



# Darwin Market Update

## 2<sup>nd</sup> Half 2021



### OVERVIEW

In Q3 2021, Darwin\* recorded a median house price of \$585,000, and a median unit price of \$375,000. This represents annual (Q3 2020 – Q3 2021) median price growth of 15.8% for houses and 26.6% for units. Between Q3 2020 – Q3 2021 total sales increased, by 41.4% for houses (to 181 sales) and by 206.5% for units (to 282 sales). Current market conditions indicate real returns in capital investment and high demand, as median price growth is alongside increased sales volumes. Now is an ideal time for property owners to transact and benefit from a highly demanded market.

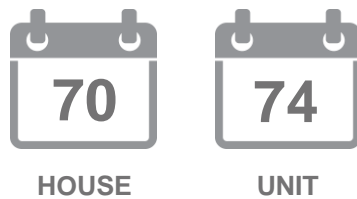
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↑	↑
	House Median Price	↑	↑
	House Rental Price	↑	↑
	Unit Sales	↑	↑
	Unit Median Price	↑	↑
	Unit Rental Price	↑	↑

### MARKET CONDITIONS

#### SALES MEDIAN PRICE Q3 2021



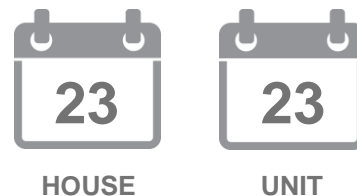
#### SALES AVERAGE DAYS ON MARKET Q3 2021



#### RENTAL MEDIAN PRICE Q3 2021

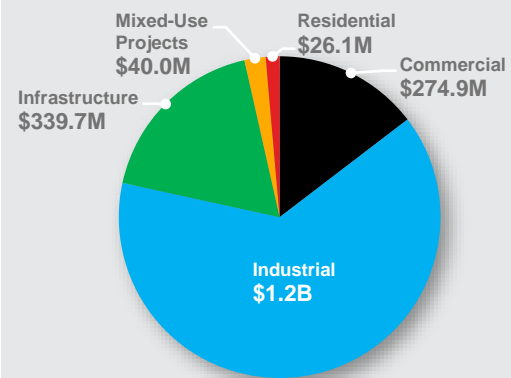


#### RENTAL AVERAGE DAYS ON MARKET Q3 2021



### FUTURE DEVELOPMENTS

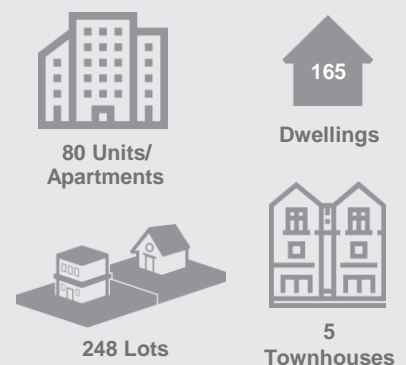
Darwin LGA is set to see approximately **\$1.9B** worth of new projects commencing in the 2<sup>nd</sup> half of 2021.



A large focus on industrial projects signals the creation of new businesses, which have the potential to create more jobs and continue to stimulate a more vibrant economy.

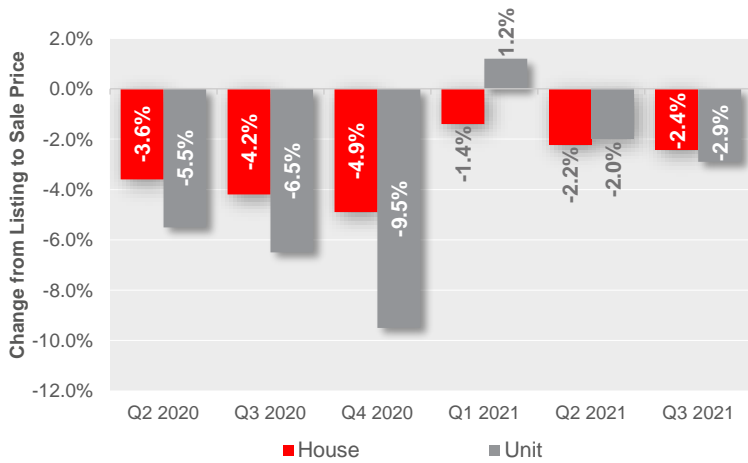
A main industrial project in the 2<sup>nd</sup> half 2021 is The Darwin Clean Fuels Condensate Processing Facility (\$1.2B). This project will construct a processing facility to supply high quality petrol, diesel, LPG & jet fuel to Northern Territory market. This will help create many local employment opportunities

