



# Broome Market Update 2nd Half 2021



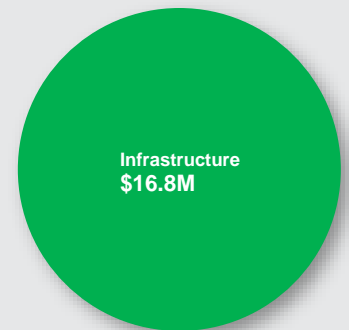
## OVERVIEW

In H2 2021, Broome\* recorded a median house price of \$575,750, and a median unit price of \$260,000. This represents annual (H2 2020 – H2 2021) median price growth of 30.1% for houses and 4.4% for units. Between H2 2020 – H2 2021, total sales increased, by 101.7% for houses (to 117 sales) and by 73.1% for units (to 45 sales). Median price growth alongside increased market activity suggest real returns on capital investment. This indicates an advantageous time for owner-occupiers in Broome\* to transact. First home buyers need to act fast, in order to secure limited affordable stock.

	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 **\$16.8M worth of new projects commencing in the 2nd half of 2021.**



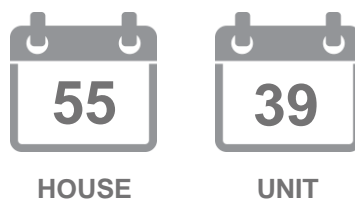
Infrastructure projects increase liveability for residents in the long-run, whilst at the same time stimulate economic growth through the creation of employment opportunities in the construction phase. This will have a positive spill-over impact on the real estate market.

## MARKET CONDITIONS

### SALES MEDIAN PRICE H1 2021



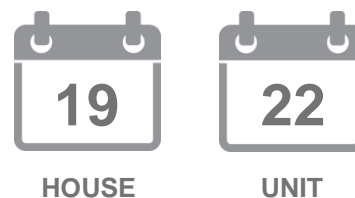
### SALES AVERAGE DAYS ON MARKET H1 2021



### RENTAL MEDIAN PRICE H1 2021



### RENTAL AVERAGE DAYS ON MARKET H1 2021



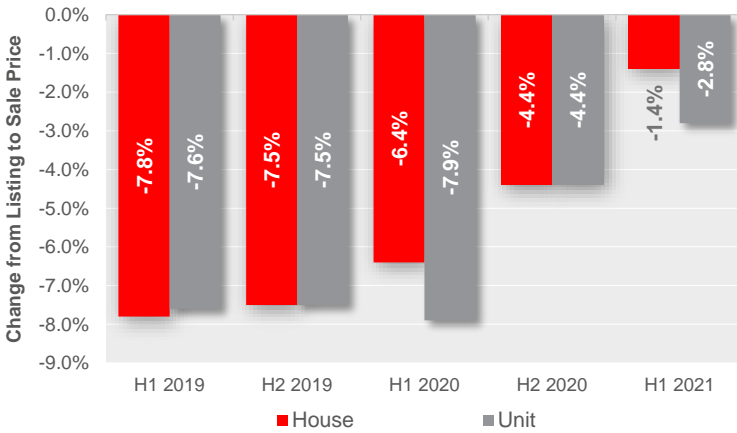
A main infrastructure project is the Town Beach Boating Facilities Broome project (\$4.5M) which will see the construction of a small boating facility at Town Beach. The Broome International Airport (\$3.2M) upgrade will see the continuation of improvement at Broome Airport. Both projects will directly benefit residents and tourists alike through the provision of new and improved amenities.

Other notable infrastructure projects include: Broome Youth Precinct Stage 3 (\$1.7M), Broome Road Industrial Park – Truck Stop and Service Station Development (\$1.5M), and Djarindjin Junction Caravan Pak (\$1.0M).

With high levels of demand and growth in Broome, continued infrastructure development and commercial and residential projects are important to maintain a sustainable property market.

