



Expert Real Estate & Services Providers

Your Essential Guide to Buying and Investing in Israel



Welcome to Your Complete Guide

Buying a home or investment property in Israel is an exciting and meaningful journey, but it can also be complex and challenging. Israel Properties by Stamelman & Partners is very excited to be your trusted partner every step of the way, offering expert guidance, exclusive access to projects and existing properties, and a full suite of services from pre-purchase to post-sale management. This guide combines our in-depth expertise, step-by-step processes, and value-added services to provide a comprehensive roadmap for buying and investing in Israel.

1. IDENTIFYING YOUR IDEAL PROPERTY

How We Help You Find the Perfect Home or Investment

Personalized Property Matching by understanding your needs

- We start with an in-depth consultation to understand your needs, lifestyle, and financial goals.
- We work hard for you, but we also work smart. We will not waste your time on producing options that do not tick your boxes. Understanding what those boxes are is a critical first step in the process.
- Once we have your wish list, we will start supplying with real viable options.
- Our network of developers, sellers, and agents ensures you access off-market opportunities as well as what is currently being advertised. There are a lot more options to choose from than you may think.
- We provide a comparative market analysis (CMA) on request to help you assess value and make an informed decision – for buyers who have signed with us and before you make an offer.
- We also provide our clients who have signed with us before making an offer a detailed comprehensive costs analysis (what has to be paid when) what mortgage expected, what rental expected and detailed financial information that is specific to the property you have selected when we get to that point.
- Virtual and in-person property tours are available for select Projects properties for clients abroad.

2. THE BUYING & INVESTING PROCESS: STEP-BY-STEP

Purchasing Checklist

This journey can be overwhelming and daunting. Israel Properties takes the stress out of the process by navigating the steps with you and guiding you from conception to occupation and beyond.

From our 25+ years of experience working with Anglo clients in Israel and across the world, we have outlined the important steps you need to follow when buying property in Israel.

Step 1: Speak with a Mortgage Broker

If you are planning to finance your purchase, the first step after we meet is to consult with a mortgage broker. A mortgage broker will provide you with a realistic budget assessment, which will help you understand how much you can afford to spend on a property. They can also help you secure pre-approval for your mortgage. Israel Properties has trusted partners that we connect our clients with.

Key Note: *There are no mortgage contingencies in Israel, so it is essential to have your financing in order before making an offer.*

Step 2: Select a Lawyer

It is important to establish contact with a lawyer early in the process. A lawyer can provide legal advice, help you navigate the complex Israeli legal system, and ensure all necessary documents are in order. Israel Properties has trusted legal partners that we connect our clients with.

It is also advisable to grant power of attorney to either the lawyer or a trusted relative who can act on your behalf throughout the transaction. This process can take time and may need notaries or apostilles overseas so this must be factored in.

Step 3: Consult with a Currency Expert

If you are transferring foreign currency into NIS to purchase the property, it is advisable to consult with a currency expert.

Key Note: *Banks in Israel require specific documentation to clarify the source of funds and tax declarations. If not done 100% correctly with all supporting documents (e.g., accountants' letters, tax clearances), money may not be allowed into Israel.*

Step 4: Make an Offer or Sign a Registration Letter on the Project

Once you have found the right property, we help you make an offer and negotiate on your behalf.

Key Note: *It is important to understand the commission structures, VAT implications, and legal/statutory fees that are unique to Israel from the buyer's and seller's perspective.*

Step 5: Start the Due Diligence Process

After the offer is accepted or the registration letter is signed, the due diligence process begins. This typically takes **2-4 weeks** depending on the project. **We guide you through this entire stage.**

Step 6: Signing Day!

Once your lawyer confirms that due diligence is complete, you are ready to **sign the purchase agreement**. This agreement outlines the terms and conditions of the sale and is a **legally binding document**.

Step 7: Project & Property Management

Project Management Division

If you are purchasing a **new build/project** or a **second-hand apartment** that **requires renovations**, you will want to **consult with our Project Management Division**. This can be the most exciting part of buying, where you get to create your own dream home with your own style and preference.

