הלשכה המרכזית לסטטיסטיקה
Central Bureau of Statistics
دائرة الإحصاء المركزية

State of Israel

Media Release

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Price changes in the dwellings market

(Not part of the Consumer Price Index)[1]

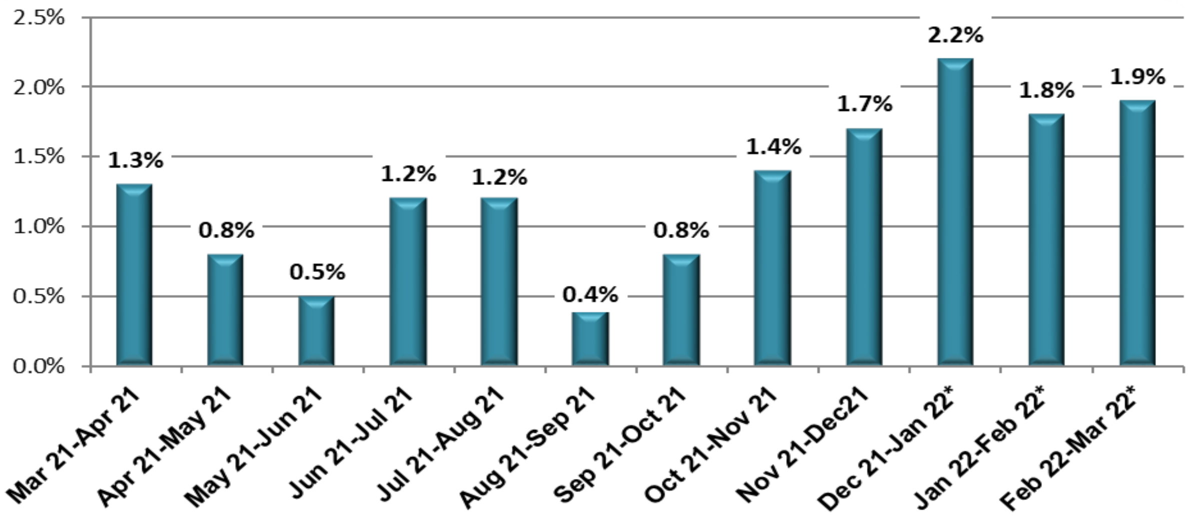
1. Dwellings Price Index (quality-adjusted price changes)

- A comparison of the transaction prices in February 2022 – March 2022 to the transaction prices in January 2022 – February 2022, shows that dwelling prices increased by 1.9%.[2]

  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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1 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.**
2 The data is not final because additional transactions were carried out during this period but not yet reported.

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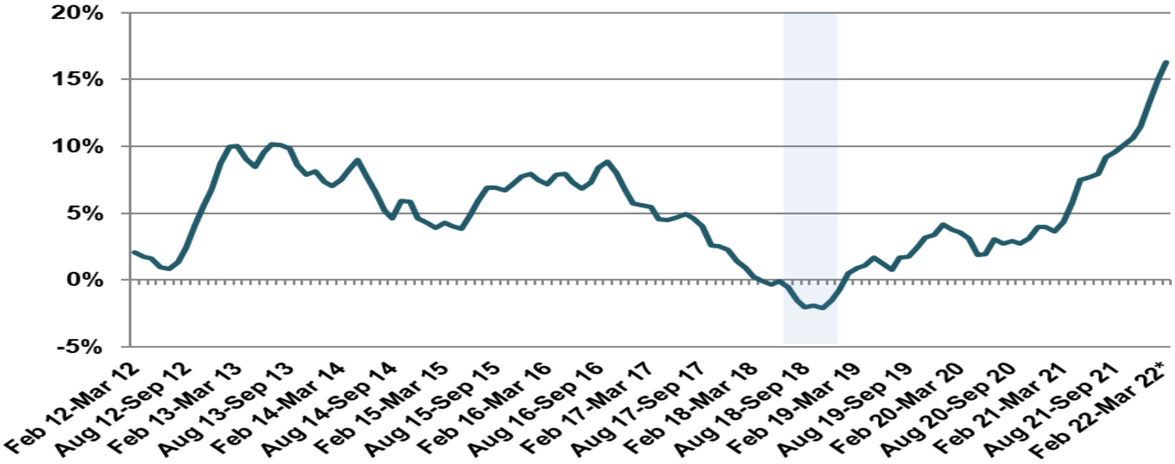
- A comparison of the transaction prices in the current period, to the transaction prices in the same period last year, i. e., February 2022 – March 2022 compared to February 2021 – March 2021, shows that dwelling prices increased by 16.3%. Figure 2 presents annual percentage change in the dwellings price index over the last decade. From this figure it can be seen that the annual price increase is the highest in a decade. This is after the moderation in the rate of price increase beginning from 2016, relative to the beginning of the decade, to the point of price decline in the last three quarters of 2018 (shaded area).

