

House Spirits Distillery

Craft spirits from Portland



Craft distilleries have popped up all around the Northwest over the past ten years. Early on the scene was House Spirits Distillery in Portland—they're celebrating their tenth full year of being a revenue-generating business in August 2014. Their Aviation American Gin has taken flight: it's now found in 48 states, Western Europe, Australia, Canada, Central America, and Southeast Asia, in stores and restaurants.

"Aviation is not ubiquitous in all these areas," explains co-owner Christian Krogstad. "In 2014, we'll make approximately 25,000 9-litre cases, not a lot when you consider there are 250 million cases of spirits made in the US each year, and several million cases of gin. All we're asking is that we get 1/10th of one percent of the market. We're proud of how well it's done. One of our big accomplishments is persevering through the privatization of spirits in Washington and are now in most Safeways and Fred Meyer stores. In 2012, we received a 97 score from Wine Enthusiast for Aviation. It was the highest score given in both the American style and London Dry gin categories."



In addition to Aviation gin, they make Volstead Vodka, Westward Oregon Straight Malt Whiskey, Krogstad Festlig (young) Aquavit, Krogstad Gamle (aged) Aquavit, and have a House Spirits Series they use to test new products. Right now they have a White Dog Whiskey (being discontinued) and Coffee

Liqueur in the Series. Their vodka started in the House Series. They released the Volstead brand officially less than a year ago, without a lot of marketing. "We're a small distiller without infinite resources," explains Christian. "We've chosen to focus our marketing dollars on Aviation. We've done stealthy word-of-mouth marketing on our vodka. It has to grow on its own for a while to see if it's viable."

Aquavit started in the House Series line as well. "The idea behind House Series is to have a generic label. It's a way of taking a product we're developing and beta testing it in the marketplace. You don't really know if a product is viable until people buy it. So we use the general label and don't have to invest, just change the name and type of spirit and send it to the market. The gin took off because it's delicious, plus we've marketed it as an American Dry Gin. We weren't the first to think this up. Tanqueray No. 10 was the first to market an American gin but they didn't articulate how it was different. Hendrick's brought theirs to market a year or two before we did. They did market it as botanical/floral but, again, didn't market the category of American Dry Gin. We gave the concept a name and branded it. In addition, we showed people what to do with it. It hasn't been gin in a void. Cocktails are generally how people drink spirits, so we create cocktails and show people how to use our gin. It's how we communicate our brand."

Their gin and vodka are 84 proof. Traditionally, straight drinking spirits are 70-80 proof. Since their spirits are geared toward cocktails, they create a higher-proof beverage. "Cocktails dilute the structure of the spirit, and it can become watery and less pleasing to the palate," explains Christian. "If the proof is too high, it's out of control. There's an acceptable range that works."



Christian, his wife Christina Porter, and their first partner originally planned on making whiskey. "The trouble with whiskey is that it's cash-flow difficult. You either have lots of money, which we didn't, or you make other products that don't take so long to age. On day one, we had vodka, then gin, all the while working feverishly on our whiskey, which we just released. We're discontinuing the White Dog Whiskey because for us, doing an un-aged whiskey was just something to have on the market until our aged product became available. It's really good, but the only market is a handful of bartenders. We didn't want it to divert whiskey from aging."

Successfully distilling craft spirits begs the question, what is 'craft' and do you lose that designation if you grow your business to a certain level? "This is a nuanced discussion in beer, wine and spirits industries," says Christian. "Craft is about attention to every detail, quality ingredients, traceability, and

hand crafting. Some people want to assign size designations, and that's been done in the beer world, although it started with about 35,000 barrels and now it's up to six million barrels. I think large companies can make craft products. Our industry already has so many regulations now, why do we want to add more? Ultimately, the consumer decides. It's a big topic. I'd encourage consumers to explore craft spirits for themselves."



Prior to starting the distillery, Christian attended the University of Washington, held various jobs, and traveled extensively. He's been a brewer for McMenamins, attended the Siebel Institute of Technology, America's oldest brewing school, owned a microbrewery and restaurant in Bellingham, and managed a winery co-op in Oregon. While there, he began his plans for the distillery. They used a facility in Corvallis for over a year, outgrew it, and moved to Distillery Row in Portland, opening January 1, 2006. Their tasting room opened at the same time. They bought their original partner out in 2010-2011, and three years ago brought on two new working partners and a small investor group for growth capital.

"I'm interested in how good of a product I can make at a reasonable price point versus how high of a price point I can get," he says. His curiosity has led him in many directions, but spirits have captured his interest. "As an owner, I can do more things with our House Series and have a lot of say over what we do." They are moving within six months to a 20,000 square foot facility in Distillery Row. Watch for a lot more whiskey and a continuation of quality spirits from this innovative group.

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