Winter 2023

**Estates - Vineyards - Wineries** 

this beautiful area we call home. With more than two Supply chain issues are easing up, inflation has decades of selling wine country real estate, I am still in slowed significantly, and the Fed appears to be awe of our backyard. The dynamic landscape is a tapping on the brakes for new hikes. Mortgage rates constant reminder of the amazing diversity have been dropping for months from their peak in throughout Sonoma and Napa Counties, from the November. There is even some speculation that the Pacific Ocean along the Sonoma Coast to the top of bottom may be in for the real estate market. This Mount Saint Helena in Napa County, and everything remains to be seen but one thing is certain, quality in-between. This is what makes our region (and wine) matters. so special. More on that later.

### **Green Shoots vs Dead Wood**

inflation, high interest rates, a multi-year drought and estate. dead wood.

### When it Rains it Pours

Rain, lots of rain, too much rain, enough rain to fill the You've Got Questions, We Have Answers reservoirs and give our groundwater a boost. Certainly not a drought buster, but the recent storms Whether it is a lifestyle buyer looking to build a home have taken some pressure off water concerns for the among the vines, a commercial investor looking for meantime. I raise a toast to those of you who have passive income or a winery that wants to better been doing a rain dance, keep it up, we need more control cost of goods many of the same questions rain before the end of the season. Let's keep this party pop up. going for at least a few more months, our aguifers will be better for it.

## Pain in the Supply Chain

As a result of the pandemic and associated supply chain issues there is no denying that higher prices on most goods and services have spread across the economy resulting in a period of high inflation. The Fed has aggressively raised interest rates to combat inflation making borrowing more expensive. As a result, the broader real estate market has taken a hit.

First things first, Happy 2023! Another year to enjoy The good news is the worst appears to be over.

One word that comes to mind when thinking of Napa and Sonoma is quality. People want to invest in quality. People want to live amongst quality and There is reason to be on the look-out for green shoots people want to share quality with their friends. In of optimism amid the doom and gloom of high other words, people want to purchase quality real The truth is, sometimes people find lackluster sales of lower end wine. Believe it or not, themselves in a situation where they must buy. For now might be just the time to start looking past the instance, the clock ticks on a 1031 tax deferred exchange and investments need to be made. Sometimes high-quality vineyards, vineyard estates or wineries fit the bill, strategy and /or dream.



Which varietals are in demand? Recently Sauvignon Blanc has been very popular while Cabernet and Pinot remain strong sellers in Napa and Sonoma Counties. Age and condition of the vines are also vital. A proven track record of production and pedigree can make a difference. What type of soils are on site? Water? Who has purchased the fruit in the past and for how much? Are there current contracts? Is it a vineyard designate? Are the grapes made into a standalone wine or a blend of multiple vineyards? So many factors, but one of the starting points is the location or appellation / AVA.

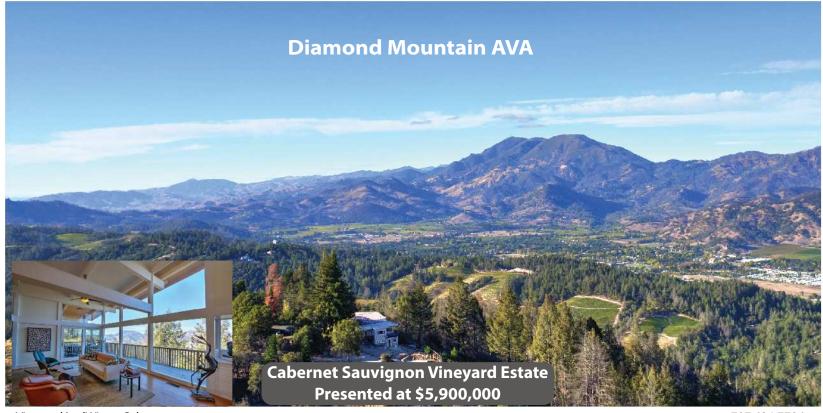
## Location, Location, Appellation

The Appellation or AVA (American Viticultural Area) is a precise region set within boundaries created using variables that are unique to the specific area. Per the Alcohol and Tobacco Tax and Trade Bureau (TTB), "An AVA is a delimited grape-growing region with specific geographic or climatic features that distinguish it from the surrounding regions and affect how grapes are grown."

You could almost say that an AVA is the big brother of terroir. In many cases distinct grape varietals are known for being grown in certain AVAs.