# 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.

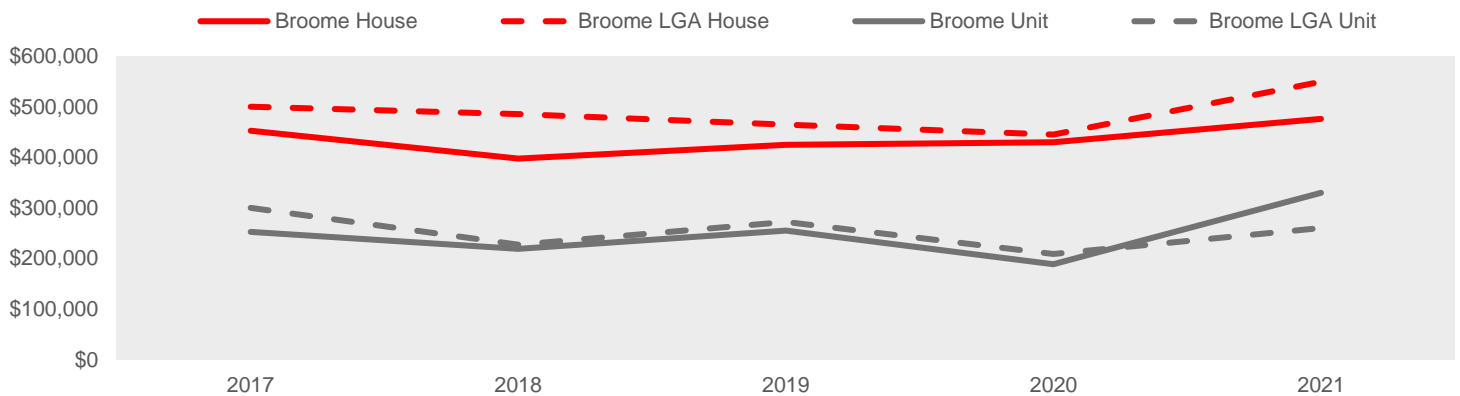


Average vendor discounts between Q2 2020 and Q2 2021 have tightened for both property types, to -1.4% for houses and -2.8% for units. Market conditions in Broome\* offer unique opportunities, as sellers can now achieve final sale prices closer to their first list price, yet buyers can still benefit from a slight discount.

The suburb of Broome has historically underperformed the wider Broome Local Government Area (LGA) in house and unit median prices. This continued to be the case across 2021# for houses, whilst units have now outperformed the wider LGA.

The proportion of homes sold in Broome\* across 2021^ were split between the lower to middle brackets as well as the premium bracket, at approximately 20% each. Units recorded a dominant lower-middle price point of \$200,000-\$300,000 (29.5%). This reveals that despite high price growth there is well-priced stock across the market, in good news for both buyers and sellers.

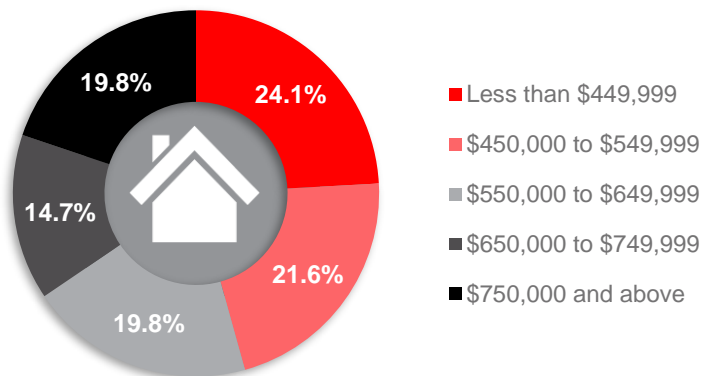
## MARKET COMPARISON



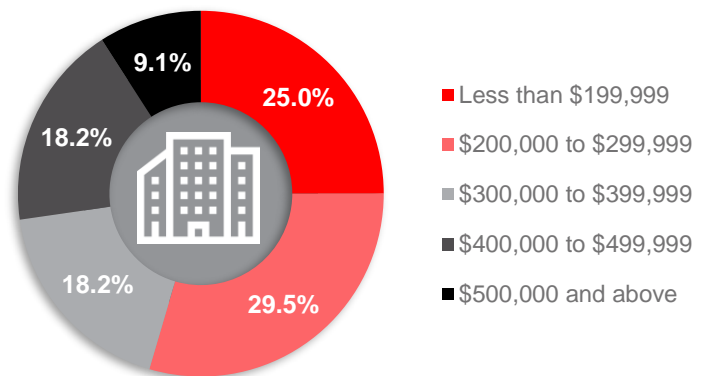
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Broome.

