



# Darwin Market Update

## 2<sup>nd</sup> Half 2022



### OVERVIEW

In Q3 2022, Darwin\* recorded a median house price of \$550,000, and a median unit price of \$375,000. This represents annual (Q3 2021 – Q3 2022) median price softening of -6.0% for houses and a growth 4.2% for units. On a quarter-by-quarter basis (Q2 2022 – Q3 2022) median house price softened further by -5.2% and median unit price softened by -1.3%. This reflects interest rate hikes translating into the market. Total sales increased annually and quarterly, with Q3 2022 recording the highest sale numbers of 502 (house) and 258 (units). This suggests new opportunities for buyers.

	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 2022



**SALES AVERAGE DAYS ON MARKET**  
Q3 2022



**RENTAL MEDIAN PRICE**  
Q3 2022

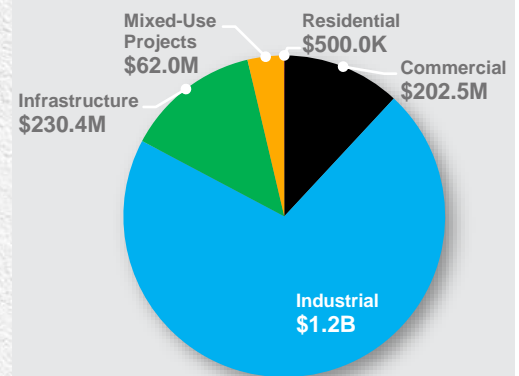


**RENTAL AVERAGE DAYS ON MARKET**  
Q3 2022



### FUTURE DEVELOPMENTS

Darwin is set to see approximately **\$1.7B worth of new projects commencing in the 2<sup>nd</sup> half of 2022.**



These projects will stimulate economic growth and create large employment opportunities in Darwin, which should have a positive spill-over impact on the real estate market.

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 create many local employment opportunities.

Tiger Brennan Drive Roadworks (\$110.0M) is a key infrastructure project that will improve mobility of residents, thus improving liveability.

New housing supply is delivered by two mixed-use developments:

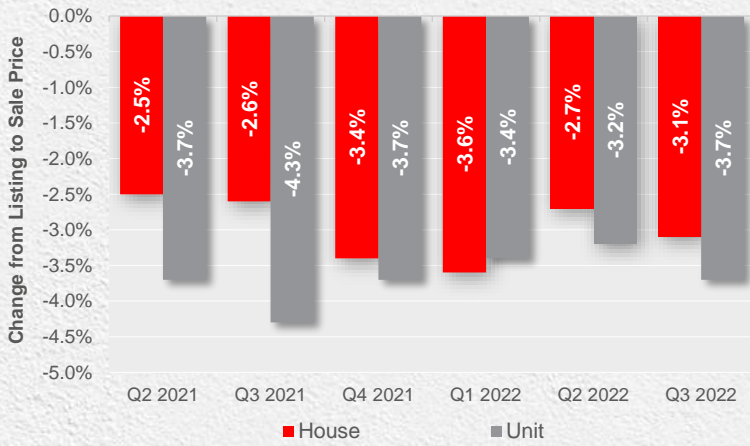
- Knuckey Street (75 units)
- Elysium Green Garden Hills (101 dwellings)





