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Housing and Construction

Apartments

Apartment prices

Construction starts

Construction completions

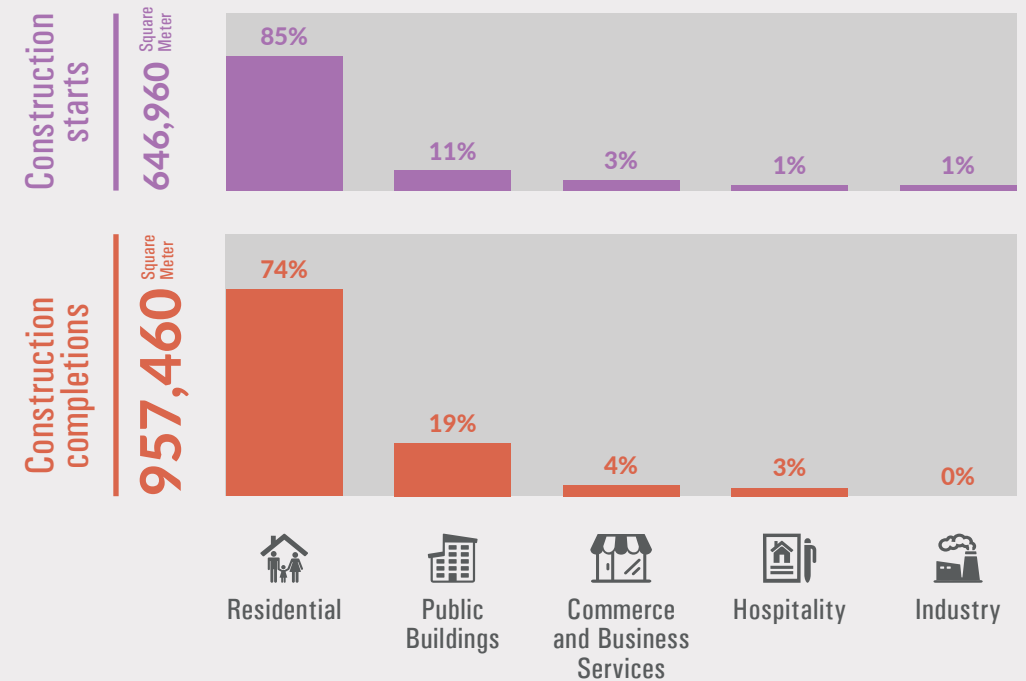


Apartment Prices* in Israel, Jerusalem, Tel Aviv, and Haifa, 2007, 2017

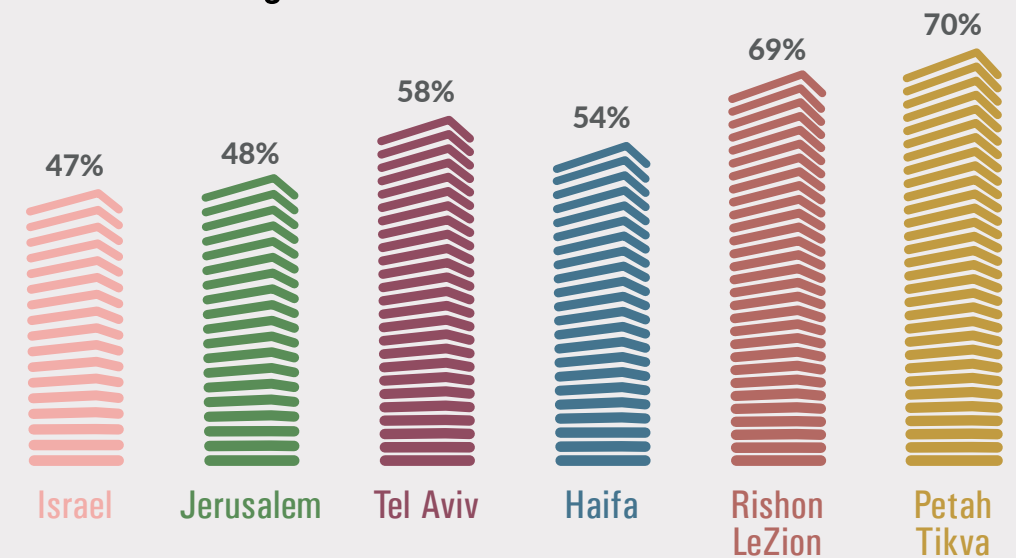


* Average price of a 3.5-4 room apartment, in millions (NIS)

Construction Starts and Completions in Jerusalem, by Purpose, 2017



Construction Starts of Apartments in Tall Buildings*, 2013-2017



* Apartments that were built in buildings with 8 or more floors as a percentage of all the apartments whose building began in 2013-2017.

