



Darwin Market Update

2nd Half 2023



OVERVIEW

In Q2 2023, Darwin* recorded a median house price of \$599,000, and a median unit price of \$405,000. This represents annual (Q3 2022 – Q3 2023) growth of 10.8% for houses and 3.4% for units. Sales decreased between Q3 2022 – Q3 2023, by -11.5% (to 383 sales) for houses and by -42.9% for units (to 176 sales). The undersupply in both house and unit markets has created a buffer against cash rate hikes. That said on a quarterly (Q2 2023 – Q3 2023) basis median prices grew at a slower rate, of 4.1% and 1.3% respectively. This creates a slightly more affordable opportunity for first home 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 2023



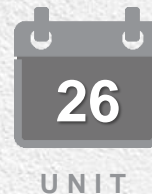
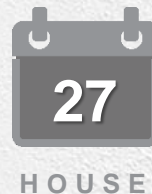
SALES AVERAGE DAYS ON MARKET Q3 2023



RENTAL MEDIAN PRICE Q3 2023

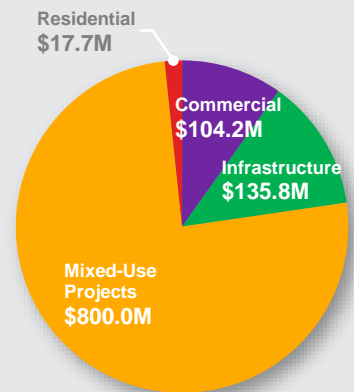


RENTAL AVERAGE DAYS ON MARKET Q3 2023



FUTURE DEVELOPMENTS

Darwin* is set to see approximately **\$1.1B worth of new projects commencing in the 2nd half of 2023.**

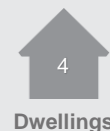


These projects will stimulate economic growth and create large employment opportunities in Darwin, which should have a positive spill-over impact on the real estate market.

A main mixed-use project in the 2nd half of 2023 is Darwin Parklands (\$800.0M). This masterplan is set to redevelop a telecommunications site for a high and medium density development, proposing 100 units, 4 dwellings and 11 townhouses.

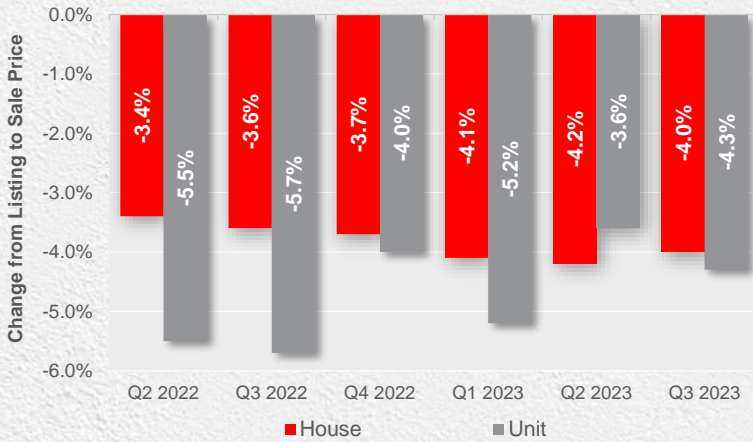
29 Julius Street is a commercial office development that plans to deliver a 3-storey building. There are known 6 commercial projects, all of which will stimulate demand.

64 McMinn Street plans to deliver 64 units and is the only residential project planned. Combined with the Darwin Parklands there is a high number of units but very little stand-alone dwellings. This puts more price pressure on houses.



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.

