TAUB CENTER
for Social Policy Studies in Israel

Owning or Renting?

The Dynamics of Housing Tenure in Israel

Benjamin Bental and Labib Shami

Policy Paper No. 06.2026

Jerusalem, May 2026

Taub Center for Social Policy Studies in Israel

The Taub Center for Social Policy Studies in Israel was established in 1982 under the leadership and vision of Herbert M. Singer, Henry Taub, and the American Jewish Joint Distribution Committee. The Center is funded by a permanent endowment created by the Henry and Marilyn Taub Foundation, the Herbert M. and Nell Singer Foundation, Jane and John Colman, the Kolker-Saxon-Hallock Family Foundation, the Milton A. and Roslyn Z. Wolf Family Foundation, and the American Jewish Joint Distribution Committee. In addition, generous support is also received each year from individual donors, foundations, and Jewish federations.

The Taub Center is an independent, nonpartisan, socioeconomic research institute based in Jerusalem that conducts high-quality, impartial research on socioeconomic conditions in Israel. The Center presents a broad social and macroeconomic perspective to leading policy makers and the wider public in the area of public policy. The Center's professional staff and its interdisciplinary policy program staff, which includes prominent researchers from academia and leading experts in the areas of policy, conduct research and develop evidence-based policy options in the socioeconomic areas on the country's public agenda. The Center presents long-term strategic analyses and policy options to policy makers and the public through direct communications, an active program of publications, conferences, and other activities in Israel and abroad.

Please cite this publication as:

Bental, B., & Shami, L. (2026). *Owning or Renting? The Dynamics of Housing Tenure in Israel*. Taub Center For Social Policy Studies in Israel. https://doi.org/10.5281/zenodo.19564759

Center address: 15 Ha'ari Street, Jerusalem, Israel

Telephone: 02 5671818

Email: info@taubcenter.org.il Website: www.taubcenter.org.il

Owning or Renting? The Dynamics of Housing Tenure in Israel

Benjamin Bental and Labib Shami

Introduction

The decision whether to purchase a home or to consume housing services through renting is a key juncture in the lives of households around the world. Homeownership allows flexibility in designing private space and adapting it to individual needs. Beyond that, purchasing real estate is a long-term investment that provides a basis for stable, ongoing financial planning and offers economic and personal stability. Indeed, more than half of global household wealth is held in real estate (Kholodilin, 2022). However, purchasing a home requires a substantial financial investment and long-term economic commitment, and entails additional expenses such as taxes, maintenance, and repairs, which not all households can afford. Such households must consume housing services through renting. At the same time, some households prefer to rent because of the flexibility it offers in adjusting living arrangements to life changes, such as changing jobs or family structure. Renting also involves less financial and operational responsibility, making it ideal for individuals who prefer mobility or who are uncertain about their future plans (TheMarker, 2025; The New York Times, 2024). However, renting also has disadvantages: in Israel, the rental market is insufficiently regulated, and, therefore, rents and lease durations are unstable and tenants lack security. It appears, therefore, that in Israel most of the population aspires to homeownership and views it as a source of personal security and an indicator of success.

---

* Prof. Benjamin Bental, Principal Researcher and Chair, Taub Center Economics Policy Program; professor emeritus, Haifa University. Dr. Labib Shami, Senior Researcher, Taub Center for Social Policy Studies in Israel; Department of Economics, Western Galilee Academic College and Haifa University.

This study examines housing tenure among households in Israel and its relationship with demographic changes. We focus on three main housing tenure types: owner-occupied housing, rental housing, and housing owned by a family member (a tenure type that appears to be unique to Israel; see discussion below). The study relies on a longitudinal survey conducted by the Israel Central Bureau of Statistics (CBS), in collaboration with additional government bodies, which follows a fixed sample of households drawn from the population registry as of January 2012. This survey allows us to examine the relationship between housing tenure and demographic changes over a decade, from 2012 to 2022.

The use of a longitudinal survey enables us to shed light on patterns of transitions between housing arrangements and to assess the impact of economic and demographic factors on the local housing market in Israel. Not surprisingly, the findings point to a gradual increase in the share of households living in owner-occupied housing, accompanied by a corresponding decline in the shares living in rental housing and in dwellings owned by family members. These trends characterize the population in Israel as a whole, although there are notable differences across population groups, particularly by income, education, and household size.

From a certain point in time, the survey also allows us to examine the share of households that changed their place of residence and the housing tenure they chose following the move. As expected, almost all households that had lived in owner-occupied housing chose to move to another owner-occupied dwelling. A less expected finding is that among households that had lived in rental housing and moved, about 69% on average chose to continue renting.

This study, which provides aggregate characterizations of the population included in the longitudinal survey, is a preliminary step toward a more comprehensive study that will examine the motivations underlying households' housing tenure choices and the potential impact of policy measures on these choices.

Literature review

Housing is a central component of human life and affects both economic and social well-being. Countries and geographic regions differ from one another in homeownership rates (OECD, 2024a). Differences in the distribution of households across housing tenure types may stem from several factors.

As shown in Table 1, in many high-income countries, such as Spain, Italy, the United Kingdom, and the United States, there is a preference for homeownership. In contrast, in countries such as Germany and Switzerland, rental rates are higher, in part due to housing policies that promote long-term renting (Kemp, 2015; OECD, 2024b). These differences reflect varying approaches to the rental market. In Germany, for example, there is extensive regulation that protects tenants and ensures price stability; by contrast, in the US and the UK, the market is less regulated, resulting in greater volatility (Haffner et al., 2009).

Table 1. Share of households by housing tenure, 2022 or the latest available year

	Own	Rent (private or subsidized)	Other
Romania	94.6%	3.0%	2.4%
Slovakia	92.5%	6.0%	1.5%
Croatia	91.0%	2.6%	6.3%
Hungary	89.1%	7.6%	3.3%
Lithuania	88.0%	3.4%	8.6%
Bulgaria	85.3%	3.9%	10.8%
Poland	84.1%	5.2%	10.7%
Latvia	81.2%	11.6%	7.2%
Malta	78.9%	17.3%	3.9%
Estonia	76.8%	10.5%	12.7%
Spain	76.1%	17.8%	6.2%
Portugal	75.9%	15.4%	8.7%
Slovenia	75.2%	10.2%	14.6%
European Union	74.9%	18.8%	6.3%
Costa Rica	74.0%	18.2%	7.8%
Czechia	73.6%	19.7%	6.7%
Italy	73.1%	19.6%	7.3%
Norway	73.0%	24.5%	2.5%

(table continues)

Table 1 (continued). Share of households by housing tenure, 2022 or the latest available year

	Own	Rent (private or subsidized)	Other
Greece	71.5%	21.8%	6.7%
OECD	70.9%	24.0%	5.1%
ISRAEL	70.8%	28.6%	0.6%
Luxembourg	69.8%	28.0%	2.1%
Mexico	69.6%	15.0%	15.4%
Canada	69.6%	30.4%	0.0%
Ireland	68.7%	29.2%	2.1%
United Kingdom	67.7%	31.3%	1.1%
Iceland	67.3%	29.4%	3.4%
Belgium	67.0%	31.3%	1.6%
New Zealand	65.5%	32.4%	2.1%
United States	65.5%	32.9%	1.7%
Cyprus	63.2%	17.7%	19.1%
Finland	62.9%	36.2%	0.9%
Australia	62.7%	31.7%	5.6%
France	60.5%	37.2%	2.3%
Chile	60.4%	21.9%	17.7%
Netherlands	58.4%	40.6%	1.1%
Sweden	58.3%	38.6%	3.1%
South Korea	58.0%	38.4%	3.6%
Türkiye	55.7%	28.8%	15.4%
Denmark	50.8%	49.1%	0.1%
Austria	45.2%	46.8%	7.9%
Germany	40.7%	54.7%	4.6%
Switzerland	37.5%	61.7%	0.7%
Colombia	37.2%	39.2%	23.6%

Source: Benjamin Bental and Labib Shami, Taub Center | Data: For Israel: CBS, 2024a; for other countries: OECD

Within the European Union, there are differences in housing arrangements between countries in Eastern Europe and those in Central and Western Europe (Eurostat website). The share of households living in owner-occupied dwellings is particularly high in Eastern European countries. For example, in 2021 and

