

Broome Market Update 2nd Half 2024



OVERVIEW

In Q2 2024, Broome* recorded a median house price of \$715,000, and a median unit price of \$480,000. This represents an annual (Q2 2023 – Q2 2024) median price growth of 9.8% for houses and 6.9% for units. During this time total sales decreased, by -41.7% (to 42 sales) for houses and by -28.6% (to 15 sales) for units. Price growth alongside less sales suggests a market undersupply, which was also evident in the past 6 months to Q2 2024. Now is an ideal time for homeowners to capitalise on their investments. With no new ready-to-sell stock planned to commence construction buyers need to act fast, before prices grow even higher.

CHANGE FROM LAST YEAR HALF YEAR



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

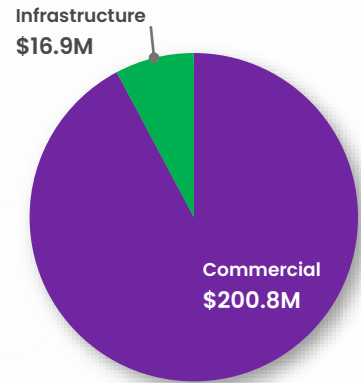


	YEAR	HALF YEAR
UNIT SALES	↓	↓
UNIT MEDIAN PRICE	↑	↑
UNIT RENTAL PRICE	↑	↑



FUTURE DEVELOPMENTS

Broome is set to see approximately **\$217.7M worth of new projects commencing in the 2nd half of 2024.**



A focus on commercial projects will stimulate economic growth and create local employment opportunities. This will have a spill-over impact on the real estate market, in the form of higher demand for housing stock.

A main commercial project in the 2nd half of 2024 is Kimberley Marine Offloading Facility (\$200.0M), and the largest infrastructure in the 2nd half of 2024 is Community Step-Up Step-Down Facility Broome (\$9.4M).

There are no new residential projects in the pipeline for the 2nd half of 2024, which indicates the new ready-to-sell stock market will continue to be undersupplied. This suggests there is a reliance on older and/or current stock to satisfy demand.

With a market undersupply already in place, more undersupply for the rest of 2024 suggests pressure on prices will continue. Median house and unit prices are already trending up in Q2 2024, thus now is an ideal time for buyers to enter the market.



MARKET CONDITIONS

MEDIAN PRICE
Q2 2024



SALES



\$480K

AVERAGE DAYS
ON MARKET Q2 2024



MEDIAN PRICE
Q2 2024



RENTALS



\$620

AVERAGE DAYS
ON MARKET Q2 2024

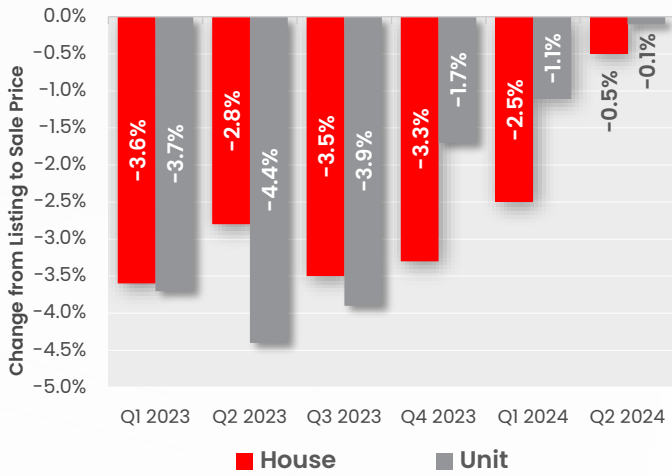




AVERAGE VENDOR DISCOUNT*

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 Q2 2023 and Q2 2024 have tightened to lesser discounts of -0.5% for houses and -0.1% for units. Whilst buyers are still benefiting from discounts, as final sale prices are still below the first list price, this is very minimal compared to 12 months prior. The market is shifting towards a seller's market, and with very little new housing supply the likelihood of this is high.

