

Broome Area Snapshot

August 2006



Area Characteristics

Broome is situated on the Kimberley Coast of Western Australia, on a narrow peninsula surrounded by the beautiful indigo waters of the Indian Ocean and Roebuck Bay, and is approximately 2200 km north of Perth. Broome is famous for its wonderful dry season climate, the rugged ranges and coastline of the Kimberley and stunning stretches of glimmering white sandy beaches such as Cable Beach present a unique mix of seclusion and majestic scenery. Other landmarks include the dinosaur footprints at Gantheaume Point, Horizontal Falls – considered one of the greatest natural wonders of the world, and Rowley Shoals, famous for their breathtaking coral gardens and abundant marine life.

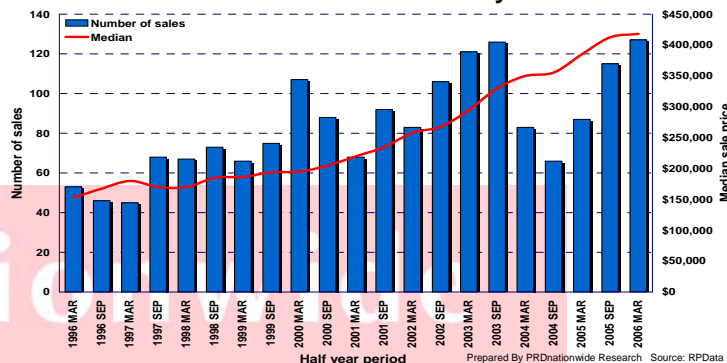
The town grew out of the discovery of the world's largest pearl shell in early 1900's and much of its population base stems from a range of nations whose people came in search of pearls and fortune. The mining boom of the 1960's and the growth of the tourism industry helped Broome develop and diversify, and with the current booming economic conditions in Western Australia it is also one of the fastest growing locations in Australia. For the purpose of this report, the Broome Area includes the residential localities of Broome, Cable Beach and Djugun.



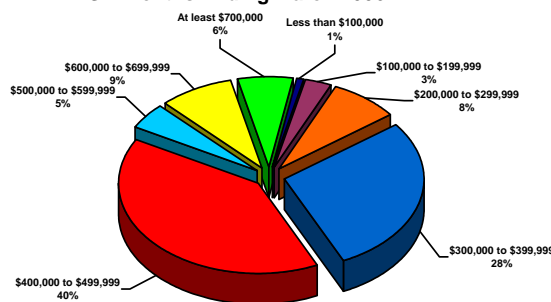
Housing Market

Over the last five years the Broome housing market has undergone considerable growth, increasing at an average rate of 13.7%pa. As a result the median sale price has almost doubled since March '01 and is now tracking at \$418,000 ending March '06. The house sales cycle to the right shows how the median house price has slowed and started to level, with 1.3% growth recorded between September '05 and March '06 and 8.6% over the year. The graph also indicates strong demand within the market over the last couple of years as market activity has increased by 48% since September '04.

Broome Area House Sales Cycle



Broome Area House Price Points Six Months Ending March 2006

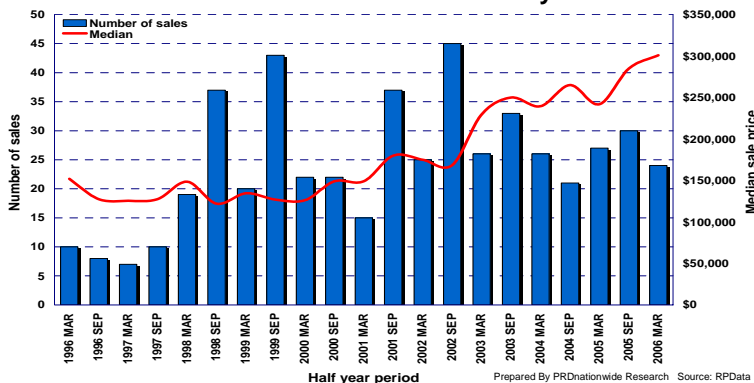


Of the 127 sales in the Broome Area recorded during the six months ending March 06, the \$400,000 to \$499,999 bracket had substantially the highest proportion with 40% of sales falling within this range. The house price points pie chart also indicates that 80% of sales occurred below the \$500,000 mark which may suggest that the low to middle price range is dominating the market. The highest sale price during the six months ending in March '06 was located in Weld Street, Broome and sold around the \$1.1million mark.

Unit Market

The Broome median unit price bounced back during the March '05 half year and has continued to increase to the current median unit price of \$301,000 ending in March 2006. This equates to 15.1% growth per annum over the five years and a staggering 24.4% rate of growth over the year.

Broome Area Unit Sales Cycle



The median unit price is based on 24 sales, ranging in price from the low 100,000s up to the most expensive sale for this period of \$474,000. Sales activity throughout the six months ending March '06 showed minor changes, recording six sales less than the previous half year. The Broome Area appears to have a healthy balance of low, middle and high-end sales as seen in the unit price points chart over the page to the right.

The greater part of sales were recorded within the \$300,000 to \$399,999 bracket with 10 transactions, equating to 42% of total sales. The \$200,000 to \$299,999 and below the \$199,999 brackets also recorded a substantial proportion, with 33% and 17% of sales respectively.

Vacant Land Sales

The vacant land market within the Broome Area has shown little change during the six months ending March '06. The current median vacant land price in the Broome area is \$185,000 which represents an expansive rate of growth over the last five years of 23.3% per annum and as shown in the land sales cycle graph to the right, the median land price has remained steady over the year. The median price for vacant land really took off during the September '03 half year as further homesites were released by "Roebuck Estate" (a residential estate in the Broome Area) as a result of high demand.