## PRICE BREAKDOWN 2021^

### HOUSES SOLD



### UNITS SOLD



# RENTAL GROWTH 2021€

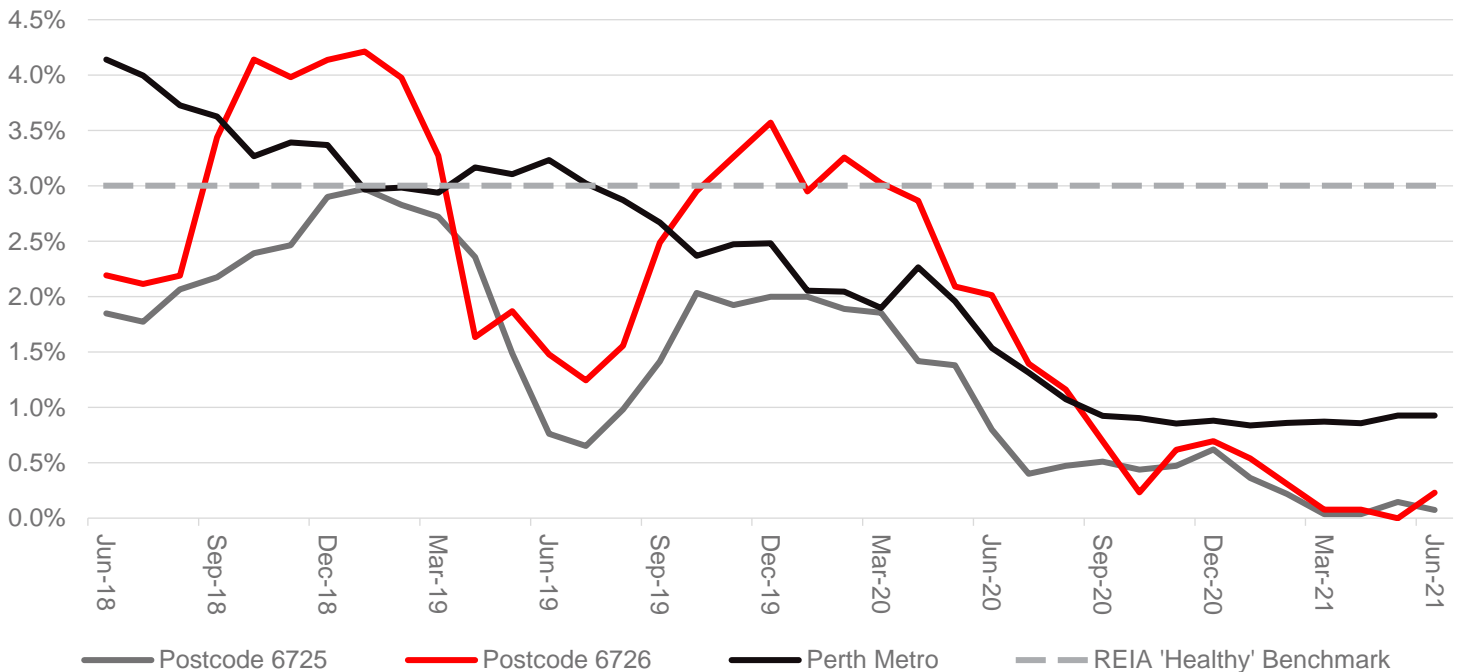
In June 2021, house rental yields in Broome\* were recorded at an average of 5.6%. In the 12 months to Q2 2021, median house rental price increased by 14.0% to reach \$650 per week, while average days on the market declined by -40.6% (to 19 days). Overall this suggests the Broome\* rental market has been very resilient throughout COVID-19.

