



The Israeli Residential Market

Daniela Paz Erez
Paz Group Founder & CEO

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- With nearly 20 years in the industry, Paz's expertise spans all real estate sectors, including property appraisals, construction loan monitoring, urban planning, economic research & business consulting.
- The company has supported thousands of projects in the private and public sectors, including the monitoring of tens of thousands of housing units and advised on the most complex and critical national development projects in Israel.
- Among Paz's customers: government ministries, local municipalities, banks, real estate entrepreneurs, developers and contractors.

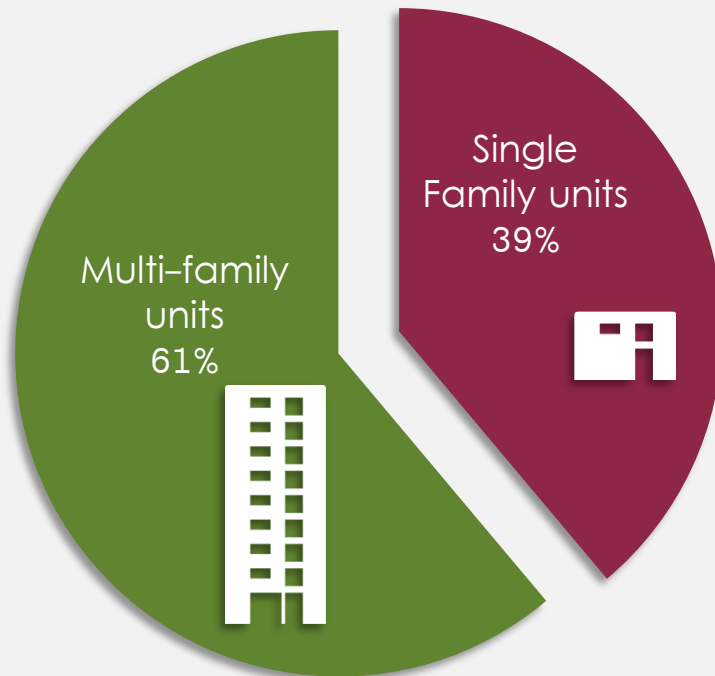
- 1. Residential Market Overview**
- 2. Government Policies and Programs within the Housing Sector**
- 3. Construction Potential in Israel**

RESIDENTIAL MARKET OVERVIEW



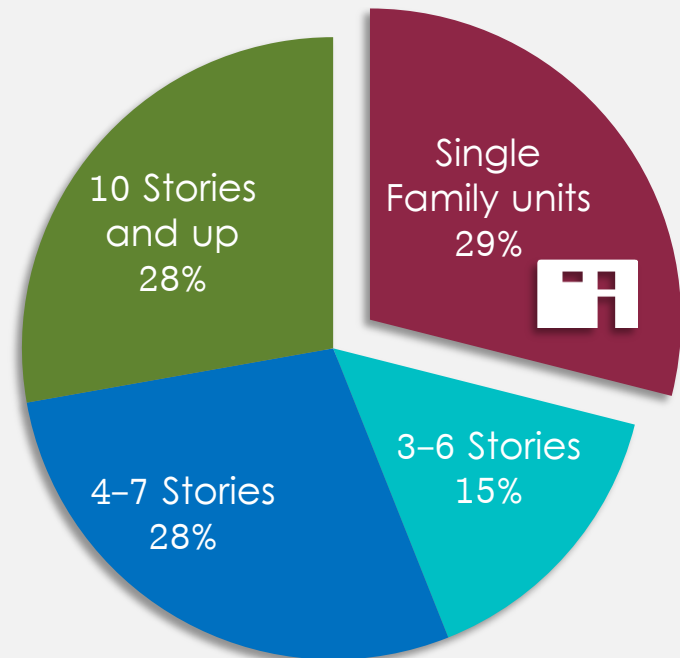
Characteristics of the Residential Units

