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Chinese Investors Exit Bordeaux Vineyards

Financial Troubles Force Chinese to Offload Bordeaux Estates

Tuesday, November 5, 2024



This week, news emerged that numerous Chinese investors have begun selling their vineyard properties in Bordeaux, France. According to the news agency AFP, approximately 50 châteaux in the region are now on the market, as stated by Li Lijuan, an expert in the Asian market from the real estate firm Vineyards Bordeaux. Among the vineyards up for sale is Château Latour Laguens, one of the first properties acquired by Chinese investors in 2009. The château is currently in a deteriorated condition, with

humidity issues and is uninhabited.

For some Chinese owners, managing properties in Bordeaux has become complicated due to financial irregularities, which in some cases have led to property seizures. In May, French authorities confiscated nine châteaux purchased in the 2010s by Chinese magnate Naijie Qu, founder of the Haichang conglomerate, after he was convicted of corruption. Additionally, several other vineyards owned by Chinese investors, including Golden Rabbit, Imperial Rabbit, Great Antelope, and Tibetan Antelope, disappeared from the Bordeaux landscape in 2022, as reported by the South China Morning Post.

Some Chinese investors describe these sales as part of a normal business cycle. Hugo Tian, a Hong Kong financier who owns Château Fourchey in Castillon Côtes de Bordeaux, explained that while Europeans often plan their investments over generations, Chinese investors typically operate on five-year cycles, making a sale after that period a standard practice.

However, experts in the Bordeaux market believe that many investors underestimated the actual costs of running a château. SAFER, a French public organization responsible for managing agricultural land, noted that the maintenance costs of these large properties are high and have proven unexpectedly burdensome for some Chinese owners.

Despite the sale of several vineyards, not all Asian investors have exited Bordeaux. Businesspeople like Tian, Hong Kong investor Peter Kwok, and Alibaba founder Jack Ma remain active in the sector. Ma owns Château de Sours in the Entre-deux-Mers region and has stayed involved in the French wine business. It is worth mentioning that the South China Morning Post, which reported on the story, is owned by Alibaba, Ma's company.

The departure of numerous Chinese investors from Bordeaux's vineyards seems to reflect cultural and financial differences in long-term investment management.