

Darwin Market Research

September 2025



**Inner Darwin Median
House Price \$860,000**



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



**8% yield for
Apartments in
Greater Darwin**



Darwin Market Overview

The third quarter of 2025 has reflected an increase in home sale prices and a substantial increase in volume of residential sales through the suburbs of Darwin with the largest volume change in Palmerston.

Darwin has outpaced most previous forecasts, with strong house price growth occurring much sooner than anticipated. It has quickly emerged as a key investment hotspot, driven by a robust pipeline of infrastructure projects and attractive rental yields. These factors are positioning Darwin residential property for continued growth over the next two years likely in the order of 5% to 7%.

For the 12 months ending September 30, the median price for housing in Darwin/Palmerston has increased by approx. 3% (source : TPC Pty Ltd) as compared to the previous year and this is in contrast to the smaller increasing medians in the larger capitals with Sydney at 2.1% and Melbourne at 1.4% (source : Core Logic Sep 2025 – dwelling and unit Median).

The housing conditions across Darwin and Palmerston appear to be demand driven, with the number of house sales being correlated with first home buyer subsidy schemes, particularly in Palmerston, where volumes increased by over 100% in comparison to the previous year ended September 2024. Palmerston has had a substantial number of new build sales in recently developed suburbs of Zuccoli and Bellamack and this has boosted the overall median price, so much so that it is now equivalent to the median price of Sanderson (Northern suburbs of Darwin) at \$570,000.

First home buyer (FHB) financing edged higher over the June quarter, helping to unwind some of the declines seen through the March quarter. FHB loan volumes rose 1.7% over the quarter, led by strong gains in Tasmania and here in the NT, up 15.4% and 13.6% respectively. At \$16.3 billion, the total value of FHB loan commitments (5.7%) also climbed higher, with Tasmania (10.6%) and ACT (8.3%) posting the largest increases across the states and territories.

The national First Home Guarantee Scheme, effective from October 1st will see price caps increased to be in line with median dwelling values across Australia. In the NT, the cap will be set at \$600,000, significantly expanding the pool of suburbs participants can choose from. Under the old caps, just 33% of the 4,848 house and unit markets analysed nationally had a median value under the respective limits. Under the expanded limits, 63.1% of markets qualify, 51.6% of house suburbs and 93.7% for units.



Darwin Market Overview (continued)

Affordability constraints and reduced borrowing capacity continue to support stronger conditions across housing markets with lower price points. Across the combined capitals, lower quartile dwelling values have increased by 12.4% over the past twelve months compared with a 3.8% rise in values across the upper quartile. This trend is evident across every capital city, including Darwin, which is now the most affordable market after adjusting for local household incomes. (source : Core Logic Sep 2024).

The NT government's new HomeGrown Territory and Fresh Start New Home programs includes three different grants ranging from \$10,000 to \$50,000, encompassing both first home buyers and existing home owners. Designed to help turn around the territory's net interstate migration deficit, the scheme was a key commitment of the Country Liberal Party (CLP) leading into the 2024 NT election. The government aims to also halt a downturn in the local residential construction sector.

Under the scheme, first home buyers can either access a \$50,000 grant if they build or buy a new home in the NT, or a \$10,000 grant if they purchase an existing property. On the other hand, people who already own property can access a \$30,000 grant under the program, but only if they build or buy a new home in the territory. Once the homes are built or bought, owners must live in them for a minimum of 12 months.

Residential Rental Activity

The table below references the average rental prices in Darwin according to the September 2025 report from Rent.com.au. They estimate the average unit rental is \$600 per week and the average house rental is \$720 per week (3rd highest in Australia) . The increase in weekly unit rental on an annual basis can be partly attributed to demand for previous short term Air BnB properties that were not previously available to rent long term.