2 bedroom houses have provided investors with +56.3% rental growth annually€, with a median rent of \$500 per week.

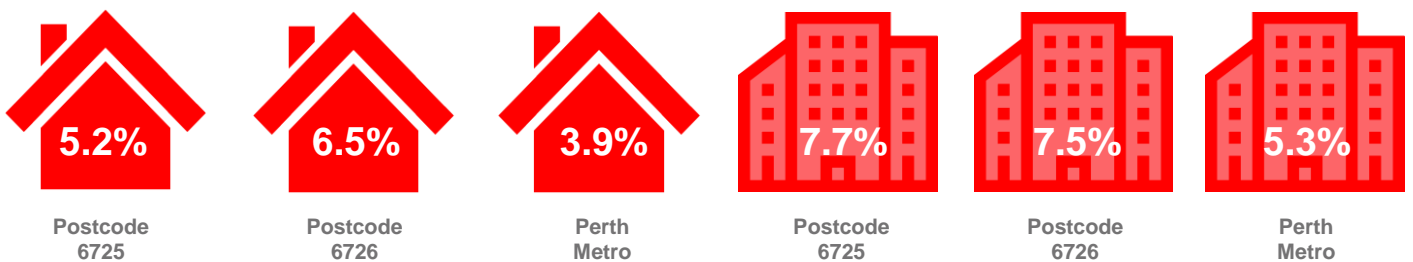
Also in June 2021, Broome Postcode 6725 recorded a vacancy rate of 0.1%, slightly below Cable Beach Postcode 6726 (0.2%) and below Perth Metro (0.9%). Vacancy rates in both postcodes continue to decline, recording historical lows in the past 3 months, and remaining well below the Real Estate Institute of Australia's healthy benchmark of 3.0. This confirms there is a strong level of rental demand, thus investors can be confident of a conducive investment environment in Broome\*.



