

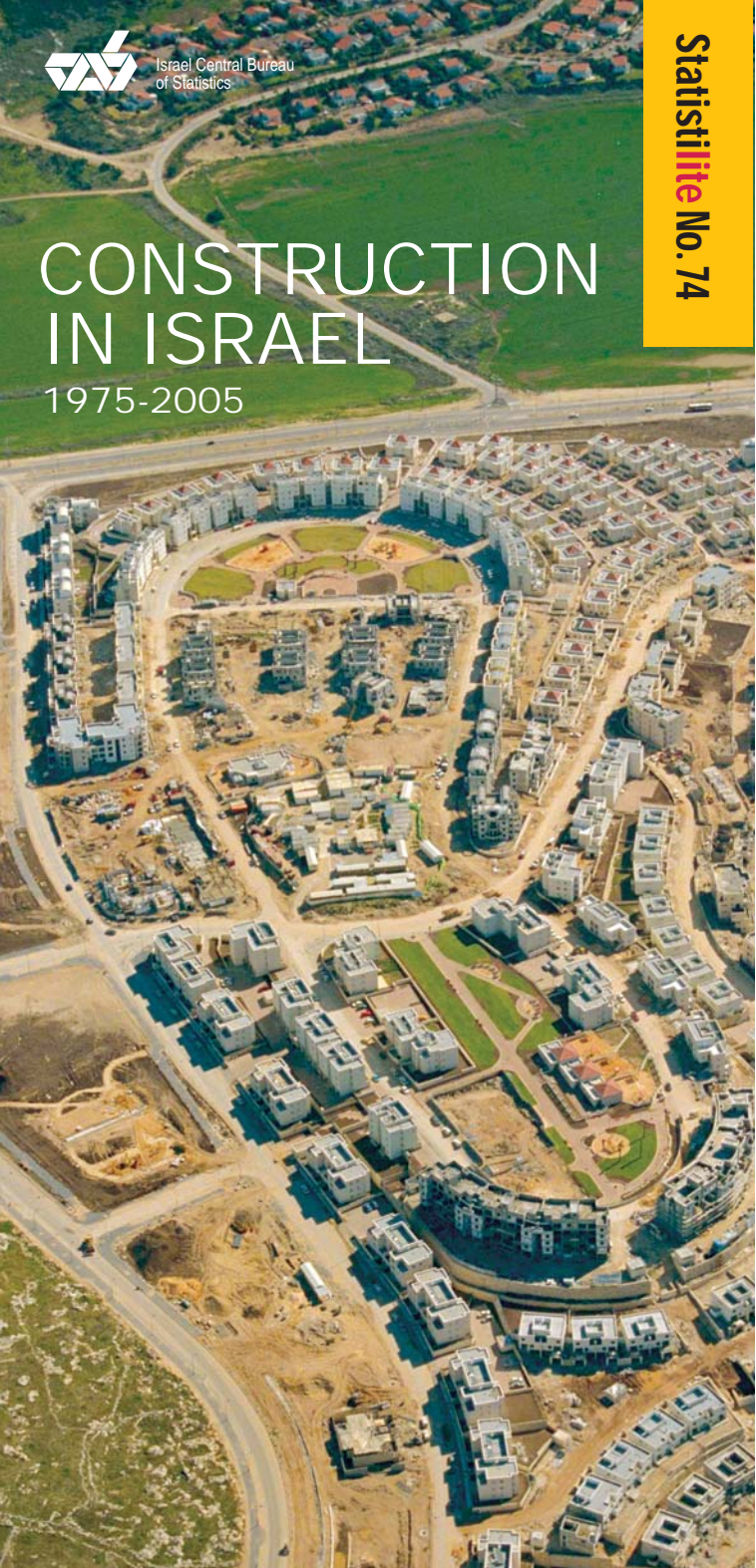


Israel Central Bureau
of Statistics

CONSTRUCTION IN ISRAEL

1975-2005

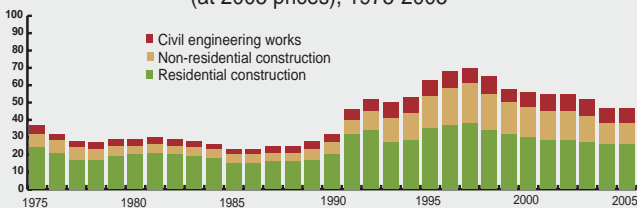
Statistilite No. 74



CAPITAL FORMATION AND EMPLOYED PERSONS

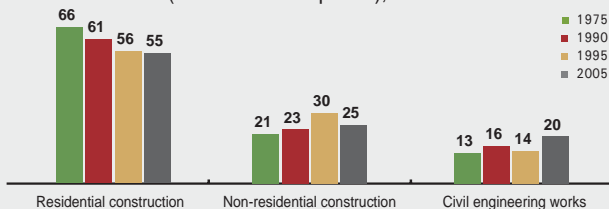
- In 2005, capital formation in construction amounted to NIS 47.3 billion, compared with NIS 36.1 billion in 1975 (at 2005 prices).
- The peak years of capital formation in construction were 1995-1998. Between 1991 and 2005, the average annual capital formation in construction was twice as high as in the period prior to 1990 (NIS 58.8 and 28.1 billion at 2005 prices, respectively).
- In 2005, capital formation in construction comprised 5.6% of the net domestic product, compared with 5% in 1985 and 8.9% in 1995.

