



# Broome Market Update 2nd Half 2020



## OVERVIEW

In the 1st half of 2020, Broome\* recorded a median house price of \$435,000, and a median unit price of \$253,750. This represents annual (H1 2019 – H1 2020) median price softening of -3.3% for houses and price growth of 2.5% for units. During this time total sales slowed, by -34.9% for houses (to 41 sales) and by -20.0% for units (to 8 sales). Broome\* property market price growth has proven to be relatively resilient during COVID-19, and with few competing properties now is the time to transact in the market.

	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↓	↓
	House Median Price	↓	↓
	House Rental Price	↑	↓
	Unit Sales	↓	↓
	Unit Median Price	↑	↓
	Unit Rental Price	↓	↓

## MARKET CONDITIONS

### SALES MEDIAN PRICE H1 2020



### SALES AVERAGE DAYS ON MARKET H1 2020



### RENTAL MEDIAN PRICE H1 2020

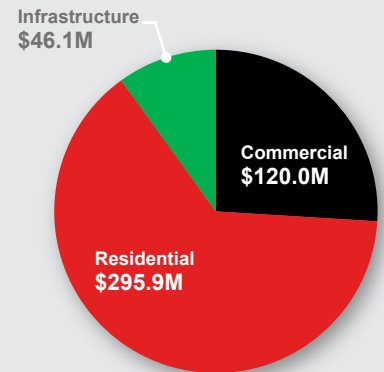


### RENTAL AVERAGE DAYS ON MARKET H1 2020



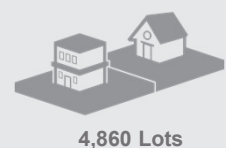
## FUTURE DEVELOPMENTS

Broome\* is set to see approximately **\$90.5M** worth of new projects commencing across 2020.



Commercial and infrastructure projects will stimulate economic growth in the area, which will have a positive spill-over effect on the real estate market. Residential projects provide the area with new housing design and can answer first home buyers' demand.

A key commercial project for 2020 is the Kimberley Marine Supply Base (\$110.0M), which is initially commencing with a business case. The Jetty to Jetty Roebuck Bay Coastal Walk (\$15.0M) is a key infrastructure project that will create value-add to resident's lifestyles while also offering a new tourism opportunity. The \$288.0M residential project Broome North 4,800 Lot Subdivision will create employment during the building phase, as well as allow first home buyers to enter the market through current government schemes.



\*Broome market data and key indicators encapsulates aggregate property market conditions within the suburbs Broome, Djugun, Bilingurr and Cable Beach.

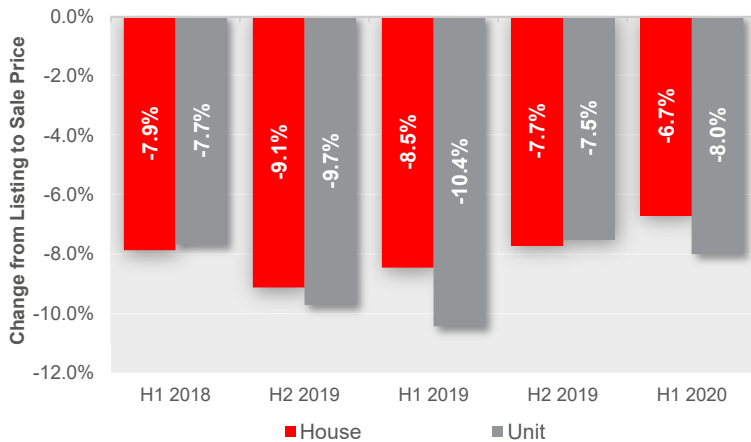
\*\*Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.

Source: APM Pricer, Cordell Connect database. © Copyright PRD 2020.

# AVERAGE VENDOR DISCOUNT\* KEY COMMENTS

Average vendor discount reflects the average percentage difference between the first list price and final sold price. A lower percentage difference (closer to 0.0%) suggests that buyers are willing to purchase close to the first asking price of a property.