2022, about 95% of households in Romania and about 93% of households in Slovakia lived in dwellings they owned. By contrast, in countries in Central and Western Europe, and in most Northern European countries, the share of renters is very high (for example, about 62% in Switzerland, about 55% in Germany, and about 47% in Austria). In the US and Canada, the share of households living in rental housing stood at about 33% and about 30%, respectively — higher than the average in European Union countries (about 19%) and in OECD countries (about 24%). In Israel, as of July 2023, there were about 2.9 million dwellings, of which 70.8% were owner-occupied and 28.6% were rental units, close to the average in the US and Canada.[1]

In some high-income countries, governments invest substantial resources to promote policies that encourage private homeownership (Kholodilin, 2022). These policies include, among other measures, tax credits that provide significant advantages primarily to well-off households (Poterba & Sinai, 2008); subsidies that assist lower-income households in purchasing homes (for example, subsidies provided by the Federal Housing Finance Agency in the US); and the privatization of public housing, as implemented in Sweden and England (Disney & Luo, 2017; Sodini et al., 2023). These programs are based on the view that private homeownership benefits both property owners and their communities (Hausman et al., 2022). In the US and the Netherlands, public spending to encourage private homeownership amounted to 0.5% and 2.3% of GDP, respectively, in 2012 (del Pero et al., 2016). In both countries, programs primarily support relatively well-off populations, for example, through tax benefits for mortgage interest payments and property tax deductions (Glaeser & Shapiro, 2003; Poterba & Sinai, 2008).

A recent study (Le Blanc et al., 2025) uses a life-cycle model to systematically quantify the determinants of housing decisions in five countries (Germany, Spain, Italy, France, and the US). The findings indicate that beliefs about housing prices and housing market institutions have a greater impact on housing decisions than household preferences. More specifically, homeownership rates are influenced mainly by expectations regarding housing prices and by the "rent gap," defined as the difference between rental payments and maintenance costs. This gap, which reflects the quality of the rental market, is a key factor in

1 Israel Central Bureau of Statistics, 2024a. The CBS data are based on the register of dwellings and buildings, compiled from municipal property tax (arnona) records provided by local authorities. See Table A2 in the Appendix.

the decision whether to buy or rent a home, taking into account the user costs of both options.

In this context, it should be noted that in many countries there is a phenomenon of reduced-rent or rent-free housing. For example, European Union data (Eurostat website) include a category of "reduced-price or free rent" (such as subsidized housing, adults living in their parents' homes, living with friends, and similar arrangements). According to Eurostat data for 2024, about 10.5% of the EU population lived in dwellings in this category. However, there are considerable differences across countries: in Italy the share is 8.1%, in Germany 6%, and in France 21.9%. In the US, about 5% of households living in rental housing in 2000 did not pay rent.[2] These data do not allow identification of the reason for the reduced rent, and in particular do not allow identification of residence in a dwelling owned by a family member.

Israel is unique in reporting a category of residence in a dwelling owned by a family member. The longitudinal survey of the CBS distinguishes between residence in an owner-occupied dwelling, residence in a dwelling owned by a family member, and residence in standard rental housing (see below). This feature enables the study of social and economic aspects of intra-family housing arrangements.

Data

As noted, the study is based on the *Household Survey in Israel: Longitudinal Survey* — a survey conducted by the CBS in collaboration with the Bank of Israel, the National Insurance Institute, the Ministry of Finance, and the Ministry of Education. The survey began in 2012, and the selected sample represented Israel's permanent population in 2012, excluding residents of care institutions and the Bedouin population in the South. The main objective of the survey is to examine the characteristics of individuals and households and changes in these characteristics over time. The survey is conducted in waves annually (and occasionally biennially), and its distinguishing feature is that it follows a fixed sample of households over time (for further details, see Appendix A). It therefore enables tracking changes in selected characteristics by population

2 The share of renters was then about 36% of households. There are no updated data on the subject. See the US Census Bureau website Census 2000 Brief: Housing Costs of Renters: 2000.

groups represented in the 2012 sample, at both the individual and household levels.[3] Between 2012 and 2022, there were nine survey waves, covering a wide range of topics. In each wave, about 4,100 households were surveyed on average, including about 12,500 respondents (see Table A1 in the Appendix). As noted, this study focuses on the characterization of how housing services are obtained.

As is customary in longitudinal surveys, the sample used in the first wave was intended to be followed in subsequent waves. However, not all households that participated in the first wave participated in every subsequent wave. The sample size in the first wave was 8,000 households; only 5,007 of them, comprising 14,322 individuals, responded to the survey. In contrast, the sample size in the ninth wave was 5,741 households; 4,075 of them, comprising 12,051 individuals, responded. To enable assessment of the representativeness of surveyed households or individuals relative to the relevant population, the CBS calculated weights for responding households in all waves (for further details, see Appendix A). In accordance with CBS guidelines, data are not presented for cells with a small number of observations (fewer than 40 observations per cell).[4]

Housing tenure of households in Israel

In the Household Survey in Israel: Longitudinal Survey, housing tenure of households in Israel was examined across three categories: owner-occupied housing; rental housing; and housing owned by relatives, an employer, friends, or a kibbutz. The main results for the years 2013–2022 are presented below.

3 Accordingly, over time the survey sample ceased to be representative of the entire population of Israel.

4 For details, see the methodological appendix for the PUF system, which is provided with the survey data for each wave.

Table 2. Housing tenure among the survey population, 2013-2022[5]

	2013	2014/2015	2016	2017	2018	2019	2020	2021/2022
Own	62%	63%	65%	65%	65%	66%	68%	69%
Rent	29%	29%	29%	29%	29%	28%	28%	26%
Family-owned	6%	6%	5%	5%	5%	4%	3%	3%

Source: Benjamin Bental and Labib Shami, Taub Center | Data: CBS

As shown in Table 2, based on the survey data and taking into account the survey weights (the number of population units represented by each sampled or surveyed unit), nearly two-thirds of households represented in the survey population live in owner-occupied dwellings. From 2013 to 2021/2022, this share increased by 7 percentage points. This increase corresponds to a decline in the share of households reporting residence in rental housing or in dwellings owned by a family member (a decline of 3 percentage points in each of these two tenure types over the same period). In 2013, about 29% (approximately 651,000 households) of all households represented in the sample lived in rental housing, and about 6% (approximately 135,000 households) lived in dwellings owned by a family member; by 2021/2022, the shares of renters and those living in dwellings owned by a family member had declined to about 26% and about 3%, respectively (approximately 552,000 and 64,000 households, respectively).[6]

Tables 3 and 4 present the distribution of housing tenure among the Jewish and Arab populations over the decade under review. The data indicate that the overall trends in housing tenure observed for the full survey population are also evident when analyzing different population groups. Among households in the Arab population, the share of homeownership increased substantially over the years (an increase of 19 percentage points), accompanied by a decline in

5 The table presents data on the three main housing tenure types — ownership, renting, and residence in a dwelling owned by a family member. Therefore, the total does not necessarily sum to 100%. The combined share of all other housing arrangements in any survey year does not exceed 2%. The data incorporate the annual survey weights. The number of households (after weighting) in each survey year is approximately 2.2 million.

6 It should be noted that the results of the longitudinal survey are not identical to CBS data based on the register of dwellings and buildings compiled from municipal property tax (arnona) records. These differences underscore the importance of each of these data sources. For further details, see Appendix B.

the share living in rental housing (a decrease of 7 percentage points). A notable decline was also recorded in the share of Arab households living in dwellings owned by a family member (a decrease of 11 percentage points). The trends among households in the Jewish population are similar to those observed for the overall population (see Table 2 above).

