



Israel Central Bureau of Statistics

INVESTMENTS OF FOREIGN RESIDENTS IN THE ISRAELI HOUSING MARKET

*A short descriptive analysis
from the Tax Authority's file*

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Presentation Agenda

- ***The Real Estate Transactions File (RESF)***
- **The investments of foreign residents in the Israeli housing market**
- **The transaction value of a house bought by a foreign resident, vs. a house bought by an Israeli resident**
- **Recommendations**

The Real Estate Transactions File

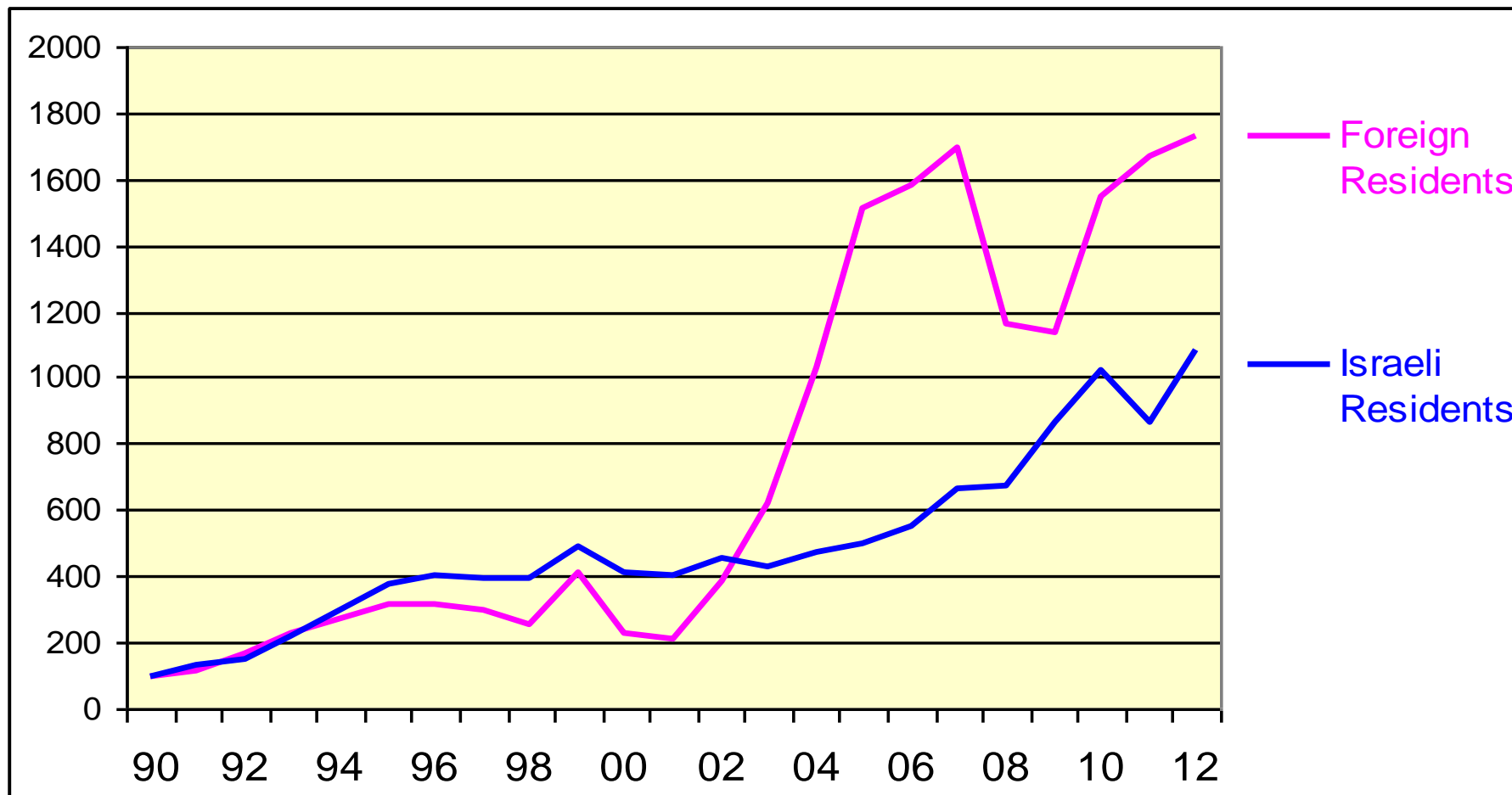
Name of the administrative record	Real Estate Transactions File (RETF)
Data source	Israel Tax Authority (TA)
Coverage	Defined by the requirements of TA
Content	Restricted to variables required for tax collection
Definitions	Restricted by tax law
Quality control	Under the control of TA
Frequency	Monthly
Timeliness	Available in a clean form into the following 3 months
Stability	Changes may occur due to legislative or regulatory changes

The Real Estate Transactions File (cont.)

