

Auction analysis

New era for Lynch-Bages?

The second growth in all but name has long been praised for its value. But after a high '09 price, Rebecca Gibb asks whether it's now a drinker's or investor's wine

PAULLAC FIFTH GROWTH Lynch-BAGES has a deserved reputation for offering value. Yet with the 2009 vintage setting a new precedent for Bordeaux's fine wine prices, there is speculation that this once-affordable estate will become an investor's rather than a drinker's wine.

Owned by the Cazes family since the 1930s, the château now performs like a second growth in terms of quality and price, and 2009 has been billed as 'the greatest since the outstanding duo of 1989 and 1990' by Robert Parker (RP). High release prices ensued, with the first tranche selling in London for £845 a case in bond, quickly rising to £1,120. Leading merchants believe this sets the pace for future vintages of Lynch-Bages. Nick Pegna, managing director of Berry Bros Hong Kong, says, 'It's a concern that people are using the '09s to reposition themselves. Lynch-Bages has taken that step. The wines are fantastic but it is a different proposition now to what we were selling 10 years ago.'

Then and now

Indeed, release prices have risen significantly. The 2009 vintage was released at €60 a bottle ex-château, representing a 125% increase from the very good 2008 (RP 91-93+). The 2009 release price also represents a threefold increase on 2001, '02 and '04 – admittedly lesser vintages but certainly not three times worse. Looking back, the 2000 vintage (RP 95) was released ex-château at €35 a bottle, or £395 a case in bond, in London, and the 2005 (RP 91) at €42 a bottle or £500 a case in London.

However, Lynch-Bages' Jean-Charles Cazes claims the 2009 hike was not part of a new strategy. 'When we set our *en primeur* price, we take into consideration factors such as the intrinsic quality of the vintage, the price of comparable vintages as well as available stock, the state of the market and demand for the vintage.' Clearly, the quality of 2009 was high across the board,

Lynch-Bages: changing fortunes

Year	Ex-négociant price a bottle	Ex-London price per 12-bottle case	Current average list price (case)	Parker score
2000	€42	£395	£1,912	95
2001	€28.20	£240	£857	89
2002	€23.50	not available	£719	88
2003	€33	£300	£836	89
2004	€26	£240	£757	89
2005	€49.50	£500	£1152	91
2006	€40	£360	£735	92
2007	€40	£395	£663	89
2008	€32	£349	£759	91-93+
2009	€72	£845	£1,120	94-96+

Figures taken from Liv-ex on 20/01/11

the hype was palpable and the Hong Kong and Chinese markets made these wines particularly sought after. It was almost inevitable that release prices would be high. Cazes adds, 'Our policy has never changed and we don't hold any stock back at the château to artificially elevate prices. This isn't a new era for Lynch-Bages, but without doubt there is a more general evolution of the market for Bordeaux's top wines.'

Cazes also feels 2009 represents reasonable value, with the 2000 vintage trading at £1,912 a case in London and the 1990 rising to more than £2,000. The 91-93+ point 2008 is selling at £759, while the 89-point 2007 can be picked up for £663. One merchant claims any Lynch-Bages selling for less than £700 a case is a good deal – amazing for an estate that released its wines at £250–£300 a case just five years ago. 'Lynch-Bages has to earn new customers,' says Pegna. 'Traditional customers who have been buying it for 10 to 15 years will now say the price is too high.'

Increased demand

But, with 2010 looking promising, we're likely to see another £800+ release. While the château won't be drawn on price this early, Cazes

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Nick Pegna, Berry Bros Hong Kong

agrees it must not cut off its existing customer base. 'The market has a cycle and it is important not to cut off our traditional customers and risk losing them one day. There is real pressure at the moment on prices caused by the emergence of new markets, but we don't know if those markets will still be there in a few years. Bordeaux is fashionable in China now but will it still be tomorrow?' The Far East has been key for Lynch-Bages – and for one reason you may not expect. Alan Liu, head sommelier at The French Window in Hong Kong, says: 'It's really easy to pronounce here; in Cantonese it's "Lansy-Barr".'

Whatever you call it, Lynch-Bages continues to impress, though as demand rises, it is almost inevitable release prices will too. Merchants believe 2009 set a precedent, which the château denies, but it's unlikely we will see a fall in 2010 with the quality expectations and trade remaining buoyant. **D**

Master of Wine student Rebecca Gibb is the 2010 Louis Roederer Emerging Wine Writer of the Year