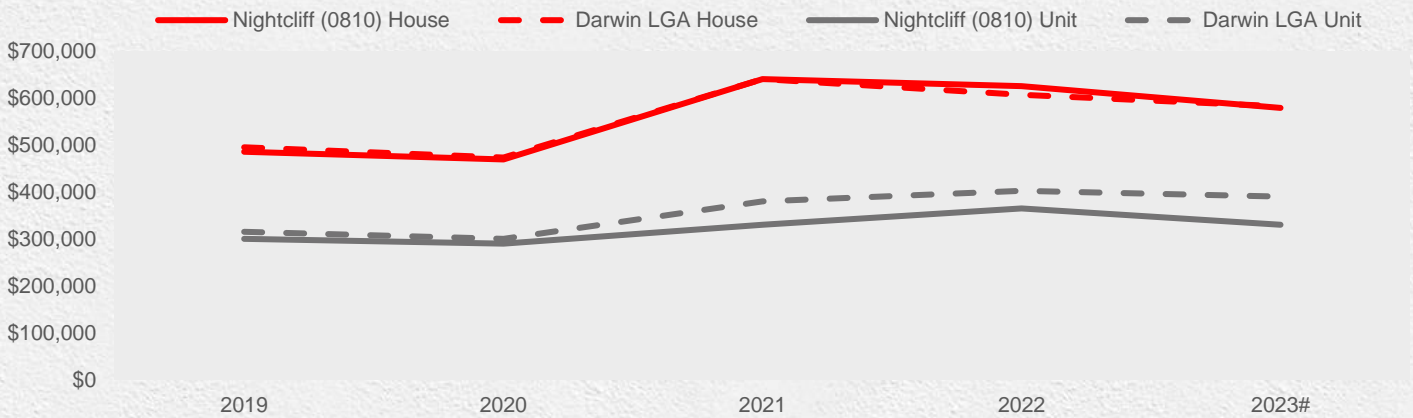


Average vendor discounts between Q3 2022 and Q3 2023 have remained relatively stable for both property types, at a discount of -4.0% for houses and -4.3% for units. Market conditions in Darwin* continue to favour buyers, as vendors are willing to accept below the initial listing price. Now is the time to buy.

The suburb of Nightcliff has historically performed on par to the wider Darwin Local Government Area (LGA) in house prices, and offered a slightly more affordable unit market. This continued to be the case in 2023#.

The dominant proportion of homes sold in Darwin* across 2023# were in the most affordable price bracket of less than \$499,000 (32.3%). Units recorded most sales in the more affordable price bracket of between \$350,000-\$449,000 (29.1%). Affordable options are increasingly available, which is good news for buyers. That said there is still a healthy premium market, with 17.2% (for both house and units) of sales in this price range. This is good news for owners looking to sell.

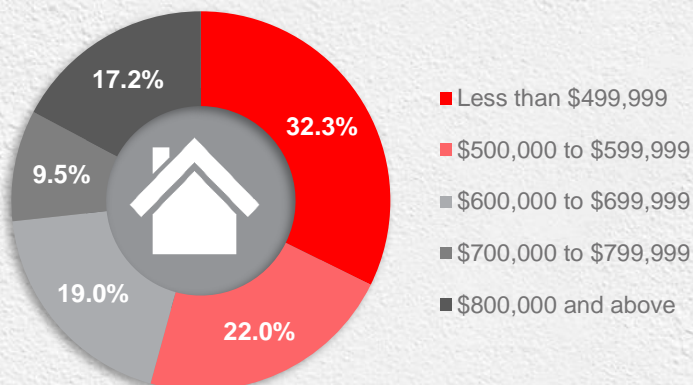
MARKET COMPARISON



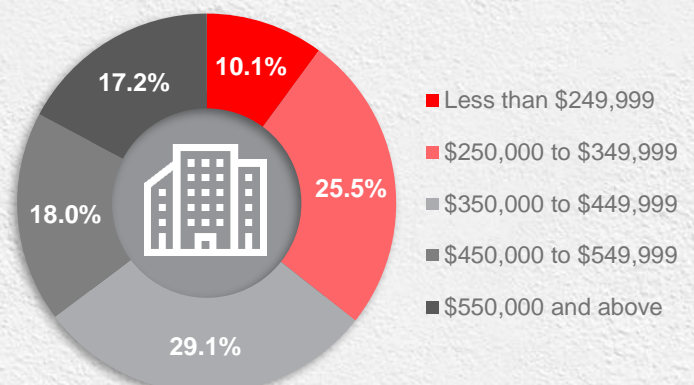
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Nightcliff.

