

## ROA OWNERSHIP COSTS SURVEY

### SUMMARY POINTS

1. The average cost of owning and running a racehorse in 2015 was :

For a **Flat horse**     **£22,595** (£16,491)

For a **Jumps horse** **£16,325** (£11,847)

These costs include all training and racing costs - ie training fees, gallops, farrier, transport, vets, entries, jockeys, registration fees, pre/out of training costs etc. The average cost for Flat and Jumps horses combined is **£20,444** (this is after weighting results to correctly represent the proportion of Flat vs Jumps horses in training). In 2010 the average cost for both codes combined was **£18,651** - suggesting that overall ownership costs have increased by (on average) 1.8 % over the 5 years. The latter increase should though be treated with some caution due to the small sample sizes involved.

Bracketed figures above refer to training costs specifically - ie training fees, gallops, farrier, supplements, clipping and pre/out of training costs. Costs of horse insurance and VAT are excluded from all figures quoted.

2. Figures of great interest are the '**cost per run**' calculations. Here we divide the average cost of owning a horse in 2015, by the average number of times each horse actually ran. A Flat horse (in our sample) ran on average 7.4 times, whilst a Jumps horse ran only 4.7 times (this is after excluding the 9 horses in our sample which did not run at all in 2015). The 'cost per run' works out at **£3071** for a Flat horse and **£3552** for a Jumps horse.

When the 'cost per run' calculations are related to prize money levels, it must make owners question whether they should be running their horses in races worth less than £3k to the winner. This is particularly true of owners of Jumps horses where not only the 'cost per run' is higher but also the risk of injury.

3. There are obvious variations between the cost of having a horse with what we classify as a 'big' trainer vs a 'small' trainer. These definitions are based on a combined ranking of prize money and number of races won in 2015. It is probably best to look at the differences here based on training costs (as defined above), excluding the more variable elements like racing (entries, jockeys, transport, racing expenses) and veterinary costs.

The average training costs x size of trainer worked out as follows for 2015:

	<b>FLAT</b>	<b>JUMPS</b>
'Big' trainers	<b>£18,089</b>	<b>£15,539</b>
'Mid tier' trainers	<b>£16,678</b>	<b>£11,668</b>
'Small' trainers	<b>£15,742</b>	<b>£10,411</b>

4. When making the choice of a trainer to go to, the basic training rate per day is likely to be a key consideration. The daily rate averages worked out at **£44** for a Flat horse and **£39** for a Jumps horse. Variations by size of trainer are as follows:

	<b>FLAT</b>	<b>JUMPS</b>
'Big trainers'	<b>£56</b>	<b>£48</b>
'Mid tier' trainers	<b>£45</b>	<b>£40</b>
'Small' trainers	<b>£39</b>	<b>£33</b>

For the 28 Flat trainers in our sample, the highest daily rate was £75, with 10 out of 28 charging £50 or more per day (vs only 5 out of 28 for Jumps trainers in our sample). The highest daily rate for a Jumps trainer was £57 per day.

5. We can make a direct comparison between the 2010 and 2015 surveys by looking at the daily rates for trainers who were represented in both surveys (ie 10 Flat trainers and 12 Jumps trainers). This shows that on a like for like basis daily training rates have increased by 7.4% (1.4% pa) for Flat trainers and 8.2% (1.6% pa) for Jumps trainers. Findings here stack up with the earlier finding that overall ownership costs have increased by only 1.8% pa over the last 5 years.

6. With the relatively small sample sizes, the regional comparisons we can make in daily training rates are limited. However, as in previous surveys, Newmarket (£55 per day on average) and the Lambourn area (£50 per day) remain the most expensive places to have a Flat horse trained. Yorkshire, of course, is also an important training area for Flat horses but here the average daily training rate is notably lower at £37 per day.

7. The west of England remains a bit of a 'power base' for training Jumps horses, and average daily rates here in 2015 are comparable with the Lambourn area at £43 per day on average. Daily training rates are notably lower in Wales and Scotland at £33 per day on average.

8. A full breakdown of the average cost of owning and running a racehorse is shown in the data tables, but below we have grouped together the various elements into four broad categories:

	<b>FLAT</b>	<b>JUMPS</b>
Training costs *	<b>£16,494</b>	<b>£12,025</b>
Racing costs **	<b>£4,842</b>	<b>£2,553</b>
Vet/physio/dentist	<b>£966</b>	<b>£1,506</b>
Registration fees/ other costs	<b>£293</b>	<b>£241</b>
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	<b>£22,595</b>	<b>£16,325</b>

\* includes training fees, pre/out of training costs, gallops, farrier, supplements, clipping

\*\* includes entries, jockeys, transport, racing expenses

The higher racing costs for Flat horses is simply a reflection of the more times on average a Flat horse runs, The higher veterinary costs associated with Jumps horses is of note here.

*Survey and analysis conducted by Ian Murray. March 2017*

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