



When Pursuing Your Passion for Wine is a Good Investment

As the saying goes: “Do what you love and you will never work a day in your life.” While most people dream of earning a living by pursuing a hobby, few are able to do it. High net worth families, however, may have the opportunity to not only pursue their passions, but to also potentially profit from them.

While art, comics, classic cars, and even film financing are all areas where an enthusiast’s investment could yield personal fulfillment as well as financial gains, wine continues to be among the most popular passion investment vehicles. While some oenophiles are content with their own wine cellar, others dream of owning a vineyard. Of course, even in passion projects, investors should always exercise caution. For those considering taking the plunge, it is essential to understand and carefully consider the mix of risks and opportunities.

The land that a vineyard is on is an asset, and given the usually scenic areas where wine is grown, property values of vineyards can sometimes skyrocket -- making the land itself a worthwhile investment. For example, the value of land in parts of Sonoma Valley has more than doubled since 1997.

While land ownership is often a longer term investment, there are ways to generate more immediate and potentially consistent income from vineyard ownership, such as operating a bed and breakfast on site.

Property aside, while winemaking does not always produce a profit, owning a successful label can make investment in a vineyard worthwhile or can provide a lovely vacation or retirement home.

An important part of the decision-making process when considering the pursuit of a passion investment is making sure that expectations are in alignment with reality. A high net worth individual or family contemplating such an investment should decide in advance what results would make it successful. This will likely be a mixture of personal fulfillment and monetary gains, and the investor may find that one is more important to him/her than the other. Trusted advisors can assist with assessing the risks and opportunities associated with a potential passion investment. For additional information or to discuss a specific opportunity, contact your trusted advisor or Oxana Olach, a member of Anchin Private Client, at 212.840.3456 or info@anchin.com.



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