

EDITION 22

DARWIN



# DARWIN CAPITAL CITY REVIEW

 **PERFORMANCE**  
PROPERTY RESEARCH

**DISCLAIMER**

*The data presented in this report are sourced from 3rd party resources that we have selected due to their reliability and availability over the historical periods that we require for our research to be relevant. Due to the fact that the current year is not yet complete, data presented for the current year are estimated to represent a full year.*

# DARWIN AT A GLANCE

## Price Parameters - Adjusted for Current Interest Rate

	HOUSE AI	PRICE	UNIT AI	PRICE
AI FLOOR	22%	\$370,781	14%	\$226,630
AI CURRENT	35%	\$580,000	23%	\$386,500
AI CEILING	54%	\$906,235	41%	\$680,947
3 YR PRICE TARGET	\$640,000 - \$760,000 Low Conviction		\$450,000 - \$530,000 Low Conviction	



Average Days  
on Market

Houses : **50**  
Units : **57**



### In the current stage of cycle

The Darwin house market has a **Buy Value Rating** while the unit market has a **Buy Value Rating**.

If buying houses, it would be best suited to a **Medium Term Hold Strategy**. If buying units, it would be best suited to a **Medium Term Hold Strategy**.

We classify the Darwin house market currently as a **Medium Risk Investment**, and the Darwin unit market as **Medium Risk Investment** based on the stage of cycle.

#### Legend

Medium Term Strategy = **4 to 7 years**

Long Term Strategy = **10+ years**

### POPULATION



Current: **135,305**

Current Growth Rate: **0.01%**

Avg 10 Yr Growth Rate: **1.47%**

### CURRENT MEDIAN HOUSE

**\$580,000**

### CURRENT MEDIAN UNIT

**\$386,500**

HOUSE  
YIELD

**5.4%**

UNIT  
YIELD

**6.2%**

UNEMPLOYMENT RATE

**3.6%**

LONG TERM (1980) COMPOUNDED  
GROWTH PA IS **6.02%** FOR  
HOUSES & **4.87%** FOR UNITS.

Houses the last 3 years have seen 5.78%  
PA growth, units 8.87%.

**6.02%**

# EXECUTIVE SUMMARY

## SHORT-TERM MARKET INDICATORS

Positive

■	Affordability Index HOUSE V. Price Movement.....	<a href="#">08</a>
■	NT HH Lending Oc V investor Monthly .....	<a href="#">09</a>
■	Stock on Market V. Avg Days on Market .....	<a href="#">10</a>
■	Vacancy Rate V. Median Rent .....	<a href="#">11</a>
■	Job Creation Index.....	<a href="#">12</a>

## SUPPLY & DEMAND - Slightly Negative

Does Demand Exceed Supply?

■	Population .....	<a href="#">13</a>
■	Population Movement Type .....	<a href="#">14</a>
■	Airport Arrivals .....	<a href="#">15</a>
■	Dwelling Sales .....	<a href="#">16</a>
■	Dwelling Approvals V. Population % Change .....	<a href="#">17</a>
■	Bedrooms V. Population Change .....	<a href="#">18</a>

## AFFORDABILITY - Positive

Is Property Affordable?

■	Affordability Index HOUSE V. Price Movement .....	<a href="#">08</a>
■	Affordability Index UNITS V. Price Movement .....	<a href="#">19</a>
■	Price to Income Ratio .....	<a href="#">20</a>
■	Rent to Income V Affordability .....	<a href="#">21</a>

## CONFIDENCE - Positive

Is There Confidence In The Market?

■	Unemployment Rate.....	<a href="#">22</a>
■	Mortgage Arrears .....	<a href="#">23</a>

## MONEY SUPPLY - Negative

Will There Be More or Less Money Into The Economy?

■	GSP V. Median House Price .....	<a href="#">24</a>
■	Council Budget .....	<a href="#">25</a>

## INVESTMENT VALUE - Positive

Is This Market Showing Value?

■	Yield .....	<a href="#">26</a>
■	Long Term Trends .....	<a href="#">27</a>
■	House V. Unit Price Comparison .....	<a href="#">06</a>
■	Darwin V. Sydney HOUSE Price Movement .....	<a href="#">28</a>

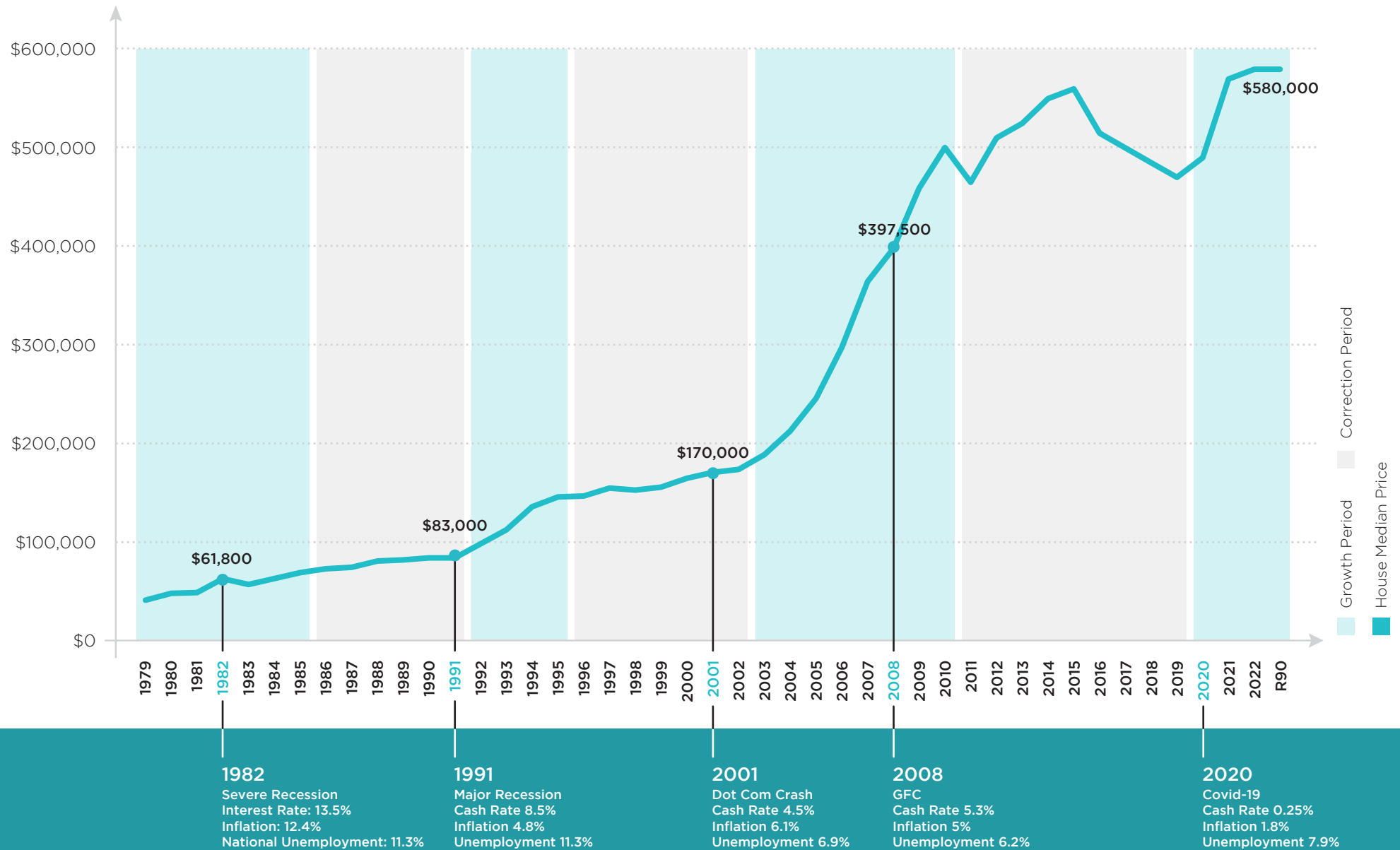
## RISK - Slightly Positive

Are We In A Bubble?

■	Affordability Index HOUSE V. Price Movement .....	<a href="#">08</a>
■	Price to Income Ratio .....	<a href="#">20</a>
■	Industry Value Added .....	<a href="#">29</a>
■	Population Pyramid .....	<a href="#">30</a>

■	Positive
■	Slightly Positive
■	Neutral
■	Slightly Negative
■	Negative

# DARWIN HOUSE PRICE MOVEMENT



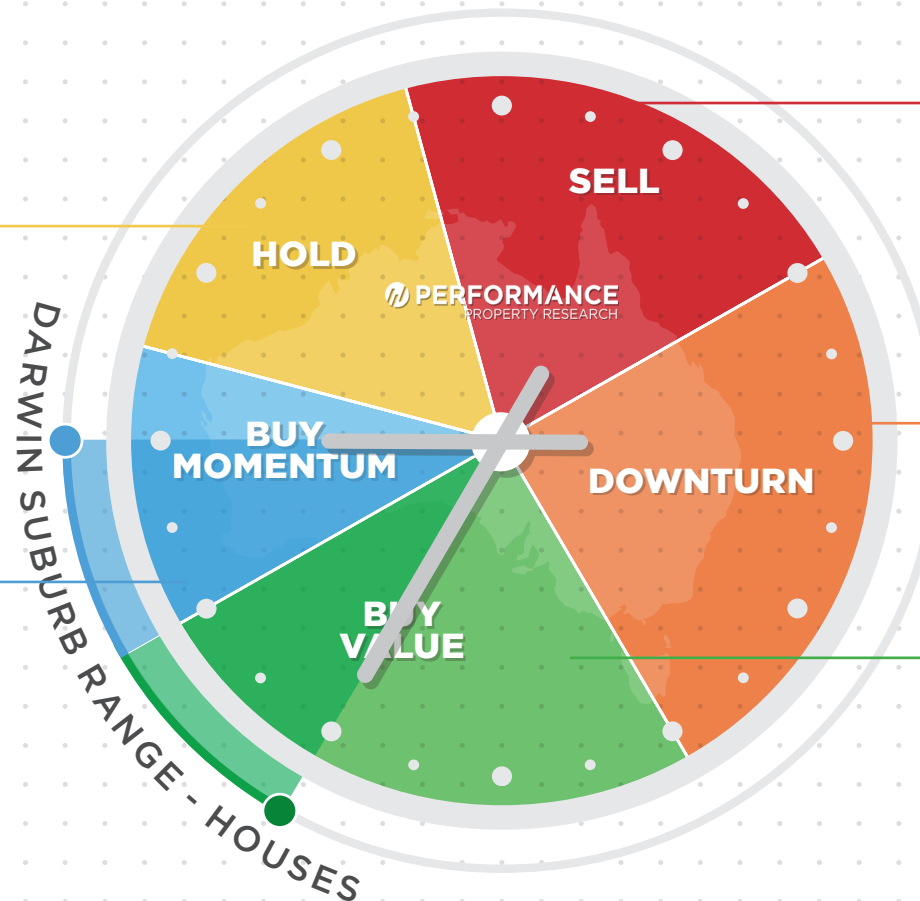
# OUR VIEW OF THE DARWIN HOUSE MARKET

## HOLD

Hold and monitor property in this market. Potential for growth in the short term is predicted but limited. Investing at this stage in the cycle holds extreme risk, due to low yields and aggressive prices.

## BUY MOMENTUM

On a macro level the market is at or close to halfway through this growth cycle and demand for quality property is strong and rising. Macro fundamentals are present to support growth in the short term.



## SELL

The market has peaked and prices are likely to soften or stagnate in the short to medium term. Consider selling in this market after consultation with your financial planner or property investment adviser.

