

Affordable Housing Presentation – 7/04/2008

Currently the real estate market in the Pilbara in particular Karratha and Port Hedland is still showing strong growth compared to Perth which has levelled in 2007. This strong growth is due to the “Resource’s Boom “everyone talks about which is happening in our region.

It is fantastic the country can enjoy the benefits that come with the boom but due to a lack of affordable housing in the region ‘locals’ are unable to enjoy the boom. Currently there are approximately 150 properties on the market for sale or under offer of which about 80% are investors selling their investments for a number of different reasons including recent interest rate rises. These investment properties have leases currently in place with most still having some time until they expire.

These properties do not help locals as they can not move into the properties or place staff in them. The properties that do offer vacant possession are for sale at premium prices. Currently there are approximately 30 properties for sale at \$900,000 plus in Karratha, with no 4 bedroom 2 bathroom properties available for sale under \$800,000. A significant increase in the pricing of housing is evident by comparing the median house price in Karratha for the December 2006 quarter at \$547,500.00 to that of December 2007 quarter at \$710,000.

Currently on the rental market amongst the local agents there are approximately 23 properties available in the Karratha district ranging in price from \$1,000 for a 3 bedroom, 1.5 bathroom brick home to \$2,500.00 for a 4 bedroom, 2 bathroom brick home with a swimming pool. The significant increase in housing sales and rental prices means that most small to medium business owners can not afford to buy or lease property to house staff. It also effects potential employees wanting to relocate to the region to secure accommodation due to affordability which results in there being little skilled or qualified workers available in the region.

The region is transient by nature but we believe this will change if housing is more affordable whether it is to buy or rent. As we all know there is a bigger picture and flow on effect from the boom. But if housing was affordable, there would be more government employees available for schools, hospitals, police, our local shire would be able to have more staff, more families will move to the area which will rebuild the community and more importantly stay longer than 2 or 3 years as most people do.

Currently due to the high prices “1st home buyers” even with the grants and subsidies in stamp duty they receive still can not afford to buy in Karratha and this is being reflected with local young people a lot of whom were born in Karratha are moving to Perth or other more affordable areas and doing “fly in fly out” to still work in the area.

It is more affordable to build in Karratha than buy established property and we believe this is something people would prefer to do as they are getting a new home to live in compared to a 30 or 40 year old property.

There is very little vacant residential land available and Landcorp have releases some 400 lots of land in Karratha which has received fantastic support from the community and this has helped with affordable, new housing in the region.

With the future looking sound over the next few years in Karratha and the Pilbara region we do not believe constant, monitored release of vacant land will saturate the market but will actually help the market become, affordable and more importantly ensure the community grows with families, businesses, competition and infrastructure for the region.

It is also to be noted that business in the region can not grow or relocate as there is an extreme shortage of property for lease or purchase, Landcorp are pushing ahead with parcels of land for release in the near future both in the Karratha Industrial Estate and Town Centre.

Options need to be considered by local, state and federal governments to ensure the future long term viability which will ensure Karratha and the Pilbara grows and becomes a desirable region for all Australians to live. It is one of the most remarkable regions in Australia and should be enjoyed by all, not only those that can afford it.

Presented by



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Chairperson

Pilbara Division

Real Estate Institute of Western Australia.

