



# Broome Market Update

## 2<sup>nd</sup> Half 2023



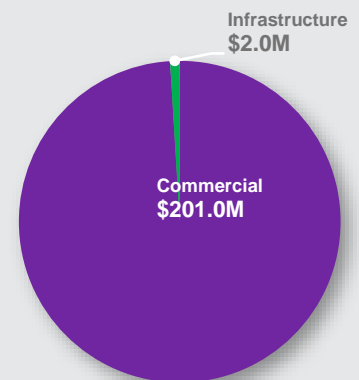
### OVERVIEW

In Q2 2023, Broome\* recorded a median house price of \$639,000 and a median unit price of \$432,000. This is an annual (Q2 2022 – Q2 2023) price softening of -6.7% for houses and 16.8% price growth for units. That said, on a quarterly basis (Q1 2023 – Q2 2023) median house and unit price grew 4.3% and 13.7% respectively. Thus cash rate hikes did translate into the market, but consumer confidence has returned. In the past 12 months to Q1 2023 sales declined by -38.4% (houses) and -51.1% (units), thus a market undersupply. For those looking for a more affordable market, time is of the essence.

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

### FUTURE DEVELOPMENTS

Broome is set to see approximately **\$202.9M** worth of new projects commencing in the 2<sup>nd</sup> half of 2023.



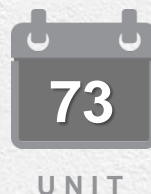
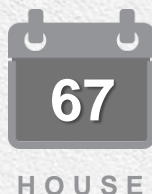
A focus on commercial projects will stimulate economic growth and create employment opportunities in Broome\*. These projects will also improve liveability for residents. This can result in more people wanting to live in the area, thus increasing demand for housing.

### MARKET CONDITIONS

SALES MEDIAN PRICE  
Q2 2023



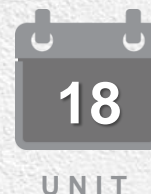
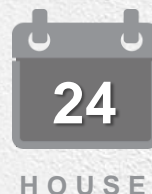
SALES AVERAGE DAYS ON  
MARKET Q2 2023



RENTAL MEDIAN PRICE  
Q2 2023



RENTAL AVERAGE DAYS ON  
MARKET Q2 2023



Key commercial project planned in the 2<sup>nd</sup> half of 2023 is the Kimberley Marine Offloading Facility. This project will see the construction of a multi-use material loading & offloading facility at the Port of Broome.

Previously cash rate hikes did act as a buffer for a period of time, allowing for available stock to be absorbed by the market. However a small return in consumer confidence, especially in the past quarter (Q1 – Q2 2023), have already turned and resulted in a house market recovery phase.

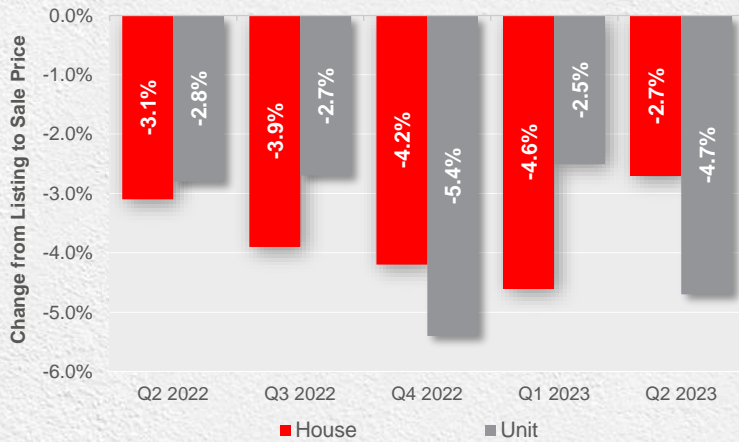
There is an absence of ready-to-sell houses in the pipeline, which will put more pressure on house prices.

Kimberley Mineral Sands Mine is located mid-way between Derby and Broome. With a project mine life of 37 years and a commitment to local jobs, this a sustainable long-term project, promising employment.



