

Darwin Market Research

December 2025



**Inner Darwin Median
House Price \$940,000**



**Darwin Median
House Rental
\$720 per week**



**7.9% yield for
Apartments in
Greater Darwin**



Darwin Market Overview

The final quarter of the 2025 calendar year has shown substantial capital growth through most regions of Darwin and Palmerston together with a large increase in residential sales volume over the last 4 months.

For the 12 months ending December 31, 2025 the overall median price for houses in Darwin/ Palmerston increased by approximately 12% from the previous year (source: TPC Pty Ltd). This was the highest capital growth out of all Australian capital cities for 2025.

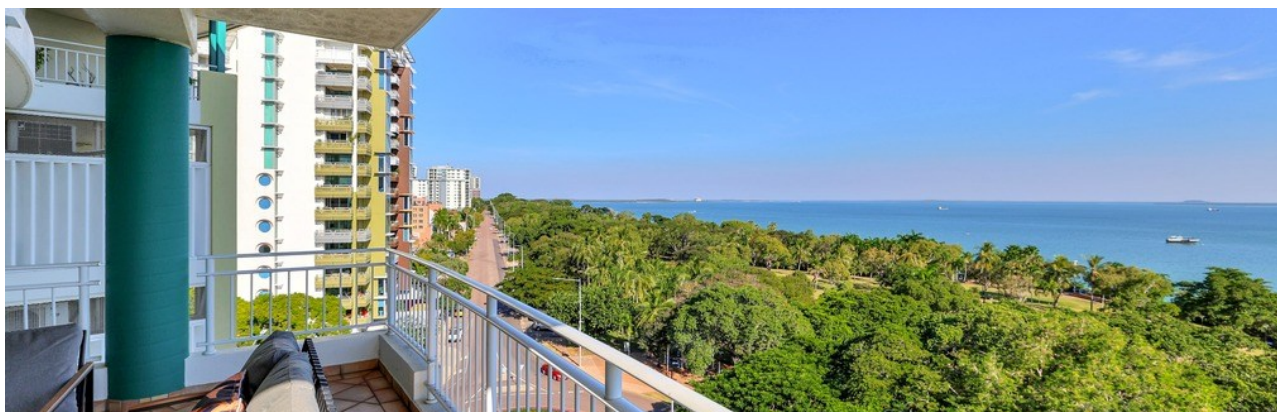
Other major capital cities ranged from 4.8% (Melbourne) to +16% (Perth) in median price growth over 2025. The annual growth trend accelerated to 8.6% in 2025, the fastest pace of growth since in the 12 months ending May 2024 (source RP Data Dec. 2025).

We anticipate 2026 in Darwin will be characterised by a first half year of stable prices whilst acknowledging the 0.25% interest rate rise announced on 3 February 2025.

On 1 October 2025, the Federal government expanded the scheme to give all first home buyers the ability to buy with a 5 per cent deposit. The number of places are now uncapped, income caps have been removed, and property price caps have been increased under all streams which has boosted demand at the more affordable end of Darwin's market. This trend sees increased access to government-backed guarantees helping first home and lower-budget buyers compete more effectively, driving stronger price gains in entry-level housing. While premium segments continue to grow, the sharper uplift in the lower quartile highlights (i.e. \$600,000) how policy changes are shaping buyer activity and reinforcing affordability pressures in Darwin.

The Northern Territory government has also extended major home-buying grants, with the \$50,000 HomeGrown Territory Grant and \$30,000 FreshStart New Home Grant now available for contracts signed until 30 September 2027. These measures aim to boost construction, allowing first-home buyers and existing homeowners to build or buy new homes.

The trend number of residential building approvals in the Territory increased by 5.4% to 78 in December 2025 and increased by 69.6% from 46 approvals over the year. The Territory recorded the strongest result of the jurisdictions in the month and the second strongest result over the year. (Source NT Treasury)



Darwin Market Overview (continued)

Darwin’s rental market continues to lead the nation, outperforming all other capitals across both houses and units. Annual house rents rose 7.6%, while unit rents surged 10.0%, reflecting sustained demand and limited supply. Darwin, along with Regional NT, is delivering the highest gross yields in the country averaging 6.4% for houses and 7.9% for units, a direct result of relatively low purchase prices compared to rental income. Combined with Darwin’s position as the fastest-growing capital for values over the past year, these strong yields have driven a total return of 23.1%, far exceeding any other city.

