

Broome Area Snapshot

December 2005

Area Characteristics

For the purpose of this report, the Broome area refers to the local government area of the Shire of Broome, which includes the residential localities of Broome, Cable Beach and Djugun. Broome is located on the north west coast of Western Australia. The town grew out of the discovery of the world's largest pearl shell and much of its population base stems from a range of nations whose people came in search of pearls and fortune. Its colourful history has resulted in a multi-cultural atmosphere and relaxed style of living. Broome has its own curious architecture, a mixture of colonial, old mission houses, churches, pearling master huts and more recent housing with its own unique style.

The Broome area contains a number of appealing environmental characteristics. The rugged ranges and coastline of the Kimberley and the stunning stretch of glimmering white sand known 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.

Housing Market

Over the last five years the Broome housing market has undergone considerable growth increasing at an average rate of 14.7%pa. As a result, the median sale price for a house in this area has almost doubled increasing from \$194,000 five years ago, to the June 2005 median price of \$385,000. While median house prices have increased by 10.0% over the year to June 2005, the last six months has seen very limited growth in contrast to the last five years. Along side this recent plateau in the growth of house prices is an increase in the volume of sales which, up until now, has been steadily declining since June 2003. A total of 78 house sales were recorded over the six months to June 2005, an increase of 20% from the period before.

Unit Market

The unit market in Broome has bounced back after declining slightly since a peak in December 2003. In the six months to June 2005 the median unit price increased a sizeable 18%, reaching a record median price of \$277,500, up from the previous figure of \$235,000. This new median is based on 25 sales ranging in price from just under \$100,000 up to the most expensive sale for the period of \$450,000.

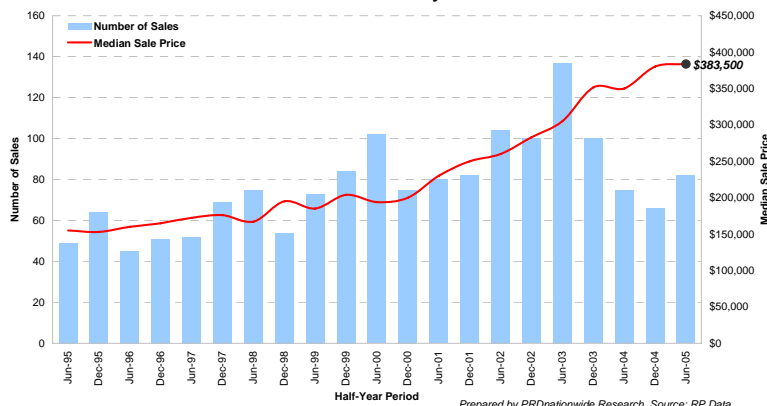
While long term median price growth in the Broome area has been moderately strong over the last ten years, as can be seen on the graph (middle right) the majority of this growth has occurred more recently. This is reflected by the average median price growth rate of 13.9%pa over the last five years and the massive 18% increase in the last six months spoken of earlier. Sales activity in the six months to June 2005 showed little change recording 25 sales, two sales more than the period before.

Vacant Land Market

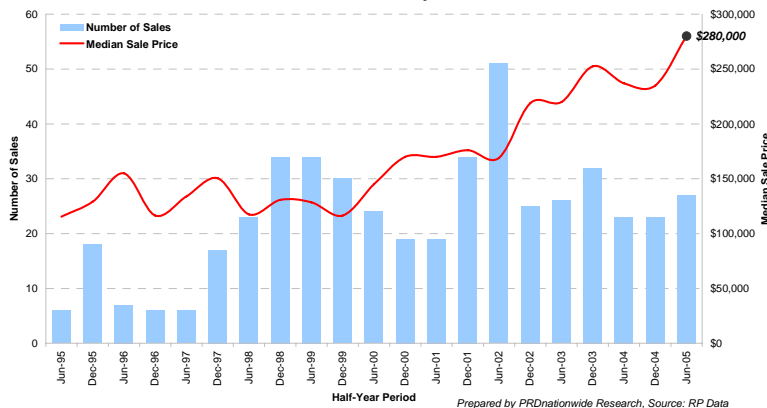
The market for vacant land in Broome has notably declined over the last year. A small downward trend in the median land price began in the six months to December 2004, and this trend has substantially intensified in the six months to June 2005 registering an 8.2% decrease in the median land price over the last six months. Similarly, the volume of vacant land sales has significantly decreased in the six months to June 2005, dropping to 21 sales, down from 29 the period before.

It should be noted that the curious data apparent in the graph (bottom right) for the periods June-03 and December-03 is explained by the extra releases in "Roebuck Estate" (a residential estate in the Broome area) as a result of the pent up demand.