5 administrative variables	The name and the code of the registering office, the number and the date of the transaction, the type of tax
2 geographical variables of the asset	Plot and parcel numbers, the name of the locality
The type of asset	House, building, land
The part of the transaction in the asset	From 0 to 1000
2 variables on the age of the assets	Number of years the asset is owned by his current owner and house sold by contractors
2 variables on financial data	The transaction value and the purchase value
2 variables on the identity of the seller and the buyer	ID (for Israeli residents or business) and passport number for foreign residents

Domestic and Foreign Investments in the Israeli Housing Market

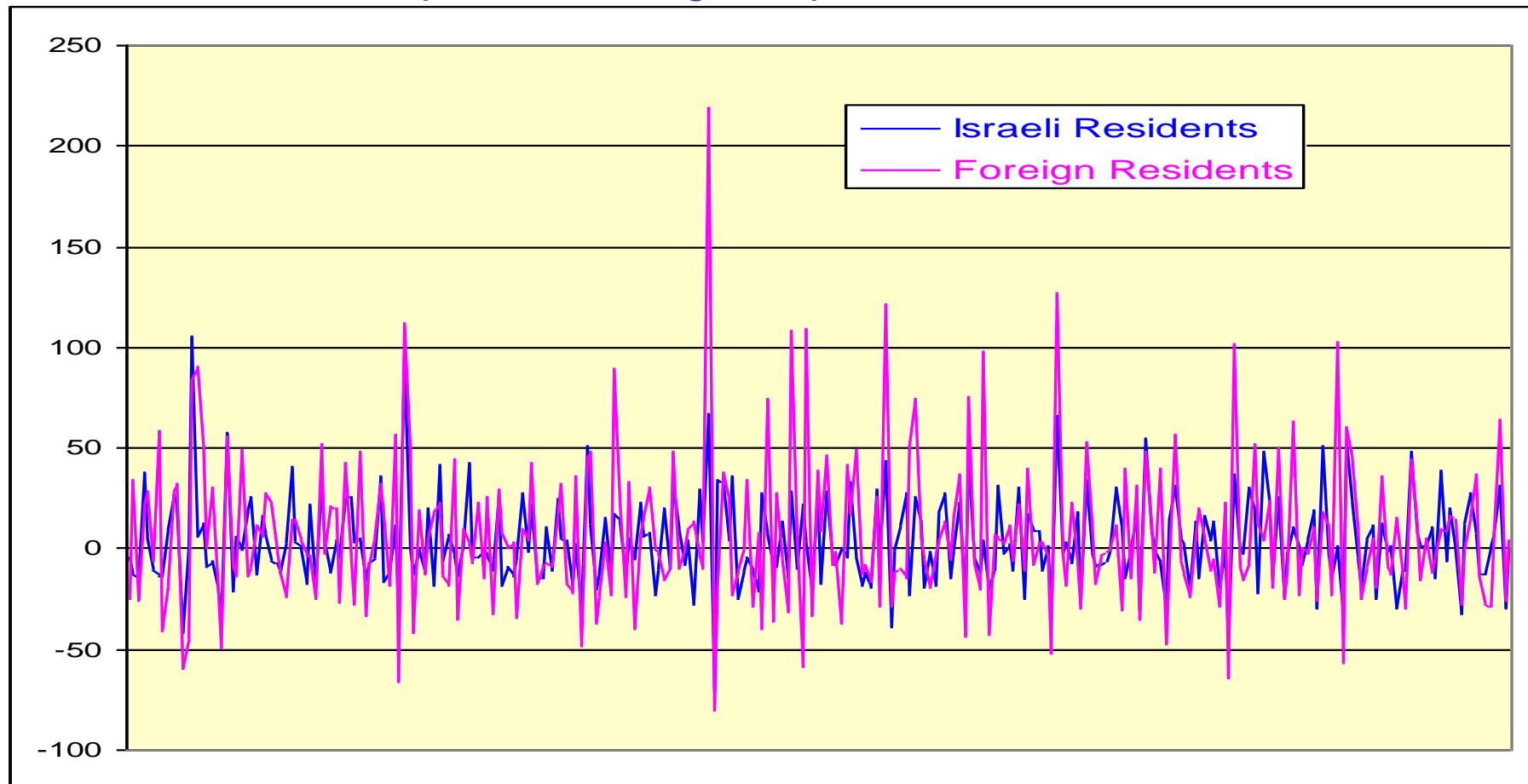
at current prices
1990=100



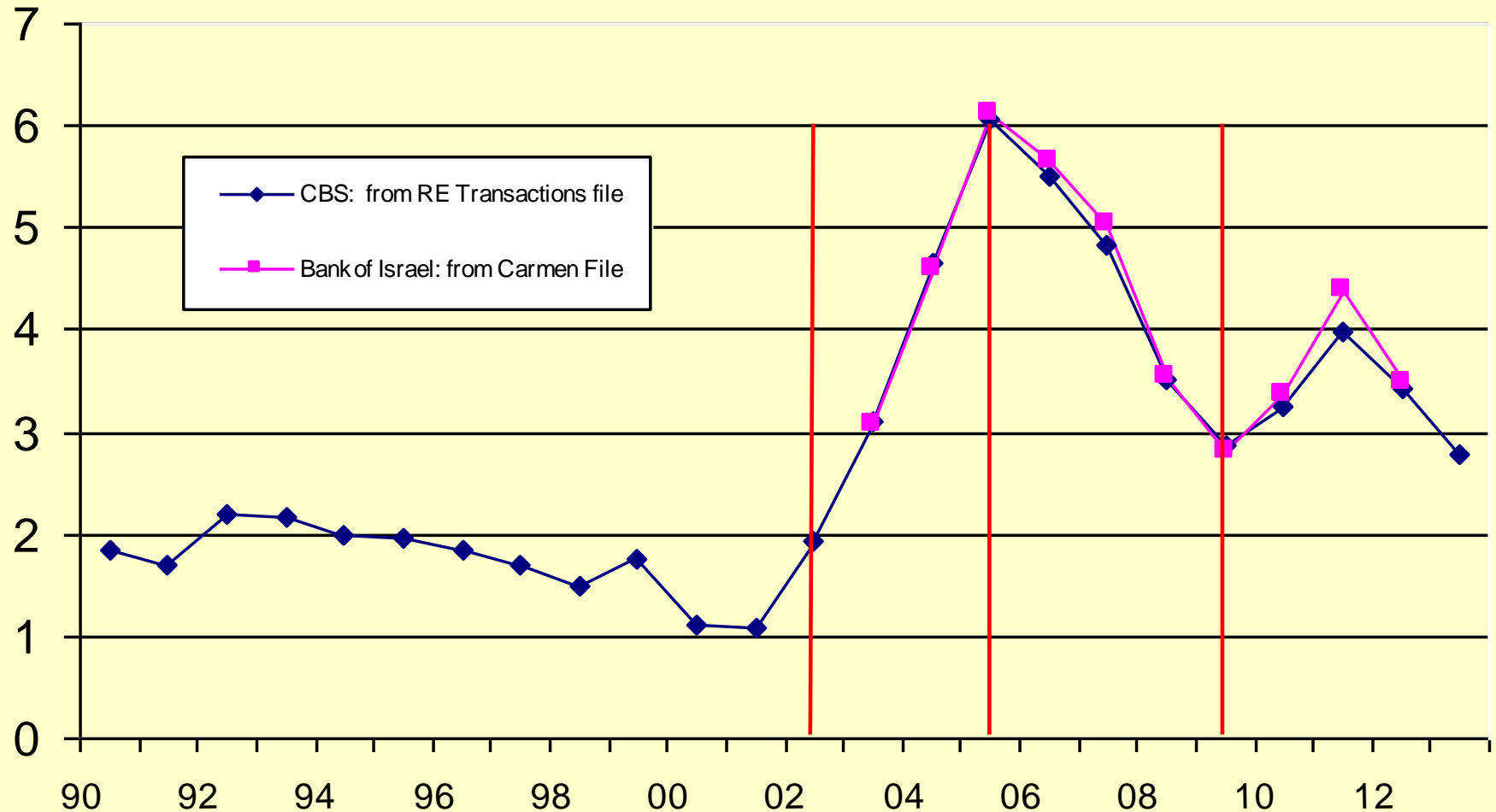
Domestic and Foreign Investments in the Israeli Housing Market