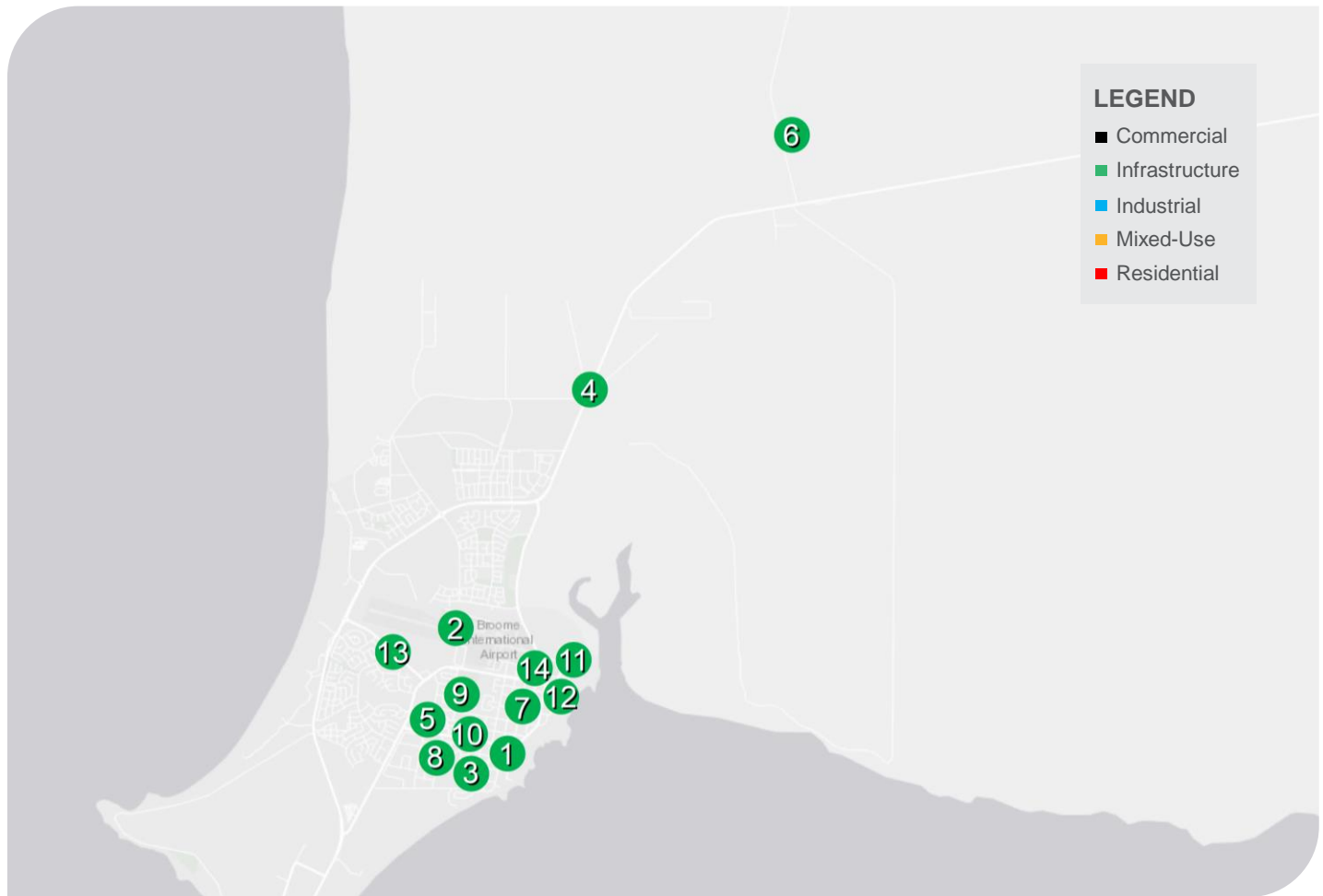
# RENTAL VACANCY RATES 2021



# RENTAL YIELD 2021\$



# TOP DEVELOPMENTS MAP 2ND HALF 2021<sup>†</sup>



Location	Project <sup>£</sup>	Type	Estimated Value <sup>†</sup>	Commence Date <sup>‡</sup>
1	Town Beach Boating Facilities Broome	Infrastructure	\$4,500,000	09/04/2021
2	Broome International Airport	Infrastructure	\$3,200,000	21/05/2021
3	Broome Youth Precinct Stage 3	Infrastructure	\$1,739,000	26/03/2021
4	Broome Road Industrial Park - Service Station & Truck Stop Development	Infrastructure	\$1,500,000	25/09/2021
5	Broome Youth Precinct Stage 2	Infrastructure	\$1,395,000	26/03/2021
6	Djarindjin Junction Caravan Park	Infrastructure	\$1,000,000	29/05/2021
7	Joint Response Taskforce Office Fitout	Infrastructure	\$887,000	04/08/2021
8	Broome Youth Precinct Stage 1	Infrastructure	\$671,000	26/03/2021
9	KRO 2 Building	Infrastructure	\$542,000	09/06/2021
10	Shire Of Broome Footpaths & Crossovers	Infrastructure	\$400,000	07/02/2021
11	Streeters Jetty	Infrastructure	\$400,000	25/09/2021
12	Broome Courthouse	Infrastructure	\$300,000	28/07/2021
13	North Regional TAFE Broome	Infrastructure	\$211,000	24/07/2021
14	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.



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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.

# 2021 encapsulates sales transactions for 1H 2021 (01/01/2021 – 30/06/2021).

^ 2021 encapsulates sales transactions for 1H 2021 (01/01/2021 – 30/06/2021).

€ Annual rental growth is a comparison between 1H 2020 (01/01/2020 – 30/06/2020) and 1H 2021 (01/01/2021 – 30/06/2021) house median rent figures.

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

§ Rental yields shown are as reported as of June 2021.

⌘ 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.

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