Ron Cohen VAS
Valuation and Advisory

ISSUE
9

Israel Real Estate
MARKET RECAP

October 2026



www.roncohen.co.il

Israel Real Estate Market Recap | October 2026

Israel's property market approaches the end of the year with its central bank on hold. The Bank of Israel left its rate at 3.25% on 21 October, after five reductions in a year, and its governor declined to commit to further easing while the labour market remains tight and the earlier cuts have yet to take full effect. The pause sets Israel apart from the US and the euro area, where the central banks have begun raising rates again as oil above $100 a barrel has lifted inflation towards 4%.

At home, low inflation has given the Bank room that others lack. Prices rose 1.6% in the year to September, below the midpoint of the 1% to 3% target, and the Bank's staff expect the rate to settle at 3% by the third quarter of 2027, with the economy, excluding the output of Israeli companies' operations abroad, growing by 3.4% this year and 5.1% next. The risks the Bank names are external: renewed escalation of the conflict and the price of energy. The shekel has weakened by about 3% against the dollar since the beginning of September, although it remains stronger than at the start of the year.

House prices fell 1.8% in the year to August, while new mortgage lending held at about ₪10 billion in September and rents on new lettings rose by more than 5%. In offices, the supply long expected in the Tel Aviv CBD is now arriving. The first of the new towers has opened about 70% let, largely to occupiers moving from older buildings nearby, and further towers will offer space for occupation around the end of 2026.

Property shares fell to their lowest level of the year in the first week of October and then recovered by almost 12% to 26 October, ahead of the wider market but still below where they began the year.

Low inflation and a central bank inclined to ease have supported the domestic market, while rates abroad are rising, the shekel has weakened and the formation of a new government remains uncertain. The Bank's next rate decision is due on 23 November.

Israel's tallest tower opens in Givatayim about 70% let

BEYOND, a 78-storey office tower of about 320 metres in Givatayim, on Tel Aviv's eastern edge, began to receive tenants on 4 October, about 70% let. It is now Israel's tallest building, and will remain so at least until Azrieli Group, Israel's largest listed property company, completes its Spiral tower in Tel Aviv at about 355 metres.

The tower stands in Givatayim's City business district beside the Ayalon motorway, less than 300 metres from Savidor Central station. It provides about 120,000 sqm of offices above an eight-storey podium with about 20,000 sqm of retail space, and a second tower of about 60 storeys of micro-flats is planned but not yet built. The owners are Tidhar, the construction and development group, Union, the group controlled by George Horesh, and Himanuta, the land company of the Jewish National Fund.

Tidhar and Horesh bought a 78% interest in the site from Eurocom Real Estate in 2016 for about ₪256 million ($85 million), and construction began in 2019. Tidhar's financial statements now value the scheme at about ₪3.03 billion ($1.01 billion). The tower will add about ₪40 million ($13 million) a year in business rates to Givatayim's budget, equivalent to about 14.5% of the ₪275 million ($92 million) the municipality collected in rates in 2025.

The tower was 59% let in August, at average rents of about ₪143 ($48) psm per month fitted out and ₪112 ($37) in shell condition. Further agreements for some 34,000 sqm of offices and retail have since taken it to about 70%, and about 60% of the space is occupied at opening. Meitar, one of Israel's largest law firms, moves in first, on about 30,000 sqm over 17 floors let for 25 years at ₪150 ($50) psm per month, about ₪54 million ($18 million) a year.

Moon Active, the mobile games developer, has taken about 22,000 sqm on 11 floors for ten years, moving from some 26,000 sqm in Tel Aviv, and Mindspace, the flexible office operator, is due to open a 10,000 sqm work and conference centre in the tower early in 2027. Advisers attribute the remaining vacancy to the walk to the railway station, the distance from the light rail Red Line and competition from three Tel Aviv towers, ToHA 2, HaSolelim and the Spiral, all marketing space for occupation around the end of 2026. Most of BEYOND's tenants have moved from the Bursa district of Ramat Gan, central Tel Aviv and the Azrieli towers.

Golden Mall becomes Israel's largest shopping centre

The Golden Mall in Rishon LeZion, south of Tel Aviv, has opened its Platinum floor, a new level of

about 12,000 sqm built at a cost of some ₪100 million ($33 million). The extension takes the centre to about 122,000 sqm, which on management's figures makes it the largest shopping centre in Israel by area.

The centre was opened by the brothers Moshe and Yigal Gindi in the early 1990s and previously covered some 110,000 sqm with about 430 tenants. The new floor is let to about 30 shops, among them a Victoria's Secret flagship, Toys R Us and Flying Tiger, alongside anchor units in fashion, beauty and lifestyle. It completes a wider refurbishment: the Gindi family said in April that it had spent about ₪180 million ($60 million) on renovating and extending the centre in recent years, alongside about ₪80 million ($27 million) on new facades.