Apartments

As of the end of 2017, Jerusalem had 223,100 residential apartments:^{33,34} 168,700 apartments (76%) in Jewish neighborhoods and 54,400 apartments (24%) in Arab neighborhoods. The percentage of apartments in Jewish neighborhoods was higher than the percentage of Jerusalem's Jewish population, which stood at 62% at the close of 2016. The percentage of apartments in Arab neighborhoods was lower than the percentage of Jerusalem's Arab population, at 38%. The reason for this discrepancy lies in the relatively large size of households within the Arab population (5.2 persons) relative to the Jewish population (3.4 persons).

In 2017 the average area of an apartment in Jerusalem was 82 square meters (m²). During 2002–2017 the average area of an apartment in Jerusalem increased by 6 m², from 76 m² to 82 m². The average area of an apartment in neighborhoods with a majority Jewish population was comparable to that in neighborhoods with a majority Arab population – 82 m² and 80 m², respectively.

The Jewish neighborhoods that recorded the smallest average apartment size were Giv'at HaMatos (35 m²), Zichron Yosef in Nahlaot (47 m²), Katamon Tet (48 m²), the area around HaMadregot Street in Nahlaot (49 m²), and the area around Shlomtzion Street in the City Center (49 m²). Neighborhoods with the largest

average apartment size were recorded in the vicinity of HaHoresh Road in Ramot Alon (146 m²), Motza Tahtit and Ramat Motza (130 m²), Malha (128 m²), the area around Avraham Rafal Street in Pisgat Ze'ev East (127 m²), and the area around Israel Zarhi Street in Ramot Alon (126 m²).

The Arab neighborhoods with the smallest average apartment size were the Shuafat Refugee Camp (35 m²), the Old City neighborhoods of the Muslim Quarter (46 m²), the Christian Quarter (46 m²), and the Armenian Quarter (62 m²), and Silwan (64 m²). Neighborhoods with the largest average apartment size were Beit Hanina (95 m²), Kafr 'Aqab (90 m²), New Anata (87 m²), and Beit Safafa (87 m²).