Capital Cities: Rent per week

Metro area	Apartments	Annual Change %	Houses	Annual Change %
Sydney	\$750	7.1%	\$870	2.4%
Melbourne	\$580	5.5%	\$570	-2.6%
Brisbane	\$650	8.3%	\$680	7.1%
Perth	\$650	8.3%	\$700	7.7%
Adelaide	\$510	4.1%	\$620	4.2%
Hobart	\$480	1.1%	\$550	1.9%
Canberra	\$560	1.8%	\$790	10.5%
Darwin	\$600	11.1%	\$720	5.9%
National Median	\$660	4.8%	\$680	4.6%

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. PropTrack indicate Darwin rents have surged by up to 11% in the past year, with tenants paying up to \$100 per week more in some suburbs.

Data from August revealed rents rose in more than 70% of wider Darwin suburbs over the past year. Fannie Bay indicated the greatest rise, with the median rent up 11.1% between August 2024 and August 2025. This equated to an average of \$100 extra per week.

In Bakewell, unit rents were up 10.9% year-on-year, or \$50 per week, to sit at a median of \$510 per week, while in neighbouring Moulden, house tenants were paying \$50 extra per week on average after a 10% rise.

Weekly rents were up 9.5% (extra \$55 per week) for detached dwellings in Karama, 9.1% (extra \$50 per week) in Driver and 8% (extra \$35 per week) for Gray units. (Source NT News Sep 2025).

The vacancy rate stayed tight at 0.4% in September, nearly half the level seen a year ago, keeping Darwin firmly in landlord territory and popular for investors.

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

Accomm. Type	Darwin (p.w.)	Northern Suburbs (p.w.)	Palmerston (p.w.)
House - 3 Bedroom	\$650—\$750	\$580—\$650	\$550—\$650
House - 4 Bedroom	\$750—\$850	\$680—\$780	\$600—\$700
House—Executive	\$850—\$1200	\$780—\$900	\$650—\$750
Unit - 1 Bedroom	\$480—\$550	\$420—\$500	\$420—\$480
Unit - 2 Bedroom	\$550—\$750	\$550—\$630	\$520—\$580
Unit - 3 Bedroom	\$750—\$850	\$630—\$680	\$600—\$650
Unit—Executive	\$850—\$1000	\$680—\$750	N/A



Residential Sales Activity—House Market



Research conducted by Territory Property Consultants in Darwin revealed the sales volume activity increased across Darwin suburbs for the 12 months ending September 2025. In Darwin, there was a 70% increase in sales volume and in Palmerston there was a 120% increase in volume compared to the previous year.

The average median price for the inner suburbs of Darwin (e.g. Larrakeyah/Parap/Stuart Park) decreased 4% to \$860,000, northern coastal suburbs (e.g. Nightcliff/Rapid Creek/Lyons/Muirhead) was unchanged at \$666,500, north eastern suburbs - Sanderson (e.g. Leanyer/Wulagi/Anula/Malak/Karama) up 5.5% to \$570,000 and Palmerston (all suburbs) also up 5.5% to \$570,000.

Refer to table below:-

**October 2023 to September 2024
Darwin House Sales**

Locality	No of Sales	Median Price
Darwin	103	\$900,000
Nightcliff	325	\$665,000
Sanderson	185	\$540,000
Palmerston	654	\$540,000

**October 2024 to September 2025
Darwin House Sales**

Locality	No of Sales	Median Price	Average Price Change	Change in Volume
Darwin	177	\$860,000	-4.4%	71.84%
Nightcliff	632	\$666,500	0.23%	94.46%
Sanderson	351	\$570,000	5.56%	89.73%
Palmerston	1438	\$570,000	5.56%	119.88%



Apartment Market

The latest PropTrack Home Price Index revealed that in the Darwin unit market, the average apartment price increased \$43,100 or 11.38% to a median price of \$426,000

Darwin's apartment market still presents great value to both owner occupiers and investors alike, as it remains one of the most affordable capital cities to purchase an apartment with the highest gross yields of all capital cities remaining at around 8% compared to Sydney and Melbourne with both recording yields of approx. 4.5%.