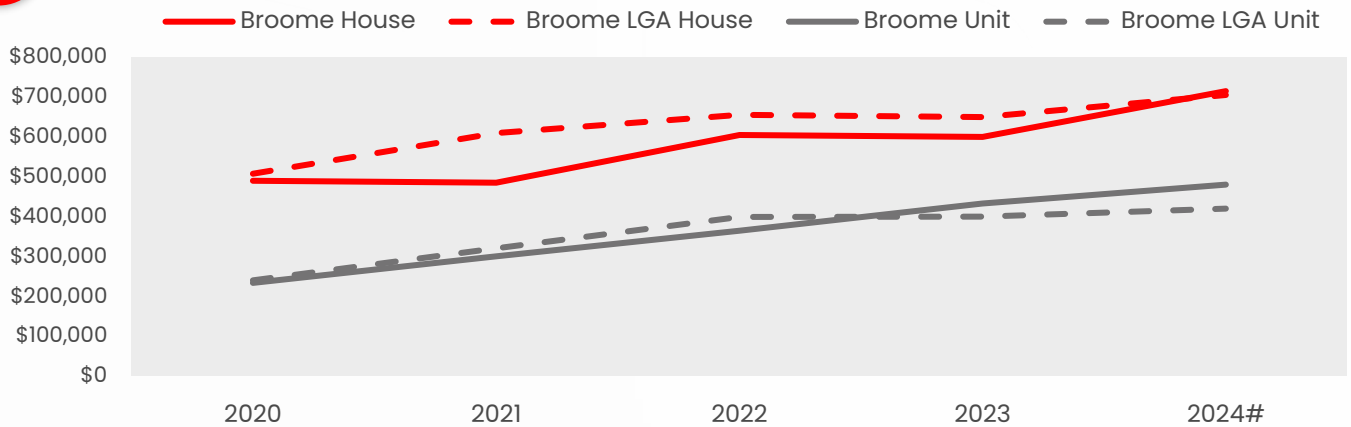


The suburb of Broome has historically provided a more affordable option compared to the wider Broome Local Government Area (LGA) in house and unit median prices. This has changed in 2024#, with median prices in Broome increasing, particularly for units surpassing the LGA's.

The dominant proportion of homes sold in Broome* in 2024# were almost equally split between the premium market of \$800,000 and above (27.6%) and the most affordable price point of less than \$649,999 (32.8%). Units on the other hand recorded a dominant most affordable price point of less than \$399,999 (33.3%). Overall there is a home for every budget in Broome*, with ample affordable options for first home buyers.



MARKET COMPARISON

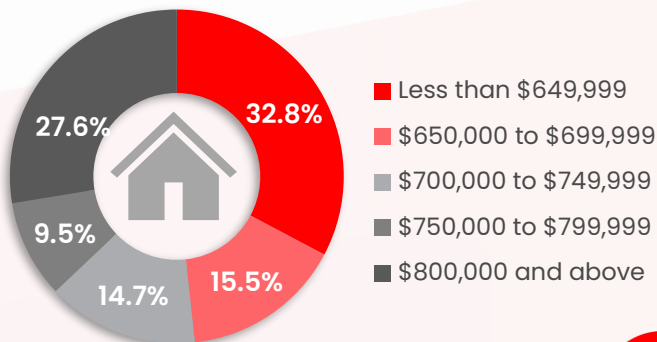


The market comparison graph provides a comparative trend for the median price of houses and unit over the past 5 years. The suburb chosen was based on their proximity to the main LGA analysed, which is Broome*.

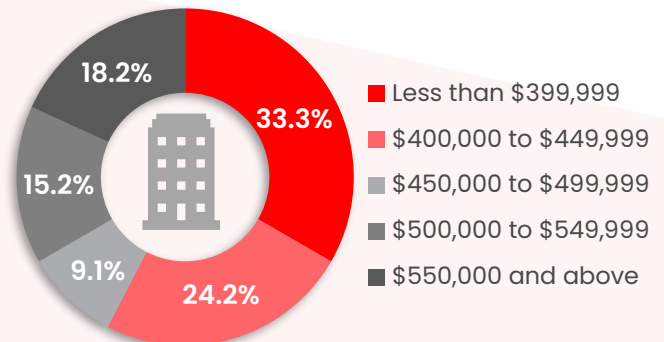


PRICE BREAKDOWN 2024#

HOUSES SOLD



UNITS SOLD





RENTAL GROWTH 2024€

House rental yields in Broome[¥] were 8.2% in June 2024, much higher than Perth Metro (4.0%). Median house rental price was \$1,000 in Q2 2024, which represents stable growth on a 12 months basis, but an 11.1% growth on a 6-months basis. The number of houses rented increased by 23.3% (to 37 rentals in Q2 2024), which suggests a highly demanded rental market. The unit rental market is undersupplied, with a 12.7% increase in median unit rental price (to \$620 per week in Q2 2024) and a -43.8% in the number of units rented.

4+ bedroom houses have provided investors with +13.0% rental growth annually, achieving a median rent of \$1,300 per week.

Broome[¥] recorded a vacancy rate of 0.2% in June 2024, well below Perth Metro's 0.8% average. Vacancy rates in Broome[¥] have held relatively steady over the past 12 months, suggesting stability in its rental demand. Further, a 0.2% vacancy rate is significantly below that of the Real Estate Institute of Australia's 'Healthy' Benchmark of 3.0%, indicating quicker occupancy of rental properties. This suggests a conducive environment for investment.

