

Darwin Market Research

September 2026



**Inner Darwin Median
House Price \$910,000**



**Darwin Median
House Rental
\$780 per week**



**7.4% yield for
units in Darwin**

Darwin Market Overview

Darwin was reportedly the only Australian capital city recording positive growth during the period, with annual growth around 11.9% and quarterly growth of 0.4%.

House prices increased strongly across Greater Darwin:

Inner Darwin: \$910,000 (+5.8%)

Nightcliff/Northern Coastal: \$800,500 (+20.1%)

Sanderson: \$675,000 (+18.4%)

Palmerston: \$697,000 (+22.3%)

This report forecasts further residential growth of 3%–5% over the next two years driven by infrastructure investment and rental market strength.

The first quarter of the 2026/2027 financial year has indicated a steady rise in house prices and a decrease in volumes of residential sales through the suburbs of Darwin with the largest volume decline in Palmerston.

Darwin has outpaced all other capital cities in Australia being the only city with positive capital growth for this quarter as against falling median prices for all other cities. 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 3% to 5%.

For the 12 months ending September 30, the median price for houses in Darwin/Palmerston has increased by approx. +20% (source : TPC Pty Ltd) as compared to the previous 12 months and this is in contrast to the smaller decreasing medians in the larger capitals with Sydney at -8.2% and Melbourne at -7.3% (source : Core Logic Sep 2026 – Dwelling Median).

The housing conditions across Darwin & Palmerston still appears to be more demand driven, with the number of house sales being partly directly correlated with first home buyer subsidy schemes, particularly in Palmerston, where the total volume was approx. 50% of all sales in Darwin & Palmerston combined. Palmerston has had a substantial number of new build sales in recently developed suburbs of Zuccoli & Bellamack and this has boosted the overall median price, so much so that it is now above the median price of Sanderson (\$675,000 - Northern suburbs of Darwin) at \$697,000.

Darwin Market Overview

First home buyer (FHB) loan volumes declined 2.9% over the June quarter 2026, mirroring a broader mortgage market pullback as the Reserve Bank of Australia raised the cash rate to 4.60%. While the absolute number of commitments softened, the total value of owner-occupier FHB lending remained resilient, edging up 0.2% over the quarter. This contrasted with a steep retreat by investors, whose lending slumped 10.2% in value over the same period.

Federal assistance via the 5% First Home Guarantee scheme has seen further expansion, with regional price caps adjusted upward to provide buyers more flexibility amid high building costs. Here in the Northern Territory, the price cap under the federal guarantee scheme has been lifted to \$750,000 for house and land packages.

Affordability constraints and reduced borrowing capacity have continued to drive structural shifts across Australian housing markets. Cotality's national Home Value Index fell 1.1% in September 2026, marking the sixth consecutive monthly decline and leaving values 5.2% below the March 2026 peak. While the premium upper-quartile markets historically led the housing downturn, lower-quartile markets have become less insulated, with affordable properties now also experiencing downward pressure as weaker demand broadens. Bucking the national trend, Darwin was the only capital city market to record positive growth in September (up 0.4%), maintaining an annual growth rate of 11.9% (Source : Cotality September 2026).



Darwin Overview - Sales Activity

To buffer the local construction sector and curb interstate migration deficits, the NT Government's 2026–27 Budget extended the HomeGrown Territory and FreshStart New Home grant programs. Eligible buyers now have until 30 September 2027 to sign contracts and secure these stimulus measures.

Under the revised framework, first home buyers can access a \$50,000 grant, the largest in the nation, with no price caps or income tests, provided they build or purchase a brand-new home. Conversely, the previous \$10,000 grant for established properties ceased on 30 September 2025. Meanwhile, existing homeowners looking to build or buy a new home can access a \$30,000 FreshStart grant. All approved applicants are subject to a 12-month minimum residency requirement once the property is completed or settled.

With regard to house sales volumes, research conducted by Territory Property Consultants in Darwin revealed the actual sales volume activity across Darwin suburbs for the 12 months ending September 2026 was between +6% (Inner Darwin) to -36% (Palmerston) to what had occurred in the previous financial year to September.

The scarcity of available dwellings and less listings has in a large way led to the large capital growth across most regions with the exception of Inner Darwin which indicated only 6% capital growth for houses, typically in the upper median tier (i.e. above \$900,000).

