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REAL ESTATE MARKET REPORT

Q3 2025

Ra'anana

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Ra'anana Property Market Report

Q32025(July - September)

Comprehensive Market Analysis

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

Report Date: December 2025

Executive Summary

Ra'anana, one of Israel's mostdesirable residential cities, experienced notable market adjustments in Q3 2025. As part of the Central District and neighboring Kfar Saba in the Sharon region, Ra'anana's property market reflects broader trends while maintaining its premium positioning due to its high quality of life, excellent schools, and strong Anglo community.

Key Findings

- Average property prices in Central District: NIS 2.61 million (Q3 2025) Kfar Saba
- average (proxy for Ra'anana area): NIS 2.77 million Annual decline in Central
- District: -3.8% compared to Q3 2024 Kfar Saba decline: -9.3% year-over-year Q1
- 2025 data showed Ra'anana/Kfar Saba area prices at approximately NIS 3.0- 3.85
- million Ra'anana maintains premium status as 8th highest socio-economic ranking
- city in Israel

1. Market Overview - Ra'anana & Central District

Ra'anana, established in 1922 by pioneers from the US and Canada, has evolved into one of Israel's most sought-after residential cities. Located in the Sharon region between Herzliya and Kfar Saba, the city is known for its large English-speaking community, excellent educational institutions, and proximity to major high-tech employment centers. The property market in Q3 2025 reflected broader national trends with price corrections driven by high interest rates and economic uncertainty.

Central District - Overall Performance

Ra'anana is administratively part of the Central District

Metric	Q3 2025	Change (YoY)
Central District Average	NIS 2.61 million	-3.8%
4-Room Apartment (Central)	NIS 2.575 million	+1.6%
Central District Inventory	26,740 units	Highest in Israel

Source: Central Bureau of Statistics Q3 2025

2. Price Analysis - Ra'anana & Neighboring Cities

Ra'anana sits in one of Israel's most expensive regions, neighboring Herzliya and Kfar Saba. The city attracts affluent families, particularly those from English-speaking countries, due to its high quality of life, safety, and educational excellence. Property prices reflect this premium positioning.

Ra'anana & Sharon Region Cities - Q3 2025

City	Avg Price Q3 2025	YoY Change	Q2 to Q3 Change
Herzliya	NIS 3.66M	-4.2%	-0.05%
Kfar Saba	NIS 2.77M	-9.3%	-6.2%
Ramat Gan	NIS 2.92M	-5.7%	-6.2%
Rishon Lezion	NIS 2.57M	-7.8%	-4.1%
Netanya	NIS 2.57M	-6.2%	-3.5%

Source: Central Bureau of Statistics Q3 2025

Note: Ra'anana data is not separately reported by CBS but follows similar patterns to neighboring Kfar Saba. Based on Q1 2025 data showing Kfar Saba at NIS 3.0M for 4-room apartments, and current market listings showing Ra'anana properties in the NIS 3.85-4.13M range for similar units, Ra'anana maintains a premium of approximately 15-25% over Kfar Saba averages.

Ra'anana Property Market Segments

Ra'anana properties vary significantly by location and type. Premium neighborhoods include the 2003, 2004, and 2005 developments, Lev HaPark, and Kiryat Ganim. Current market data from Q3 2025 shows the following approximate ranges:

Property Type	Est. Q3 2025 Range	Market Trend
3-Room Apartments	NIS 3.4-3.9M	Declining
4-5 Room Apartments	NIS 3.85-4.7M	Declining
6+ Room Apartments	NIS 5.5-6.4M	Stable/Slight Decline
Private Houses	NIS 6.5-9.0M+	Mixed

Source: Market analysis based on CBS Central District data and current Ra'anana listings

3. Year-over-Year Market Analysis

The Central District, which includes Ra'anana, experienced moderate price declines in Q3 2025 compared to the previous year. However, this represents a more modest correction compared to Tel Aviv's steeper drops, suggesting relatively stable demand in Ra'anana's premium market.

Historical Price Comparison - Q1 2025 Data

Most recent detailed city-level data from CBS

City/Area	Q1 2025	Q1 2024	YoY Change
Kfar Saba (4-room)	NIS 3.00M	NIS 2.78M	+8.0%
Herzliya (4-room)	NIS 4.04M	NIS 3.67M	+10.1%
Central District (avg)	NIS 2.58M	NIS 2.54M	+1.6%

Important Context: Q1 2025 showed year-over-year increases as comparisons were made to early 2024 pre-correction levels. However, by Q3 2025, the market had shifted to year-over-year declines of -3.8% for the Central District and -9.3% for Kfar Saba, indicating the correction accelerated during 2025.

Source: CBS Q1 2025 and Q3 2025 Housing Price Data

4. Market Factors Affecting Ra'anana

Ra'anana's property market is influenced by both national economic trends and unique local factors that maintain the city's premium positioning in Israel's residential landscape.

