

Worldwide Wine Auction Revenues Fall in 2012

Market diversifies as Bordeaux prices drop

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Sales of fine and rare wine worldwide fell 19 percent in value from a record \$478 million 2011 to \$389 million in 2012, according to figures released by the major commercial auction houses. This is the first decline since 2009, when markets were still struggling to emerge from the global financial crisis. This year, falling prices and fewer consignments in Hong Kong accounted for the slump in sales.

“Worldwide totals for 2012 are a reflection of the drop in prices overall, particularly for Château Lafite Rothschild and other first-growth Bordeaux, especially those from younger vintages,” said Richard Harvey, senior international director of Bonham’s wine department.

In the United States, auction revenues dropped 10 percent to \$131.8 million. Though the number of lots on the block in 2012 actually rose to 46,457 from 42,705 in 2011, the average price per lot in 2012 was \$2,792, down from \$3,428 the previous year. Percent-sold rates averaged 95 percent.

Results in Hong Kong were similar, with sale totals down 32 percent to \$155.2 million. There, the number of lots on offer in 2012 fell to 24,353 from 27,818 in 2011, and the average price per lot tumbled from \$8,227 to \$6,226. Percent-sold rates averaged 93 percent.

Asian buying was less dominant this year, noted Jamie Ritchie, president of Sotheby’s Wine. “However, there was renewed interest from North American buyers, who reengaged at new price levels, and a considerable surge in demand from Latin American buyers, who have become an important part of the international market,” said Ritchie. “We saw growing interest in a more diverse range of wines, particularly from Italy and California. Bordeaux prices stabilized at more realistic prices and look set to remain that way.”

Christie’s led the 2012 global auction market with \$83.8 million in sales (excluding the \$7.6 million Hospices de Beaune auction conducted by Christie’s in Burgundy) closely followed by Acker Merrall & Condit with \$83.3 million in worldwide sales. Zachys attained \$70.2 million in global sales, and led the U.S. auction market with \$35.2 million in revenues. The firm also laid claim to the year’s highest-grossing U.S. auction, earning \$5,987,516 at a huge, three-day [10th anniversary sale in December](#). Internet sales

rose 3 percent to total \$39.3 million. Hart Davis Hart's auctions saw a record sell-through rate of 99.99 percent, passing only one out of the 9,076 lots offered.

Despite the softening of the overall market, 2012 still witnessed a spate of record prices. Single-owner sales and consignments that came directly from a winery or château were in particularly strong demand because of their pristine provenance. In the wake of the [counterfeiting case against Rudy Kurniawan](#), who allegedly sold millions of dollars' worth of fake "collectible" wines, buyers became all the more cautious about the source and ownership history of their intended purchases.

Among the examples, at Acker Merrall & Condit's March Hong Kong auction, a case of the iconic Château Mouton-Rothschild 1945 from a prestigious European collection sold for a stunning \$214,256. At Christie's London, a dozen bottles of the famed Château Cheval-Blanc 1947 from the pristine cellars of a private collector brought a hefty \$203,918. At the Sotheby's Château d'Yquem sale in New York in April, a single bottle of Yquem 1892, consigned directly by the property, sold for a staggering \$55,125 against an estimate of \$4,000 to \$6,000.

2012 saw a strengthening demand for top Burgundy across all markets, which contributed to Bordeaux's slump. Proof positive was a Christie's auction in Hong Kong of the [private cellar of the famed Burgundian winemaker Henri Jayer](#) in February. The highlight of the \$8.5 million sale was a case of Jayer Vosne-Romanée Premier Cru Cros Parantoux from the celebrated 1985 vintage, which commanded \$265,147. In March, Hart Davis Hart assembled nearly 1,000 carefully sourced lots for their [Celebration of Burgundy auction](#). A jeroboam of Domaine de la Romanée-Conti La Tâche 1990 sold for \$41,825, a return of 4,400 percent for the consignor, who purchased it in 1993 for \$950, according to Michael Davis, Hart Davis Hart's vice chairman. "It doesn't get much better than this," he said.