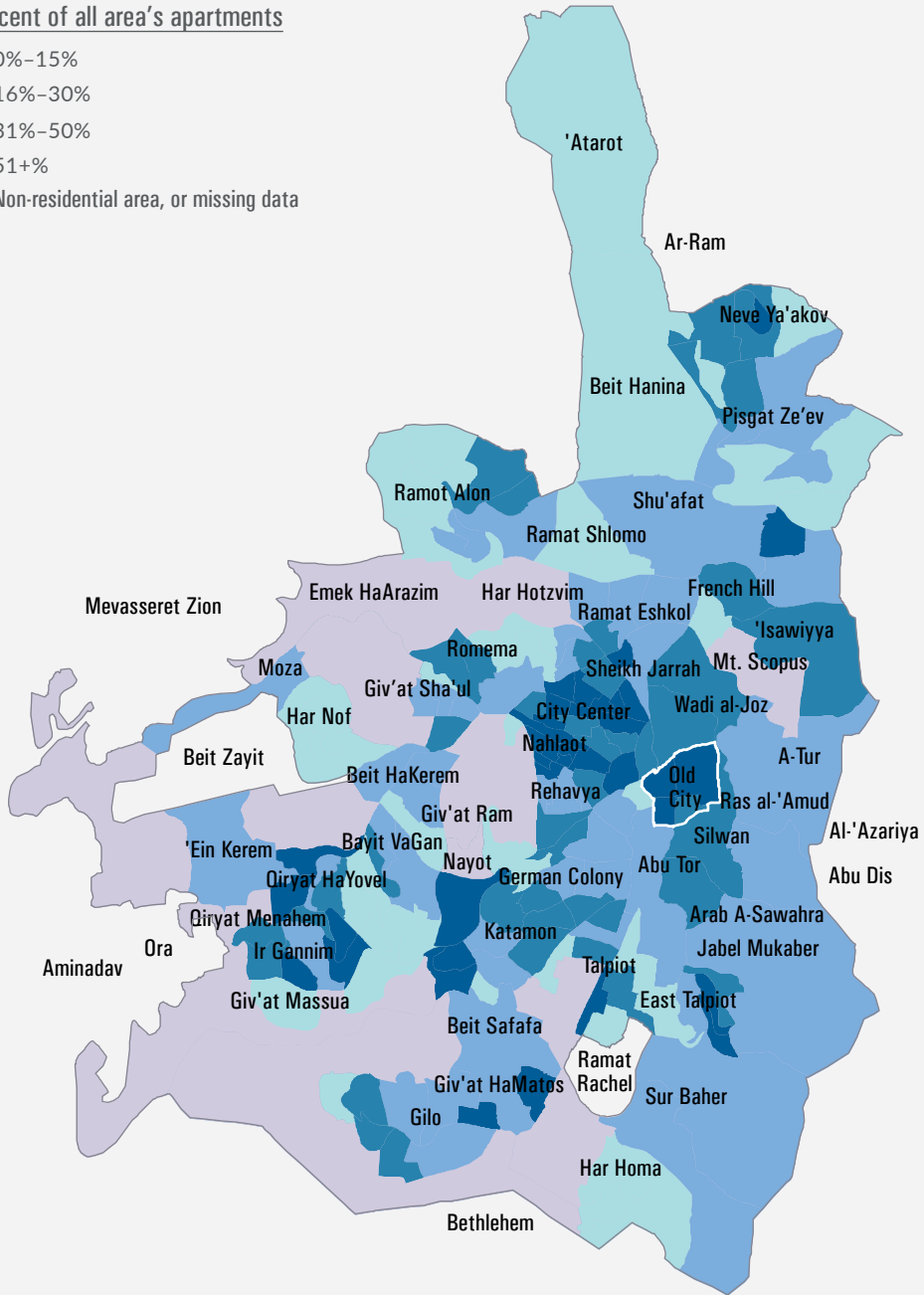
33 Including apartments not designated as part of any specific neighborhood or geographical area.

