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Do You Need a Time Machine to Find Value in Wine?

the finest currently available at representative values.

Number	Bottle	1/2 Bottle	Number	Bottle	1/2 Bottle
BORDEAUX RED			RHONE		
1.	**CHATEAU LAFITE ROTHSCHILD (Pauillac)	10.75	19.	TAVEL, Chapoutier	5.00 2.75
2.	**CHATEAU HAUT-BRION (Graves)	10.25	20.	**CHATEAUNEUF-du-PAPE La Bernardine	5.00 2.50
3.	**CHATEAU PETRUS (Pomerol)	9.00	ROSE		
4.	**CHATEAU COS-d'ESTOURNEL (St. Estephe)	7.50	21.	ROSE d'ANJOU Ackerman Laurance	4.25 2.50
5.	MEDOC, Jouvef & Cie.	5.50 3.00	22.	LANCERS CRACKLING ROSE	

© Reproduced with permission courtesy of eBay user wackman | *The Rotunda restaurant wine list c.1961*

When the world's top wines become increasingly unaffordable, **Richard Hemming** asks: where do you turn for value?

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In 1883, an English wine merchant called W & A Gilbey sold Château Lafite Rothschild for less than Pommery Champagne. At 78 shillings, the case of Lafite was five percent cheaper than the fizz, whereas today the average price for Pommery is 22 times cheaper than the average price for Lafite. So all I need is a time-traveling DeLorean.

While cruising back through history, I'd pop across the Atlantic to Rector's restaurant in New York, where [Château d'Yquem](#) and [Mouton Rothschild](#) were listed at the same price as a Johannisberger Cabinet (sic) Riesling in 1901. These days, even the most expensive German Cabinet Riesling still only commands a fraction of the price of premier cru classé Bordeaux.

Fifty years later, there were signs that Bordeaux was starting to break from the pack. The Rotunda restaurant in Washington DC was selling Petrus for \$9 and Yquem for \$11 in 1961 – while [Louis Latour Beaujolais](#) was around half the price at \$5. That's a laughable differential compared to the current market, but I bet it seemed significant at the time.

It was only in the last 10 years that Bordeaux pricing really broke free from gravity. A recent Liv-ex report showed that the 2004 vintage of Château Lafite sold for €118 (\$131.50) en primeur but, only five years later, the 2009 vintage cost €1318 (\$1469). Current prices for both vintages are £525 and £830 (\$793 and \$1254) respectively – the deflated 2009 perhaps indicating that the market does have some top limits for price.

Sadly for me, the Back To The Future car is mere science fiction, although maybe its realization is – excuse the pun – just a matter of time.

So until that happens, analyzing historic wine lists and catalogs is purely for the wine nerds among us – but it does illustrate just how dramatically prices have changed.

In recent years, fine-wine pricing has ventured way beyond the limits of sanity. Top Bordeaux and Burgundy is now unaffordable to all but the richest outskirts of humanity. Champagne brands dream up ever-more luxurious cuvées at ever-more audacious prices. Californian garagistes pride themselves on the length of their waiting list.