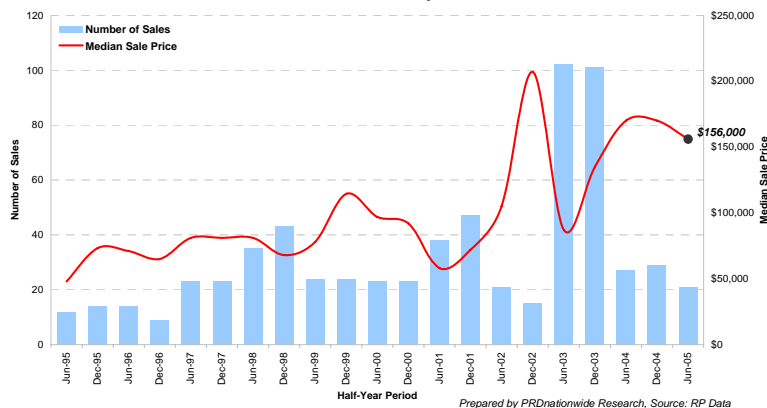
Broome Area House Sales Cycle



Broome Area Unit Sales Cycle



Broome Area Land Sales Cycle



Price Points Summary

Houses

Of the 78 house sales recorded in the Broome area during the six months to June 2005, the \$300,000 to \$400,000 bracket had substantially the highest proportion with 52% of sales falling in this range. With over 75% of the market falling between \$300,000 and \$500,000, and a number of the remaining sales in the higher price brackets, it is apparent that the middle to high-end price range is dominating the market. The most expensive sale for the six months to June 2005 was a house in Sunset Park at Cable Beach that sold for \$942,000.

Units

The majority of unit sales recorded were in the \$250,000 to \$300,000 price bracket with a total of 8 transactions, equating to 32% of total sales. The \$100,000 to \$150,000 and \$150,000 to \$200,000 brackets also recorded substantial proportions, with 24% and 16% of sales respectively. With approximately half the market selling either side of \$200,000, the unit market in Broome appears to have a healthy balance of low, middle and high-end sales.

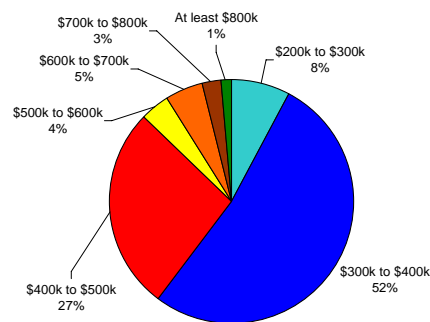
Land

In the six months ending June 2005 the price of land sales fell into only three different price brackets. The majority of sales were between \$150,000 and \$200,000, totalling 48% of transactions, with the \$100,000 to \$150,000 bracket comprising 38% of sales. With these two lower-end price brackets sharing the large majority of sales, it would seem the low-end of the market is dominant, however three sales were recorded in the \$400,000 to \$450,000 bracket equating to 14% of sales. This indicates that the area houses a select few prime locations (for example overlooking Roebuck Bay at Waterfront Estate or close to Cable Beach) that fetch an exceptional price beyond that of the common block of land in this area.

Population Growth

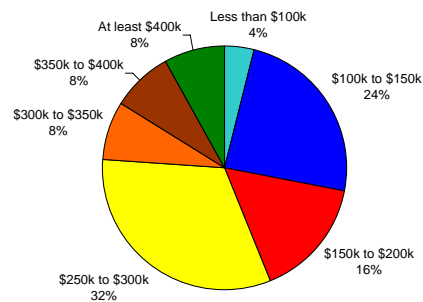
The Broome area is projected to undergo significant population growth over the coming years. In fact, based on current trends, the population of all the shires within the Kimberley region, which includes Broome, Halls Creek, Derby and Wyndham, are all projected to show growth between 2004 and 2021. With the resources sector booming in Western Australia and this area rich in natural resources, this is no surprise. The 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 Planning Commission has estimated that Broome's current population of 14,500 (2004) will grow to approximately 23,800 persons by the year 2021. This equates to an average annual growth rate of approximately 3.0%pa over the next 16 years, which will see Broome accommodate nearly 42% of the total Kimberley population.

Broome Area House Price Points
Six months ending June 2005



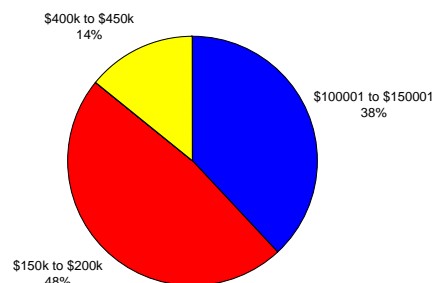
Prepared by PRDnationwide Research. Source: RP Data

Broome Area Unit Price Points
Six months ending June 2005



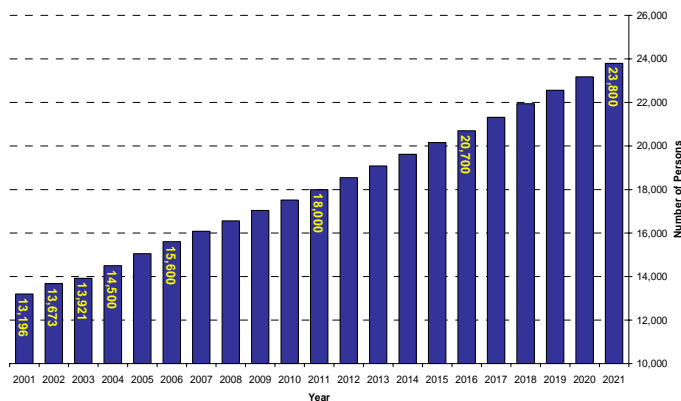
Prepared by PRDnationwide Research. Source: RP Data

Broome Area Land Price Points
Six months ending June 2005



Prepared by PRDnationwide Research. Source: RP Data

Projected Population for Broome Area



Prepared by PRDnationwide Research. Source: Western Australia Planning Commission
NB: Chart starts at 10,000

Prepared by PRDnationwide Research, Source: RPData, WA Planning Commission
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