



# REAL ESTATE MARKET REPORT Q3 2025 Hertzliya

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# Herzliya Property Market Report

**Q32025(July - September)**

*Comprehensive MarketAnalysis*

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

Report Date: December 2025

## Executive Summary

Herzliya, Israel's premier coastal luxury market, maintained its position as the country's second most expensive city in Q3 2025. Despite a modest price correction, Herzliya continues to attract high-net-worth individuals, tech executives, and international buyers seeking beachfront living combined with proximity to Israel's technology corridor.

## Key Findings

- Average property price in Herzliya: NIS 3.66 million (Q3 2025)
- Ranked 2nd among Israel's 18 largest cities, just behind Tel Aviv
- Annual decline: -4.2% compared to Q3 2024
- Quarterly change: -0.05% from Q2 2025 (essentially stable)
- Q1 2025 data showed 4-room apartments at NIS 4.04M (+10.1% YoY at that time)
- Luxury market (NIS 10M+): 39% transaction increase in Q2 2024, led by Tel Aviv and Herzliya
- Herzliya Pituach villas: Starting from NIS 10 million+

## 1. Market Overview - Herzliya

Herzliya stands as one of Israel's most affluent cities, located on the Mediterranean coast between Tel Aviv and Netanya. The city is home to Israel's Silicon Wadi tech hub, hosting offices of major international technology companies, creating consistent demand from high-income professionals. Herzliya is divided into several distinct areas, with Herzliya Pituach representing the ultra-luxury beachfront district featuring modern villas, gated communities, and premium amenities including the Herzliya Marina and Arena Shopping Mall.

The city's property market is characterized by limited inventory, particularly in prime beachfront locations, creating sustained pricing power even during national corrections. While Q3 2025 saw a modest 4.2% annual decline, this represents relative stability compared to Tel Aviv's 13% drop, demonstrating Herzliya's resilience as a premium market.

### Herzliya Market Performance - Q3 2025

Metric	Q3 2025	Change
Average Price	NIS 3.66M	-4.2% YoY
Quarterly Change Q2 to Q3 2025	National Ranking By	-0.05%
Average Price Market	Characterization Relative	2nd of 18 cities
Performance		Stable

Source: Central Bureau of Statistics Q3 2025, Ynet/MamonAnalysis

## 2. Price Analysis - Herzliya & Premium Markets

Herzliya commands premium pricing across Israel's residential market, competing only with Tel Aviv for top positioning. The city's unique combination of beachfront location, technology sector employment, and luxury amenities creates pricing power that persists even during market corrections.

### Israel's Most Expensive Cities - Q3 2025

Rank	City	Avg Price Q3	YoY Change
1	Tel Aviv	NIS 3.68M	-13.0%
2	Herzliya	NIS 3.66M	-4.2%
	Jerusalem	NIS 3.12M	
3	Ramat Gan	NIS 2.92M	+9.3%
4	KfarSaba	NIS 2.77M	-5.7%
5			-9.3%

Source: CBSQ3 2025 Data, Ynet/Mamon Analysis

## Herzliya Neighborhoods - Market Segmentation

Herzliya's property market is highly segmented, with dramatic price variations between neighborhoods. Herzliya Pituach represents the ultra-luxury beachfront segment, while other areas offer more accessible entry points to the city.

Neighborhood	Property Type	Price Range	Market Status
Herzliya Pituach	Beachfront Villas	NIS 10M+	Ultra-Luxury
Herzliya Pituach	Sea-View Penthouses	NIS 7-12M	High demand
City Center	Luxury Apartments	NIS 4-6M	Better value
East Herzliya	Standard Apartments	NIS 2.5-4M	Most affordable
	Family Apartments		
Neve Amirim		NIS 3-5M	Mid-market

**Market Insight:** Properties in Herzliya Pituach often sell within days of listing. Limited inventory and high demand create a competitive market where buyers need to act quickly. One anecdote from 2025: a London couple lost a sea-view penthouse by waiting overnight to make a decision.

Source: Market analysis and local real estate data

### 3. Luxury Market Dynamics

Herzliya, alongside Tel Aviv, dominates Israel's luxury property market. In 2024, over 3,000 new luxury units were added nationally, with substantial concentration in these two cities. The luxury segment (properties NIS 10M+) demonstrated remarkable resilience, with Q2 2024 seeing a 39% transaction increase compared to Q1.

