

# Broome Market Update 1<sup>st</sup> Half 2024



## OVERVIEW

In Q4 2023, Broome recorded a median house price of \$685,000, and a median unit price of \$390,000. This represents annual (Q4 2022 – Q4 2023) growth of 3.0% for houses and a minor softening of -2.5% for units. Total sales declined during this time, by -13.3% (to 65 sales) for houses and by -8.0% for units (to 23 sales). There is an undersupply of houses, as median price growth is accompanied by lower sales. This created a barrier during a successive cash rate hike period; thus owners continue to benefit from their investment. Units have become more affordable, with seemingly less competition. This creates an opportunity for buyers.

### CHANGE FROM LAST YEAR HALF YEAR



	YEAR	HALF YEAR
HOUSE SALES	↓	↓
HOUSE MEDIAN PRICE	↑	↑
HOUSE RENTAL PRICE	↑	↑

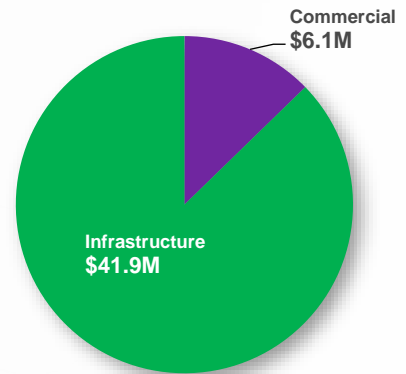


UNIT SALES	↓	↑
UNIT MEDIAN PRICE	↓	↓
UNIT RENTAL PRICE	↑	↑



## FUTURE DEVELOPMENTS

Broome is set to see approximately **\$48.0M worth of new projects commencing in the 1<sup>st</sup> half of 2024.**



A focus on infrastructure projects improve liveability for residents and create local jobs during the construction phase. This can have a positive spill-over impact on the real estate market, in the form of more demand for housing.

A key commercial project in the 1<sup>st</sup> half of 2024 was 154 Frederick Street Health Wellness and Childcare Centre (\$6.1M), which will improve service offerings to families. This will also create more jobs in the area.

A key infrastructure project is Cable Beach Foreshore Redevelopment (\$8.0M). This project includes a new vehicle beach access to the Surf Life Saving Club, beach access stairs, a new lookout, a new skate park, ramp and stairs at the Broom Life Saving Club, and a new basketball court. This will improve liveability for local residents, especially families.

There are no residential projects commencing in the 1<sup>st</sup> half 2024. This is concerning for the house market, as it is already undersupplied – thus potentially higher prices. The current unit market may benefit from this, allowing for older stock to be sold.



## MARKET CONDITIONS

MEDIAN PRICE  
Q4 2023



\$685K



\$390K

SALES

AVERAGE DAYS  
ON MARKET Q4 2023



HOUSE



UNIT

MEDIAN PRICE  
Q4 2023



\$900



\$600

RENTALS

AVERAGE DAYS  
ON MARKET Q4 2023



HOUSE

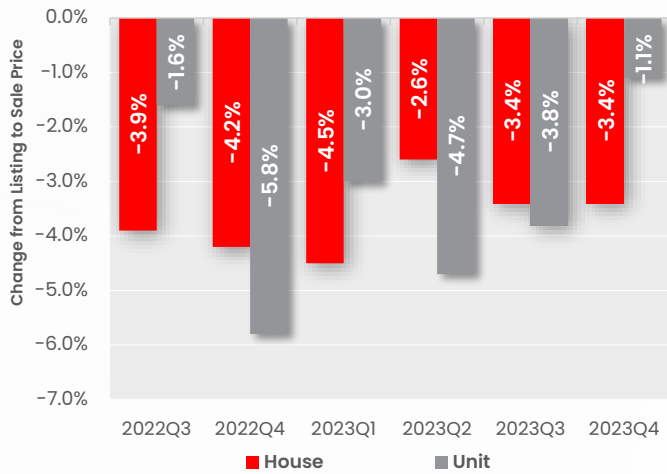


UNIT



## AVERAGE VENDOR DISCOUNT\*

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.