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

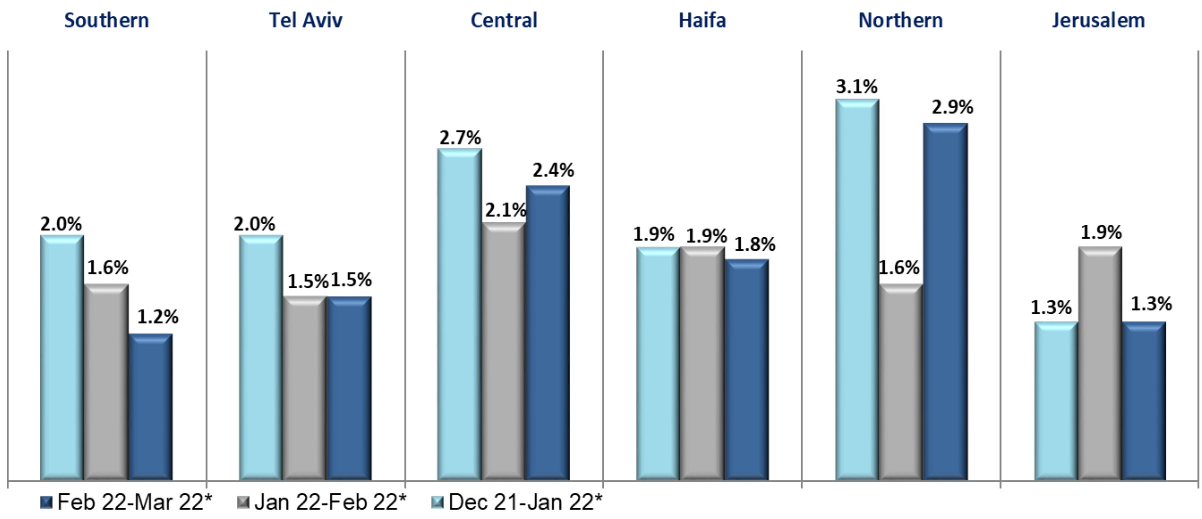


* The annual price changes for the last period are provisional

2. Dwellings Price Indices by Districts <u>(quality-adjusted price changes)</u>

A comparison of the transaction prices in February 2022 – March 2022 to the transaction prices in January 2022 – February 2022, shows that the prices of dwellings by districts changed as follows: Jerusalem (1.3%), Northern (2.9%), Haifa (1.8%), Central (2.4%), Tel Aviv (1.5%) and Southern (1.2%). Figure 3 presents the provisional price changes by districts. **See data series from October 2017 in table 3**