1. Capital formation in construction, by purpose, NIS billion (at 2005 prices), 1975-2005



- In 2005, 55% of the capital formation in construction was for residential construction, 25% was for non-residential construction such as public buildings and industrial buildings, and 20% was for civil engineering works (construction of roads, installation of water, drainage, and canalization pipes, etc.). Since 1975, the share of capital formation in residential construction has declined.

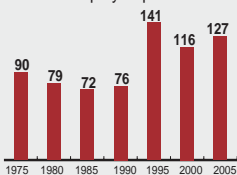
2. Capital formation in construction, by purpose, % (based on 2005 prices), 1975-2005



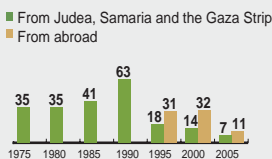
- In 2005, there were 127,000 Israelis and 18,000 foreign workers employed in the construction industry. 80% of these Israelis were employees.

3. Employment in construction, thousands, 1975-2005

Israeli employed persons



Foreign workers

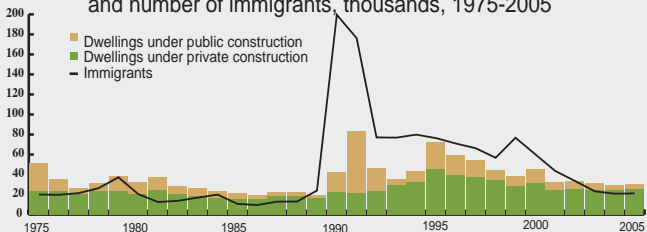


- Israelis employed in the construction industry comprised 5.1% of all Israeli employed persons - the lowest percentage since the end of the 1980s. The percentages of Israelis employed in construction were high in 1970 (8.3%), 1975 (8.1%), and 1995-1997 (7.2%-7.5%).

RESIDENTIAL CONSTRUCTION

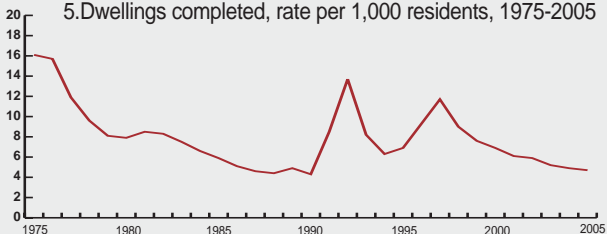
- In 2005, construction of 30,000 dwellings began.
- The peak year of residential construction was 1991, when construction of 83,000 dwellings began. 1990 and 1991 were peak years of immigration, with 188,000 immigrants on average arriving each year - 10 times the average annual number of immigrants arriving between 1975 and 1989 (about 18,000), and 3.3 times the average annual number arriving during between 1992 and 2005 (about 56,000).
- The share of dwellings under public construction is larger during periods of high immigration, when the construction industry has to meet a high demand for housing within a short time. In the 1970s, the share of dwellings under public construction was 43% of the annual average number of all dwellings constructed. Between 1986 and 1989, the share of dwellings under public construction reached a low point of 15%; in the 1990s it rose to 36% (reaching a peak of 74% in 1991) and in the 2000s it dropped to 21%. In 2005 it was 17%.

4. Dwellings whose construction began, by construction initiator, and number of immigrants, thousands, 1975-2005



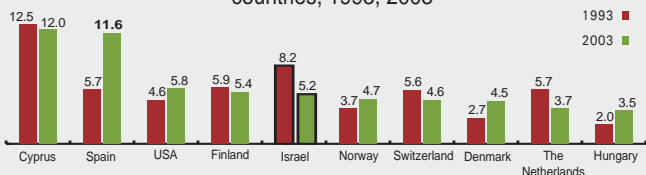
- In 2005, construction of 32,000 dwellings was completed - a rate of 4.7 dwellings per 1,000 persons. In 1975 and 1976 the rate was 16 dwellings per 1,000 persons.

5. Dwellings completed, rate per 1,000 residents, 1975-2005



- In Israel, the rate of dwellings completed per 1,000 residents declined from 8.2 in 1993 to 5.2 in 2003 - a rate similar to the 2003 rate in the United States, Finland, Norway, Switzerland, and Denmark.

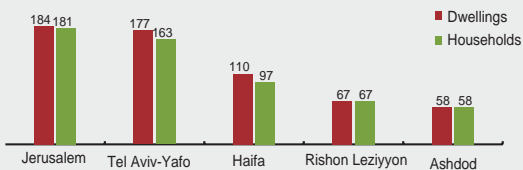
6. Dwellings completed, rate per 1,000 residents, selected countries, 1993, 2003



CONSTRUCTION IN LOCALITIES WITH MORE THAN 200,000 RESIDENTS

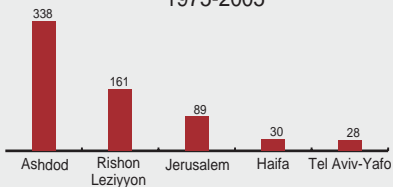
● The number of residential dwellings (according to municipal tax bills) in localities with more than 200,000 residents was greater than the number of households.