7th April 2008

Regional Residential Data Series

Data Source: Landgate - © Real Estate Institute of WA

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	Houses					Units			Land				
	Sales	Average	Median	Highest	Annual % Median Growth	Sales	Average	Median	Annual % Median Growth	Sales	Average	Median	Annual % Median Growth
Karratha (Urban Area)													
2007	318	\$673,923	\$649,500	\$1,550,000	36.7%	34	\$466,529	\$469,000	48.9%	109	\$270,690	\$182,500	14.1%
2006	309	\$484,657	\$475,000	\$842,000	43.9%	63	\$304,017	\$315,000	41.6%	311	\$194,863	\$160,000	40.4%
2005	318	\$336,260	\$330,000	\$595,000	29.7%	55	\$229,618	\$222,500	12.9%	201	\$137,640	\$114,000	33.2%
2004	344	\$263,181	\$254,500	\$456,000	6.0%	71	\$199,475	\$197,000	49.2%	143	\$125,546	\$85,596	1.3%
2003	292	\$242,578	\$240,000	\$490,000	6.7%	72	\$161,576	\$132,000	-24.6%	65	\$157,135	\$84,500	9.7%
2002	207	\$224,632	\$225,000	\$513,705	12.5%	33	\$182,524	\$175,000	15.9%	111	\$101,928	\$77,000	-1.3%
2001	235	\$200,719	\$200,000	\$478,250	11.1%	37	\$154,797	\$151,000	14.6%	50	\$108,480	\$78,000	14.4%
2000	167	\$184,020	\$180,000	\$382,000	0.0%	22	\$143,468	\$131,750	-8.0%	23	\$71,775	\$68,200	-19.8%
1999	148	\$176,554	\$180,000	\$355,000	-2.0%	36	\$153,872	\$143,250	6.1%	15	\$100,133	\$85,000	1.5%
1998	190	\$180,573	\$183,750	\$400,000	8.1%	63	\$151,683	\$135,000	14.5%	42	\$127,045	\$83,750	74.5%
1997	250	\$175,059	\$170,000	\$445,000	19.3%	48	\$115,397	\$117,900	-3.8%	73	\$61,334	\$48,000	20.0%
1996	198	\$134,408	\$142,500	\$285,000	18.8%	36	\$219,111	\$122,500	23.1%	28	\$42,446	\$40,000	22.1%
1995	247	\$123,209	\$120,000	\$300,000	9.1%	32	\$96,906	\$99,500	24.4%	10	\$31,850	\$32,750	2.3%
1994	171	\$116,408	\$110,000	\$770,000	44.7%	41	\$85,998	\$80,000	14.3%	8	\$49,725	\$32,000	74.4%
1993	297	\$88,618	\$76,000	\$230,000	-0.7%	57	\$78,114	\$70,000	-12.5%	2	\$18,350	\$18,350	-20.2%
1992	236	\$87,678	\$76,500	\$228,000	n.a.	23	\$116,130	\$80,000	n.a.	2	\$23,000	\$23,000	n.a.

Note: * REIWA has limited confidence in analysis for 1992 due to identified source data inaccuracies

