

# Media Release

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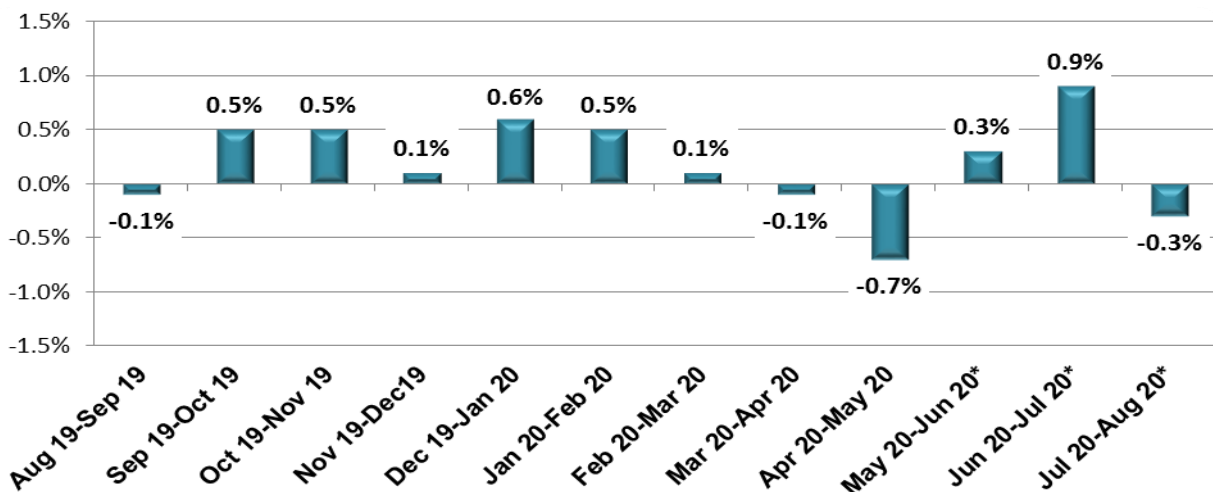
## Price changes in the dwellings market (Not part of the Consumer Price Index)<sup>[1]</sup>

### 1. Dwellings Price Index (quality-adjusted price changes):

- A comparison of the transaction prices in July 2020 – August 2020 to the transaction prices in June 2020– July 2020, shows that dwelling prices decreased by 0.3%.<sup>[2]</sup> [See data series from 2010 in table 1](#)

Figure 1 presents the bimonthly change in the dwelling price index during the past 12 months.

**Figure 1: Monthly Percentage Change in the Dwellings Price Index**



\* The price changes for the last three periods are provisional.

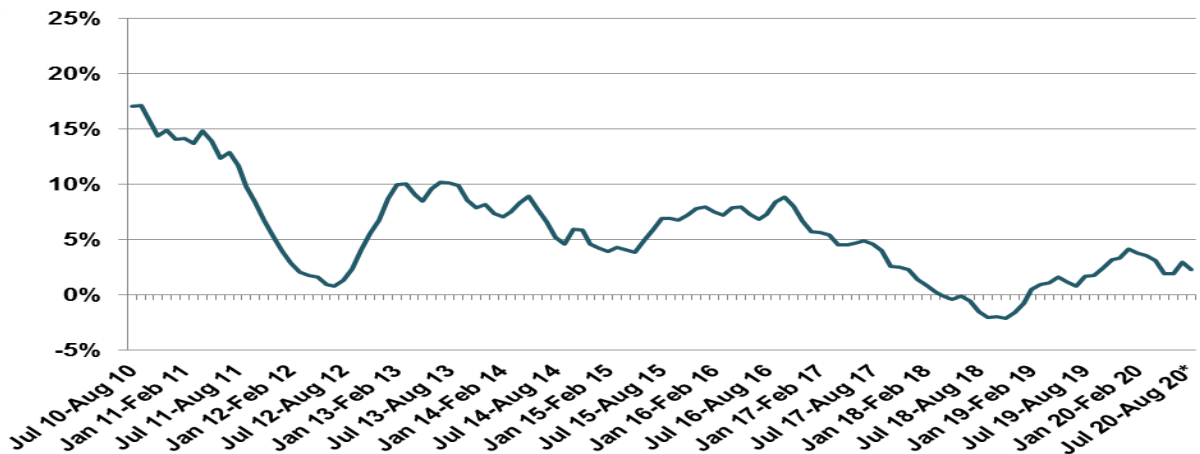
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<sup>1</sup> For explanations and details, see "Methodology for calculating the index of Prices of Dwellings, and Quarterly and Annual Averages" in [Price Statistics Monthly, Chapter B, section 1.1](#).