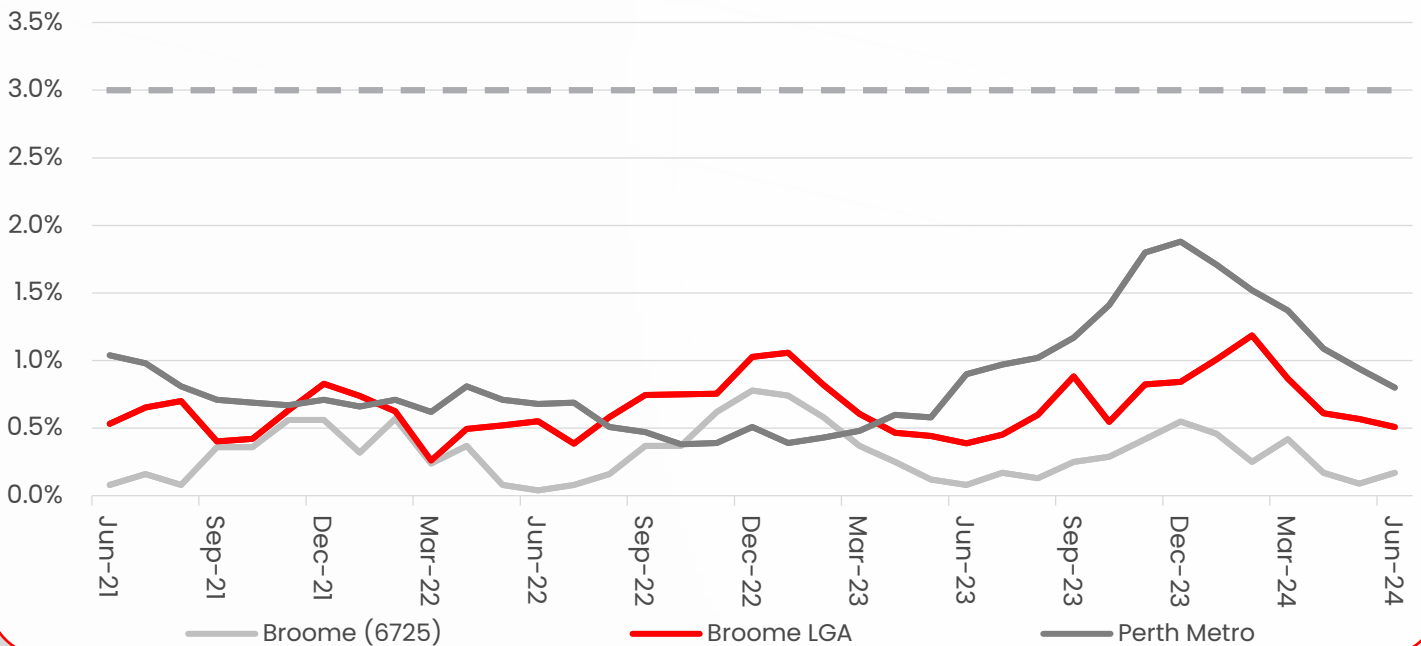
2 BEDROOMS
-8.3%

3 BEDROOMS
-13.0%

4 BEDROOMS
+13.0%



RENTAL VACANCY RATES 2024



RENTAL YIELD 2024§



8.2%

Broome[¥]



8.2%

Broome LGA



4.0%

Perth Metro



7.6%

Broome[¥]