## DOWNTURN

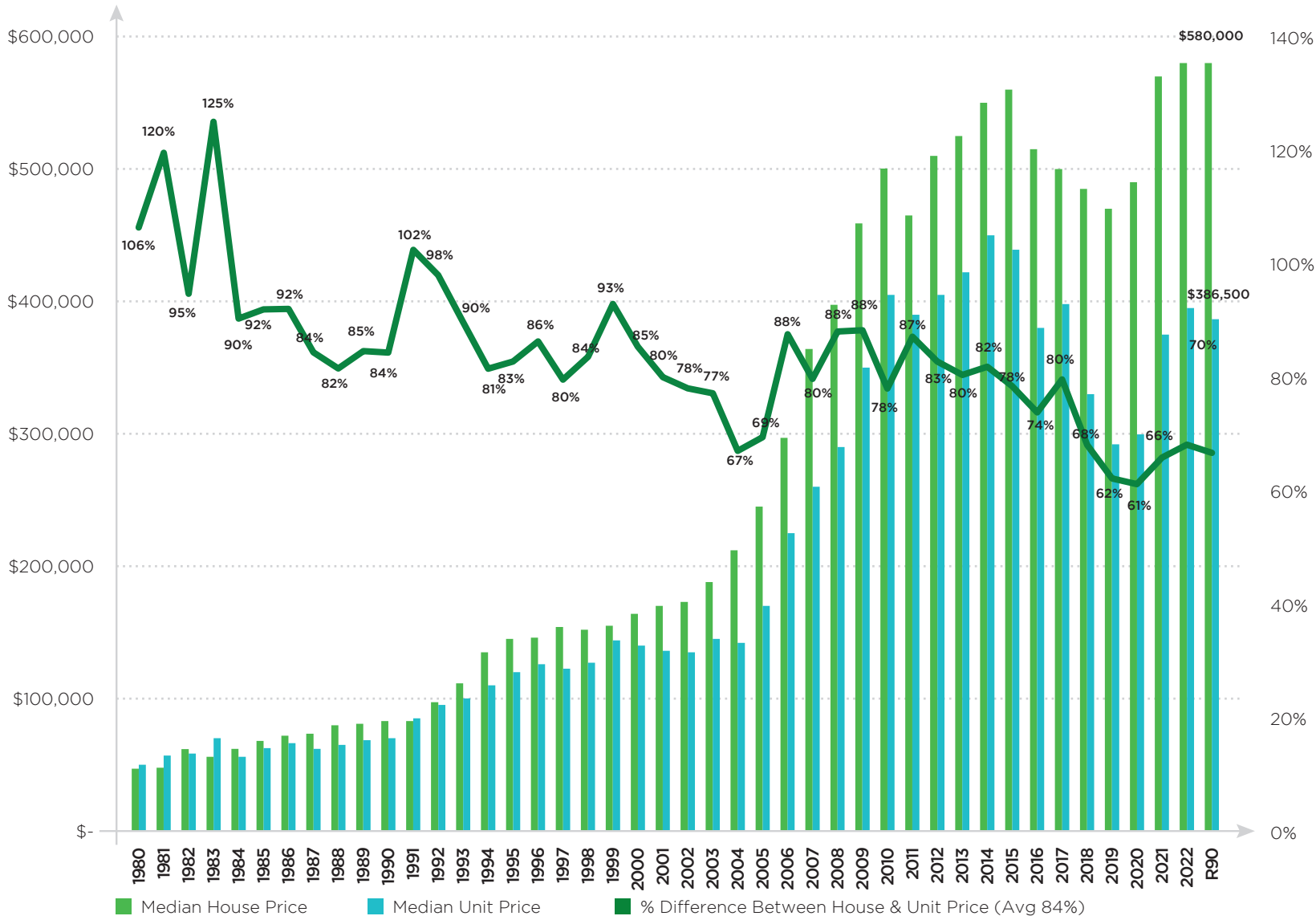
The market is moving through a correction stage. We see minimal growth in the short to medium term.

## BUY VALUE

This market offers good investment value with macro fundamentals present to support growth in the short to medium term. Buy at the true market bottom to take advantage of the full growth upswing, with cyclical risk at its lowest.

For more information on the Darwin market, including individual property and suburb information, call to speak to one of our professional property advisors on (03) 8539 0300.

# HOUSE V. UNIT PRICE MOVEMENTS



SLIGHTLY  
POSITIVE

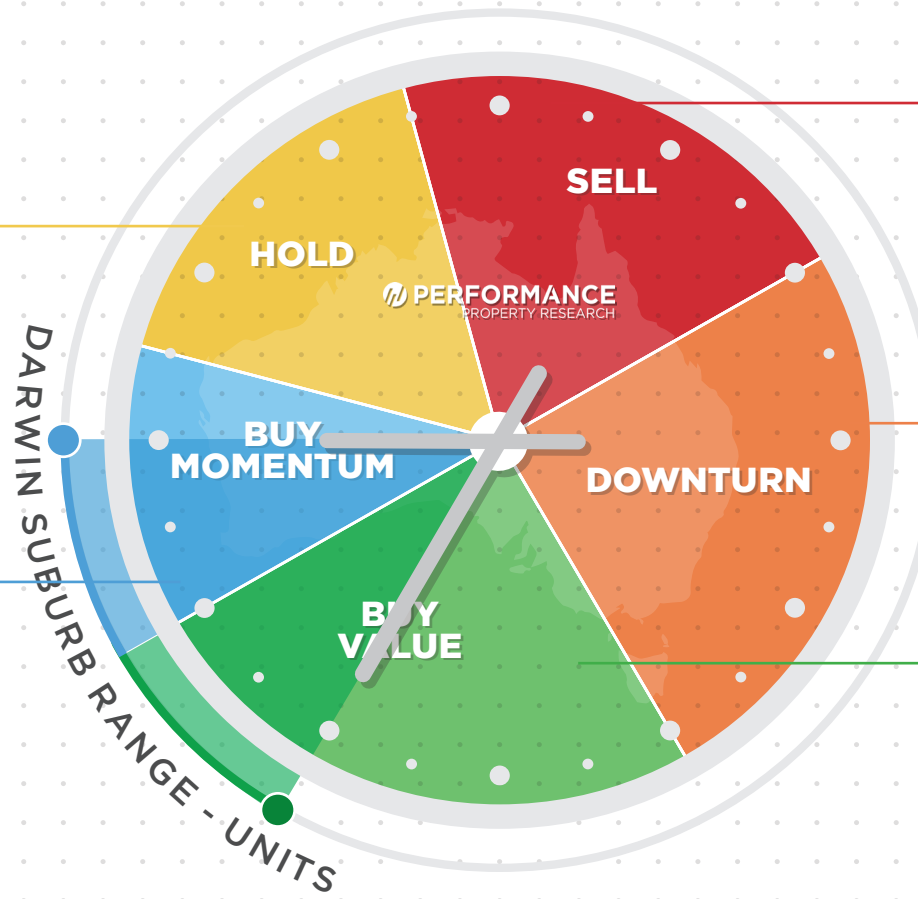
# OUR VIEW OF THE DARWIN UNIT MARKET

## HOLD

Hold and monitor property in this market. Potential for growth in the short term is predicted but limited. Investing at this stage in the cycle holds extreme risk, due to low yields and aggressive prices.

## BUY MOMENTUM

On a macro level the market is at or close to halfway through this growth cycle and demand for quality property is strong and rising. Macro fundamentals are present to support growth in the short term.



## SELL

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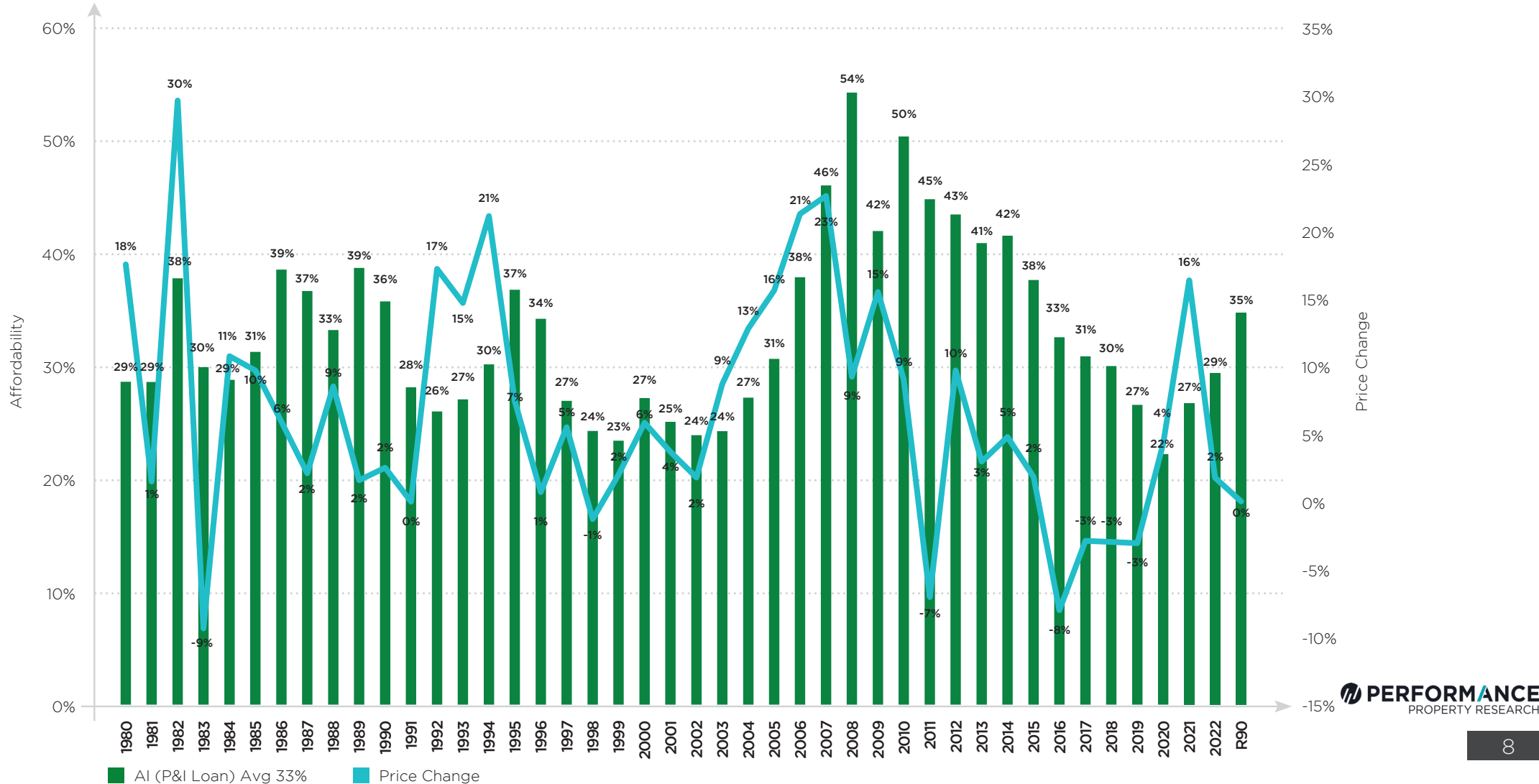
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# AFFORDABILITY INDEX V. PRICE MOVEMENT - HOUSE

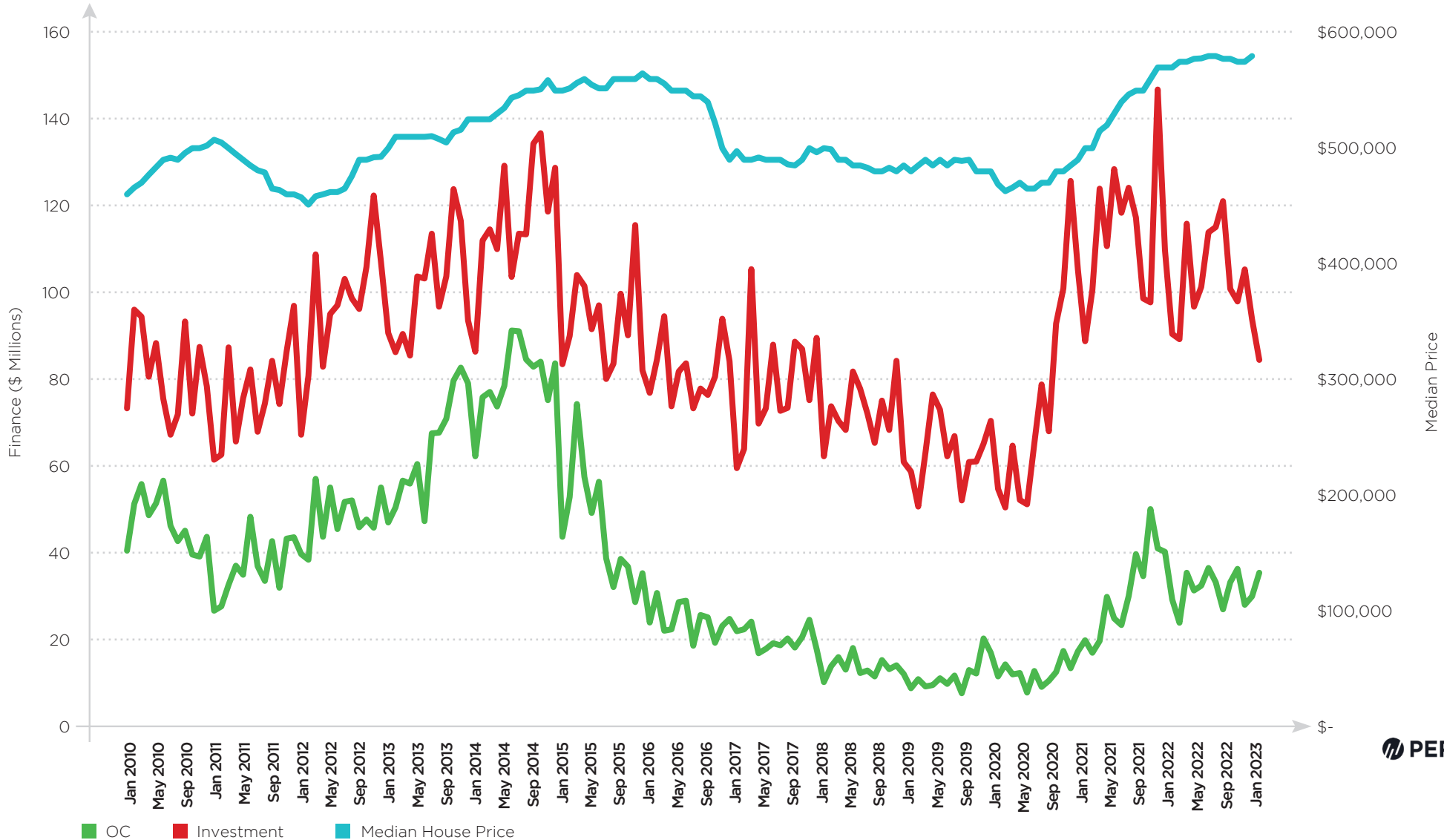
This graph displays the impact interest rates have on house price movements. PPA's Gross Affordability Index (AI) is a measure of the average mortgage repayments versus the average income. The AI is calculated using the median price, average wage (before tax), assumes a 20% deposit, the current variable interest rate and Principle & Interest repayments over a 30 year loan term.





