הלשכה המרכזית לסטטיסטיקה
Central Bureau of Statistics
دائرة الإحصاء المركزية

State of Israel

Media Release

info@cbs.gov.il www.cbs.gov.il Fax: 02-6521340

Jerusalem,
November 15, 2022
364/2022

Price changes in the dwellings market

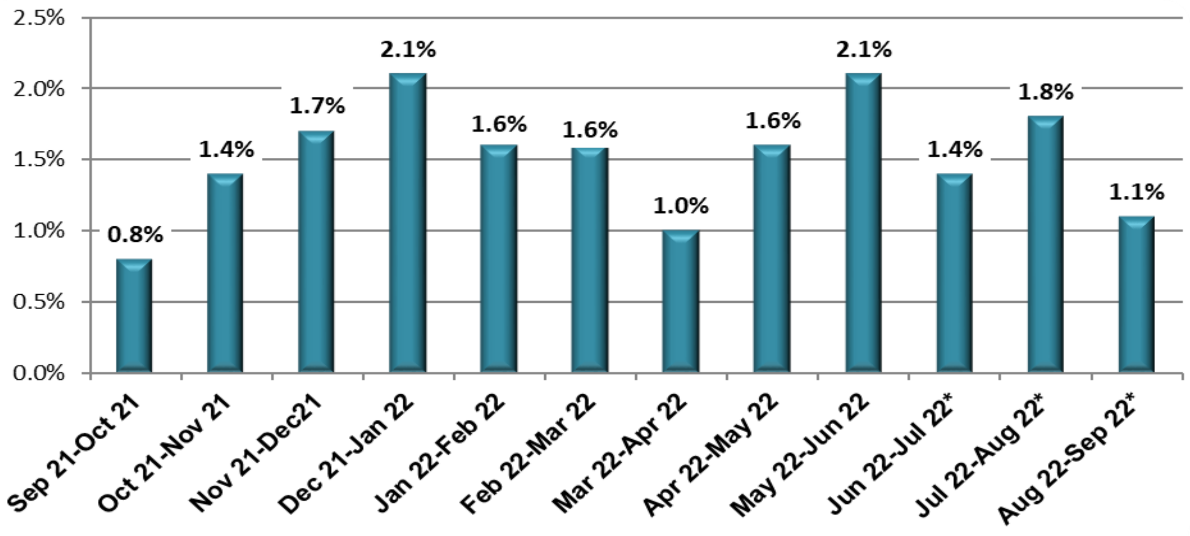
(Not part of the Consumer Price Index)[1]

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

- A comparison of the transaction prices in August 2022 – September 2022 to the transaction prices in July 2022 – August 2022, shows that dwelling prices increased by 1.1%.[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.

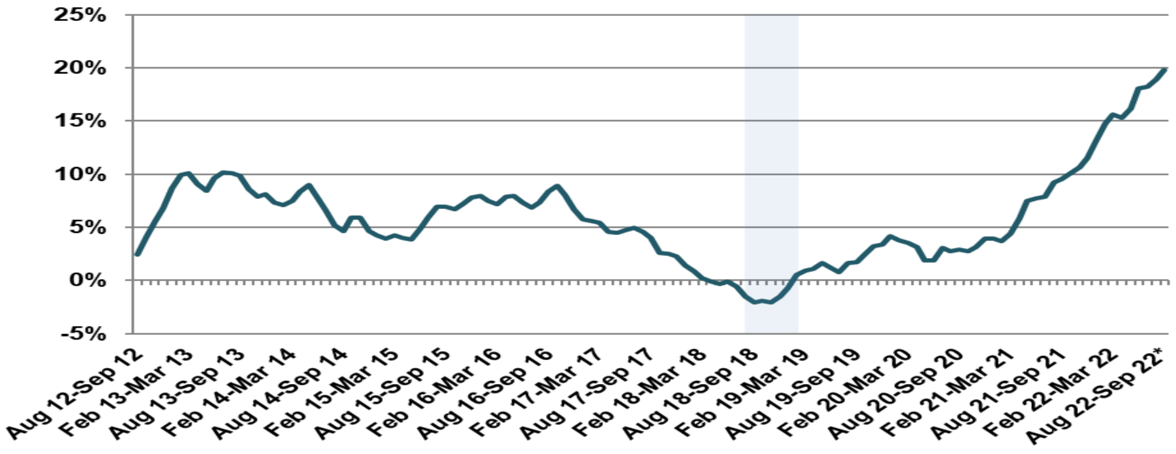
This Press Release is for Publication After 18:30 PM on Tuesday, November 15, 2022

[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.