PRICE BREAKDOWN 2023#

HOUSES SOLD



UNITS SOLD

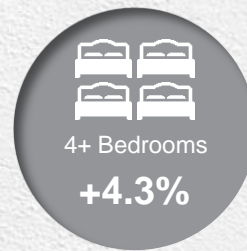


RENTAL GROWTH 2023€

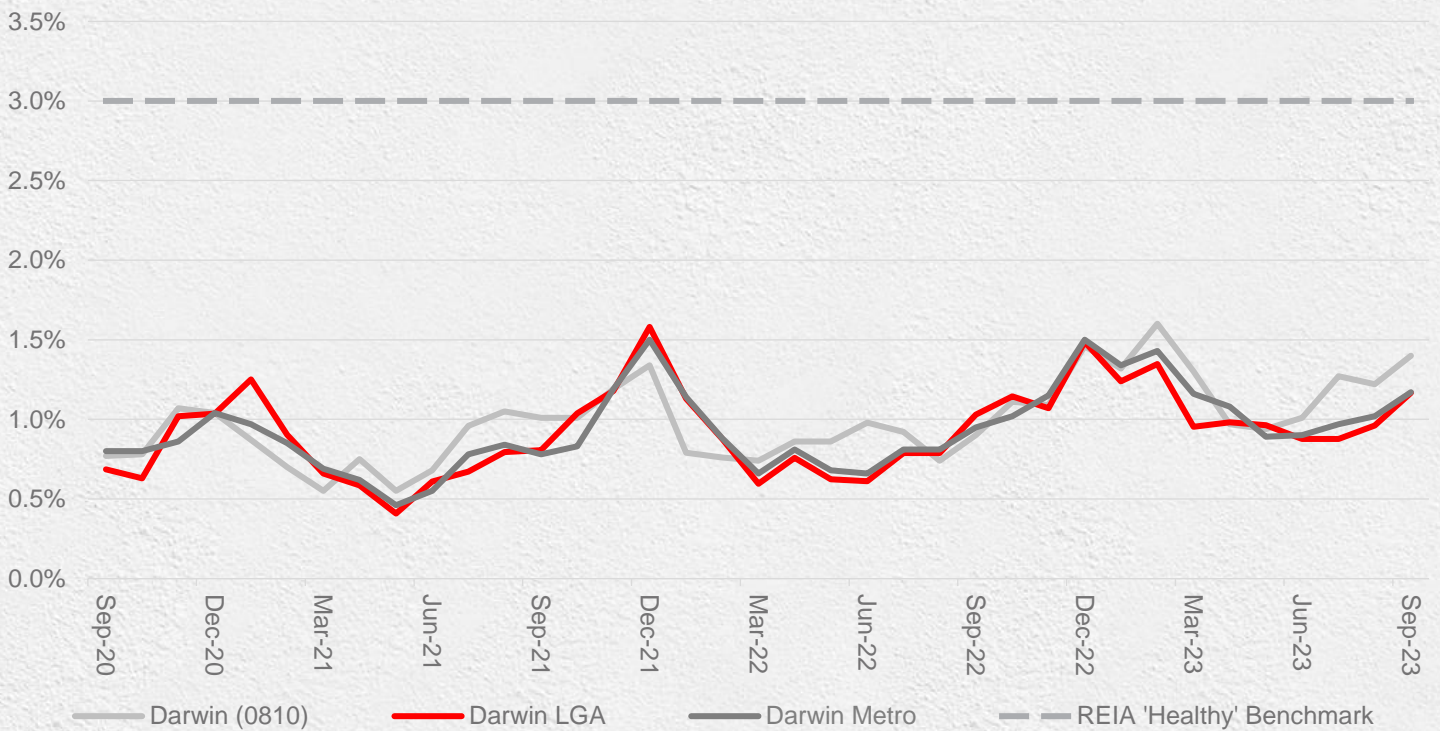
House rental yields in Darwin* was 5.7% in September 2023. This was paired with an 8.3% median house rental price in the 12 months to Q3 2023, to \$650per week, whilst the number of houses rented declined by -4.7% (to 405 houses). The unit median rental price increased by 5.8%, whilst the number of units rented increased significantly by 121.5%. Overall, there is a very high rental demand and an undersupplied house rental market, indicating the need for more investors.

2-bedroom houses have provided investors with +7.5% rental growth annually, achieving a median rent of \$500 per week.

