



Broome Market Update 1st Half 2021



OVERVIEW

In H2 2020, Broome* recorded a median house price of \$520,000, and a median unit price of \$288,500. This represents annual (H2 2019 – H2 2020) median price growth of 14.5% for houses and a price softening of -16.4% for units. Between H2 2019 – H2 2020 total house sales increased, by 8.5% (to 102 sales), while unit sales slowed, by -23.3% (to 23 sales). With median house prices showing positive price growth alongside increased market activity, now is the time to sell your home in Broome*. The unit market has become more affordable, an opportune time for first home buyers.

	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 H2 2020



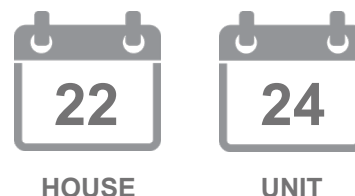
SALES AVERAGE DAYS ON MARKET H2 2020



RENTAL MEDIAN PRICE H2 2020

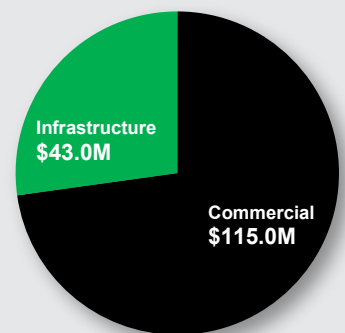


RENTAL AVERAGE DAYS ON MARKET H2 2020



FUTURE DEVELOPMENTS

The Broome* area is set to see an estimated **\$158.0M** worth of new projects commencing from the 2nd half of 2020 to the 1st half of 2021.



These projects will stimulate economic growth by creating new employment opportunities in Broome*, which should have a positive spill-over impact on the local property market.

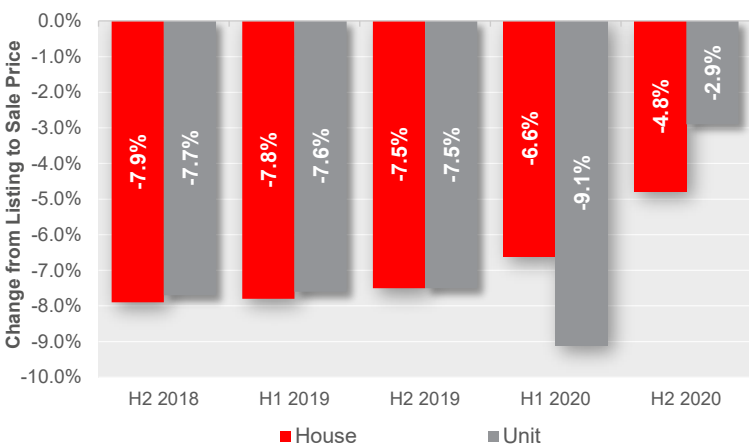
A main commercial project over the period is the \$110.0M Kimberley Marine Supply Base, which will see the construction of a multi-user material loading and offloading facility at the port of Broome. Such a project will be a positive driver for creating further employment growth in the area. Infrastructure projects such as the \$5.3M Town Beach Jett, which will see the construction of a new jetty, will directly benefit residents and tourists alike through the provision of new and improved amenities. Only the Government-led Western Triangle Residential Development (\$6.1M, 136 lots) proposal is set to create new dwellings. This highlights a potential opportunity for developers, as there is now a high demand for houses.



136 Lots

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.