Data extraction as at Mar 2008

Average Annual Growth Rate - Houses

15 years	15.3%
10 Years	14.3%
5 Years	23.6%

Ave. Annual Growth Rate - Units

15 years	12.5%
10 Years	14.8%
5 Years	21.8%

Average Annual Growth Rate - Land

15 years	14.8%
10 Years	14.3%
5 Years	18.8%

Regional WA Growth Rate - Houses

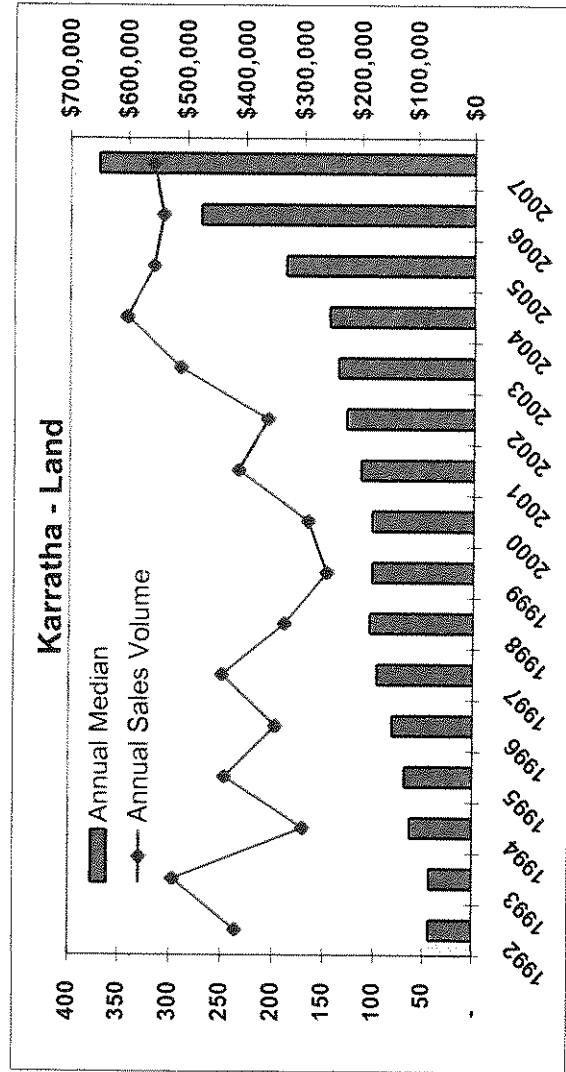
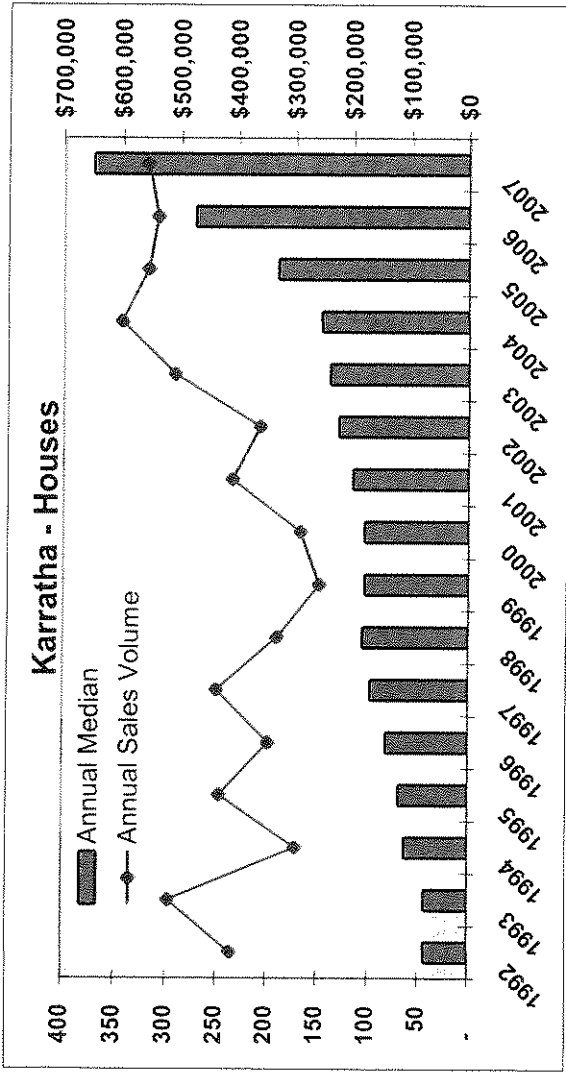
15 years	12.2%
10 Years	12.7%
5 Years	20.6%