A total of \$26.1M of residential projects have been planned. Key projects include: Jabiru Residential Dwellings (\$9.5M, 143 lots) and Pirlangimpi Dwellings (\$8.4M, 18 dwellings). New housing supply is welcomed, in order to answer the current high demand.



# AVERAGE VENDOR DISCOUNT\* KEY COMMENTS

Average vendor discount reflects the average percentage difference between the first list price and final sold price. A lower percentage difference (closer to 0.0%) suggests that buyers are willing to purchase close to the first asking price of a property.

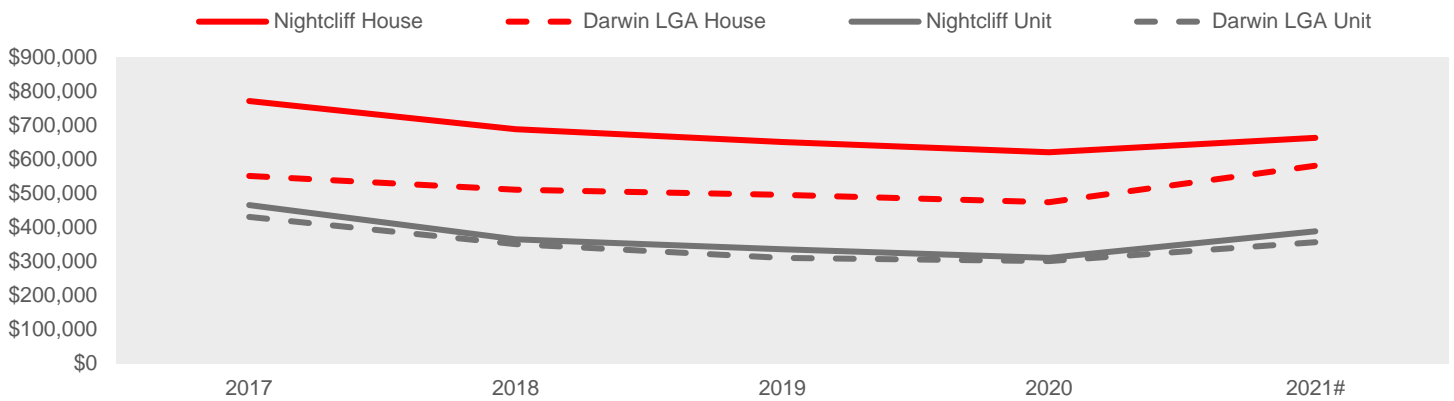


Average vendor discounts between Q3 2020 and Q3 2021 have tightened for both property types, to -2.4% for house and -2.9% for units. Market conditions in Darwin\* have now shifted to favour sellers, where buyers are more willing to offer closer to the first list price to secure their dream home. Now is an ideal time for vendors to sell.

The suburb of Nightcliff has historically outperformed the wider Darwin Local Government Area (LGA) in property prices. 2021# has resulted in exponential median price growth for both property types, which has continued to place Nightcliff as a premium market.

The dominant proportion of homes sold in Darwin\* across 2021^ were in the premium price segment of \$650K and above (37.8%). Units recorded high buyer activity within the higher price segment of \$350K to \$449K (32.0%). Affordable options are still available, however have shrunk in the past 12 months.