How we help

- From signature until key handover, there is a full life-cycle of events that take place, and this detailed process will last for years. There is a lot that takes place in this stage, and we will give you a more detailed project breakdown once you have established that you are in fact wanting a New build or project
- Some of the work included in this Phase includes, but is certainly not limited to:
 - Helping you with selections, upgrades and designs.
 - Recommending trusted **architects, interior designers, craftsmen and workmen**
 - Overseeing the **design, planning, and project execution**
 - Managing **communication between all parties**
 - Ensuring timely **completion of upgrades and selections**

Step 8: Post-Sale Services & Property Management

Project Management & Rental Division

If you are purchasing for investment purposes, our Rental & Property Management Division ensures you maximize your return.

- ✓ Tenant sourcing & lease management
- ✓ Ongoing maintenance & repairs
- ✓ Utility and tax registration
- ✓ Advertising and tenant vetting

3. WHY CHOOSE ISRAEL PROPERTIES BY STAMELMAN & PARTNERS?

- ✓ Comprehensive, one-stop solution – From purchase to management.
- ✓ Exclusive access to off-market deals – Unique opportunities in Israel.
- ✓ Strong developer & agent relationships – Better prices and terms.
- ✓ Expert negotiation – Ensuring transparency and protection.
- ✓ Multilingual support – Fluent in English & Hebrew.
- ✓ Proven track record – Over two decades of experience.

4. FEES & COSTS: WHAT TO EXPECT

- 💰 **Lawyers Fees:** 1% + VAT of the purchase price
- 💰 **Mortgage Fees:** 1% + VAT of the of the mortgage amount
- 💰 **Designers Fees:** 1-2% + VAT of the purchase price or project by project basis
- 💰 **Buyer's Agent Fee:** 2% + VAT of the purchase price
- 💰 **Project Management Fee:** 1-2% + VAT of the purchase price, details TBA according to your needs
- 💰 **Rental Placement Fee:** 1 month's rent + VAT
- 💰 **Monthly Property Management Fee:** 10% of the property rental fee, but not less than 600 NIS + VAT

Key Note: *We offer an extremely competitive fee structure with unparalleled service!*

All our clients who sign with us get a personalised detailed spread sheet detailing what amounts need to be paid where and when with expected mortgage repayments and expected rental income as well as all hidden costs and other information that is essential to avoid surprises.

5. FREQUENTLY ASKED QUESTIONS (FAQ)

Property Prices and Market Trends

How much do homes cost in Israel?

Home prices in Israel vary significantly based on location, property type, and demand. As of 2025, the average apartment price is approximately **NIS 2.33 million**.

Below is a breakdown of average prices for 4-room apartments in select cities:

- **Tel Aviv:** NIS 4,884,400
- **Jerusalem:** NIS 3,143,400
- **Netanya:** NIS 2,639,300
- **Beit Shemesh:** NIS 2,500,000
- **Ashkelon:** NIS 1,710,000
- **Carmei Gat:** NIS 1,750,000 – 2,100,000
- **Peripheral Areas:** NIS 1,200,000 – 1,700,000

What is the Home Price Index?

The **Home Price Index** is published monthly by the **Central Bureau of Statistics (CBS)** and tracks changes in residential real estate prices across Israel based on actual transactions.

What is the Consumer Price Index (Madad)?

The **Consumer Price Index (CPI, or “Madad”)** measures inflation by tracking the average change in prices of consumer goods and services. It impacts mortgages, as many loans are linked to CPI fluctuations.

What is the Construction Cost Index?

This index reflects the rising costs of construction materials and labor. Buyers of new homes in projects may see their final payment obligations increase if the outstanding balance is linked to this index.

Buying a Home in Israel

Who is eligible for discounted housing?

The Israeli government provides housing benefits for certain groups, including:

- **First-time homebuyers** (“Mechir Lamishtaken” program).
- **Olim Chadashim** (New immigrants) may receive grants or favorable mortgage terms.
- **IDF veterans and residents of certain development areas**

What are the extra costs when purchasing real estate in Israel?

Besides the property price, buyers should expect:

- **Purchase Tax (Mas Rechisha):** 0%–10% depending on residency status and property value.
- **Legal Fees:** Typically 1% + VAT.
- **Mortgage Fees:** Around 1% of the loan amount.
- **Real Estate Agent Fees:** 2%–4% of the purchase price + VAT.
- **Home Inspection Fees:** Optional but recommended (~NIS 2,000–6,000).