New Construction & Land Sales

Building approvals overall lifted 48% year-on-year, reaching 121 new dwellings worth \$69m, driven by the NT Government's Build Bonus Grant.

Construction activity increased 2.6% year-on-year to \$944m, ranking the NT third nationally, despite a 2% quarterly dip.

The new land releases remain located predominantly in Northcrest, Zuccoli in Palmerston, Marrara Gardens and, more recently Holtze Stage 1.

Holtze is Darwin's newest housing estate and NTG are assisting with infrastructure with the project expected to finish by December 2025. The \$19.4m government-funded headworks in Holtze has now reached a milestone of 70% completion. Glyde Road and Linco Road are expected to open to traffic by October. Darwin-based Larrakia business, AKJ Services, is delivering the headworks. By December 2025, access to this new suburb in the rural area will be possible. Additional sewerage, water supply, power, communications, roads, drainage and landscaping will then begin.

Activity on new land sales in Holtze has been very strong and heavily influenced by the NTG New Home/Land grants. The continued high costs and scarcity of trades will, however, remain a key challenge to deliver more housing supply.

Darwin's Commercial Market



Darwin's commercial real estate market is steady and driven by demand from defence, logistics, and government sectors, alongside strategic infrastructure investment and its position as a trade hub.

A-Grade office rental rates, at September 2025, are now achieving \$750/m² to \$780/m² with very little space available in the small number of A grade buildings in the CBD.

Over this past quarter there has been no significant commercial/retail sales of note and investment yields in Darwin are expected to remain stable with the future prospects of a plateau for bank lending rates, with yields on well leased properties still achieving in the order of 6.5% to 8.5% net.

On a positive note, 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. Overall, new builds have been tapered due to high construction costs.

The only development of this calibre is now under construction, being the new Darwin City Council building, a \$150 million CBD high-rise office set to replace its ageing civic centre and council chambers, in partnership with property developer DCOH. This will be a 20-storey building with the City of Darwin to occupy 10 floors, including customer service, library, and community spaces, whilst DCOH will own and operate the top 10 floors for commercial lease likely to NT or Federal government agencies.

Following the August meeting, when the RBA delivered its third rate cut, there was speculation that a fourth rate cut would occur, with many expecting the cash rate to fall to 3.35% by the end of the year. Since then, however, a number of key economic indicators, have cast a shadow on the cash rate outlook.

The monthly CPI indicator, released at the end of August, shows a moderate uptick in annual inflation, from 2.1% over the 24/25 financial year, to 2.7% over the year to July. While still within the RBA's target range, it is towards the upper end and could cast doubt on an already uncertain inflation path. The stronger than expected June quarter GDP reading is another factor clouding the cash rate outlook, with the 0.6% quarterly increase taking GDP 1.8% higher over the year. Driven by strong growth in household consumption and exports, the annual increase was well above the 1.2% lift forecast in the RBA's August Statement on Monetary Policy. Therefore, it is anticipated commercial bank lending rates to stay relatively stable over the short term.

Key Industrial Trends:

- Strong demand for premium assets.
- Logistics operators and defence contractors are actively seeking premium industrial properties.
- Industrial land in Berrimah is selling for \$230/m² to \$270/m², indicating high demand.
- Limited supply -The lack of long-term leases on attractive yields is hindering sales transactions.
- Prime industrial rents remain at \$160/m² to \$180/m², with secondary rents also rising.
- Secondary industrial rents: Remain at \$100/m² to \$120/m².

Overall

Darwin's industrial market is robust, with strong demand for quality assets and land. Strategic infrastructure projects such as the Darwin Ship Lift project and the growth of key industries are driving this positive momentum. Investors are attracted to the strong rental yields and limited supply.

Yields for good-quality industrial property assets in Darwin are typically between 6.5% and 8.0%, with a premium of up to 2.0% for secondary properties due to the abundance of older accommodation.



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