<sup>2</sup> The data is not final because additional transactions were carried out during this period but not yet reported.

- A comparison of the transaction prices in the current period, to the transaction prices in the same period last year, i. e., July 2020 – August 2020 compared to July 2019 – August 2019, shows that dwelling prices increased by 2.3%. Figure 2 presents annual percentage change in the dwellings price index over the last decade. From this figure it can be seen that prices have increased at much more moderate rate over the decade to the point of price declines in the last three quarters of 2018. The last period (since the first quarter of 2019) is characterized by moderate yearly price increase up to 5%.

**Figure 2: 12-Month Percentage Change in the Dwellings Price Index**

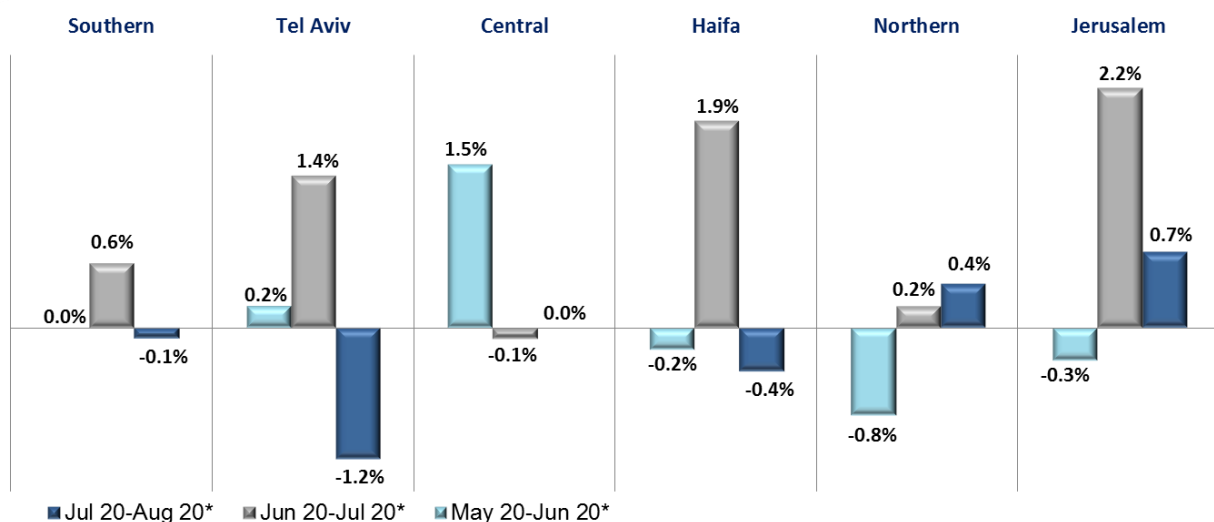


\* The annual price changes for the last period are provisional

## 2. Dwellings Price Indices by Districts (quality-adjusted price changes)

A comparison of the transaction prices in July 2020 – August 2020 to the transaction prices in June 2020 – July 2020, shows that the prices of dwellings by districts changed as follows: Jerusalem (0.7%), Northern (0.4%), Haifa (-0.4%), Central (0.0%), Tel Aviv (-1.2%) and Southern (-0.1%). Figure 3 presents the provisional price changes by districts. [See data series from October 2017 in table 3](#)