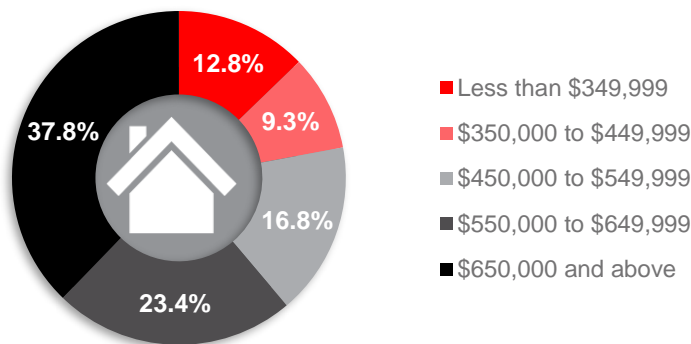
## MEDIAN HOUSE PRICE COMPARISON



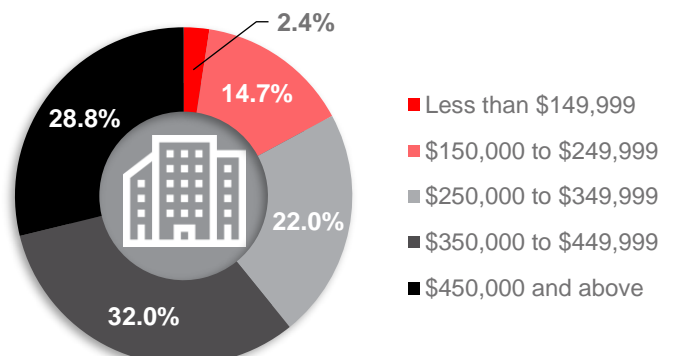
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Nightcliff.

## PRICE BREAKDOWN 2021^

### HOUSES SOLD



### UNITS SOLD

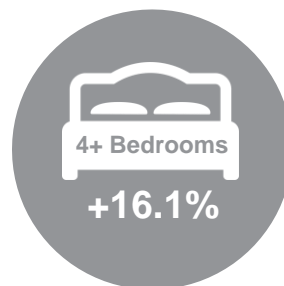
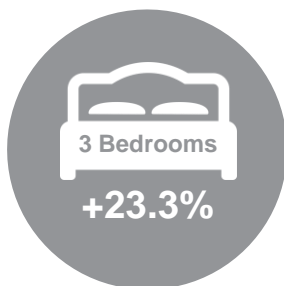


