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REAL ESTATE MARKET REPORT

Q3 2025

Netanya

Prepared By
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Netanya Property Market Report

Q32025(July - September)

Comprehensive Market Analysis

Data Source: Central Bureau of Statistics (CBS), Israel

Report Date: December 2025

Executive Summary

Netanya, Israel's premier coastal city north of Tel Aviv, experienced significant market corrections in Q3 2025 as part of broader national trends. Despite price declines, Netanya continues to attract buyers seeking coastal lifestyle at substantially lower prices than Tel Aviv or Herzliya, making it one of Israel's most affordable Mediterranean cities.

Key Findings

- Average property price in Netanya: NIS 2.568 million (Q3 2025)
- Ranked 7th among Israel's 18 largest cities by average price
- Annual decline: -6.2% compared to Q3 2024
- Quarterly decline: -3.5% from Q2 2025
- Netanya properties cost 50% less per square meter than Tel Aviv
- 30-40% more affordable than neighboring Herzliya
- Price growth 2020-2025: Approximately 50% (pre-correction)

1. Market Overview - Netanya

Netanya, located on Israel's Mediterranean coast between Tel Aviv and Haifa, has emerged as a significant growth market over the past five years. The city offers 14 kilometers of beaches, a thriving tourist sector, and has become increasingly attractive to both domestic and international buyers seeking coastal living at more accessible price points than Tel Aviv or Herzliya.

Between 2020 and 2025, Netanya experienced remarkable growth with prices rising approximately 50%, from an average of NIS 1.8 million to NIS 2.7-2.8 million before the Q3 2025 correction. This growth was driven by infrastructure improvements, urban renewal projects, new construction in premium neighborhoods like Ir Yamim, and strong demand from the French-speaking community.

Netanya Market Performance - Q3 2025

Metric	Q3 2025	Change
Average Price	NIS 2.568M	-6.2% YoY
Quarterly Change	Q2 to Q3 2025	-3.5%
National Ranking	By Average Price	7th of 18 cities
5-Year Growth (2020-2025)	Pre-correction	+50%

Source: Central Bureau of Statistics Q3 2025, Ynet/Mamon Analysis

2. Price Analysis - Netanya & Coastal Cities

Netanya offers compelling value compared to other coastal cities, positioning itself as 'the most affordable coastal city' in Israel's central region. The city attracts buyers seeking Mediterranean lifestyle without Tel Aviv or Herzliya price premiums.

Coastal Cities Comparison - Q3 2025

City	Avg Price Q3	YoY Change	vs. Netanya
Tel Aviv Herzliya	NIS 3.68M	-13.0%	+43% more
Netanya	NIS 3.66M	-4.2%	+43% more
Ashkelon NIS 1.75M	Haifa NIS 1.84M	NIS 2.568M	-6.2%
		+2.8%	-32% less
		+5.1%	-28% less

Source: CBS Q3 2025 Data, Ynet/Mamon Analysis

Netanya Neighborhoods - Price Analysis

Netanya's real estate market varies significantly by neighborhood. Premium areas like Ir Yamim command the highest prices, while the city center and developing areas offer opportunities at lower entry points.

Neighborhood	Price/SQM	5-Yr Growth	Characteristics
Ir Yamim	NIS 28-30K	~65%	Premium, beach access
Ramat Poleg	NIS 24-26K	~55%	Upscale, established
City Center	NIS 18-21K	~40%	Urban renewal ongoing
Nordau	NIS 16-19K	~35%	Emerging potential

Historical Context: In 2020, Ir Yamim averaged NIS 17K/SQM. Current prices of NIS 28-30K/SQM represent approximately 65% growth over five years, though Q3 2025 saw corrections from 2024 peaks.

Source: Market analysis from real estate portals and CBS data

3. Market Activity and Transaction Trends

Despite price corrections, Netanya maintained steady transaction activity in Q3 2025, benefiting from its reputation as an affordable coastal alternative and strong appeal to the French-speaking community.

Central District Context

Netanya is part of the Central District

Metric	Q3 2025	Status
National Total Transactions	23,330 units	+15.4% QoQ
Central District Inventory	26,740 unsold units	Highest in Israel
Months of Supply (National)	28.8 months	Record high

Source: Central Bureau of Statistics Q3 2025

4. Market Factors Affecting Netanya

Netanya's property market is shaped by both national economic trends and unique local characteristics that distinguish it as a coastal destination with strong fundamentals.

National Economic Factors

- **Interest Rates:** Bank of Israel maintained rates at 4.5% throughout Q3 2025, mortgage costs averaging 5%
- **Security Concerns:** Regional security issues including June 2025 hostilities; Netanya slightly outside common rocket range, reducing wartime concerns
- **Supply Pressure:** High inventory in Central District creating buyer opportunities
- **Economic Slowdown:** Q2 2025 GDP contraction of -3.5% affected buyer confidence nationwide

Netanya-Specific Advantages

- **Coastal Lifestyle:** 14 kilometers of Mediterranean beaches, promenade, and seaside amenities
- **Affordability:** Properties cost 50% less per square meter than Tel Aviv, 30-40% less than Herzliya
- **French Community:** Large Francophone population creating consistent demand from French immigrants and investors
- **Tourism Sector:** Strong short-term rental market supporting investment yields
- **Infrastructure Development:** Ongoing urban renewal projects, transportation improvements, bilingual schools
- **Location:** Strategic position between Tel Aviv (30 min) and Haifa (35 min) on coastal highway
- **Growth Trajectory:** 50% price appreciation 2020-2025 demonstrates strong historical demand

Rental Market Performance

Netanya's rental market benefits from tourism demand, French community turnover, and buyers waiting for price stabilization before purchasing.

