Darwin Market Research
June 2026

Inner Darwin Median House Price $957,500

Darwin Median House Rental $750 per week

6% yield for property in Darwin

Darwin Market Overview

The June quarter of 2026 recorded consistent growth in residential selling prices of approximately 5% which has been associated with an increase in the volume of residential sales through most regions of Darwin.

For the 12 months ending June 30, there was an overall increase of 16.7% to the median price for houses in Darwin/Palmerston (source :TPC Pty Ltd) compared to the previous year. This is in contrast to the major capitals of Sydney and Melbourne, which have recorded minimal growth between -1% to 0% (source: Core Logic July 2026).

A major highlight was the median price of $1,000,000 now reached for the Inner Darwin suburbs of Fannie Bay/Parap/Larrakeyah/Ludmilla/Stuart Park/Gardens.

The increase in sales volumes for the northern suburbs has been mostly from interstate investors in mid to late 2025, however this has now tapered to approx. 20% of all house sales being from investors over the last 12 months ending June 2026.

Nationally, housing market conditions have weakened further through June, with a broader range of headwinds now weighing on demand. The slowdown has been building for some time, initially through affordability and serviceability constraints. Higher inflation and increased lending rates have had a clear dampening effect on demand, and, more recently, the drag has become more pronounced as uncertainty around taxation policy and deeply pessimistic sentiment all work in the same direction.

Interest rate settings remain a key source of risk, even though the chance of another hike has moderated. The RBA held the cash rate steady in June at 4.35%, providing some breathing space after earlier increases. However, the case for another hike has not disappeared. With underlying inflation still above target and the labour market remaining tight, the data flow over the next few months will be important in determining whether the current pause can be sustained.

The Federal Budget has added to the downside risk to housing demand. Proposed changes to negative gearing and capital gains tax settings are expected to bring about a sharp pullback in investor demand for established dwellings. This comes at a time when investors were a major source of demand across many markets and follows a broader accumulation of disincentives, including higher holding costs and tighter serviceability assessments. The policy aim is to redirect capital toward newly built supply, but the near-term effect is more likely to be weaker demand for established housing, detracting from aggregate housing demand.

Overall, the outlook has become more cautious. The most likely path from here is a gradual loss of momentum and steady growth of around 5%, similar to the growth from January to June 2026, for the first half of the 2026/2027 financial year. Tight labour markets, low new supply and population growth should help to limit any downside, but the balance of risks has shifted further towards weaker conditions. Investor-heavy markets, higher-value segments and areas where listings have risen above average are likely to be most exposed.

Darwin Overview - Sales Activity

With regard to sales volumes, research conducted by Territory Property Consultants in Darwin revealed the sales volume activity across Darwin & Northern suburbs for the 12 months ending June 2026 was varied ranging from 3% in Nightcliff up to 26% in Sanderson. Palmerston indicated a 28% reduction in sales volume from the previous year which may indicate a reduced number of new builds being completed compared to previous years.

As for annual capital returns, there has been some consistency in Darwin and Northern suburbs with approximately 18% annual growth and in Palmerston a substantial 27% increase in median price from the previous year. Darwin continued to record the strongest dwelling rental yields across the capitals at 5.6% followed by Hobart at 4.3%. Both major capitals, Melbourne & Sydney saw gross yields far lower than Darwin at between 2.8% to 3.4%. (source : Core Logic July 2026).

The large increase in volume for residential sales over the majority of the 2025/2026 Financial year in Darwin can be somewhat correlated with the fact that Darwin is consistently providing the most attractive returns for investment residential property nationally for any capital city. The decline in volumes in Palmerston is more closely linked to a stabilisation in values and a higher percentage of young first home buyers/owner occupiers.