The lack of supply in the market affected sales activity during the March '04 to March '05 period, which also continued to fuel the median price increase, until market activity returned in the six months ending September '05. The median price started to level around March '05, where there has been no decrease in median vacant land prices since. Market activity may have decreased by 36% over the half year ending March '06, however it is still tracking above the ten year average for number of sales.

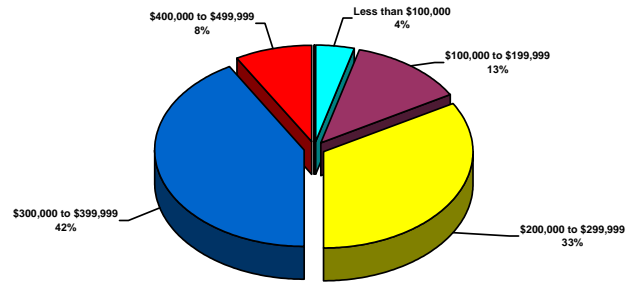
The majority of vacant land sales were within the \$150,000 and \$199,999 bracket which accounted for 31% of total sales during the half year ending March '06. The vacant land price points pie chart indicates that 50% of all sales during the March '06 half year occurred either side of the \$199,999 mark, with 4 sales being recorded above \$400,000. The highest priced sale recorded in the Broome Area during the half year ending March '06 was located in Scott Street, Broome which sold for \$760,000.

Population Projections for Broome Area

The Broome area is projected to undergo significant population growth over the coming years. Based on current trends, the population of all the shires within the Kimberley region, which includes Broome, Halls Creek, Derby and Wyndham, are all projected to show growth between 2006 and 2021. The young and highly urbanised population, high fertility rates, vast employment opportunities, property boom and increased interstate migration are current factors driving Western Australia's population growth.

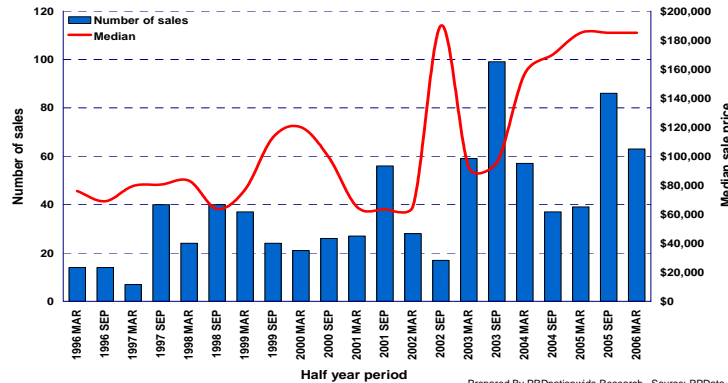
The greater Broome area in particular has an abundance of natural resources which are expected to have a significant affect on population growth during the future development of this region. The Western Australia Department of Planning and Infrastructure has estimated that Broome's current population of 15,594 (2006) will grow to approximately 23,809 persons by the year 2021 as represented in the population projections graph to the right. This represents an average of about 548 persons moving into the area each year over the next 15 years. Most of these people will be accommodated in medium-density apartments and housing as further development is planned and expected along Cable Beach and inner Broome.

**Broome Area Unit Price Points
Six Months Ending March 2006**



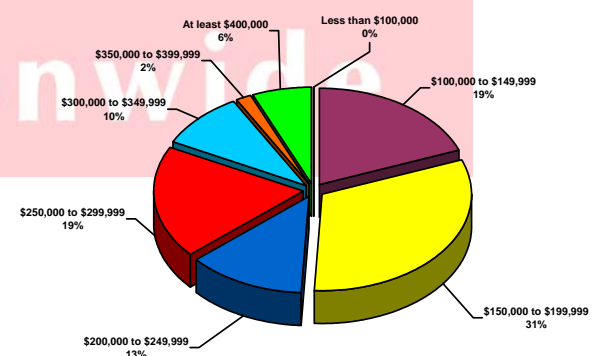
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Broome Area Vacant Land Sales Cycle



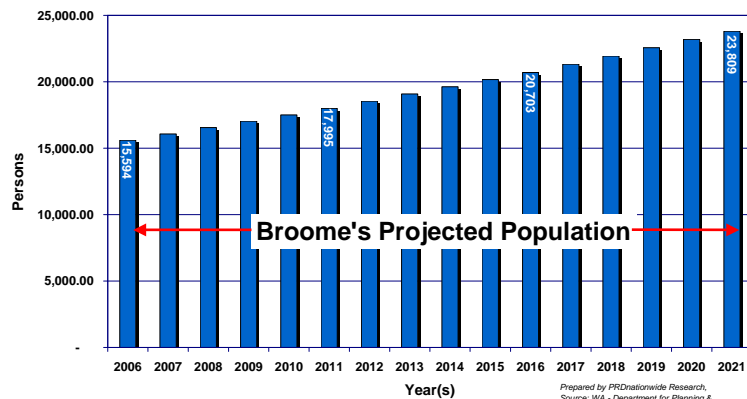
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**Broome Area Vacant Land Price Points
Six Months Ending March 2006**



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Population Projections for Broome Area



Prepared by PRDnationwide Research, Source: WA - Department for Planning & Infrastructure

Prepared by **PRDnationwide Research**, Source: RPData, WA Dept of Planning and Infrastructure
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