

Spotlight: Italy

The next rising stars?

Interest in top-tier Italian wines for investment has risen in recent years. Will this continue? We asked some of the wine market's leading lights

With increasing numbers of collectors seeking opportunities from Bolgheri to Barolo, Italy has arguably been the star of the fine wine market in the past two years.

An exciting run of vintages, notably the back-to-back successes of 2015 and 2016 in Piedmont and Tuscany, has been supercharged by Italy avoiding punitive US import tariffs, which, until recently, afflicted Bordeaux and Burgundy. Underpinning this development is collectors' rising awareness of the value on offer.

'The cost to purchase from a top-tier producer making wine from a respected site is significantly less in Piedmont and Tuscany than in many other wine regions,' says Ben Aneff, managing partner at Tribeca Wine Merchants in New York. 'It's become close to impossible in Burgundy and Napa, for instance,' he adds.

'There's as much interest in Italy as there has ever been,' says Will Hargrove, head of fine wine at UK merchant Corney & Barrow. For all of the buzz surrounding recent vintages, he thinks a big shift has been that 'people are more likely to follow producers year in, year out'.

Farr Vintners' sales director Mark Ross says that although 'Italy isn't a huge part of our business, it's one of the biggest growth areas in the 10 years I've been here'.

Where does all this lead to? Despite all of the drinking pleasure on offer, there are different opinions about Italy's prospects on the secondary market. Dynamics vary, too. It's an oversimplification, but Piedmont's set-up and tendency towards smaller volumes make for natural comparisons with Burgundy. On the other hand, SuperTuscans are often weighed against top Bordeaux, not least due to their shared grape varieties.

Matthew O'Connell, head of investment at Bordeaux Index, says there are still reasons for investors to tread relatively lightly. He says secondary market demand for Piedmont remains uncertain beyond the very top names, while much of Brunello has yet to really show investment potential. He adds that top

SuperTuscan labels, such as Sassicaia, Ornellaia, Masseto, Solaia and Tignanello, 'still look pretty cheap' in a wider context but have also 'come a long way in price' in recent years. 'Sassicaia has the greatest following of all of them. There are just more collectors looking for it,' he adds.

Sotheby's revealed recently that its 10 bestselling Italian wine producers by sales value across auction and retail in 2020 were: Ornellaia, Sassicaia, Masseto, Antinori, Gaja, Soldera, Tenuta di Trinoro, Sotheby's (own-label), Fontodi and Biondi Santi.

At Liv-ex, Italy's overall momentum appeared to have slowed slightly in 2021 (*see opposite*), but trading data also showed signs of broadening collector interest. 'Piedmont is seeing more trade,' said Liv-ex in a report on the region in mid-March. 'Vicini, Luciano Sandrone, Roberto Voerzio, Ceretto and Domenico Clerico have

Best-selling Labels
Sassicaia and Tenuta
di Trinoro's Palazzi



been among the most sought-after producers, seeing consistent volume trade [year-to-date], it said. Top-tier Barolos, such as Giacomo Conterno's Monfortino Riserva, already command lofty prices but could be worth considering if you have the funds. 'People will always pay for the best,' says Miles Davis, head of professional portfolio management at Wine Owners. He adds that pricing can be an indicator of demand. 'If it's trading at €100 a bottle then that's interesting as it tells me there's proper secondary market interest.'

Davis says Italy is in an 'adolescent' phase in terms of its market development but is being taken more seriously by collectors. 'Even compared to five years ago, it's a different scene.'