Residential Rental Activity

From recent in office research, based on managed accommodation classes, the current average weekly rental rates in Greater Darwin and Palmerston, as at June 2026, are tabled below :-

Accomm. Type	Darwin (p.w.)	Northern Suburbs (p.w.)	Palmerston (p.w.)
House - 3 Bedroom	$700-$900	$600-$750	$580- $720
House - 4 Bedroom	$900-$1100	$680-$900	$620-$800
House—Executive	$1000-$1500	$800-$1000	$700-$1000
Unit - 1 Bedroom	$580-$600	$480-$520	$480-$540
Unit - 2 Bedroom	$550-$750	$550—$650	$550—$630
Unit - 3 Bedroom	$750- $900	$650-$750	$620 -$700
Unit—Executive	$950-$1200	$680-$800	N/A

Darwin's overall residential vacancy rate, according to our residential property managers, is currently well under 1% as of June 2026, making it the tightest rental market in Australia. This low vacancy rate has led to increased rental prices and a competitive rental market for tenants. Rental rates have all increased compared to the previous quarter.

Residential Rental Activity

Compared to the same time last year, rental for houses in most states and territories achieved between -2.6% to 13.6% in annual growth, with a national median growth of 10.3% (to $750 per week). The largest annual increase was in Sydney (+13.6%) and was closely followed by Darwin at 12.9% to $790 per week.

For units we have seen a general rise in weekly rental levels over the 2025/2026 FY. Rent.com advise an average weekly rental of $650 per week, an 18.2% increase over the past 12 months and would be attractive to investors given the yields available.

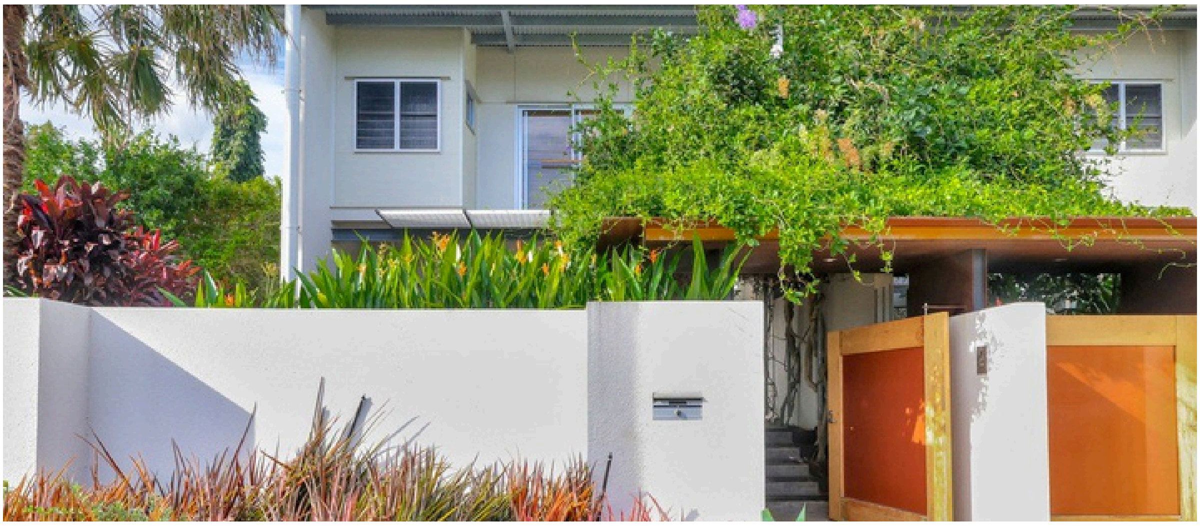
The image below references the average rental prices in Darwin according to the June 2026 report from Rent.com.au. They estimate the average apartment rental is $650 per week and the average house rental is $790 per week.

Capital Cities: Rent per week

Metro area	Apartments	Annual Change %	Houses	Annual Change %
Sydney	$800	8.10%	$1000	13.60%
Melbourne	$610	5.20%	$600	5.30%
Brisbane	$700	7.70%	$725	8.20%
Perth	$695	6.90%	$750	7.10%
Adelaide	$540	5.90%	$650	8.30%
Hobart	$510	8.50%	$620	8.80%
Canberra	$620	6.90%	$760	-2.60%
Darwin	**$650**	**18.20%**	**$790**	**12.90%**
National Median	$715	8.30%	$750	10.30%

Source : 2026 Rent.com.au property listing data

Residential Sales Activity—House Market



The median house price in Darwin/Palmerston over the past 12 months ending June 2026 was $700,000 in contrast to $600,000 for the year ending June 2025.