Rental Metric	Value/Change
Lease Renewals (Existing Tenants)	+2.5%
New Tenants (Market Rate)	+5.5%
National Gross Rental Yield Q32025	3.38%
Netanya Tourism Rental Yield	3-5%

Source: CBS National Data Q32025, Netanya market analysis

5. Market Outlook and Investment Analysis

Netanya's property market stands at an interesting juncture in Q3 2025. After 50% growth over five years (2020-2025), the market is experiencing its first significant correction, creating potential opportunities for strategic buyers while requiring caution regarding further near-term declines.

Key Market Indicators

- **Price Correction:** -6.2% year-over-year decline less severe than Tel Aviv's -13%, indicating relative stability
- **Continued Declines:** Quarterly drop of -3.5% suggests correction ongoing, potential for further softening
- **Value Positioning:** 50% cheaper than Tel Aviv per SQM creates compelling affordability for coastal lifestyle
- **Strong Rental Market:** +5.5% increases for new tenants, 3-5% gross yields in tourism rental sector
- **Expert Opinion:** Real estate professionals describe Netanya as 'the nicest affordable coastal city,' attracting US buyers for residence, not just investment

Price Projections

Market experts anticipate:

- **2025-2026:** Continued market adjustment with modest 3-5% further declines possible
- **2026-2028:** Stabilization followed by resumed growth of +5-8% annually in prime areas
- **By 2028-2029:** Standard 4-room apartments in Ir Yamim projected to reach NIS 3.2-3.5M

Key Variables: Projections depend on interest rate policy, geopolitical stability, and immigration trends

Investment Strategies

For Buyers:

- Current market offers 6-10% discounts from 2024 peaks with potential for better pricing in coming months
- Off-plan projects offer 15-20% below market prices with new construction guarantees
- Premium neighborhoods (Ir Yamim, Ramat Poleg) maintain best long-term value
- Emerging areas (City Center, Nordau) offer highest growth potential with renovation opportunities

For Investors:

- Tourism rental strategy yields 3-5% gross returns with strong seasonal demand
- Long-term rental to French community provides stable income with +5.5% annual growth
- Current correction creates entry point for 5-10 year appreciation play
- Diversification opportunity: Netanya offers coastal exposure at 50% discount to Tel Aviv

For Sellers:

- Price realistically - current market requires 5-10% below 2024 peak values
- Premium locations (beachfront, Ir Yamim) still command relative premiums
- Consider rental strategy if sale expectations not met - strong rental yields available
- Highlight Netanya advantages: affordability, beaches, French community, security positioning

6. Methodology and Data Sources

Data Sources

This report is based on official government data and market analysis:

- **Central Bureau of Statistics (CBS):** Official Q3 2025 Housing Price Index, city-level price data, Central District statistics
- **Ynet/Mamon Analysis:** Quarterly analysis of CBS data for Israel's 18 largest cities including Netanya
- **Israel Tax Authority:** Real Estate Database recording all property transactions
- **Market Sources:** Real estate portal data, expert interviews, neighborhood-specific pricing from professional sources

Important Notes

- Netanya is one of 18 cities separately tracked by CBS in quarterly reports
- All price data represents actual recorded transactions reported to government authorities
- Average prices include both new and second-hand properties across all unit sizes
- Neighborhood price/SQM data based on market analysis from 2020-2025 period
- Projections are expert estimates subject to economic, political, and market variables

Conclusion

Netanya's property market in Q3 2025 presents a compelling narrative of both opportunity and caution. After exceptional growth of approximately 50% over five years (2020-2025), the market is experiencing its first significant correction with prices down 6.2% year-over-year and 3.5% quarter-over-quarter.

Despite these declines, Netanya's fundamental value proposition remains strong. The city offers Mediterranean coastal living at prices 50% below Tel Aviv and 30-40% below Herzliya, making it Israel's most affordable major coastal city. With 14 kilometers of beaches, ongoing infrastructure development, a vibrant French-speaking community, and strategic location between Tel Aviv and Haifa, Netanya maintains attributes that have driven its historical growth.

For buyers, the current correction creates entry points not seen since 2023, particularly in premium neighborhoods like Ir Yamim and Ramat Poleg. Off-plan opportunities offer additional 15-20% discounts. For investors, rental yields of 3-5% combined with long-term appreciation potential present diversification opportunities at substantially lower capital requirements than Tel Aviv.

The market's trajectory depends on broader economic factors including Bank of Israel interest rate policy, regional security stabilization, and national economic recovery. Expert projections suggest 3-5% additional softening possible through 2026, followed by resumed growth of 5-8% annually. Strategic buyers with 5-10 year horizons may find Q3 2025 through Q1 2026 an opportune window, while those with shorter horizons should exercise caution given ongoing correction dynamics.



*Report compiled from Central Bureau of Statistics official data
and comprehensive market analysis
December 2025*



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