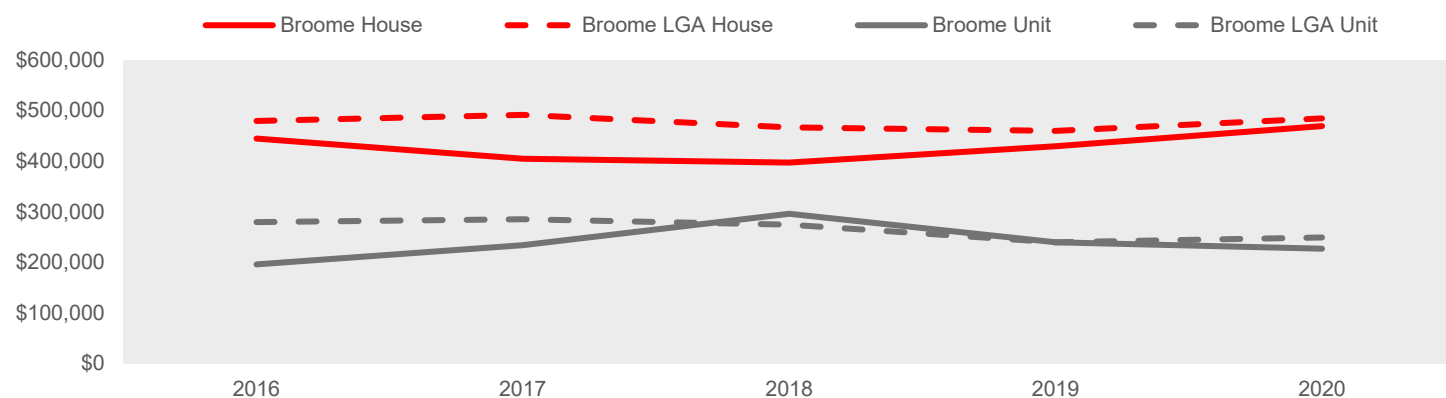


Average vendor discounts between Q4 2019 and Q4 2020 have tightened for both property types, to -4.8% for houses and -2.9% for units. Market conditions in Broome* offer unique opportunities, as sellers can now achieve final sale prices closer to their first list price, yet buyers can still benefit from a discount.

The suburb of Broome has historically performed very similarly to the wider Broome Local Government Area (LGA) in both house and unit median prices. This continued to be the case across 2020#.

The dominant proportion of homes sold in Broome* across 2020^ were in the lower-middle price bracket of \$400,000-\$500,000 (29.7%), while units recorded joint dominant price points of lowest below \$250,000 and upper \$350,000-\$400,000 (each 29.7%). This reveals that there is a range of stock that is well-priced across the market, in good news for both buyers and sellers.

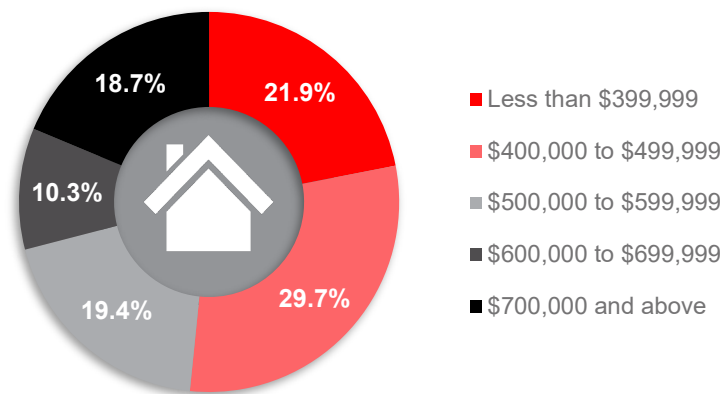
MARKET COMPARISON



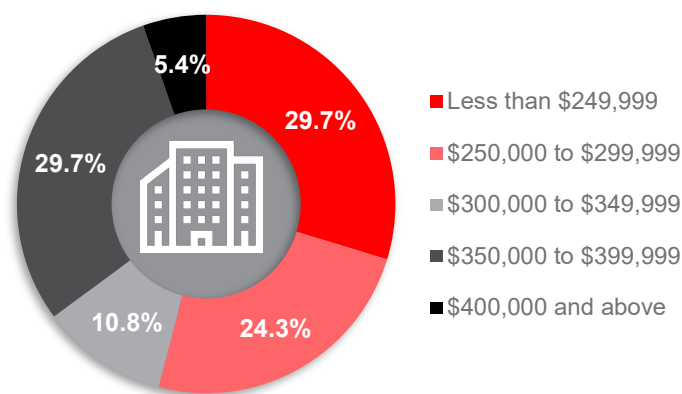
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Broome.