#### Luxury Market Performance

Luxury Market Metric	2024-2025 Data
New Luxury Units Added (2024)	3,000+ units
Primary Markets	Tel Aviv & Herzliya
Q2 2024 Transaction Growth	+39% vs Q1
Tel Aviv Market Share (Q2 2024)	50% of luxury transactions
Luxury Definition	Properties NIS 10M+

Source: Sands of Wealth Market Analysis 2024

## 4. Historical Price Performance

Herzliya demonstrated remarkable growth in early 2025 before the market correction. Q1 2025 CBS data showed 4-room apartments at NIS 4.04 million, representing a 10.1% year-over-year increase at that time. By Q3 2025, the market had shifted to modest declines, though Herzliya's correction remained more moderate than many peer cities.

### Year-over-Year Comparison

Period	Avg Price	YoY Change	QoQ Change
Q1 2025 (4-room)	NIS 4.04M	+10.1%	N/A
Q3 2025 (all units)	NIS 3.66M	-4.2%	-0.05%
Market Trend	2025 Shift	Growth → Decline	Stabilizing

**Important Context:** Q1 2025 showed strong growth as comparisons were against early 2024 pre-correction levels. By Q3 2025, annual comparisons shifted negative as the correction deepened. However, quarterly change of only -0.05% suggests Herzliya is stabilizing faster than most Israeli cities.

Source: CBS Q1 2025 and Q32025 Housing Data



## 5. Market Factors Affecting Herzliya

Herzliya's property market is influenced by both national economic conditions and unique local attributes that create sustained premium positioning and relative price resilience.

### National Economic Factors

- **Interest Rates:** Bank of Israel maintained 4.5% rates throughout Q3 2025, mortgage costs averaging 5%
- **Economic Slowdown:** Q2 2025 GDP contraction of -3.5% due to mid-June hostilities affected buyer confidence
- **Supply Pressure:** Tel Aviv District has second-highest unsold inventory nationally after Central District
- **Market Correction:** Seven consecutive months of national price declines through September 2025

### Herzliya-Specific Advantages

- **Silicon Wadi Hub:** Home to Israel's premier high-tech park with offices of Microsoft, Intel, Facebook, HP, and other global companies
- **Beach Lifestyle:** Premium beachfront properties with marina access, rare combination of luxury coastal living and employment proximity
- **Limited Supply:** Scarcity of buildable land, particularly in Herzliya Pituach, creates structural supply constraints
- **International Demand:** Strong foreign buyer interest, particularly from high-net-worth individuals and tech executives
- **Affluent Demographics:** One of Israel's wealthiest cities with high concentration of senior executives and entrepreneurs
- **Location:** Optimal position between Tel Aviv (15 min) and Netanya (15 min), access to both cities without urban density
- **Premium Amenities:** Herzliya Marina, Arena Mall, international schools, upscale dining and entertainment
- **Investment Track Record:** Historically strong appreciation, one French investor noted Herzliya was their only property that increased during COVID

## Rental Market Performance

Herzliya's rental market serves tech executives, international professionals, and corporate relocations. Premium properties command top-tier rents with consistent demand.

Rental Metric	Value/Status
National Rental Growth (New Tenants)	+5.5%
Lease Renewals (Existing Tenants)	+2.5%
Average Gross Yield (National) Herzliya	3.38% (Q3 2025)
Market Characteristics Primary Tenant	Premium segment
Profile	Tech executives, expats

Source: CBS National Data Q3 2025

## 6. Market Outlook and Investment Analysis

Herzliya's property market outlook remains relatively positive despite national corrections. The city's unique combination of limited supply, strong employment base, and luxury positioning creates structural support for values.