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



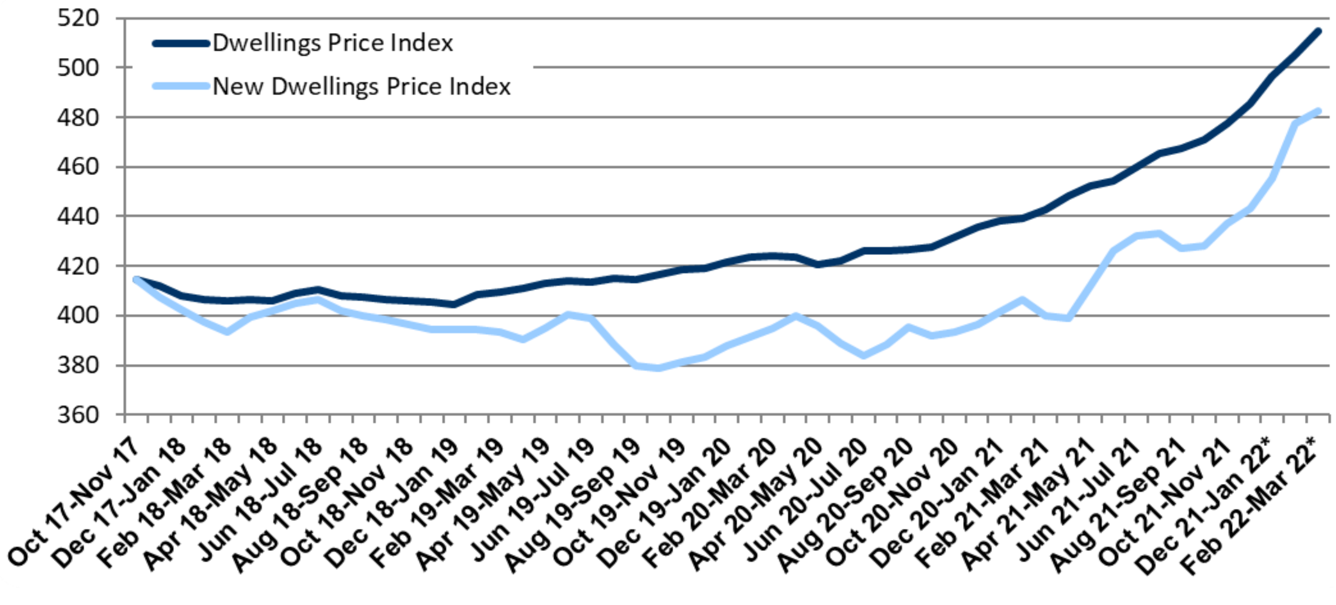
A comparison of the transaction prices in the current period, to the transaction prices in the same period last year, i. e., February 2022 – March 2022 compared to February 2021 – March 2021, shows a double-digit price increase in all districts: Central district (18.5%), Jerusalem district (16.7%), Tel-Aviv district (16.0%), Haifa district (14.9%), Northern district (13.8%) and Southern district (12.3%).

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

A comparison of the transaction prices of new dwellings in February 2022 – March 2022 to the transaction prices in January 2022 – February 2022 shows that new dwelling prices increased by 1.0%. Government-supported (Buyer Price) transactions that are included in the calculation of the new dwellings price index decreased constituting 12.5% of the number of new dwelling transactions, compared to 12.8% in the previous period. Note that the rate of government-supported (Buyer Price) transactions is mostly negatively correlated to the new dwelling price index. Additional estimation shows that excluding Government-supported (Buyer Price) transactions, the new dwelling price index increased by 1.7%.

Figure 4 presents evolution of the dwellings price index vs. new dwellings price index over the recent three years. **See data series from October 2017 in table 4**

Figure 4: Dwellings Price Index vs. New Dwellings Price Index[3]



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

Prices of new dwellings increased by 20.7% with respect to the prices in the same period last year, i. e., February 2022 – March 2022 compared to February 2021 – March 2021.

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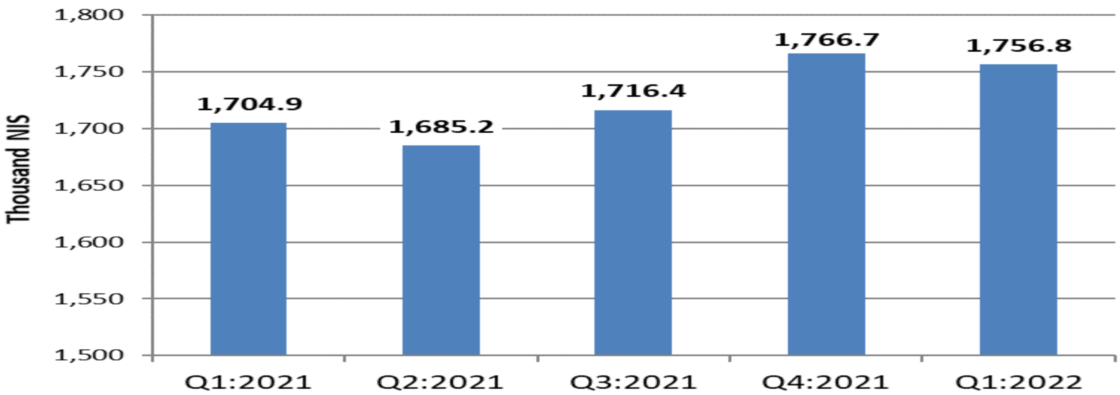
[3] New Dwellings Price Index is published since January 2018