According to RP Data /Cotality, the annual increase in national rental rates eased to 5.5% in September 2026, down from 5.9% between May and July. The deceleration is sharper on a three-month basis, with rental rates rising 0.5% in the September quarter, compared with 1.6% in the June quarter and 0.9% a year earlier. This was the smallest quarterly increase since the December quarter of 2024. However, in Darwin, it has been far stronger with an approximate 11% growth in rental rates over the previous 12 months. The rates are close to plateau stage and will be expected to hold for the short to medium term. House rents are up 2.6% over the quarter to a median of \$800 per week (up 11.1% annually).



Residential Rental Activity

Darwin’s residential rental market has continued to perform exceptionally strongly, leading the nation with both the highest gross yields and the sharpest annual rental increases. PropTrack indicates that Darwin has recorded the strongest rental price growth in the country, with overall weekly advertised rents surging by 13.8% over the past year.

According to the September 2026 data, the median weekly advertised rent for Darwin dwellings sits at a record peak of \$740 per week. Breaking this down by property types:

- The median unit rental price has shot up by 9% annually to reach \$650 per week.
- The median house rental price has increased by 10% annually to reach \$780 per week.

This performance firmly establishes Darwin as having the 3rd highest median rental price of all Australian capital cities, sitting just behind Sydney (\$800) and Perth (\$750).

The sharp ongoing surge in asking rents is heavily driven by critical supply-side constraints. Total rental stock remains exceptionally low, with Darwin’s vacancy rate squeezed to an incredibly tight 0.4% across most of the third quarter of 2026. Market availability has been further restricted by structural market policy changes, notably the conclusion of the National Rental Affordability Scheme (NRAS) in June 2026, which phased out approximately 1,250 affordable, below-market allocations across the Northern Territory.

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



Residential Rental Activity

The vacancy rate remains very tight at approx. 0.4% in September, keeping Darwin firmly in landlord territory and popular for investors.

Broadly, from our discussions with local property managers, the rental rates have been relatively static in comparison to the last quarter and vacancy rates remain extremely tight at around 0.4%.

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

Capital Cities: Rent per week

Metro area	Apartments	Annual Change %	Houses	Annual Change %
Sydney	\$775	6.20%	\$950	10.5%
Melbourne	\$595	4.40%	\$600	7.1%
Brisbane	\$650	0.00%	\$720	7.5%
Perth	\$685	5.40%	\$750	7.1%
Adelaide	\$525	2.90%	\$650	6.6%
Hobart	\$500	4.20%	\$620	12.7%
Canberra	\$600	9.10%	\$800	2.6%
Darwin	\$650	10.20%	\$780	9.9%
National Median	\$695	6.90%	\$740	8.8%

Source : 2026 Rent.com.au property listing data



Residential Sales Activity—House Market



The Average Median Price for the inner suburbs of Darwin (e.g. Larrakeyah/Parap/Stuart Park etc) increased 5.8% to \$910,000, northern coastal suburbs (e.g. Nightcliff/Rapid Creek/Lyons/Muirhead etc) increased 20% to \$800,000, north eastern suburbs - SANDERSON (e.g. Leanyer/Wulagi/Anula/Malak/Karama) increased 18.4% to \$675,000 and Palmerston (all suburbs) up 22% to \$697,000.

Sales volumes for the year ending September 2026 decreased substantially for all areas with the exception of Inner Darwin. Refer table below:-

(Refer TPC table below) :-

Oct 2024 to Sept 2025 Darwin House Sales

Locality	No of Sales	Median Price
Darwin	177	\$860,000
Nightcliff	632	\$666,500
Sanderson	351	\$570,000
Palmerston	1438	\$570,000

Oct 2025 to Sept 2026 Darwin House Sales

Locality	No of Sales	Median Price	Average Change	Change in Volume
Darwin	187	\$910,000	5.81%	5.65%
Nightcliff	433	\$800,500	20.11%	-31.49%
Sanderson	262	\$675,000	18.42%	-25.36%
Palmerston	924	\$697,000	22.28%	-35.74%

A major sale of interest during this quarter was 2 Scott Street, Fannie Bay which sold for \$3,900,000 in September 2026. This was a five-bedroom, five-bathroom two storey house with ocean views which was fully overhauled from top to bottom between 2025 and 2026 with features such as state-of-the-art modern fixtures and fittings, including a new Swedish glass swift lift, a wine room/cellar holding over 200 bottles on display, a theatre room with a 120-inch screen, New York marble benchtops, electric blinds and a library. Property records show the home previously sold in 2022 for \$1,400,000 and was very much of original 1970s era at that time.