Existing **2.457 m**
residential units



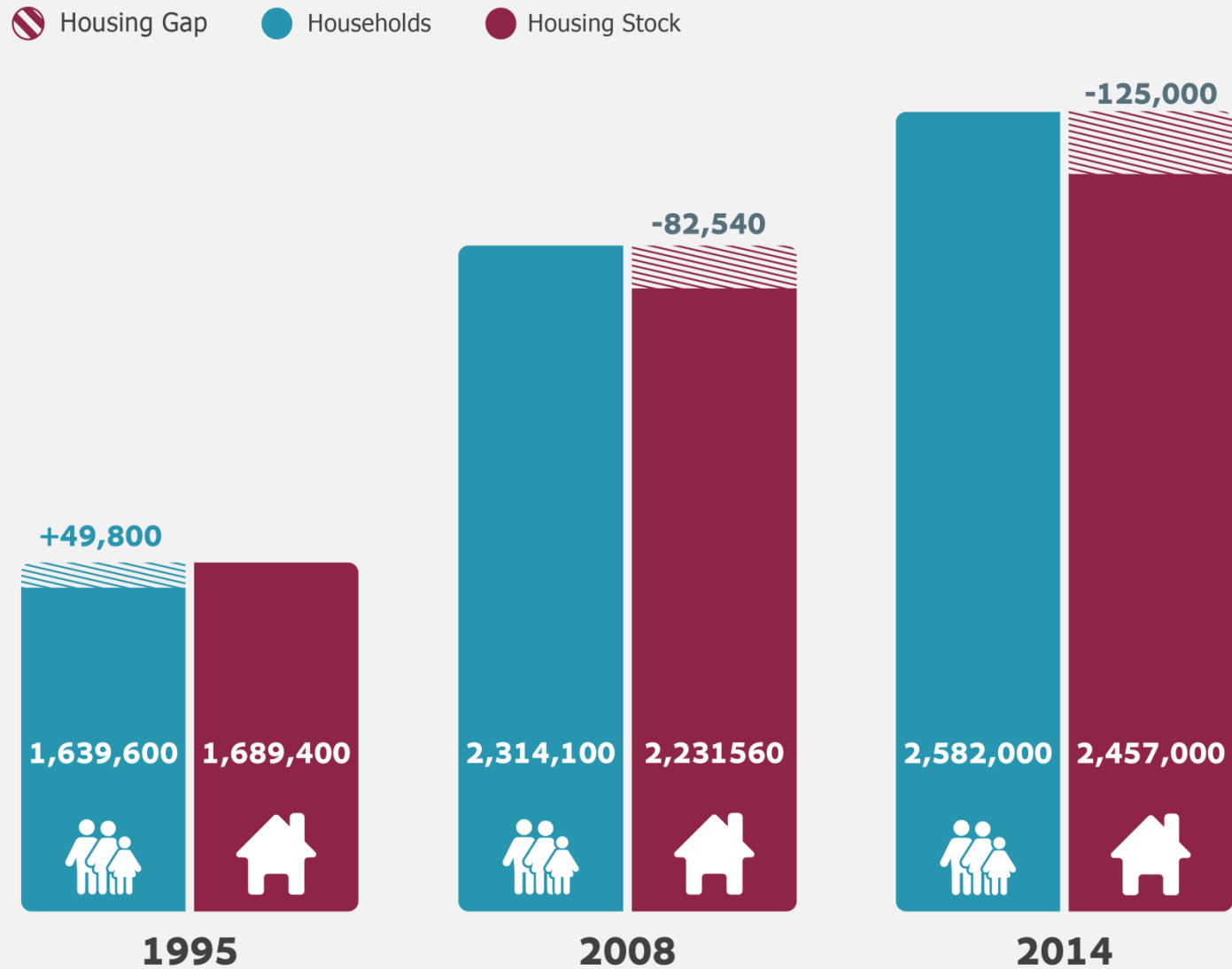
2.582m Households

Anticipated types of
residential units over the next
decade

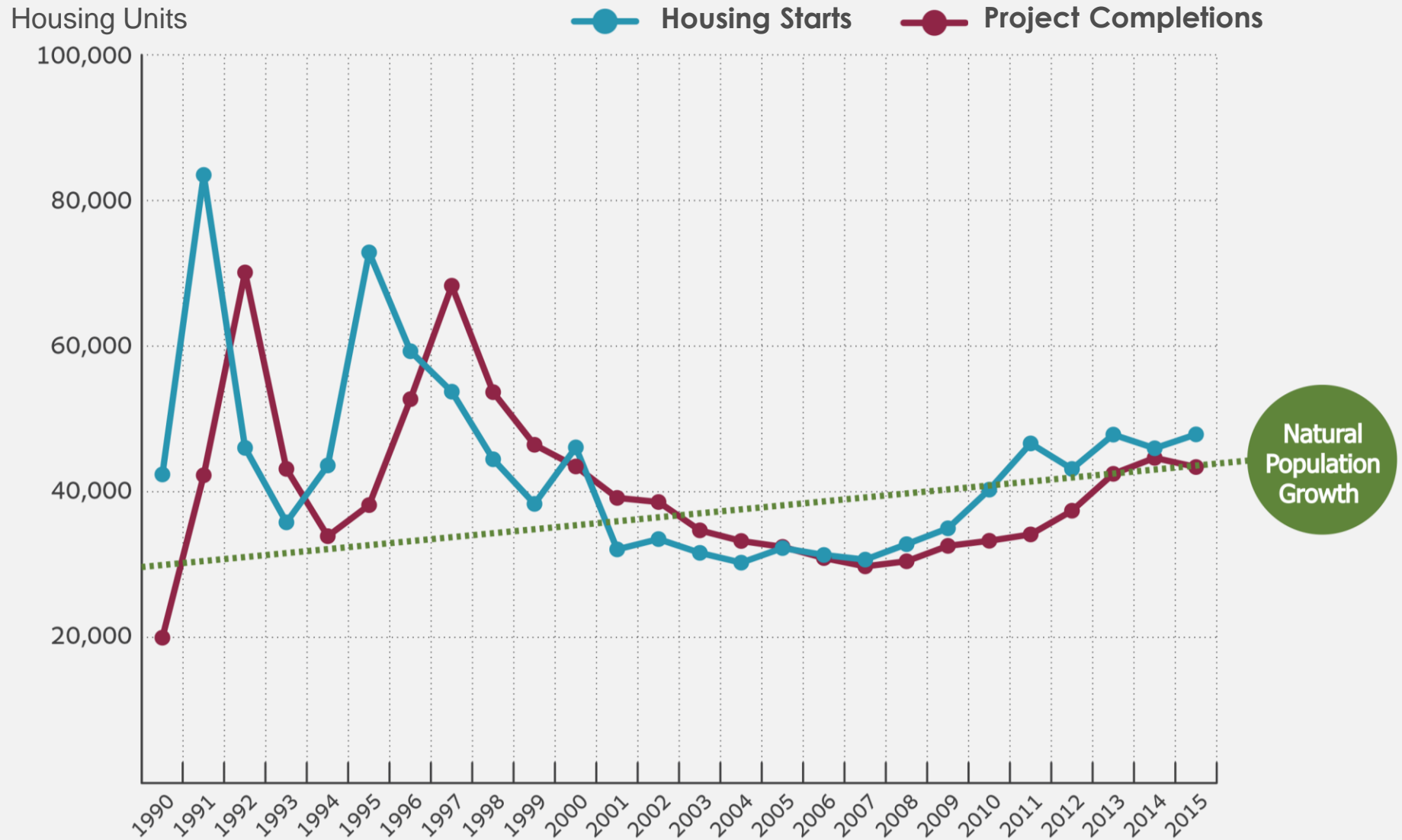


Potential of 1m Units

