

Real Estate

Thinking Inside the Box • How Smaller Apartments Can Solve Israel's Housing Crisis

The percentage of people living in one- or two-person households is increasing, but the housing market keeps building large apartments. It turns out that not everybody needs a living room the size of a basketball court

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October 07, 2025



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How is it possible that in 2025, in a country facing a worsening housing crisis, we don't even know what a small apartment is? Seemingly, it's a technical detail, but in practice, it tells a story of disorganized policy, confused regulation, deepening social inequality and most of all, a planning opportunity waiting to be realized. Ask an architect, a developer or a city planner what a small apartment is, and you'll get answers ranging from, at best, "it depends," to, at worst, "I have no idea."

Why do we even need small apartments?

Demographics provide the answer: More people are living alone, more couples are childless or have only

elderly people living by themselves. In many cities around the world, over 40 percent of households consist of a single person. In Israel too, the proportion of small households – up to two people – is steadily increasing. And the housing market? It keeps building large apartments.

This gap creates not only an economic problem, but also a planning, social and environmental challenge. Without an adequate supply of small apartments, young people are forced to move to the suburbs, elderly residents find themselves stuck in oversized homes that no longer suit their needs, and the city, as a vibrant and dense living environment, loses out due to a lack of suitable housing options.

Researchers Amos Weingarten, Jonathan Naeh, Bayan Ali-Musa Taha and Chen Shtress and I embarked on a fascinating journey to explore the small apartment: What it is, why it's needed, and what prevents it from becoming a functional tool in [Israel's housing market](#). The book we published based on this research, "Small Apartments: Policy in Israel and Across the Globe," was recently released by the Center for Urban and Regional Studies at the Technion – Israel Institute of Technology.

Our research found that the problem begins with the most basic thing: the definition of a small apartment. In Israel today, there is no uniform standard or clear law that defines what a small apartment is. Regulations

but for sizes of entire apartments. Over the years, various ministry circulars have defined different and often confusing sizes – from 45 to 100 square meters (484 to 1,076 square feet).

How can you make decisions in the housing market when the definition itself changes from one document to another? The Israel Planning Administration did attempt to put things in order in 2022, presenting a national guide to the mix of housing units that, for the first time, included two formal categories: a "very small apartment" (30-55 square meters) and a "micro-apartment" (up to 30 square meters). But even these are non-binding recommendations.

A fascinating research report conducted within the Planning Administration – yet to be published – includes recommendations for designing small apartments and the necessary regulatory adjustments. Until now, no one has dared to offer an official interpretation of the government's regulations, and it's not clear why. Beyond this, the Knesset has adopted at least 10 different definitions of a small apartment over the years.

To make matters worse, local planning committees are also reluctant to adopt these definitions. Some cities simply don't want small apartments, whether due to fear of "social gaps," harm to "prestige" or other political considerations. And that's unfortunate. We frequently see disputes between district and local

approved. This tug-of-war is predictable and ongoing – even as these lines are being written.

Who needs a huge space?

In our book, we compared the estimated size of a small apartment suitable for a couple or a single person in various countries and cities around the world. In New York, London and other metropolitan cities, small apartments are not the exception – they're the well-planned norm.

In these cities, there's an understanding that apartment size must match household composition, and that it's not always logical to dream of an open-plan living room the size of a basketball court. There are clear regulations and boundaries – but also planning flexibility. Some countries set limits based on square meters per person while others rely on ventilation and lighting standards.

And in Israel? Everything is vague. In a July amendment to the Planning and Building Law, lawmakers once again mentioned small apartments in peripheral areas. And what's considered "small"? An apartment that's up to 80 square meters.

It's clear that lawmakers still haven't decided – or have decided to confuse everyone in the market. This ambiguity arises because the definition of a small apartment is contextual and changes depending on the approval path it went through. You need to be a real

detective ☒ figure out what a small apartment means where you live.

Integral part of housing supply

Our research was written with the understanding that small apartments are no longer a last resort – they're a new starting point. They can be key to making the housing market accessible to young people, vulnerable populations, couples starting out, divorcees and seniors. They can reduce commuting, strengthen city centers, lower energy consumption, and make urban spaces denser – but also more human.

In several countries around the world, such as the Netherlands, planners are not afraid to build small apartments – even homes of 20 square meters. It's time to stop fearing the small apartment. It's time to embrace it, define it clearly – and build it as an integral part of Israel's future housing market.

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