# NT ANNUAL HH LENDING TO OC V. MEDIAN HOUSE PRICE

This graph displays the value of housing finance for the state each month for owner occupiers and investors versus the median house price.



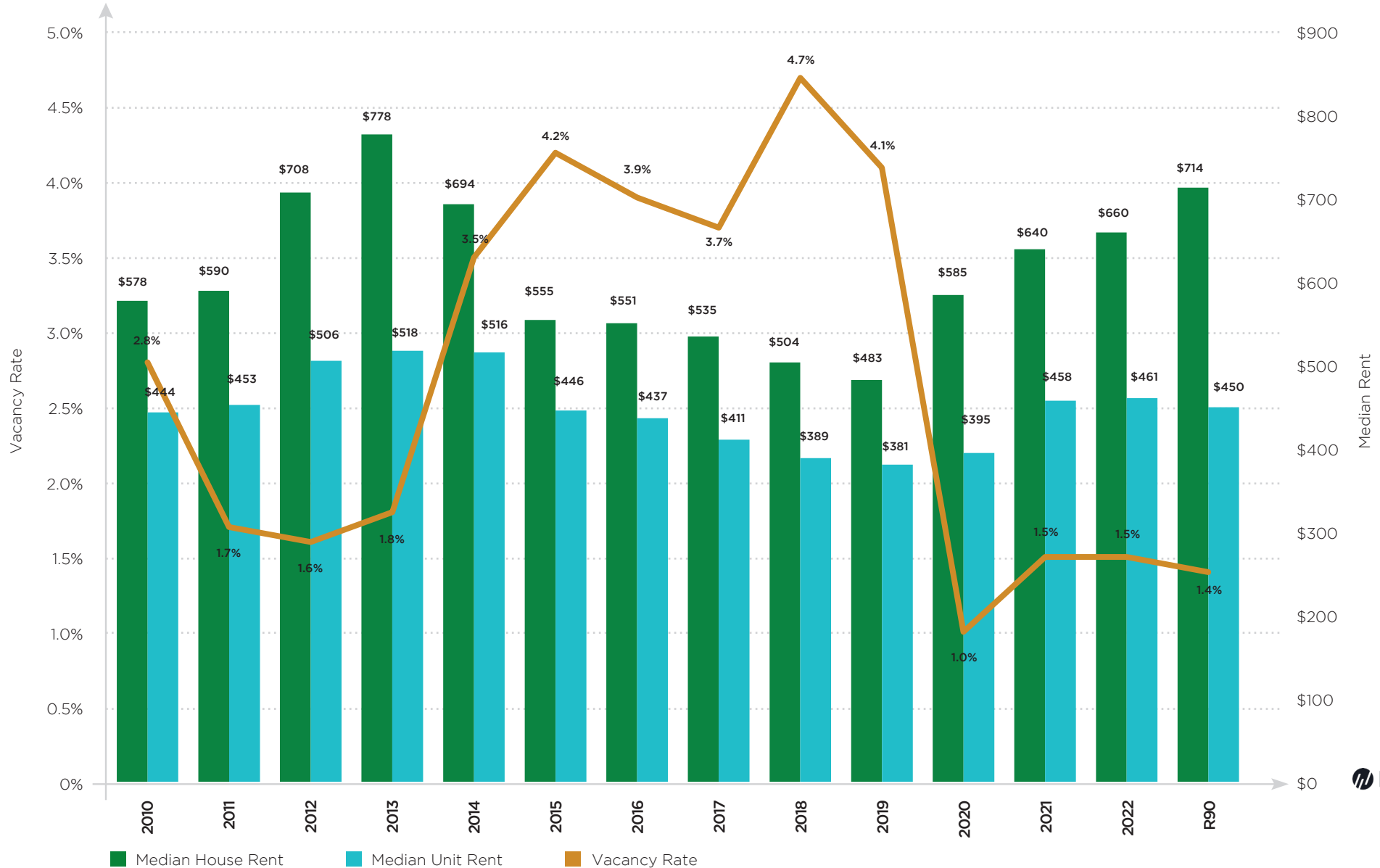
# STOCK ON MARKET V. AVG DAYS ON MARKET

This graph displays the average days on market and stock on market in one month of each year.



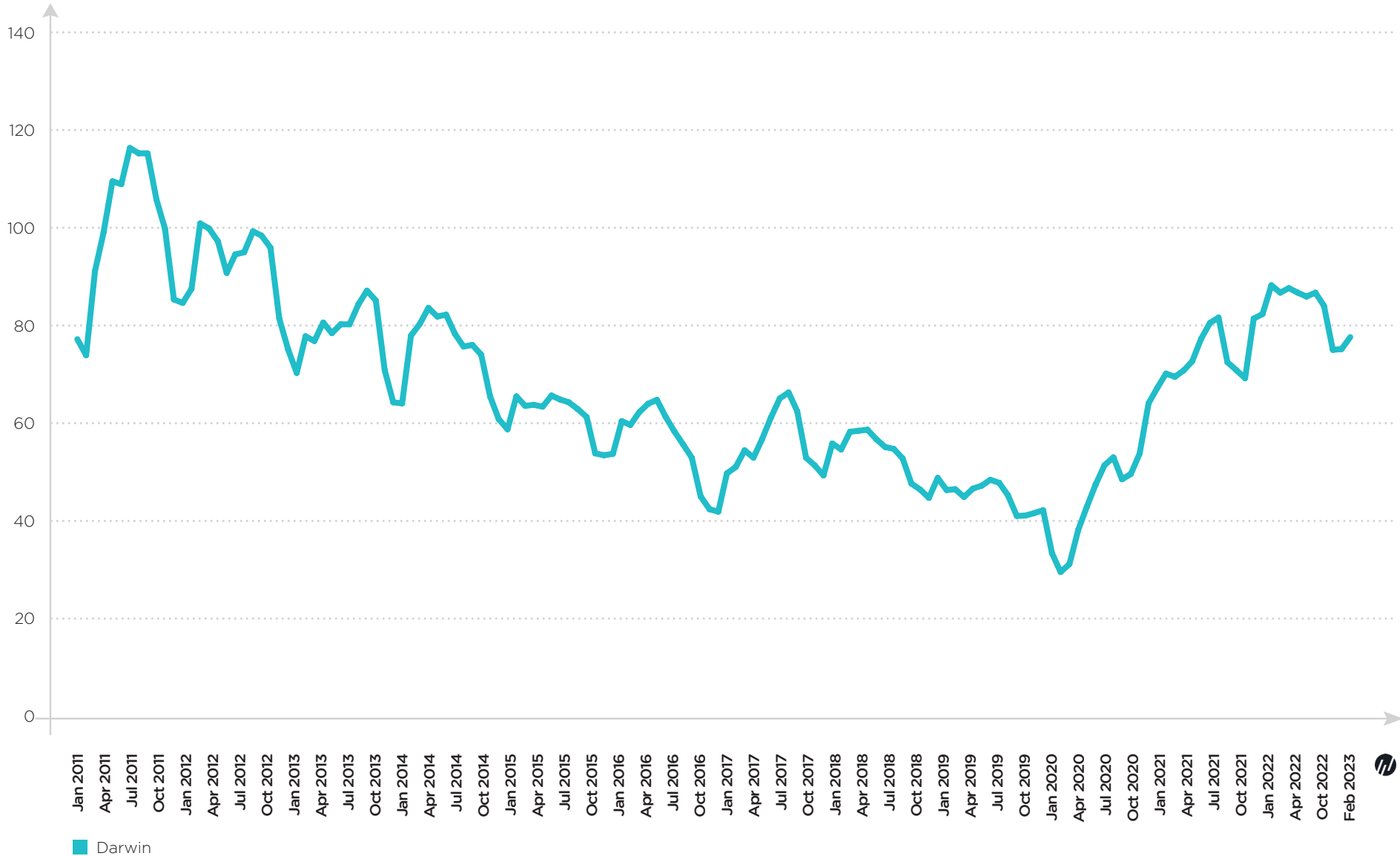
# VACANCY RATE V. RENT

This graph displays the relationship between rental growth for both houses and units and the vacancy rate.

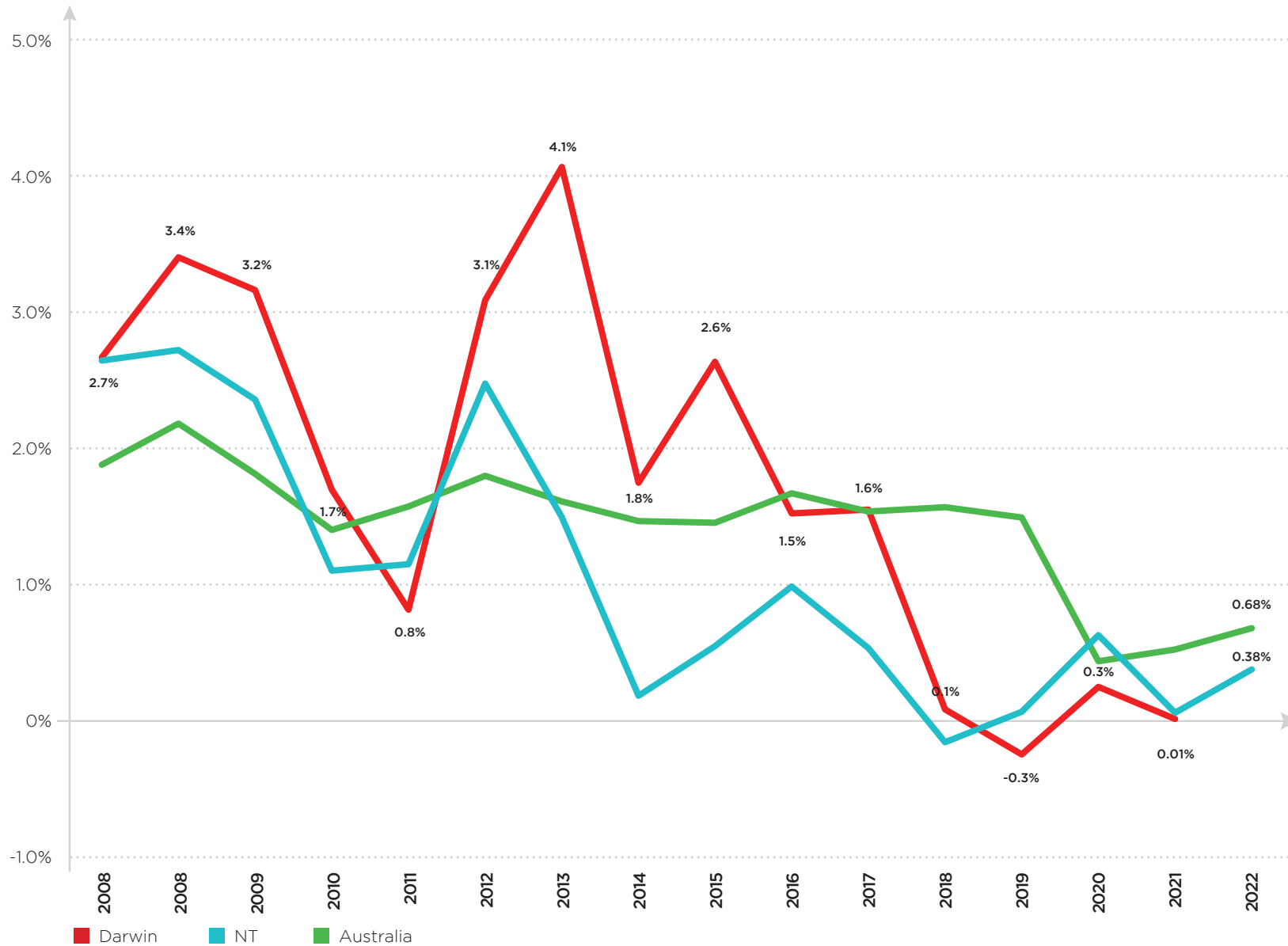


# JOB CREATION INDEX - DARWIN

This graph shows the internet vacancy index for online job advertisements on the three major job boards.