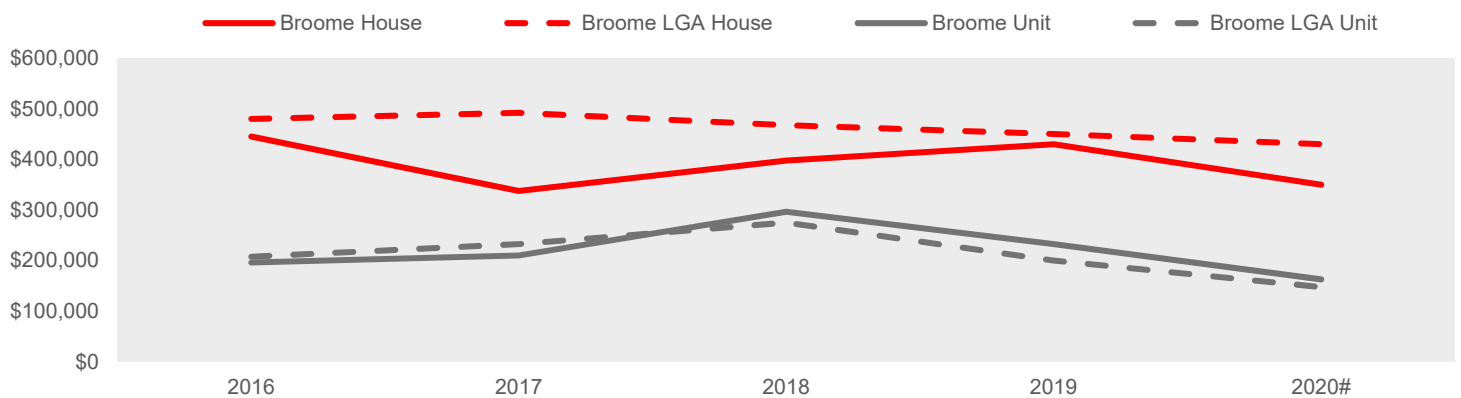
Average vendor discounts between H1 2020 and H2 2020 have tightened for both property types, to -6.7% for houses and -8.0% for units. Market conditions in Broome\* provide unique opportunities. Sellers can now achieve a final sale price closer to their first list price, whereas buyers can benefit from a discount.



The suburb of Broome has historically offered higher affordability against the wider Broome Local Government Area (LGA) in median house price. This continues in 2020#, while units in the suburb of Broome continue to present a slightly more premium market.

The dominant proportion of homes sold in Broome\* across 2020^ were priced above \$500,000 (31.6%), though the more affordable bracket of \$400,000-\$450,000 was also popular (28.9%). There is a property for every budget in Broome\*, with affordable options available for first home buyers.

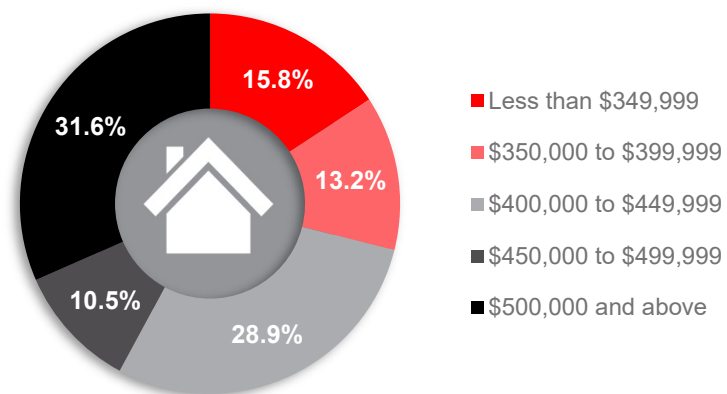
## MARKET COMPARISON



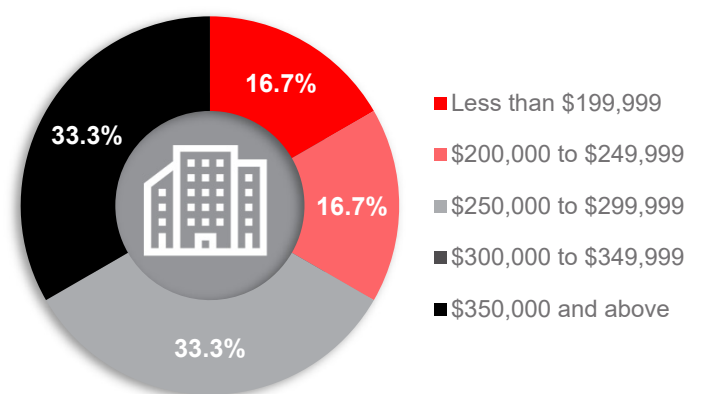
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Broome.