7. Number of residential dwellings and number of households, thousands, 2005



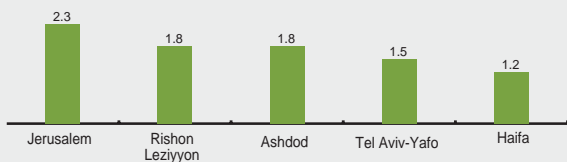
● Between 1975 and 2005, the number of residential dwellings in Ashdod increased by more than 300%.

8. Percentage of increase in number of residential dwellings, 1975-2005



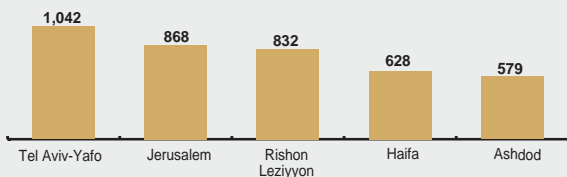
● In 2005, the largest number of dwellings whose construction was completed was in Jerusalem (2,280).

9. Dwellings completed, thousands, 2005



● The highest prices of dwellings are in Tel Aviv-Yafo.

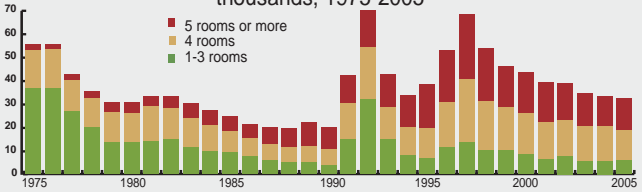
10. Average price of owned dwelling, NIS thousand, October-December, 2005



HOUSING CONDITIONS

● Since the mid-1970s, there has been an increase in the size of dwellings built. The average number of rooms in dwellings completed increased from 3.3 in 1975 to 4.3 in 2005. The proportion of dwellings with 1-3 rooms has decreased from 65% in 1975 (about 36,000 dwellings) to 18% in 2005 (about 6,000 dwellings).

11. Dwellings completed, by number of rooms per dwelling, thousands, 1975-2005



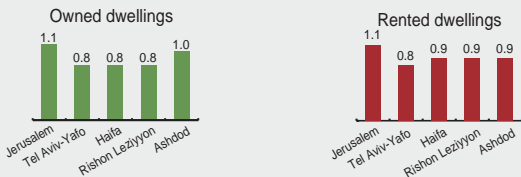
● The increase in the size of dwellings has been accompanied by a substantial decline in housing density in Israel. The percentage of households living in low density (one person per room or less) has risen from 49% in 1975 to 71% in 2005 (from 53% to 77%, respectively, in Jewish households, and from 13% to 36%, respectively, in Arab households).

12. Households, by number of persons per room, %, 1975, 2005



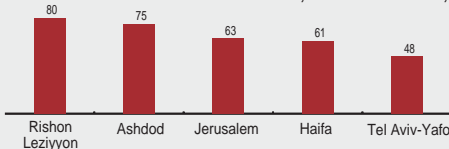
● In 2005, of the five cities in Israel with more than 200,000 residents, the highest level of housing density (average persons per room) was in Jerusalem.

13. Average number of persons per room in localities with more than 200,000 residents, 2005



● In 2005, about 71% of the households owned the dwellings they lived in, and about 24% lived in rented dwellings. The rest lived in rent-free dwellings or in key-money dwellings.

14. Percentage of households living in owned dwellings in localities with more than 200,000 residents, 2005



NON-RESIDENTIAL CONSTRUCTION AND CIVIL ENGINEERING PROJECTS

- In 2005, the area of non-residential construction completed was 2.4 million square meters.
- The area of construction completed for commercial use comprised 29% of the total area of non-residential construction, for agricultural use - 24%, for industry and crafts - 23%, for public buildings - 23%, and for hotel accommodations 1%.

15. Area of non-residential construction completed, by purpose, thousands of square meters, 1975-2005

Year	Total	Hotels	Commercial	Industrial	Public buildings	Agriculture
1975	1,772	46	140	609	665	312
1985	1,370	36	185	445	382	322
1995	2,782	89	395	1,452	551	295
2005	2,378	40	687	548	540	563

- In 1975-1990, the average area of non-residential construction completed per year was 1.4 million square meters, compared with 2.6 in 1991-2005.
- On yearly average for 1991-2005, the area of construction completed for industry was one million square meters (2.3 times the average for 1975-1990), and for business - 0.6 million square meters (3.3 times the average for 1975-1990).

16. Area of non-residential construction completed, by purpose, %, 1975-1990, 1991-2005 (annual average)



- In the 1980s, there was an all-time low in the construction of new roads and widening and reconstruction of existing roads. After the increase in road construction between 1993 and 1998, there was a decline in the subsequent years, mainly in construction of new roads.

17. Completions of construction of roads, km., 1975-2005

