

## Spotlight: Champagne

# Champagne sales boom continues

It's been a strong run, and some are wondering whether the momentum can continue, but the headline names and top vintages are still pulling in the bids

Champagne has been a star performer on the secondary market over the past 12 months, enjoying broader global appeal among drinkers and investors.

After setting a blistering pace in the second half of 2021, prices for several top vintage Champagnes have broadly continued rising this year. 'Demand is through the roof,' observed Matthew O'Connell, head of investment at Bordeaux Index and CEO of the UK-based merchant's LiveTrade platform. If anything, momentum has been slightly stronger in 2022 than expected, he said.

'Cristal has been a standout performer [this year],' O'Connell added. Data based on LiveTrade transactions shows Cristal 2008, 2007, 2009 and 2004 all up in price by more than 20% year-to-date.

At Liv-ex, a global marketplace for the trade, the Champagne 50 sub-index rose in value by nearly 11% in the five months to the end of May and was up by nearly 50% over 12 months. Only Burgundy has performed better among the regions making up the Liv-ex 1000 index.

Some market observers see momentum cooling from here, however. Shaun Bishop, CEO of fine wine merchant JJ Buckley in California, told *Decanter*: 'Over the past two years, we have seen a steady and continued rise in price and demand for Champagne. This was particularly noticeable in the [prestige] cuvées, such as Dom Pérignon and Cristal.'

'However, recently – more specifically since Q1 2022 – demand and pricing has levelled off. I expect prices to stabilise at these levels, or even come down a little, for the rest of the year.'

O'Connell retains an optimistic outlook for Champagne's performance on the market, led by the brand strength of top names, such as Cristal, Krug, Dom Pérignon, Salon or Taittinger's Comtes de Champagne. While the buzz around Champagne's 2008 vintage has



Champagne's performance on the market has been led by brand strength of top names, such as Cristal, Dom Pérignon and Salon



helped to propel the market, O'Connell and others see a longer-term shift. 'The level of demand has just changed, I think, permanently,' said O'Connell. 'There's a lot more Asia and US interest in this category than there was a couple of years ago.'

He sees a mix of existing wine collectors switching on to Champagne and new buyers looking at the sector for both drinking and investment.

Georgina Crawley, business development director at UK merchant Goedhuis & Co, added: 'The depth of knowledge that's come about from the collector and the drinker is enormous over the last 10 years and I think that's also fuelled the market.' She added: 'You're really looking at grand cru vineyards going into these top estates,' yet prices are significantly below grand cru white Burgundies. She believes houses' diverse release strategies also help to maintain continual market interest.

Even in the context of a strong market, there are always differences in performance. Alongside the brand strength of certain names, O'Connell pointed to signs of price rises on older vintages as supplies dry up and also said top vintages would be expected to stay ahead of the rest over the longer term.

'There is definitely a premium for the best vintages. Currently that's 2002 [and] 2008, with a question mark over 2012,' he said. Bordeaux Index said 2012 hasn't generated the same excitement as 2008 so far, yet high quality scores make it one to watch closely.

Beyond that, 2013 and 2014 releases are interesting to track. Early signs suggest 2014 'has worked out better than people expected', O'Connell noted. ▶