34 This figure is based on data for the collection of arnona, the municipal tax.

Small* Apartments in Jerusalem, 2017

Percent of all area's apartments

- 0%–15%
- 16%–30%
- 31%–50%
- 51%+
- Non-residential area, or missing data



*Sized 60 square meters or less

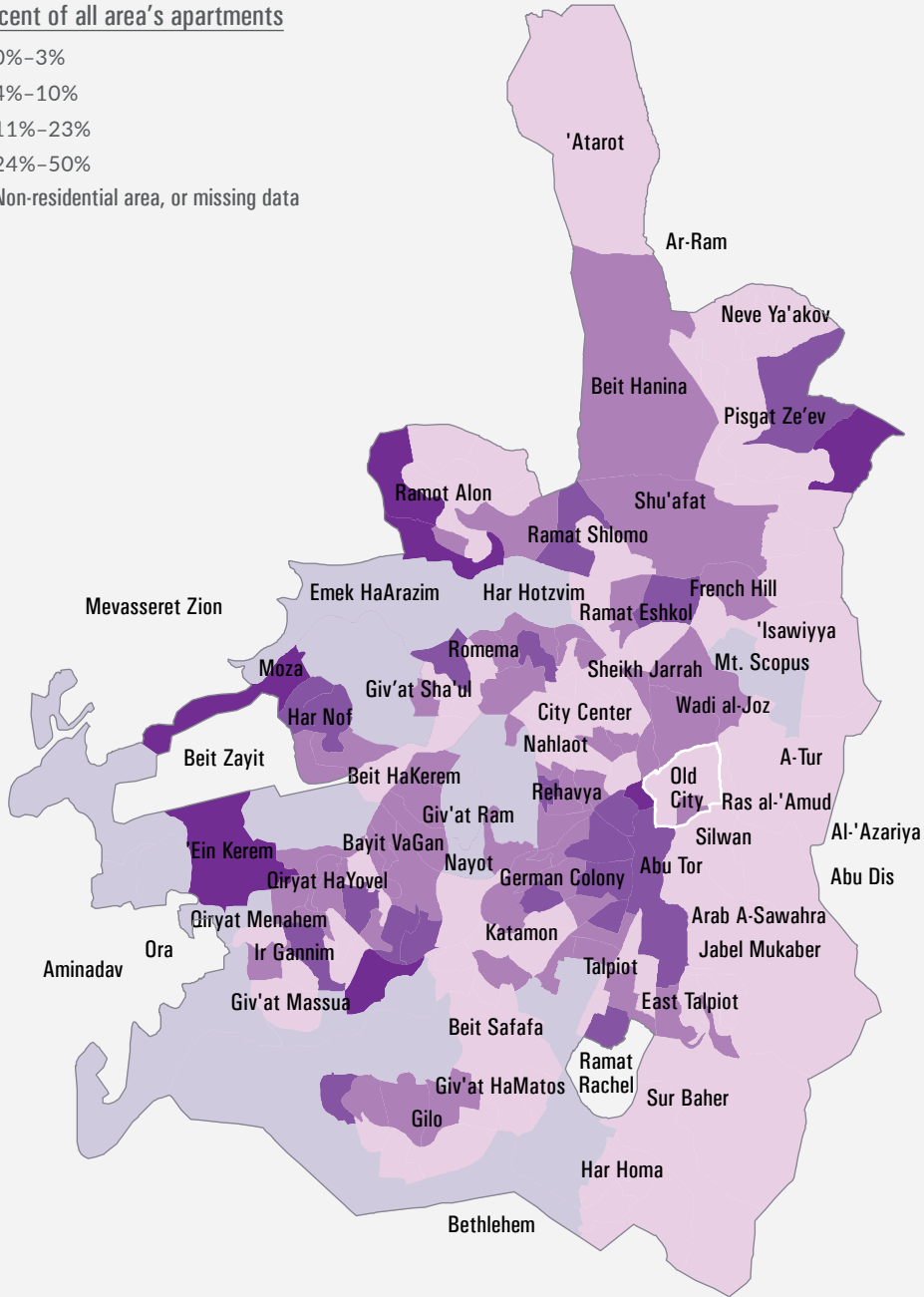


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Large* Apartments in Jerusalem, 2017

Percent of all area's apartments

- 0%–3%
- 4%–10%
- 11%–23%
- 24%–50%
- Non-residential area, or missing data



*Sized 140 square meters or more



The CBS Social Survey found that during 2014–2016 (on average), 79% of Jerusalem residents aged 20 and older were satisfied or very satisfied with their residential apartment. This was lower than the figures Israel, Tel Aviv, and Haifa (85%–87%). Regarding the area in which they reside, 74% of Jerusalem residents aged 20 and older were satisfied or very satisfied. The figure for Jerusalem was lower than the figures for Israel (83%), Tel Aviv (90%), and Haifa (84%).

The Social Survey also examined duration of residence in the current apartment (in cities with a population of more than 200,000 residents). It found that during the years 2014–2016 (on average), Jerusalem had the highest percentage of residents who had resided in their current dwelling for more than ten years, at 56%. Israel (51%), Tel Aviv (40%), and Haifa (47%) each recorded a lower percentage of residents who had lived in their current dwelling for more than ten years. A total of 30% of Jerusalem residents had lived in their current dwelling for a period of less than five years, compared with 34% in Israel, 47% in Tel Aviv, and 37% in Haifa.

Apartment prices

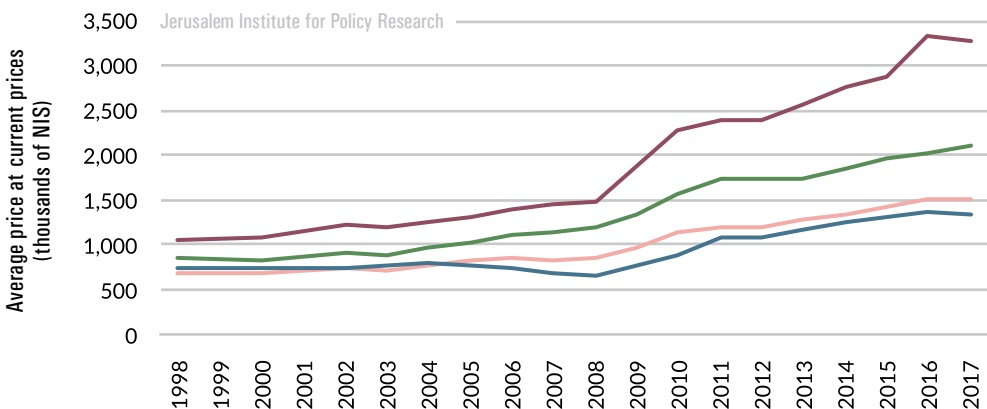
The average price in 2017 for a 3.5–4 room apartment in Jerusalem – NIS 2,095,600 – was higher than the average for Israel (NIS 1,505,200) and Haifa (NIS 1,346,600) but significantly lower than the average price in Tel Aviv (NIS 3,288,600).