Regional WA Growth Rate - Units

15 years	10.0%
10 Years	10.7%
5 Years	18.3%

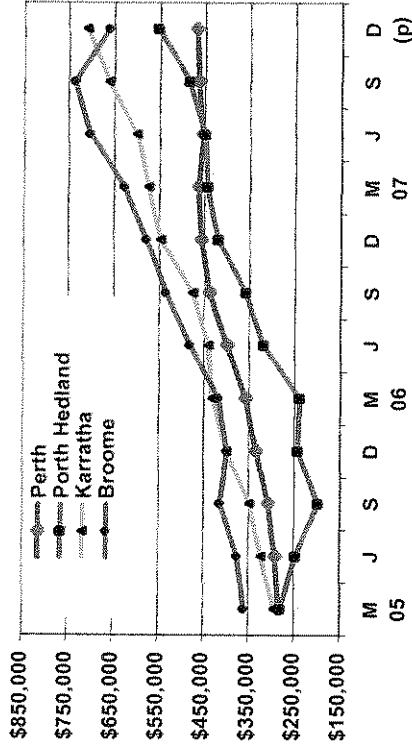
Regional WA Growth Rate - Land

15 years	12.4%
10 Years	14.6%
5 Years	20.7%

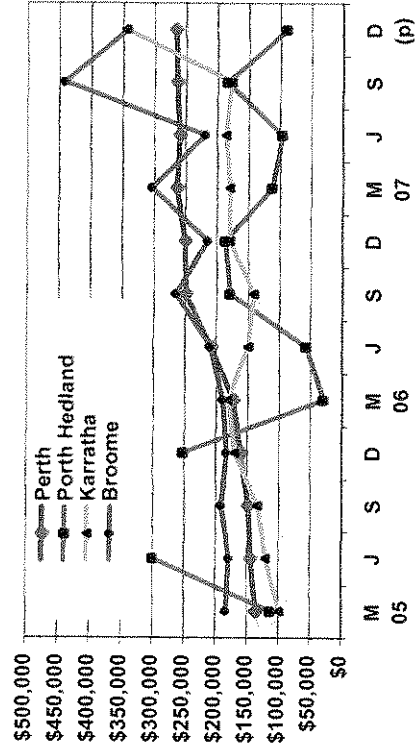


Pilbara-Kimberley Quarterly Data Series
 Prepared for Lindsay Gibson - April 2008
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Qtlly Median House Price	Perth	Porth Hedland	Karratha	Broome
M 05	\$ 285,000	\$ 281,000	\$ 295,000	\$ 362,500
J	\$ 292,000	\$ 247,500	\$ 322,500	\$ 376,000
S	\$ 309,000	\$ 200,000	\$ 350,000	\$ 415,750
D	\$ 335,000	\$ 243,250	\$ 400,000	\$ 400,000
M 06	\$ 360,000	\$ 240,000	\$ 432,500	\$ 420,000
J	\$ 400,000	\$ 319,000	\$ 440,000	\$ 482,500
S	\$ 440,000	\$ 360,000	\$ 476,250	\$ 537,500
D	\$ 457,500	\$ 420,000	\$ 547,500	\$ 580,000
M 07	\$ 465,000	\$ 445,000	\$ 575,000	\$ 630,000
J	\$ 455,000	\$ 450,000	\$ 600,000	\$ 704,000
S	\$ 465,000	\$ 484,500	\$ 662,500	\$ 737,500
D (p)	\$ 470,000	\$ 555,000	\$ 710,000	\$ 663,750



Qtlly Median Land Price	Perth	Porth Hedland	Karratha	Broome
M 05	\$137,000	\$114,000	\$99,700	\$185,000
J	\$145,000	\$300,000	\$121,000	\$180,000
S	\$150,000		\$135,000	\$193,000
D	\$161,500	\$252,500	\$170,000	\$184,000
M 06	\$174,200	\$30,000	\$182,050	\$191,675
J	\$209,000	\$57,000	\$150,000	\$210,000
S	\$250,000	\$180,000	\$142,000	\$266,500
D	\$251,000	\$187,000	\$179,500	\$215,000
M 07	\$265,000	\$113,500	\$180,500	\$305,000
J	\$260,000	\$97,000	\$186,500	\$220,000
S	\$265,000	\$185,000	\$178,000	\$443,000
D (p)	\$266,500	\$90,000	\$345,000	\$342,500