Further research by Territory Property Consultants in Darwin revealed over the past 12 months, the average median price for the inner suburbs of Darwin (e.g. Larrakeyah/Parap/Stuart Park etc) increased 17.6% to $1,000,000, northern coastal suburbs (e.g. Nightcliff/Rapid Creek/Lyons/Muirhead) increased 17.8% at $760,000, northeastern suburbs - Sanderson (e.g. Leanyer/Wulagi/Anula/Malak/Karama) also increased by 18% to $650,000 and Palmerston (all suburbs) recorded a substantial increase of 27% to $705,000.

Sales volumes for the year ending June 2026 were varied with the largest increase in Sanderson where the price point of $600,000 to $650,000 for houses attracted interstate investors chasing strong yields.
(Refer TPC table below) :-

July 2024 to June 2025
Darwin House Sales

Locality	No of Sales	Median Price
Darwin	141	$850,000
Nightcliff	476	$645,000
Sanderson	251	$550,000
Palmerston	1132	$555,000

July 2025 to June 2026
Darwin House Sales

Locality	No of Sales	Median Price	Average Change	Change in Volume
Darwin	161	$1,000,000	17.65%	14.18%
Nightcliff	491	$760,000	17.83%	3.15%
Sanderson	317	$650,000	18.18%	26.29%
Palmerston	809	$705,000	27.03%	-28.53%

Highlights during the year ended June 2026 were three residential sales in excess of $3M, 4 Emery Court, Larrakeyah for $3,800,000, 7 Larrakeyah Terrace , Larrakeyah for $3,450,000 and 114 East Point Road, Fannie Bay for $3,400,000.

Also notable is that the median price in Palmerston is now significantly above the median price for Sanderson (Northern suburbs of Darwin) and this can be attributed to the larger newer housing estates that have been developed in Palmerston for the past 4 years.

Apartment Market

Data from CoreLogic also shows that the Darwin unit market experienced a substantial increase in growth (20.9%) in contrast to Sydney at 1.1% and Melbourne at -1.2%, with the median unit price ending June 2026 at $472,572.

Darwin's unit market still presents great value to both owner occupiers and investors alike, as it remains one of the most affordable capital cities to purchase a unit with the highest yields of all capital cities remaining at 7.1% compared to Sydney and Melbourne with both at only approximately 4% to 5%. (source : Core Logic June 2026).

We expect the median unit price to increase slightly over the second half of 2026 with imminent interest rate rises tempering the growth.

Land Sales

In May 2026, the number of residential building approvals in the Territory increased by 55.7% in annual terms and we would attribute the increase to the new building activity in Palmerston, Holtze and Northcrest, Berrimah. This increase was the strongest result of all capital cities across Australia. (Source NT Department of TREASURY AND FINANCE Released: 1 July 2026)

The new land releases remain predominantly in Northcrest (ex-Berrimah Agricultural Farm), Zuccoli in Palmerston, Marrara Gardens (ex-Malak Caravan Park). Marrara Gardens, The Heights in Durack and, more recently Darwin's newest residential estate, The Parks at Holtze, the latter being quite a successful project so much so that Stage 7 is now undergoing completion as at June 2026. Asking prices for land blocks in Stage 7 (Yoyogi Park Release) at The Parks start from $205,000 up to $275,000+ inclusive of GST. Individual lot prices vary depending on the block size, which range from 360m^2 to 736m^2.

It is our opinion that any new residential estate from 2026 onwards will require a higher percentage of Contemporary class size lots above 450m^2 and Classic size blocks compared to say the later stages of Zuccoli Aspire Estate (i.e. under 370m^2) as well as firm design guidelines and it would appear from the Stage releases so far that this is the case for The Parks subdivision noting that there were no sales in the Villa size category (i.e. below 360m^2).