February 1990 to July 2013, at current prices

- percent change on previous month -



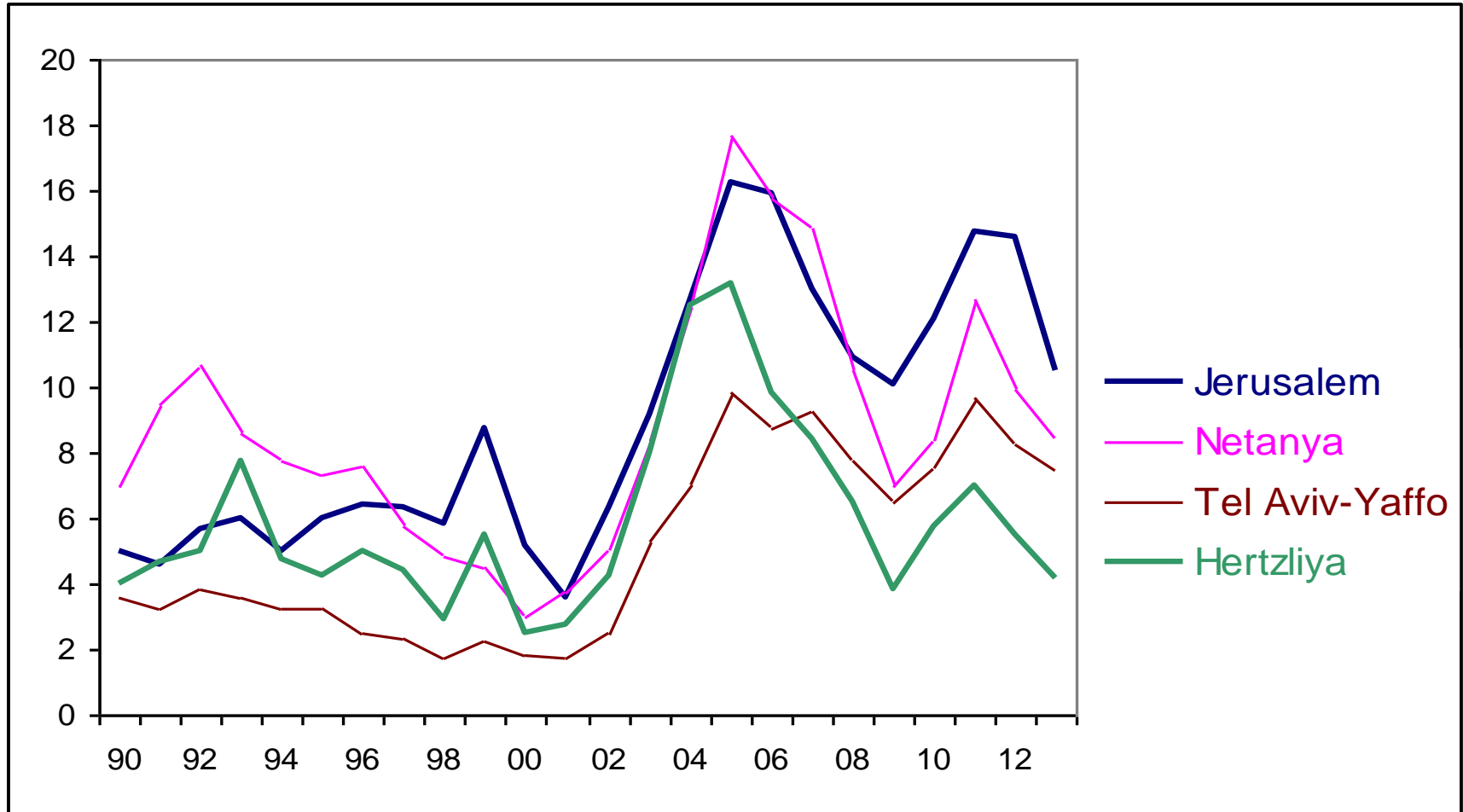
The Share of Foreign Investments in the Israeli Housing Market (percentages)