Written by Doron Sayag and Dr. Larisa Fleishman, National Statistician Office
For explanations and clarifications, please contact the Media Relations Unit at +972-2-652-7845

- A comparison of the transaction prices in the current period, to the transaction prices in the same period last year, i. e., August 2022 – September 2022 compared to August 2021 – September 2021, shows that dwelling prices increased by 19.8%. Figure 2 presents annual percentage change in the dwellings price index over the last decade. From this figure it can be seen that during the past few months, there has been a sharp annual price increase compared to the last 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



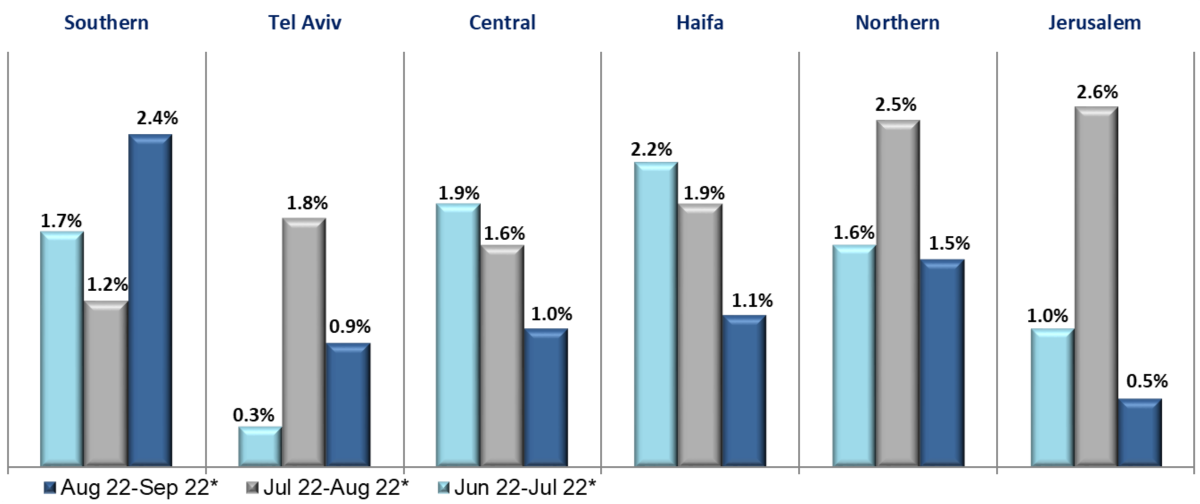
* The annual price changes for the last period are provisional

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

A comparison of the transaction prices in August 2022 – September 2022 to the transaction prices in July 2022 – August 2022, shows that the prices of dwellings by districts changed as follows: Jerusalem (0.5%), Northern (1.5%), Haifa (1.1%), Central (1.0%), Tel Aviv (0.9%) and Southern (2.4%). 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)