Israel's Housing Shortage: Causes and Triggers

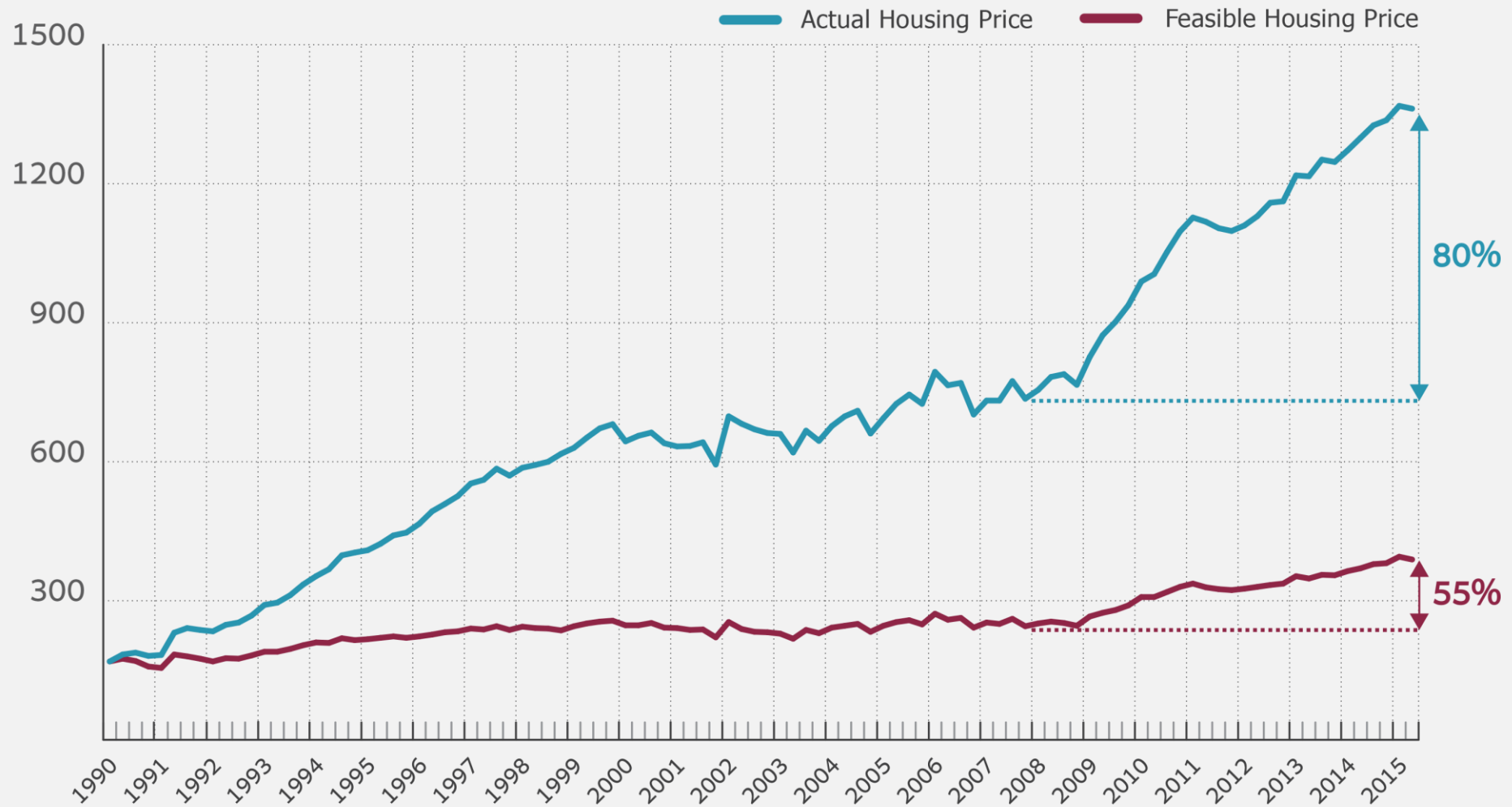


Housing Construction and Population Growth



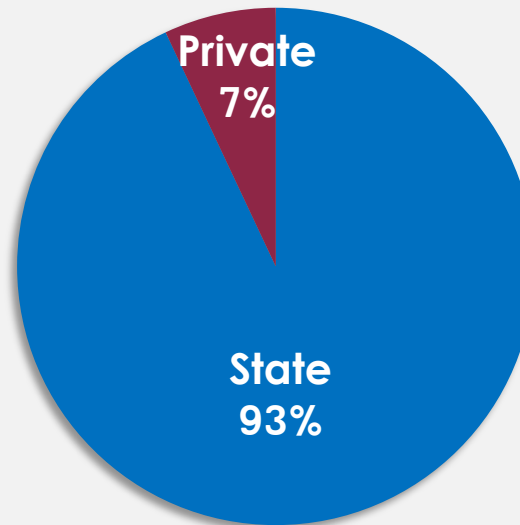
Housing Prices

NIS (thousands)