Table 3. Housing tenure among Jewish households

	2013	2014/2015	2016	2017	2018	2019	2020	2021/2022
Own	63%	65%	66%	66%	66%	67%	68%	69%
Rent	29%	29%	29%	29%	29%	28%	29%	27%
Family-owned	5%	4%	3%	3%	3%	3%	2%	2%

Source: Benjamin Bental and Labib Shami, Taub Center | Data: CBS

Table 4. Housing tenure among Arab households

	2013	2014/2015	2016	2017	2018	2019	2020	2021/2022
Own	63%	65%	66%	66%	66%	67%	68%	69%
Rent	29%	29%	29%	29%	29%	28%	29%	27%
Family-owned	5%	4%	3%	3%	3%	3%	2%	2%

Source: Benjamin Bental and Labib Shami, Taub Center | Data: CBS

Selected characteristics of households by housing tenure

In the analyses below, we consider households included in both the 2013 survey and the 2021/2022 survey and compare these two points in time. Given the demographic focus of the study, we concentrate on the distribution of households in the survey population according to selected characteristics. In particular, we compare the distribution of these characteristics in the overall population with their distribution among households living in owner-occupied dwellings, in rental housing, and in dwellings owned by a family member. This approach allows us to identify two features of the data. First, at each point in time, *overrepresentation* or *underrepresentation* of households with a given characteristic in a particular housing tenure type indicates a (positive or

negative) association between the characteristic examined and that tenure type. Second, we can track the relationship between changes in the distribution of a characteristic in the population over time and changes in its distribution across the different housing tenure types. Such tracking may point to possible drivers of change.[7]

Each of the figures comparing the distributions contains eight bars: two bars depict the distribution of the characteristic for each of the three housing tenure types, and two bars depict the distribution of the characteristic in the overall survey population. In each pair of bars, the left bar represents the earlier survey year and the right bar represents the most recent survey year. To make the comparison clearer, the bars representing the earlier survey year are shown in darker shades than those representing the later survey year.

Household size

We begin by asking whether there is a relationship between household size and the housing tenure chosen by the household. Figure 1 presents the distribution of households by number of household members in the years examined. It is reasonable to expect that larger households are more likely to live in owner-occupied dwellings. Intuitively, household size is associated with several key characteristics that affect housing tenure choice. In particular, larger households are likely to have older household heads. With age, income tends to rise, facilitating home purchase. Moreover, as household size increases, so does the likelihood that some members are tied to the place of residence through employment or the education system. These ties increase the costs of mobility and raise the value of residential stability.

7 As noted, presenting the data in this way highlights demographic developments in the population. An alternative approach is to examine the distribution of housing tenure within each population group defined by a given characteristic. There is a simple mathematical relationship between the two approaches, which is presented in Appendix E. In particular, overrepresentation or underrepresentation of a given characteristic in each housing tenure type is equivalent to overrepresentation or underrepresentation of that tenure type within the population group possessing that characteristic, relative to the distribution of housing tenure in the population.

The two bars representing the overall survey population indicate the trend over time. Perhaps surprisingly, the share of single-person households remained unchanged (21%), while the share of two-person households increased slightly (from 24% to 26%). At the same time, the share of households with three or four members declined, whereas the share of households with five or six or more members increased. It appears that some households that included three or four members in 2013 had additional children (and thus moved into the category of households with five or six members), while in others, children grew up and left the household (and thus moved into the category of two-person households).[8]

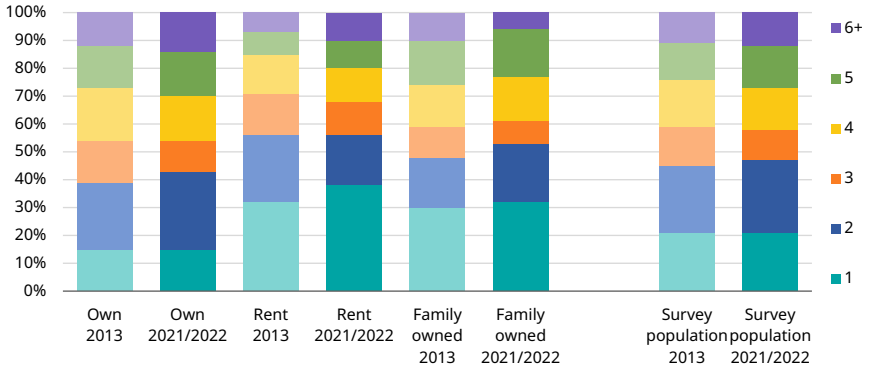
Among homeowners as well, there is relative stability in the share of single-person households (15% in both survey years), a figure considerably lower than their share in the overall survey population. By contrast, the share of single-person households among renters is much higher than their share in the overall population. The same is true for households living in dwellings owned by a family member (though to a somewhat lesser extent). Particularly notable is the sharp increase in the overrepresentation of single-person households among renters during the period examined (from 32% to 38%). In contrast, in 2013 the share of two-person households among renters was identical to their share in the overall survey population (24%), but in the most recent survey year this share declined to 18%, while in the overall population it increased to 26%.[9, 10]

8 It is possible that a faster increase in the number of children among Haredi households explains part of this pattern. The survey does not allow this hypothesis to be examined.

9 The changes may reflect household dissolution, in which one of the partners moved to live alone in a rental dwelling.

10 According to Appendix E, it is possible to compute from these data, together with the data in Table 2, the shares of homeowners and renters among households by number of members in the survey population, compared with their shares in the total population. For example, the calculation shows that the share of homeowners among single-person households in the survey population was about 44% in 2013, compared with 62% in the total population, and in the most recent survey year this share rose to 49% in the survey population, compared with 69% in the total population. At the same time, in 2013 the share of renters among single-person households was 44% in the survey population and 29% in the total population, compared with 47% and 26%, respectively, in the most recent survey year.

Figure 1. Distribution of households by household size, housing tenure, and the overall survey population, 2013 and 2021/2022



Source: Benjamin Bental and Labib Shami, Taub Center | Data: CBS

Household members under the age of 17

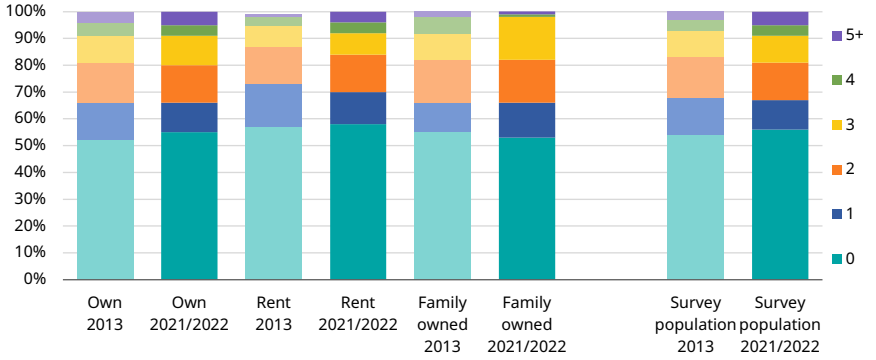
The distribution of households by number of children is characterized by relative stability over the decade under review (Figure 2). It is perhaps surprising that in most households in the survey population there are no children under age 17 (54%–56% in 2013–2022).[11] The share of households in the survey population with one child declined from 14% to 11%.

By definition, single-person households have no children. The same holds for the vast majority of two-person households. There is therefore consistency between the finding presented in Figure 2 and that shown in Figure 1. In particular, the unconditional distribution of households by number of children under age 17 (inclusive) in the survey population is very similar to the distributions conditional on the three housing tenure types. The share of households without children under age 17 that live in owner-occupied dwellings is slightly lower than their share in the survey population throughout the decade. By contrast, the share of households without children living in rental housing is slightly higher than their share in the overall survey population.[12]

11 This finding is consistent with data from the CBS Labor Force Survey for 2022. See Israel Central Bureau of Statistics, 2024b.

12 The implication of this similarity is that the distribution of housing tenure by number of children is very similar to the distribution of housing tenure in the overall survey population (see Table 2). At first glance, it appears that the number of children has little effect on the choice of housing tenure.