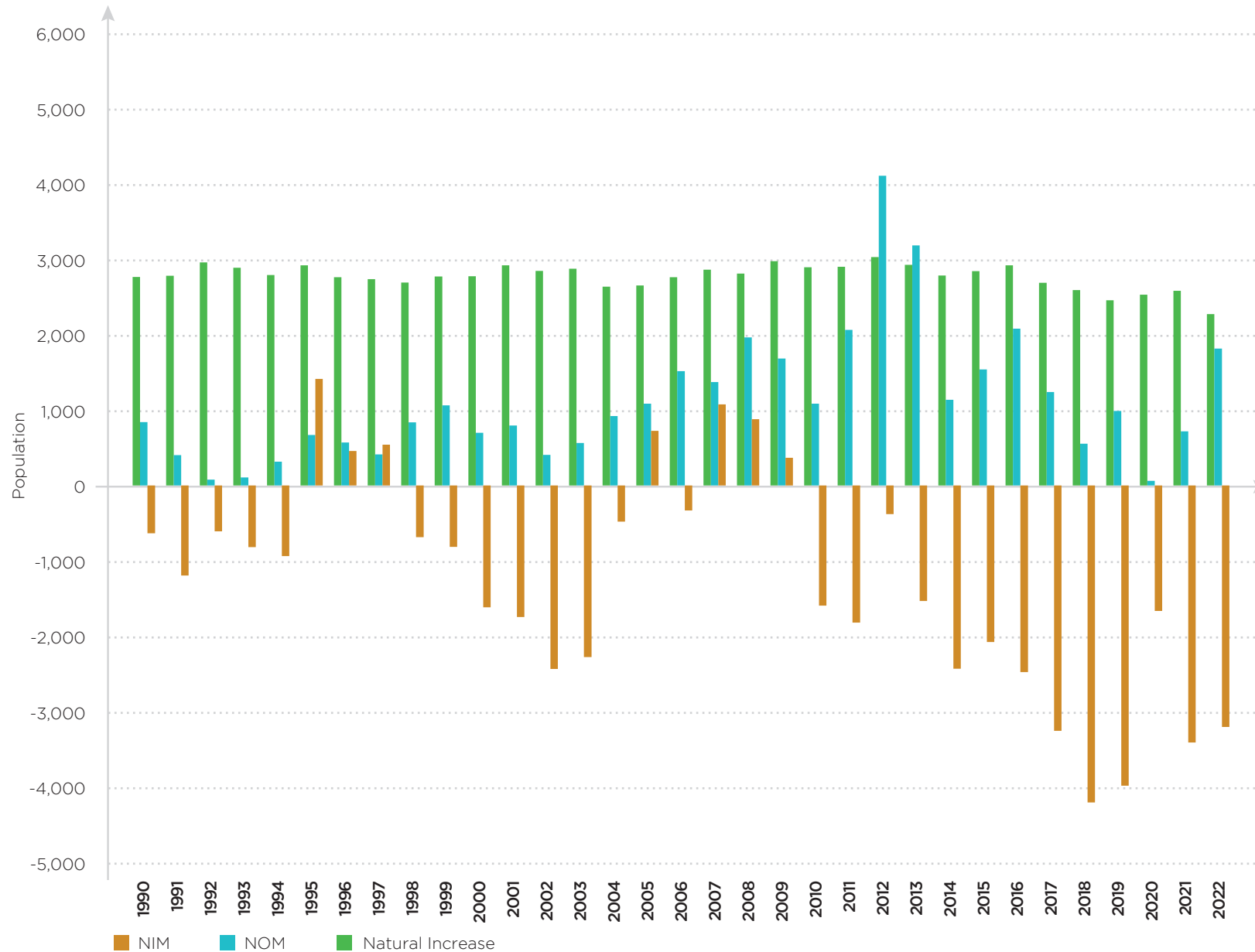


# CHANGE IN POPULATION



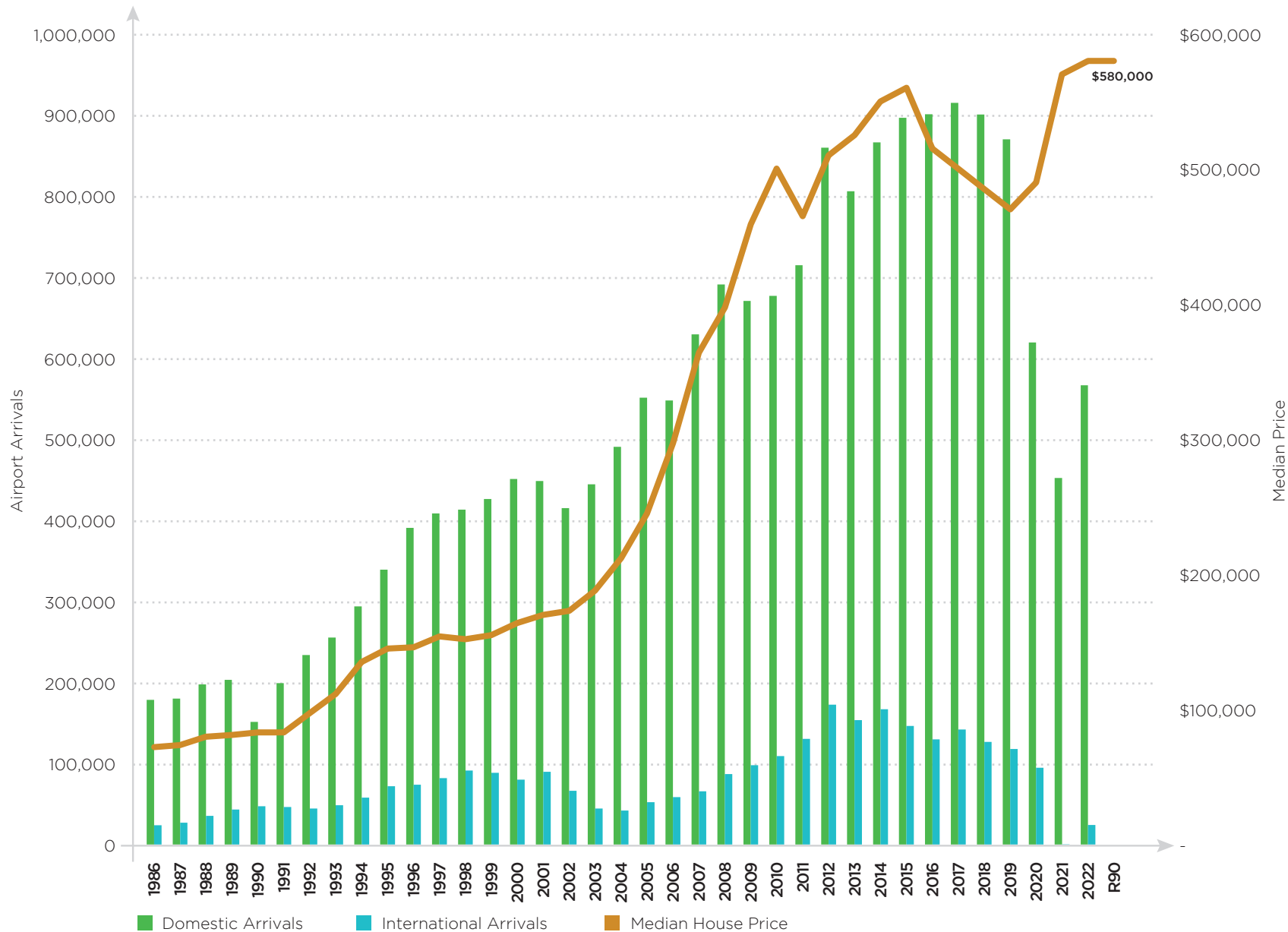
SLIGHTLY  
POSITIVE

# POPULATION MOVEMENT



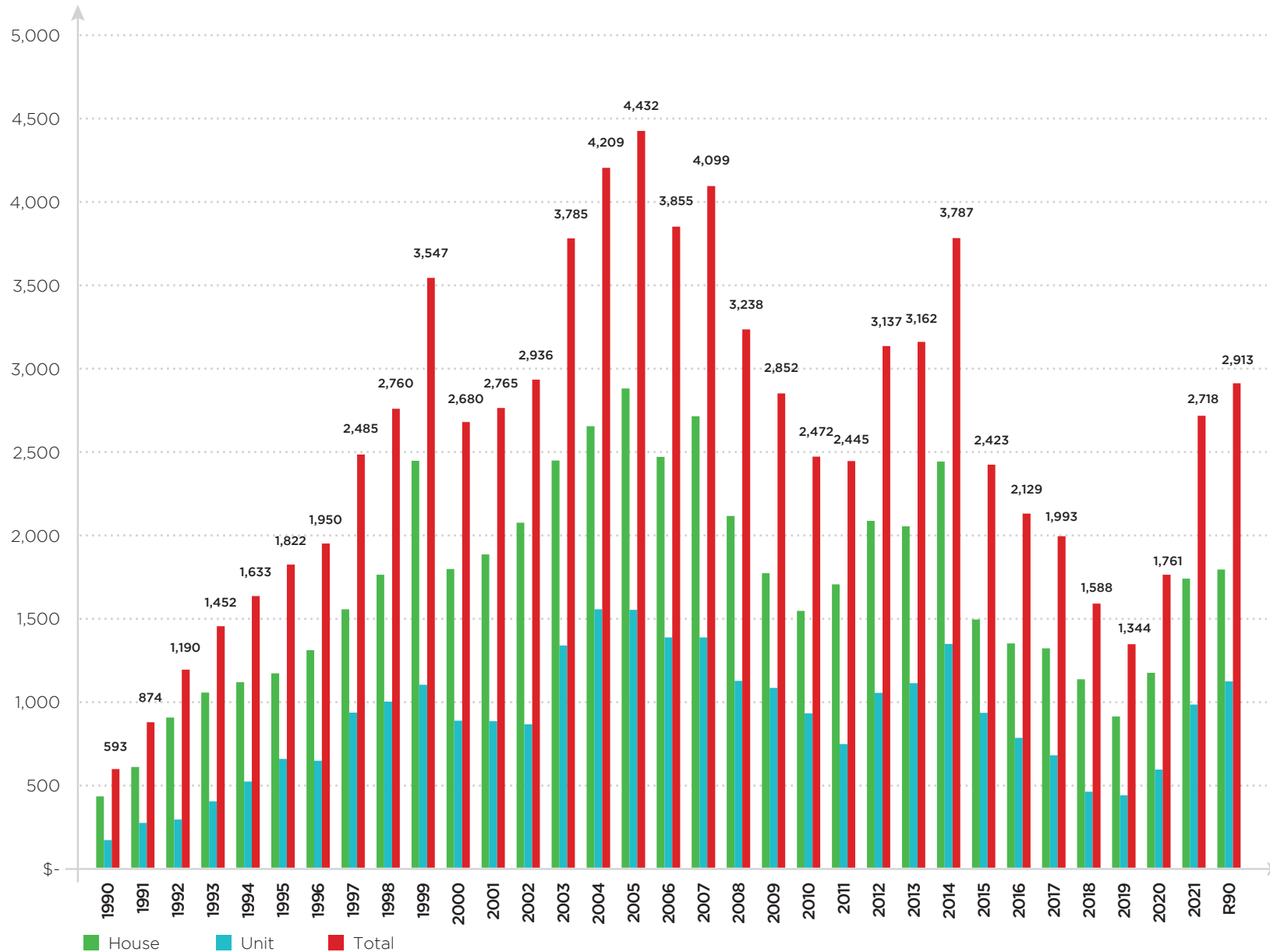
**SLIGHTLY  
NEGATIVE**

# AIRPORT ARRIVALS



**NEGATIVE**

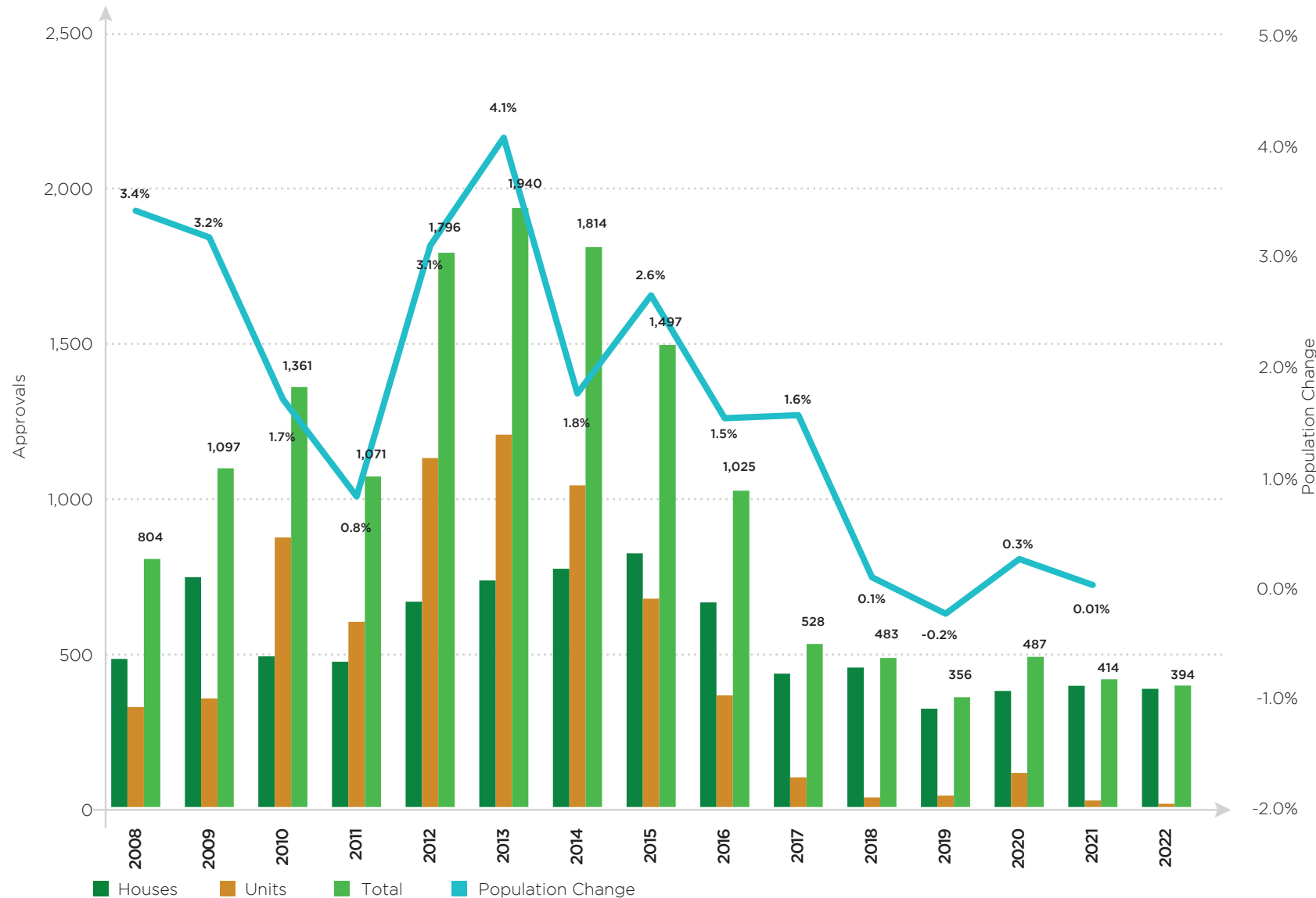
# DWELLING SALES



**POSITIVE**

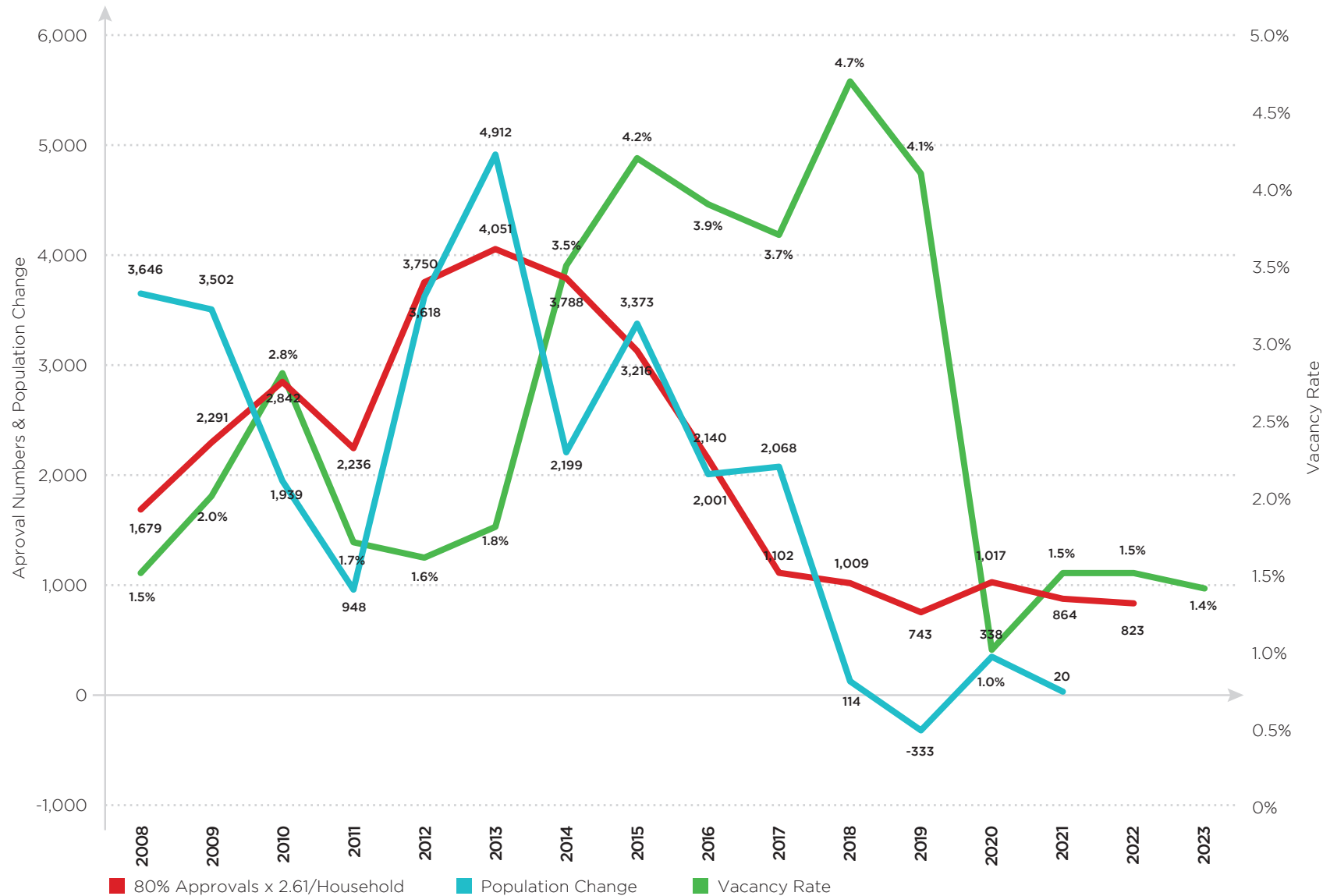


# DWELLING APPROVALS V. POPULATION CITY OF DARWIN



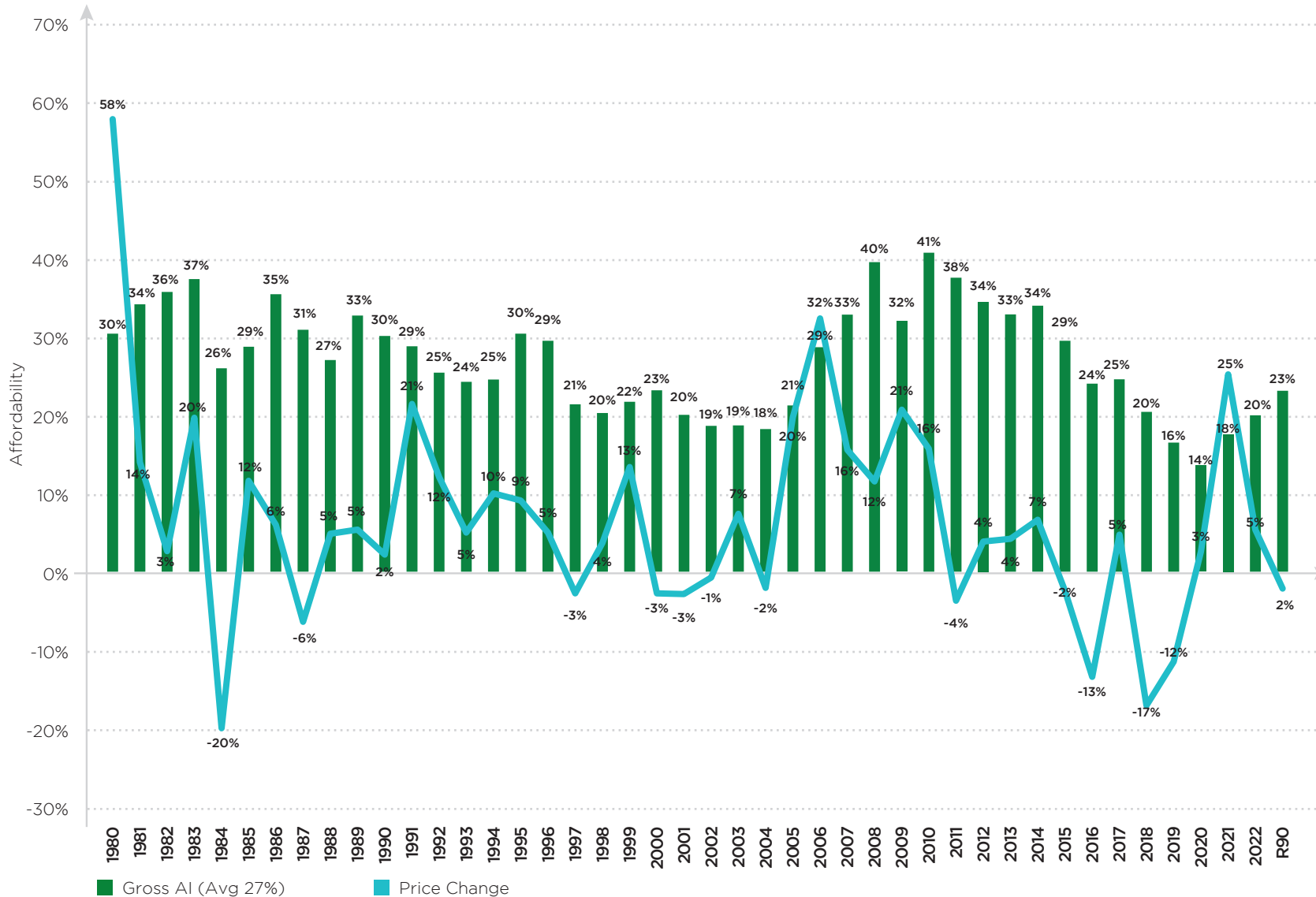
NEUTRAL