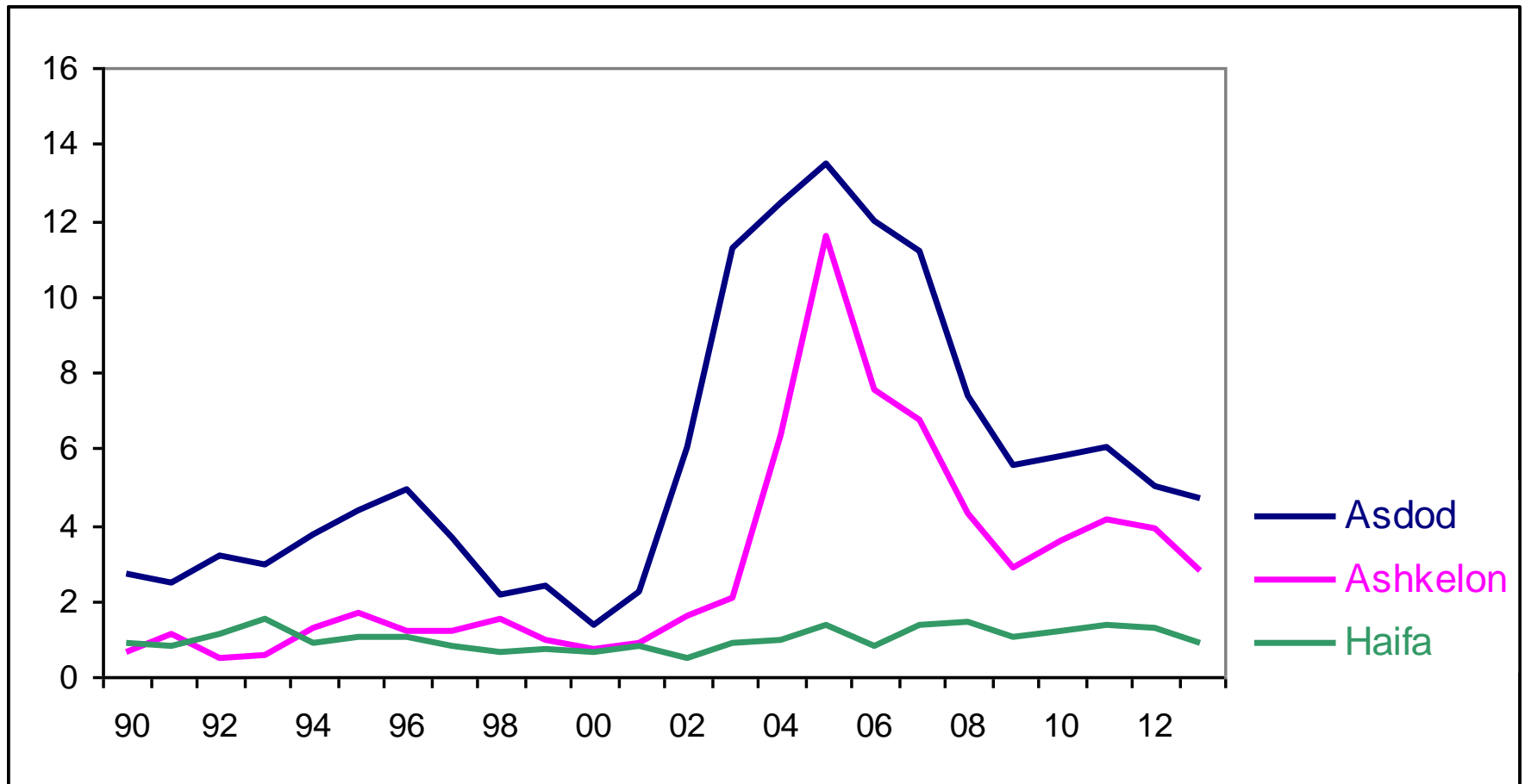
Investments in the Israeli Housing Market

Period	Total, current prices, billion NIS	Thereof: Foreign Residents percentage
Total	1,394	2.85
1990-2002	475	1.75
2003-2005	166	4.51
2006-2009	324	4.10
2010-(1-9)2013	428	3.40

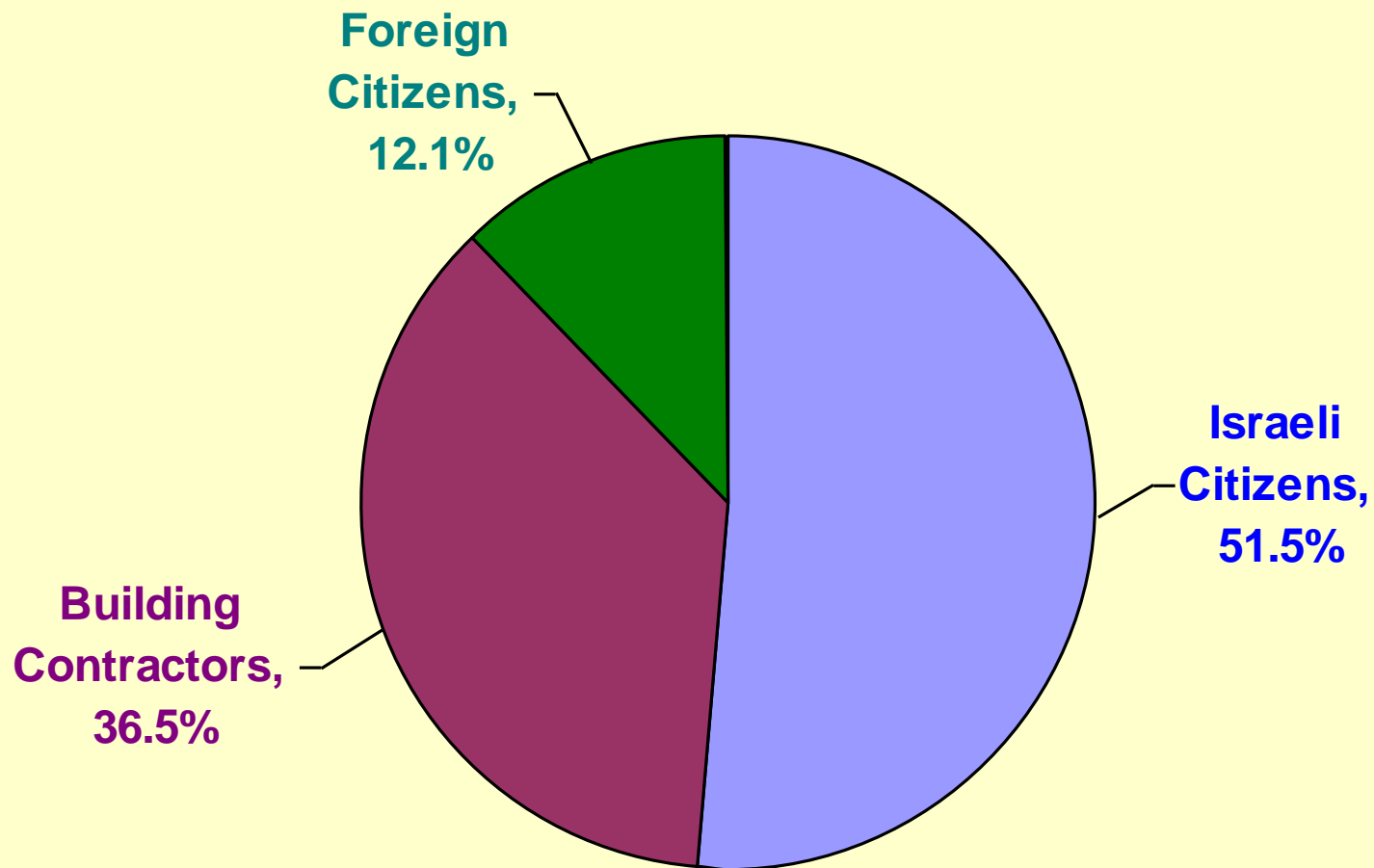
The Share of Foreign Investments in the Israeli Housing Market, by Cities, percentages