# 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.

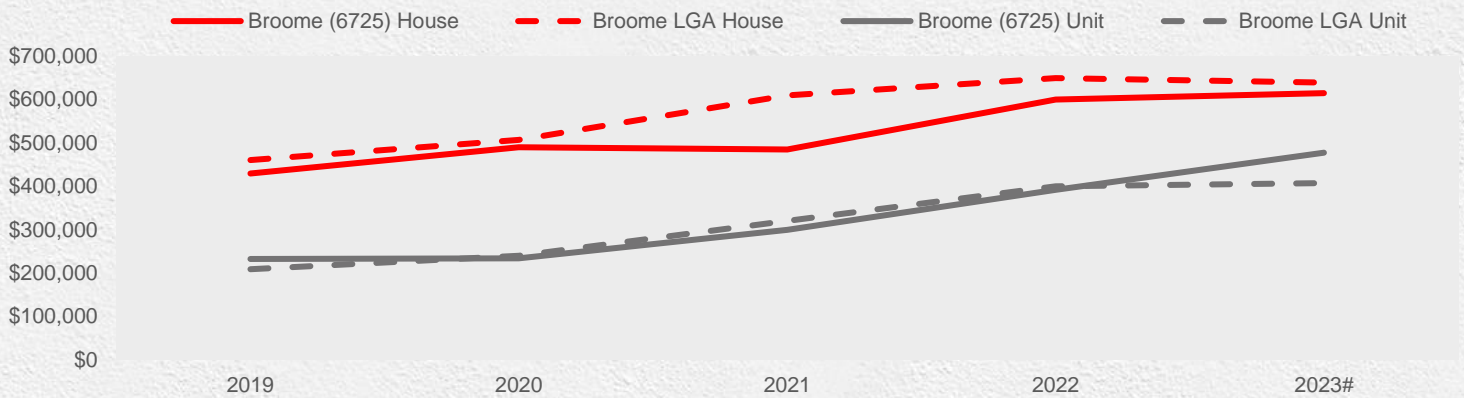


Average vendor discounts between Q2 2022 and Q2 2023 have tightened to a smaller discount of -2.7% for houses and widened to larger discount of -4.7% for units. Market conditions continue to favour buyers, as vendors are willing to accept below the first list price. That said average vendor discounts have stabilised in the past quarter, thus time is of the essence for buyers.

The suburb of Broome has historically offered a more affordable house market compared to the wider Broome Local Government Area (LGA), however is on par with the wider LGA in median unit price. Early 2023 saw house prices in Broome rising to becoming on parity with the LGA, and unit prices becoming a premium.

The dominant proportion of homes sold in Broome\* across 2023# were in the mid-price point of \$550,000 to \$650,000 (27.0%). Units also recorded a dominant mid range price point of between \$350,000-\$450,000 (37.4%). Affordable options are available, however the premium market remains strong, with 20.9% (house) and 14.9% (units) of sales in this price bracket.

