

# Specialties of the house

Wood processors find niche markets  
in wine cellars and humidors

By Brooke Baldwin Wisdom

With U.S. wine and cigar consumption rising dramatically in the last decade, the market is hot for residential wine cellars and humidors such as in this room produced by Dover, N.H.-based Vigilant.

For those living life in the lap of luxury, the comforts of home go far beyond kitchens and baths. Lavish entertaining is a way of life for many with affluent lifestyles, and wood processors who cater to those customers have found that wine cellars and humidors have come to be considered integral parts of their clients' homes.

"We're usually contacted to design a space," says Don DiNovi, certified kitchen designer for South Paramus, N.J.-based Kuche & Cucina. "Those spaces usually include an entertainment center or home theater, a bar, a humidor and either a wine cooler, wine chiller or wine cellar. They're living centers."

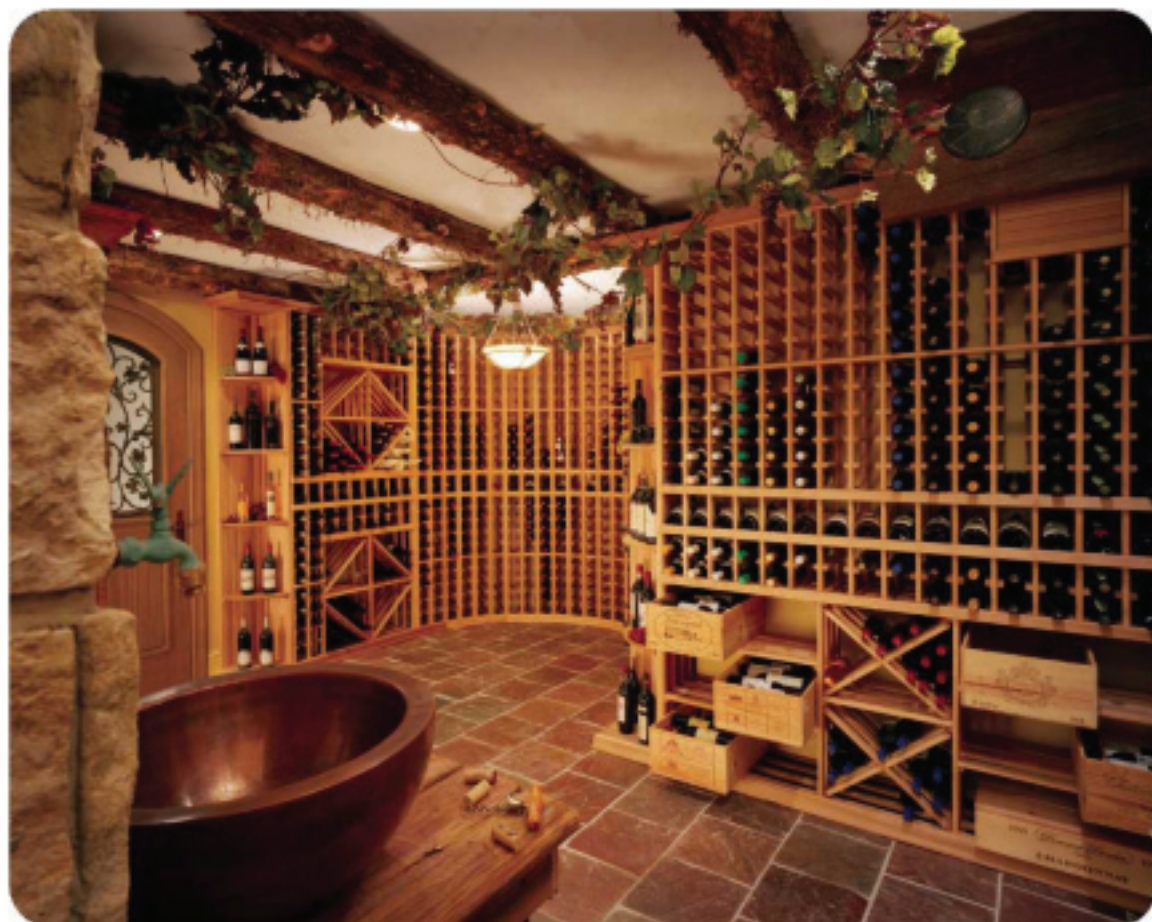
"Most of our customers are very affluent, and probably 75 percent of them are male and come from major metropolitan areas throughout the country," says Ben Adams, marketing manager for Dover, N.H.-based Vigilant, a manufacturer of both wine cellars and humidors. "Some are connoisseurs of wine and cigars, and others just have the money. A current trend that we have seen only in the last five years is having the wine cellars in actual living spaces. A

lot of people are focusing on wine rooms now instead of wine cellars."

Has the market for residential wine cellars and humidors already peaked? According to reports from the U.S. Wine Market, Americans are drinking more wine than ever before. In 2005, 270 million cases were consumed, and that is expected to increase to 325 million cases by 2015. Cigar smoking has risen dramatically in the U.S. in the last decade as well. New generations have discovered premium hand-made cigars and the art of preserving them.

"Houses seem to be continuing to get bigger and bigger so there just are more places to put these kinds of specialty projects," says Gordon Giffin, president of Bridgeville, Penn.-based Giffin Interior & Fixture, also a producer of wine cellars and humidors. "It appears to me the markets for both wine cellars and humidors are still on the increase."

"Wine enthusiasts are a much broader scope of person nowadays," says Doug Smith, owner of Apex Saunas and Wine Cellars in Seattle, Wash. "In most cases, we're looking at upper middle to high income folks of all ages who have



Doug Smith, owner of Apex Saunas and Wine Cellars, says today's wine rooms have become much fancier, with features that include glass doors, special lighting and display angles.

1,000 or 2,000 bottles of wine in their home. A typical bottle of wine is \$30 to \$40, so that means they have \$30,000 worth of wine to properly store in their home. Typically the average wine cellar is in the \$10,000 to \$20,000 range, but we'll do a lot less – some people just want a closet.”

Apex Saunas and Wine Cellars entered the wine cellar market in 1989. Smith had started manufacturing saunas in 1984 and was looking for another product line that would have similar manufacturing methods along with a similar high-end client base.

“As we were exploring other product lines, we did some research and determined there was a viable small but growing market at that time for manufacturing residential wine cellars. It was a natural fit for us. Our headquarters is in Seattle, and now we have 22 offices throughout the U.S. along with a 60,000-sq.-ft. manufacturing facility in Woodenville, Wash.”

Smith says his company's projects come from various avenues – builders, architects, interior designers and homeowners. His company has a different approach than most of

his competitors who sell with a long-distance method. Apex's own salespeople, installers and service people serve customers locally in their own homes. Local employees sit down with the clients, measure the space and help decide what's best suited for them.

“We have taught our people over the years that we want to be better listeners than talkers,” says Smith. “We want to find out what clients want and not what they think they want. There's a difference. For example, we may go to a client's house and the homeowners want to have a wine cellar in a huge room that might be 20'x 20'. The first question we ask is how many bottles of wine do they need to store. If they say 500 bottles, we only need one corner of that room. We don't need to design a room for 4,000 bottles and try to up-sell them.”

Most everything Apex sells is custom-made. Smith explains that there are two levels of wine cellars in a home. The first used to be very common and was one that was tucked into the basement where homeowners stored and protected their wine for their own use. It was more of a bulk