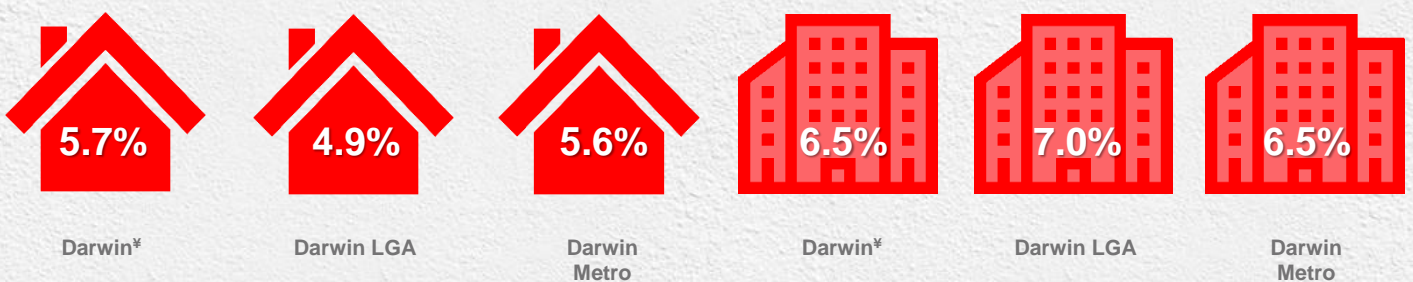
Darwin* recorded a vacancy rate of 1.4% in September 2023, which is slightly above Darwin Metro's 1.2% average. Vacancy rates in Darwin* have fluctuated in the past 12 months, due to cash rate hikes impacting investors entering and exiting the market. A 1.4% vacancy rate is still very low, indicating quicker occupancy of rental properties. This suggests a conducive and sustainable environment for investors, despite property prices increasing in the past 12 months.



