

# Any other business



## LIFECYCLE

● Belinda Downie sold her first coin in the 1990s. It was a 1930 penny, with King George V's head on one side and ONE PENNY stamped on the reverse.

She got considerably more than one penny for it, even though the economy was struggling out of the 1991 recession. Twenty years later the world is trying to emerge from another recession – and it's good business again for rare coins.

Downie, who has since begun her own top-end rare coins business, Coinworks, says the company is benefiting from its defensive nature. Economically tough times can prompt those with money to seek alternative investments.

"Troubled times can actually be a bit of a stimulus," says Downie. "It's the rarity that underpins our market."



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She is clear to differentiate her niche from the mid-market tier of coins sold by auction houses. While Downie estimates rare coins account by volume for just 5 to 10 per cent of all coins sold, they make up 90 per cent of the market's value.

An 1813 holey dollar she is currently negotiating to sell for \$450,000 illustrates that. There might be 200 specimens remaining of early Australia's best-known episode of monetary easing, when Governor Lachlan Macquarie bought Spanish silver dollars to lessen a currency shortage by cutting the middle out to create two coins. However, only 10 or 15 doughnut-shaped holey dollars make the top quality tier with few blemishes or marks, Downie says.

Knowing where these coins are – and keeping a good relationship with their owners – is key to the business. A good proportion of the coins Downie handles have come back from existing clients.

A month after she set up Coinworks, a client for whom she previously had assembled a collection of ultra-rare "square" kookaburra pennies (the result of a short-lived experiment by the Melbourne Mint in 1919). The client had a tax bill to settle.

"Come and get the collection and sell it," he said. It fetched \$350,000.

Downie typically charges a margin of 11 to 12 per cent on sales. Part of the trick of setting a margin is to give the buyer a price that will see their coin gain in value in the short term. She likes clients to see value rise above the coin purchase price within 12 months of buying. If her margin is too high, it takes longer for the coins to come back onto the market – bad for an already illiquid business. **BRW**

Interview: Michael Bleby

## Belinda Downie

### Coinworks

Position	Founder and managing director
Milestones	July 2000: Opens Coinworks
	2005: Sells world's most expensive copper coin, a proof 1930 penny for \$620,000
	2011: Sells 1813 holey dollar for a record \$485,000
	2011: Sells 1920 Kookaburra Square halfpenny (one of three known) for a record \$725,000