## RENTAL GROWTH 2021€

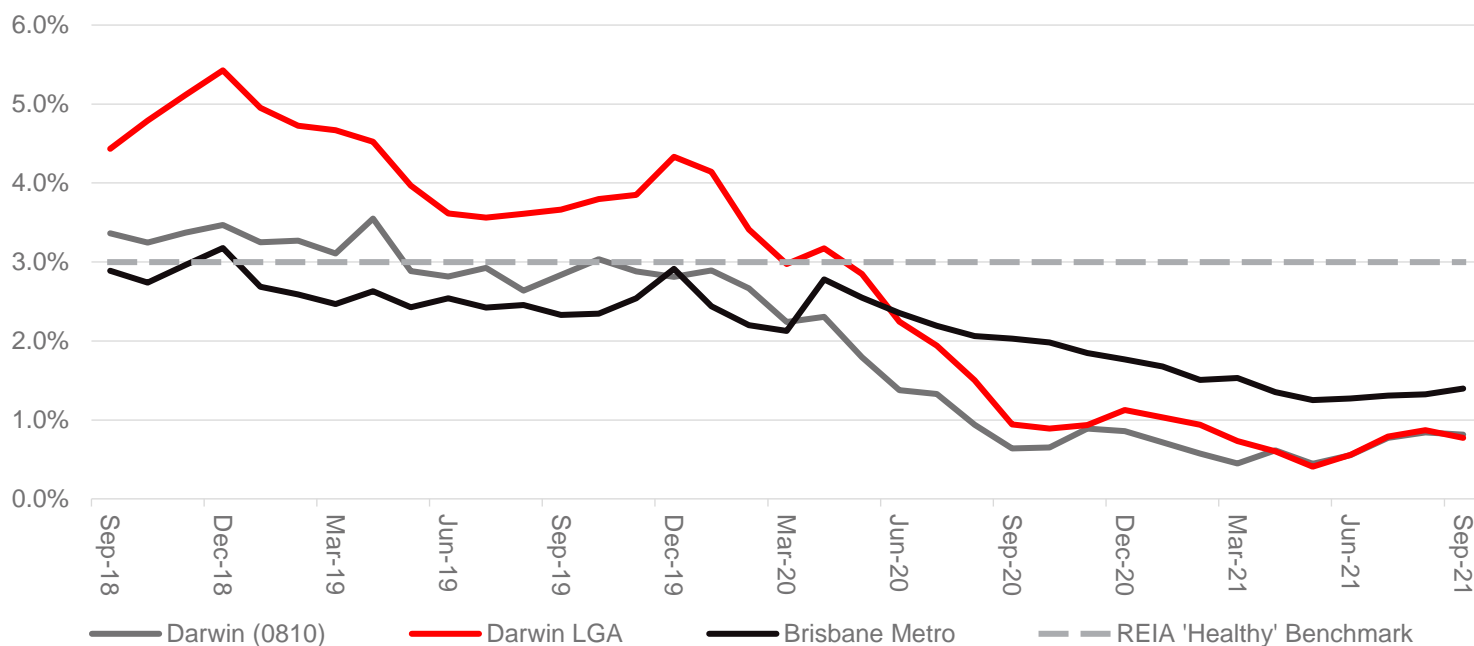
In September 2021, house rental yields in Darwin\* were recorded at an attractive 5.4%. In the 12 months to Q3 2021, the median house rental price increased by 30.4% to reach \$600 per week, further complemented with low average days on the market (23 days). There is a healthy rental market in Darwin\*, with investors benefitting from a highly demanded market.

3 bedroom houses have provided investors with +23.3% rental growth annually€, with a median rent of \$530 per week.

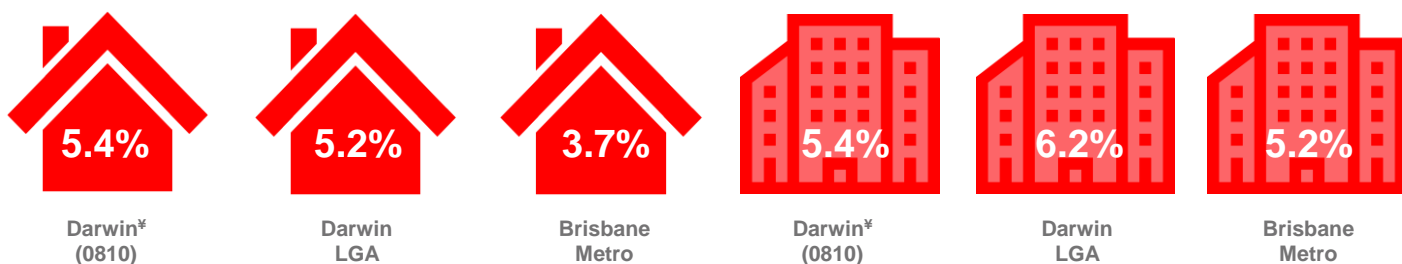
Also in September 2021, Darwin\* recorded a low vacancy rate of 0.8%, on par with Darwin LGA and well below that of Brisbane Metro (1.4%). Vacancy rates in Darwin\* have continued on a declining trend since April 2020, and remain well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, even amidst COVID-19 recovery conditions. There is an increasingly higher rental demand and investors can be confident of a conducive investment environment in Darwin\*.



