "We had some growers bring in 2% of the fruit they usu-

ally do," she says. Texas Hill Country spans 25 counties in south-central Texas and is responsible for about one-quarter of the state's total wine production. It has 35 wineries and about 800 acres of vineyards. Common Texan wines include Tempranillo and Viognier.

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"The people who own the vineyards don't want to sell. It's a growing business. If you want to get into it, you have to buy one of the few available ones or build on land," he says.

**SONOMA COUNTY,
CALIF.**

Median listing price 2012
\$419,000
Median listing price 2013
\$529,000
Year-over-year change
26%

Sonoma County has more than 500 wineries and 63,000 acres of vineyards, according to Sonoma County Vintners, an area

trade group. The county has a warm, dry Mediterranean climate and accounts for 6% of all wine production in California. Chardonnay is the most widely planted variety, followed by Cabernet Sauvignon and Pinot Noir.

The market has seen a huge uptick over the past year, says Kaaren Atkin, a real-estate broker with Healdsburg Sotheby's International Realty in Healdsburg, Calif. Since January 2012, the Healdsburg market in Sonoma County has had 26 home sales—15 with vineyards—priced at \$1.9 million and up, she says. Part of that is due to backed-up inventory. After the downturn, many properties languished on the market for one to two years before selling. "There was a lack of financing and a lack of confidence in the market. In 2010 and 2011 especially, the weather was really challenging and a lot of vineyards suffered," she says.

Industry titans from Silicon Valley, international buyers and Napa buyers are driving demand. "Napa pretty much doesn't have any more room to plant new vineyards," says Ken Spadoni, a broker associate with Pacific Union in Healdsburg, Calif.

**WILLAMETTE VALLEY, ORE.**

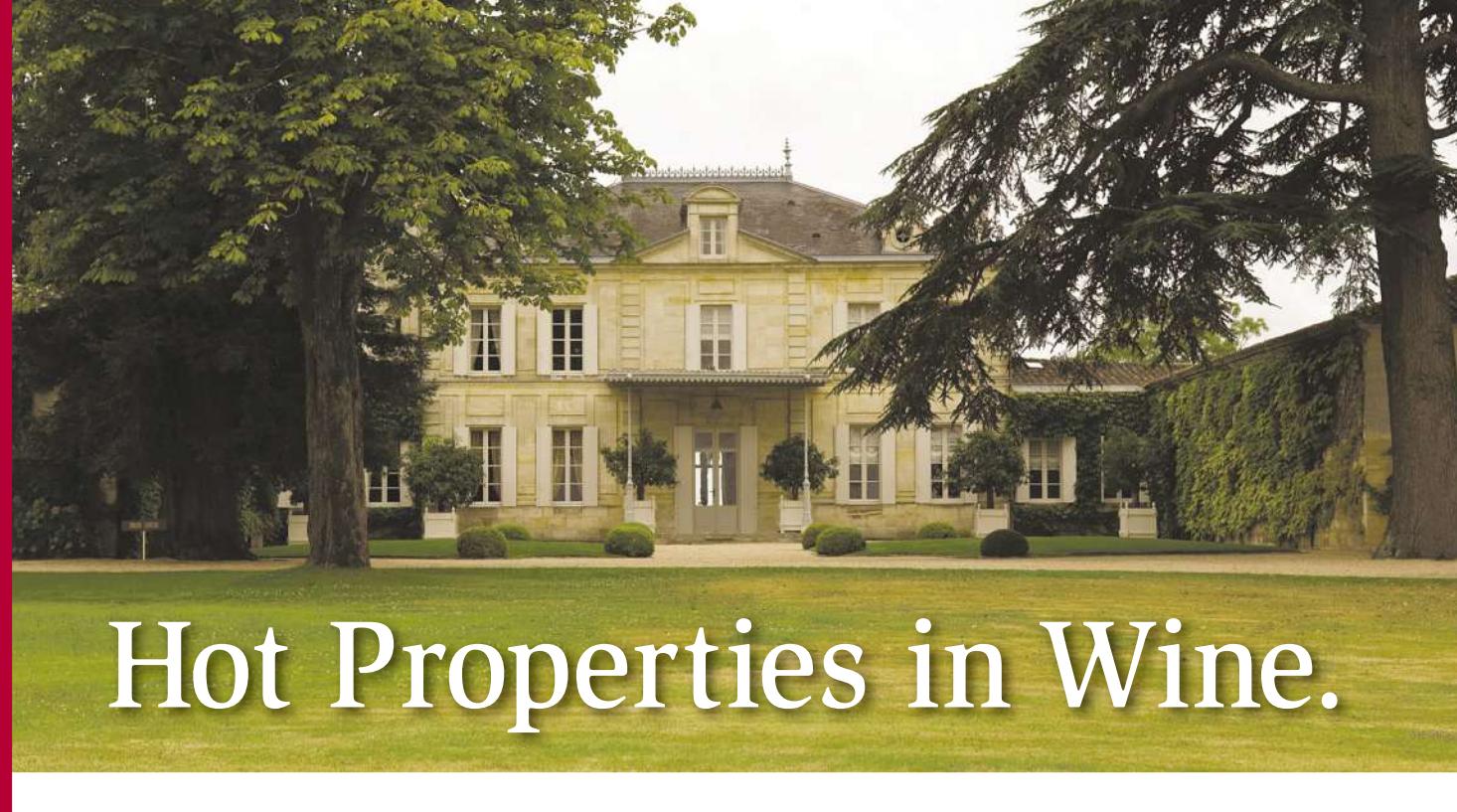
Median listing price 2012
\$220,400
Median listing price 2013
\$249,000
Year-over-year change
13%

Source: Trulia
Note: Data as of Sept.; current listings exclude foreclosures

Located between Oregon's Cascade Mountains and Coast Range, the Willamette Valley region has a mild climate with cool, wet winters and warm summers.

Willamette Valley, with 316 wineries and 16,800 acres of vineyards, produces more than two-thirds of Oregon's total wine, according to Willamette Valley Wineries Association, a trade group. Pinot Noir accounts for 71.6% of total acreage in the valley. Other common wine types are Pinot Gris, Chardonnay and Riesling.

Luxury homes tend to be right outside of the valley; residential vineyards are relatively inexpensive compared with other wine regions, says Kendra Ratcliff, a real-estate agent with Luxe Platinum Properties in Portland, Ore. But low inventory and competition from larger investors who are snapping up properties and land are bumping up prices. "We didn't have a lot of high-end buyers until a few years ago," Ms. Ratcliff says.



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In the rolling hills of Tuscany, Paolo Masi (top right) "has made an excellent impression with the estate wines of his family property" (*The Wine Advocate*).

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THE TOAST OF TUSCANY

Paolo and Ana Rita Masi's Chianti is "always a good buy" (*Wine Spectator*)



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In the Golden State's coolest valley, Eric Hickey makes world-class Pinot Noir



A-LIST ARGENTINA

Thibaut Delmotte crafts gold-medal Malbec at Argentina's oldest estate

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