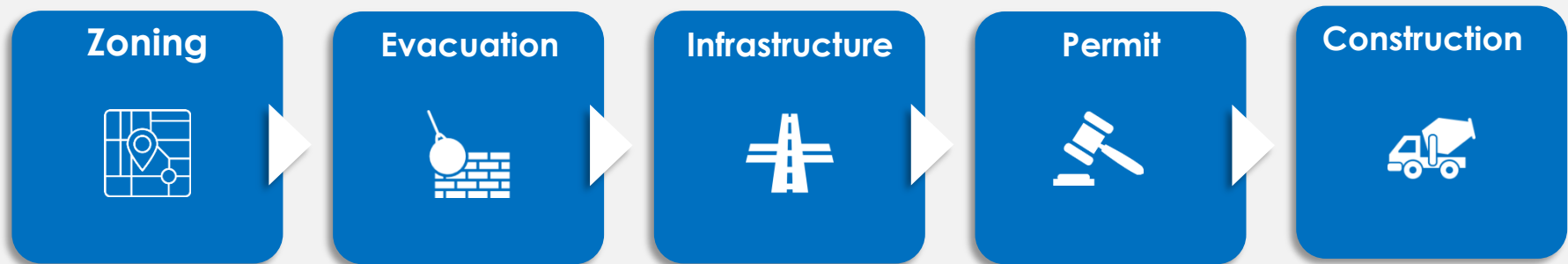
Production Process

Land ownership



Government goal: 60,000 unit housing starts each year

The Apartment Production Process

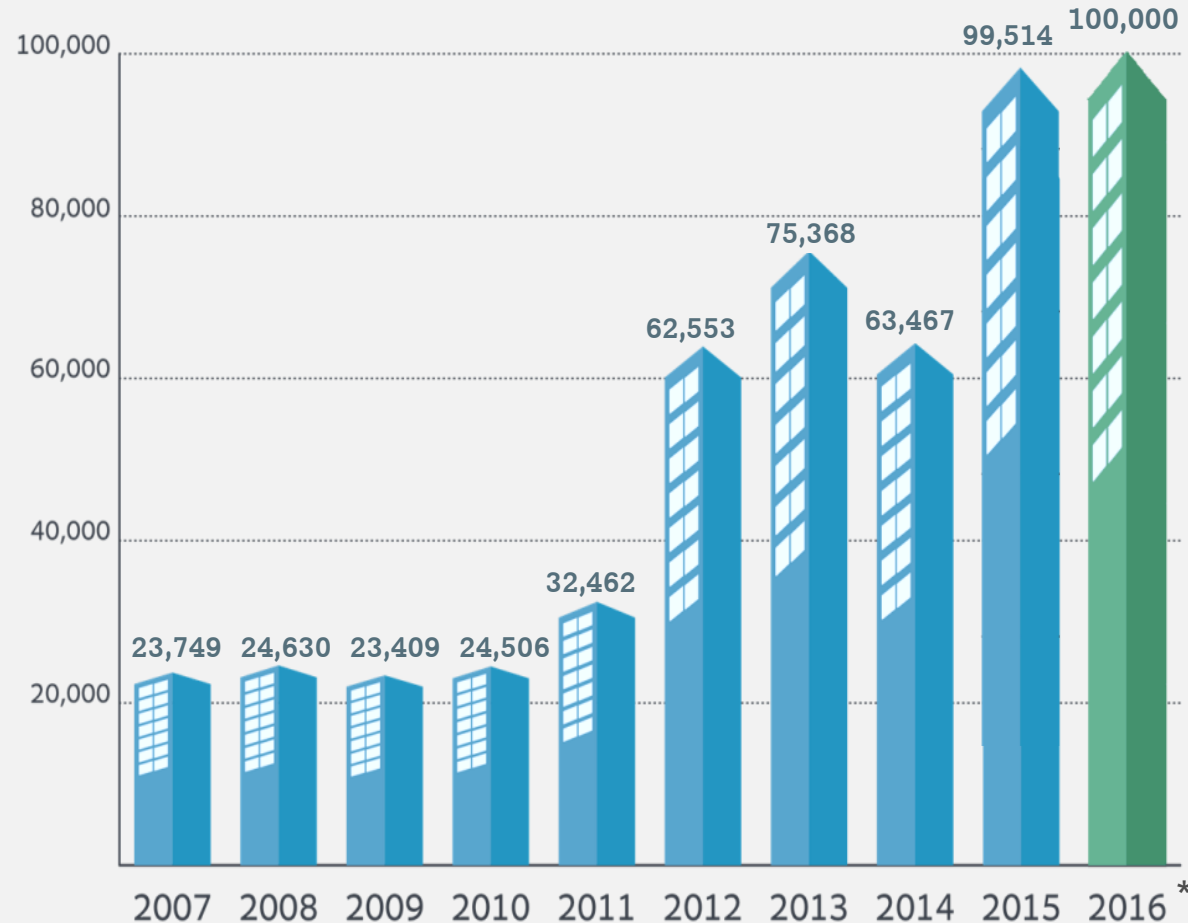


GOVERNMENT POLICIES AND PROGRAMS WITHIN THE HOUSING SECTOR