# 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.

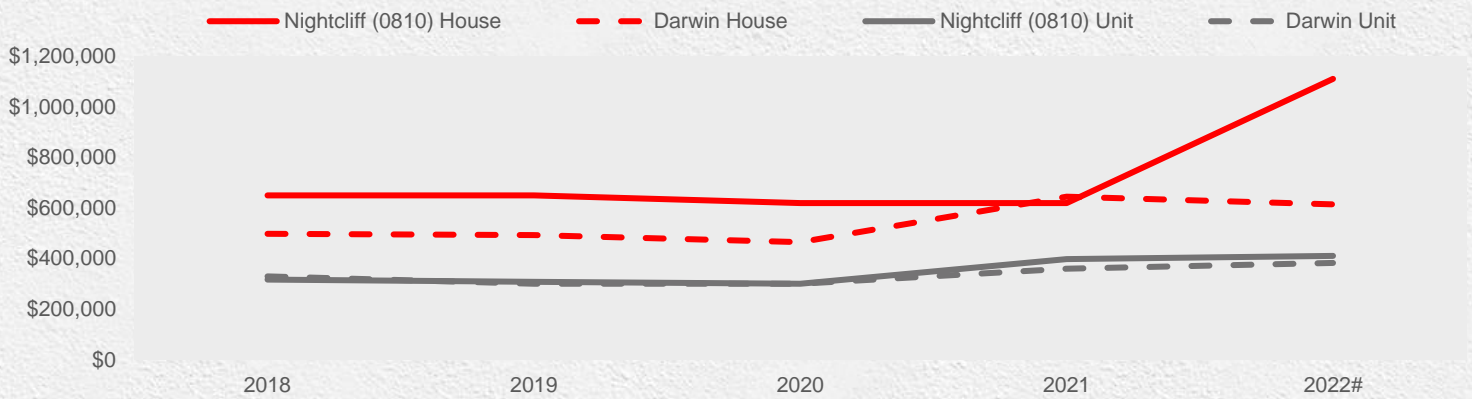


Average vendor discounts between Q3 2021 and Q3 2022 have remained relatively stable for both property types, at a discount of -3.1% for houses and -3.7% for units. Market conditions in Darwin\* continue to favour buyers, as vendors are willing to offer below the initial listing price. With a softening in median property price between Q2-Q3 2022, this presents new opportunities for first home buyers.

The suburb of Nightcliff has historically outperformed the wider Darwin Local Government Area (LGA) in both house and unit median prices. This continued to be the case in 2022#, with houses trending toward a more premium market.

The dominant proportion of homes sold in Darwin\* across 2022# were priced below \$599,999 (54.9%). Units recorded a dominant middle-price point between \$300,000-\$399,999 (32.2%). An expanding premium market is evident in Darwin\*, but affordable options are amply available, thus allowing for a variety of budgets.

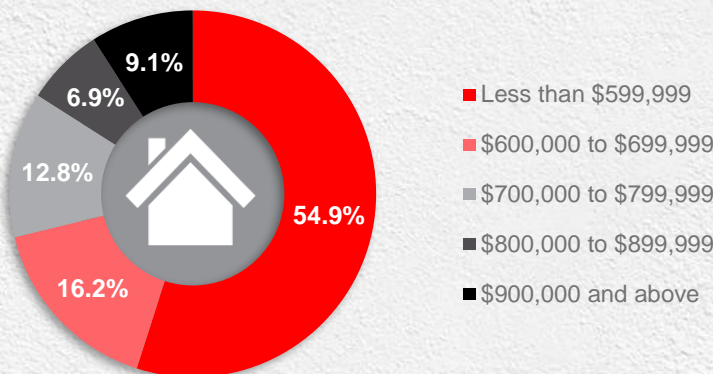
## MARKET COMPARISON



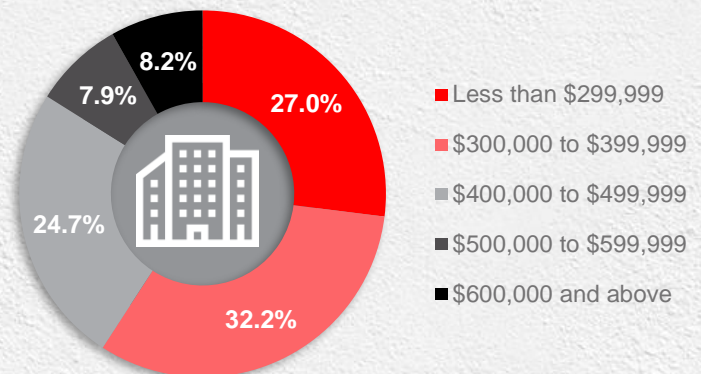
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Nightcliff.