Supporting this trend, ABS data shows investment housing loans secured across the NT have more than doubled over the past financial year, signaling heightened investor interest in the region.

All banks are focused on the employment rate and the strong employment market conditions throughout Australia and the minimal amount of unemployment. Typically, as long as people have jobs and there is income coming into the household, most bills and mortgage payments are met, the worst doesn't happen. Despite the positive outlook on employment however households are still feeling the strain of higher living costs, but tax cuts have allowed some to save more.

With regard to local sales volumes, research conducted by Territory Property Consultants in Darwin revealed that sales volume across Darwin and Palmerston suburbs for the 12 months ending December 2025 has increased in all regions (except Nightcliff) from anywhere between 12% to 14% from the previous year. This is a good indication of increased investor and owner occupier activity coming into 2026.

Darwin’s residential rental market has continued to perform strongly with both gross yields and annual rental increases and steady vacancy rates. The image below references the average rental prices in Darwin according to the December 2025 report from Rent.com.au. They estimate the average apartment rental is \$600 per week and the average house rental is \$720 per week.

Capital Cities: Rent per week

Metro area	Apartments	Annual Change %	Houses	Annual Change %
Sydney	\$750	7.1%	\$900	5.9%
Melbourne	\$580	5.5%	\$570	-5.0%
Brisbane	\$675	8.9%	\$700	7.7%
Perth	\$680	11.5%	\$730	10.6%
Adelaide	\$540	11.3%	\$640	6.7%
Hobart	\$495	7.6%	\$580	5.5%
Canberra	\$580	-1.7%	\$780	4.0%
Darwin	\$600	9.1%	\$720	5.9%
National Median	\$680	13.3%	\$700	12.0%

Source : 2025 Rent.com.au property listing data



Residential Rental Activity

Darwin’s residential rental market has continued to perform strongly with both gross yields and annual rental increases and steady vacancy rates. The image below references the average rental prices in Darwin according to the December 2025 report from Rent.com.au. They estimate the average apartment rental is \$600 per week and the average house rental is \$720 per week.

We also note the average house weekly rental is now the fourth highest of any capital city and the highest for gross yields deeming it an attractive option for investors.

The other important feature now emerging with regard to residential rentals, particularly those located within the CBD and fringe areas (i.e. Darwin Waterfront), is the transition back from short term Air BnB to long term rental agreements due to the fact that the weekly increase in long term rental over the past 18 months has allowed the same, if not better, net monthly returns than those being achieved in the short term market once cleaning/power costs and company commissions are factored in.

We believe that the number of short term rentals will decline over the short to medium term whilst the current level of weekly rents are being achieved for longer term tenancies.

From our recent in office research based on managed accommodation classes, the current average weekly rental rates in Greater Darwin and Palmerston as at December 2025 are tabled below :-

Accomm. Type	Darwin (p.w.)	Northern Suburbs (p.w.)	Palmerston (p.w.)
House - 3 Bedroom	\$700—\$800	\$600—\$700	\$580—\$680
House - 4 Bedroom	\$850—\$950	\$680—\$800	\$620—\$730
House—Executive	\$1000—\$1500	\$800—\$950	\$700—\$900
Unit - 1 Bedroom	\$480—\$550	\$480—\$520	\$480—\$520
Unit - 2 Bedroom	\$550—\$750	\$550—\$650	\$550—\$600
Unit - 3 Bedroom	\$750—\$900	\$650—\$700	\$620—\$680
Unit—Executive	\$950—\$1200	\$680—\$750	N/A

The rental rate range has increased since the previous quarter for all types of accommodation in the order of 3% to 10% and in regard to overall vacancy rates this remains very tight at approx. 1.0%.

Further enquiry reveals that, as at the end of 2025, there was approximately 35% less listings as compared to the end of 2024. This has assisted in increasing demand and pricing for all property sectors in Darwin. (Source RP Data)

Interstate purchasers are still buying at present, and we expect a rise in rental stock in Palmerston in particular, at the affordable end of the market.

Residential Sales Activity—House Market



The median house price in Darwin/Palmerston increased by 12% over the past 12 months ending December 2025, to \$635,000. Further research conducted by Territory Property Consultants in Darwin revealed additional data on housing over the same period.