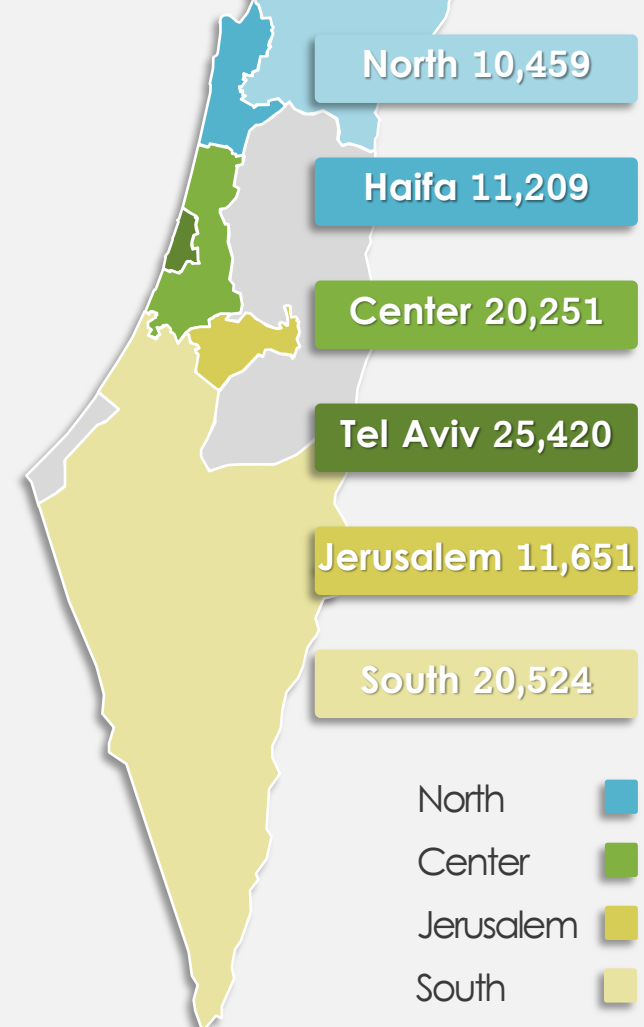


Residential Units Approved by the Planning Authorities

Residential Units

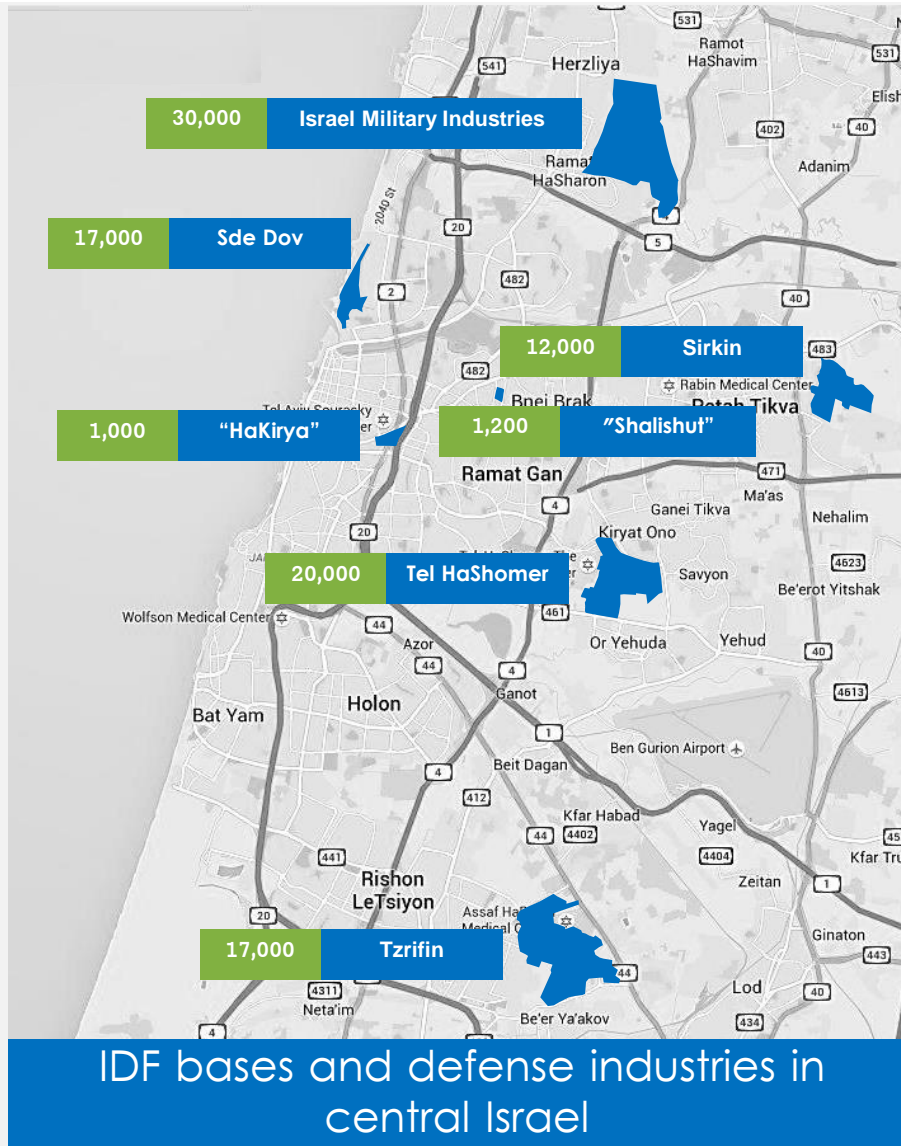


2015 Nationwide 100,000 Units

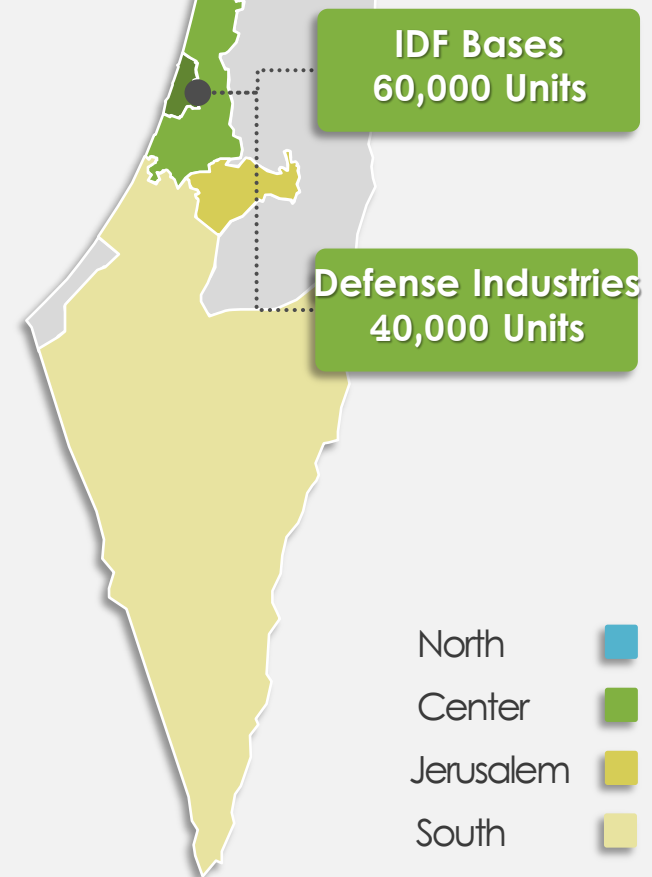


North
Center
Jerusalem
South

Free Up Land of IDF Bases

