FROM CENTRAL TO MARGINAL
THE TRAJECTORY OF ISRAEL’S PUBLIC HOUSING POLICY

Dr. Ravit Hananel
Public Policy, Tel-Aviv University
INTRODUCTION

- Throughout the 19th century public housing policies proliferated in many places.
- PH policies vary in different countries and times
- In many places it has been viewed as contrary to urban diversity, and has created homogeneous communities that have quickly become concentrations of poverty
- In the 21st century, following the 2007 economic crisis, a rising demand for affordable housing
- Many countries nowadays reshaping their PH policies to promote the mixing of people and land uses
THE PURPOSE OF THE STUDY

- In Israel there was a greater level of urban diversity in PH constructions during the 1950’s than today.
- Only recently, toward the end of 2015, the government begun to recognize the need to formulate an updated public-housing policy.
- This study examines the trajectory of the public-housing policy in Israel - from a central housing policy to a marginal one, and discusses its current and future trends.
PUBLIC HOUSING: DEFINITIONS

- PH is one of the oldest and best-known policies for increasing the supply of affordable housing
- PH appeared at the beginning of the 19th century, and spread globally after World War II
- PH refers to government-owned housing, usually low-cost rental apartments for lower-income populations
- There is no single definition of PH: ownership type; who constructs the units; relevant funding/subsidy; primary goal; eligibility criteria
PUBLIC HOUSING: GENERAL TRENDS

- Since the 1980s combination of slowdown in construction starts and privatization trends:
  - England (31% in 1979, 18% 2011)
  - The Netherland (41% in 1975, 32% in 2011)
  - Germany (25% in the 1970s, 5% 2014)

- A Most societies maintained a certain level of new construction

- Since 2000 a rise in the amount of PH

- PH tents in general are: young or old, single parents, retired or economically inactive, poor or who have special needs
PUBLIC HOUSING IN ISRAEL: THE 1950S

- The State of Israel was established in May 1948, after its establishment a began massive wave of Jewish immigration (from 650,000 to 1.5 million)

- PH was created to house the new immigrants and to populate peripheral areas of the country, as part of the Zionist-national vision. It viewed as a National-territorial tool.

- During the 1950s dozens of new municipalities, called development towns, were created

- The majority of PH tenant were (an till are), the 1950s immigrant who arrived from North African and Asia, and were sent directly to development towns
PUBLIC HOUSING IN ISRAEL: 1970-80s

- **In the 1950s**, PH comprised more than ½ of all the housing construction.

- **In the 1970s**, PH comprised 30% of all building starts.

  In the 1970s, the government’s PH changed from supporting the construction of housing units (*supply side*) to mainly providing financial assistance for housing ownership through subsidized mortgages (*demand side*).

- **In the 1980s**, the government began to sell PH apartments to tenants, with discount of 48% to 60% of the total price (depending on family size and location).
PUBLIC HOUSING IN ISRAEL: THE 1990S

- **In the 1990s**, due to a mass immigration of 1 million people from USSR, the government resumed the constructions of PH, but privatized the management of PH to private companies.

- **In 1998 the Public Housing Act** was passed, which enabled tenants discounts of up to 85% for purchasing their PH units.

  - To maintain the supply of PH units, the law specified that all sales proceeds would go for the construction of new PH (Clause 10).

  - The law (almost) never implemented; through various sales methods 37,500 units were sold (total revenue of NIS 2.75), but hardly nothing was built.
CURRENT SITUATION

- There are currently 60,500 public-housing units in Israel; 2.5% of the total housing stock
- About 2.5% (200,000 people) of the Israeli population live in PH
- Compare to 108,000 PH units, and 300,000 people in Oct. 1998.
- Since 1999 the number of PH units has declined by 45%, and the number of tenant has declined by 35%.
- The demand for public housing has risen substantially during the last decade
- 92% of the PH units operates by two government companies: Amider (72), Amigur (20%). 8% are operated by 4 municipal companies: Halamish, Prazot, Shikmona, and Heled.
PH AND URBAN DIVERSITY

- Social mix by age
- Social mix by income
- Geographical dispersal and land-use mix
## DISTRIBUTION OF PUBLIC-HOUSING TENANTS IN ISRAEL BY AGE IN 2014