Over the same period ending December 2025, the Average Median Price for the inner suburbs of Darwin (Larrakeyah/Parap/Stuart Park etc) increased 12.5% to \$940,000, Northern coastal suburbs (Nightcliff/Rapid Creek/Lyons/Muirhead etc) were stable at 1% to \$680,000, North eastern suburbs - Sanderson (Leanyer/Wulagi/Anula/Malak/Karama) increased 14% to \$605,000 and Palmerston (all suburbs) also increased 14% to \$610,000.

Sales volumes for the year ending December 2025 increased substantially for all regions (with the exception of Nightcliff as previously mentioned). Refer table below:-

**2024 Calendar Year
Darwin House Sales**

Locality	No of Sales	Median Price
Darwin	97	\$835,000
Nightcliff	370	\$672,500
Sanderson	211	\$530,000
Palmerston	788	\$535,000

**2025 Calendar Year
Darwin House Sales**

Locality	No of Sales	Median Price	Average Price Change	Change in Volume
Darwin	161	\$940,000	12.57%	65.98%
Nightcliff	564	\$680,000	1.12%	52.43%
Sanderson	315	\$605,000	14.15%	49.29%
Palmerston	1233	\$610,000	14.02%	56.47%



Apartment Market

Darwin unit rents increased by approx. 9% in 2025 to a record high, despite remaining flat across the final quarter of the year, while regional NT saw the strongest rental price growth in the country last year.

The latest Realestate.com.au Market Insight report revealed the median advertised rent in Darwin remained the same across the December quarter but increased 8.3 per cent year-on-year. This pushed Darwin's median weekly rent price up to a record high of \$650. The median unit rent lifted 1.7 per cent last quarter and 9.1 per cent across 2025.

New Construction & Land Sales

The new land releases remain located predominantly in Northcrest, Zuccoli, Durack in Palmerston and the new Holtze subdivision behind the Palmerston Hospital

With regard to the former, the release of the Parks subdivision at Holtze and Kowandi (adjacent to the Palmerston Hospital) has been extremely successful with strong sales activity in the latter half of 2025. In general, selling prices have ranged from \$190,000 for the smaller 360m² blocks to \$275,000 for blocks over 600m² and these price points are expected to increase over 2026 with continuing demand supported by the recent extension by the NT government of the first home buyer grants.

The first 6 stages of this development have now been completed with most blocks contracted or sold and Stages 7 & 8 are now underway ahead of expected schedule due to continuing strong demand.

Activity on new land sales is expected to stay strong over 2026 however anticipated scarcity of building trades due to interstate movement to larger projects (i.e. 2032 Olympic infrastructure in Brisbane) may temper activity in later stages of the year.

Darwin's Commercial Market



Major commercial investment transactions in Darwin during 2025 have been led by significant activity in the tourism, hospitality, and industrial sectors. Despite a generally quiet period for large-scale CBD office sales, the market remains supported by strong rental yields (typically between 6.5% and 8.5% net) and strategic infrastructure development.

Some of the major CBD sales follow:-

The Leea 64 Cavenagh Street, Darwin City (formerly Mirrambeena Hotel). This tourism and hotel complex, featuring 136 rooms and 32 townhouses, was sold for \$23,000,000 in March 2025. The buyer plans to upgrade the facility to capitalise on increased demand from the nearby new Charles Darwin University CBD campus.

26-28 Harry Chan Avenue, Darwin City (William Forster Chambers), A flagship CBD office plus additional land which sold for \$10,995,000 in November. This was a blue-chip, 5 Star NABERS rated asset leased by three reputable law firms, whilst the undeveloped parcel opposite the new Civic Centre provides further future development potential.

Our current research indicates extremely low to nil vacancy for Premium/A Grade office stock in the CBD and with Darwin being a major focal point for Defence and associated Commonwealth Govt. agencies over the long term, there may be some pressure building for new premium grade space and possible investment opportunities at a later date.

Darwin's Industrial Market

In 2025 and moving into early 2026, Darwin's industrial market has been a standout performer, characterised by some of the highest rental yields in Australia. The market is currently driven by a severe shortage of modern stock and strong demand from logistics, defence, and marine services.

Yields for high-quality industrial assets in Darwin typically range between 6.5% and 8.5%. Secondary assets often command a premium, with yields reaching up to 10% due to the abundance of older-style accommodation.

Industrial Yields & Market Rates (2025–2026)

	Prime Industrial	Secondary Industrial
Typical Yield	6.5% -8.0%	8.5% - 10.0%
Rent (per sqm)	\$160—\$180	\$100—\$120
Land Price (per sqm)	\$230— \$300	\$180—\$220



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