PRICE BREAKDOWN 2020^

HOUSES SOLD



UNITS SOLD

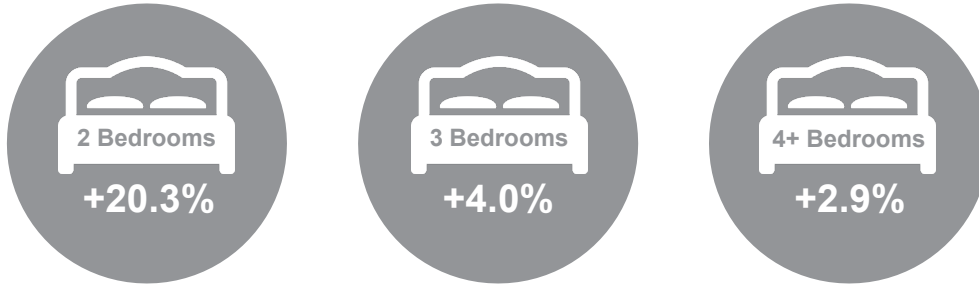


RENTAL GROWTH 2020€

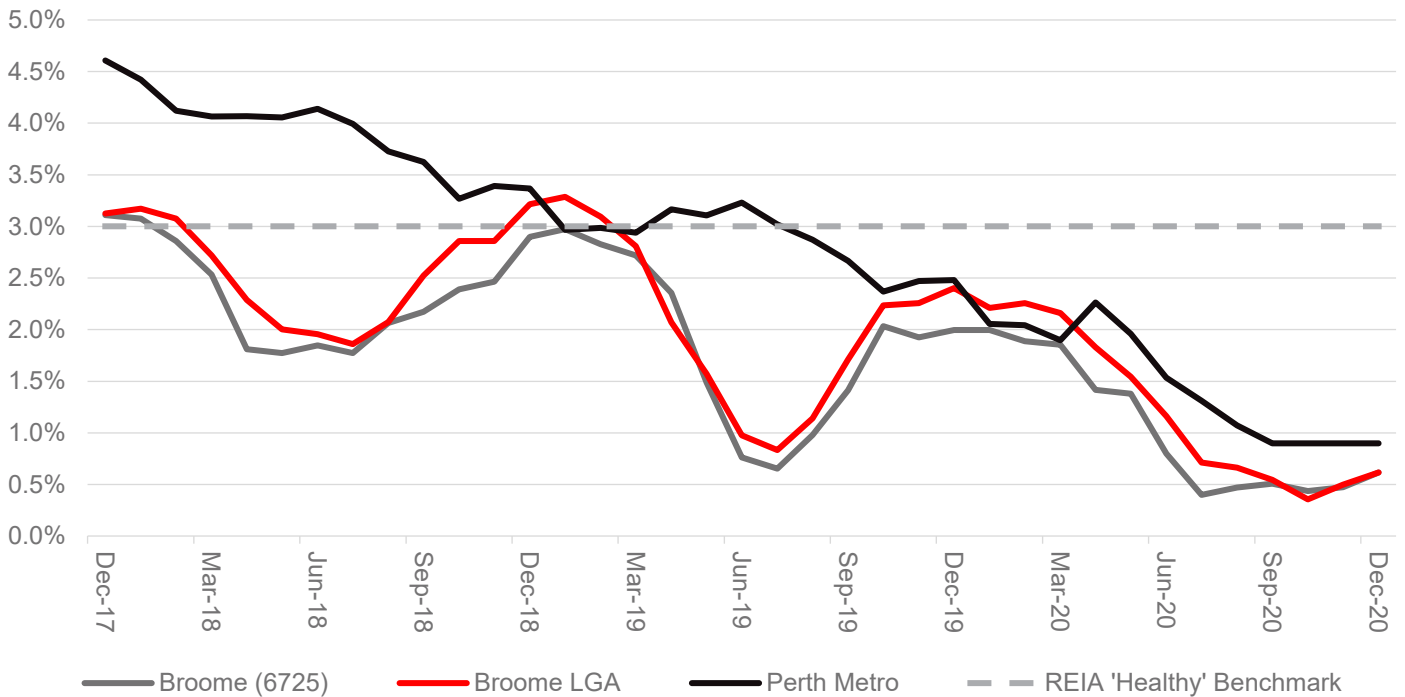
In December 2020, house rental yields in Broome* were recorded at 5.1%. In the 12 months to Q4 2020, the median house rental price has marginally softened by -2.5% to sit at \$580 per week. However average days on the market declined sharply by -37.1% (to 24 days). Overall this suggest Broome* has remained a fairly resilient rental market throughout COVID-19.

2 bedroom houses have provided investors with +20.3% rental growth annually, with a median rent of \$445 per week.