The previous 2026 top residential sale was 4 Emery Ct, Larrakeyah, which sold for \$3,800,000 in March 2026. The property at 7 Larrakeyah Tce, Larrakeyah, also sold for \$3,450,000 in May 2026 and 114 East Point Rd, Fannie Bay, sold for \$3,400,000 in January 2026.

Apartment Market

The latest PropTrack Home Price Index revealed that the Darwin property market continues to defy the broader national downturn, with unit prices edging up 0.1% in September 2026 to reach a fresh record peak. Driven by ongoing structural affordability constraints and a critical under-supply of stock, Darwin's median unit price has climbed to \$450,000, representing an annual surge of 15.6% as buyers look for entry-level opportunities.

Darwin's apartment market continues to present great value to both owner-occupiers and investors alike. It remains the most affordable capital city in Australia to purchase a dwelling, while simultaneously offering the highest gross rental yields of any capital city at 7.4% for units. This stands in stark contrast to eastern-seaboard markets like Sydney and Melbourne, where compressing unit yields have flattened closer to 3.3% and 4.0% respectively.



Land Sales

Residential building approvals surged by 45.8% year-on-year, marking the highest national annualized increase across all states and territories. This structural momentum culminated in June 2026 registering 86 residential approvals, the highest monthly volume recorded in the Territory since November 2016. Total residential building work done for the year reached \$153 million, comprising \$103 million in new detached houses (up 23.2%) and \$14 million in new units (up 29.8%). Overall building activity in the Territory stood at \$1.6 billion, though the total trend value of building work done dipped by 5.2% as non-residential construction faced headwinds.

The release of new residential land remains strategically concentrated across Masterplanned areas, including Northcrest (the former Berrimah Agricultural Farm site), Zuccoli in Palmerston, Marrara Gardens, and Holtze (Asche) Stage 1 to 6. In early 2026, the Northern Territory Government marked a milestone by issuing an unprecedented single-day release of 133 newly titled residential lots across three primary development fronts.

Holtze continues to serve as Greater Darwin's crucial new housing estate, backed by a significantly expanded \$48.1 million funding package in the 2026–27 Territory Budget to deliver critical residential headworks and connector roads. Civil access works are fully open to traffic, allowing young Territorians to take title and commence building layout foundations using local support channels.

Forward-looking activity on new land sales remains exceptionally robust, heavily accelerated by the peak body Master Builders NT reporting a near 19% surge in new house pipelines following the rollout of the NT Government's HomeGrown Territory and FreshStart stimulus initiatives. However, the local sector continues to operate under near-term macroeconomic pressures, as increased transportation expenses, elevated borrowing rates, and persistent shortages of specialised trades remain structural challenges to escalating housing supply.

Darwin's Commercial Market



Darwin's Macroeconomic Landscape & Bank Lending Rates

The short-term outlook for commercial bank lending rates has shifted considerably since mid-2025. While previous rate cuts fuelled speculation of a downward trend, recent inflation metrics and macroeconomic outcomes forced a pivot in monetary policy.

Following strong annual trimmed mean inflation outcomes (sitting at 2.7% over the year to July) and a stronger-than-expected June quarter GDP reading of 1.8% annually, the Reserve Bank of Australia (RBA) delivered a 25-basis-point increase to the official cash rate, lifting it to 4.60% on 30 September 2026.

The rate hike materialized due to persistent domestic capacity strains, rising business costs, and geopolitical pressures on global energy prices. Consequently, commercial bank lending rates are expected to remain elevated and stable to slightly firming over the short term, dampening previous expectations of localised financing relief.

Darwin Office Market

Darwin's commercial real estate market overall remains stable, insulated by robust, consistent demand from defence, logistics, and government sectors alongside strategic capital infrastructure.

- **A-Grade Office Rents:** Extreme scarcity in the small pool of CBD office buildings has driven prime rental rates up significantly. A-Grade space is now achieving premium rates of \$750/m² to \$780/m².
- **Vacancy Rates:** Current market research demonstrates a severely constrained supply framework, indicating extremely low to nil vacancy for Premium and A-Grade office stock in the CBD.
- **Pressure for New Space:** With Darwin standing as a critical long-term focal point for Defence expansion and associated Commonwealth Government agencies, structural pressure is mounting for modern, premium-grade footprint allocations.
- **Civic Centre Landmark Development:** To address this specific shortfall, construction is moving forward on the \$150 million Darwin Civic Centre high-rise in partnership with property developer DCOH. The 20-storey tower is actively under construction and scheduled for a 2028 opening. While the City of Darwin will occupy 10 floors for public and administrative services, DCOH will own and operate the remaining top 10 floors for commercial lease, heavily targeting NT or Federal government agencies experiencing long-term expansion.