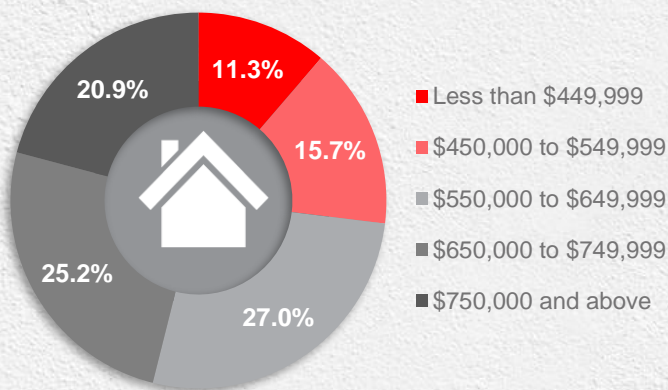
## MARKET COMPARISON



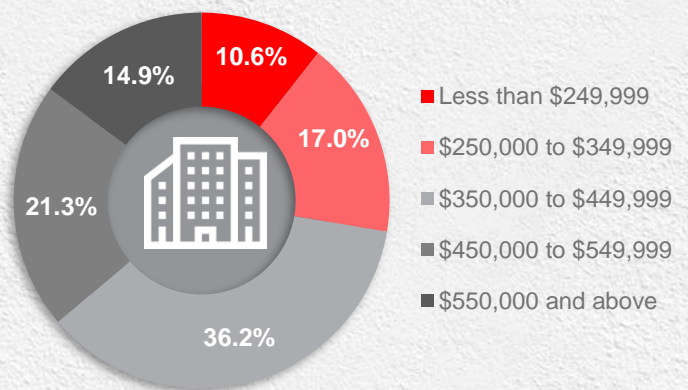
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Broome.

## PRICE BREAKDOWN 2023#

### HOUSES SOLD



### UNITS SOLD





# RENTAL GROWTH 2023€

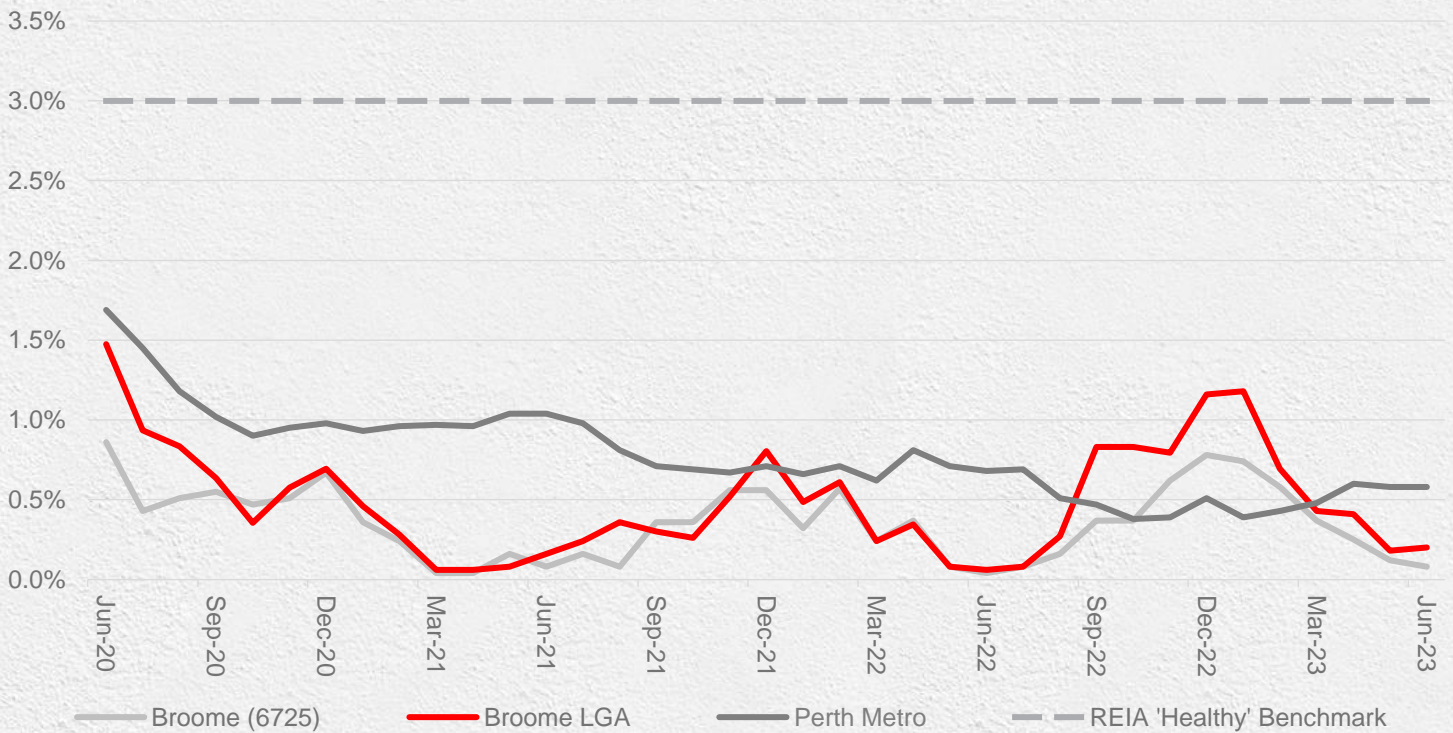
In June 2023, house rental yields in Broome (postcode 6725) was 7.2%, higher than Perth Metro (4.2%). Further, in the 12 months to Q2 2023 median house rental price increased by 46.7% to sit at 1,100 per week, alongside a 64.7% increase (to 28 rentals) in the number of houses rented. This suggests renters are willing to pay higher even without an undersupply in the market. The same pattern can be seen in the unit rental market, indicating a highly demanded market.