© Wikimedia/Pil56 | *The time-traveling DeLorean car from Back to the Future.*

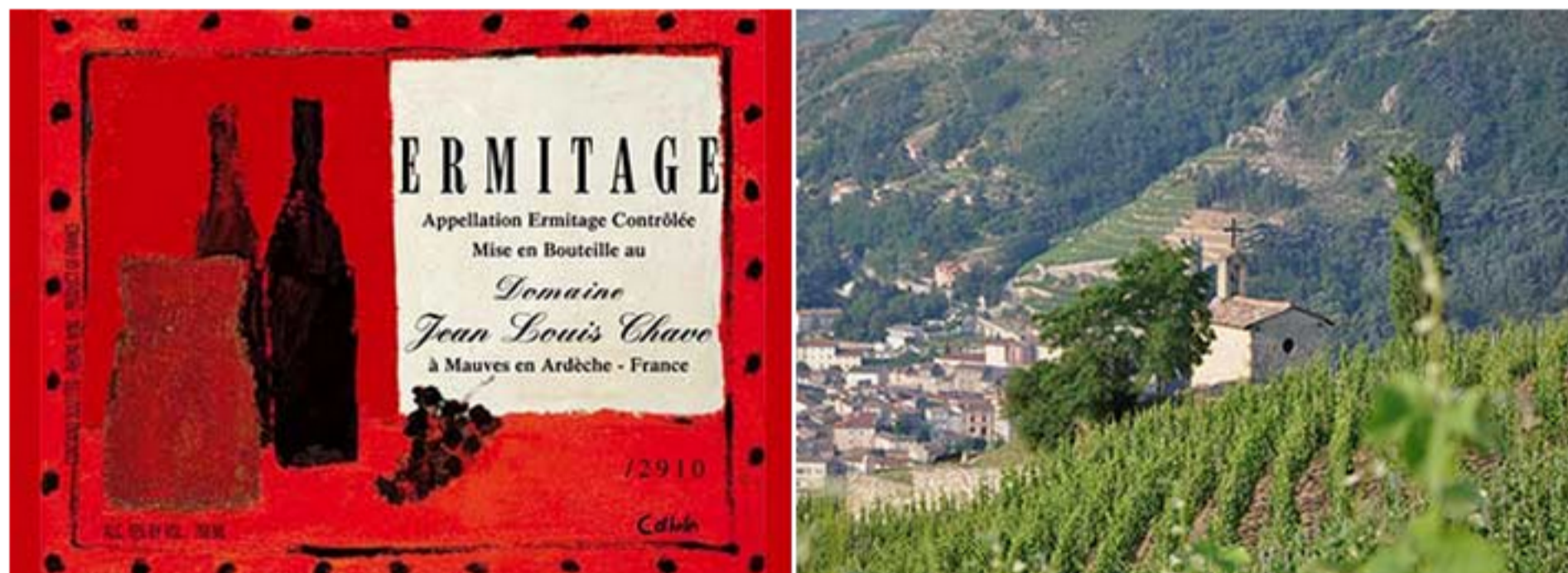
The reason wine has become exponentially pricier within a single generation correlates precisely with the rise of global wealth – or more precisely, the rise of the global wealthiest. Oxfam recently reported that the richest 1 percent in the world now owns 48 percent of its wealth, which has been increasing by one percentage point a year since 2008, and looks set to continue that way.

It is this growing concentration of money that has facilitated the spiraling cost of luxury goods, and that includes wine.

Disregarding relatively small "corrections" such as the 2009 Lafite, fine wine prices have undergone huge inflation in the past 100 years. That means that benchmark wines are less and less likely to be part of your wine education. Legendary names such as DRC and Leroy, Penfold's Grange, and Krug Clos de Mesnil risk becoming irrelevant to the majority of wine lovers, instead becoming the preserve of the super rich, where appreciating the beauty of these wines can frequently be secondary to their trophy status and tradability.

I doubt that the owners of such brands are too concerned about such developments – but even if they were, they may well claim that there's little they can do about it. Perhaps that's true, but they must know that this money is turning the precious offspring of their sacred terroir into a commodity adhering to the same market rules as bulk wine, albeit at the other end of the scale.

Meanwhile, the eyes, noses and palates of the wine world will inevitably turn to wines they can afford, and that deliver just as much pleasure.



© Domaine Jean Louis Chave; Jaboulet | *Chave's Hermitage offers value for money, according to Hemming's formula.*

One way to identify the best-value fine wines is to consider the difference between the lowliest and loftiest examples within a given region. [Jean-Louis Chave Hermitage](#)'s average price is roughly seven times that of the local co-op's Hermitage, for example. Cullen's top Cabernet Merlot blend from Margaret River is less than five times pricier than the region's cheapest. And for Sherry, some of the astonishing Equipo Navazos bottlings can be bought for as little as twice the price of entry-level brands. Yet Chave, Cullen, Equipo Navazos and many others routinely achieve the same high scores that are lavished on elite Bordeaux, Napa, Burgundy wines.

In contrast, the factor between the average prices of Napa wines [Screaming Eagle](#) and [Mondavi's Napa Cabernet](#) is more than 100.

If you're looking to find a wine region that provides value for money, I suggest you look at appellations where the most expensive wine costs less than 10 times the price of its cheapest equivalent. I call it Hemming's Rule.

Applying Hemming's Rule identifies specific wines that deserve just as much recognition as the world's most-expensive examples. The Bordeaux protectorate would argue that there is still no substitute for top claret, because nowhere else can make wines quite like it. But as winemaking around the world constantly improves, rivals to Bordeaux are inching closer and closer to the supposed untouchable quality of their idols.

This brings us to the fickle nature of taste and fashion. As history shows, the desirability – and therefore price – of particular types of wine can swing massively over time. What's happening right now is that Robert Parker's scores are steadily becoming less influential. Without such a pre-eminent tastemaker, the market is perhaps less likely to experience the kind of gross price inflation we've witnessed over the last few decades.

It's therefore entirely possible that over the coming years, today's most expensive wines could fall back to more affordable levels, while different styles take their place as the most trendy and desirable – and, inevitably most expensive. If you think that sounds ridiculous, take another look at those old wine lists for proof of how things can change.

Whatever happens, Hemming's Rule can always provide a way of identifying the best-value fine wine. It might not be time travel, but it's a great deal more realistic.