Despite such headline-making prices in Burgundy, 2012 posed several buying opportunities. In February, 12 bottles of Ramonet Chassagne-Montrachet Les Ruchottes 1995 sold for \$1,195 at Hart David Hart, down 59 percent. At the upper end of the market, bargains were relative. In October, Hart Davis Hart sold a single bottle of DRC Romanée-Conti 2009 for \$13,145 (down 24 percent).

After several seasons in the doldrums, collectible California wines experienced a rebound. In September, [at a Sotheby's auction in New York](#), a case of Heitz Martha's Vineyard Cabernet Sauvignon from the celebrated 1974 vintage sold for \$12,250, double its previous high. In Hong Kong last January, Acker sold a 42-bottle collection of Screaming Eagle Cabernet Sauvignon spanning seven vintages for \$106,359, a world record for the most expensive lot of Screaming Eagle sold at a commercial auction.

Although 2012 was not a record-setter like 2011, the auction houses considered it to be another healthy one and are taking an optimistic outlook about the coming year. According to Acker's CEO John Kapon, 2012 saw the market diversify beyond Bordeaux, even though red Bordeaux still maintained the largest share of the fine and rare wine market, at 40 percent of sales. "With new release prices for the rarest wines becoming increasingly expensive," he said, "I think 2013 will prove that there is real opportunity in collecting and investing in the secondary wine market."

2012 AUCTION TOTALS

	2012 SALES (IN US\$ MILLIONS)	2011 SALES (IN US\$ MILLIONS)	PERCENT CHANGE
NEW YORK			
Zachys Auctions	\$28.5	\$32.0	-10%
Acker-Merrall & Condit	\$25.7	\$29.8	-14%
Sotheby's	\$17.7	\$13.5	31%
NYWinesChristie's	\$11.9	\$11.9	0%
TOTAL NEW YORK	\$83.7	\$87.0	-4%
OTHER U.S.			
Hart Davis Hart (Chicago)	\$26.3	\$37.4	-30%
Zachys (California)	\$6.7	-	-
Heritage (Los Angeles)	\$6.5	\$11.9	-45%
Bonhams (San Francisco)	\$4.4	\$6.0	-26%
Acker Merrall & Condit (Chicago)	\$4.1	\$3.6	14%
TOTAL UNITED STATES	\$131.8	\$146.4	-10%
U.K. & EUROPE			
Sotheby's London	\$19.7	\$27.2	-27%
Christie's London	\$17.4	\$15.1	15%
Christie's Europe	\$16.1	\$16.5	-3%
Bonham's London	\$7.4	\$7.7	-3%
Spectrum London	\$2.1	-	-
TOTAL U.K. & EUROPE	\$62.8	\$66.5	-6%
HONG KONG (IN \$US)			
Acker Merrall & Condit	\$46.9	\$68.8	-32%
Christie's	\$37.0	\$41.8	-11%
Zachys	\$31.2	\$47.2	-34%
Sotheby's	\$27.0	\$44.7	-40%
Spectrum	\$9.8	\$24.2	-60%
Bonham's	\$3.2	\$2.8	14%
HONG KONG TOTAL	\$155.2	\$229.6	-32%
INTERNET ONLY			
Winebid.com	\$24.0	\$26.0	-8%
Acker Merrall & Condit	\$6.7	\$8.2	-19%
Zachys	\$3.8	-	-
Morrell & Co.	\$2.9	\$3.9	-26%
Christie's	\$1.4	-	-
Heritage	\$0.6	\$0.3	66%
TOTAL INTERNET	\$39.3	\$38.1	3%
WORLD TOTAL	\$389.0	\$478.3	-19%
MARKET LEADERS WORLDWIDE			
CHRISTIE'S	\$83.8	\$84.3	-1%
ACKER MERRALL & CONDIT	\$83.3	\$110.5	-25%
ZACHYS	\$70.2	\$79.0	-11%
SOTHEBY'S	\$64.4	\$85.5	-25%

Source: Wine Spectator