

## Vineyard and Winery Market Intelligence

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HVS's expertise expands well beyond just basic hotels. From golf courses to ski resorts and everything in between, we have the skills and knowledge to help you with any of your hospitality projects. A recently added specialty at HVS includes vineyard/winery-related market studies, consulting, and appraisals.



The United States is the world's fourth-largest producer of wine, with total wine consumption the highest in the world. As exports, consumption, and international recognition continue to trend upward, the wine regions and wine-focused hospitality projects are expected to grow throughout the nation. A total of 242 recognized American Vinicultural Areas (AVAs) are located throughout the United States, according to the Alcohol and Tobacco Tax and Trade Bureau (TTB). As new AVAs are created, vineyards, wineries, and the tourism associated with these entities increase notably; more wine regions gain an identity and enforce standards, and vintners and marketers are able to attract visitors to the area.

The location of the vineyard, as well as the varietals grown, is key to the value of the land per acre and price per ton of grapes a buyer is willing to pay. As the wine produced ultimately drives the market for grapes, the reputation of an area, as well as the designation as an AVA, can correlate with the price of the grapes. The national average of price per ton was \$1,980 in 2017 and \$2,120 in 2018, according to the USDA National Agricultural Statistics Service. However, prime Napa grapes and vineyards are by far the most expensive in the U.S., with the price paid per acre topping \$400,000 in 2017, according to the 2018 Trends in Agricultural Land & Leased Values. Furthermore, the varietal of Cabernet Sauvignon returns more than twice as much as traditional varietals in Napa, and the price per ton of 90% Cabernet Sauvignon reaches almost \$10,000 per ton of grapes (five times the national average).

Grapes in the Southeast, an expanding wine region, sell from between \$500 and \$2,000 per ton, based on published reports and interviews. However, the price of agricultural land and development costs are significantly less in these areas. Additionally, many of the vineyards or wineries in the Southeast are relatively new and drive additional revenue to the operation through another hospitality aspect, such as events or lodging. Château Élan Winery & Resort and The Biltmore may be among the Southeast's better-known wine-related resorts, with over one million guests visiting The Biltmore winery annually; however, numerous limited-service hotels and bed-and-breakfast inns bolster their occupancy levels and average rates through affiliations with wineries. Although a winery at a hospitality venue can help to drive revenue associated with the event, the generation of revenue from wine-related tourism is typically concentrated in areas with multiple wineries or an AVA.

HVS can offer the ideal combination of financial, hospitality, and wine-related experience for your vineyard, winery, or resort project.

### Summary

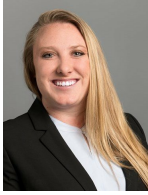
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1 Comments

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## About McKenna Luke



McKenna Luke, MAI, a Senior Vice President with HVS, resides in New Mexico. McKenna earned her bachelor's degree in Hospitality Management and her MBA with a concentration in Finance from University of Denver. She holds a certified general appraisal license and is a Designated Member of the Appraisal Institute (MAI). McKenna's background in hospitality spans from hotel operations to advisory roles related to full-service hotel acquisitions and new developments. Her expertise includes small independent motels, extensive resorts, full-service metropolitan hotels, and historic conversions. Contact McKenna at +1 (303) 704-2636 or [\[email protected\]](#).