Commercial Investment & Yields

Transaction volumes have mirrored the broader national trend of late 2025 and 2026, with no significant commercial or retail sales of note occurring over the past quarter. Due to the RBA's recent tightening cycle and the subsequent stabilisation of bank lending metrics, investment yields in Darwin have shown high resilience. Yields on well-leased commercial properties are holding firm, still achieving premium margins relative to southern capital cities in the order of 6.5% to 8.5% net.

Key Industrial Trends

- **Surging Prime Rental Growth:** Driven by acute supply-side bottlenecks across core logistics and light-industrial precincts like Berrimah, Pinelands, and East Arm, prime industrial rents have broken past historical bounds. Prime industrial rents have climbed to \$170/m² to \$200/m² (up from \$130-\$150/m² a couple of years ago).
- **Secondary Industrial Rents:** Under pressure from spilling occupier demand, older-format facilities have seen a lift, with secondary rents holding firm at \$100/m² to \$120/m².
- **Industrial Land Valuation:** Berrimah remains a highly sought-after development corridor, with industrial land actively commanding \$230/m² to \$270/m², underlining strong localised developer appetite.
- **Premium Asset Competition:** Logistics operators, e-commerce groups seeking supply chain security, and defence contractors are aggressively competing for modern premium assets. We understand Colliers NT are currently involved in a major logistics transaction in excess of \$40 Million in the East Arm locale and further detail will be provided in the next quarter.
- **Transaction Bottlenecks:** Overall market liquidity is hampered by a lack of available long-term leases structured at attractive yields, causing property owners to hold onto performing assets and hindering sales transactions.
- **Industrial Yield Profile:** Strong cash returns remain a hallmark of the Top End. Yields for good-quality industrial property assets typically float between 6.5% and 8.0%. Because Darwin maintains an abundance of older-style accommodations, secondary properties attract a distinct risk premium of up to 2.0% above prime yields, pushing secondary asset yields to between 8.5% and 10%.



Overall, Darwin's industrial market remains robust. Large-scale strategic infrastructure rollouts, including the progression of the Darwin Ship Lift project, alongside energy and defence pipelines continue to inject strong capital momentum into the local commercial landscape.

Major commercial sales over this first quarter was the Bell & Bar Bistro in Bellamack which sold for \$11,200,000 in August 2026 as a long term leased investment. It is located on the corner of Chung Wah Terrace and Forrest Parade at Bellamack and was originally built in 2017.

Also located in Palmerston at 3 Maluka Drive in the CBD and previously known as "The Hub" , this commercial investment property sold for \$7,794,050 in July 2026. It is understood the new purchaser is planning a larger commercial precinct. A proposed \$20 million Palmerston Junction Meeting Hub project at 3 Maluka Drive is planned to transform the former Hub precinct into a modernised commercial and retail destination. The extensive redevelopment will involve the complete demolition of the long-abandoned C-Max Cinema buildings to make way for new, state-of-the-art commercial setups. The master plan outlines a four-stage development across the 13,600-square-metre site:-

- New Tenancies: Construction of 8 new commercial tenancies and localised office/staff facilities.
- Anchor Tenant: Fast-food giant Guzman y Gomez (GYG) has committed to a 20-year anchor lease at the site.
- Parking & Logistics: Expansion to 310 total on-site parking bays, featuring over 100 secure, undercover basement spaces.
- Site Expansion: The overhaul integrates with adjacent assets, coordinating office developments at 5 Maluka Drive, shop spaces at 6 Roystonea Avenue, and new digital pylon signage.
- Neighbouring Footprint: Positioned directly alongside high-traffic hubs like Hungry Jack's and KFC, with direct transit access to the Stuart Highway and Roystonea Avenue.

Darwin Commercial Market



The Hub , 3 Maluka Drive, Palmerston City is undergone a overhaul

Commercial leasing opportunities are also being made available being fully refurbished commercial spaces ranging from 149m² to 480m². The spaces are dynamically zoned for Retail, Showrooms, Corporate Offices, Medical, or Allied Health Consulting. New incoming businesses are understood to already include an allied health provider, and a signature café operator. These operators will join the existing, established tenant mix on-site: Flynn's Palmerston, Play Shack, mycar Tyre & Auto, Ultra Tune, and AlignLife Chiropractic.

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