4. Average price of transactions (with no quality adjustment):

The national average price of transactions conducted in the first quarter of 2022 was 1,756.8 thousand NIS.[4] Compared to the previous quarter (1,766.7 thousand NIS), the national average price increased by 0.6%. A comparison to the national average price in the first quarter 2021 (1,704.9 thousand NIS) shows an increase by 3.0%.

Figure 5 presents national average prices over the last 5 quarters.

Figure 5: National Average Prices[4]

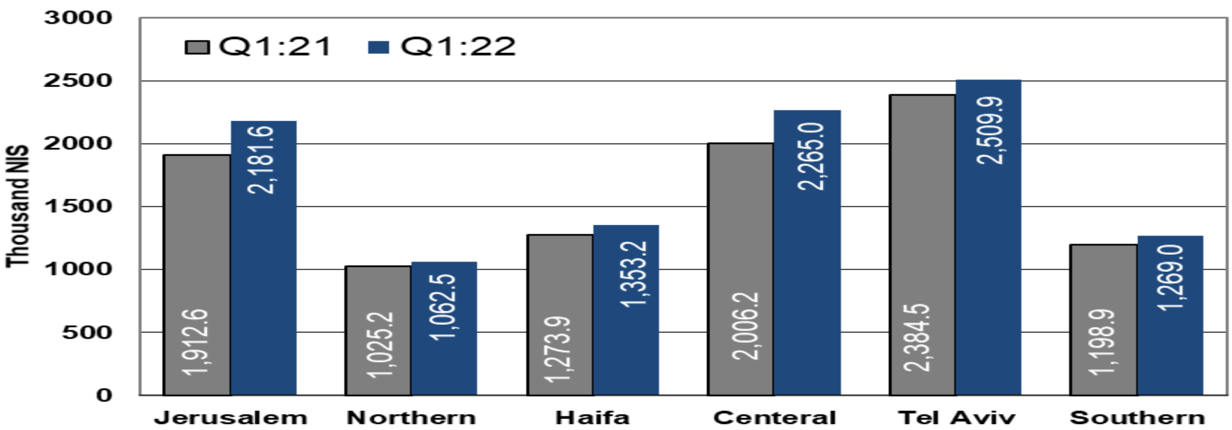


Comment: Figure 5 presents average prices of 1-6 room apartments that are calculated every quarter without considering the variances between different periods in terms of apartments' quality characteristics.

Average prices by districts

Figure 6 presents average prices of transactions by districts, in the first quarter of 2022 compared to the same quarter of 2021. The most notable price increases were found in Jerusalem district (14.1%) and Central district (12.9%). In the rest of districts more moderate increases were recorded.

Figure 6: Average Prices by Districts



[4]The data on the last quarter are not final because additional transactions were carried out during this period but not yet reported.

Average prices in big cities

Figure 7 presents average prices of transactions in 16 big cities in Israel. A comparison of the transaction prices in the first quarter of 2022 to the same quarter of 2021 in Israeli big cites shows that the top five highest price level of dwellings are the following: Tel Aviv (3,596.3 thousand NIS) in which the price level is significantly higher compared to other cities, Kfar Saba (2,718.3 thousand NIS), Ramat Gan (2,530.3 thousand NIS), Jerusalem (2,326.8 thousand NIS) and Rishon Lezion (2,277.6 thousand NIS). On the other hand, the lowest price level was recorded in the following cities: Beer Sheva (1,059.0 thousand NIS), Haifa (1,222.8 thousand NIS) and Ashkelon (1,380.2 thousand NIS).

The most notable increase in the average prices in the first quarter of 2022 relative to the same quarter of the previous year, was found in the following cities: Beit Shemesh (26.4%), Bnei Brak (21.1%), Kfar Saba (19.2%) and Netanya (15.6%). Decrease in the average price was recorded in Bat Yam (2.8%) and Haifa (0.6%). In the rest of the cities more moderate increases were recorded.

Figure 7: Average Prices in Big Cities