An examination of average apartment prices over the past years indicates that prices have been rising. For example, the average price for a 3.5–4 room apartment in Jerusalem rose from NIS 1,734,600

in 2013 to NIS 2,095,600 in 2017 – a 21% increase. During the same period, Israel recorded an increase of 18% while in Tel Aviv prices rose by 28% and in Haifa by 15%.

Average Price of Privately Owned 3.5–4 Room Apartments in Israel, Jerusalem, Tel Aviv, and Haifa, 1998–2017

■ Tel Aviv ■ Jerusalem ■ Israel ■ Haifa



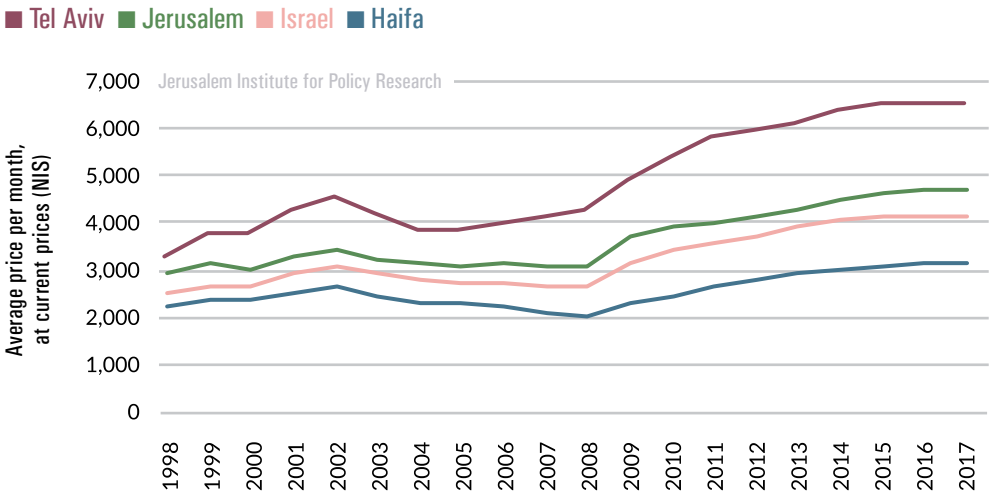
In 2017 the average rent for a 3.5-4 room apartment in Jerusalem – NIS 4,700 – was higher than the average for Israel (NIS 4,200) and Haifa (NIS 3,100) but significantly lower than the price in Tel Aviv (NIS 6,500). Comparable differences in rent can be seen among apartments within other size categories as well.

Rental prices have also risen in recent years. For example, the average rent for a 3.5-4 room apartment in Jerusalem rose from NIS 4,300 in 2013 to NIS 4,700

in 2017 – a 10% increase. The increase in Jerusalem (10%) was slightly higher than the average recorded in Israel, Tel Aviv, and Haifa, at 6%-8%.

A comparison between the average rent increase for a 3.5-4 room apartment in Jerusalem and the average price increase for apartments of the same size during 2013-2017 indicates that the average rent increase (10%) was lower than the average price increase of apartments (21%).

Average Monthly Rental Prices for 3.5-4 Room Apartments in Israel, Jerusalem, Tel Aviv, and Haifa, 1998-2017



Construction starts

In 2017 construction was started on 2,600 apartments in Jerusalem. This was higher than the figure for 2016, which had 2,200 construction starts. The number of construction starts for 2017 was lower than the average for 2013–2015, when construction was started on 3,200–3,500 apartments. Presumably, as land reserves diminish and construction in Jerusalem becomes increasingly based on urban renewal, the number of housing construction starts per year can be expected to decline as well.