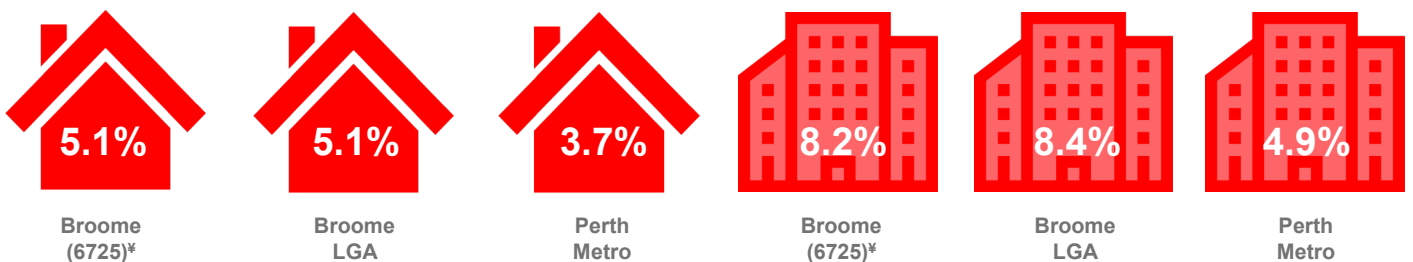
Also in December 2020, Broome* recorded a very low vacancy rate of 0.6%, on-par with Broome LGA (0.6%) and below Perth Metro (0.9%). Vacancy rates in Broome* is currently at record low levels, and is also well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, even amidst COVID-19 conditions. This confirms there is a strong level of rental demand, meaning investors can be confident of a conducive investment environment in Broome*.