Figure 2. Distribution of households by number of children, housing tenure, and the overall survey population, 2013 and 2021/2022



Source: Benjamin Bental and Labib Shami, Taub Center | Data: CBS

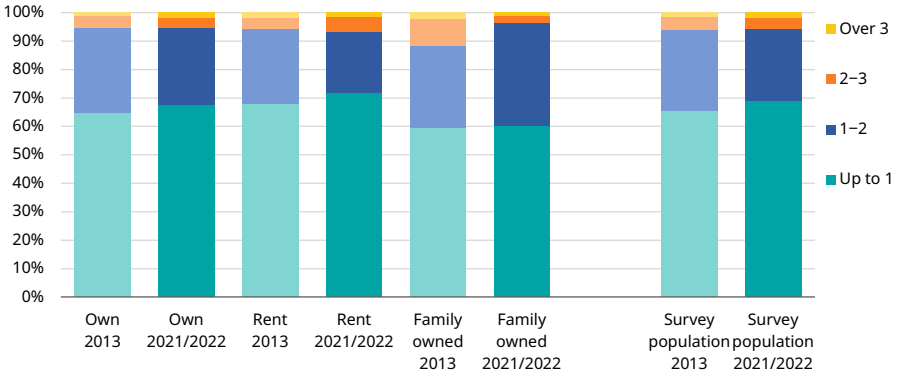
Housing density (persons per room)

Is there a relationship between housing density and housing tenure? To answer this question, we rely on the CBS definition, according to which a room intended for residential use is a room in a dwelling with an area of at least 8 square meters; a small room (*half room*) with an area of at least 6 square meters; a balcony with walls and a roof that is permanently enclosed and suitable for year-round residence; or a residential protected space (*mamad*) that is suitable for living and has a window. By contrast, spaces not defined as living rooms include a kitchen; dining area; utility room, such as a walk-in closet without a window or a tiled laundry balcony; a residential protected space (mamad) without a window; a toilet or bathroom; a hallway; and an open balcony.

Figure 3 presents the distribution of households by the number of persons per living room across the different housing tenure types and compares 2013 with 2021/2022. For comparison, it also presents the distribution in those years for all households regardless of housing tenure, in the overall survey population. Most households live in relatively spacious conditions (up to one person per living room). However, the data indicate a very slight underrepresentation (of 1 percentage point) in both survey years of households with low housing density in owner-occupied dwellings, and a pronounced underrepresentation

(6 and 9 percentage points, respectively, in the two survey years) in dwellings owned by a family member. By contrast, there is a moderate overrepresentation of households with low density in rental housing (2 and 3 percentage points, respectively).[13] At the same time, there is a slight overrepresentation of households with a density of 1–2 persons per living room among households living in owner-occupied dwellings, and a notable overrepresentation of such households among those living in dwellings owned by a family member in 2021/2022 (with a gap of 9 percentage points in that year). It appears that for the latter group, transitioning to owner-occupied housing entails a particularly high financial cost (see further discussion below).

Figure 3. Distribution of households by housing density, housing tenure, and the overall survey population, 2013 and 2021/2022



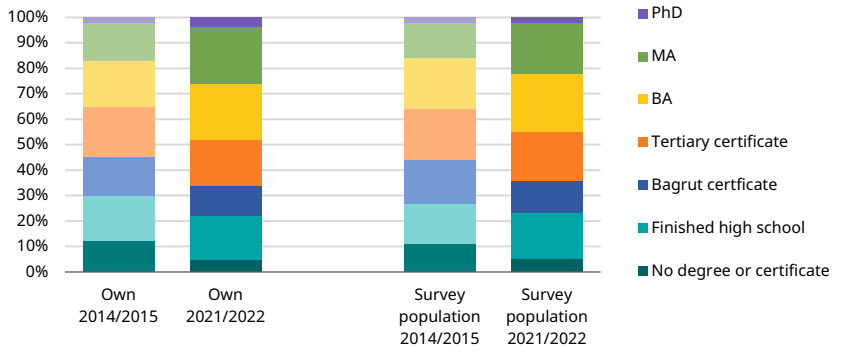
Source: Benjamin Bental and Labib Shami, Taub Center | Data: CBS

13 It follows that the share of those living with relatives who reside in high-density households is greater than the share of those living in a relative's dwelling under high-density conditions in the overall survey population. The results are consistent with the relatively small gap between the cost of renting a more spacious dwelling and that of renting a smaller one, compared with the substantial additional cost required to purchase a more spacious dwelling.

Education and home ownership

Figures 4 and 5 examine the educational attainment of the household head and homeownership rates in the Jewish and Arab populations in 2014/2015 and 2021/2022.[14] The data indicate a strong similarity between the distribution of educational attainment of the household head in the overall survey population and its distribution among households living in owner-occupied dwellings, particularly in the Arab population.[15] It is noteworthy that in the Jewish population there was almost no change in these distributions across the two periods examined, despite a substantial increase in the share of individuals with academic degrees in the population. This similarity makes it difficult to identify a causal relationship between education and homeownership.

Figure 4. Distribution of Jewish households by education level among home owners and the overall survey population, 2014/2015 and 2021/2022

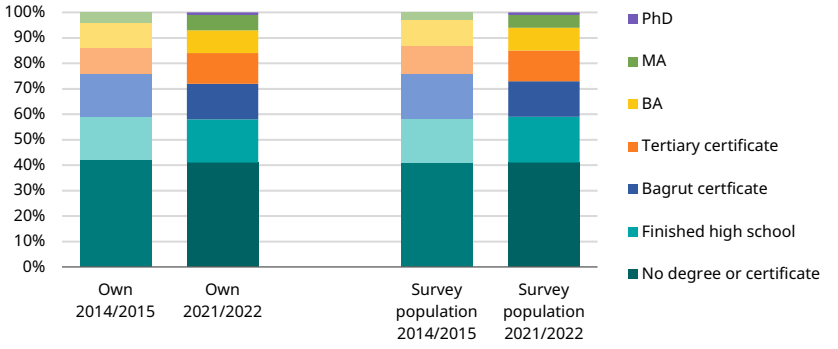


Source: Benjamin Bental and Labib Shami, Taub Center | Data: CBS

14 The analysis does not begin in 2013, as in the other analyses in this study, because information on educational attainment first appeared in the 2014/2015 survey.

15 Particularly notable is the high share of Arab households in which the household head has no formal certificate, and the stability of this share over the decade under review. For further information, see CBS, 2023.

Figure 5. Distribution of Arab households by education level among home owners and the overall survey population, 2014/2015 and 2021/2022



Source: Benjamin Bental and Labib Shami, Taub Center | Data: CBS

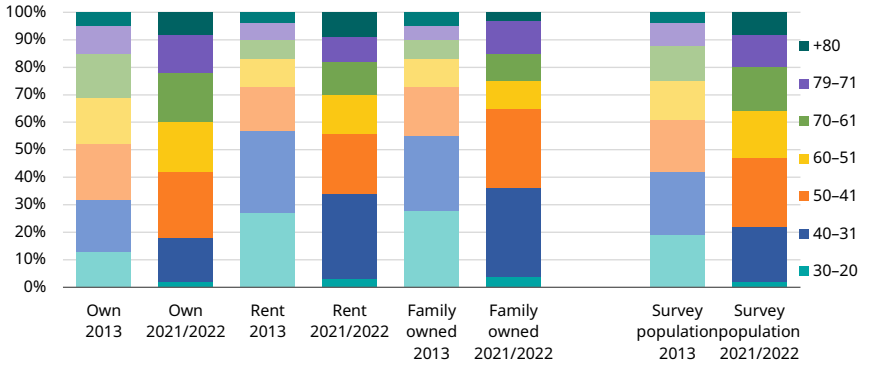
Age of head of household

The demographic variables examined above, in particular the number of children and educational attainment, are related to natural processes that unfold over time. To assess the role of time in the context of housing tenure, the following analysis examines the relationship between housing tenure and the age of the household head. Figure 6 makes it possible to assess the extent to which changes in the age distribution of household heads in the overall survey population are reflected in changes in the distributions conditional on housing tenure.

By its nature, in a longitudinal survey the age of the household head changes almost in parallel with the passage of time.[16] As can be seen, from 2013 to 2021/2022 the share of households in which the household head is aged 20–30 declined from 19% to 2%, while the share of households in which the household head is over age 60 increased from 26% to 36%.

16 In principle, the age distribution would be expected to "shift to the right" over time. This indeed occurred to a large extent in 2021/2022 among the population aged up to 50, but less so among the older population. One reason for this deviation is that household heads aged 80 or older are recorded in the survey as being 80. Another reason is turnover due to the death of household heads.

Figure 6. Distribution of households by age of head of household by housing tenure and in the overall survey population, 2013 and 2021/2022



Source: Benjamin Bental and Labib Shami, Taub Center | Data: CBS

Figure 6 indicates a substantial change in the correspondence between the age distribution of household heads in the population and this distribution among homeowners. In 2013, there was a marked underrepresentation of homeowners among households headed by younger individuals, but over time this underrepresentation among households remaining in the younger age group disappeared. Thus, whereas in 2013 households headed by individuals aged 20–30 accounted for 13% of all homeowners and 19% of the overall survey population, by 2021/2022 their shares had risen to 16% and 20%, respectively. By contrast, the overrepresentation of households headed by individuals aged 31–50 among renters — and even more so among those living in dwellings owned by a family member — persisted and even increased.[17] It therefore appears that those living in dwellings owned by a family member tend to remain in this housing tenure.