Regional Residential Data Series

Data Source: Landgate - © Real Estate Institute of WA

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	Houses					Units				
	Sales	Average	Median	Highest	Annual % Median Growth	Sales	Average	Median	Annual % Median Growth	
Port Hedland (Includes South Hedland)	343	\$509,082	\$470,000	\$1,200,000	46.9%	50	\$327,704	\$310,000	24.0%	
2007	392	\$332,490	\$320,000	\$875,000	31.6%	69	\$266,773	\$250,000	66.7%	
2006	454	\$397,686	\$243,250	under review	33.2%	60	\$156,392	\$150,000	62.2%	
2005	355	\$214,681	\$182,600	\$2,470,000	10.0%	78	\$135,635	\$92,500	-8.4%	
2004	329	\$177,547	\$166,000	\$437,000	-1.8%	46	\$130,152	\$101,000	-12.2%	
2003	321	\$170,605	\$169,000	\$453,000	16.6%	41	\$127,633	\$115,000	7.0%	
2002	324	\$162,319	\$145,000	\$3,769,359	7.4%	26	\$99,413	\$107,500	-10.7%	
2001	231	\$143,392	\$135,000	\$360,000	-9.4%	14	\$149,329	\$120,400	26.7%	
2000	177	\$148,974	\$149,000	\$348,000	-3.2%	25	\$199,748	\$95,000	-52.5%	
1999	187	\$156,200	\$154,000	\$327,000	8.1%	11	\$189,579	\$200,000	60.0%	
1998	230	\$153,431	\$142,500	\$345,000	15.9%	10	\$120,929	\$125,000	22.5%	
1997	205	\$137,170	\$123,000	\$345,000	47.3%	22	\$121,855	\$102,000	-5.1%	
1996	237	\$101,832	\$83,500	\$290,000	0.0%	19	\$121,555	\$107,500	25.0%	
1995	231	\$90,975	\$83,500	\$265,000	11.3%	19	\$118,526	\$86,000	36.5%	
1994	225	\$82,748	\$75,000	\$205,000	20.0%	28	\$57,042	\$63,000	-52.8%	
1993	179	\$70,708	\$62,500	\$195,000	n.a.	8	\$127,800	\$133,500	n.a.	
1992										

Note: * REIWA has limited confidence in analysis for 1992 due to identified source data inaccuracies

Data extraction as at Mar 2008

Average Annual Growth Rate - Houses

15 years	14.4%
10 Years	12.7%
5 Years	22.7%

Ave. Annual Growth Rate - Units

15 years	5.8%
10 Years	9.5%
5 Years	21.9%

Regional WA Growth Rate - Houses

15 years	12.2%
10 Years	12.7%
5 Years	20.6%

Regional WA Growth Rate - Units

15 years	10.0%
10 Years	10.7%
5 Years	18.3%

Land				
Sales	Average	Median	Annual % Median Growth	
26	\$185,808	\$167,500	-9.9%	
55	\$180,964	\$186,000	-7.0%	
5	\$206,600	\$200,000	809.1%	
5	\$33,060	\$22,000	-76.7%	
12	\$95,375	\$94,500	195.3%	
15	\$45,533	\$32,000	30.6%	
10	\$61,850	\$24,500	-30.0%	
11	\$93,222	\$35,000	40.0%	
40	\$52,097	\$25,000	-24.2%	
98	\$49,142	\$33,000	-36.4%	
74	\$104,053	\$51,880	6.9%	
46	\$91,023	\$48,538	51.7%	
24	\$71,146	\$32,000	-23.8%	
17	\$55,324	\$42,000	40.0%	
31	\$46,358	\$30,000	30.4%	
7	\$21,371	\$23,000	n.a.	