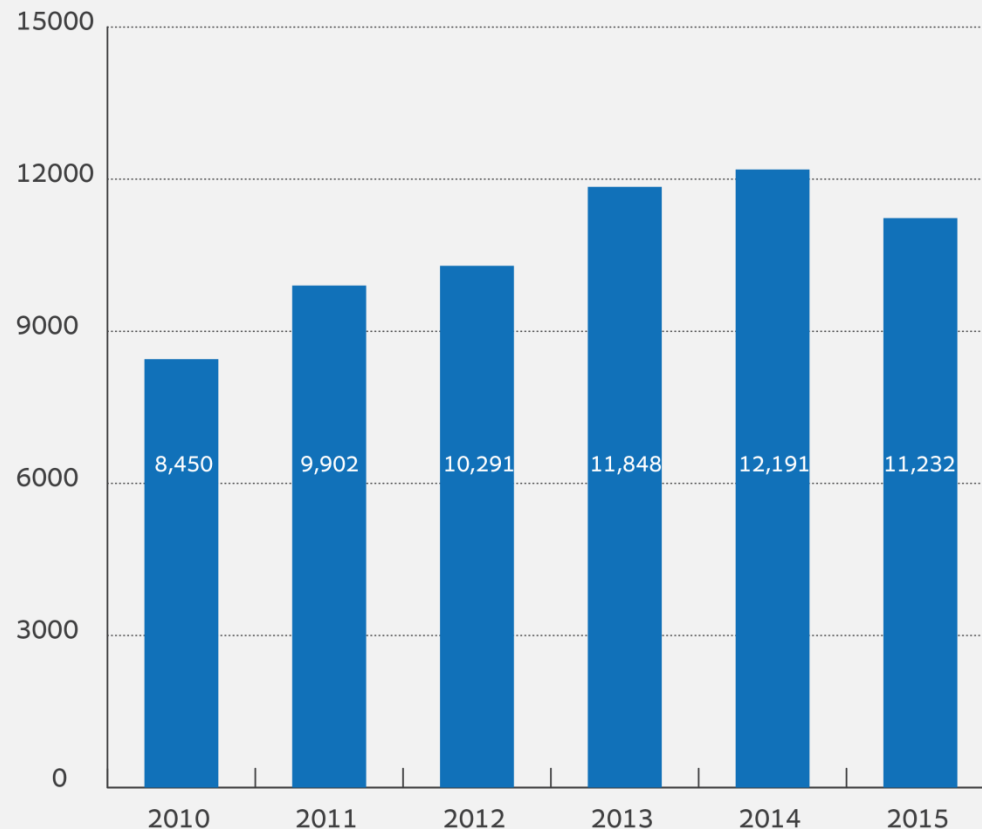


Development of 100,000 Units

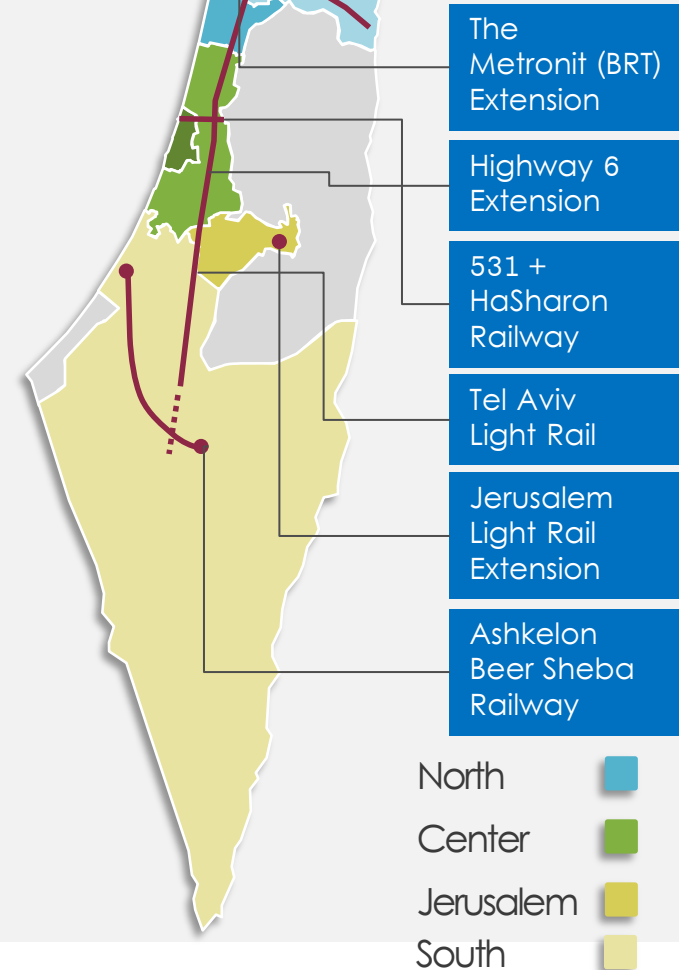


Transportation Infrastructure for Residential Projects

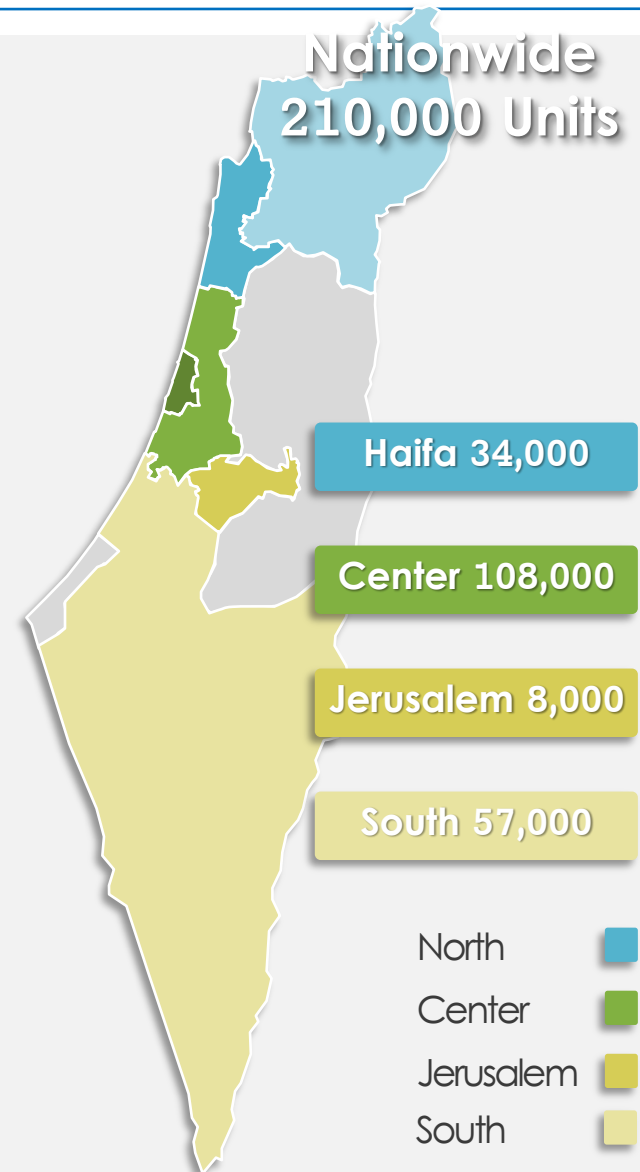
**Roads and Public Transport Budget (According to the State Budget)
(Million NIS)**