## PRICE BREAKDOWN 2020^

### HOUSES SOLD



### UNITS SOLD

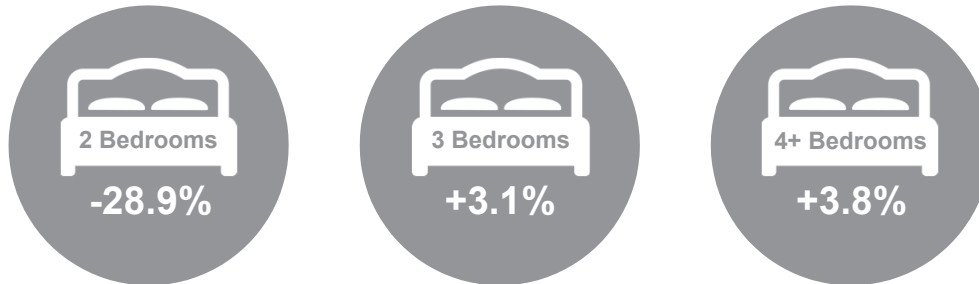


## RENTAL GROWTH 2020\*

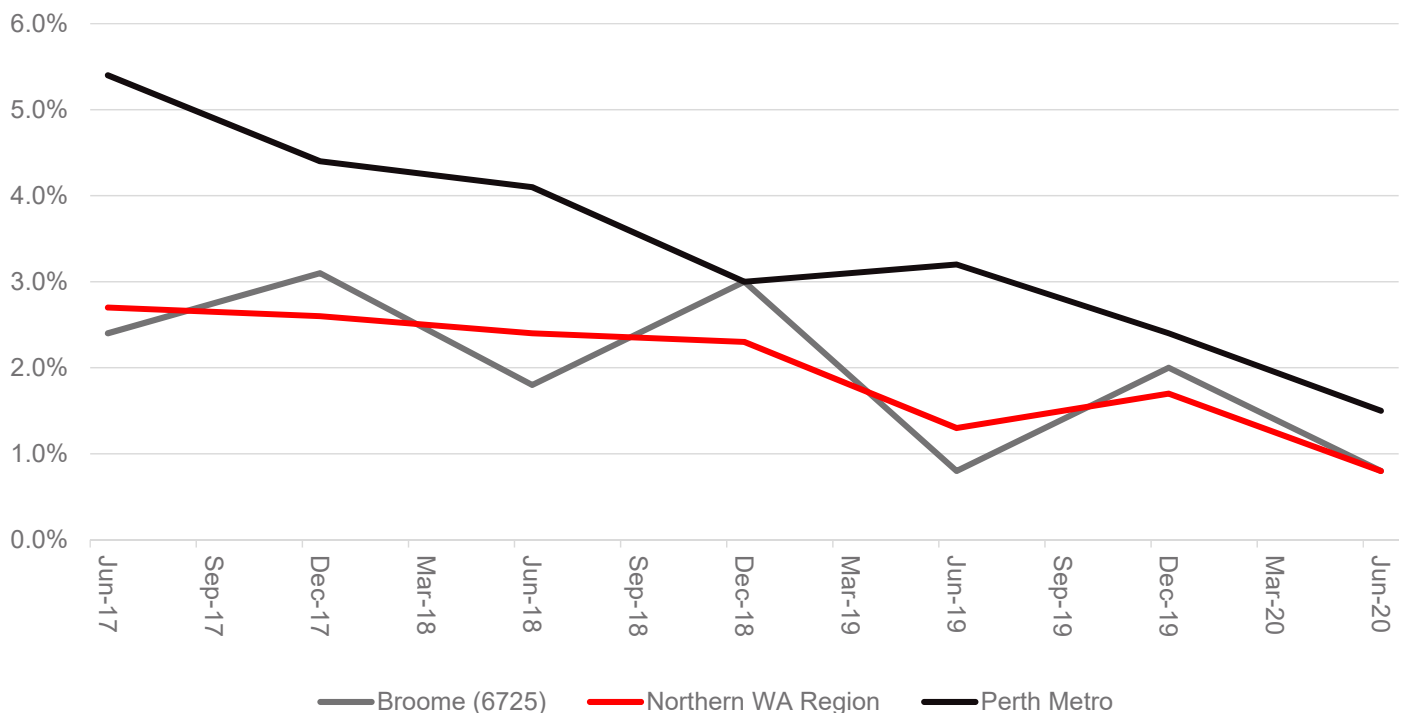
Over the past 12 months, house rental yields Broome have remained steady to sit at 5.7% in June 2020. This suggests the house rental market is in a healthy position, particularly when combined with fairly steady demand for rental properties in Broome across the same time period, with 169 house rentals in Q2 2020.