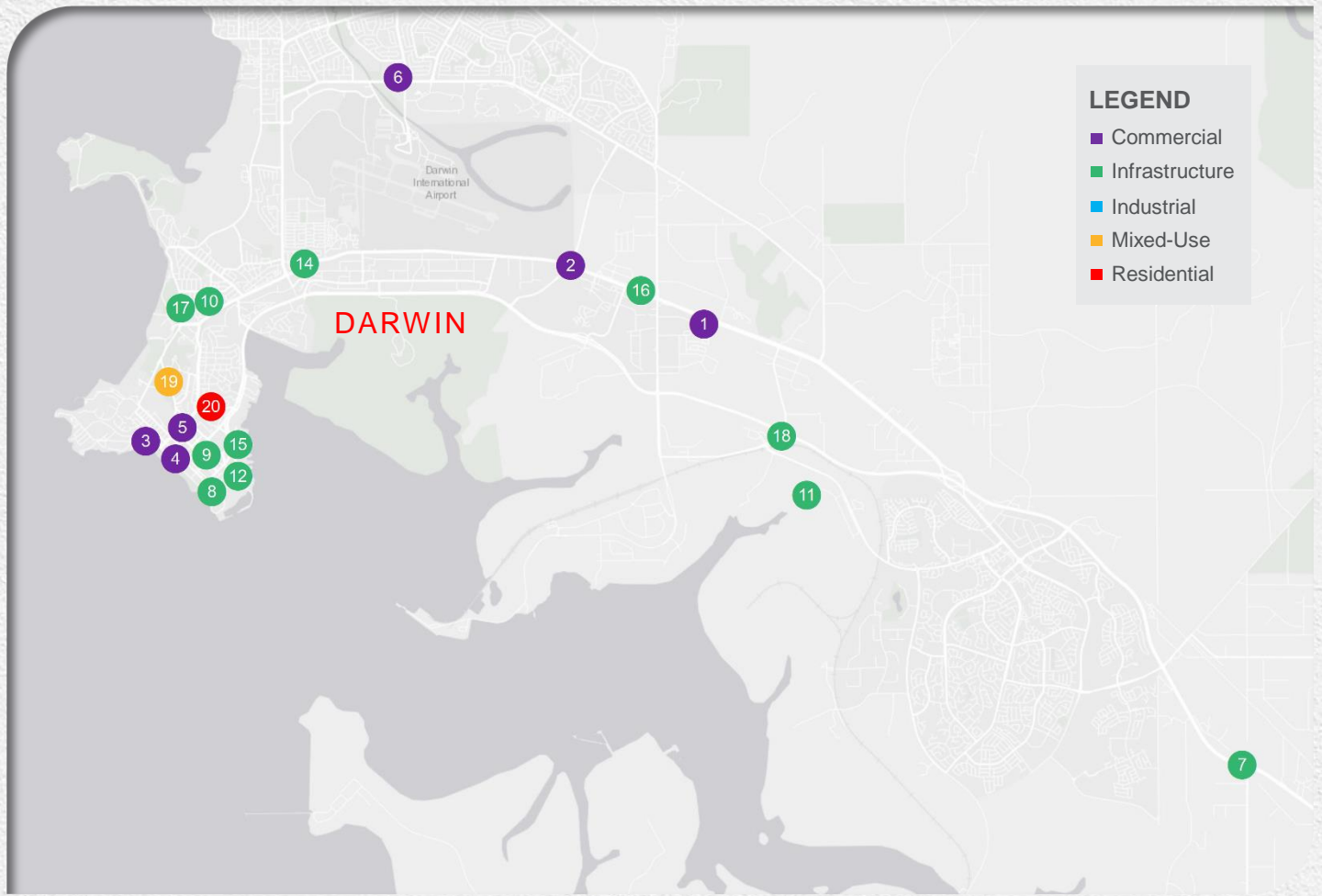
RENTAL VACANCY RATES 2023



RENTAL YIELD 2023\$



TOP DEVELOPMENTS MAP 2nd HALF 2023[†]



Location	Project [‡]	Type	Estimated Value [†]	Commence Date [†]
1	29 Julius Street Nic Darwin Office Precinct	Commercial	\$48,000,000	18/12/2023
2	Mcdonalds Northcrest Take Away Outlet	Commercial	\$2,500,000	11/10/2023
3	122 Esplanade Double Tree Hilton Extension	Commercial	\$25,000,000	02/08/2023
4	68 Mitchell Street Offices & Retail	Commercial	\$12,500,000	04/12/2023
5	7 Shepherd Street Rooming Accommodation	Commercial	\$2,500,000	14/09/2023
6	221 & 225 Mcmillans Road Airport Gateway Motel Mixed Use Redevelopment	Commercial	\$9,950,000	02/08/2023
7	Stuart Highway Roadworks	Infrastructure	\$10,000,000	04/12/2023
8	Darwin Central Business District - Liberty Square	Infrastructure	\$3,856,000	14/08/2023
9	Top End Region Roadworks, Highways & Aerodrome Bituminous Resealing	Infrastructure	\$4,282,000	04/09/2023
10	Weddell Freeway Roadworks	Infrastructure	\$5,000,000	09/12/2023
11	Darwin Passenger Railway Terminal	Infrastructure	\$5,000,000	27/11/2023
12	Tennant Creek To Darwin Pipeline Corridor	Infrastructure	\$5,000,000	05/12/2023
13	Kangaroo Flat Training Area Over Head Powerline	Infrastructure	\$2,100,000	04/12/2023
14	Shiers Street Units Demolition (by the Northern Territory Government)	Infrastructure	\$11,998,000	14/08/2023
15	Royal Darwin, Katherine District, Gove District Hospital & Alice Springs	Infrastructure	\$15,500,000	17/12/2023
16	Berrimah Farm Science Precinct	Infrastructure	\$15,547,000	12/12/2023
17	Mandorah And Cox Peninsula Marine Facilities	Infrastructure	\$30,000,000	10/10/2023
18	Wishart Road Industrial Precinct Northern Territory Government Subdivision Stage 2	Infrastructure	\$8,978,000	02/10/2023
19	Parklands Darwin (Proposed 100 Units, 11 Townhouses, 4 Dwellings)	Mixed-use	\$800,000,000	17/07/2023
20	64 McMinn Street Units (64 Units)	Residential	\$15,000,000	02/08/2023

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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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.

2023 encapsulates sales transactions for Q1 to Q3 2023 (01/01/2023 – 30/09/2023) only.

€ Annual rental growth is a comparison between Q3 2022 (01/07/2022 – 30/09/2022) and Q4 2023 (01/07/2023 – 30/09/2023) median house rent figures.

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

§ Rental yields shown are as reported as of September 2023.

⌘ 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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