3 bedroom houses have provided investors with +11.1% rental growth annually, achieving a median rent of \$500 per week.

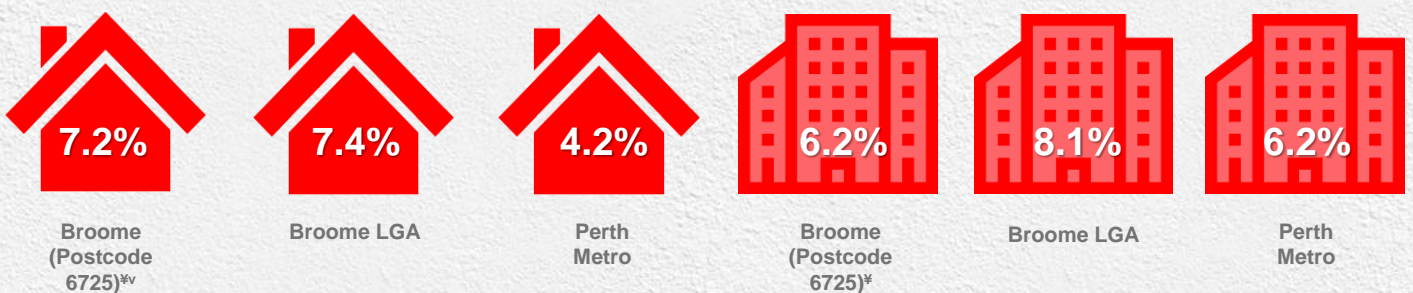
Broome\* recorded a vacancy rate of 0.1% in June 2023, which is below Perth Metro's 0.6% average. Vacancy rates in Broome\* have continued to decline in the past 12 months, indicating higher rental demand and quicker occupancy rates. These key indicators create a conducive and sustainable environment for investors, even if median house price growth have started to represent a recovery phase in the past quarter (Q1 2023 – Q2 2023)