The opening follows a change of ownership. Migdal, one of Israel's largest insurance and pension groups, bought 75% of the centre from the Gindi family in 2008 for about ₪1 billion ($333 million) and acquired the remaining 25% at the end of June for about ₪840 million ($280 million). About ₪440 million ($147 million) of the price was attributed to the new floor, then still under construction and wholly owned by the family, and about ₪400 million ($133 million) to the quarter share of the existing centre.

In July Melisron, one of the country's largest shopping centre owners, withdrew from its September 2025 agreement to buy 51% for ₪818 million ($273 million) after the Competition Authority indicated that it would not approve the deal. Migdal is now reported to be seeking a partner to help manage and improve the centre, the only shopping centre in Israel it holds directly.

UAE embassy wins planning approval in Herzliya Pituah

The Tel Aviv District Planning and Building Committee has approved the plan for the permanent embassy of the United Arab Emirates in Israel, at 9 Sapir Street in the Herzliya Pituah employment zone, north of Tel Aviv. The plan covers a site of about 2,500 sqm and allows up to 15,000 sqm of building in a block of up to 15 storeys.

Up to 20% of the floor area is set aside on the upper floors for the residences of the ambassador and the diplomatic staff. Herzliya Pituah, a coastal quarter of villas, hotels and technology offices, already houses a number of foreign embassies and ambassadors' residences.

The embassy follows the Abraham Accords and the establishment of diplomatic relations between Israel and the UAE in 2020. The mission currently works from temporary offices in Tel Aviv and Herzliya. The land belongs to Herzliya municipality, and its transfer to the State, so that it can be leased to the UAE, is being arranged with the Israel Land Authority in return for the allocation of an alternative plot to the municipality in the marina area.

Fattal's ROOMS takes 5,000 sqm in Ramat Gan tower

ROOMS, the flexible workspace chain owned by Fattal, the hotel group, has let about 5,000 sqm on floors 26 to 28 of Elite Tower in the Bursa, the Diamond Exchange quarter of Ramat Gan, east of Tel Aviv, and will fit the space out as a work and meeting centre at a cost of about ₪24 million ($8 million).

Elite Tower is the office tower built on the site of the former Elite chocolate factory. The centre, the chain's fifteenth, is due to open in December 2026. The rent was not disclosed.

ROOMS was founded in 2019 and runs 14 centres in Tel Aviv, Ramat Gan, Bnei Brak, Ra'anana, Gelilot, Modi'in and Petah Tiqva.

Hagag sells Infinity penthouse for ₪55.5 million

Hagag Group, the Tel Aviv developer, has sold one of the two penthouses in Infinity, its 52-storey residential tower in the Sumail compound at the corner of Ibn Gabirol and Jabotinsky streets, for ₪55,555,000 ($18.5 million) to an American Jewish buyer who intends to live in it.

The flat takes the 51st and 52nd floors and has its own pool. It was sold in shell condition, with the fit-out left to the buyer, and has about 293 sqm of built area and about 158 sqm of terraces, for which the company quotes about ₪150,000 ($50,000) psm, or about ₪149,000 ($49,700) psm on a weighted 372 sqm that counts half the terraces.

The sale, announced on 11 October, comes some two months after Hagag launched a campaign to revive the project, which began as a purchase group and passed to Hagag as developer in November 2021. One flat was sold in the first quarter of 2026 and none in the second, against 131 across the group's projects in the half year and 13 in each of 2024 and 2025, leaving about 60 of the 278 flats unsold at the end of June. The company expects completion in the fourth quarter of 2026 and the end of marketing in the second quarter of 2027.

More than 30 flats of two to five rooms were offered from about ₪60,000 ($20,000) psm against ₪1 million ($333,000) on signing, with the balance deferred for about three years without interest or indexation, the keys handed over before full payment and rent guaranteed for the first two years, from ₪10,000 ($3,300) a month for a two-room flat to ₪22,000 ($7,300) for five rooms. Hagag advertised returns of 24% to 52%, measured on the deposit over two years. On the full price of a ₪4.2 million ($1.4 million) two-room flat the same rent is a gross yield of about 2.9% a year.

The penthouse sits below the top of the year's ranking of the most expensive residential sales: of the 16 largest deals in the Jewish year to September, 13 were in Tel Aviv. The highest was a ground-floor flat of 530 sqm in Neve Tzedek, sold in December 2025 for about ₪91.4 million ($30.5 million), about ₪172,000 ($57,000) psm, and a single new compound in the same neighbourhood accounted for four further places, with flats of 215 to 405 sqm sold for between ₪42 million ($14 million) and ₪61.6 million ($20.5 million). A detached house of about 900 sqm in Herzliya Pituah sold in September 2025 for about ₪80 million ($26.7 million), and a 307 sqm flat in Talbiya, Jerusalem, sold in March for about ₪48 million ($16 million), about ₪156,000 ($52,000) psm.