The pricing will also need to reflect the market conditions on the day, and we do not see any dramatic change to the economy nor interest rates over the short to medium term.

Darwin’s Commercial Market

Darwin's commercial real estate market is experiencing steady strengthening rather than volatility. Driven by limited new supply, rising rents, and a tightening development pipeline, market fundamentals are improving. The next 12 months present a solid growth phase, underpinned by major resource, energy, and defence projects.

Key Market Sectors in July 2026

Office Market
Modern, A-grade stock with strong Environmental, Social, and Governance (ESG) credentials is highly sought after and holding up strongly. Prime office rents remain steady at $700 to $750 per square metre. A growing divergence means older B and C-grade stock faces genuine obsolescence and steeper vacancies.

Industrial Market:
Strong demand and limited supply have pushed prime industrial rents upward. Over the past two years, rates have grown from $130–$150 to currently sit between $170 and $200 per square metre.

Retail & Strip Locations:
Suburban centres and strip retail locations are performing reasonably well, with strip rents hovering around $300 to $400 per square metre. Top-tier shopping centre spaces can exceed $1,000 per square metre in prime locations.

Outlook for the Next 12 Months:

* **Major Project Pipelines:** Momentum across commercial assets is tied to the conversion of resource (e.g., Barossa/Darwin LNG) and defence projects into concrete local jobs. The expected Northern Territory Gross State Product (GSP) increase of 5.8% in 2026-27 will act as a major macroeconomic tailwind.

* **Supply Constraints:** New commercial development remains constrained. The primary handbrake is feasibility, with current construction costs and end values not quite aligned enough to trigger a broad wave of new construction.

* **Investor Interest:** Darwin's commercial and residential property markets continue to draw interstate and institutional investors seeking out high relative yields compared to the tighter southern capitals.

Darwin Commercial Market

Voco Darwin Suites (ex Health House office). The former public service building has been completely transformed into the Voco Darwin Suites by IHG and the 88 apartment-style rooms and suites opened their doors for business in May 2026.

Construction on the $150 million, 21-storey Darwin Civic Centre is actively underway, with the core structure now rising out of the ground. While it is the most prominent CBD construction, it is not the only major project; the $145 million State Square Building is also completing its final construction phases.

As for major sales there has only been two (2) significant core commercial transactions over 2025/2026, firstly Development House located at 76 Esplanade was purchased by a local consortium for $21,600,000 in May 2026 on a net yield of 7.7%. This comprised of a fully refurbished 3 storey commercial building with basement car park, large office floor plates, modern amenities and efficient central mechanical plant systems. The building is located on the Esplanade and, at time of sale, was fully leased to the NT Government until 2032.

Secondly, an amalgamated waterfront holding at 12 – 22 Frances Bay Drive, Frances Bay, sold for $19,000,000 in June 2026. Comprising four separate titles and a holding of approximately 77,950 m^2 (7.795 ha) right at the edge of the Darwin CBD directly overlooking Frances Bay with extensive water frontage and maritime access. The asset was improved by nine (9) primary buildings totalling approximately 5,150 m^2 of office and warehousing accommodation and sold on a net yield of approximately 8.3%. There was also two barge landings and an extensive sea wall area for logistics operations and maritime activities.

The other CBD market activity that occurred over the past year was the recent refurbishment and re opening of the old Health House office building at 87 Mitchell Street into a new Hotel. The former public service building has been completely transformed into the Voco Darwin Suites by IHG and the 88 apartment-style rooms and suites opened their doors for business in May 2026. For many of these older buildings, this is a suitable option to avoid the other final solution of demolition such as what occurred at the old Palm Court development at 8 Cavenagh Street, now vacant and available for high rise development when suitable pre-leasing is undertaken.

Bill Linkson

Consulting Advisor—Territory Property Consultants

www.tpcnt.com.au

Lianna Tsounias

Marketing & Research Manager

lianna.tsounias@colliers.com.

Colliers International NT
08 8997 0888
13 Cavenagh Street | Darwin, NT 0800 | Australia

www.colliersnt.com