

Bottler of an idea fuels search for wine storage

Tina Perinotto

It all came from the burning question of where to store your Grange Hermitage. Or that bordeaux at \$40,000 a bottle for that matter.

Whatever the vintage or provenance, the best place to preserve such precious drops was never going to be under the bed.

From a standing start only five years ago, the wine storage business looks set for some good years ahead.

The competitors in the field, Wine-Ark and Austcorp's Winevault, have each recently embarked on expansion plans in Sydney. Wine-Ark is also believed to be close to finalising an acquisition that will help it grow the interstate business.

What has surprised both players is the speed at which their storage space has been snapped up.

At Wine-Ark's 1000 square metre storage facility at Chatswood on Sydney's North Shore, company spokesman Dean Taylor said the take-up rate had outstripped projections.

"When we took the site we had expectations that it would take four years to fill but the demand was so great it actually filled in 18 months," he said.

Wine-Ark has just signed for its next site, a 2083 sq m operation in inner-city Alexandria, and it expects a similar speedy take-up.

As could be expected, Mr Taylor said there were some critical elements in creating the right storage environment for bottles of wine whose average



Wine-Ark has been surprised by the quick storage take-up rate.

value is about \$100 but which can range up to \$20,000 or \$40,000.

These included a refrigerated coolroom to keep the temperature steady at 14 degrees and humidity at 65 per cent, plus very high security.

"At Chatswood it was about \$1.5 million in establishment costs," he said.

In return, the landlord could reap about \$500 to \$600 a sq m before costs from customers who would probably stick around for five to 10 years, Mr Taylor said.

But finding new premises was not easy.

The leasing agent, Stacy Hutchinson of Knight Frank, said it took about a year of hunting, and inspections of more than 50 premises, to find the right space. The company settled on Building 3 at the

South Sydney Corporate Park in Alexandria, part of the holdings owned by F. Hannan Properties Pty Ltd, a company owned by the Hannan publishing family.

Mr Taylor said a key element needed to be a concrete roof, "almost like a bunker", to help maintain even temperatures.

The deal was struck at \$120 a sq m, with a lease of 10 years and four five-year options.

For Winevault, the wine storage business will be combined with a lifestyle flavour.

The company's Graeme Towers said the business would be in a disused 1905 railway tunnel it discovered in the Spare Room self-storage business it ran at Artarmon.

Since opening at the beginning of the month, the space was already about 50 per cent full, Mr Towers said.