

Chapter IX - Construction

1. Construction Starts and Building Completions

Construction starts - Beginning of the excavation of the foundations. Dwelling start date is the date of the construction start of the building in which the dwelling is located.

Building completion - When the building is technically finished and is ready to fulfill its function or when use is being made of more than half its area. Dwelling completion date is the date of the building completion of the building in which the dwelling is located.

Area of construction - Total area of all floors in the building. Includes the outer walls, balconies, common areas and, for buildings constructed on pillars, the built area around the pillars.

Duration of construction - Duration in months from beginning to completion of building, as defined above. The average duration of construction per dwelling differs from the average duration per building: in calculating the average duration per building, buildings of all sizes have equal value, while in calculating the average duration per dwelling, the buildings are considered according to the average number of dwellings they contain.

Dwelling - A room or set of rooms, in permanent or temporary structures, intended for the purpose of dwelling. A dwelling includes service rooms, and has a separate entrance from the street or from an area shared with other apartments in the building.

Rooms - Living rooms, bedrooms, dining rooms, nurseries, etc. Half rooms used for residence are included in the number of rooms in a dwelling. Service rooms - kitchen, toilet, bathroom, entrance hall and other rooms not used for residence – are excluded.

Initiating sector - The planner that plans the building (determines its location, standard and area) and supervises its construction.

Publicly-initiated building – A building initiated by the Government, state institution, local authorities and/or companies controlled by these institutions.

Privately-initiated building - All buildings that are not public buildings.

Residential building – A building in which the area designed for residence comprises more than 50 percent of the building's total area.

Building floor – Every floor, including the ground floor (the floor that is located above the foundation of the building), but not including an open floor and floors under the ground level. The ground floor is not necessarily the entrance floor of the building.

Purposes of a building – There are two main purposes for a building:

A. Residential – structures and additions designed for permanent residential purposes

B. Non-residential - intended for the following purposes:

1. Non-residential accommodation – intended for tourists and including: hotels, hostels, convalescent homes, pensions and inns, camping and recreational accommodations, etc.
2. Businesses and offices - Buildings designed for shops and commerce, private services and offices.
3. Industry and manufacturing - Building designed for various types of industry and manufacturing, etc.
4. Public services – Buildings designed for the provision of public services, whether educational (schools, etc.), health-related (hospitals, medical clinics, etc.), or religious, government and/or municipal administration and public institutions, entertainment and sports. Also includes utilities installations (electricity, water, transportation and communications).
5. Agriculture-related - Buildings for agricultural purposes, such as cowsheds, chicken coops, stables, etc.

Residential dwellings – existing dwellings and new construction

Residential dwellings according to the buildings and dwellings registry: residential dwellings data are based on municipal files from the CBS's buildings and dwellings registry. The CBS's buildings and dwellings registry is based on the municipal tax (Arnona) files of the local authorities, which were further processed by the CBS. Notably, residential

institutions such as elderly homes, student dormitories and boarding schools are not defined as residential dwellings.

Data on construction starts and completions in Jerusalem and in other localities are received from the Central Bureau of Statistics from its field surveyors, from various planning and building committees, building contractors and companies, sales offices of new apartment buildings, the Municipality of Jerusalem, the Ministry of Construction and a report by the Ministry of Interior about verdicts given due to illegal construction.

The Ministry of Construction reports on public sector building, while the local authorities and the CBS field surveyors report on the private sector.

The summary of construction data is based on the above sources (excluding duplicates), with the addition of estimates of data expected at a later date.

The estimation of building areas is done at the finalization of the periodical data for each building purpose, taking into account the average building areas of previous periods.

CBS field surveys conducted by telephone are part of the estimation method instituted in 1998.

For more detailed information, see: CBS, [Construction in Israel 2014 \(Publication no. 1620; Hebrew only\)](#).

2. Sales of Residential Units

New dwellings for sale - A new dwelling (an apartment under construction or whose construction ended a maximum of 15 months earlier), which was built for the purpose of sale and which at the time of the survey did not have a signed sale agreement or a deposit on it.

New dwellings sold - A new dwelling that was for sale and for which a sale agreement has been signed or concluded on the basis of a deposit. This includes dwellings that were sold

in combination deals.

Survey of new dwellings for sale in private buildings - The present survey is conducted countrywide and on a monthly basis.

For additional details about the survey, see: CBS, [Survey of New Dwellings for Sale under Private Construction](#).

Privately-initiated and publicly-initiated construction – See “Construction starts and completions”

3. Housing Prices

House Price Index and Rental Price Index

The data that appear in table IX/13 and 14 are based on these indices.

House Price Index – is based on data from the Real Estate Price catalog. The information on house purchases is collected regularly by the Property Tax offices countrywide via the Real Estate Price catalog system. This system includes information pertaining to the purchase of new houses/apartments as well as resales. The sample covers 67 urban localities.

The sample does not include self-built housing, properties acquired by group purchase, properties purchased from public companies or properties that do not have a market value.

Dwelling prices - Relate to dwellings purchased from private owners or companies, on the basis of a quarterly survey prepared by the CBS.

Average annual price – The dwellings prices listed in Table X/11 represent average annual property prices. The annual average is the weighted mean of all property prices included in the survey for the same year.

Rental price index – This index is based on a telephone survey conducted by the CBS. It is considered a forecast index, i.e., each entry undergoes an estimate of change for the rent paid each month. The general Rental Index is an aggregate of the rented properties

according to area and property size (no. of rooms). The monthly Rental Index reflects the changes in outlay for rent and includes the whole rental sample.

The target group includes all free-market rental properties used for residential purposes in urban localities (minimal rental term: 6 months). The target group does not include properties rented not according to the free market, e.g., protected housing, Amidar (Housing Ministry) properties, properties rented to family members, etc.

For additional details, see: CBS, [Consumer Price Index](#).

The data that appear in table IX/16 are based on Tax Authority figures processed by the Ministry of Construction.

Characteristics of home buyers

First home buyer – a person who has never owned, and whose partner/spouse has never owned, a home prior to the date of purchase

Upwardly mobile buyers – someone who has previously owned, or whose partner owned, a home or who purchased an additional home for resale within two years

Investment buyer – someone who purchased a home and owns an additional property

Foreign resident – a foreign resident who does not hold an Israeli identity card who purchased a property in Israel for residential, investment or other purposes

Other – companies that purchased properties for investment or to house their workers; partial and/or cancelled transactions.

4. Dwelling and Property Areas

The data regarding dwelling and property areas are based on municipal tax (arnona) figures from the Jerusalem Municipality's Assessment and Collection Department.

Average area per dwelling/property – The area of a dwelling/property in a geographical unit in relation to the number of dwellings/properties in that unit.

Non-Residential Property – All the properties that are not allocated for residential purposes, such as: public, government, commercial buildings, etc.

5. List of Sources for the Tables

Tables IX/1-9: Central Bureau of Statistics, *Construction in Israel*, for relevant years (Int.)

Tables IX/10: CBS, *Local Authorities in Israel*, for the corresponding years (Int.)

Table IX/11: Central Bureau of Statistics, *Survey of New Dwellings for Sale under Private Construction*, for relevant years (Int.)

Table IX/12: Ministry of Construction, data on the sales of apartments (Int.)

Table IX/13, 14: Central Bureau of Statistics, *Price Statistics Monthly*, for relevant years (Int.).

Table IX/15, 16, 17: Ministry of Construction, statistical information by locality, housing prices and home buyer characteristics.

Table IX/18-19: Municipality of Jerusalem, Collection and Assessment Department.