17 When combining the age groups 20–40 in the 2013 wave and 30–50 in the 2021/2022 wave, the picture becomes clearer. These age groups account for 42% of the survey population. In the earlier period, the share of younger households among homeowners was 32%, whereas in the most recent survey the share of these age groups — shifted forward by 10 years — among homeowners equals their share in the overall population.

Income and housing consumption

A central question concerns the effect of household income on housing tenure. To examine this, Figure 7 presents the relationship between income and housing tenure in 2014/2015 and 2021/2022. The horizontal axis shows the entire survey population ranked by cumulative income, divided into income deciles — from the lowest income decile on the left to the highest on the right.[18] The vertical axis shows the share of these households in each housing tenure type. For example, in 2014/2015, the lowest income decile among Jewish households accounted for only 8.3% of those living in owner-occupied dwellings, compared with 12.7% of those living in rental housing. Adding the next income group raises these shares to 16.4% among homeowners and 26.8% among renters. These gaps between the cumulative population by income deciles and the cumulative population by residence in owner-occupied or rental housing persist up to the ninth decile. Hence, the top decile contributes more than its population share to the group living in owner-occupied dwellings (12.6%) and less than its share to the group living in rental housing (4.8%).[19] To facilitate interpretation, each figure also includes a line of equality that would arise if each income decile accounted for 10% of households in each housing tenure type.

Among the Arab population, the cumulative share of homeownership rises almost proportionally with the cumulative distribution of household income in the overall survey population, and this relationship changes only slightly over time.[20] This implies that income has little effect on homeownership rates. In rental housing, however, there is a clear change: in 2021/2022 the curve

18 As noted above, the longitudinal survey sample represents the population of Israel in 2012. Table A3 in Appendix C shows that by 2021/2022 a positive gap had emerged between the upper income threshold of each decile in the survey population and that in the overall population of Israel. The increase in income is a natural outcome of the aging of the survey population (relative to the general population) and the accumulation of education and experience.

19 The curves resemble Lorenz curves, but unlike those — which rank the population by income and plot the cumulative share of income on the vertical axis — the curves in Figure 7 are not necessarily convex, since there is no guarantee that the contribution of income deciles to the share of users of a given housing tenure increases in tandem with their contribution to total income.

20 There is a small cumulative increase in the share of the lower deciles among homeowners. In the lowest decile alone, the homeownership rate rose sharply over the period examined, from 60% to 82%. This trend may reflect the success of the "homeownership through public housing leaseholds" initiative (Amidar).

becomes more distinctly concave, indicating an increase in the relative weight of low- and middle-income households among those choosing this tenure. Similarly, for residence in dwellings owned by a family member, the curve in 2014/2015 was concave, indicating that such arrangements were concentrated among households in the lower deciles. However, this pattern weakened substantially between 2014/2015 and 2021/2022.

Among the Jewish population, a concave relationship between the cumulative distribution of households by income and their cumulative share among homeowners persists over time. In other words, the share of lower-income households among homeowners is smaller than their share in the population, while the share of higher-income households among homeowners is larger than their share in the population.[21] In rental housing, the concave relationship indicates the opposite pattern — the share of households in the lower income deciles among renters is higher than their share in the population. As indicated by the increasing concavity of the curve, this pattern strengthened in 2021/2022; that is, the relative weight of lower- and middle-income deciles in this tenure increased. This may reflect rising housing prices, which pushed some households into rental housing. Residence in dwellings owned by a family member among Jews is also characterized by concave curves, indicating a higher concentration of households in the lower deciles choosing this tenure. In 2021/2022, this pattern became more pronounced.

In rental housing, Arab households in the lower income deciles increased their share substantially in 2021/2022, alongside a similar trend among Jewish households, although among Jews this trend is more pronounced in the middle and higher deciles. In residence in dwellings owned by a family member, the Arab population shows a weakening of the relationship with income, whereas among Jews there was an increase in 2021/2022 in the share of households from the lower deciles.

21 A closer examination and comparison between the two survey years reveals that the share of the three lowest deciles among homeowners declined slightly, and only the relatively large contribution of households in the fourth decile offsets this decline. It is likely that the increase in the homeownership rate in the fourth decile — from 58% to 75% — is a result of the "Buyer Price" (Mechir LaMishtaken) program.

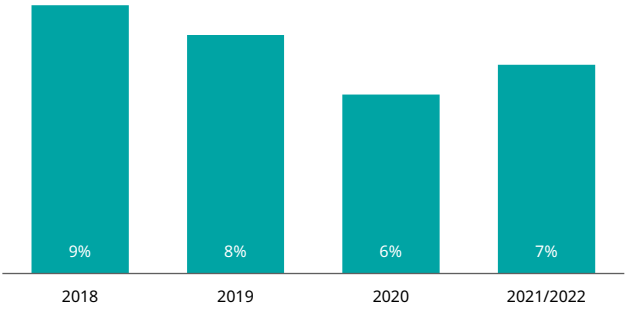
Figure 7. The relationship between income and housing tenure by sector, 2014/2015 and 2021/2022

Source: Benjamin Bental and Labib Shami, Taub Center | Data: CBS

Residential mobility

In contrast to the static overview in the previous section, this part of the paper uses the longitudinal structure of the survey to examine residential mobility and changes in housing tenure. Beginning with Wave 6 (2018), respondents were asked whether their address in the previous wave was the same as their current address. The share of households reporting a move is presented in Figure 8. Each survey year is shown separately (not all respondents necessarily participated in every wave). As can be seen, the share reporting a move declines over time (Wave 9 combines the years 2021 and 2022, so the figure for that wave is split between them). This is an expected result given the nature of a longitudinal survey that follows a fixed population of households.[22]

Figure 8. Share of households reporting a residential move, 2013–2021/2022



Source: Benjamin Bental and Labib Shami, Taub Center | Data: CBS

22 As shown in Table 5, most residential moves are into owner-occupied dwellings, which tend to be an "absorbing state," that is, a state from which the probability of exit is very low. Therefore, the likelihood that a household that moved in a given year will move again in the short term is small. Consequently, the pool of households that have not moved declines over time.

Transitions between housing tenure types

Table 5 reports conditional transition probabilities between housing tenure types from the previous year to the current year.[23] For example, 97% of households that reported living in an owner-occupied dwelling in 2017 also reported living in an owner-occupied dwelling (not necessarily the same dwelling — see below) in 2018; only 1%–2% of these households reported in 2018 that they were living in rental housing or in a dwelling owned by a family member.

Table 5. Likelihood of a transition between housing tenure types, 2018–2021/2022

Housing tenure in previous year	Current year tenure	Housing tenure in current year		
		Own	Rent	Family-owned
Own	2018	97%	2%	1%
	2019	98%	1%	1%
	2020	98%	1%	1%
	2021/2022	97%	2%	1%
	Average	**98%**	**1%**	**1%**
Rent	2018	6%	93%	1%
	2019	6%	92%	2%
	2020	6%	92%	2%
	2021/2022	6%	92%	2%
	Average	**6%**	**92%**	**2%**
Family-owned	2018	21%	13%	66%
	2019	24%	8%	68%
	2020	29%	18%	53%
	2021/2022	27%	15%	58%
	Average	**25%**	**13%**	**62%**

Source: Benjamin Bental and Labib Shami, Taub Center | Data: CBS

23 The stationary distribution of housing tenure implied by the average conditional transition probabilities reported in Table 5 is consistent with the distribution of housing tenure shown in Table 2.

Households that move

Unlike the calculation in the previous subsection, which did not explicitly focus on residential moves, Table 6 presents, for each of the years 2018–2022, the transition probability matrix for households that reported a move (change of address) in a given year. It is important to note that with regard to transitions between housing tenure types, the 2018 survey population is found to be representative of the 2012 survey population, despite attrition among households over the survey years (for details, see Appendix D).