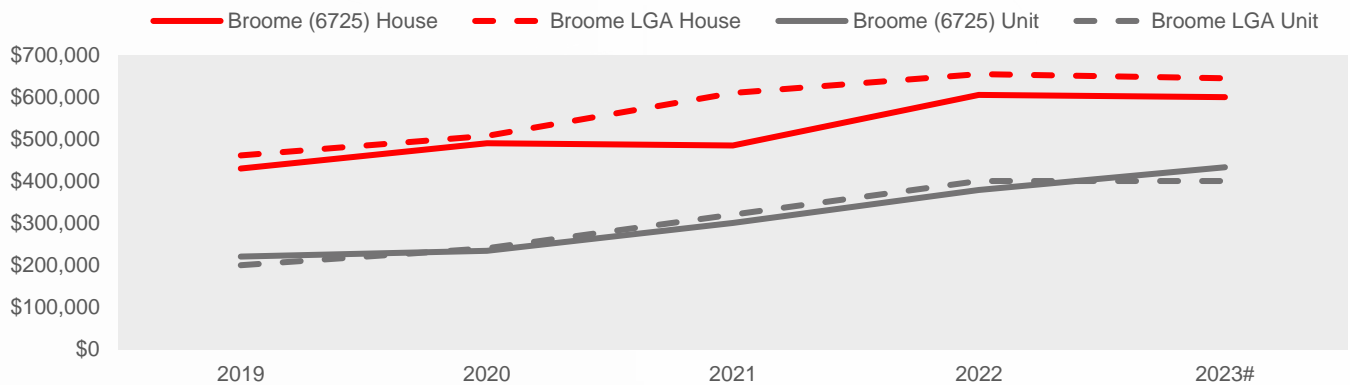
Average vendor discounts between Q4 2022 and Q4 2023 have tightened to a discount of -3.4% for houses and -1.1% for units. Market conditions in Broome continue to favour buyers, where vendors are willing to accept below the first list price. That said Q4 2023 recorded the tightest average vendor discount in the past 18 months, indicating there is a slight shift towards a sellers market. Those looking for a discount need to act swiftly.

The suburb of Broome has historically offered a relatively on par market to the wider Broome Local Government Area (LGA) in both house and unit's median prices. This said, 2023 saw units in Broome slightly outperform the wider LGA region, becoming a more premium market.

The dominant proportion of homes sold in Broome across 2023# were relatively evenly split, between the affordable price point of less than \$549,999 (23.2%) and the middle-price bracket of \$650,000 and \$749,999 (23.6%). Thus there is a home for every budget. Most of the unit sales were in the most affordable price point of less than \$349,999 (30.3%), in good news for first home buyers.



## MARKET COMPARISON



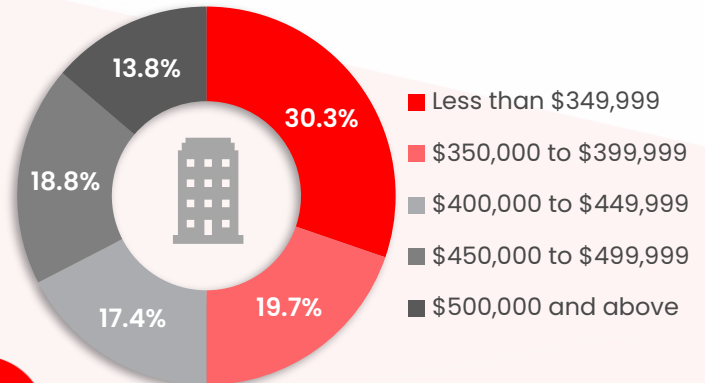
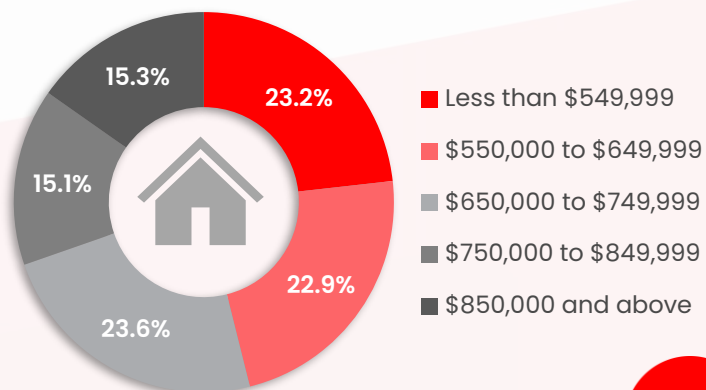
The market comparison graph provides a comparative trend for median price of houses and units over the past 5 years. The main LGA chosen was based on their proximity to the main suburb analysed, which is Broome.