The Share of Foreign Investments in the Israeli Housing Market, by Cities, percentages (cont.)

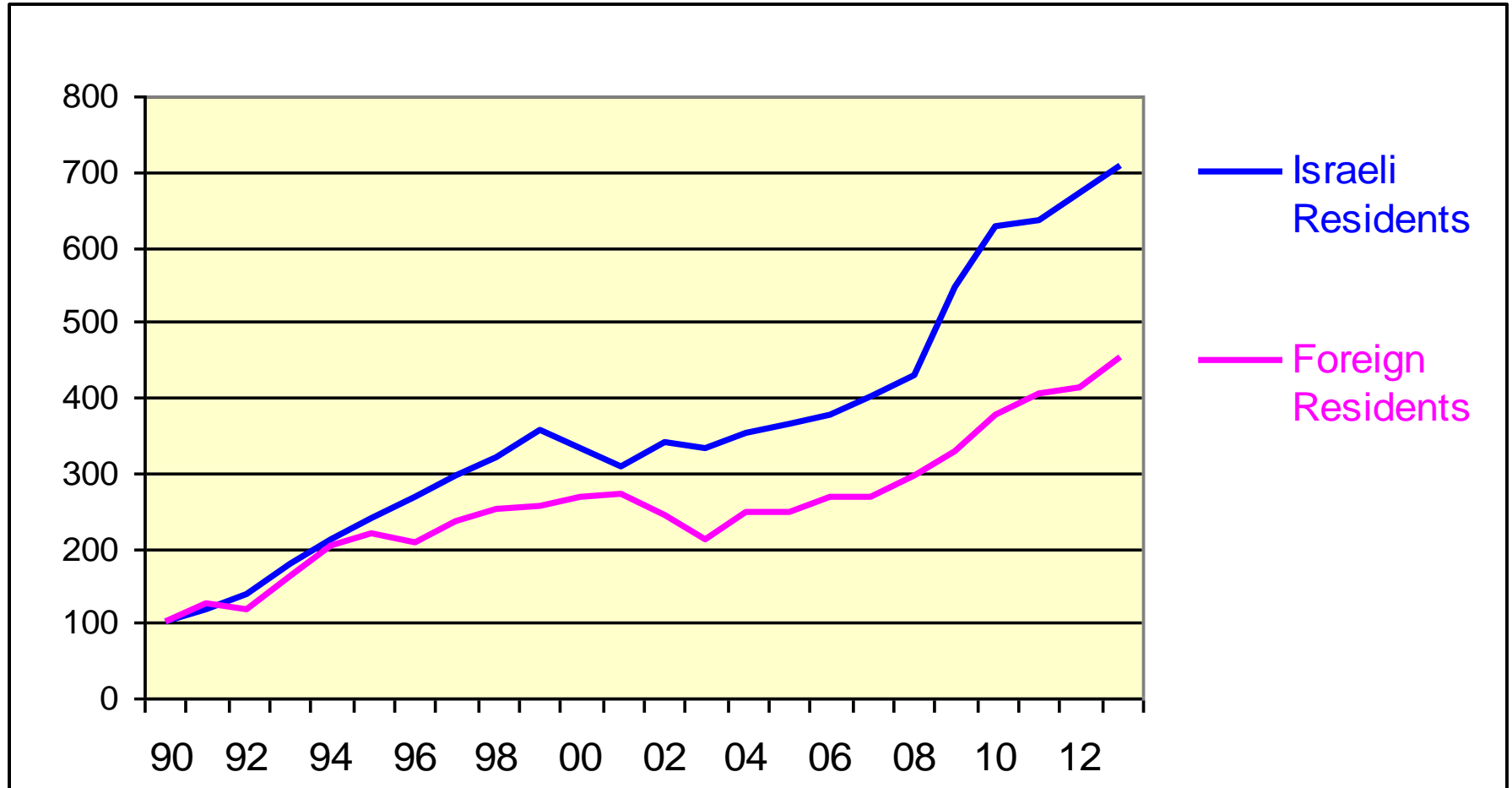


Who Sells Israeli Houses to Foreign Residents ?