9.2%

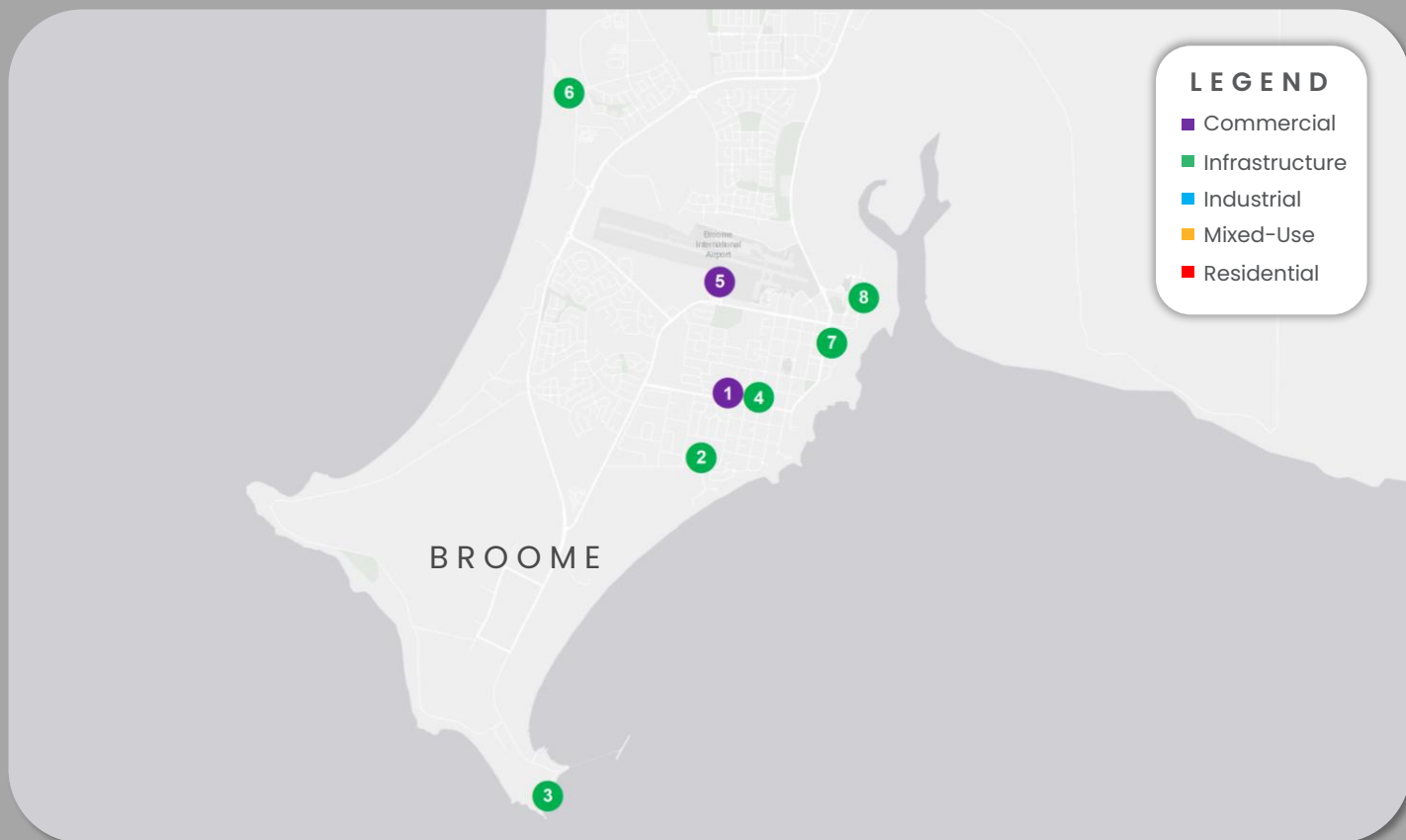
Broome LGA



6.1%

Perth Metro

PROJECT DEVELOPMENT MAP 2nd HALF 2024^A



#	Project ^ε	Type	Estimated Value ^μ	Commence Date ^ψ
1	Kimberley Marine Offloading Facility	Commercial	\$200,000,000	4/12/2024
2	Community Step Up Step Down Facility Broome (State Government)	Infrastructure	\$9,400,000	16/12/2024
3	Broome Boating Facility (State Government)	Infrastructure	\$4,500,000	10/10/2024
4	Town Beach Restaurant/Café (Local Government)	Infrastructure	\$1,000,000	27/11/2024
5	Woolworths Broome	Commercial	\$800,000	14/11/2024
6	Cable Beach Foreshore Redevelopment (Local Government)	Infrastructure	\$800,000	23/09/2024
7	Broome Regional Prison Building Ai-14 Mechanical Works (State Government)	Infrastructure	\$700,000	26/08/2024
8	Legal Aid Broome Office Refurbishment & Fitout Works (State Government)	Infrastructure	\$536,119	22/07/2024

Your home of the latest property market insights.

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

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.



Andrew Blackley

 +61 409 113 358


 andrew@prdbroome.com.au

GET IN TOUCH WITH US TODAY >




PRD Broome

Your trusted local real estate agency

 +61 8 9192 1988

 PRD.com.au/broome

 3 Short Street
Broome, WA, 6725

REFERENCES

* Broome sales 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.

2024 encapsulates sales transactions for 1st Half 2024 (01/01/2024 – 30/06/2024) only, other years encapsulates sales transactions for the full year (i.e 01/01 to 31/12 of the relevant year).

€ Annual rental growth is a comparison between Q2 2023 (01/04/2023 – 30/06/2023) and Q2 2024 (01/04/2024 – 30/06/2024) house median rent figures.

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

§ Rental yields shown are as reported as of June 2024.

A 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 2024.