Similar to Table 5 above, Table 6 presents transition rates into each housing tenure type conditional on the form of residence in the previous year, but the focus here is on households that changed their address. As can be seen, most households that changed residence and had lived in an owner-occupied dwelling in the previous year moved to another owner-occupied dwelling (about 71% on average from year to year). A similar pattern is observed for households that had lived in rental housing and moved to another rental dwelling (about 69% on average from year to year). However, a notable finding is that a substantial share of households chose to change their housing tenure: about 21% of households that left an owner-occupied dwelling moved to rental housing, and about 26% of households that left rental housing moved to owner-occupied dwellings. These findings suggest that residential moves are often accompanied by a meaningful change in housing status — a phenomenon that warrants particular attention in future research to better understand its underlying drivers.

The data on address changes among households that had lived in dwellings owned by a family member show mixed patterns over the survey years (2018–2022), but in most waves the results indicate transitions into rental housing (about 51% on average from year to year).

Table 6. Share of households that changed residence, by housing tenure in year preceding the survey

Housing tenure in previous year	Survey year	Housing tenure in current year (year of move)		
		Own	Rent	Family-owned
Own	2018	70%	20%	8%
	2019	73%	18%	5%
	2020	75%	17%	8%
	2021/2022	64%	30%	6%
	Average	**71%**	**21%**	**7%**
Rent	2018	18%	78%	2%
	2019	28%	65%	6%
	2020	27%	67%	5%
	2021/2022	31%	64%	4%
	Average	**26%**	**69%**	**4%**
Family-owned	2018	26%	51%	11%
	2019	67%	33%	0%
	2020	20%	56%	25%
	2021/2022	35%	65%	0%
	Average	**37%**	**51%**	**9%**

Note: See the distribution of housing tenure types for various years in Table 2.

Source: Benjamin Bental and Labib Shami, Taub Center | Data: CBS

Households living in dwellings owned by a family member

In this subsection, we focus on households that, in the previous survey year, lived in a dwelling owned by a family member and subsequently moved to an owner-occupied dwelling. We track the modes through which ownership of the dwelling was obtained (purchase, self-construction, gift or inheritance, other) starting from 2016.[24] For example, in the years 2016–2018, about 26% of households that had lived in a dwelling owned by a family member in the previous year were living in an owner-occupied dwelling (not necessarily the same dwelling) that they had received as a gift or inheritance (Table 7). The remainder purchased the dwelling themselves or built it. The annual data on which Table 7 is based exhibit considerable variability: the share of households living in owner-occupied dwellings who had lived in a dwelling owned by a family member in the previous year ranged from 17% (in 2020) to 30% (in 2018). The highest shares were observed in 2017 and 2018, around the time of the enactment of the Multiple-Dwelling Tax Law.[25]

24 The data refer to households that responded in the survey year to the question on the mode of acquisition of homeownership; that were included in the survey in the year preceding the survey year; and that reported having lived in a dwelling owned by a family member in the previous year. This restriction naturally reduces the number of households relative to each survey wave separately, and therefore the number of households per year before weighting falls below the minimum threshold set for statistical reliability (at least 40 observations). To meet this criterion, we combined the data for 2016–2018 and for 2019–2022. As a result, the number of households before weighting was 95 in 2016–2018 (and about 280,000 households after weighting), and 51 in 2019–2022 (and about 203,000 households after weighting).

25 According to the explanatory notes to the bill, the purpose of the tax — also referred to as the "third-dwelling tax"— is "to incentivize those who hold multiple dwellings for investment purposes to sell some or all of these dwellings." For details, see the Economic Efficiency Law (Legislative Amendments for Achieving the Budget Targets for Fiscal Years 2017 and 2018), 2016, enacted on December 29, 2016, in particular Chapter 12, Multiple-Dwelling Tax.

Table 7. Modes of acquiring homeownership among households previously living in a dwelling owned by a family member, 2016–2022

	2016–2018	2019–2022
Purchase/Custom built	74%	81%
Gift/Inheritance	26%	18%
Other	0%	1%

Source: Benjamin Bental and Labib Shami, Taub Center | Data: CBS

The data in Table 7 describe the modes through which homeownership was acquired among households that had previously lived in a dwelling owned by a family member, but they do not allow us to determine any relationship between the current dwelling and the dwelling owned by the family member. Is it the same dwelling or a different one? From 2018 (Wave 6) onward, it is possible to examine whether the address in the current wave is the same as in the previous wave. Data for 2018–2022 indicate that among households that had lived in a dwelling owned by a family member in the previous year and moved to owner-occupied housing, 85% remained in the same dwelling.[26]

The impact of the Multiple-Dwelling Tax Law is also reflected in Table 8, which shows the shares of the different modes of acquiring homeownership among households that had lived in rental housing in the previous survey year.[27] As can be seen, within this population the share of households that moved to owner-occupied dwellings obtained through a gift or inheritance is particularly high in 2016–2018 compared with 2019–2022. It appears that the implementation of the law encouraged individuals who owned multiple dwellings to transfer some of them to family members in order to avoid the additional tax provisions. A comparison of Tables 7 and 8 indicates a higher share of transitions to owner-occupied dwellings obtained through a gift or inheritance among households that had previously lived in dwellings owned by a family member, compared with those that had previously lived in rental housing.

26 The number of households meeting this definition across all years combined is 83 before weighting, and about 59,000 after weighting.

27 Between 2016 and 2018 the number of households before weighting was 107, and between 2019 and 2022 was 118.

Table 8. Modes of acquiring homeownership among households previously living in rental housing, 2016–2022

	2016–2018	2019–2022
Purchase/Custom built	93%	93%
Gift/Inheritance	7%	3%
Other	0%	4%

Source: Benjamin Bental and Labib Shami, Taub Center | Data: CBS

Duration of residence in owner-occupied housing

The duration of residence in the same dwelling serves as an indicator of the population's geographic mobility.[28] However, since the survey reports the year of purchase of a dwelling but not the year of entry into a rental dwelling or a dwelling owned by a family member, it is possible to calculate duration only for owner-occupied dwellings. To examine the time until a residential move, we selected, in each survey year (2018 to 2021/2022), households that changed their address and whose previous dwelling was owner-occupied. For this population, the duration was calculated from the date of purchase of the dwelling to the move. According to these calculations, the average duration in an owner-occupied dwelling was 14.5 years, with a median of about 14.6 years. Since we have only the date of entry into the property but not the date of exit, we do not observe the full duration of residence, and the resulting estimates are therefore downward-biased. Figure 9 summarizes the distribution of durations in five-year intervals.[29]

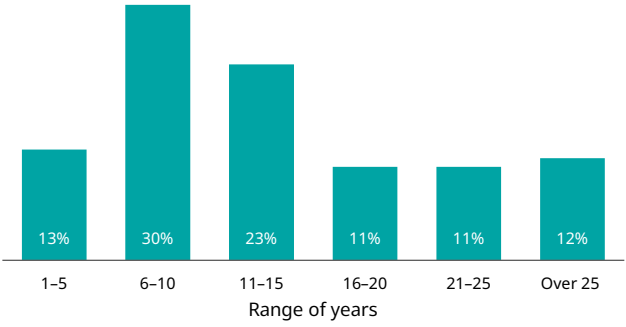
28 This measure is used for various purposes, such as tracking internal migration, the absorption of immigrants, profiling age distributions in residential areas for service planning and adjustment, and assessing social cohesion and community attachment. See, for example, Causa & Pichelmann (2020).

29 The empirical distribution is very close to a lognormal distribution with parameters $\mu=2$ and $\sigma=1$. The mean of the lognormal distribution is given by $exp(\mu + \sigma/2)$, and the median by $exp(\mu)$. Based on these theoretical values, the average duration is 12.1 years and the median is 7.4 years. It should be noted that the mean is highly sensitive to small changes in the parameters (increasing μ to 2.2 yields a mean of 14.8 years; the median, of course, remains below the mean). In the empirical data, there are several very high duration values, between 40 and 50 years, which skew the distribution to the right.

An international comparison shows that, although Israel is much smaller in area than many other countries, the figures are similar. In the United States, for example, the average length of time homeowners lived in their homes was 12.3 years in 2022, down from a peak of 13.4 years in 2020 and 12.9 years in 2021 (Anderson & Bokhari, 2023).[30] Homeowners in more expensive areas of California tended to remain in their properties the longest: in Los Angeles the average duration was 18.2 years, in San Jose 17.3 years, in Cleveland 17.1 years, in San Francisco 16.3 years, and in Memphis 16.2 years. These are the five cities with the longest average durations of residence in owner-occupied housing.

