



Wine Country Real Estate

Winter 2021

Estates - Vineyards - Wineries

Dust Settles

If there is one thing we have learned over the last several years, it is that wine country is resilient. Wildfires, economic uncertainty, politics and a worldwide pandemic have all conspired to shake our core, especially in 2020. But here we are, still standing, more determined than ever. If challenges build character, then wine country has one hell of a story to tell and all of us are very interesting characters!

Real Estate Market Remains Strong

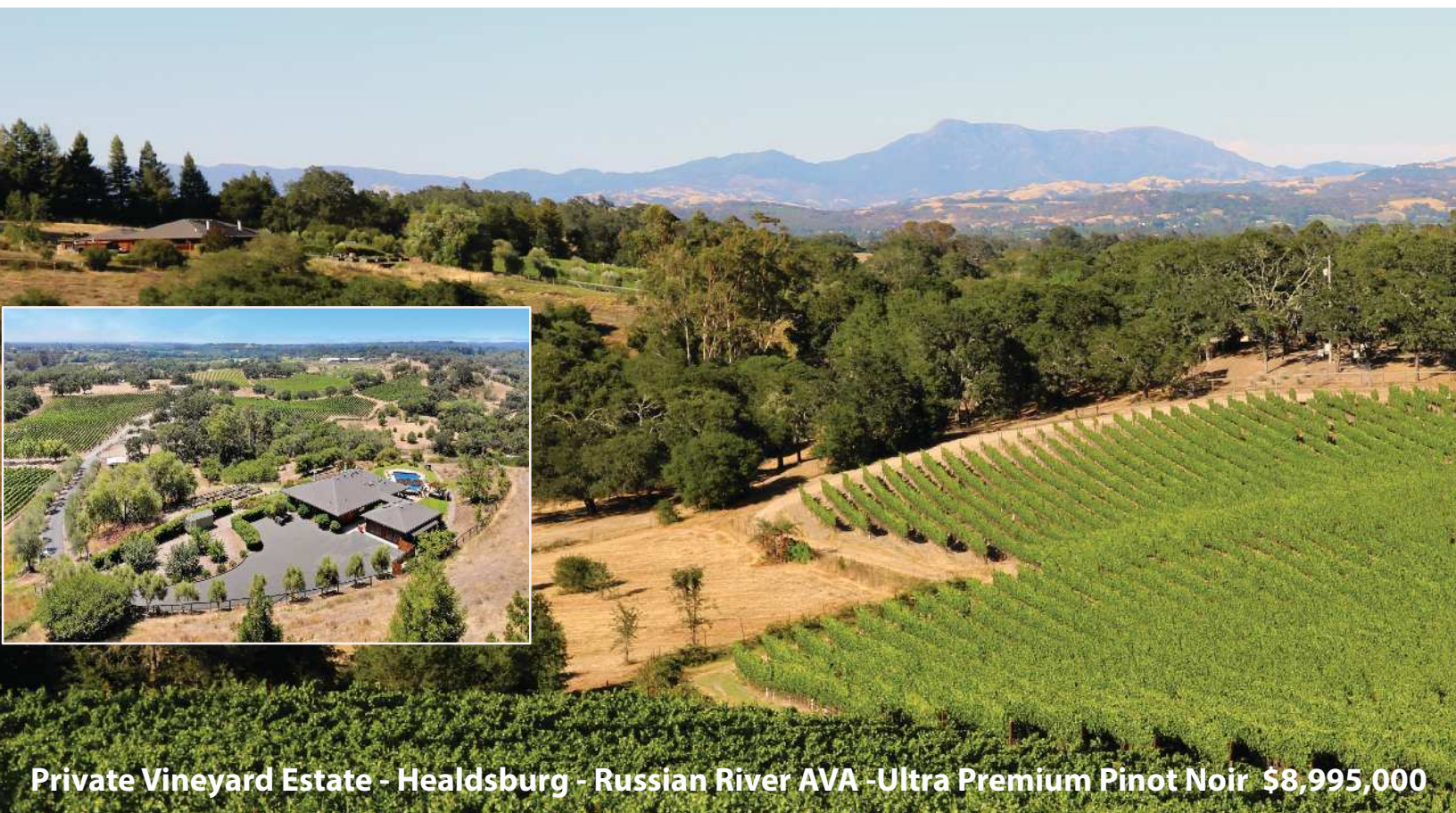
As we move into 2021 the overall real estate market remains strong. The strength is supported by low interest rates, roll out of various covid vaccines, and optimism that the 2nd half of the year will be a return to "normal". I know we are all looking forward to more socializing, parties, visiting restaurants and hanging

out with friends and family. It can't happen soon enough.