Transportation Projects which support Residential Development



Framework Agreements

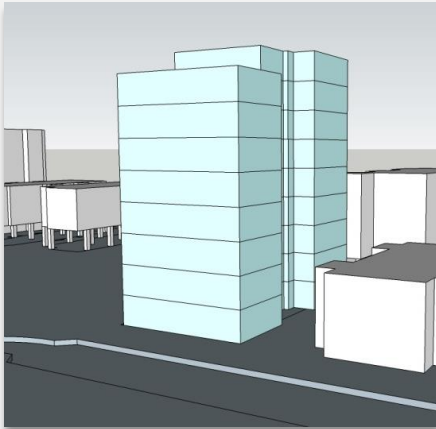


Urban Regeneration

PINUY BINUY

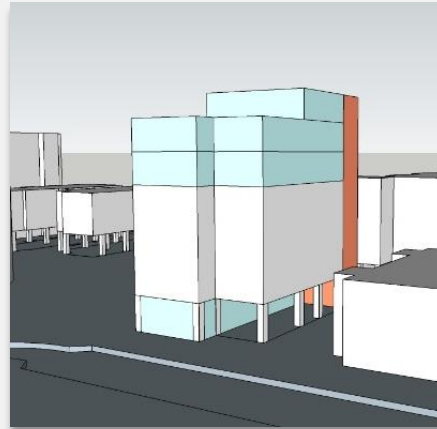
RAZE AND REBUILD

Demolition of old buildings and new construction of increased density



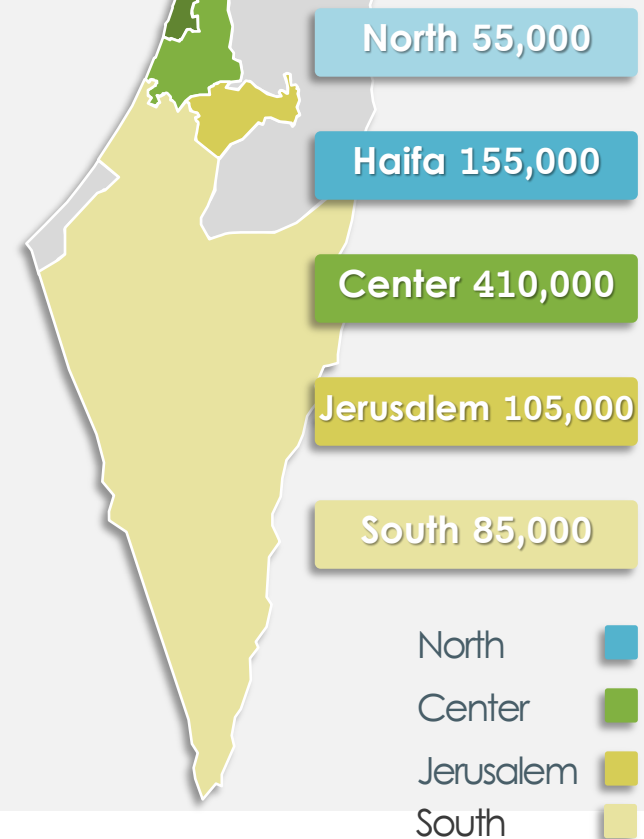
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Expansion and reinforcement of old buildings



Potential
for Urban
Renewal

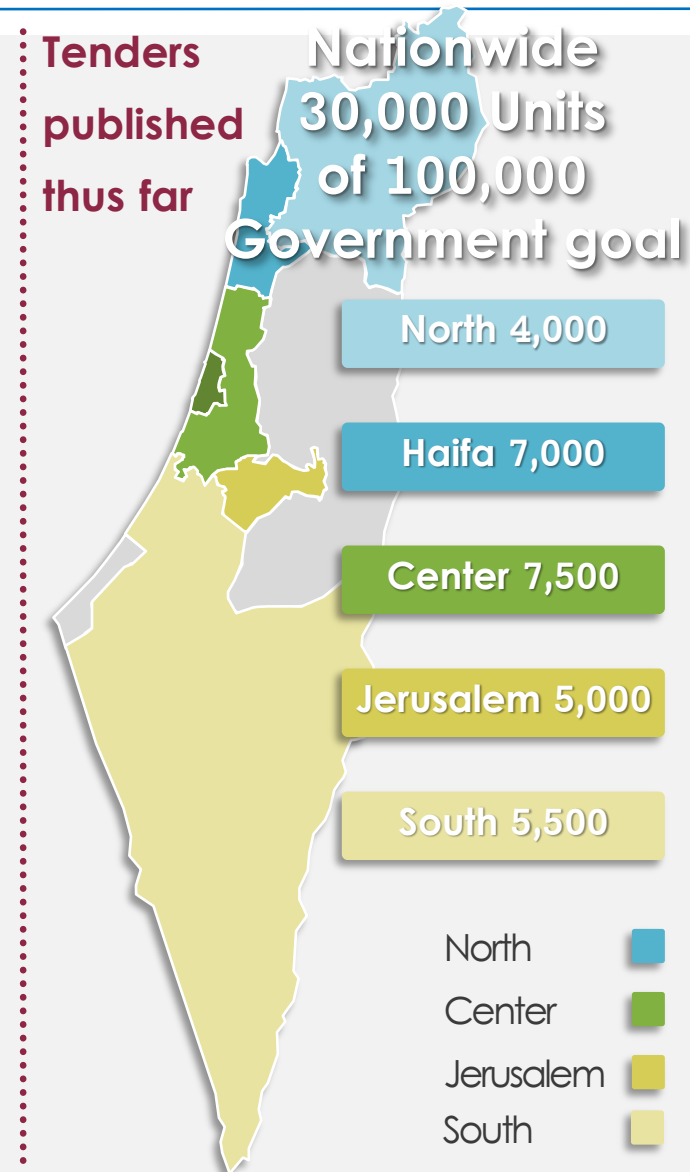
Nationwide
810,000 Units
Potential of 10,000
New Housing Units
Per Year