4+ bedroom houses have provided investors with +3.8% rental growth annually, achieving a median rent of \$685 per week.

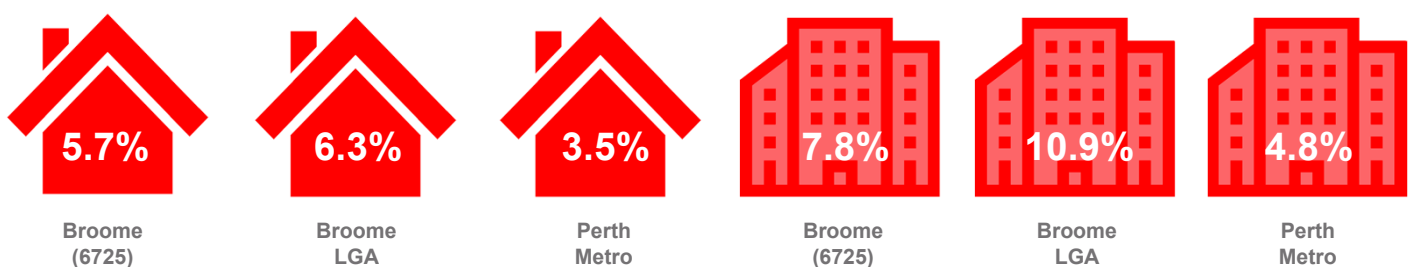
Broome recorded a very low vacancy rate of 0.8% in June 2020. This represents a stable vacancy rate compared to June 2019 and a declining trend since December 2019, quite the opposite to vacancy rates expectations during COVID-19. Further Broome's vacancy rate is lower than Perth Metro's already low 1.5% average. This confirms a healthy rental demand exists for properties in Broome, and investors can be confident of quicker occupancy of investment properties.



