



Dear Melissa,

At last month's Sydney Easter Broodmare sale, two mares, MAGRAVINE (Lot 306) and GLAMOROUS LIFE (Lot 156) had both been listed for sale on our site for a couple of months prior to this sale, with respective asking prices of \$150,000 and \$100,000. At the auction they sold for \$235,000 and \$110,000. Many of the people that inspected both mares at the sale receive our newsletters and some of these same people bid on the mares in the ring to more than what they had been listed for privately. Now if I were also to tell you that both vendors had been negotiable on their prices when the mares were on our web site.....

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"If you are determined to be a success in this game, you simply can't afford to ignore the private sales market."

A lot of successful breeders if given the choice, would prefer to purchase their breeding stock privately. In a private sale, a vendor is more likely to be genuine, i.e, will stand behind their product. At auction vendors can be "anonymous" and realise that a buyer rarely has the same opportunity to go over a prospective purchase as thoroughly as they could in a private sales situation, hence, a vendor might be more likely to put through a horse with "issues." Also at auction, vendors are hoping that you'll get caught up in a bidding battle with another "over anxious" party and overpay for your purchase.

"Most people in our industry will fail because they cannot value stock correctly." This quote came from an Australian industry icon and certainly the most astute person I've come across in my 30 years working in this game.

A commercial breeder told me recently that they were finding it too hard to value horses in the present climate, so they weren't prepared to purchase anything privately, and that they'd prefer to purchase at auction and let that market tell them the value. In other words, if this person finds a horse at an auction that they want to buy, they just bid on it until they're the last man standing, so that must be it's market value. It's like buying shares on the stock market and having no idea whether you're paying too much or getting a bargain. I don't know how you can expect to make a profit! I suppose you could say that in every market place there's educated money and uneducated money. We all know which side ends up in the red and which side in the black.

As discussed in a previous newsletter, valuing bloodstock is perhaps one of the most difficult jobs in the world, especially if you have to value the horse sight unseen. If you're concerned about paying too much for a horse privately through Randwick Bloodstock, can I assure you that we refuse to list any horses where we feel the vendor's price expectations are unrealistic. I am sure some of the horses that we have listed might make less in an auction and some would make more, as witnessed at the by the sales of MAGRAVINE and GLAMOROUS LIFE at the Easter Broodmare Sale. Over time, I'd suggest to you that your purchases would average out. However, if you were really astute and able to take advantage of a situation where a horse had been undervalued or where there was an "over anxious" vendor, you would end up well in front.

Today I REALLY want you to take the time to focus on our current line up of listings. I believe we have some tremendous breeding stock listed for sale including a number of mares where their owners are dispersing - a dispersal sale so to speak, but not at dispersal sale prices.

Until next time.

Best Regards

Brett Howard

P.S. Here is an offer that may have some appeal? For horses we have listed for sale that you could be interested in buying, I would be happy to talk to you on how it's value was arrived at and where possible show you other recent "like for like" sales.

P.S.S. There's probably hundreds of you out there that would love to know, however, if any vendor from any of the upcoming auctions contacts me looking for the name of that commercial breeder, I'm sorry I can't help.