**Figure 3: Percent Change in the Dwellings Price Indices by Districts (Provisional Results)**



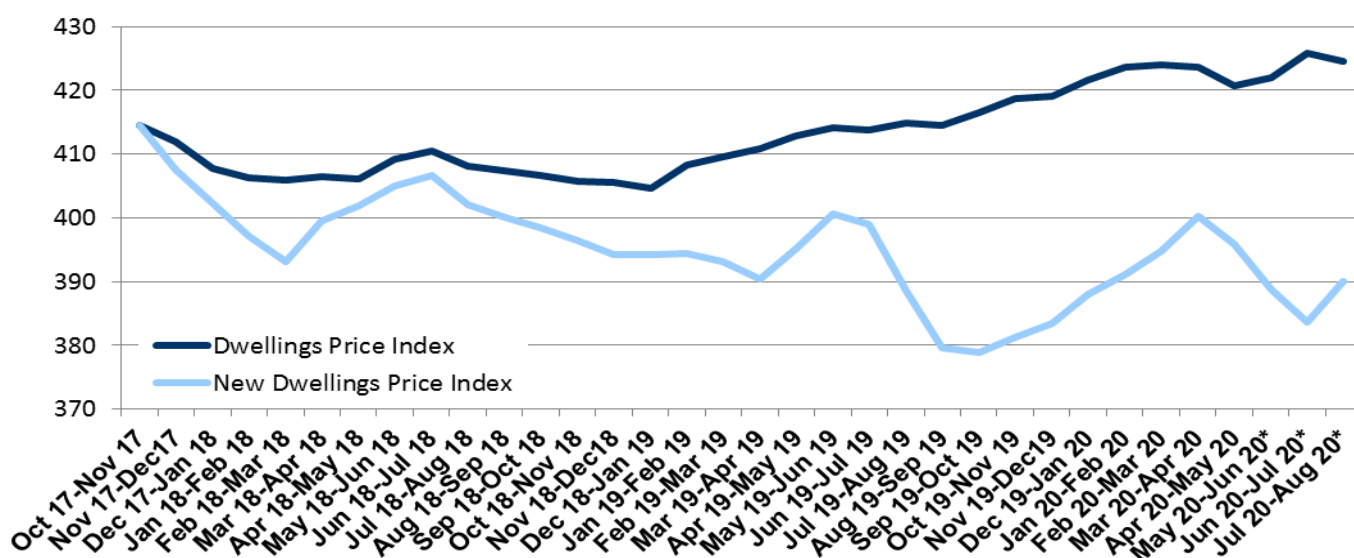
A comparison of the transaction prices in the current period, to the transaction prices in the same period last year, i. e., July 2020 – August 2020 compared to July 2019 – August 2019, shows that there are no districts with annual price decline. The most notable price increases were found in following districts: Central (2.7%), Tel Aviv and Jerusalem (2.6%), each. Moderate increase was recorded in the other districts.

### 3. New Dwellings Price Index (quality-adjusted price changes)<sup>[3]</sup>

A comparison of the transaction prices of new dwellings in July 2020 – August 2020 to the transaction prices of new dwellings in June 2020– July 2020 shows that new dwelling prices increased by 1.7%. Government-supported (Buyer Price) transactions that are included in the calculation of the new dwellings price index constituted 41.1% of the number of new dwelling transactions, compared to 44.4% in the previous month. Note that the volume of government-supported (Buyer Price) transactions is negatively correlated to the new dwelling price index. Figure 4 presents evolution of the dwellings price index vs. new dwellings price index over the recent two years.

[See data series from October 2017 in table 4](#)

**Figure 4: Dwellings Price Index vs. New Dwellings Price Index<sup>[3]</sup>**



\* The price changes for the last three periods are provisional.

Prices of new dwellings increased by 0.4% with respect to the prices in the same period last year, i. e., July 2020 – August 2020 compared to July 2019 – August 2019.

<sup>3</sup> New Dwellings Price Index is published since January 2018

**Remark:** Following the transition of Israeli Tax Authority to a new system which is expected to efficient the work process, CARMEN file which serves the main data source for calculation of the Dwelling Price Index, contained only small number of transactions. In order to overcome the uncompleted data, the ICBS combined additional data source from the tax authority (Real estate transactions file - open assessments). Therefore, the model according to which the first provisional index is estimated might be revised in the subsequent periods at significantly higher rate than in the past. Regarding the open assessments file, it should be noted that: (1) using this file does not grantee complete data because of malfunctions which prevents reporting of some transactions; (2) the quality of the reported data in the open assessments' file is lower compared to the controlled CARMEN file since the transactions obtained from the open assessments file haven't been controlled by real estate inspectors.