### Key Market Indicators

- **Modest Correction:** -4.2% annual decline significantly outperforms Tel Aviv's -13%, demonstrating relative strength
- **Quarterly Stability:** -0.05% Q2-Q3 change essentially flat, suggesting market stabilization
- **Luxury Resilience:** High-end segment (+39% transactions Q2 2024) shows strong demand persistence
- **Limited Inventory:** Properties sell quickly, particularly in Herzliya Pituach, indicating supply constraints
- **Long-term Fundamentals:** Tech sector growth, beachfront scarcity, and affluent demographics support sustained demand

### Expert Market Perspective

Market professionals describe Herzliya's outlook:

- "If you're waiting for prices to drop, you might be waiting forever" - Market observers
- note Herzliya's supply-constrained nature
- "You pay Tel Aviv prices but get ocean breeze for free" - Local comparison
- highlighting value proposition
- "Herzliya has outpaced national housing growth for a decade" - Historical track record of outperformance
- "My Herzliya apartment is the only property I own that increased during COVID" - French investor testimonial

## Investment Strategies

### For Buyers:

- Current 4.2% correction from peak represents modest entry opportunity in premium market
- Act decisively - Herzliya Pituach properties often sell within days, delayed decisions frequently result in lost opportunities
- Focus on beachfront and Pituach locations for best long-term appreciation
- Verify TABA (zoning) before signing - critical due diligence step in Herzliya market
- Consider East Herzliya for more accessible entry points (NIS 2.5-4M range)

### For Investors:

- Rental demand from tech sector executives provides stable income stream
- High rental yields possible with corporate and expat tenants
- Limited supply creates pricing power for landlords
- Historical outperformance suggests strong long-term appreciation potential
- Commercial space near high-tech park offers alternative investment with strong ROI potential

### For Sellers:

- Herzliya Pituach and premium locations maintain relative pricing power
- Quick sale velocity possible with appropriate pricing - properties move fast in prime areas
- Highlight proximity to high-tech employment, beach access, and luxury amenities
- International marketing important given foreign buyer interest

## Market Risks and Considerations

- **High Entry Costs:** Herzliya Pituach villas starting at NIS 10M+ require substantial capital or strong financing
- **Competitive Market:** Popular streets and premium properties attract multiple bidders, creating pressure
- **Bureaucratic Complexity:** Land registry delays and procedural issues common, particularly for foreign buyers
- **Interest Rate Sensitivity:** High property values mean mortgage costs significant at 5% rates
- **Economic Cycles:** Tech sector employment concentration creates correlation risk with industry cycles

## 7. 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, Q1 2025 city-level data, luxury market statistics
- **Ynet/Mamon Analysis:** Quarterly analysis of CBS data for Israel's 18 largest cities including Herzliya
- **Israel Tax Authority:** Real Estate Database recording all property transactions
- **Market Sources:** Luxury market reports, real estate professional interviews, neighborhood-specific data

### Important Notes

- Herzliya is one of 18 cities separately tracked by CBS in quarterly reports
- All price data represents actual recorded transactions reported to government authorities
- Q3 2025 average prices include both new and second-hand properties across all unit sizes
- Q1 2025 data specific to 4-room apartments, Q3 2025 data represents city-wide average
- Neighborhood price ranges based on market analysis and local real estate data

## Conclusion

Herzliya's property market in Q3 2025 demonstrates remarkable resilience relative to broader Israeli real estate trends. While the city experienced a 4.2% annual price decline to an average of NIS 3.66 million, this correction is significantly more modest than Tel Aviv's 13% drop and most peer cities, reflecting Herzliya's fundamental strengths and premium market positioning.

The city's value proposition remains compelling: Israel's premier technology corridor with offices of global companies, Mediterranean beachfront living with marina access, limited buildable land creating structural supply constraints, and a track record of outperforming national market growth. The essentially flat quarterly change of -0.05% from Q2 to Q3 2025 suggests the market is stabilizing faster than other Israeli cities.

Herzliya's luxury market continues to thrive, with the NIS 10M+ segment showing 39% transaction growth in Q2 2024 and Herzliya Pituach properties often selling within days. This rapid velocity in premium segments indicates sustained demand from high-net-worth individuals, tech executives, and international buyers despite broader market headwinds.

For buyers, the current 4.2% correction represents a modest entry opportunity in one of Israel's most desirable markets, though decisive action is essential given competitive dynamics. Investors benefit from strong rental demand driven by the technology sector, while sellers in prime locations maintain relative pricing power. The market's forward trajectory depends on broader economic factors including interest rates and regional security, but Herzliya's structural advantages position it for continued premium status and relative outperformance in Israel's property landscape.



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