## PRICE BREAKDOWN 2022#

### HOUSES SOLD



### UNITS SOLD



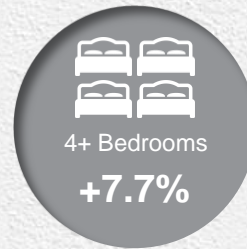


# RENTAL GROWTH 2022€

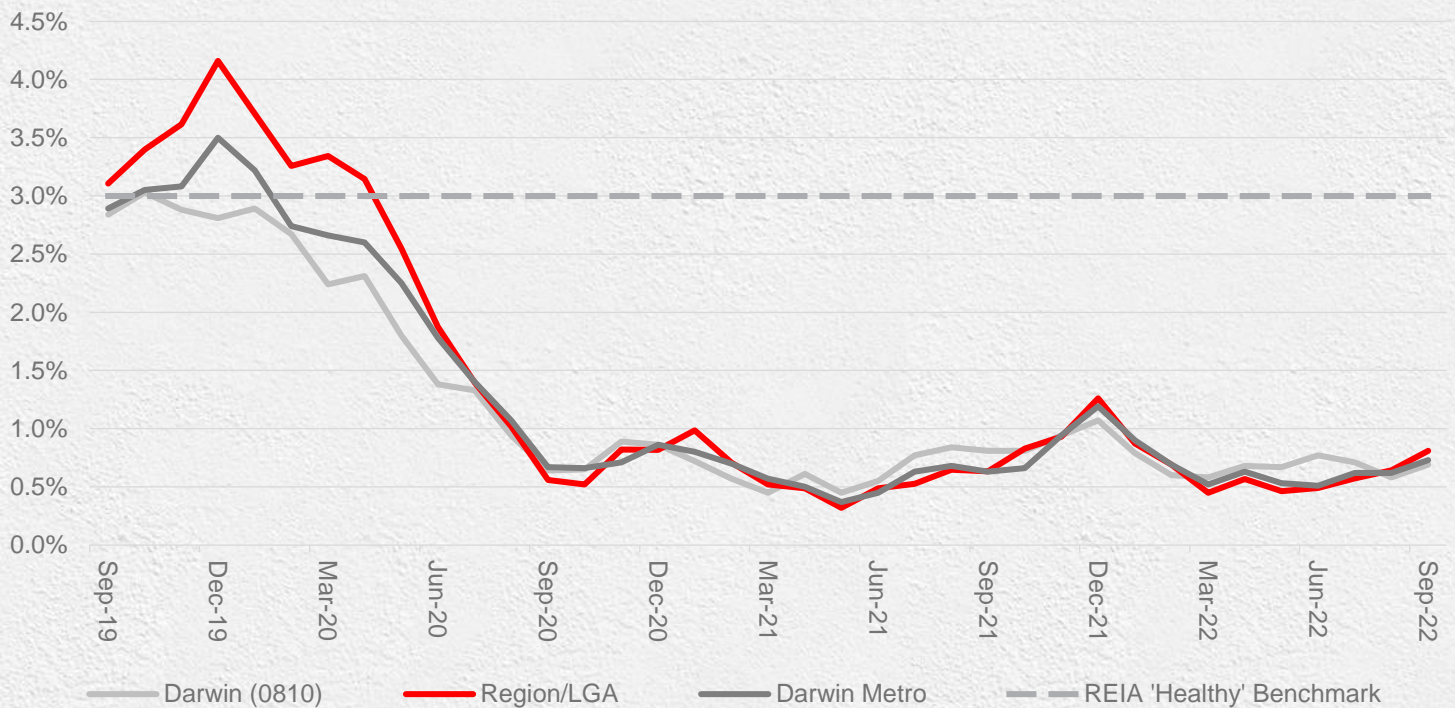
Darwin<sup>¥</sup> house rental yield was 4.9% in September 2022, below Darwin Metro (5.2%). This is considerably higher than Sydney and Melbourne Metros, both at 2.6%. Median house rental price increased by 3.3% in the 12 months to Q3 2022, to \$620 per week. This is paired with an 8.6% increase in the number of houses rented, suggesting a highly demanded market.

3 bedroom houses have provided investors with +9.4% rental growth annually, achieving a median rent of \$580 per week.