Property shares recover from their October low

Shares in Israel's listed property companies recovered in October from their lowest level of the year, and by 26 October were ahead of the broader market on the month.

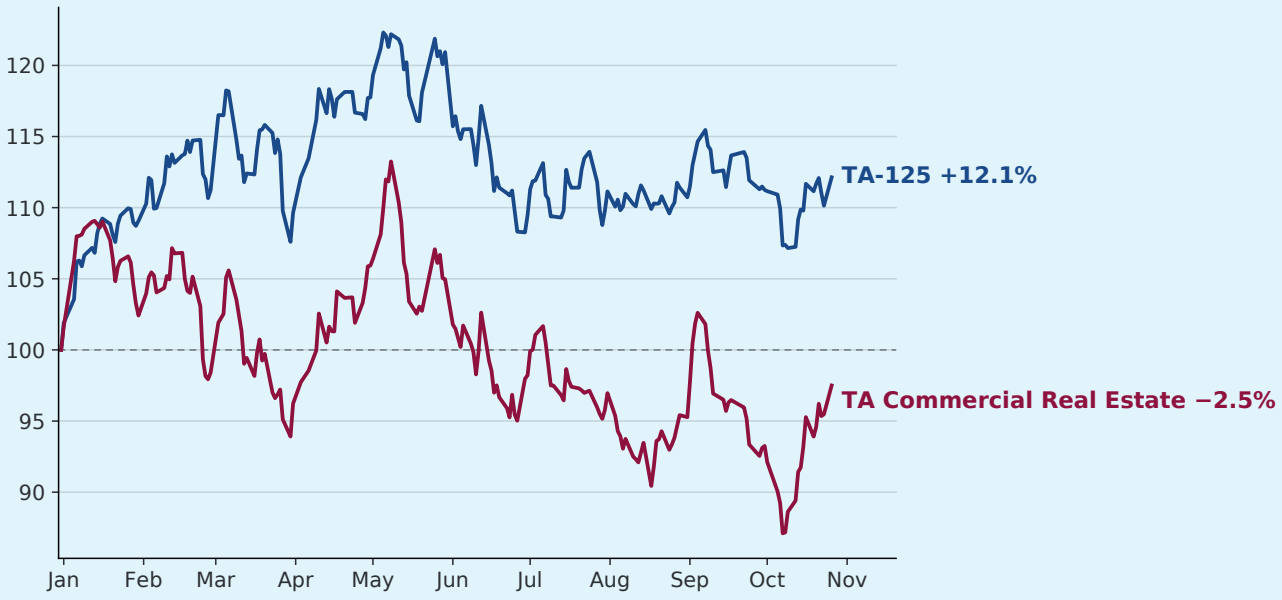
The TA Commercial Real Estate index, the benchmark for the listed landlords, fell 6.6% in the first week of the month, to its lowest close of 2026 on 7 October. It then rose almost 12% over the following two and a half weeks and by 26 October was 4.6% higher on the month, leaving it 2.5% lower since the start of the year.

Property shares are among the most sensitive to interest rates, and the domestic outlook for rates remained favourable. The Bank of Israel held its rate at 3.25% on 21 October after three successive cuts, and its staff forecast a further reduction, to 3%, by the third quarter of 2027, although the Federal Reserve and the European Central Bank have both raised rates.

The broader TA-125 followed the same path in milder form, falling 3.7% to 9 October before recovering to 0.8% higher on the month and 12.1% higher for 2026 by 26 October. The gap between property shares and the wider market had narrowed to about fourteen and a half percentage points, from eighteen at the end of September.

Lettings in the new office towers have continued, and the Bank of Israel's next rate decision is due on 23 November.

The year-to-date path of both indices, rebased to 100 at 31 December 2025, is charted below.



The TA-125 and the TA Commercial Real Estate index, rebased to 100 at 31 December 2025. Data to 26 October 2026. Source: Tel Aviv Stock Exchange.

Disclaimer. This Market Recap is provided for informational purposes only and does not constitute investment advice or a recommendation. It draws on sources believed to be reliable, but no representation or warranty, express or implied, is made as to its accuracy or completeness, and Ron Cohen VAS accepts no liability for any loss arising from reliance on it.

Cover photo: Beyond Tower, Givatayim, Ilanagl, Wikimedia Commons, CC BY-SA 4.0. https://commons.wikimedia.org/wiki/File:Beyond_Tower-1.jpg

Ron Cohen VAS is the only RICS regulated real estate valuation and advisory firm in Israel, providing independent advice based on detailed market knowledge and understanding. Services include real estate valuations for financial reporting, expert witness, acquisitions and disposals, development viability, tax and statutory valuations. Clients include institutional investors, REITs, multinational technology companies, accountancy firms and charities. The firm collaborates with Colliers on cross-border valuation assignments in Israel.



RON COHEN Valuation Advisory Services
2 HaPalyam Avenue
3309502 Haifa, Israel

www.roncohen.co.il