<table>
<thead>
<tr>
<th>Age</th>
<th>% PH tenants</th>
<th>% Israel Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-34</td>
<td>24%</td>
<td>57.7%</td>
</tr>
<tr>
<td>35-54</td>
<td>36%</td>
<td>22.9%</td>
</tr>
<tr>
<td>55-64</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>65+</td>
<td>30%</td>
<td>10.4%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
SOCIAL MIX BY AGE: FINDINGS

- Similar to other places - high % of elderly tenants
- Different from other places - low % of families with young children (24% compare with 57%), immigrants and minorities
- Many PH units are inhabited by elderly people with low residential density
  - 67% of Amigur housing units have only 1-2 tenant
  - The average Amidar’s unit area is 64.60 square meters
  - The average number of persons per room is 0.91
  - The average area per person is 25.25 square meters
- In fact, about 50% of all Israeli residents live in conditions of greater housing density (Israel’s CBS 2014)
- These data are surprising in view of the low socioeconomic status of the vast majority of PH tenants
SOCIAL MIX BY INCOME

- The maximum monthly household income for eligibility was in 2011 NIS 5,914 shekels (about USD 1,516) - less than half the average income of Israeli households
- Tenants’ incomes now are in the bottom 30% of all households in Israel
- Over time, in facing rising demand, decision-makers substantially increase the eligibility requirements
- Almost all PH tenants are entitled to a substantial discount on rent for PH, and most of them receive a supplementary benefit from the National Insurance Institute (based on Amigur and Amidar data)
### Distribution of PH Units by Municipalities’ Socioeconomic Level

<table>
<thead>
<tr>
<th>Socioeconomic level</th>
<th>% of PH units 2015</th>
<th>% of Israeli population 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>-</td>
<td>1.9%</td>
</tr>
<tr>
<td>2</td>
<td>-</td>
<td>8.3%</td>
</tr>
<tr>
<td>3</td>
<td>4%</td>
<td>9%</td>
</tr>
<tr>
<td>4</td>
<td>11%</td>
<td>17%</td>
</tr>
<tr>
<td>5</td>
<td>33%</td>
<td>25.3%</td>
</tr>
<tr>
<td>6</td>
<td>31%</td>
<td>13%</td>
</tr>
<tr>
<td>7</td>
<td>11%</td>
<td>9%</td>
</tr>
<tr>
<td>8</td>
<td>10%</td>
<td>15/5%</td>
</tr>
<tr>
<td>9</td>
<td>-</td>
<td>1%</td>
</tr>
<tr>
<td>10</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
SOCIAL MIX BY INCOME: FINDINGS

- 64% of PH are located in municipalities at socioeconomic levels 5/6 (only 38% of the total population)

- Unlike other places - Members of national minorities constitute a marginal % of PH tenants (405/60,500 PH units)

- This can be explained by the primary goal of Israel’s PH—dispersal of the Jewish population in peripheral
GEOGRAPHIC DISPERSAL

- Most of Israel’s public-housing units were built in development towns during the 1950s, in the geographic periphery.
- Over the years this unbalanced geographic distribution has been exacerbated, because most of the housing units that were sold were in the central area.
# Geographic Distribution of PH Units by Districts

<table>
<thead>
<tr>
<th>District</th>
<th>% PH units</th>
<th>% Israel’s population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jerusalem</td>
<td>5.3%</td>
<td>12.3%</td>
</tr>
<tr>
<td>North</td>
<td>25%</td>
<td>16.6%</td>
</tr>
<tr>
<td>Haifa</td>
<td>10.6%</td>
<td>11.8%</td>
</tr>
<tr>
<td>Center</td>
<td>13.5%</td>
<td>24.2%</td>
</tr>
<tr>
<td>Tel-Aviv</td>
<td>10.4%</td>
<td>16.5%</td>
</tr>
<tr>
<td>South</td>
<td>34.5%</td>
<td>14.3%</td>
</tr>
<tr>
<td>Judea and Samaria</td>
<td>0.7%</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
GEOGRAPHIC DISPERSAL: FINDINGS

- Some 70.1% of all PH are in peripheral districts—North (25%), South (34.5%), and Haifa (10.6%)
- Nationwide, more than half (54%) of the public-housing stock is in development towns established during the 1950s.
- The largest concentrations are in cities such as Kiryat Shmona (1,322 units), Dimona (2,723), Ofakim (1,314), and Kiryat Gat (1,806).
## Public-Housing Units as a Percentage of the Total Housing Stock of Selected Municipalities