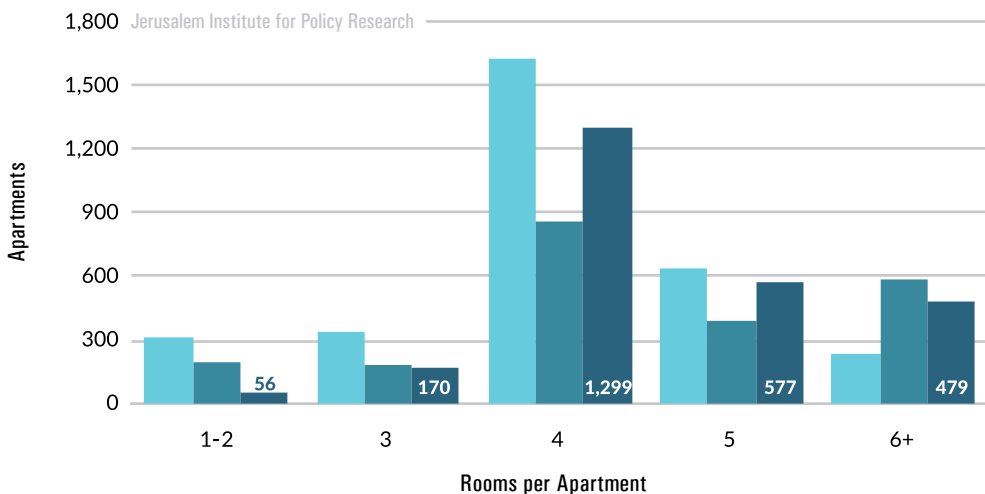
The neighborhoods with the highest numbers of housing starts in 2017 were North Beit Hanina (225 apartments – accounting for 9% of the total), North Ramot Alon (165 – 6%), Geulim, Abu Tor, and Yemin Moshe (138 – 5%), Sur Baher (133 – 5%), and West Gilo (116 – 4%).

The distribution of housing starts by number of rooms shows that most were large apartments, whereas small apartments were a rare commodity. In 2017 only 2% of housing starts in Jerusalem comprised apartments with

1–2 rooms. In Israel and Haifa the figure was comparable (2%–3%), while Tel Aviv recorded the largest proportion, at 15%. Jerusalem also had a small percentage of 3-room apartments, at 7%, and Israel recorded a comparable figure. In Haifa apartments with 3 rooms accounted for 12% of the housing starts and in Tel Aviv they constituted 35%. Jerusalem had a notably sizable proportion of large apartments: 50% of the housing starts were apartments with 4 rooms (39% in Israel), and 41% had 5 or more rooms (51% in Israel).

Housing Starts in Jerusalem by Number of Rooms, 2015–2017

■ 2015 ■ 2016 ■ 2017



Housing Starts in Israel, Jerusalem, Tel Aviv, and Haifa by Number of Rooms, 2017

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	Total number of apartments	Total	1-2 rooms	3 rooms	4 rooms	5 or more rooms
		Percent				
Israel	46,300	100	2	7	39	51
Jerusalem	2,580	100	2	7	50	41
Tel Aviv	2,950	100	15	35	31	19
Haifa	1,430	100	3	12	30	55

For many years Jerusalem maintained a policy of refraining from construction in valleys and from construction of tall buildings. In recent years, however, the lack of available space for construction, reluctance to build in open spaces close to the city, and changing perspectives on planning have led to an increase in the number of approvals for construction of tall buildings.

In 2017, 41% of the apartments under construction in Jerusalem were located in buildings with 8 or more stories. This was lower than the figures for Israel (46%), Tel Aviv (50%), and Haifa (66%). The relatively low figure for Jerusalem results from the desire to preserve historical contours and to retain the panorama visible from the Old City and its surroundings, among other factors.

The total area covered by construction starts for all purposes in Jerusalem in 2017 was 647,000 m², constituting 6% of the total area of construction starts in Israel. This was higher than the total for Tel Aviv (622,600 m² – 5%) and significantly higher than the total for Haifa (243,900 m² – 2%).