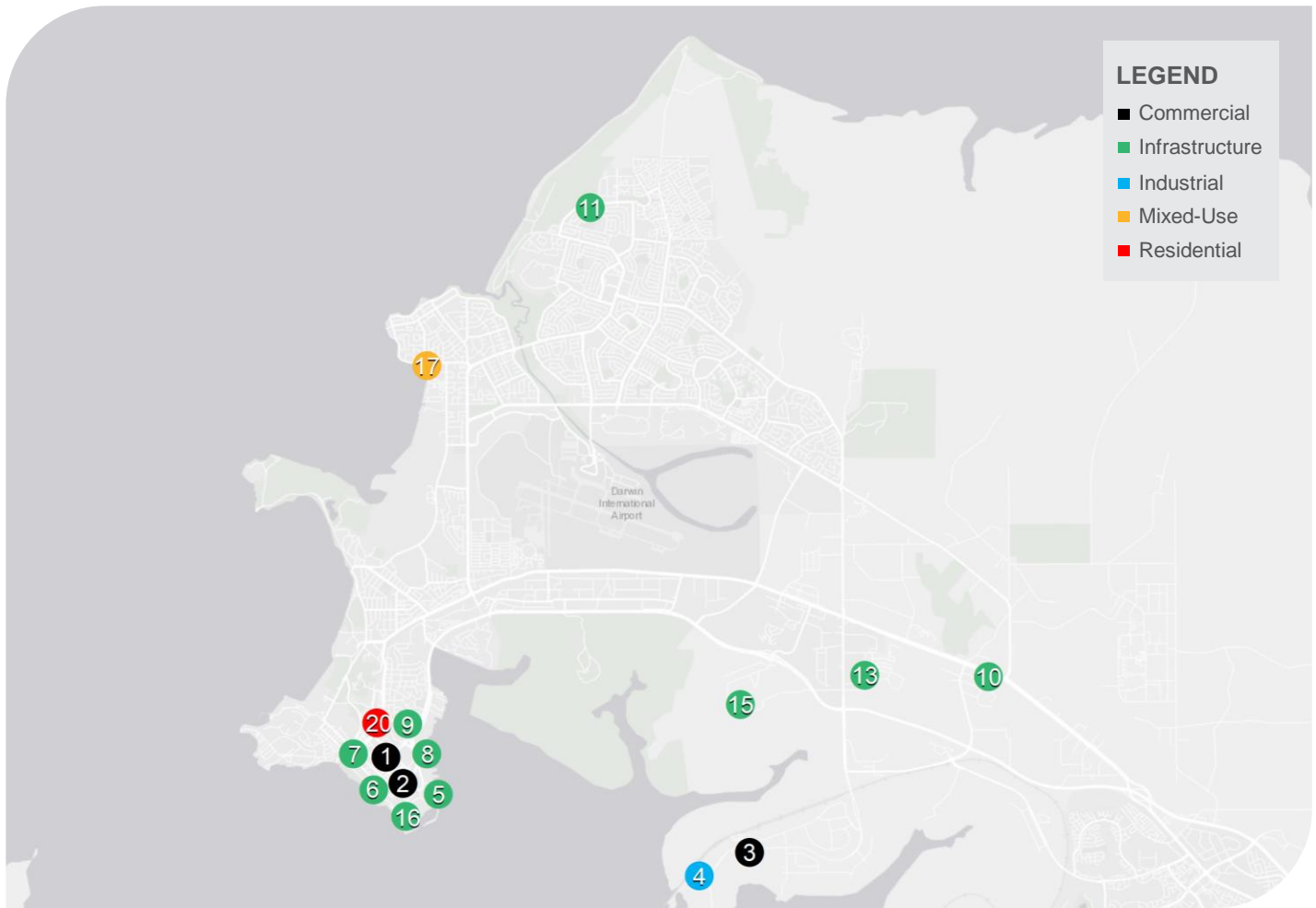
## RENTAL VACANCY RATES 2021



## RENTAL YIELD 2021\$



# TOP DEVELOPMENTS MAP 2<sup>nd</sup> HALF 2021<sup>Ⓐ</sup>



Location	Project <sup>£</sup>	Type	Estimated Value <sup>Ⓜ</sup>	Commence Date <sup>Ⓜ</sup>
1	Charles Darwin Education & Community Precinct	Commercial	\$250,000,000	01/10/2021
2	Cavenagh Street Office	Commercial	\$5,000,000	18/11/2021
3	Langbridge Industry & Logistics Park	Commercial	\$15,000,000	16/11/2021
4	Darwin Clean Fuels Condensate Processing Facility	Industrial	\$1,200,000,000	16/08/2021
5	Maningrida Community Subdivision	Infrastructure	\$3,500,000	15/12/2021
6	Darwin Region - Urban Area Roadworks	Infrastructure	\$4,117,000	01/12/2021
7	Northern Region Roadworks	Infrastructure	\$4,698,000	04/11/2021
8	Point Stuart Road	Infrastructure	\$5,174,000	01/12/2021
9	Pirlangimpi - Hbnt	Infrastructure	\$7,500,000	08/11/2021
10	Stuart Highway Duplication	Infrastructure	\$7,500,000	23/12/2021
11	Royal Darwin Hospital	Infrastructure	\$2,740,000	12/07/2021
Not Mapped	Shoal Bay Waste Management Facility	Infrastructure	\$12,382,000	04/07/2021
13	Berrimah Farm Science Precinct	Infrastructure	\$13,000,000	26/12/2021
Not Mapped	Arnhem Highway - Adelaide River Floodplain Roadworks/Bridge Works	Infrastructure	\$18,260,000	03/09/2021
15	College Road Industrial Subdivision	Infrastructure	\$30,000,000	20/10/2021
16	Darwin Cbd Rejuvenation - Darwin City Deal - Overall Project	Infrastructure	\$200,000,000	27/09/2021
17	Progress Drive Mixed Use Development-( 80 Apartments)	Mixed-use	\$40,000,000	10/10/2021
Not Mapped	Jabiru Residential Dwellings- (121 Lots)	Residential	\$6,000,000	13/11/2021
Not Mapped	Jabiru Residential Dwellings- (22 Lots)	Residential	\$3,500,000	11/12/2021
20	Pirlangimpi Dwellings- (18 Dwellings)	Residential	\$8,466,000	15/11/2021

## OUR SERVICES INCLUDE

- Advisory and consultancy
- Market Analysis including profiling and trends