<table>
<thead>
<tr>
<th>Municipality</th>
<th># of total housing units</th>
<th># of PH units</th>
<th>PH units as a % of total housing stock</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dimona</td>
<td>11,639</td>
<td>2,723</td>
<td>23.4%</td>
</tr>
<tr>
<td>Ofakim</td>
<td>7,171</td>
<td>1,314</td>
<td>18.3%</td>
</tr>
<tr>
<td>Kiryat Shmona</td>
<td>7,817</td>
<td>1,322</td>
<td>16.9%</td>
</tr>
<tr>
<td>Migdal Ha’emek</td>
<td>8,209</td>
<td>1,272</td>
<td>15.5%</td>
</tr>
<tr>
<td>Kiryat Gat</td>
<td>15,016</td>
<td>1,806</td>
<td>12.02%</td>
</tr>
<tr>
<td>Carmiel</td>
<td>15,639</td>
<td>864</td>
<td>5.52%</td>
</tr>
<tr>
<td>Jerusalem</td>
<td>204,046</td>
<td>2,356</td>
<td>1.1%</td>
</tr>
<tr>
<td>Tel Aviv</td>
<td>193,078</td>
<td>2,279</td>
<td>1.1%</td>
</tr>
<tr>
<td>Holon</td>
<td>64,972</td>
<td>823</td>
<td>1.3%</td>
</tr>
<tr>
<td>Rishon Lezion</td>
<td>74,215</td>
<td>661</td>
<td>0.08%</td>
</tr>
<tr>
<td>Ramat Gan</td>
<td>60,606</td>
<td>615</td>
<td>1.01%</td>
</tr>
<tr>
<td>Herzlia</td>
<td>34,190</td>
<td>412</td>
<td>1.2%</td>
</tr>
<tr>
<td>Israel</td>
<td>2,411,000</td>
<td>60,500</td>
<td>2.5%</td>
</tr>
</tbody>
</table>
GEOGRAPHIC DISPERSAL: FINDINGS

- PH comprises less than 2.5% of all housing units in Israel.
- In the development towns the % of PH units is much higher.
- Before the 1990s, the situation was more balanced
- Most of PH unit were sold in the center of the country (67%), and only a third in peripheral areas (33%).
THE EVOLUTION OF ISRAEL'S PH POLICY

Stricter Eligibility Criteria

Shrinking Supply

Growing Demand

CRISIS
SOME VERY RECENT TRENDS

- **Between 2007-2015** the number of households eligible on the waiting lists has increased by 23%.

- **Summer 2011** - The social protest and the establishment of Periphery Bloc Forum (PBF).

- **June 2015** - Galant 5-points Plan:
  1. earmarking for public housing 5% of all units built on public land;
  2. flexible criteria for immediate occupancy of (500) vacant units;
  3. urban renewal projects by Amidar; (4) and by Amigur;
  4. a substantial increase in renovation of existing public-housing units.
DISCUSSION AND CONCLUSIONS

- In Israel, like in many places the degree of social and land-use diversity in PH projects was greater in the 1950s than it is today

- With regard to social mix:
  - 30% of PH tenants are elderly (like in England and the Netherlands)
  - Only 24% of PH tenants are families with children (less than half that in the general population (57.7%, and unlike other place)
  - PH units include mainly Jews (not national minorities or immigrants)

- With regard to geographic and land-use diversification:
  - Most PH units were intentionally built in the development towns in peripheral areas, due to national security considerations;
  - Over the years most of the apartments sold were in the center of Israel
  - Most of the remaining PH units are in the country’s periphery or in less-attractive neighborhoods in the center.

- No countries stopped construction of PH completely, as Israel did.
THANK YOU

hananelr@post.tau.ac.il
SEARCH DATA AND METHODOLOGICAL CONSTRAINTS

- It was almost impossible to obtain data about PH in Israel
- First, I asked the Ministry of Construction and Housing for basic data
- I contacted each of the six housing companies (Amidar, Amigur, Heled, Halamish, Prazot, and Shikmona)
- The data they provided were partial and uneven, making it difficult to create a uniform overall picture
- None provided data regarding income distribution or distribution by ethnicity or nationality
- Attempts to obtain information about changes in the eligibility criteria for public housing were unsuccessful