## PRICE BREAKDOWN 2023#

### HOUSES SOLD

### VACANT LAND SOLD






## RENTAL GROWTH 2023€


House rental yields in Broome<sup>€</sup> was 7.3% in December 2023, higher than Perth Metro (4.4%). This was paired with a 5.6% increase in the median house rent price in the 12 months to Q4 2023, to \$950 per week, and a -33.8% decline in the number of houses rented (to 51 rentals). The same pattern can be seen in the unit market, which suggest an undersupplied rental market. This is attractive for investors looking to expand their portfolio.

4+ bedroom houses provided investors with +9.1% rental growth annually, of \$1200 per week.

Broome<sup>€</sup> recorded a vacancy rate of 0.6% in December 2023, which is slightly higher than Perth Metro's 0.4% average. Vacancy rates in Broome<sup>€</sup> did show an increasing trend in the past 6 months, due to investors returning to market and capitalising on a tight market. That said both Broome and Perth Metro's vacancy rates sit well below the Real Estate Institute of Australia's healthy vacancy rate benchmark of 3.0%, suggesting quicker rental occupancy. These key indicators create a conducive and sustainable environment for investors, even with an increase in median house sale prices in the past 12 months to Q4 2023.

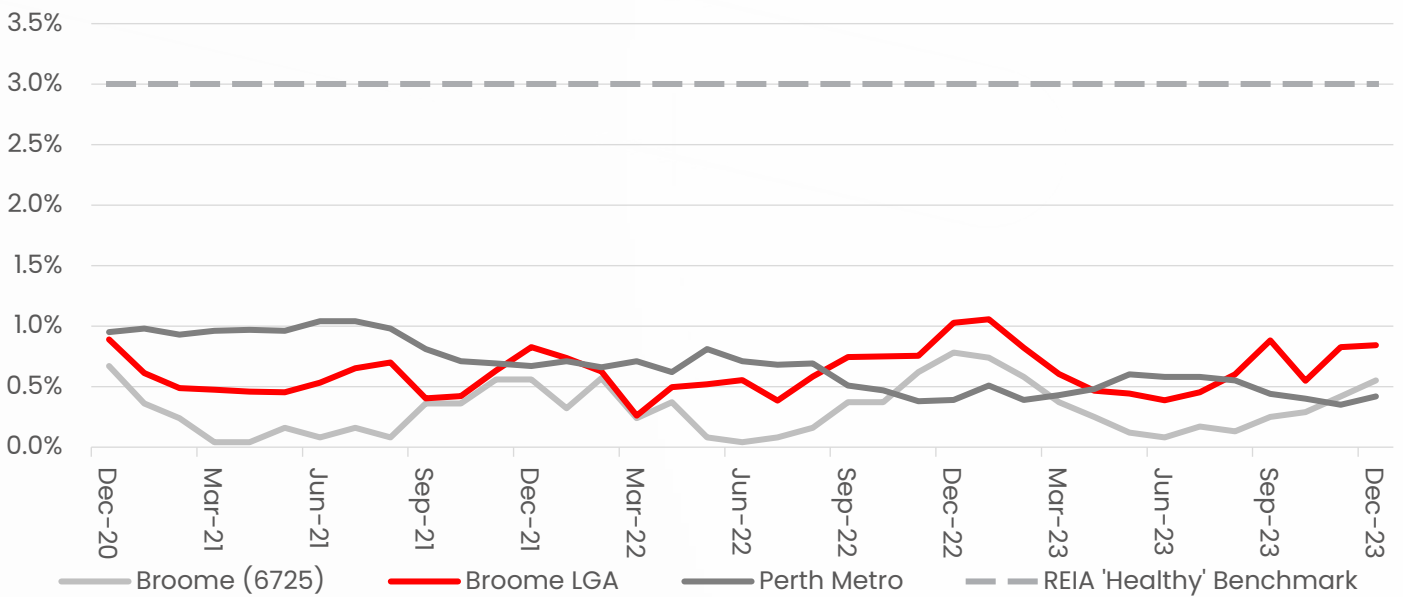
 2 BEDROOMS  
**+22.7%**

 3 BEDROOMS  
**+16.1%**

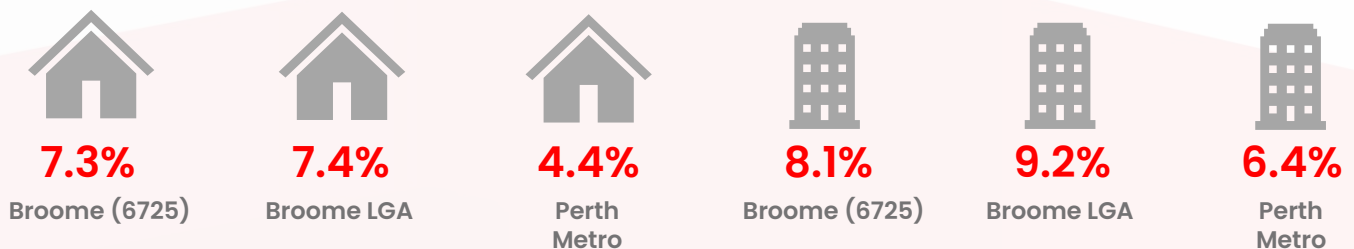
 4 BEDROOMS  
**+9.1%**



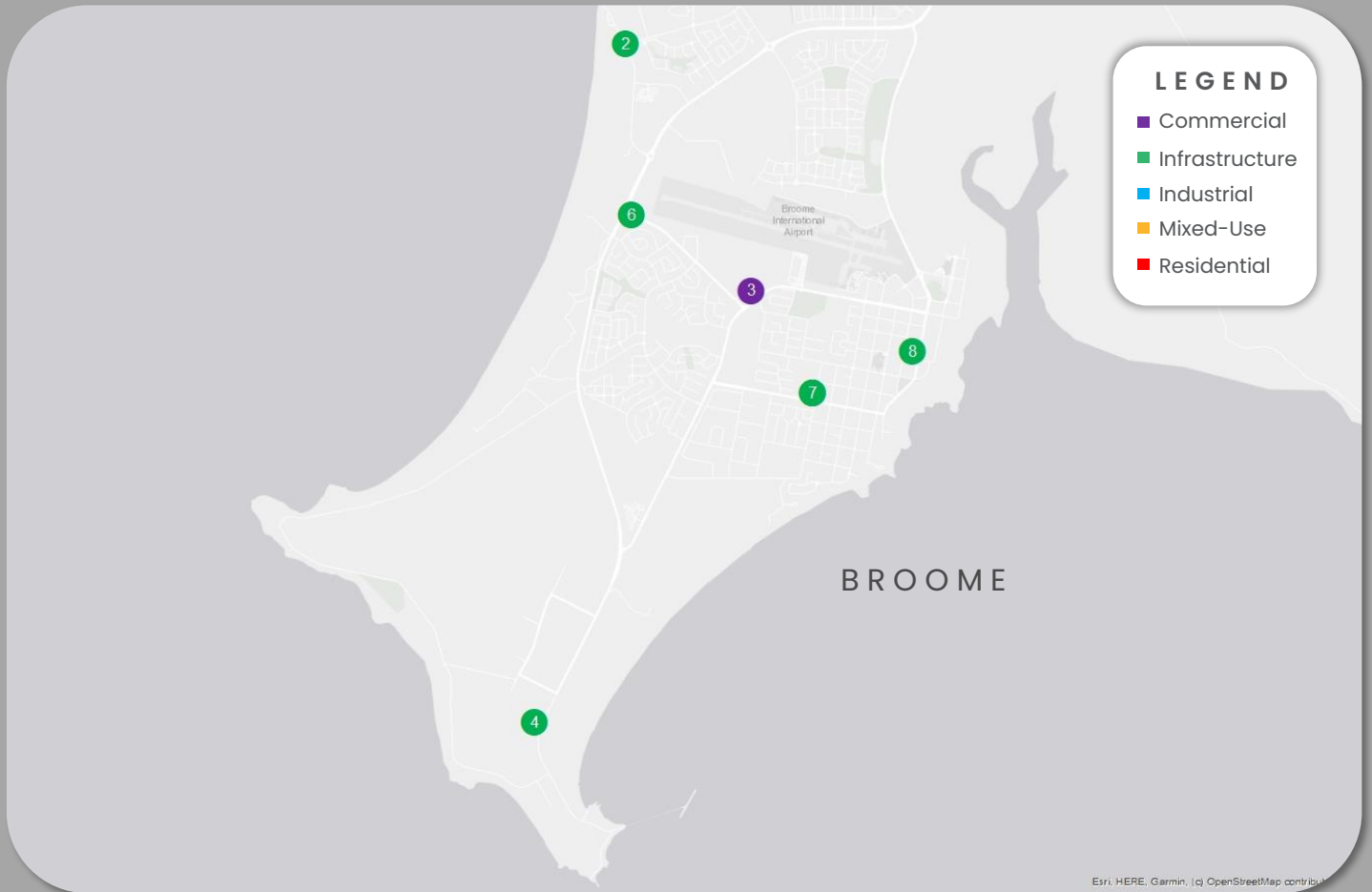
## RENTAL VACANCY RATES 2023



## RENTAL YIELD 2023§



# PROJECT DEVELOPMENT 1<sup>st</sup> HALF MAP 2024<sup>A</sup>



Location	Project <sup>£</sup>	Type	Estimated Value <sup>¥</sup>	Commence Date <sup>ψ</sup>
1	Western Australia Police District Support Facility Broome	Infrastructure	\$30,400,000	22/02/2024
2	Cable Beach Foreshore Redevelopment Stage B1	Infrastructure	\$8,000,000	01/04/2024
3	154 Frederick Street Health & Wellness & Childcare Centre	Commercial	\$6,100,000	25/03/2024
4	Broome Wharf Extensions	Infrastructure	\$1,000,000	20/05/2024
5	Broome Wharf Concrete Reinstatement Works	Infrastructure	\$950,000	18/06/2024
6	De Marchi Road Roadworks Blackspot	Infrastructure	\$650,000	25/03/2024
7	Catalinas Boat Ramp Retaining Wall Replacement	Infrastructure	\$450,000	23/06/2024
8	Broome Shire Administration Building Air Conditioning Renewal	Infrastructure	\$400,000	24/04/2024

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## RESEARCH SERVICES

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

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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 all of 2023 (01/01/2023 – 31/12/2023).

€ Annual rental growth is a comparison between Q4 2022 (01/10/2022 – 31/12/2022) and Q4 2023 (01/10/2023 – 31/12/2023) 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 December 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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