# BEDROOMS V. POPULATION GROWTH AND VACANCY RATE



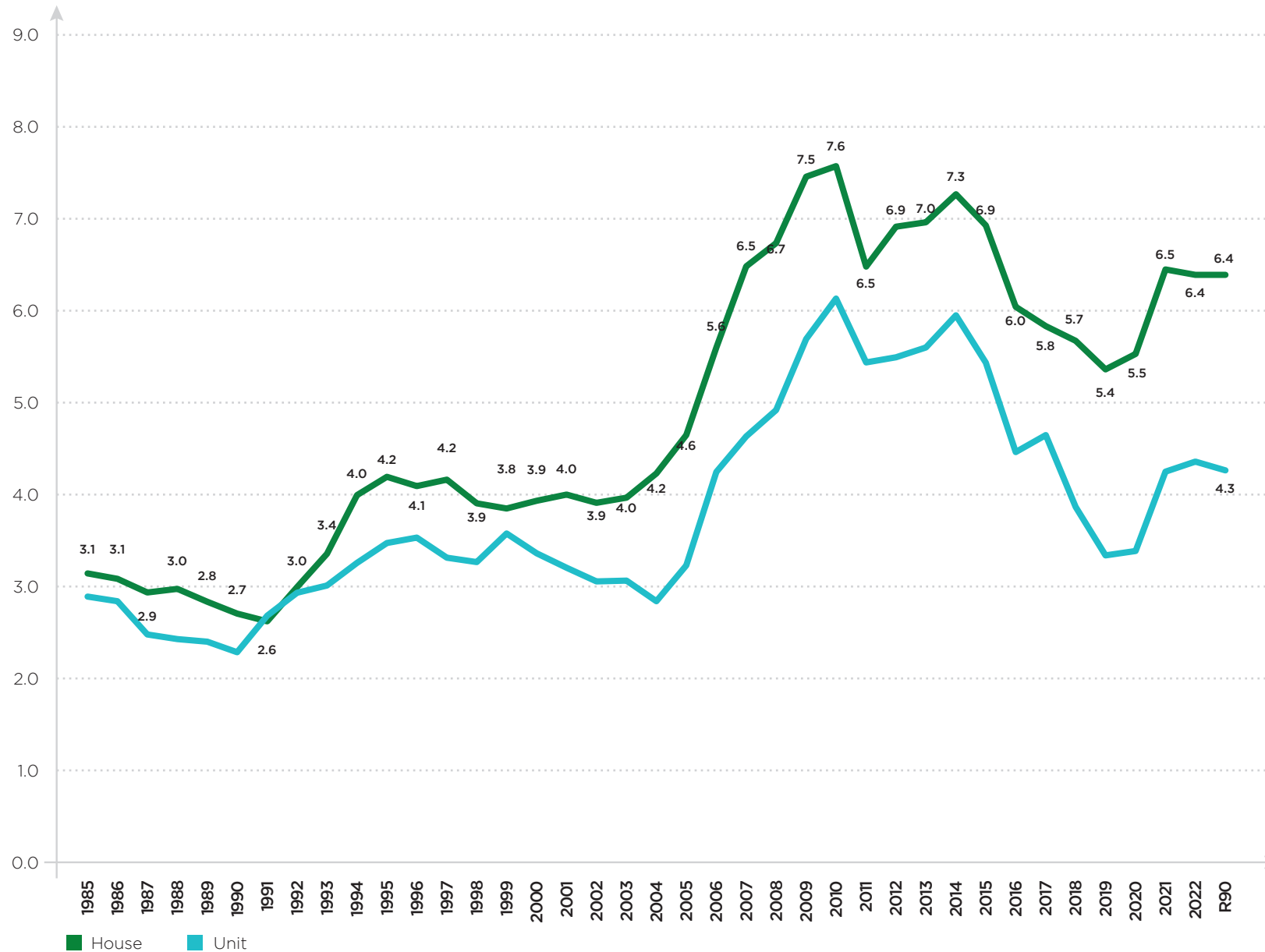
**NEGATIVE**

# GROSS AFFORDABILITY INDEX (UNIT) V. PRICE GROWTH



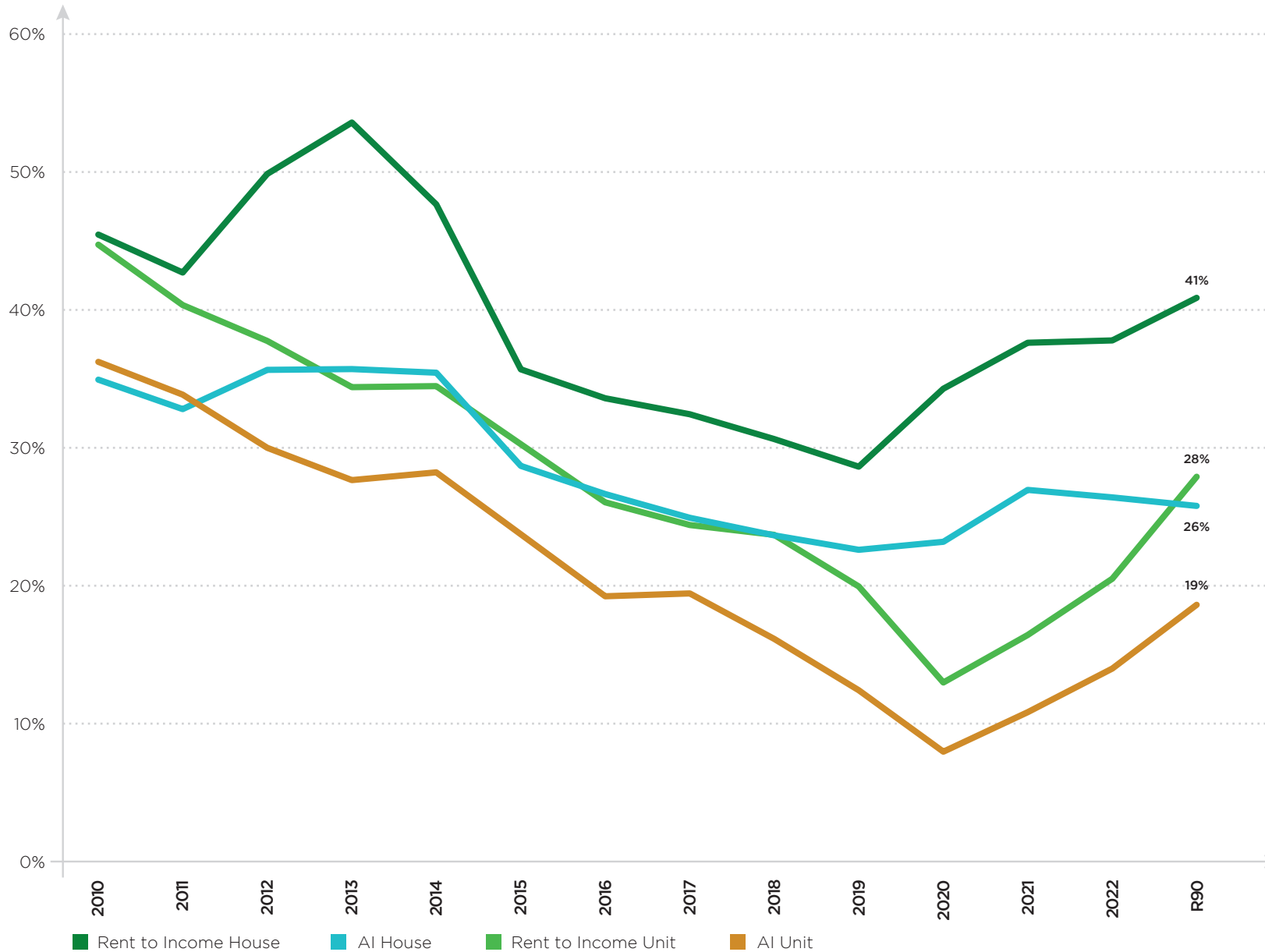
SLIGHTLY  
POSITIVE

# PRICE TO INCOME RATIO



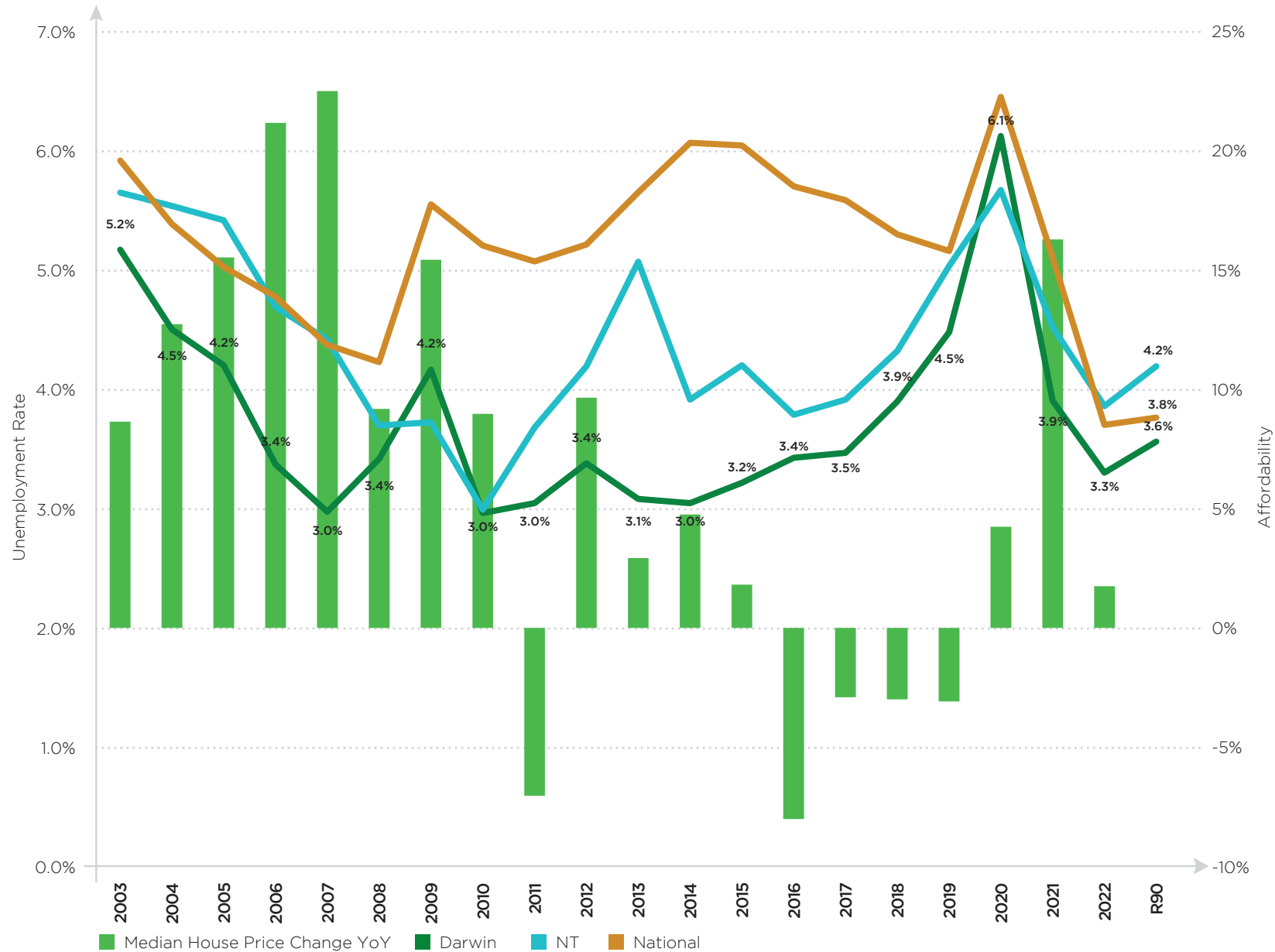
SLIGHTLY  
NEGATIVE

# RENT TO INCOME



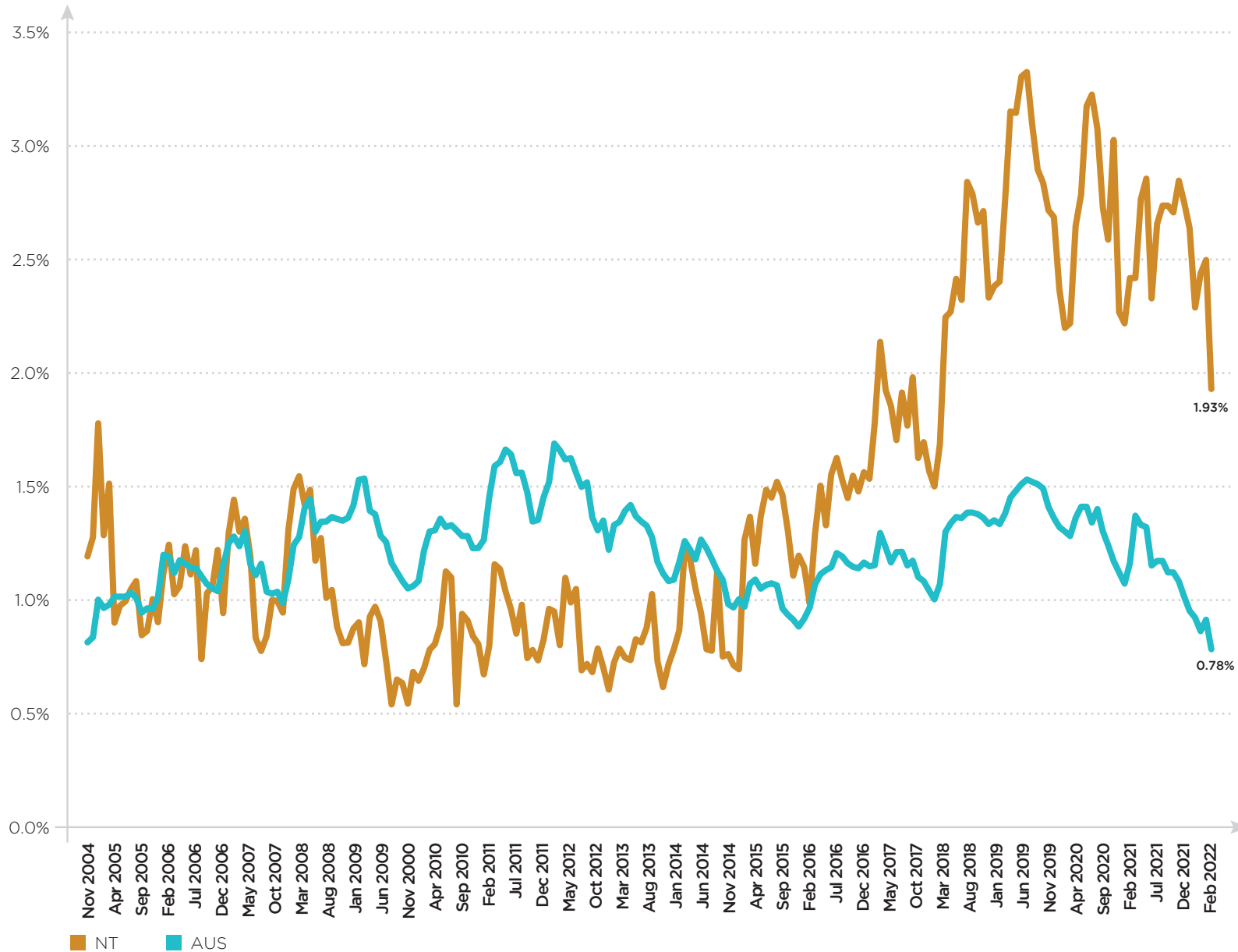
POSITIVE

# UNEMPLOYMENT RATE



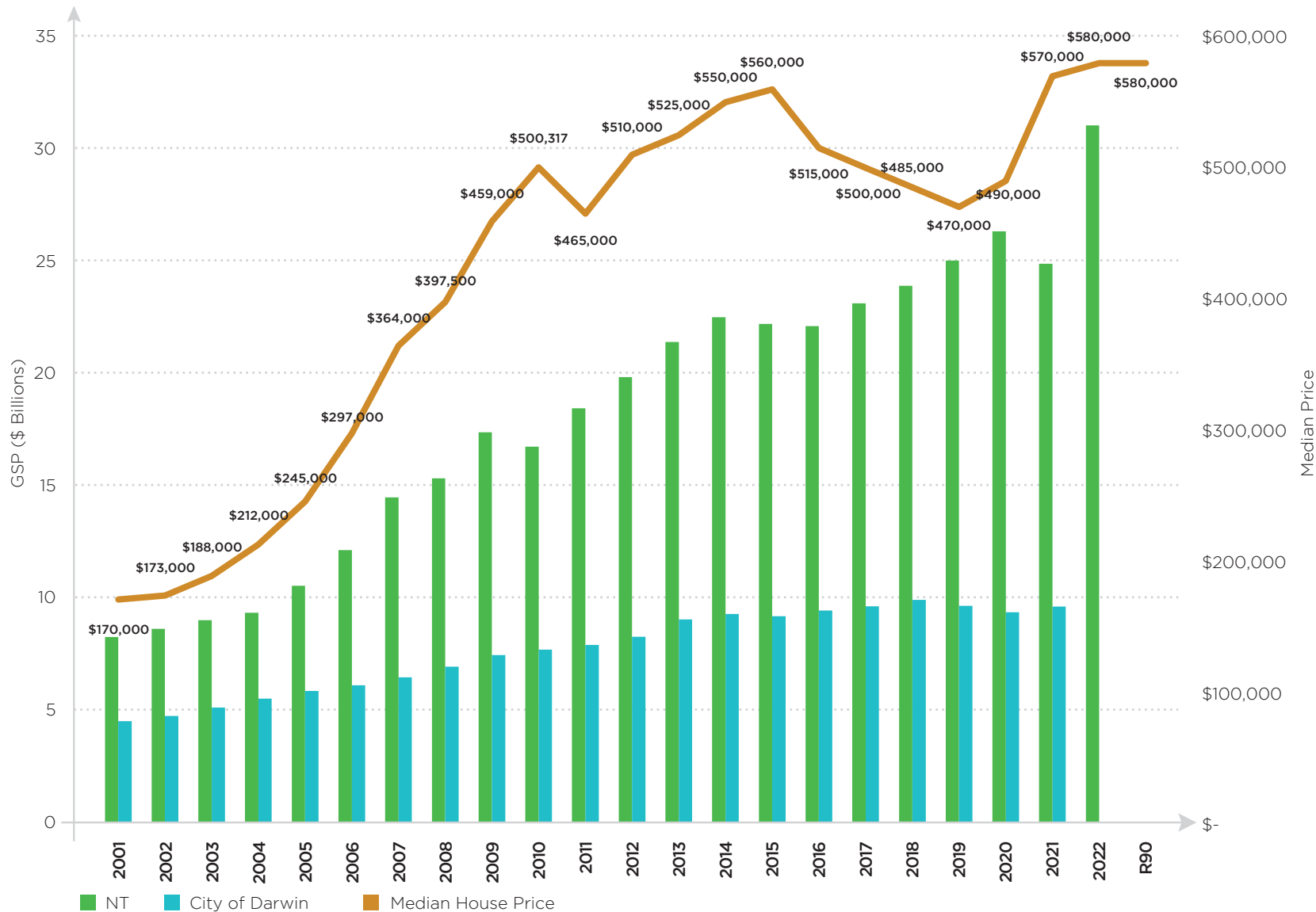
POSITIVE

# MORTGAGE ARREARS



POSITIVE