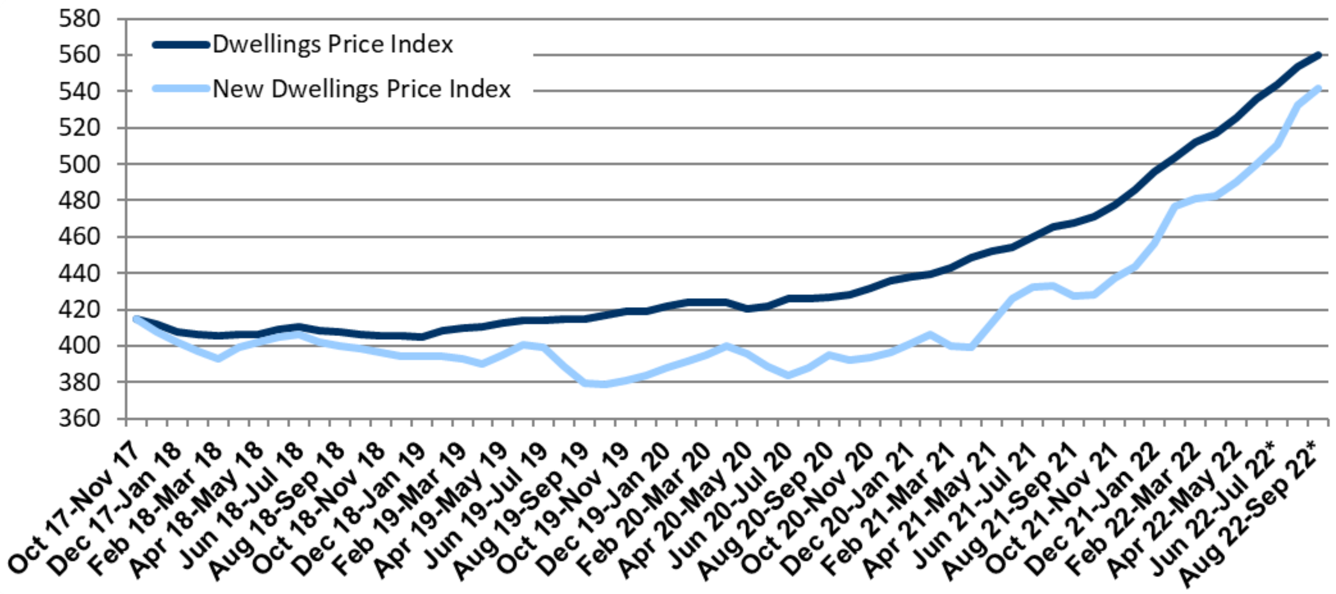
A comparison of the transaction prices in the current period, to the transaction prices in the same period last year, i. e., August 2022 – September 2022 compared to August 2021 – September 2021, shows a double-digit price increase in all districts: Northern (20.9%), Central (20.3%), Haifa (20.0%), Tel-Aviv (19.5%), Jerusalem (18.6%) and Southern (17.9%).

3. New Dwellings Price Index (quality-adjusted price changes) [3]

A comparison of the transaction prices of new dwellings in August 2022 – September 2022 to the transaction prices in July 2022 – August 2022 shows that new dwelling prices increased by 1.7%. Government-supported transactions that are included in the calculation of the new dwellings price index decreased constituting 20.3% of the number of new dwelling transactions, compared to 20.5% in the previous period. Note that the rate of government-supported transactions is mostly negatively correlated to the new dwelling price index. Additional estimation shows that excluding government-supported transactions, the new dwelling price index increased by 1.5%.

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.

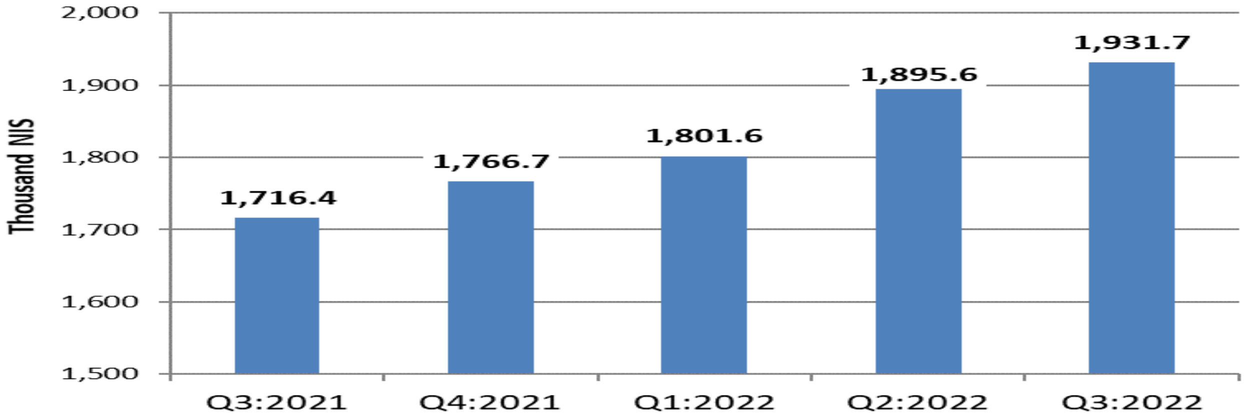
Prices of new dwellings increased by 26.9% with respect to the prices in the same period last year, i. e., August 2022 – September 2022 compared to August 2021 – September 2021.

