

Residential Property Markets

Housing demand has increased substantially in the Territory as economic growth and rising household incomes have encouraged population growth and decreasing household size.

Housing prices in the Darwin region are expected to remain at current levels or increase during 2009-10. Treasury forecasts that about 1700 additional dwellings are required each year to meet forecast population growth in the Darwin region, compared to an average completion rate of about 990 a year currently.

Housing prices in the regional centres of Alice Springs, Katherine and Tennant Creek are also expected to remain at current levels or increase during 2009-10, due also to increased public sector activity associated with SIHIP and the Northern Territory Emergency Response.

The Territory Government is accelerating the release of land, with the release of 230 lots in the new Palmerston suburb of Bellamack in 2009 and a total of 700 lots by 2012. Further land releases in adjoining new Palmerston suburbs and in the northern suburbs of Darwin are expected from late 2009 to 2012.

The accelerated release of land, lower interest rates and Territory Government housing affordability initiatives (e.g. the Housing the Territory policy) should improve housing affordability in the medium term. However, housing prices might not be sustained if major investments in the mining and energy industry are delayed.