

# **FROM CENTRAL TO MARGINAL**

## **THE TRAJECTORY OF ISRAEL'S PUBLIC HOUSING POLICY**

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# INTRODUCTION

- Throughout the 19<sup>th</sup> 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 21<sup>th</sup> 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 19<sup>th</sup> 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  $\frac{1}{2}$  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 construction 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 anything 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

Age	% PH tenants	% Israel Total
0-34	24%	57.7%
35-54	36%	22.9%
55-64	10%	9%
65+	30%	10.4%
Total	100%	100%



# **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

Socioeconomic level	% of PH units 2015	% of Israeli population 2008
1	-	1.9%
2	-	8.3%
3	4%	9%
4	11%	17%
5	33%	25.3%
6	31%	13%
7	11%	9%
8	10%	15/5%
9	-	1%
10	-	-
Total	100%	100%



# **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

District	% PH units	% Israel's population
Jerusalem	5.3%	12.3%
North	25%	16.6%
Haifa	10.6%	11.8%
Center	13.5%	24.2%
Tel-Aviv	10.4%	16.5%
South	34.5%	14.3%
Judea and Samaria	0.7%	4%
Total	100%	100%



# **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

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



# **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**



# SOME VERY RECENT TRENDS

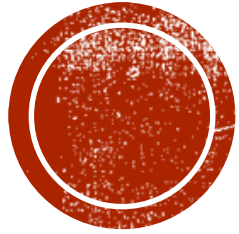
- **Between 2007-2015** the number of households eligible on the waiting lists has increased by 23%
- **Summer 2011** - The social protest and the establishment of Periphery Bloc Forum (PBF)
- **June 2015** - Galant 5-points Plan:
  - (1) earmarking for public housing 5% of all units built on public land;
  - (2) flexible criteria for immediate occupancy of (500) vacant units;
  - (3) urban renewal projects by Amidar; (4) and by Amigur;
  - (5) 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**

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# 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