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

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

Figure 5 shows that the national average price of transactions conducted in the third quarter of 2022 was 1,931.7 thousand NIS.[4] Compared to the previous quarter (1,895.6 thousand NIS), the national average price increased by 1.9%. A comparison to the national average price in the third quarter 2021 (1,716.4 thousand NIS) shows an increase by 12.5%.

Figure 5: National Average Prices – last 5 quarters[4]

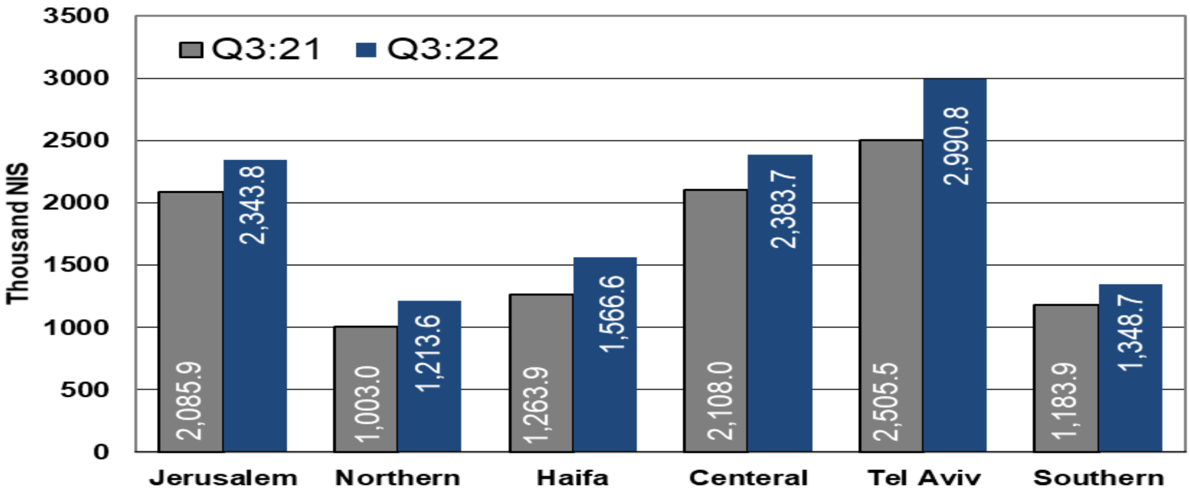


Comment: Figure 5 presents quarterly average prices of 1-6 room dwellings without dwellings' quality adjustment over time.

Average prices by districts

Figure 6 presents average prices of transactions by districts, in the third quarter of 2022 compared to the same quarter of 2021. A double-digit price increase was recorded in all districts: Haifa district (23.9%), Nortren (21.0%), Tel-Aviv (19.4%), Southern (13.9%), Central (13.1%) and Jerusalem (12.4%).

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. In the third quarter 2022 the highest price level of dwellings was recorded in the following cities: Tel Aviv (4,101.7 thousand NIS) in which the price level is significantly higher compared to other cities, Kfar Saba (3,035.4 thousand NIS), Ramat Gan (2,766.8 thousand NIS), Jerusalem (2,541.9 thousand NIS) and Bet Yam (2,539.6 thousand NIS). On the other hand, the lowest price level was recorded in the following cities: Beer Sheva (1,097.4 thousand NIS), Haifa (1,434.1 thousand NIS) and Ashkelon (1,507.7 thousand NIS).

A comparison of the average price in the third quarter 2022 vs. the same quarter of the previous year, shows an increase in all big cities. Moderate increase, less than 10%, was found in the following cities: Netanya (1.3%), Beit Shemesh (6.7%) and Beer Sheva (6.7%). Significant increase of over 20% was found in Bat Yam (41.6%), Kfar Saba (27.7%), Petah Tiqwa (23.6%), Haifa (22.7%) and Bnei Brak (20.8%). In the rest of the cities, increases between 10%-20% were recorded.

Figure 7: Average Prices in Big Cities