San Francisco Chronicle

June 13, 2022

FOOD

These rising wine stars just bought a vineyard in Napa's most exclusive pocket: Pritchard Hill



Jess Lander

June 13, 2022 | Updated: June 15, 2022 4:37 p.m.



1 of 3

0 0

Realm co-owners Benoit Touquette (left) and Scott Becker at the Houyi Vineyard, a 40-acre estate in the prestigious Pritchard Hill region, which Realm purchased.

Rachel Bujalski/Special to The Chronicle

Edgy Napa winery Realm Cellars, known for its high-end Bordeaux-style bottlings with Shakespearean labels, has purchased Houyi Vineyard and Nine Suns Winery in Pritchard Hill, the crown jewel of Napa Valley.

The acquisition caps a decade-long ripening at Realm, which has staged an astonishing comeback after the winery said it was facing bankruptcy in 2011. Today, the winery owns vineyards in three of Napa Valley's most prized subregions for Cabernet Sauvignon production: Stags Leap, Coombsville and now Pritchard Hill.

In addition to the 40-acre Pritchard Hill parcel, the sale included the property's Nine Suns winery, featuring 7,000 square feet of caves and the capacity to produce 8,000 cases of wine annually; the Nine Suns and Houyi Vineyard brands; and remaining Nine Suns inventory. While Realm did not disclose a purchase price, the winery beat out larger wineries and corporations that made offers over the years — and, according to Realm coowner and CEO Scott Becker, not because Realm was the highest bidder.



A view of the Nine Suns winery, a 40-acre estate in the prestigious Pritchard Hill region.

Instead, Becker credits the winery's long-standing relationship with the Chang family, the previous owners of Houyi and Nine Suns who purchased the property in 2010. Realm started buying fruit from the Changs in 2013, and as part of the deal, co-owners Jason and Flora Chang will continue to purchase fruit from Houyi for their passion project, Plinth. Flora Chang called the sale a "natural progression" and said Realm checked two important boxes for the family: "a reverence for the land and a loyalty to a continued partnership."

"Even if it was a super notable name, that wasn't enough to shake hands and make a deal with them," she said.

Relationships have been the key to Realm's improbable growth in a short period of time. While the winery is leading the next generation of Napa's cult Cabernet producers — following the likes of Harlan, Screaming Eagle and Scarecrow — it's also tapping into the spirit of the early days of Napa's modern wine industry. It was an era of collaboration, where farmers sealed deals with a handshake, not a contract.

Along the same lines, Becker described Realm's acquisition deals as more accommodating than the standard business negotiation. The winery has repeatedly found ways to bolster the appeal of its offers in other ways than adding extra zeros. One major selling point: Realm vowed to preserve each vineyard's legacy by keeping its given name.

"I think (the Changs) saw in us the ability to take what they've built to the next level," said Becker. "We weren't going to come in and undo everything they did; we were just going to come in and enhance it."



The view of Houyi Vineyard from the Nine Suns winery terrace.

Pachal Rujalski (Special to The Chronicle

Pachal Rujalski (Special to The Chronicle

Region of Pacha Rujalski (Special to The Chronicle

Region of Pachal Rujalski (Special to The Chronicle

Region of Pachal Rujalski (Special to

In 2015, after years of buying fruit from other growers, Realm bought its first estate, 15 acres of vines from Hartwell Vineyards set on the famed Wappo Hill in the legendary Stags Leap District. This, too, was the result of a decade-long relationship: Bordeaux native Benoit Touquette, co-owner and Realm's winemaker since 2011, started working with the Hartwells in 2004 and later became Hartwell Vineyards' winemaker. As part of the deal, which included the winery and caves on property, Touquette continued to make the Hartwell wines. In 2020, Realm purchased the rest of the 90-acre estate, which is now serving as the winery's home base.

A few years earlier in 2018, the winery added the 60-acre Farella Vineyard to its estate portfolio in Napa's burgeoning Coombsville region. Farella was one of the first vineyards Realm sourced grapes from back in 2003, and owner Frank Farella was Realm's attorney when the winery restructured. (Farella was also Robert Mondavi's attorney.) After Realm was nearing bankruptcy, Becker said he stepped in to buy out the original founders. He rebuilt the business and brought on a group of individual financial partners who have supported the winery's fast-tracked growth.

The deal with Farella was, again, unconventional and flexible. Realm entered a long-term lease agreement that gives it full control over the farming and redevelopment of the vineyard. Meanwhile, Frank Farella can use the cottage on the property and his son, Tom Farella, consults on farming and continues to make wine for the Farella wine label.

"Relationships trump economics," said Touquette. "The trust, the willingness to let them continue to exist and follow their dreams, I think that's what makes us different."



Realm owners Scott Becker, Benoit Touquette, and partner Eden Foley, taste wine at Realm home estate in Napa, California.

Rachel Bujalski / Special to The Chronicle



Realm owners Benoit Touquette (left) and Scott Becker taste wine at the Realm home estate in Napa's Stags Leap District.
 Bachel Buialski / Special to The Chronicle

Yet while Hartwell and Farella were game-changing grabs for Realm, Houyi is an even bigger deal because Pritchard Hill is often viewed as the white whale of Napa Valley growing regions. Located on the eastern side of Napa Valley, it's set on a remote plateau in the Vaca Mountains that overlooks Lake Hennessey. The vines — dominated by Cabernet Sauvignon — are planted at high elevations, ranging from 800 feet to nearly 2,000; the Houyi Vineyard sits between 1,250 and 1,400 feet.

Realm will join a small and exclusive club of wineries, including Chappellet, Ovid and Colgin, that reap the benefits of the area's cachet, often by selling their wines for hundreds of dollars per bottle. Most have a long waiting list of collectors hoping to one day procure wines for their cellar.

But it's also an incredibly difficult and expensive region to develop and farm; Becker estimates it costs three to four times more than the rest of Napa Valley. The soils, for instance, are full of large rocks and giant boulders, which need to be painstakingly removed for vineyard and winery development. Some wineries have turned to dynamite to clear them.

These challenges combined with low supply and high demand for the land have factored into high turnover in recent years. In 2017, the owners of Silver Oak and Twomey purchased Ovid, and Colgin sold a majority stake to conglomerate LVMH. A pair of Apple executives bought Brand Napa Valley in 2019. "It's a different beast, a different animal," said Touquette. "It's a high-end commitment there."

But Realm believes its estate purchases, totaling roughly 200 acres, have secured the winery's future, even as land and grape prices continue to rise and new vineyard development becomes borderline impossible.

"If we didn't make the moves to buy land, I feel we wouldn't be here much longer," said Becker, who fears the Napa wine industry will be impenetrable by the time the next wave of wine visionaries arrives. "I still want people who move here with passion and sense and work ethic to have an opportunity to be part of the Napa Valley dream."