



Randwick Bloodstock's Fillies and Mares For Sale

Contact details

Dear

Analysing last week's Magic Millions Gold Coast Premier Yearling Sale, you would have to say it was a good sale. The clearance rate was 82.5%. I've always felt any sale which achieves a clearance rate of 85% is very good - you rarely get much better. The average price of \$157,321 was down 14% on 2007's average of \$182,191. The 2007 average had jumped an "unhealthy" 30% on the 2006 average of \$140,083.

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Since the 2006 sale, the average has risen 12% or 6% per year. The 2008 sale offered 832 yearlings, as opposed to 651 yearlings in 2006 and 681 in 2007. By my calculations, the overall quality of the 2008 catalogue versus the 2006 catalogue was down 10%, hence, taking this decline into consideration, the average yearling price at Magic Millions (1-4) has risen 22% or 11% per year over the past two years, a nice healthy increase by most people's standards. It should be remembered that the 2008 sale was held outside it's normal time slot which was a disadvantage for a number of buyers, plus EI has impacted heavily on Queensland racing and breeding (and NSW) over the past 8 months.

Since our last newsletter (mid January), we have also seen major yearling sales held in NZ (up 38% thanks to no EI, NZ racing is on the improve, having the first bite of the 2008 yearling dollar and the great run NZ stallions had during the Melbourne Spring Carnival - Melbourne Cup (ZABEEL), Caulfield Cup (O'REILLY), Cox Plate (PINS) and VRC Derby (GOLAN)), Perth (up 10% thanks to WA having Australia's best economy at present) and Melbourne (up 26% thanks to no EI and a much stronger catalogue). Over this same period, we have seen some major declines in global stock markets, including our own market which is down nearly 20% this calendar year. Those of us in the thoroughbred breeding industry should not have too much to complain about!

This week's newsletter contains quite a number of quality realistically priced new listings. We are all aware that there are a large number of broodmares to be offered at auction around Australia over the next few months. I do not want to discourage people from purchasing at these auctions, as I believe there will be some excellent buying opportunities. That being said, the same applies to the private sales marketplace. I feel a vendor is more likely to stand behind their product in a private sales transaction. This is one of the reasons why in my opinion, pound for pound, private beats auction most of the time. Most major/successful breeders tend to purchase privately and cull at auction. At auction, many vendor's are "anonymous" and realise that a buyer rarely has the same opportunity to go over a prospective purchase with the proverbial "fine tooth comb", as they would in a private sales situation, hence a vendor might be more likely to put through horse with "issues." At auction, you are also more likely to "overpay" for your purchase. Most of our listings are far from overpriced. In fact this time last year there were several horses which we unable to sell privately that ended up going to auction. A couple of these sold for \$100,000 more than what we had them listed for, another for \$40,000 more. So I implore you, don't sit on your hands waiting for the next auction. Remain vigilant at all times - it will pay dividends.

Until next time.

Best Regards

Brett Howard