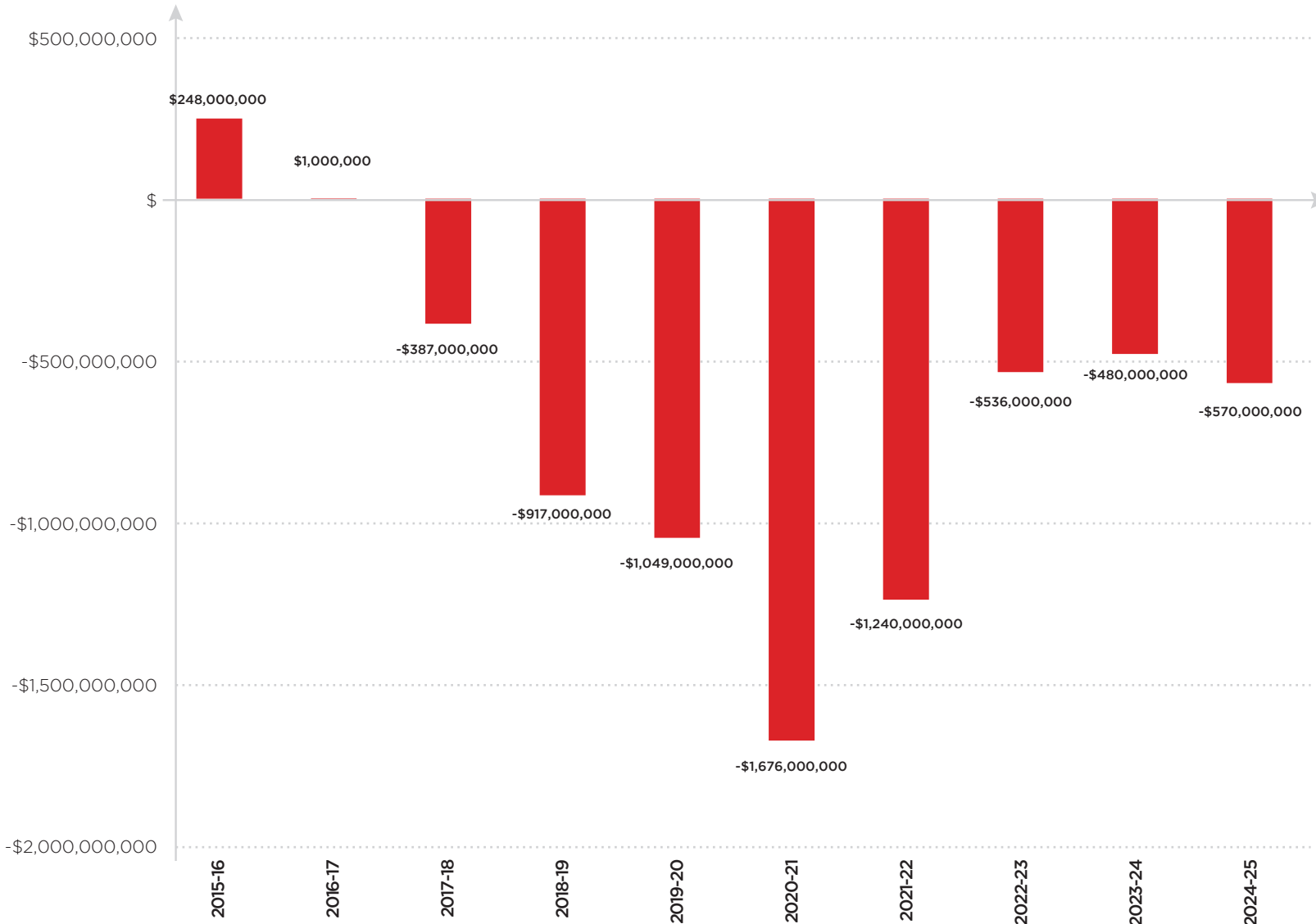
# GROSS STATE PRODUCT V. MEDIAN PRICE



**NEGATIVE**

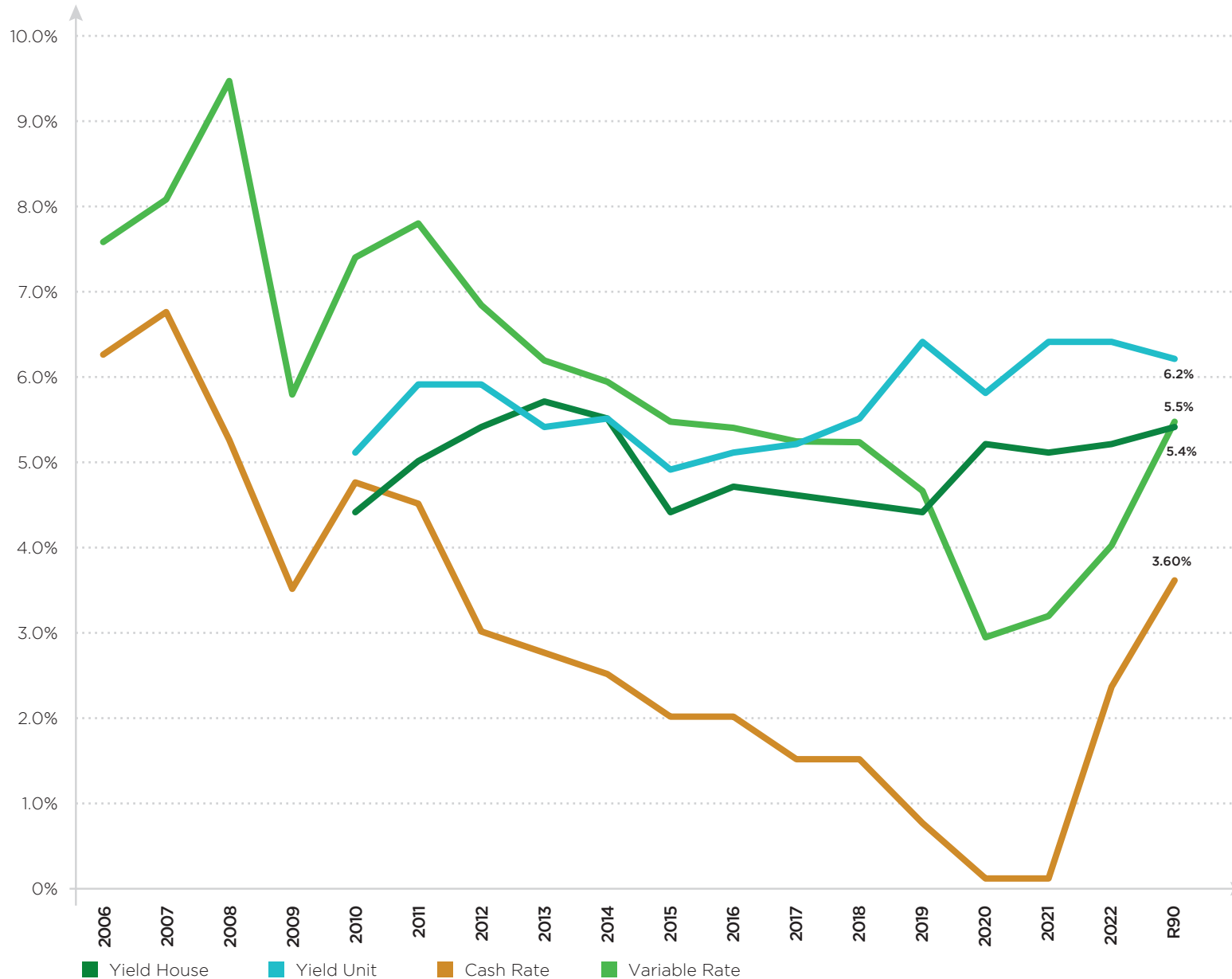


# DARWIN CITY COUNCIL BUDGET POSITION



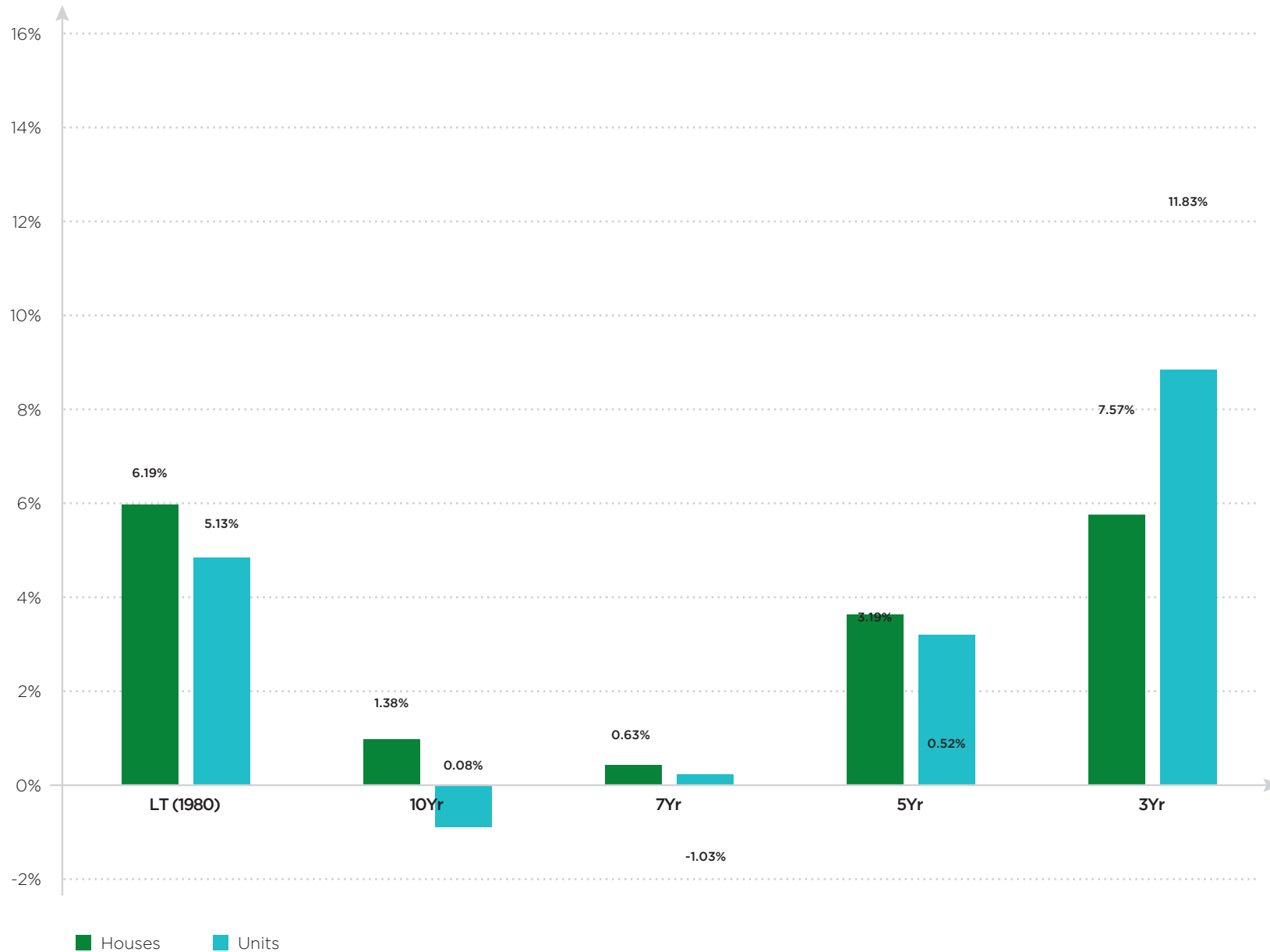
NEGATIVE

# YIELD V. INTEREST RATES



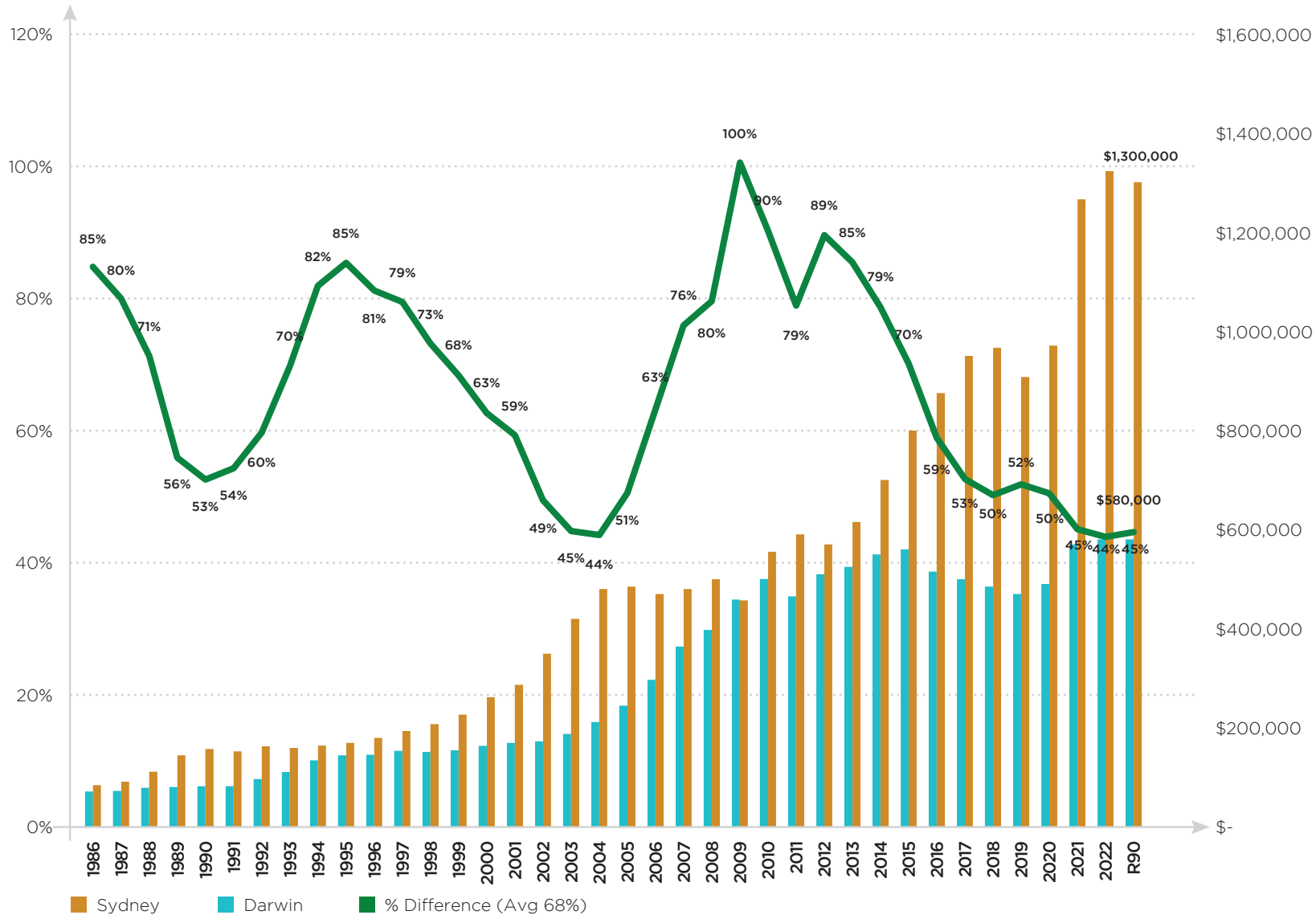
**NEUTRAL**

# LONG TERM PERFORMANCE



SLIGHTLY  
POSITIVE

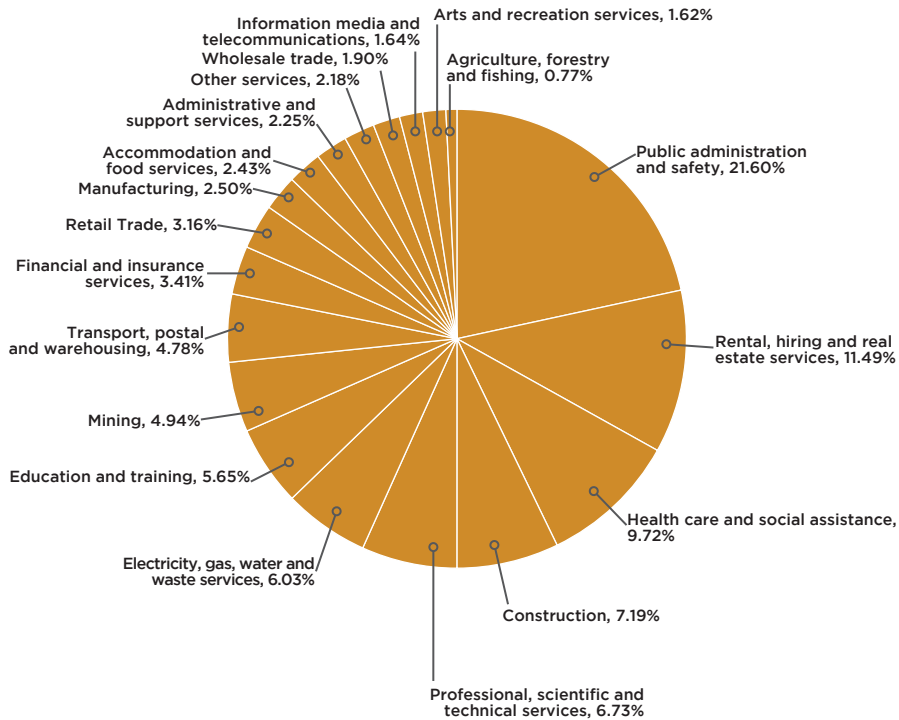
# DARWIN V. SYDNEY PRICE COMPARISON



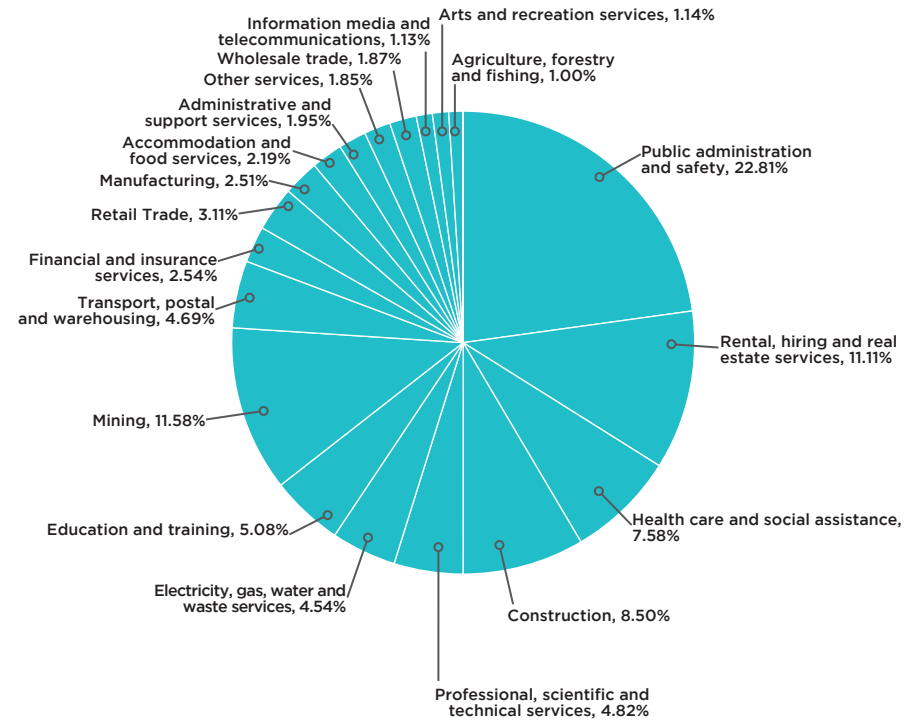
POSITIVE

# INDUSTRY VALUE ADDED

CITY OF DARWIN