After an initial slump in real estate sales back in March, the trend of covid refugees / remote work opportunities moving from urban areas to more rural areas created a hot market for turn-key country properties with new / remodeled homes in Sonoma and Napa Counties. Larger land, vineyards and winery properties did not necessarily have the same action, at least not just yet.

Oversupply Turned On Its Head

A year ago, vineyard and winery owners were floating in a sea of wine and grapes. Grape and bulk wine prices were deflated with no real end in sight for years. Today however, we are not quite looking a desert but the change in the market has been dramatic. This is not the first time there has been an



Private Vineyard Estate - Healdsburg - Russian River AVA - Ultra Premium Pinot Noir \$8,995,000

unforeseen flip in the market, but it probably is the first time it has been due to excess smoke. The combination of a lighter crop in general, large amounts of unharvested fruit during the 2020 harvest and strong wine sales during the pandemic meant that wineries had to pull their previously excess wines off the bulk market and or purchase 2018 & 2019 bulk vintages that had been lingering for years in order to cover the 2020 harvest gap. Prices for bulk wine jumped significantly during the summer of 2020.

Growers Back at the Table?

As a result of the diminished bulk wine supply wineries are going to have to start considering new grower contracts. This is something both growers and wineries had not been anticipating in 2021. While growers are not quite out of the woods yet, there is reason for optimism. This likely improves the grape market for growers in 2021. By how much, that is still the question? You just never know what surprise the market will throw your way. Yet another reminder why maintaining good relationships between winery and grower over time is important.

Market to Improve For Vineyards & Wineries

The market for vineyards and wineries should also improve in 2021. I am already fielding calls from prospects looking for small to medium size wineries and vineyards, something that has been missing for most of 2020. As the path forward becomes more clear in the next few months, we should expect to see more interest in properties that sell wine through retail and have events capabilities. Vineyards with pedigree and contracts should also become more desirable as buyers feel more confident in the ongoing grape market.

Long story short, the coming months are looking much brighter on all fronts. If you have any questions about your property or are in the market, please give me a call.

Happy 2021!



Picturesque Ranch in The Petaluma Gap - 160± Acres (Multiple Parcels) \$3,940,000

Good To Know!

New Property Transfer Rules In 2021

"Effective Feb. 16, 2021, the only direct transfers of California real estate between parents and children that won't trigger reassessment are transfers of a primary residence or farm if the child also uses it as his or her primary residence or farm. Moreover, if the difference between the assessed value and current market value exceeds \$1 million (indexed for inflation), then the primary residence or farm would be partially reassessed."

- North Bay Business Journal

Delaware Statutory Trust 1031

Tax Deferred Exchange

Sellers- Most of you are familiar with a 1031 Tax Deferred Exchange, sometimes a complicated process due to timing constraints and finding the right property to buy. There is another option.

Delaware Statutory Trust. The DST property ownership structure allows one to invest into fractional interest in large, institutional quality and professionally managed commercial property along with other investors, not as limited partners, but as individual owners within a Trust. Each owner receives their percentage share of the cash flow income, tax benefits, and appreciation, if any, of the entire property. DSTs provide the investor the potential for annual appreciation and depreciation (tax shelter), also allowing some investors the benefit of diversification into several properties. Ask your accountant for more info!

Green Is Good

From the wunderkinds over a Motivo Engineering, wine country and the environment can celebrate the Monarch Electric Tractor. Aside from being fully electric, rugged and powerful it is also driver optional. Now that is a smart tractor! For a cool \$50k you can add a Monarch to your barn.

Call For A Confidential Market Valuation



El Dorado County - Sierra Foothills
Luxury Tasting Room, Events Center, Vineyard & More \$5,500,000



El Dorado County - Sierra Foothills
Wine Cave, Event Center, Tasting Room, Vineyard \$3,800,000

I Have Buyers Looking For:

Premium Vineyards, Wineries, Wine Brands, Land and Estates

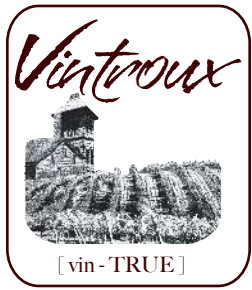


David Ashcraft
Broker | Founder
#BRE01298680
david@vintroux.com
707.634.7796
Vintroux.com
VineyardAndWinerySales.com

Vintroux

ESTATES - VINEYARDS - WINERIES





Winter 2021 Newsletter



Vintroux Wine Country Real Estate