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 May 2023 – June 2023 to the transaction prices in April 2023 – May 2023, shows that dwelling prices decreased by 0.2%.\(^2\)

See data series from 2010 in table 1

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

* 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.
A comparison of the transaction prices in the current period, to the transaction prices in the same period last year, i.e., May 2023 – June 2023 compared to May 2022 – June 2022, shows that dwelling prices increased by 5.2%. Figure 2 presents annual percentage change in the dwellings price index over the last decade. From this figure it can be seen that after a period of sharp increase of annual prices, the annual rate is around 5%. Note that the significant previous moderation in the rate of annual price increase began in 2016 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 May 2023 – June 2023 to the transaction prices in April 2023 – May 2023, shows that the prices of dwellings by districts changed as follows: Jerusalem (0.3%), Northern (0.5%), Haifa (0.5%), Central (0.0%), Tel Aviv (-1.3%) and Southern (0.0%). 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., May 2023 – June 2023 compared to May 2022 – June 2022, shows the price increases in all districts: Haifa (8.9%), Northern (8.5%), Jerusalem (6.6%), Southern (5.2%), Central (5.2%) and Tel-Aviv (2.0%).

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

A comparison of the transaction prices of new dwellings in May 2023 – June 2023 to the transaction prices in April 2023 – May 2023 shows that new dwelling prices decreased by 0.6%. Government-supported transactions that are included in the calculation of the new dwellings price index increased constituting 26.7% of the number of new dwelling transactions, compared to 24.1% 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 decreased by 0.3%.

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.

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

Prices of new dwellings increased by 5.8% with respect to the prices in the same period last year, i.e., May 2023 – June 2023 compared to May 2022 – June 2022.

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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 second quarter of 2023 was 1,968.9 thousand NIS.\(^4\) Compared to the previous quarter (1,980.8 thousand NIS), the national average price decreased by 0.6%. A comparison to the national average price in the second quarter 2022 (1,895.6 thousand NIS) shows the increase of 3.9%.

**Figure 5: National Average Prices – last 5 quarters\(^4\)**

![Bar chart showing national average prices](chart.png)

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 second quarter of 2023 compared to the same quarter of 2022. Increases in the average price were recorded in all districts: Jerusalem (14.4%), Haifa (10.7%), Central (8.3%), Northern (5.3%), Tel-Aviv (3.5%) and Southern (0.4%).

**Figure 6: Average Prices by Districts**

![Bar chart showing average prices by district](chart2.png)

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\(^4\) 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 18 big cities in Israel\(^5\). In the second quarter 2023 the highest price level of dwellings was recorded in the following cities: Tel Aviv (4,157.2 thousand NIS) in which the price level is significantly higher compared to other cities, Herzliya (3,552.7 thousand NIS), Kfar Saba (2,990.1 thousand NIS), Jerusalem (2,813.3 thousand NIS), Ramat Gan (2,771.5 thousand NIS) and Netanya (2,509.0 thousand NIS). On the other hand, the lowest price level was recorded in the following cities: Beer Sheva (1,210.3 thousand NIS), Ashkelon (1,365.2 thousand NIS) and Haifa (1,550.8 thousand NIS). A comparison of the average price in the second quarter 2023 vs. the same quarter of the previous year, shows an average price decrease in two big cities: Rishon Lezion (4.8%) and Ashkelon (4.0%). Significant increase was found in Beit Shemesh (37.4%). Price increase, over 10%, was found in the following cities: Haifa (15.9%) and Netanya (12.4%). In the rest of the cities, price increases up to 10% were recorded.

Figure 7: Average Prices in Big Cities

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\(^5\) Starting in 2023, the cities Herzliya and Hadera were added to the list of Israeli big cities with over 100,000 residents.