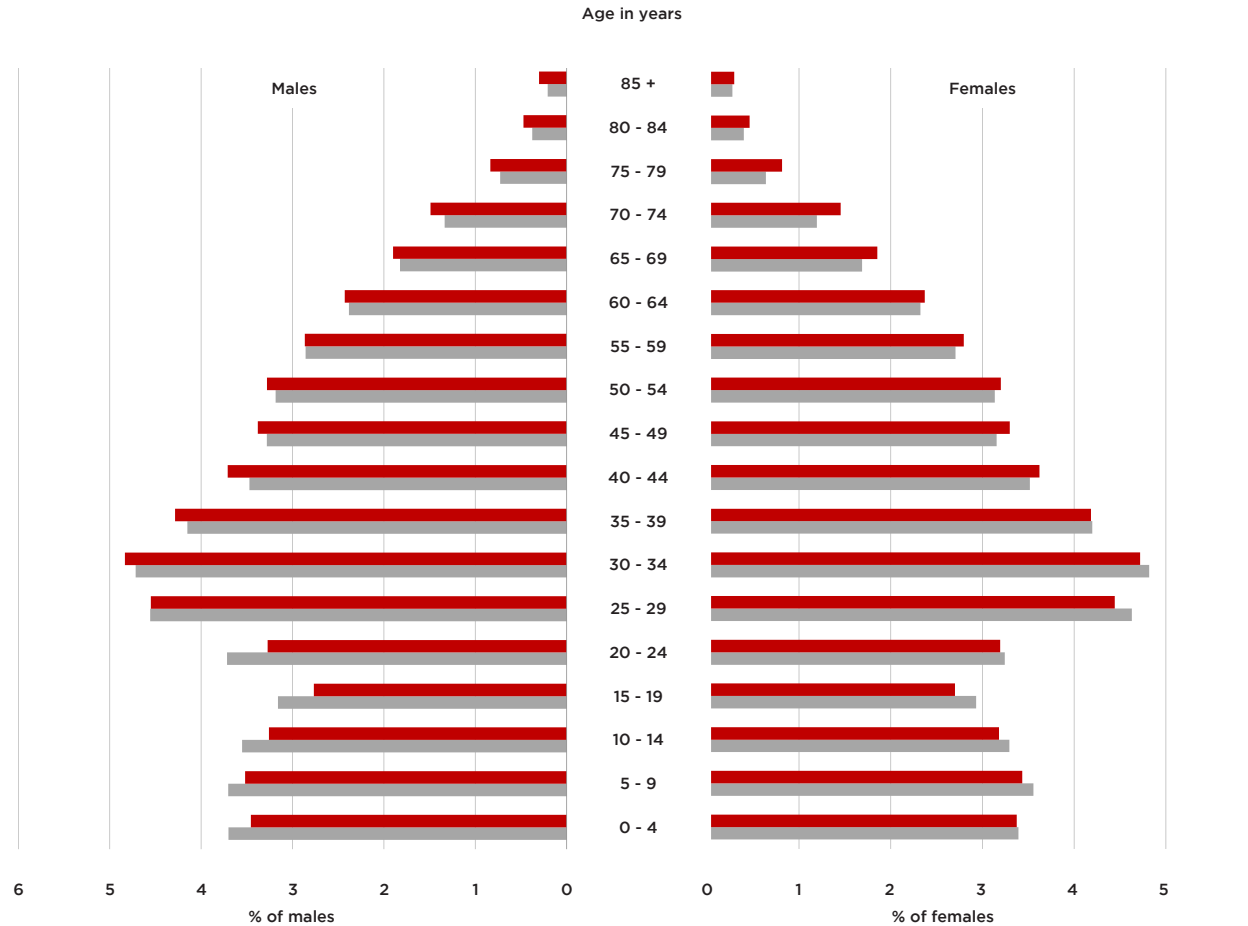


GREATER DARWIN



SLIGHTLY  
POSITIVE

# POPULATION PYRAMID



Source: Australian Bureau of Statistics, Census of Population and Housing, 2021 (Usual residence data)

■ Northern Territory    ■ Greater Darwin

POSITIVE

## INVESTMENT PHILOSOPHY

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## OUR PROCESS

### RESEARCH

Macro Micro Property

### ACQUIRE

Find Assess Negotiate

### MANAGE

Property Management

### REVIEW

Annual Portfolio Review

### ADVISE

Hold Improve Dispose

### PERFORMANCE PROPERTY ADVISORY SERVICES

- Property Acquisition
- Property Management
- Portfolio Review
- Sales Advisory / Vendor Advocacy

### DATA SOURCES:

- Australian Bureau of Statistics
- BIS Shrapnel
- Residex
- SQM Research
- CoreLogic RP Data
- Foreign Investment Review Board
- Australian Trade & Investment Commission

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## National House Price Movement - Since 1972