In 2017, 85% of the area covered by construction starts in Jerusalem was for residential purposes, higher than the figure for Israel (74%), or Haifa (78%). In Tel Aviv 63% of the area covered by construction starts was for residential purposes. Other construction starts in Jerusalem were, in descending order, for the purposes of education (6%) and office space (3%). In Tel Aviv the main purposes aside from housing were office space (25%) and education (6%).

Construction completions

The year 2017 recorded the highest number of construction completions for the past decade. During this year construction was completed on 3,900 residential apartments. During the preceding two years, construction was completed on 2,700–3,100 apartments.

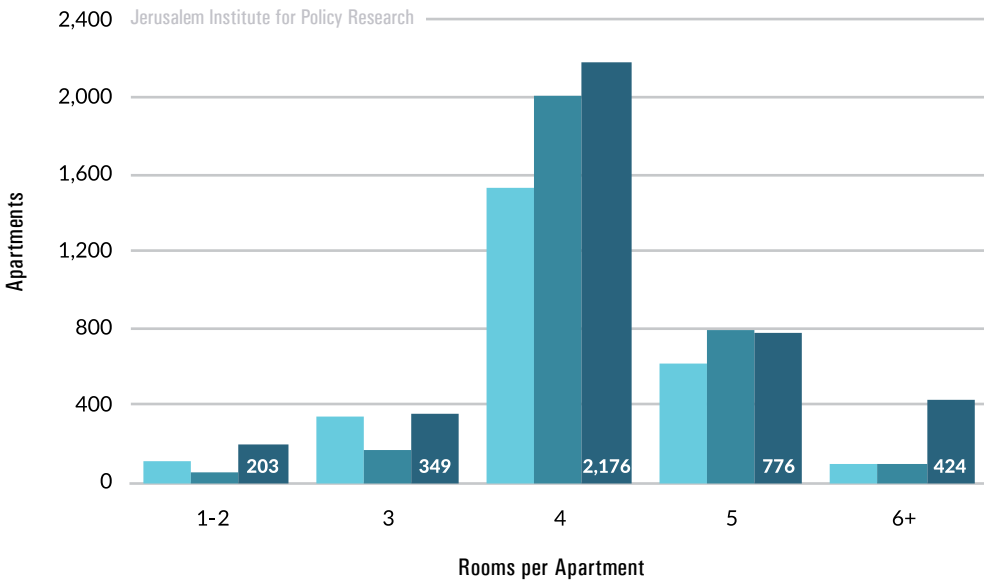
The neighborhoods in which the most construction was completed in 2017 were Har Homa (462 apartments – 12% of the total), North Beit Hanina (337 – 9%), Romema (324 – 8%), Talpiot, Arnona, and Mekor Haim (304 – 8%), Bayit Vagan (217 – 6%), and Nayot and Mishkenot HaUma (213 – 5%).

As in the case of housing starts, the distribution of housing completions by number of rooms indicates that large apartments accounted for most housing completions. Small apartments constituted a narrow portion of housing

completions. In 2017, 5% of housing completions comprised apartments with 1–2 rooms and 9% had 3 rooms. More than half (55%) of the apartments had 4 rooms, and 31% had 5 or more rooms. The figures for Israel were comparable: 41% of apartments had 4 rooms, and 52% had 5 or more rooms. Haifa also had a very sizable proportion of large apartments, with 93% of apartments having 4 or more rooms. Tel Aviv, in contrast, had a notably high percentage of small apartments compared with other cities: 8% of housing completions had 1–2 rooms and 33% had 3 rooms.

Housing Completions in Jerusalem by Number of Rooms, 2015–2017

■ 2015 ■ 2016 ■ 2017



Housing Completions in Israel, Jerusalem, Tel Aviv, and Haifa by Number of Rooms, 2017