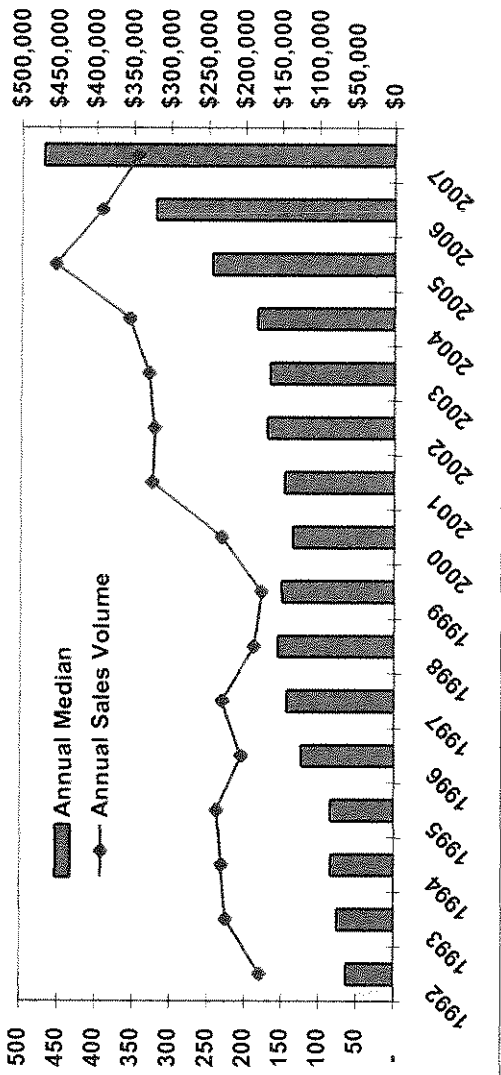
Average Annual Growth Rate - Land

15 Years	14.2%
10 Years	12.4%
5 Years	39.2%

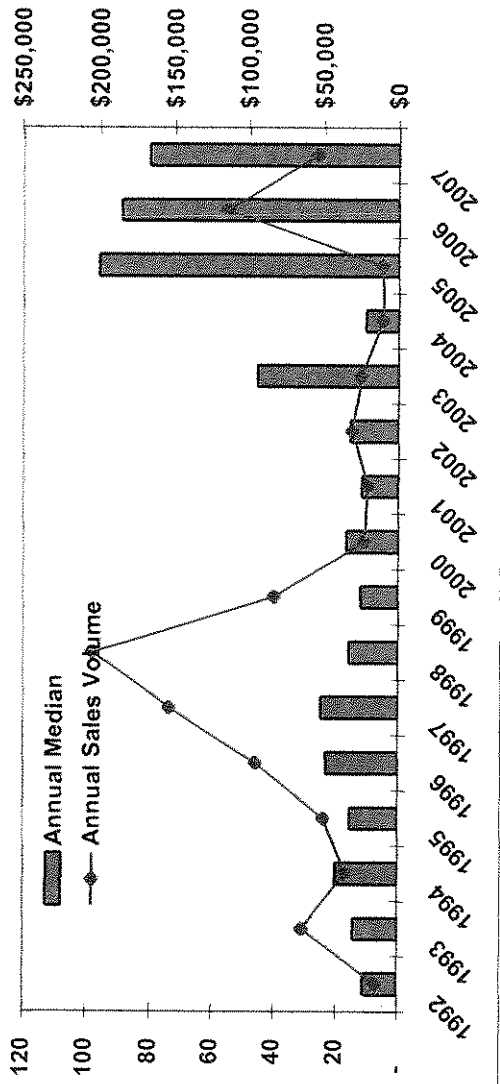
Regional WA Growth Rate - Land

15 Years	12.4%
10 Years	14.6%
5 Years	20.7%

Port Hedland - Houses



Port Hedland - Land



Regional Residential Data Series

Data Source: Landgate - © Real Estate Institute of WA

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Broome	Houses				Units				Land				
	Sales	Average	Median	Highest	Annual % Median Growth	Sales	Average	Median	Annual % Median Growth	Sales	Average	Median	Annual % Median Growth
2007	162	\$712,252	\$685,000	\$2,160,000	42.7%	87	\$454,818	\$405,000	12.1%	107	\$353,036	\$314,000	47.4%
2006	209	\$534,407	\$480,000	\$1,540,000	23.1%	132	\$424,843	\$361,400	19.7%	220	\$270,451	\$213,000	15.1%
2005	254	\$422,929	\$390,000	\$1,180,000	9.1%	176	\$304,129	\$302,000	n.a.	169	\$216,171	\$185,000	n.a.
2004	172	\$367,803	\$357,500	\$895,000	15.3%	107	\$268,939	\$242,000	n.a.	63	\$212,455	\$170,000	n.a.
2003	278	\$331,600	\$310,000	\$754,395	13.1%	175	\$243,709	\$235,000	27.0%	218	\$135,083	\$100,000	28.4%
2002	257	\$284,512	\$274,000	\$820,000	15.6%	107	\$178,556	\$185,000	2.8%	164	\$121,561	\$77,900	15.8%
2001	197	\$245,497	\$237,000	\$495,000	9.7%	87	\$186,503	\$180,000	9.1%	214	\$92,469	\$67,250	-13.2%
2000	179	\$219,168	\$216,000	\$470,000	9.9%	87	\$158,502	\$165,000	16.4%	142	\$102,209	\$77,500	33.6%