How do I transfer funds from abroad for purchasing real estate in Israel?

Israel has strict regulations on **foreign currency transfers**. Buyers must provide documentation proving the legal source of funds, including **bank statements, tax records, and accountant certifications**. Using a **currency exchange specialist** can help optimize rates and ensure compliance.

How are homes in Israel measured?

Unlike in many Western countries, homes in Israel are measured in **square meters (m²)**, including common areas, balconies, and parking in some cases.

What air directions are most desirable in Israel?

- **North & West-facing apartments** are preferred for cooler breezes in summer.
- **South-facing apartments** receive more sunlight, ideal for winter months.

What is a purchasing group?

A “**Kvutzat Rechisha**” is a collective of buyers who come together to purchase land and develop housing, often resulting in lower prices but longer waiting periods.

What is TAMA 38?

TAMA 38 is a national project for strengthening old buildings against earthquakes, allowing developers to **reinforce and expand existing structures while providing additional units**.

What is Pinui Binui?

A large-scale redevelopment program where **old buildings are demolished and replaced with modern high-rises**. Residents receive new apartments in exchange.

What kind of homes are there in Israel?

- **Dira (Apartment)** – The most common type of home.
- **Cottage (Townhouse)** – A multi-story home, typically with a garden.
- **Villa (Private House)** – A standalone home, often with a yard.
- **Penthouse** – A high-end apartment on the top floor of a building.
- **Duplex** – A two-level apartment.

What real estate-related benefits do Olim Chadashim receive upon making Aliyah?

- Reduced purchase tax.
- Discounted mortgage interest rates.
- Exemptions on certain property taxes.

Legal Aspects of Buying Property in Israel

Are my payments protected when I purchase a home in Israel?

Yes, buyers of **new projects** receive legal protection under Israeli law, including **bank guarantees or insurance policies** safeguarding their payments.

What is a warning note (he'arat azhara)?

A legal notation in the **Land Registry (Tabu)** that prevents the seller from reselling the property to someone else before the buyer completes the transaction.

What is “Zichron Devarim”, and should I sign it?

A **preliminary agreement** outlining basic sale terms. **It is not legally binding**, but signing it can create legal obligations—so always consult a lawyer first.

Do I need a real estate lawyer when buying property in Israel?

Yes! A **lawyer is essential** for contract review, title verification, tax compliance, and fund transfers.

What warranty do I get when buying a new home in Israel?

Developers must provide a multi-year warranty covering structural integrity, plumbing, electrical work, and more.

Mortgages in Israel

What interest rate tracks are available in Israel?

Mortgages can be **fixed, variable, or linked** to the Consumer Price Index (CPI).

How much can I borrow in Israel?

- Israeli citizens: Up to **75% loan-to-value (LTV)**.
- Foreign buyers: Up to **50% LTV**.

Is mortgage insurance mandatory?

Yes, banks require life and home insurance when granting a mortgage.

Do I need a mortgage broker?

While not mandatory, a mortgage broker can negotiate **better terms and rates**.

Until what age can I get a mortgage?

Most banks require the loan to be repaid by age **75-80**.

Do I need a home appraisal for my mortgage?

Yes, banks require an **official property valuation** before approving the loan.

Owning and Managing a Home in Israel

What is the role of the Va'ad Bayit?

The **building committee (Va'ad Bayit)** is responsible for managing **common area** maintenance, security, and shared expenses.

Real Estate Taxes in Israel

Is there VAT on real estate?

Yes, VAT applies to **new projects** but not second -hand apartments.

What is Purchase Tax (Mas Rechisha)?

A **one-time tax** due at the time of purchase, calculated based on residency and property value.

Is rental income taxable?

Yes, but tax exemptions exist for rental income under a **certain threshold**.

What is Arnona?

Arnona is a **municipal tax paid by property occupants** based on location and apartment size.

We look forward to being your partner in this journey and to guiding you every step of the way. This is a simple guide to get you started. Lets meet and find out what you want and need and then we can give you more in depth information tailor made to your specific requirements and more information on the process and on our unique offerings and services that we provide our clients with.

Start Your Journey with Us Today!

Contact us for a Free Consultation

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