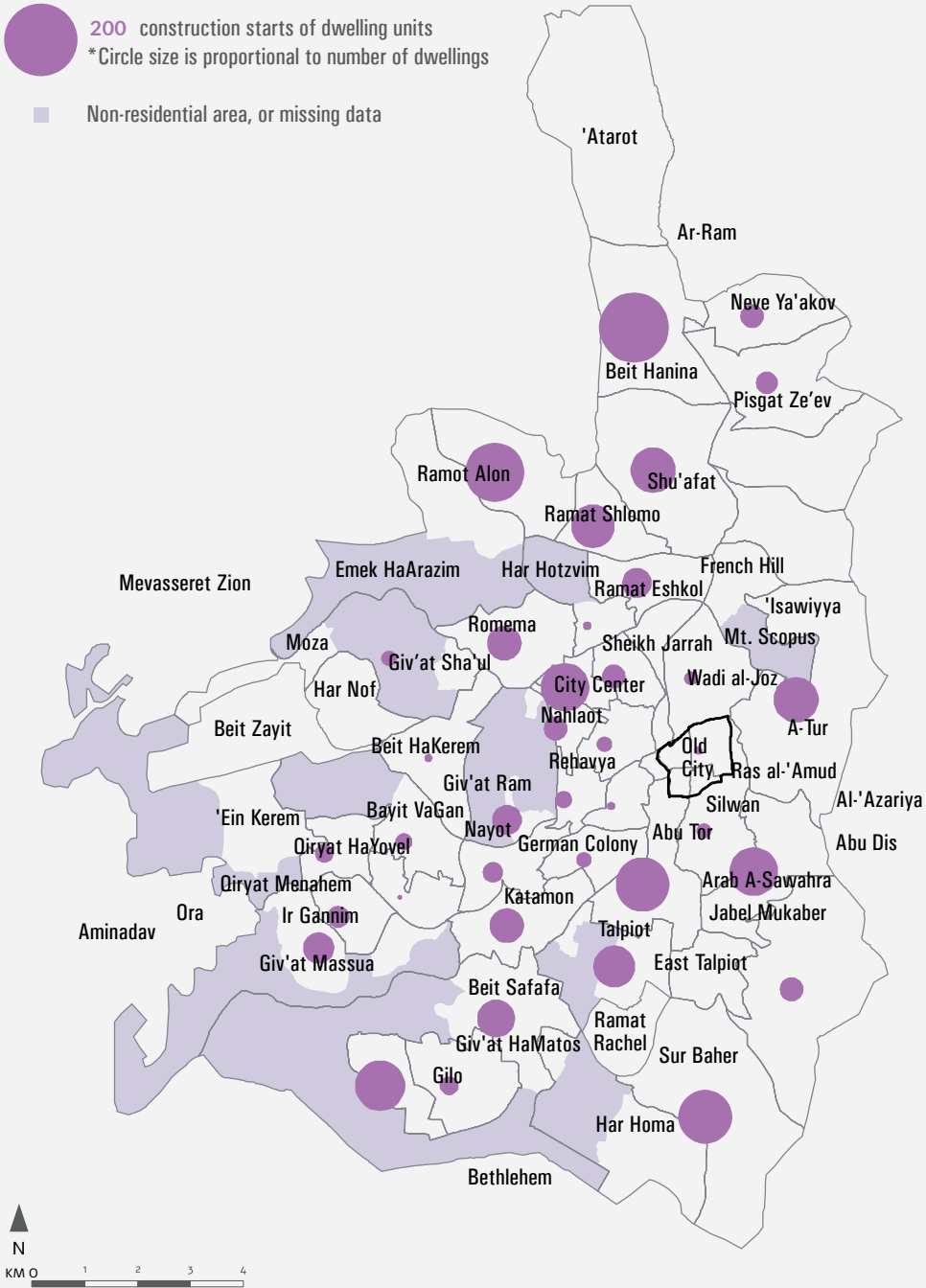
	Total number of apartments	Total	1-2 rooms	3 rooms	4 rooms	5 or more rooms
		Percent				
Israel	44,450	100	2	6	41	52
Jerusalem	3,930	100	5	9	55	31
Tel Aviv	2,800	100	8	33	28	31
Haifa	1,510	100	-	6	50	43

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The total area covered by construction completions for all purposes in Jerusalem in 2017 was 957,500 m², accounting for 8% of the area covered by all construction completions in Israel. This was higher than the figures for Tel Aviv – 845,200 m² (7%) – and Haifa – 225,400 m² (2%).

In 2017, 74% of the area covered by construction completions in Jerusalem was for residential purposes, and Israel recorded a comparable figure (73%). In Tel Aviv 46% of the area covered by construction completions was for residential purposes. Other purposes of construction in Jerusalem, in descending order, were office space (11%), education (6%), and accommodation services (3%). In Tel Aviv the main purposes aside from residential were office space (31%), commerce (19%), and education (2%).

Housing Starts in Jerusalem, 2017



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