In contrast, in England the average duration of residence among homeowners increased in 2019–2022 to 121 months (about 10 years), compared with 110 months (about 9 years) in 2015–2018, likely due to pressures in the mortgage market.[31]

Figure 9. Distribution of households by duration of residence in owner-occupied dwelling, average for 2019–2022



Source: Benjamin Bental and Labib Shami, Taub Center | Data: CBS

30 The authors note in particular the long duration for which members of the baby boomer generation (aged 65 and over) remain in their homes — about one-third stay in their homes for more than 33 years; by contrast, among the younger generation, half remain in the same home for less than three years.

31 These data are based on a study that analyzed land ownership records across England. See the Property Reporter website.

Conclusion

Our study examined housing patterns in Israel during 2013–2022, based on a longitudinal survey that enables tracking changes within a fixed population over time. We focused on three main housing tenure types: owner-occupied housing, rental housing, and residence in dwellings owned by family members.

The main findings indicate that among the surveyed households, the homeownership rate increased from 62% in 2013 to 69% in 2021/2022. This increase occurred among both Jews and Arabs, but was particularly pronounced in the Arab population. At the same time, the share of renters declined from about 29% to 26%, and the share of those living in dwellings owned by family members declined from about 6% to 3%. These figures reflect a persistent trend toward homeownership in Israel, especially in the absence of a well-developed long-term rental market.

The study shows that both households living in owner-occupied dwellings and those living in rental housing exhibit high stability in their chosen housing tenure over time, meaning that transitions to other tenure types are relatively rare. Among all households that changed their address, about 71% on average of those who had lived in an owner-occupied dwelling in the previous year moved to another owner-occupied dwelling. A similar pattern emerges among households that had lived in rental housing: about 69% on average moved to another rental dwelling during the years examined. In contrast, data on address changes among households that had lived in dwellings owned by a family member indicate mixed patterns over the survey years, although in most waves the results point to transitions into rental housing (about 51% on average over the period).

In terms of demographic variables, single-person households are significantly underrepresented among homeowners and overrepresented among renters and among those living in dwellings owned by a family member. By contrast, no effect of the number of children under age 17 on housing tenure was found. Housing density was also examined, showing that the highest share of households living in dwellings with up to one person per living room is found among owner-occupied and rental housing, while density is higher among those living in dwellings owned by a family member. Analysis of the age of the household head confirms that younger households are overrepresented in more flexible housing tenure types (rental housing and dwellings owned by

family members), but as age increases, their representation in these tenure types declines while their representation in owner-occupied housing rises. In other words, households headed by younger individuals tend to rent or live in dwellings owned by family members, but over time transition into homeownership.

The distribution of the survey population by education is very similar to the distribution of homeowners by education. In the Jewish population, this pattern persists despite a substantial increase in the share of individuals with academic education. However, within this population, a positive relationship is found between higher household income and higher homeownership rates. In the Arab population, by contrast, homeownership rates remain relatively stable across income deciles. In rental housing, both populations show an increasing share of low- and middle-income households, a trend that strengthened particularly in 2021/2022, likely reflecting rising housing prices. Residence in dwellings owned by family members continues to be concentrated among lower-income deciles, although among Arabs the share of poorer households in this tenure declined, whereas among Jews it increased in 2021/2022.

The study highlights the importance of longitudinal survey data for understanding long-term trends and processes that cannot be captured in cross-sectional studies. The findings provide a comprehensive picture of the housing market in Israel and emphasize the dynamic processes shaping households' housing choices over time. The factors influencing households' decisions to change their housing tenure, and the timing of such decisions, remain important topics for future research.

References

English

Anderson, D., & Bokhari, S. (2023, March 1). The typical U.S. home changes hands every 12 years, down from 2020 peak. *Redfin*.

Causa, O. and J. Pichelmann (2020). *Should I stay or should I go? Housing and residential mobility across OECD countries*. OECD Economics Department Working Papers No. 1626. OECD Publishing.

del Pero, A. S., Adema, W., Ferraro, V., & Frey, V. (2016). *Policies to promote access to good-quality affordable housing in OECD countries*. OECD Social, Employment and Migration Working Papers No. 176. OECD Publishing.

Disney, R., & Luo, G. (2017). The right to buy a public housing in Britain: A welfare analysis. *Journal of Housing Economics, 35*, 51–68.

Haffner, M., Hoekstra, J., Oxley, M., & van der Heijden, H. (2009). *Bridging the gap between social and market rented housing in six European countries?* Housing and Urban Policy Studies 33. IOS Press.

Hausman, N., Ramot-Nyska, T., & Zussman, N. (2022). Homeownership, labor supply, and neighborhood quality. *American Economic Journal: Economic Policy, 14*(2), 193–230.

Glaeser, E. L., & Shapiro, J. M. (2003). The benefits of the home mortgage interest deduction. *Tax Policy and the Economy, 17*, 37–82.

Kemp, P. A. (2015). Private renting after the global financial crisis. *Housing Studies, 30*(4), 601–620.

Kholodilin, K. A. (2022). Chapter 6: Housing tenure. In *Lectures on housing economics: A European text*. (online)

Le Blanc, J., Slacalek, J., & White, M. N. (2025). *Housing wealth across countries: The role of expectations, institutions and preferences*. Working Paper No. 3021. European Central Bank.

OECD (2024a). *OECD Affordable Housing Database: Indicator HM1.3 Housing tenures*. OECD.

OECD (2024b). *OECD Affordable Housing Database: Indicator PH6.1 Rental regulation*. OECD.

Poterba, J. M., & Sinai, T. (2008). Tax expenditures for owner-occupied housing: Deductions for property taxes and mortgage interest and the exclusion of imputed rental income. *American Economic Review, 98*(2), 84–89.

Sodini, P., Van Nieuwerburgh, S., Vestman, R., & von Lilienfeld-Toal, U. (2023). Identifying the benefits from homeownership: A Swedish experiment. *American Economic Review, 113*(12), 3173–3212.

The New York Times (2024, September 7). The American dream without a house? Believe it. *The New York Times*.

Hebrew

TheMarker (2025, January 28). Even the American dream no longer includes a home. *TheMarker*.

CBS (2023, June 19). Media Release: *Gaps between Jews and Arabs, 2021–2021*. Selected data from the Society in Israel Report No. 14. Central Bureau of Statistics.

CBS (2024, March 12). Media Release: *Dwellings by ownership in Israel, 2013–2023*. Central Bureau of Statistics.

CBS (2024, February 7). Media Release: *Family Day — Families and households in Israel 2024*. Central Bureau of Statistics.

Appendix

Appendix A. Sample size and number of respondents in each survey wave

In the longitudinal survey, it was determined that the sample in the first wave would also be examined in subsequent waves, as the main objective of the survey is to study the characteristics of individuals and households and the changes in these characteristics over time. To identify which individuals are followed in later waves, the following rules were established (beginning with the second wave):

1. Every individual who belonged to the survey population in the first wave, including those who did not respond to the survey, is included in subsequent waves.
2. In each new wave, any individual who belongs to the household, even if not part of it in the first wave, is included in the follow-up and surveyed together with all household members. For example, if a household that included two individuals in the first wave gains an additional member, that individual is also included in the follow-up.
3. If an individual leaves the household, they are no longer followed from the wave in which they left; for example, an individual who joined the household in the second wave and left it in the fourth wave is surveyed only in the second and third waves.
4. A child born after the first wave is included in the follow-up starting from the wave in which they are born, even if they were not part of the original sampled household. Thus, even if the child later leaves the household (for example, following parental divorce), they continue to be included in the follow-up sample.
5. If, after the first wave, the sampled individual marries or has a child, the spouse or child is included in the follow-up even if they were not part of the original sampled household. They remain part of the sample as long as they are members of the household, even if they reside separately from the originally sampled individual.

In this way, continuity of data is maintained for all family members, ensuring consistent tracking of changes in household composition throughout the survey.

The table below presents data on the number of respondents to the survey (households and individuals) in each wave, as well as the number of respondents across all nine waves. For example, in the first wave, 14,322 individuals responded to the survey, of whom 10,089 (70.4%) also responded in the second wave, and so on.