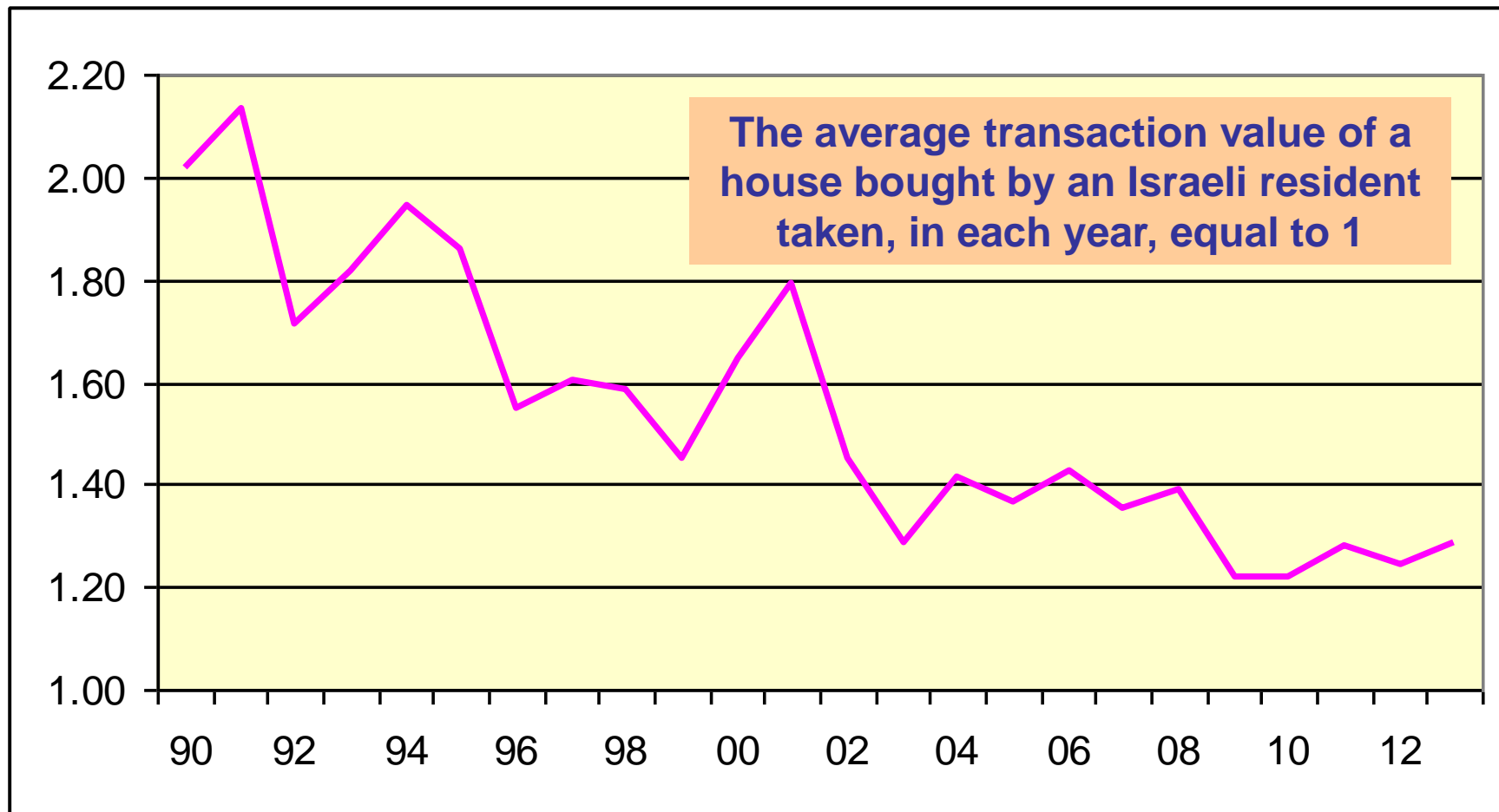


The Average Transaction Value of Houses, by Investor

at current prices
1990=100

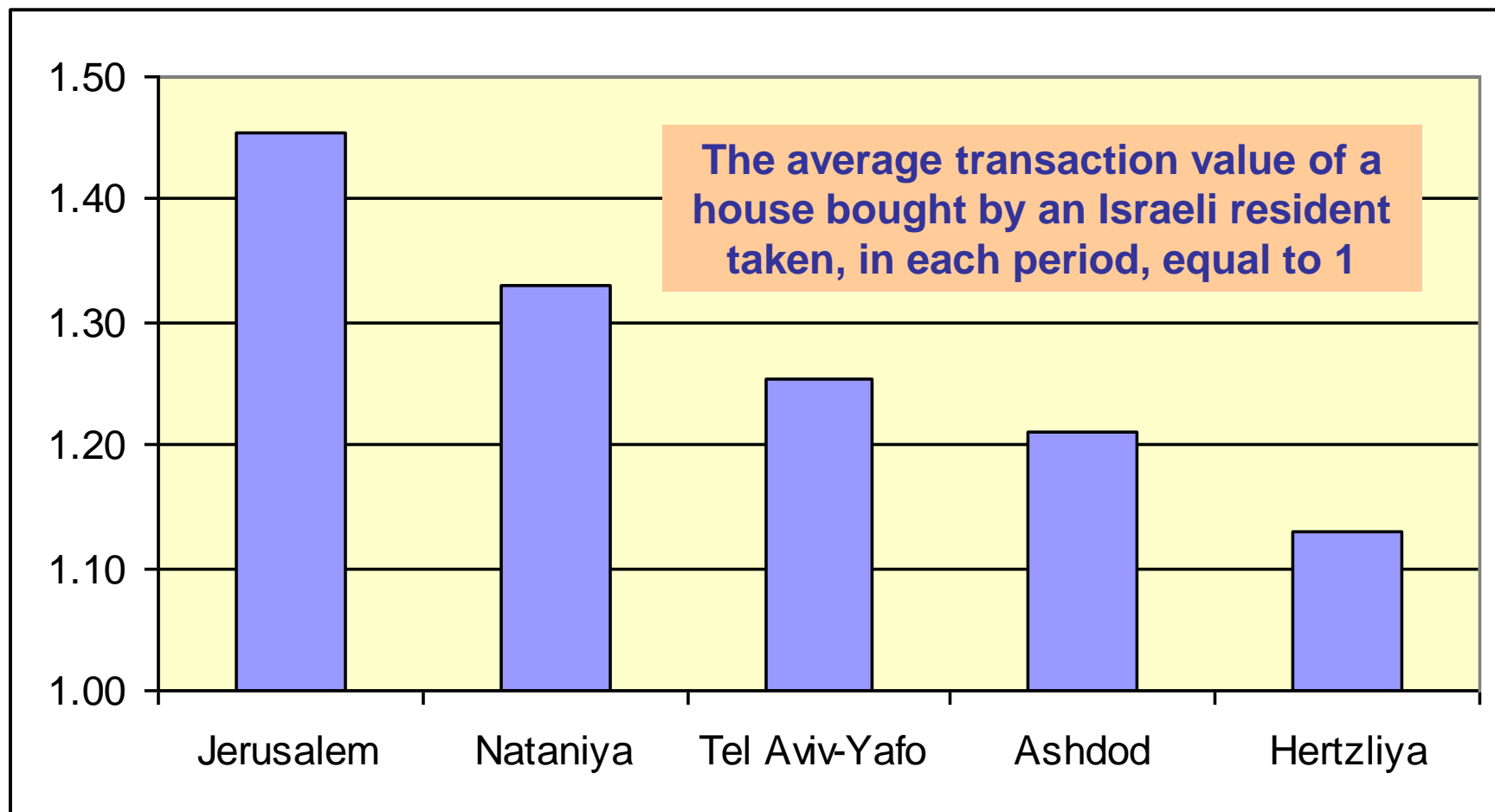


The average transaction value of the houses bought by foreign residents vs. houses bought by Israeli residents 2010-2013 (attention: the houses are different!)



The Average Transaction Value:

Foreign Resident / Israeli Resident, by Cities, 2010-2013 (attention: the houses are different!)



Recommendations

- Detailed objectives for the new statistical production have to be clearly defined
- An analysis on the investments in other real estate assets (land and buildings) from the RETF data is required
- A quality improvement of the data in the RETF have to be done by the TA
- Merging ID data from the RETF, with the Carmen file and the Housing and Building Register could produce more reach and consistent statistics

Thank you!