



**Collect**

JAMES COCKINGTON

# Old coins worth a mint

The managing director of Coinworks in Melbourne, Belinda Downie, has been involved in the rare-coin industry for 38 years. Among her career highlights have been placing the top three examples of Australia's first gold coin, the 1852 Adelaide Pound, and the sale of a Proof 1930 Penny for a record \$620,000 in 2005.

This was claimed as the world's most expensive copper coin but may not be for much longer. She has another Proof 1930 Penny for sale (currently under negotiation), this one from the celebrated collection of A.M. Le Souef, former deputy master of the Melbourne Mint. With an estimated value of \$2 million, it is expected to set another record in due course.

It's no surprise to her that the market for coins stayed strong during the recent GFC.

"The numismatic market in Australia – and globally – showed resilience against the recent worldwide economic downturn," she writes in her latest newsletter.

"This is not unexpected. Coins as an investment behaved strongly during the Great Depression. Between 1929 and 1936, the American Numismatic Association traced a 48 per cent increase in the value of coins of exact date, mint mark and quality."

In 1992, during the "recession we had to have", local dealers were surprised by how much collectors and investors were prepared to pay for quality specimens. Dealers had expected more sellers than buyers during this period but the opposite occurred.

Downie estimates that Coinworks sales increased by 30 per cent during the most recent crisis.

Now she is announcing the sale of the Madrid Collection, arguably the foremost collection of Australian Proof and Pattern coinage in the world. The 50 items are valued in excess of \$12 million. These will be sold privately, not by auction, in stages over

## MY COLLECTION

An international man of mystery is the anonymous collector who has assembled the Madrid Collection. He doesn't want his name mentioned so a photo is out of the question. Understandable, when his collection is valued about \$12 million.

He is known to other collectors in the top echelon but they, too, protect his privacy. This collection began in 1991 when he acquired a complete series of Melbourne Proof Sets struck between 1955 and 1963. He bought the Madrid Holey Dollar in 1995.

He arrived on the scene with a clear investment strategy. He only buys coins that are unique and only those in the finest condition. If there are multiple copies, he will only buy the best example.

He has paid a lot of money to assemble the collection but in a relatively short period their value has multiplied many times. It has proven to be a lucrative investment and continues to be a fascinating hobby. The vendor is still a buyer if the right coin is available.



the next few years. The first series of coins is available (see [www.madridcollection.com.au](http://www.madridcollection.com.au)) and a few of them have already been claimed.

The poster coin is the 1802 Madrid Holey Dollar, which gives the collection its name. This is the only example in private hands of a Holey Dollar converted from an eight reales coin struck at a Spanish continental mint (Seville or, in this case, Madrid).

The other five known are held by institutions. This one last appeared at the Spink Bicentennial Auction in March 1988.

How coins of this calibre have performed through the various financial market ups and downs is demonstrated by the progress of the 1926 Proof Threepence, also part of the Madrid Collection. It is one of only three known specimens. The first example sold at auction in 1993 for \$3500. The second fetched \$4715 in 1999. The third (this one) was offered in 2001 and fetched \$9437. Its current value is more than \$50,000.

The 1926 Proof Penny also featured is formerly part of the famous Ray Jewell Collection of Australian copper coins.

It was bought in 2001 for \$21,500, setting a record for George V copper coins. Today's value is \$115,000.

In the current climate, such coins have obvious appeal to the investor as well as the collector. Downie offers some advice for those interested in adding a coin or two to their investment portfolios:

- Concentrate on market areas with strong records of capital growth.

- Ask for financial date on the item (Has it come up at auction before? How often and what were the results?)

- Strive for quality. Coins in the highest category are not necessarily the only ones to buy but usually have the best resale value.

- Check the quality ranking and check the provenance. If the dealer can't supply approved background information – crucial information when you sell – do not buy.

Investing in rare coins is not usually a short-term strategy, Downie says. She suggests they be treated as a five-year plan, if not longer. Investors should allow for the charges involved when selling the product. Much of Downie's work involves dealing in

The 1802 Madrid Holey Dollar is a Holy Grail item for many coin collectors. This is the only example in private hands of one converted from an eight reales coin struck at a Spanish continental mint.

coins that she has already sold once or twice before.

Coins at this top end of the market are big business. Downie doesn't hold auctions but Noble Numismatics holds regular sales in Melbourne and Sydney. Their latest, No. 94, realised \$3.28 million from a staggering 5028 lots. This total represents 20 per cent above pre-sale estimates. There was a clearance rate of more than 80 per cent.

Prices here are not usually in the Madrid category but can still be buoyant. A bidding war took place over a lot of eight 1966 20c pieces with a slight flaw on the numeral two.

These sold for \$12,349 (including buyer's premium), way above the \$1000 estimate. The top price paid was \$12,815 for a convict love token dedicated to William Bailey (estimate \$2000).

**\$52,500**

This 1926 Proof Threepence is part of the Madrid Collection being sold through Coinworks in Melbourne. It is one of only three examples known.



This 1926 Proof Penny comes from the ex-Ray Jewell Collection. It previously sold for \$21,500 in 2001, setting a record for George V copper coins.

**\$115,000**



This 1902 Melbourne Mint Proof Sovereign was sold to the current vendor in 1998. It is thought to have been struck personally for the governor of Victoria, Sir George Sydenham, and comes in a presentation case.

**\$185,000**



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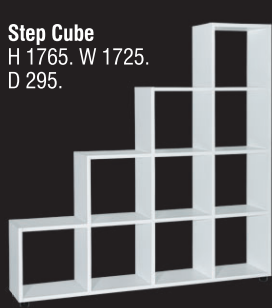
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## FILL THE HOLE IN YOUR INVESTMENT STRATEGY

The Madrid Holey Dollar (coin pictured) sold at auction in 1995 for \$57,000. Today it is valued at \$500,000.

For further information on the Madrid Collection, call 03 9642 3133 or visit [www.madridcollection.com.au](http://www.madridcollection.com.au)



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