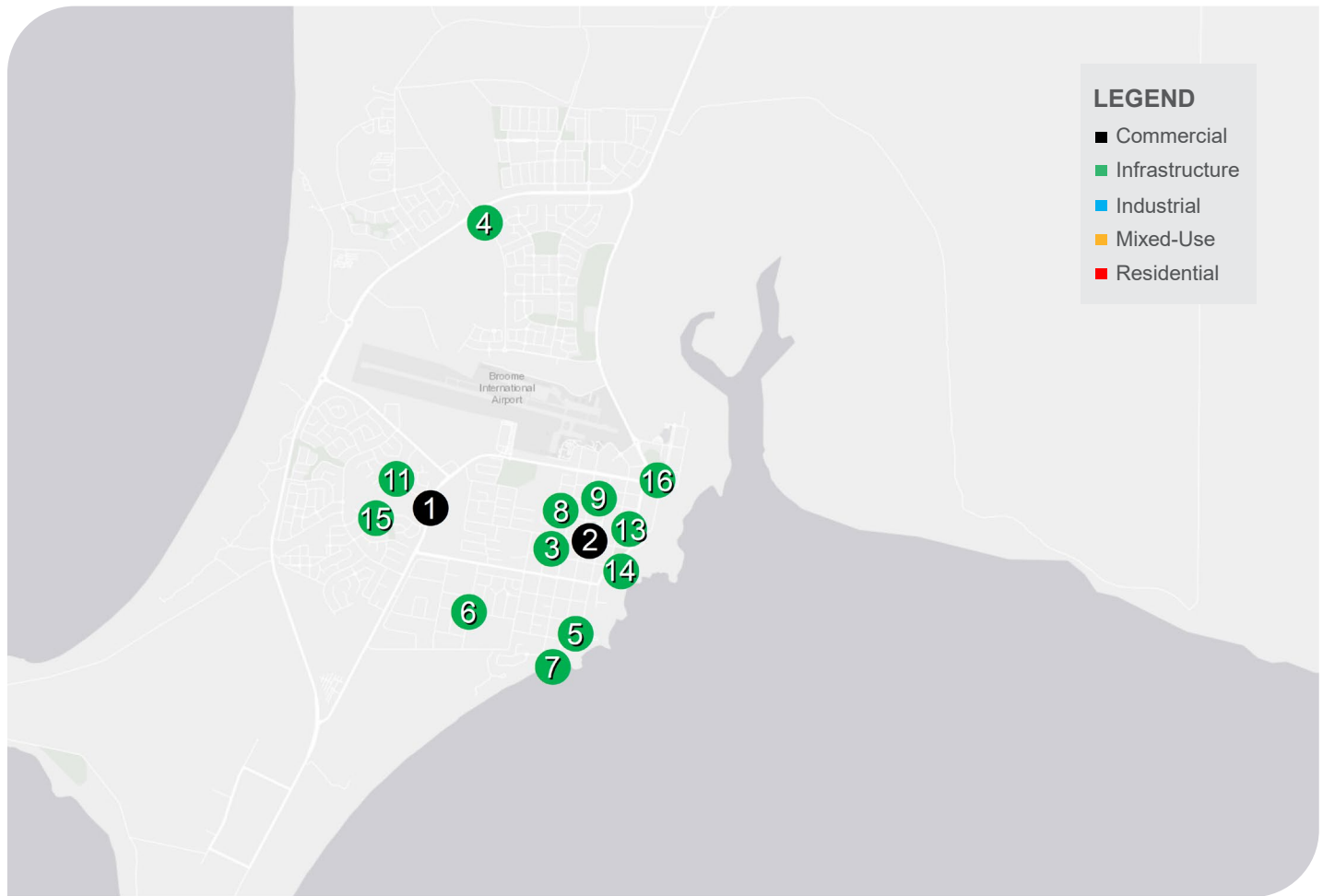
RENTAL VACANCY RATES 2020



RENTAL YIELD 2020\$



TOP DEVELOPMENTS 2ND HALF 2020 - 1ST HALF 2021[†]



Location	Project [€]	Type	Estimated Value [†]	Commence Date [†]
1	Kimberley Marine Supply Base	Commercial	\$110,000,000	19/10/2020
2	Chinatown Revitalisation Projects	Commercial	\$5,000,000	14/10/2020
3	Broome Marina	Infrastructure	\$20,000,000	29/09/2020
4	Western Triangle Residential Development	Infrastructure	\$6,100,000	29/09/2020
5	Town Beach Jetty	Infrastructure	\$5,300,000	15/12/2020
6	Shire Of Broome - Short Term Itinerant Camping Facility	Infrastructure	\$2,700,000	21/07/2020
7	Roebuck Bay Caravan Park Redevelopment	Infrastructure	\$2,000,000	30/10/2020
8	Broome Youth Precinct Stage 2	Infrastructure	\$1,395,000	30/06/2021
9	Ardyaloon Community Pipework & Electrical Works	Infrastructure	\$1,000,000	10/07/2020
Not mapped	Beagle Bay Community Pipework & Electrical Works	Infrastructure	\$1,000,000	10/07/2020
11	Port Of Broome	Infrastructure	\$1,000,000	20/11/2020
Not mapped	Djarindjin Junction Caravan Park	Infrastructure	\$1,000,000	29/05/2021
13	Broome Youth Precinct Stage 1	Infrastructure	\$671,000	30/06/2021
14	Kro 2 Building	Infrastructure	\$542,000	09/06/2021
15	Cable Beach Primary School Carpark	Infrastructure	\$188,000	10/09/2020
16	Department Of Fire & Emergency Services Broome Head Office	Infrastructure	\$69,000	18/03/2021

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

PRD Broome

P +61 8 9192 1988

F +61 8 9193 1988

3 Short Street
Broome WA 6725

PRD.com.au/broome

REFERENCES

* Broome market data and key indicators encapsulates aggregate property market conditions within the suburbs of 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.

2020 encapsulates sales transactions for 2020 (01/01/2020 – 31/12/2020).

^ 2020 encapsulates sales transactions for 2020 (01/01/2020 – 31/12/2020).

€ Annual rental growth is a comparison between 2019 (01/01/2019 – 31/12/2019) and 2020 (01/01/2020 – 31/12/2020) house median rent figures.

¥ Broome market data encapsulates aggregate property conditions within the postcode of 6725.

§ Rental yields shown are as reported as of December 2020.

⌘ Project development map showcases a sample of upcoming projects only, due to accuracy of addresses provided by the data provider for geocoding purposes.

£ Projects refers to the top developments within the suburbs of Broome, Djugun, Bilingurr, and Cable Beach.

μ Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.

ψ Commencement date quoted for each project is an approximate only, as provided by the relevant data authority, PRD does not hold any liability to the exact date.

Source: APM Pricerfinder, Cordell Connect database, SQM Research, Esri ArcGIS.

Disclaimer: PRD does not give any warranty in relation to the accuracy of the information contained in this report. If you intend to rely upon the information contained herein, you must take note that the information, figures and projections have been provided by various sources and have not been verified by us. We have no belief one way or the other in relation to the accuracy of such information, figures and projections. PRD will not be liable for any loss or damage resulting from any statement, figure, calculation or any other information that you rely upon that is contained in the material.

Prepared by PRD Research. © All medians and volumes are calculated by PRD Research. Use with written permission only. All other responsibilities disclaimed. © Copyright PRD 2021.