## RENTAL VACANCY RATES 2020

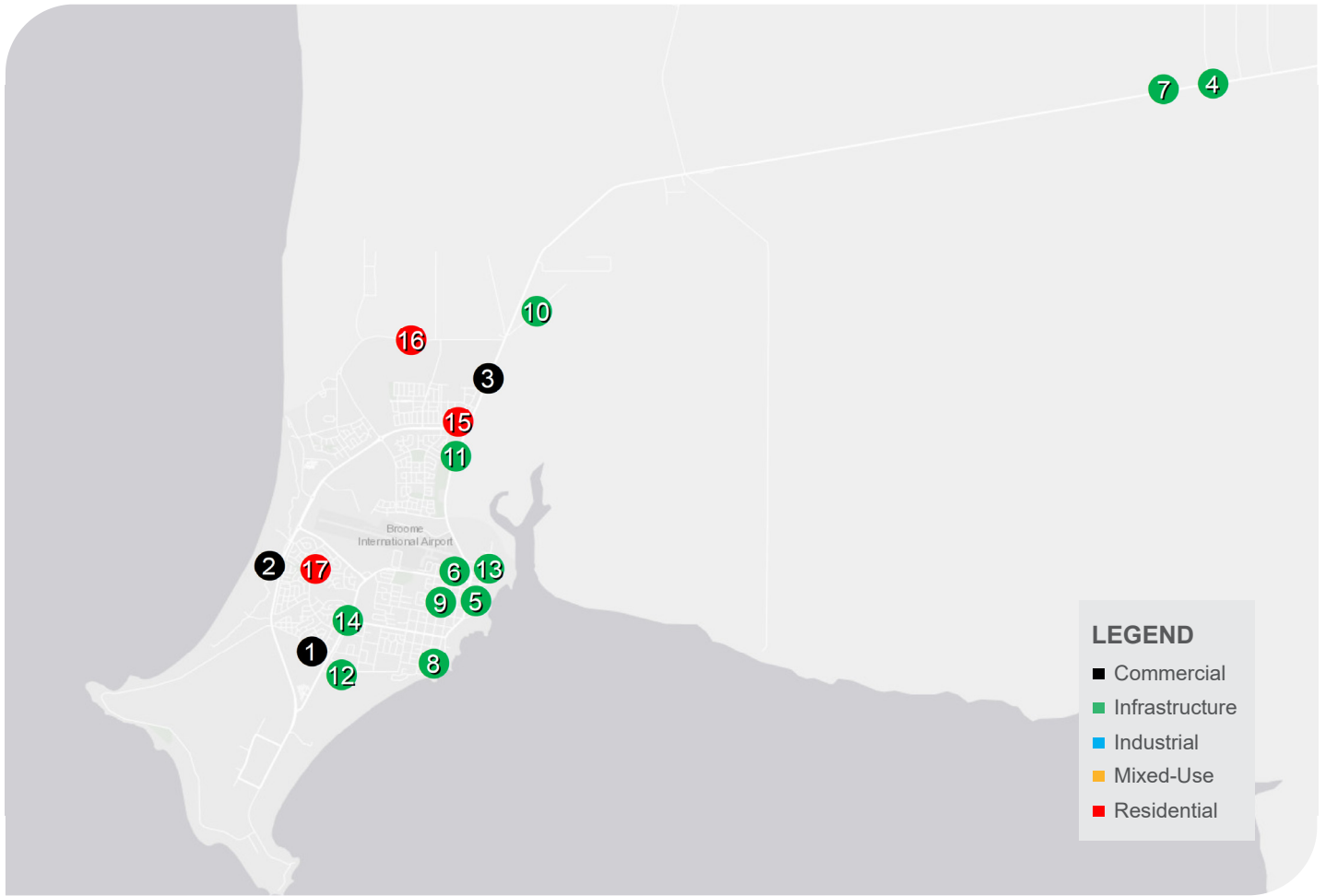


## RENTAL YIELD 2020^



\*Rental performance graph represents aggregate house median rent prices within the suburbs Broome, Djugun, Bilingurr and Cable Beach. Annual rental growth is a comparison between 1H 2019 (01/01/2019 – 30/06/2019) and 1H 2020 (01/01/2020 – 30/06/2020) house median rent figures. ^Rental yields shown are as reported at June 2020. Source: APM Pricerfinder, SQM Research. © Copyright PRD 2020.

# PROJECT DEVELOPMENT MAP 2020\*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Kimberley Marine Supply Base	Commercial	\$110,000,000	19/10/2020
2	Sanctuary Road Caravan Park	Commercial	\$5,000,000	14/04/2020
3	Direct Haul Truck Facility	Commercial	\$5,000,000	26/04/2020
4	Shire Of Broome - Jetty To Jetty - Roebuck Bay Coastal Walk	Infrastructure	\$15,000,000	14/04/2020
5	Chinatown Revitalisation Projects	Infrastructure	\$11,950,000	03/08/2020
6	Kimberley Regional Office	Infrastructure	\$6,000,000	14/04/2020
7	Town Beach Groyne	Infrastructure	\$3,626,000	16/01/2020
8	Town Beach Jetty	Infrastructure	\$2,000,000	15/11/2020
9	Broome Youth Precinct Stage 3	Infrastructure	\$1,739,000	01/06/2020
10	Volunteer Bushfire Brigade	Infrastructure	\$1,500,000	09/05/2020
11	Lorikeet Drive - Road Extension	Infrastructure	\$1,315,000	14/04/2020
12	Port Of Broome	Infrastructure	\$1,000,000	10/08/2020
13	Hamersley Street & Napier Road Roadworks	Infrastructure	\$999,000	06/03/2020
14	Port Drive & Guy Street Roadworks	Infrastructure	\$959,000	14/04/2020
15	Broome North 4800 Lot Subdivision (4,800 Lots)	Residential	\$288,000,000	14/04/2020
16	Shire Of Broome Residential Subdivision (Undisclosed Lots)	Residential	\$4,000,000	06/03/2020
17	Mcmahon Estate Residential Subdivision (60 Lots)	Residential	\$3,880,000	14/04/2020

## OUR SERVICES INCLUDE

- Advisory and consultancy
- Market Analysis including profiling and trends
- Primary qualitative and quantitative research
- Demographic and target market Analysis
- Geographic information mapping
- Project Analysis including product and pricing recommendations
- Rental and investment return analysis

## OUR KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions.

## OUR PEOPLE

Our research team is made up of highly qualified researchers who focus solely on property analysis.

## OUR SERVICES

Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customised products.



**Andrew Blackley, Director**

**M** +61 409 113 358

**E** [andrew@prdbroome.com.au](mailto:andrew@prdbroome.com.au)

**PRD Broome**

**P** +61 8 9192 1988

**F** +61 8 9193 1988

3 Short Street  
Broome WA 6725

[PRD.com.au/broome](http://PRD.com.au/broome)