

LIQUID ASSETS

By Kerry Bielik

The time has finally come, you decide, to open that bottle of expensive Shiraz you've been hoarding for a special occasion. You put it away in the cupboard under the stairs over five years ago and despite overwhelming temptations, you've managed to keep it safe till it reached the peak of maturity just so you could share it with friends who'd appreciate its qualities. As you pull the cork, a whiff of something not quite right reaches your nose, but you say to yourself "It just needs a little time to breathe". Then with the first sip, your heart sinks as you realise that no amount of breathing, not even CPR, is going to pull this patient through. Worse still, all the other treasures you put away in that cupboard are probably headed for the terminal ward as well. It's a story every wine lover can probably relate to.

The simple fact is that the typical Australian home be it house or apartment, is hardly the ideal environment for the storage of wine on anything but the shortest of timeframes. Unlike distilled spirits, wine undergoes a continuous process of change after bottling, that affects how the beverage you eventually quaff will smell and taste. That's why two bottles of the same vintage wine, if sampled several years apart, or stored under totally dissimilar conditions will taste radically different. The key elements that determine how a wine will evolve after it has been bottled are temperature, humidity and light. Experts agree that the ideal conditions to ensure optimal flavour development and longevity are a temperature range of 14-15 degrees centigrade, relative humidity of 70-80 per cent and an absence of direct light. So those wines proudly displayed in the rack opposite the picture window in Uncle Bob's lounge room, are probably not going to be drinking very well in 2007. If you care about your growing collection of the winemaker's art, what are the alternatives to the ubiquitous wine-rack, kitchen pantry or garage options? Well, there are a range of refrigerated wine storage cabinets on the market that will store anywhere from 5 to 15 dozen bottles and range in price from about \$1,500 to \$7,500. They do maintain an ideal environment for the wine, but are rather bulky (think of a medium to large fridge) and need to be kept plugged in at all times. If you are lucky enough to live in a home with plenty of spare space, or an underground cellar, you could convert this to a private wine cellar. Depending on size and how elaborate you choose to go, this option can run anywhere from \$20,000 up to \$200,000.

Apart from environmental conditions, there are a number of other factors that make the family home unsuitable for wine storage. Firstly, keeping your own hands off the stuff you purchased with the intention of keeping as an investment or until it reaches its peak drinking age. Secondly, keeping someone else's grubby hands off it. In recent years there have been some spectacular cases of burglaries from private homes and the instances are increasing, as specialised gangs of "wine-nappers" become more organised and brazen. In one case in Rose Bay, a prestigious Sydney suburb, wheelie bins were used to steal about 100 bottles, including Penfolds Grange and vintage French champagne worth an estimated \$70,000 from the storage unit of a luxury apartment block. Elsewhere, police

have noticed a growing level of sophistication in wine thefts, with domestic garages considered to be soft targets. If your collection is anything more than a couple of dozen “cheap and cheerful” then security is possibly an issue to consider.

For those of us without the space or the wherewithal to create the ideal home wine cellar, perhaps the best solution is a commercial off-site cellar management facility. They combine the elements of suitable environmental conditions, strong security systems and insurance coverage with the deterrent against bringing out a \$500 bottle of Chateau Mouton Rothschild at the end of a boozy dinner party and regretting it the next morning. On the simplest level, you arrange for delivery of your current collection and any subsequent purchases to the storage facility, where they are catalogued and allocated to your bin or cellar space. Most managers issue regular updates of your wine holdings on a regular basis, so you can track development of your collection and decide when the time is right to drink a particular vintage. Then it is simply a matter of calling up to arrange delivery to your home of a particular bottle or case.

Sydney based company Wine-Ark is probably Australia’s largest and most recognised in this specialised field, boasting over one million bottles of wine stored in its cellars on behalf of clients living all over Australia and in 30 other countries. Established in 1999, Wine-Ark now operates from two “concrete bunkers” located in Alexandria and Chatswood that provide state-of-the-art wine storage conditions. Founder and Managing Director, Dean Taylor gave up a career in architecture to develop an interest (albeit passionate) in wine collecting, into a market leading and innovative business. Clients include major private and corporate collectors with thousands of bottles of premium labels, to small collectors with just a few dozen mid-range wines. Numerous restaurants, wine retailers and several boutique winemakers also make use of the storage and distribution facilities offered by Wine-Ark for a few very good reasons.

For starters, the security would put many banks to shame, with solid concrete walls and roofs, elaborate alarms and CCTV systems and night time security patrols. Entry controls include biometric fingerprint scanners and four distinct levels of security access within each building. All site movements are recorded via numeric code pads. The entire facility is covered by smoke and heat detectors monitored by a back-to-base alarm board connected to the Fire Brigade, as well as a sprinkler system.

Enormous care has also gone into designing and maintaining the environmental control systems. The climate is maintained at a steady 14 degrees centigrade, by means of air conditioning systems employing low velocity fans and chilled water refrigeration. Thermal sensors provide a warning if the temperature should deviate from the norm in any area. Passive humidification maintains a relative level of 75 per cent, to prevent formation of mould on labels and drying out of corks. Low level lighting is used to reduce UV emission which can cause hydrogen sulphide build-up in the wine. The buildings are even watertight and bug proofed. Apparently there is a particular moth larvae that just loves to burrow into wine corks.

Wine-Ark offers two distinct options for storage, "Private Vaults" or "Managed Cellarage". The private wine vaults range in size from 10 to 10,000 cases and are accessible only by the collector, who holds the only key. Vaults are located in a restricted access area of the facility, and each has its own alarm system. Clients have access 7am to 11 pm , 365 days a year. Managed Cellarage clients on the other hand, need never visit the facility at all. Pick-up, storage and delivery are all managed by Wine-Ark on the collector's behalf. Each wine case is individually checked for contents on arrival and bar-coded, then stored together with the rest of that client's stock in a secure area, accessible only by Wine-Ark staff. The inventory is recorded in a specially developed Cellar Management System, and by simply logging on via the internet using their unique password, clients are able to review an up-to-date inventory (including vintages) and select wines for next day home delivery. The main benefit of this system is that you only pay for the space you actually need. Depending on collection size, fees typically average around \$2 per bottle per annum.

Dean Taylor says they have a very broad demographic of clientele. It ranges from 20-somethings who are just starting their collections with just a few dozen, to more established 30 to 50 year olds with more established and expensive collections. A growing trend seems to be emerging in the empty-nest baby boomers, who have downsized from their big family home, perhaps to an apartment or townhouse now that the kids have moved out. Around 15-20 per cent are expats on overseas postings, who use the facilities to protect and build their collections while away.

To augment client services Wine-Ark also operates a Vintage Wine Exchange designed to make buying and selling vintage wines cheaper and more convenient. Working something like a stock exchange, sellers list their wine through the website with quantity and price details and buyers can purchase and pay online for a small commission. Once the transaction has been processed and Wine-Ark has transferred the payment from buyer to seller, the wine is placed with the purchasers' collection. One of the key advantages (apart from paying retailers mark-ups for vintaged wine) is the knowledge that the lots have been stored in optimal conditions. Taylor explains that wines with a certified storage pedigree are already attracting higher prices on the secondary market e.g. vintage wine auctions. He says investors who do not use a commercial storage facility are reducing their potential return. Wine-Ark also operates a Cellar Club with over 1,500 members, which offers monthly tastings, regular events such as winemaker dinners and master classes. It also uses its purchasing power to source savings on new releases and collectable wines for its members.

Visit: www.wine-ark.com