In other words, certain grape varietals naturally correspond with a particular AVA. For instance, a budding connoisseur might look for Cabernet grown in the Howell Mountain, Mt. Veeder, Oakville, Alexander Valley, Moon Mountain and Knights Valley AVAs among others. Chardonnay and Pinot Noir are known to excel in the cooler climates of the Sonoma Coast, Russian River and Carneros AVAs. Zinfandel from Dry Creek Valley is a no brainer but then there is always the exception to the rule, Zinfandel from the Russian River AVA is killer. Let there be no doubt that numerous varietals can do extremely well in a multitude of AVAs. Even so, it would be hard to find a Carneros Zin. Nuance lives large in wine country.

AVAs most certainly have their own personality traits. People have their preferred AVAs, almost like rooting for a favorite football team, debating which film takes the crown for best movie or contemplating the difference between Picasso and Monet. Ultimately, the way we interpret wines from different AVAs is impacted by a combination of science, art and our individual personal taste. The passion that goes into these conversations can be quite amusing. *Then there is the question, which AVA came first?* 



As time goes on, we further define and differentiate one area from another, it is interesting to look back at when various AVAs were introduced. It all started back in 1981 with the introduction of both the Napa Valley and Sonoma Valley AVAs, Napa Valley beating Sonoma Valley to the punch by about 10 months. 1983 was a big year, especially for Sonoma County introducing Dry Creek Valley, Los Carneros, North Coast, Chalk Hill, Knights Valley, Russian River Valley and Green Valley AVAs. Over in Napa County, 1983 introduced Los Carneros, North Coast and Howell Mountain. Napa Valley really stepped up their game in the 90's adding Mt. Veeder, Atlas Peak, Spring Mountain, Oakville, Rutherford, St. Helena, Chiles Valley and Yountville. Interestingly there were no new AVA's in Sonoma County during the 1990's. Since then, there have been no fewer than 12 AVAs added to Napa and Sonoma Counties. The most recent addition is the West Sonoma Coast, made official May 5, 2022 for Sonoma County and the Coombsville AVA in back in 2011 for Napa. All together there are a total of 36 AVAs in Napa and Sonoma combined. Sonoma County has 20 AVAs while Napa County checks in at 18, (North Coast and Carneros overlap both counties). So much for keeping it simple.

The diversity among AVAs is one of the things that makes our region so interesting and special. I am reminded of these characteristics with every glass of wine and am grateful for it every day. As we raise a toast to our region keep an eye out for more green shoots.

#### Cheers!



**Russian River AVA** 

Ultra Premium Pinot Noir Vineyard Designate & Estate Multiple Barns, Two Parcels, Minutes from Healdsburg

## Napa County AVAs Introduced

Napa Valley	Jan 27 - <b>1981</b>
Los Carneros	Aug 17 - <b>1983</b>
North Coast	Sep 20 - <b>1983</b>
Howell Mountain	Dec 29 - <b>1983</b>
Wild Horse Valley	Nov 29 - <b>1988</b>
Stags Leap District	Jan 26 - <b>1989</b>
Mt. Veeder	Feb 19 - <b>1990</b>
Atlas Peak	Jan 21 - <b>1992</b>
Spring Mountain	May 12 - <b>1993</b>
<b>Oakville</b>	July 1 - <b>1993</b>
Rutherford	July 1 - <b>1993</b>
St. Helena	Sep 10 - <b>1995</b>
Chiles Valley	Feb 16 - <b>1999</b>
Yountville	Mar 18 - <b>1999</b>
Diamond Mountain	May 31 - <b>2001</b>
Oak Knoll District	Feb 23 - <b>2004</b>
Calistoga	Dec 7 - <b>2009</b>
Coombsville	Dec 13 - <b>2011</b>

# **Sonoma County AVAs Introduced**

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Sonoma Valley	Dec 3 -	1981
Dry Creek Valley	Aug 3 -	1983
Los Carneros	Aug 17 -	1983
North Coast	Sep 20 -	1983
Chalk Hill	Oct 20 -	1983
Knights Valley	Oct 20 -	1983
Russian River Valley	Oct 20 -	1983
Green Valley	Nov 20 -	1983
Alexander Valley	Oct 23 -	1984
Sonoma Mountain	Jan 22 -	1985
Northern Sonoma	May 16 -	1985
Sonoma Coast	June10 -	1987
Rockpile	Feb 27 -	2002
Bennett Valley	Oct 29 -	2003
Pine Mountain - Clvd Pk	Oct 26 -	2011
Fort Ross-Seaview	Dec 13 -	2011
<b>Moon Mountain District</b>	0ct 1 -	2013
Fountaingrove District	Feb 17 -	2015
Petaluma Gap	Dec - 6	2017
West Sonoma Coast	May 22 -	2022
Source TTB.gov		



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