- Primary qualitative and quantitative research
- Demographic and target market Analysis
- Geographic information mapping
- Project Analysis including product and pricing recommendations
- Rental and investment return analysis

## OUR KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions.

## OUR PEOPLE

Our research team is made up of highly qualified researchers who focus solely on property analysis.

## OUR SERVICES

Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customised products.



### PRD Darwin

**May Dunlop** , Principal  
M +61 421 037 034  
E [may.dunlop@prd.com.au](mailto:may.dunlop@prd.com.au)

[PRD.com.au/darwin](https://PRD.com.au/darwin)

# REFERENCES

\*Darwin market data and key indicators encapsulates aggregate property market conditions within the postcodes of: 0800, 0820, 0810, 0830, 0832, 0838, 0814, 0835, 0836.

\*\* Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.

# 2021 encapsulates sales transactions for 2021 (01/01/2021 – 30/09/2021) only.

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€ Annual rental growth is a comparison between 2020 (01/01/2020 – 30/09/2020) and 2021 (01/01/2021 – 30/09/2021) house median rent figures.

¥ Darwin market data encapsulates aggregate property conditions within Darwin (0810).

§ Rental yields shown are as reported as of September 2021.

⌘ Project development map showcases a sample of upcoming projects only, due to accuracy of addresses provided by the data provider for geocoding purposes.

£ Projects refers to the top developments within Darwin City Local Government Area.

μ Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.

ψ Commencement date quoted for each project is an approximate only, as provided by the relevant data authority, PRD does not hold any liability to the exact date.

Source: APM Pricerfinder, Cordell Connect database, SQM Research, Esri ArcGIS.

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