The “Buyer’s Price” Plan

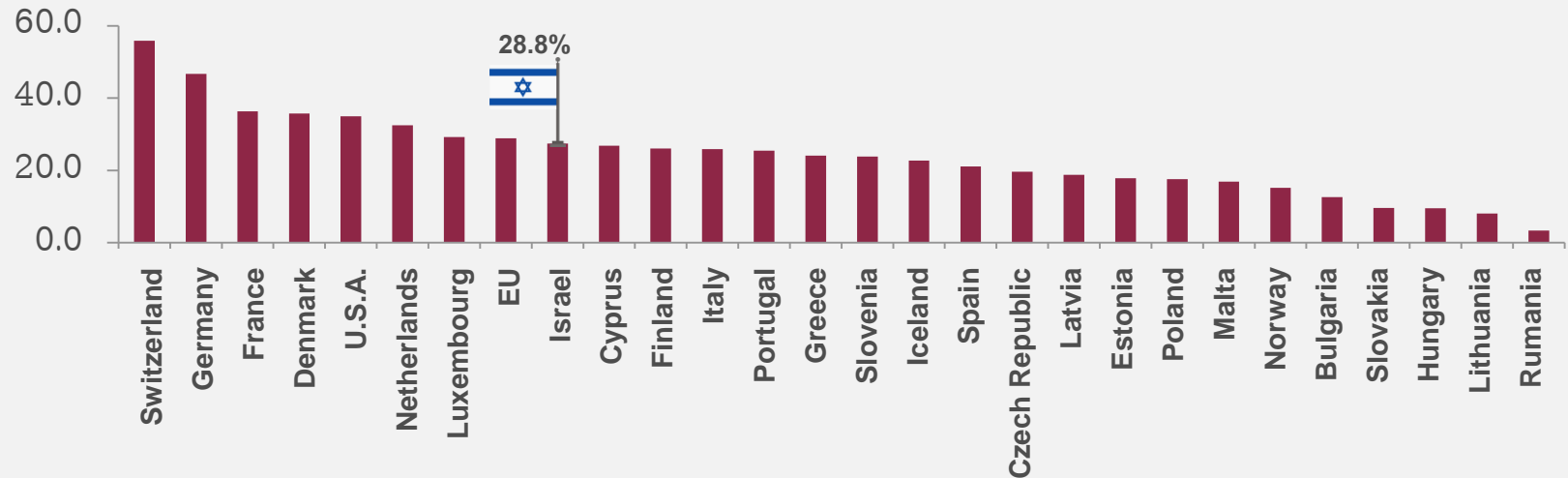
In 2015–2017 all land tenders will be subject to the “Buyer’s Price”

- Can be sold only to non-home owners – by lottery
- Price reduction of at least **\$50,000** as compared to market prices.
- Construction according to uniform standards.



Rental Market

International Comparison – Percentage of Rentals



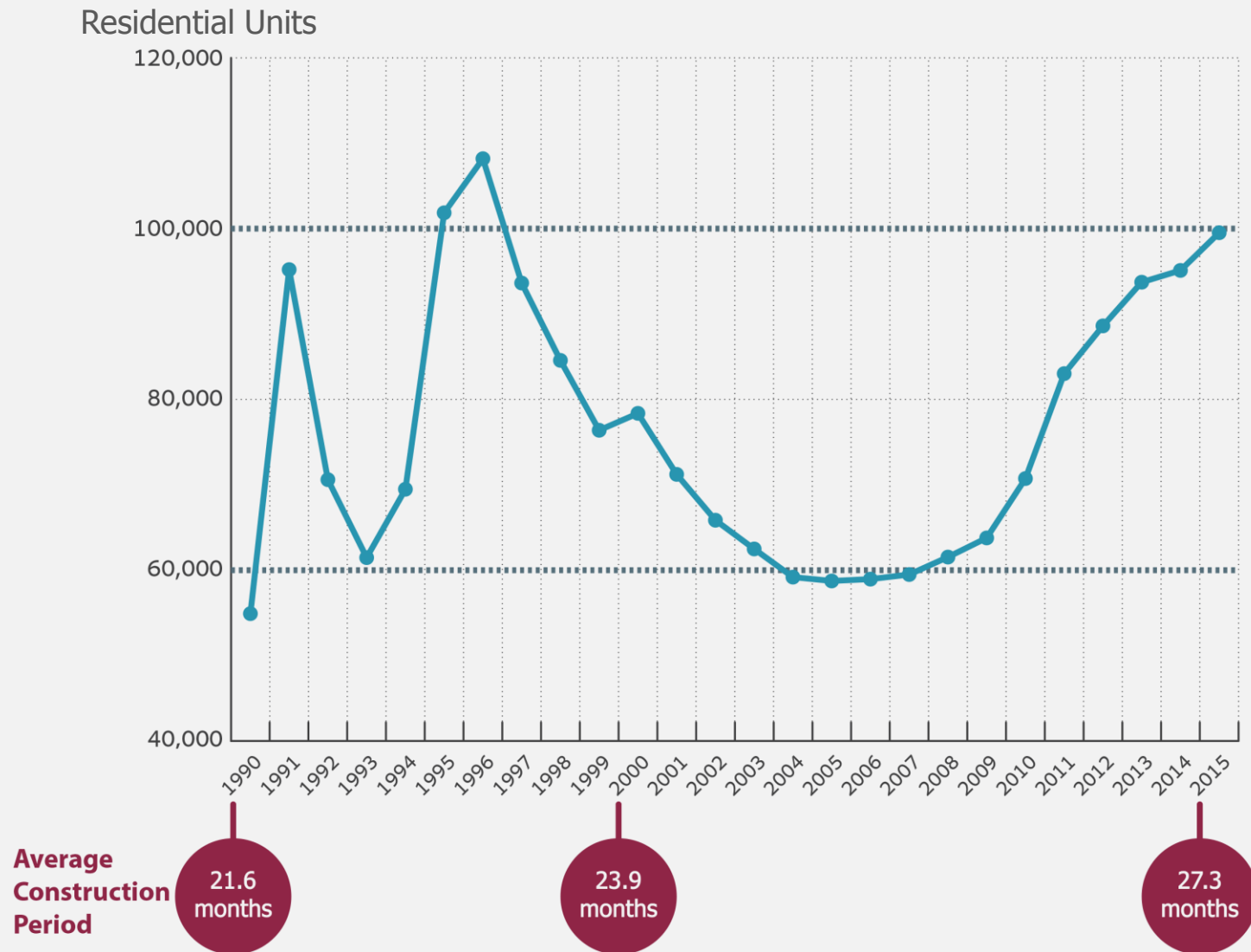
Policy Measures to Encourage the Long Term Rental Market

- Publishing state tenders
- Purchase of entire buildings
- New zoning is directed to rental housing
- Tax benefits and building rights for rental projects
- Additional 20,000 Student dormitory beds

CONSTRUCTION POTENTIAL IN ISRAEL



Residential Units Under Construction



Residential Market Needs

40,000 Units



27 Months



Summary & Call For Action





Thank you

Paz Group - Real Estate Consulting

2 Ha-Menofim St. P.O Box 12305

Hertzliya Pituach 46728 Israel

Tel +972 9 9700800 Fax +972 9 9700801

info@pazgroup.co.il www.pazgroup.co.il