National Economic Factors

- **Interest Rates:** Bank of Israel maintained rates at 4.5% throughout Q3 2025, with average mortgage costs around 5%
- **Security Environment:** Regional tensions including June 2025 hostilities with Iran affected buyer confidence nationwide
- **Supply Pressure:** Central District has highest unsold inventory in Israel with 26,740 units
- **Taxation:** VAT increase to 18% in January 2025 initially created late-2024 buying surge followed by 2025 slowdown

Ra'anana-Specific Advantages

- **Quality of Life:** Known as 'The Greenest City in Israel' with excellent parks and public spaces
- **Education System:** 12 elementary schools including English-speaking programs, highly rated secondary schools
- **Anglo Community:** Large English-speaking population from US, Canada, UK, South Africa creates strong demand from international buyers
- **Employment Hub:** Adjacent to major high-tech parks hosting SAP, Amdocs, HP and other global companies
- **Socio-Economic Status:** Ranked 8th out of 10 on CBS socio-economic scale, among Israel's most affluent cities
- **Location:** Strategic position 15km from Tel Aviv, between Herzliya and Kfar Saba, excellent highway access
- **Safety:** Recognized as 'Safe Community' with low crime rates

Income and Demographics

Kfar Saba, Ra'anana's neighboring city, leads Israel in household income according to CBS data, providing insight into the regional affluence level:

Demographic Metric	Value
Kfar Saba Avg Gross Income (2018 CBS)	NIS 27,104/month
Employment Rate (Kfar Saba/Ra'anana area)	80%
Ra'anana Population	~75,000
English-Speaking Community	Significant (Estimated 25-30%)

Source: Central Bureau of Statistics Household Expenditure Survey

5. Rental Market Analysis

Ra'anana's rental market remains strong despite purchase price corrections, reflecting continued housing demand and the city's appeal to both long-term residents and temporary relocations. The Anglo community creates consistent demand for quality rental properties.

National Rental Trends (Q3 2025)

Rental Category	Price Change
Lease Renewals (Existing Tenants)	+2.5%
New Tenants (Market Rate)	+5.5%
National Average Rent Q2 2025	NIS 4,878/month
National Gross Rental Yield Q3 2025	3.38%

Source: CBS Rental Market Data Q2-Q3 2025

Ra'anana Rental Market: Current market listings show Ra'anana rental rates ranging from NIS 8,000-11,000 for 3-room apartments and NIS 14,000-15,000 for larger 4-5 room units in desirable locations. These rates are approximately 60-80% higher than national averages, consistent with Ra'anana's premium market positioning.

6. Market Outlook and Investment Considerations

Ra'anana's property market faces the same headwinds as the broader Israeli market but benefits from unique local strengths that provide relative stability.

Key Market Indicators

- **Price Correction Phase:** Following national trends with -9.3% annual decline in neighboring Kfar Saba, Ra'anana likely experiencing similar 5-10% corrections from 2024 peaks
- **Relative Stability:** Ra'anana's correction less severe than Tel Aviv's -13%, indicating sustained demand from quality-focused buyers
- **Inventory Buildup:** Central District has Israel's highest unsold inventory (26,740 units), creating buyer opportunities but seller challenges
- **Strong Fundamentals:** High employment rates (80%), affluent demographics, and quality of life factors maintain long-term value
- **Rental Demand:** Consistent rental market with +5.5% increases for new tenants provides investment income stability

Forward-Looking Factors

The Ra'anana market trajectory through late 2025 and into 2026 depends on:

- Bank of Israel interest rate policy decisions affecting mortgage affordability
- Regional security environment and resolution of ongoing tensions
- Tech sector employment stability in adjacent high-tech parks
- International buyer activity, particularly from Anglo community
- Absorption of Central District inventory overhang

Investment Perspective

For Buyers:

- Current market presents 5-10% discounts from 2024 peak prices
- High inventory levels provide negotiating leverage
- Ra'anana's quality of life fundamentals remain strong despite price corrections
- Consider waiting for potential further softening in Q4 2025/Q1 2026 if not time-sensitive

For Sellers:

- Realistic pricing essential - overpricing leads to extended marketing time
- Well-maintained properties in prime neighborhoods (2003-2005, Lev HaPark)
- Maintain relative value
- Highlight Ra'anana-specific advantages: schools, community, location
Consider rental option if sale price expectations not met - strong rental demand continues

For Investors:

- Rental yields around 3.4% nationally, likely higher in Ra'anana due to premium market
- Strong rental demand from Anglo community and tech workers provides income stability
- Long-term fundamentals positive despite short-term price volatility
- Consider rental properties in high-demand neighborhoods near schools and tech centers

7. Methodology and Data Sources

Data Sources

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

- **Central Bureau of Statistics (CBS):** Housing Price Index, transaction volumes, Central District data, socio-economic rankings
- **Israel Tax Authority:** Real Estate Database recording all property transactions
- **Ministry of Finance:** Monthly transaction data and housing policy information
- **Market Analysis:** Current Ra'anana listings and neighborhood-specific data from local real estate sources

Important Notes on Ra'anana Data

- CBS does not publish separate statistics for Ra'anana; the city is included in Central District aggregated data
- Kfar Saba data serves as the most reliable proxy for Ra'anana trends due to geographic proximity and similar demographics
- Ra'anana typically commands 15-25% premium over Kfar Saba due to larger Anglo community and quality of life factors
- Property price ranges based on current market listings verified through multiple real estate sources
- All CBS data represents actual recorded transactions reported to government authorities

Conclusion

Ra'anana's property market in Q3 2025 reflects both national correction trends and the city's unique strengths. While prices have declined approximately 5-10% from 2024 peaks in line with broader Central District patterns, Ra'anana maintains its position as one of Israel's most desirable residential communities.

The city's fundamental advantages remain intact: excellent schools, a thriving Anglo community, proximity to major employment centers, high safety standards, and superior quality of life. These factors continue to attract affluent families, particularly from English-speaking countries, providing underlying support for property values despite short-term economic headwinds.

For buyers, the current market represents an opportunity to enter one of Israel's premier residential markets at more favorable pricing than seen in recent years. Sellers should approach the market with realistic expectations aligned with current conditions, while investors can find value in Ra'anana's strong rental market and long-term fundamentals.

The market's trajectory through 2026 will depend on broader economic factors—particularly Bank of Israel monetary policy and regional security conditions—but Ra'anana's inherent quality advantages position it for relative resilience compared to other Israeli markets. Stakeholders should monitor CBS quarterly data releases and adjust strategies accordingly.



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



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