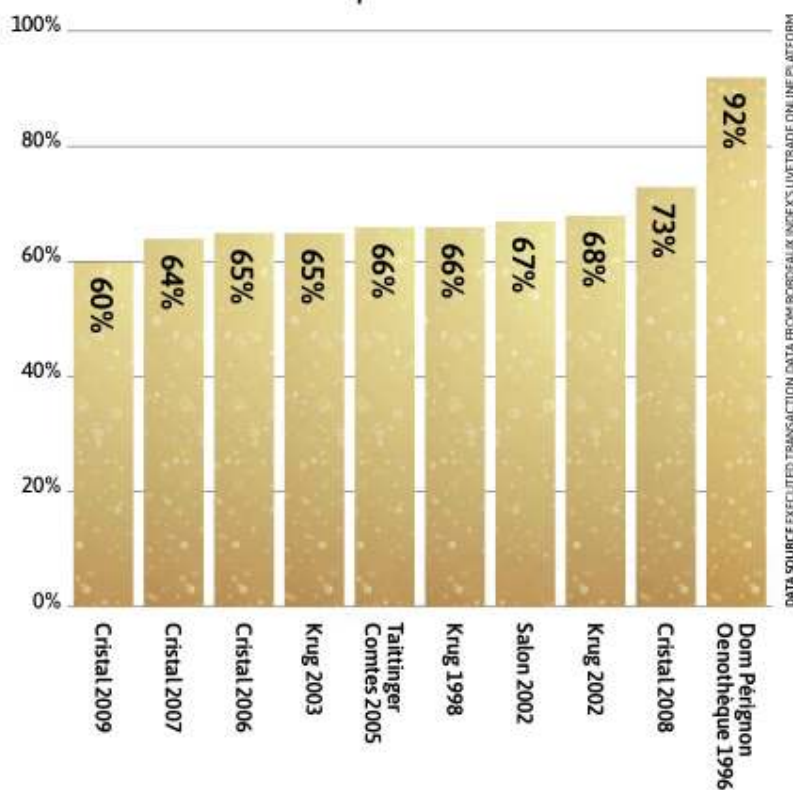
## Monitor: latest sales activity – Champagne

Some prestige cuvée Champagnes have seen price growth of more than 60% in 12 months, as Bordeaux Index LiveTrade data shows (right). The performance of Louis Roederer's Cristal 2008, in particular, backs up analysis that brand strength and vintage reputation can be a powerful combination.

Liv-ex said in May that 2008 'is the most traded vintage Champagne so far this year', on its global marketplace for the trade. It highlighted large price gains on grower house Jacques Selosse, as well as Bollinger, Vieilles Vignes Françaises and Philipponnat, Clos des Goisses, among others.

On the auction scene, two recent sales in Hong Kong demonstrated Champagne's broadening global appeal. A Zachys auction saw three magnums of Dom Pérignon, P3 Rosé 1988 fetch HK\$199,200 (£21,100), against a pre-sale high estimate of HK\$190,000. At Christie's, six bottles of Taittinger, Comtes de Champagnes Blanc de Blancs 1976 sold for HK\$56,250 (pre-sale high estimate: HK\$48,000), and several lots featuring Salon, Le Mesnil Blanc de Blancs saw strong prices: 12 bottles of the 1985 vintage fetched HK\$175,000 (high e: HK\$130,000); six bottles of 1990 fetched HK\$150,000 (high e: HK\$65,000) and 12 bottles of 2007 fetched HK\$137,500 (high e: HK\$85,000).

Price growth: 10 top-performing Champagnes over the past 12 months



### THE BORDEAUX INDEX VIEW

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After the sharp gains in the Champagne market post-summer in 2021, there might have been an expectation of a period of price consolidation; but instead on Bordeaux Index's LiveTrade platform we have seen further price rises averaging 15% year-to-date. The increased demand from collectors has if anything picked up pace, with higher prices driving larger trading volumes, and interestingly with buying reasonably balanced geographically.

Louis Roederer's Cristal has seen particularly strong performance, likely aided by the focus on the cuvée that has arisen from the strong 2012-2013-2014 trio of vintages; although, as often, it is then the back-vintages which have particularly benefited. Krug – still buoyed by the outsized demand for the 2008 release – has also done very well, with the 2002, for example, now having risen by almost two-thirds in price in the last twelve months.



### Tasted & rated for *Decanter Premium*

#### Krug, Grande Cuvée 170ème Edition, Champagne, France

Krug's latest Grande Cuvée edition is based on the 2014 vintage. Reserve wines from 12 vintages back to 1998 make up 45% of the final blend, including a significant amount from 2013, wrote Tim Hall for *Decanter Premium* subscribers. He scored the wine at 96 points, describing it as 'a definite buy and a keeper'. He added: 'A lovely ferny nose, breezy seaside raciness. Bright yellow fruit on entry, a flicker of preserved lemon and cooked quince adding vibrancy. Then comes the Krug richness which spreads over the palate.' At time of writing, merchant Jeroboams was offering it at £950 for six bottles in bond.



### Decanter PREMIUM

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