Table A1. Participation in longitudinal survey waves

Wave	Household sample size	Household respondents	Respondents in wave	Respondents in all waves
1	8,000	5,007	14,322	14,322
2	8,266	4,621	13,416	10,089
3	8,661	4,446	13,040	7,952
4	9,020	4,180	12,297	6,535
5	9,272	4,232	12,376	5,664
6	9,578	4,014	12,040	4,917
7	9,829	3,983	12,103	4,388
8	5,981	4,436	13,281	4,095
9	5,741	4,075	12,051	3,624

Source: Benjamin Bental and Labib Shami, Taub Center | Data: CBS

Appendix B. Longitudinal versus cross-sectional survey

As noted, this study is based on data from the longitudinal survey. The Israel Central Bureau of Statistics (CBS), by contrast, relies on cross-sectional data from the register of dwellings and buildings, which is based on municipal property tax (arnona) records provided by local authorities (CBS, 2024a). The differences between these two data sources explain the discrepancies between the findings of this study and those of the CBS. As shown in Table A2, according to the register of dwellings and buildings, as of July 2023 there were about 2.9 million dwellings in Israel. In 70.8% of them, the occupants were homeowners, and in 28.6% the occupants were renters. However, in contrast to the findings of the longitudinal survey — which indicate an increase in homeownership rates and a decline in rental housing over the period examined (2013–2021/2022) — CBS data point to the opposite trend: the share of dwellings occupied by their

owners declined from about 75% in 2013 to about 71% in 2023, while the share of rental dwellings increased from about 24% in 2013 to about 29% in 2023.

There are two main sources for the differences between these results and those obtained from the longitudinal survey. First, as explained above, the longitudinal survey population does *not* represent the entire population of Israel over the survey years, but only the segment it represented in 2012. This feature allows the longitudinal survey to track changes within a fixed population and to identify long-term trends and processes (2013–2022) in housing patterns in Israel — something that is not possible with cross-sectional surveys. Second, there are methodological differences between the data sources. The register of dwellings and buildings is based on arnona records and provides cross-sectional data on the number of owner-occupied and rental dwellings. The register includes unoccupied dwellings, as well as rented dwellings for which the arnona account has not been transferred to the tenant (all of which are classified as "owner-occupied dwellings"). In addition, there are records that include a large number of dwellings with centralized billing (such as student dormitories, absorption centers, and assisted living facilities). Residents in the longitudinal survey sample who live in such dwellings report living in rental housing, regardless of who pays the arnona.

Table A2. Distribution of housing tenure based on cross-sectional data, 2013–2023

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Own	75%	75%	74%	73%	73%	73%	72%	72%	72%	71%	71%
Rent	24%	24%	26%	26%	26%	27%	27%	27%	27%	28%	29%
Private sheltered housing	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%

Source: Benjamin Bental and Labib Shami, Taub Center | Data: CBS

Appendix C. Gross annual household income by deciles: Longitudinal survey versus Household Income and Expenditure Survey

Table A3. Gross annual household income by deciles — upper limit

NIS

Decile	Longitudinal survey 2021/2022	Income & Expenditure Survey 2021
1	58,022	50,628
2	94,698	80,952
3	132,000	111,408
4	168,904	143,904
5	211,778	177,864
6	261,907	221,844
7	327,711	274,308
8	423,104	352,224
9	571,052	492,084
10	2,713,873	None

Source: Benjamin Bental and Labib Shami, Taub Center | Data: CBS

As can be seen in the table, the upper income threshold in each income decile, calculated from the longitudinal household survey, is considerably higher than the corresponding threshold derived from the 2021 Income and Expenditure Survey. This finding indicates that over the decade under review, the population of the longitudinal survey became wealthier than the general population of the country. By contrast, a comparison with data from 2012 reveals, as expected, only small differences between the surveys.

Appendix D. Housing tenure impact on likelihood of dropping out of the sample

As noted, the sample selected in the first wave of the survey was intended to be followed in subsequent waves. In practice, however, not all households included in the survey population in the first wave participated in every subsequent wave. The sample size in the first wave was 8,000 households; 5,007 of them responded to the survey, comprising 14,322 individuals.

By contrast, the sample size in Wave 9 was 5,741 households; 4,075 of them responded, comprising 12,051 individuals. As is customary, weights were calculated for responding households in all waves, enabling an assessment of the representativeness of each household or individual relative to the relevant population. However, these weights were not designed to preserve representativeness over time and were not constructed based on housing tenure. It is therefore possible that, due to non-random attrition of households (particularly by housing tenure), the survey population in a given wave may not represent the population in earlier waves.

To examine this possibility, we tested the effect of housing tenure on the probability of dropping out between the 2013 and 2018 samples. The dependent variable in each regression was defined by comparing the survey populations in these two years: households that participated in both surveys were assigned a value of 0, while households that participated only in the 2013 survey — that is, those who dropped out — were assigned a value of 1. In the first three regressions, the explanatory variable represents one of the housing tenure types — ownership, renting, or residence in a dwelling owned by a family member — respectively, with the omitted category consisting of the rest of the population. In the fourth regression, all three of these main housing tenure types were included, and the baseline (omitted) category consisted of all other forms of housing (which account for a very small share of the population). The models were estimated using a linear probability model; accordingly, the intercept represents the baseline probability of attrition for the omitted group, and the coefficient on each housing tenure variable represents the additional probability associated with belonging to that group.

Table A4. Summary of regression results

Variable	Model 1: Own	Model 2: Rent	Model 3: Family-owned	Model 4: Own + rent + family-owned
Intercept	0.37714***	0.34322***	0.357949***	0.35762***
Own	-0.03373*			-0.01420
Rent		0.04640**		0.03200
Family-owned			-0.023534	-0.02320

(table continues)

Model Fit Statistics

Statistic	Model 1: Own	Model 2: Rent	Model 3: Family-owned	Model 4: Own + rent + family-owned
Residual standard error	0.4787	0.4786	0.479	0.4787
R^2	0.001173	0.001905	0.0001521	0.001958
Adjusted R^2	0.0009537	0.001686	-0.00006729	0.0013
F-statistic	5.352*	8.699**	0.6933	2.979*
p value	0.02074	0.003201	0.4051	0.03025

Significance levels: *p < 0.1; **p < 0.05; ***p < 0.01.

Source: Benjamin Bental and Labib Shami, Taub Center | Data: CBS

As can be seen, the regression results indicate that the probability of attrition is nearly 0.35. Home ownership lowers the probability of attrition somewhat, while renting raises it slightly. Living with a relative has no effect on the probability of attrition. In the regression that includes all housing tenure categories together, the constant represents the attrition probability of the omitted group, which is also approximately 0.35. In this case, the set of housing tenure categories does not change the probability of attrition. It follows that the representativeness of the 2018 sample with respect to housing tenure was not impaired over time.

Appendix E. Distribution of population characteristics by housing tenure and distribution of housing tenure by population characteristics

The paper focuses on the distribution of various population characteristics across each housing tenure type and in the population as a whole. As we showed in footnote 10, Figure 1 and Table 2 make it possible to calculate the distribution of housing tenure within each population group according to its characteristics. The transition between these distributions is based on Bayes' law.

Let the characteristics of a population group (for example, number of children) be denoted by C_i, and housing tenure types (for example, ownership) by H_j. Figures 1–6 report the relative size of the population group characterized by C_i in the overall population, denoted by $P(C_i)$. These figures also report the share

of this group among users of tenure type H_j, denoted by $P(C_i|H_j)$. Table 2 reports the share of users of housing tenure type H_j in the overall population, denoted by $P(H_j)$. Our aim is to calculate the share of users of this housing tenure type within the population group characterized by C_i, that is, $P(H_j|C_i)$.

By the definition of conditional probabilities,[32]

$$P(C_i|H_j)\cdot P(H_j)=P(H_j|C_i)\cdot P(C_i)$$

or:

$$P(H_j|C_i)=[P(C_i|H_j)/P(C_i)]\cdot P(H_j)$$

In other words: for a given population group, the share using a particular housing tenure is obtained by dividing that group's share among users of the tenure type by its share in the overall population, and multiplying the result by the overall share of users of that tenure type in the population.

This result also implies that over- or underrepresentation of a population group with given characteristics among users of a particular housing tenure, relative to that group's share in the overall population, is equivalent to over- or underrepresentation of users of that tenure within the given population group, relative to their share in the overall population.

32 Both sides of the equation represent the share of individuals in the population who both possess characteristic C_i and use housing tenure type H_j.