1999	166	\$207,652	\$196,500	\$750,000	9.2%	110	\$149,434	\$141,800	7.0%	151	\$98,030	\$58,000	-10.8%
1998	144	\$191,994	\$180,000	\$460,000	2.6%	102	\$151,083	\$132,500	-4.7%	146	\$97,030	\$65,000	-14.5%
1997	132	\$189,967	\$175,500	\$1,300,000	9.7%	72	\$142,310	\$139,000	8.6%	71	\$96,035	\$76,000	-5.0%
1996	120	\$165,600	\$160,000	\$465,000	3.2%	35	\$132,873	\$128,000	8.9%	63	\$97,041	\$80,000	3.9%
1995	155	\$149,021	\$155,000	\$370,000	23.0%	56	\$134,039	\$117,500	17.5%	85	\$82,292	\$77,000	9.2%
1994	174	\$114,697	\$126,000	\$325,000	127.0%	61	\$115,180	\$100,000	19.0%	62	\$69,546	\$70,500	36.9%
1993	168	\$87,379	\$55,500	\$300,000	-49.0%	87	\$89,053	\$84,000	-16.0%	24	\$70,271	\$51,500	80.7%
1992	136	\$101,921	\$198,750	\$900,000	n.a.	21	\$90,186	\$100,000	n.a.	11	\$31,364	\$28,500	n.a.

Note: * REIWA has limited confidence in analysis for 1992 due to identified source data inaccuracies

Data extraction as at Mar 2008

Average Annual Growth Rate - Houses

15 years	13.1%
10 Years	14.6%
5 Years	20.1%

Ave. Annual Growth Rate - Units

15 years	9.8%
10 Years	11.3%
5 Years	17.0%

Average Annual Growth Rate - Land

15 years	17.3%
10 Years	15.2%
5 Years	32.2%

Regional WA Growth Rate - Houses

15 years	12.2%
10 Years	12.7%
5 Years	20.6%

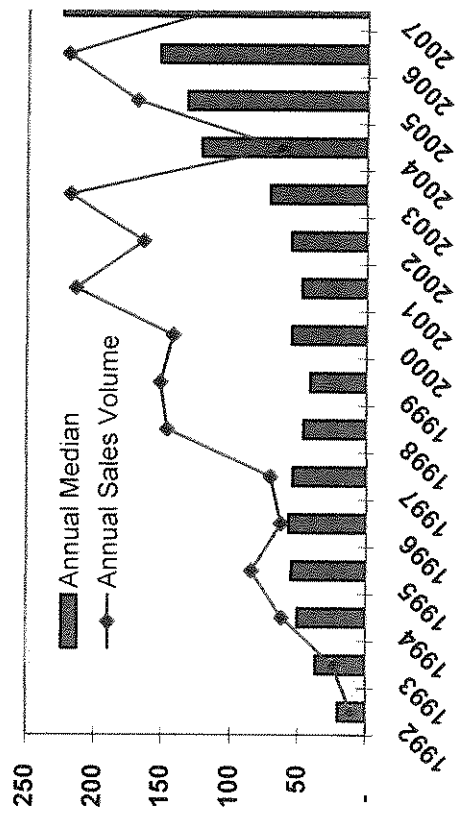
Regional WA Growth Rate - Units

15 years	10.0%
10 Years	10.7%
5 Years	18.3%

Regional WA Growth Rate - Land

15 years	12.4%
10 Years	14.6%
5 Years	20.7%

Broome - Land



Broome - Houses