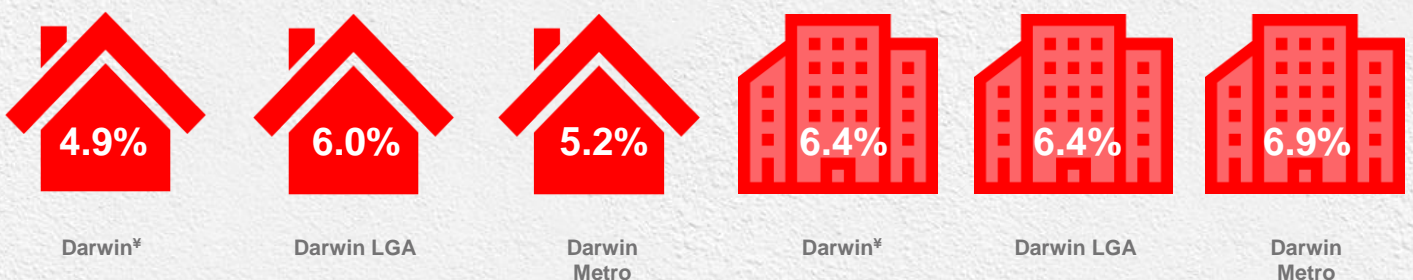
Darwin<sup>¥</sup> recorded a vacancy rate of 0.7% in September 2022, which is on par with Darwin Metro's 0.7% average. This is lower than Sydney and Melbourne Metro vacancy rates, at 1.3% and 1.4% respectively. Vacancy rates in Darwin<sup>¥</sup> have held mostly steady over the past 12 months, indicating quicker occupancy of rental properties. These key indicators suggest a conducive and sustainable environment for investors, thus an even more opportune market considering softer property prices in the past quarter (between Q2-Q3 2022).