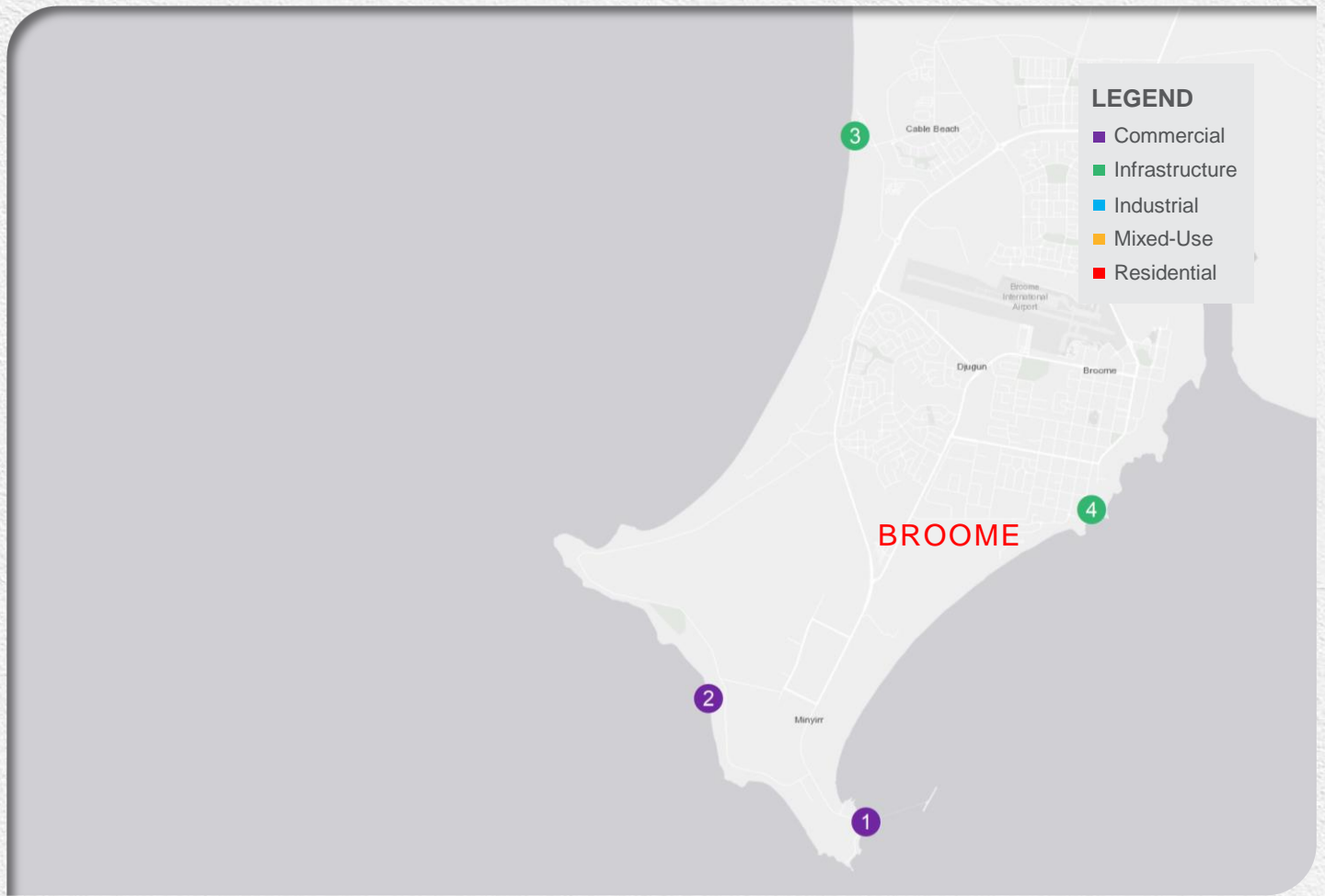
# RENTAL VACANCY RATES 2023



# RENTAL YIELD 2023\$



# TOP DEVELOPMENTS MAP 2<sup>nd</sup> HALF 2023<sup>†</sup>



Location	Project <sup>£</sup>	Type	Estimated Value <sup>¥</sup>	Commence Date <sup>Ⓜ</sup>
1	Kimberley Marine Offloading Facility	Commercial	\$200,000,000	04/12/2023
2	Cable Beach Foreshore Redevelopment Stage 1	Commercial	\$1,000,000	27/11/2023
3	Reddell Beach Recreation Sites Upgrade	Infrastructure	\$1,500,000	29/12/2023
4	Catalinas Boat Ramp Retaining Wall Replacement	Infrastructure	\$450,000	23/10/2023
Not Mapped	Kimberley Mineral Sands Mine	Infrastructure	N/A	In Construction



## 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.



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# 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.

# 2023 encapsulates sales transactions for 2023 (01/01/2023 – 30/6/2023) only.

€ Annual rental growth is a comparison between Q2 2022 (01/04/2022 – 30/06/2022) and Q2 2023 (01/04/2023 – 30/06/2023) house median rent figures.

¥ Broome rental market data encapsulates aggregate property conditions within the postcode of 6725 and 6726

§ Rental yields shown are as reported as of June 2023.

⌘ 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 Local Government Area of Broome.

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.

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