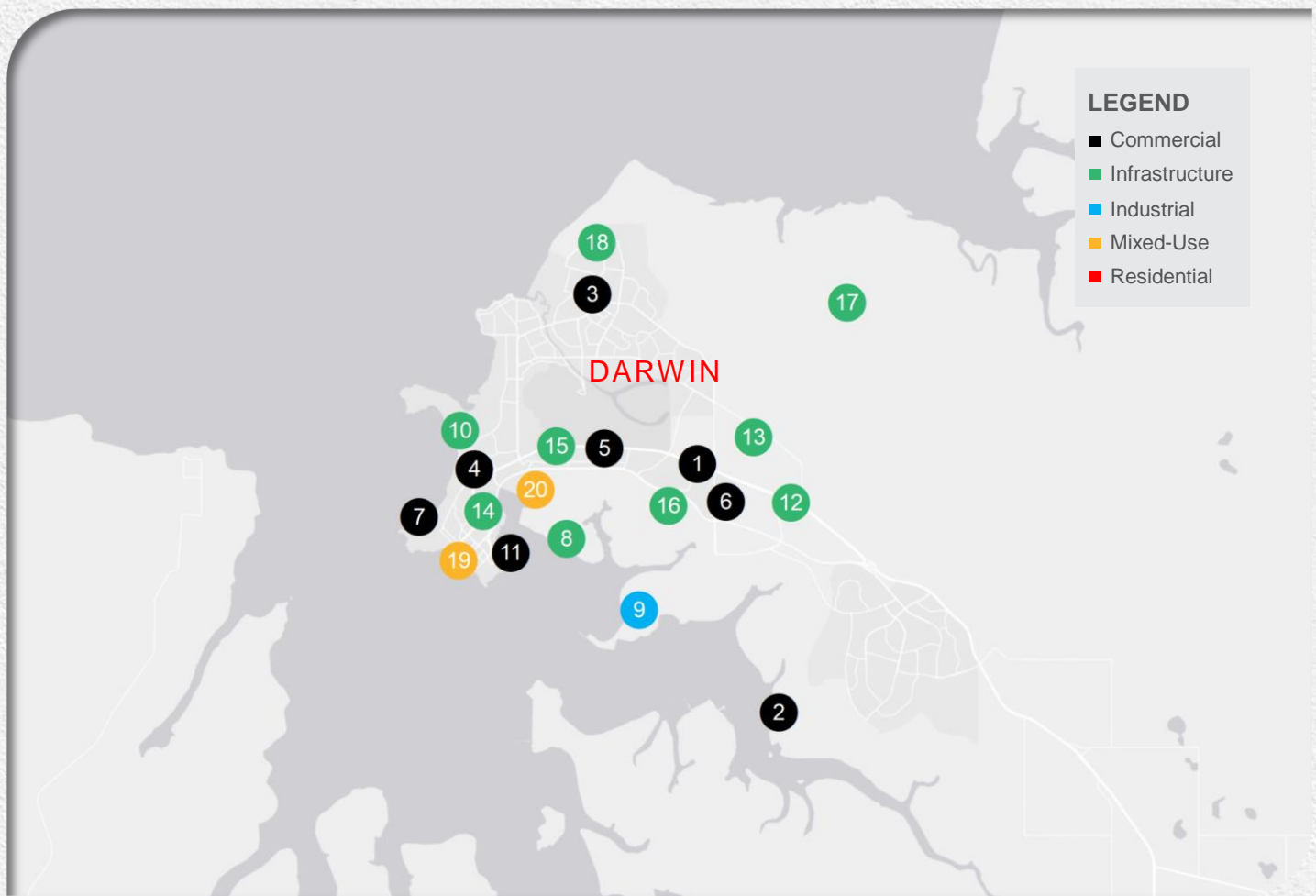
# RENTAL VACANCY RATES 2022



# RENTAL YIELD 2022\$



# TOP DEVELOPMENTS MAP 2<sup>nd</sup> HALF 2022<sup>†</sup>



Location	Project <sup>£</sup>	Type	Estimated Value <sup>Ⓜ</sup>	Commence Date <sup>Ⓜ</sup>
1	Mcdonalds Northcrest	Commercial	\$2,500,000	11/07/2022
2	Darwin-jakarta-singapore Cable	Commercial	\$100,000,000	15/10/2022
3	Casuarina Square	Commercial	\$55,600,000	09/08/2022
4	On The Run Service Station Stuart Park (Otr)	Commercial	\$3,500,000	31/10/2022
5	Integrated Switchgear And Systems	Commercial	\$3,500,000	26/08/2022
6	Berrimah Farm Science Precinct - Vet Laboratory	Commercial	\$20,000,000	07/11/2022
7	34 Stuart Highway - Service Station	Commercial	\$2,000,000	14/11/2022
8	Drw01 Data Centre	Commercial	\$10,000,000	24/10/2022
9	Darwin Clean Fuels Condensate Processing Facility	Industrial	\$1,200,000,000	16/11/2022
10	Mandorah Marine Facilities	Infrastructure	\$5,000,000	01/11/2022
11	Darwin-pirlangimpi Subdivision Civil Works	Infrastructure	\$5,441,000	08/08/2022
12	Stuart Highway Roadworks	Infrastructure	\$6,890,000	08/08/2022
13	Berrimah Farm Science Precinct	Infrastructure	\$13,000,000	26/12/2022
14	Frances Bay Mooring Basin	Infrastructure	\$18,480,000	22/07/2022
15	Darwin Health Centre (Dahrc)	Infrastructure	\$25,000,000	28/11/2022
16	Tiger Brennan Drive & Berrimah Road Roadworks/Bridge Works	Infrastructure	\$110,000,000	11/07/2022
17	Jabiru Community Health Centre	Infrastructure	\$9,000,000	10/10/2022
18	Dripstone Middle School	Infrastructure	\$2,000,000	14/11/2022
19	Knuckey Street Mixed Use Development (75 Units)	Mixed-use	\$30,000,000	26/07/2022
20	Elysium Green Garden Hills Crescent (101 Dwellings)	Mixed-use	\$32,000,000	01/09/2022





## 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.



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**PRD Darwin**

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# 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.

# 2022 encapsulates sales transactions for 2022 (01/01/2022 – 30/09/2022) only.

€ Annual rental growth is a comparison between 2021 (01/01/2021 – 30/09/2021) and 2022 (01/01/2022 – 30/09/2022) house median rent figures.

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

§ Rental yields shown are as reported as of September 2022.

⌘ 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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