DASH conference. October 2026
Assoc. Prof. Nir Mualam
Planning Policy Lab
Technion – Israel Inst. of Technology

Affordable but Not Social

Protest, Marketization, and the Limits of Housing Reform in Israel

Planning Policy Research Lab

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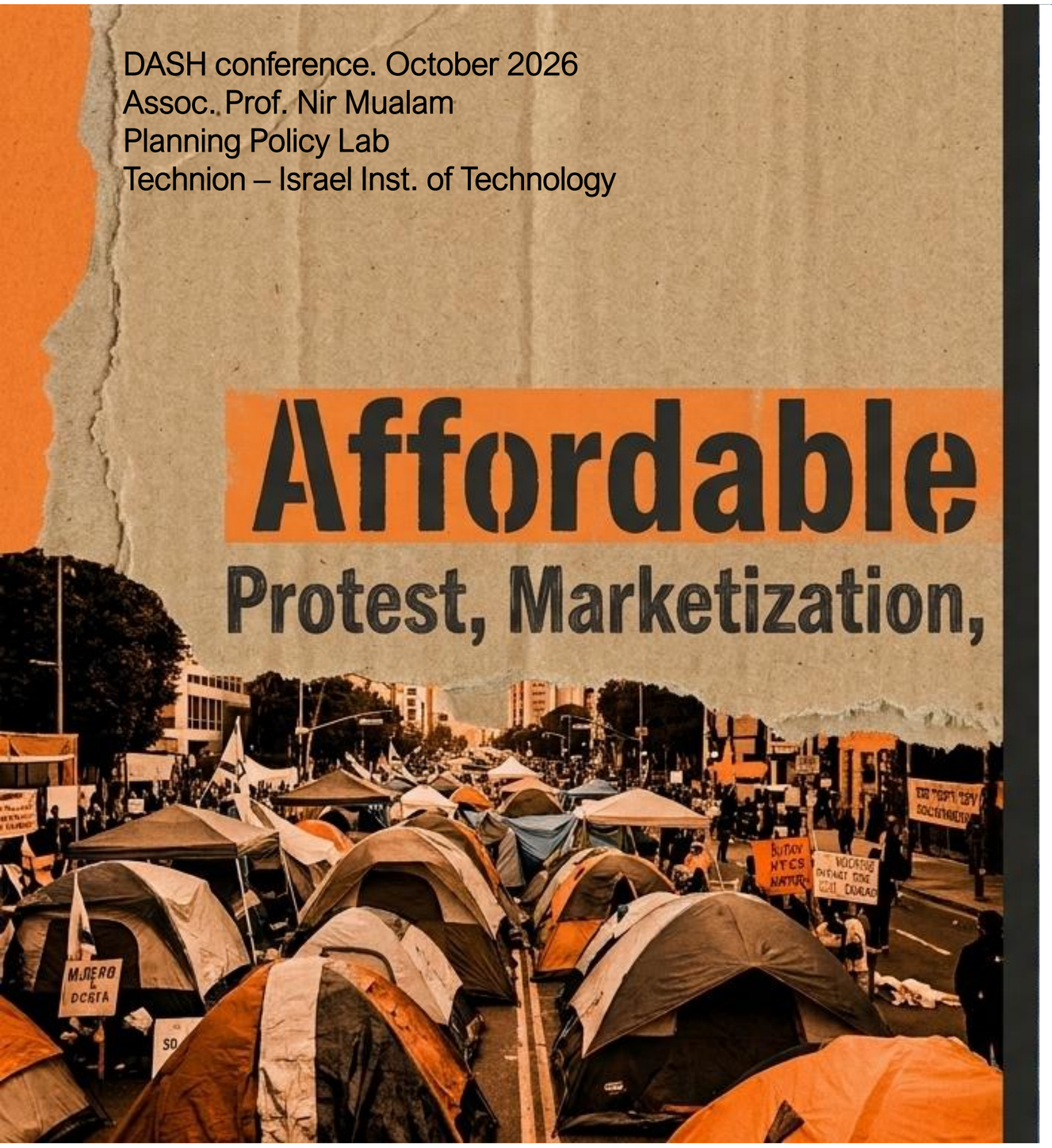

HOUSING STUDIES
https://doi.org/10.1080/02673037.2020.1853073

Routledge
Taylor & Francis Group

Check for updates

Do social protests affect housing and land-use policies? The case of the Israeli social protests of 2011 and their impact on statutory reforms

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ABSTRACT

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ARTICLE HISTORY

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Land Use Policy 75 (2018) xxx–xxx

Contents lists available at ScienceDirect

Land Use Policy

journal homepage: www.elsevier.com/locate/landusepol

Playing with Supertankers: Centralization in Land Use Planning in Israel – A National Experiment Underway

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A B S T R A C T

Compared with decentralization of planning powers, centralization has not been popul
the past few decades. Centralization has become associated with dysfunctional governa
and unconstitutional and unaccountable policies. Nevertheless there are cases in which
mented with centralization in order to solve crises and improve the supply of goods a
focuses on centralization reforms in Israel that were designed to deal with a chron
Through interviews with experts, and analysis of laws, and related documents, we ad
First, what kinds of steps have been taken recently to centralize planning in the Israeli pl
what were the motivations behind these steps? And last, in what way have these ste
Israel, and what were their consequences? We investigate these issues by looking at a ne
planning committee:the National Committee for Preferred Housing Plansalso known as
paper examines the aims and objectives of the legislature in forming theSupertanker,
jectives were fulfilled. The findings show that the new policy arrangement has revamp
reduced the roles of regional planners, and created a fast track that circumvents olde
processes, in an attempt to increase the production of housing units, including affo

Did the largest social protest in Israeli history produce a social housing regime?

THE STATE PRODUCED AFFORDABILITY.
IT AVOIDED WELFARE.

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CONTEXT / THE HOUSING PRICE SURGE

2008

A turning point for the housing market

FROM DECLINE TO A HISTORIC PRICE SURGE

−30.7%

2002–2007

Nominal decline

+165.7%

Following 2008

Nominal increase

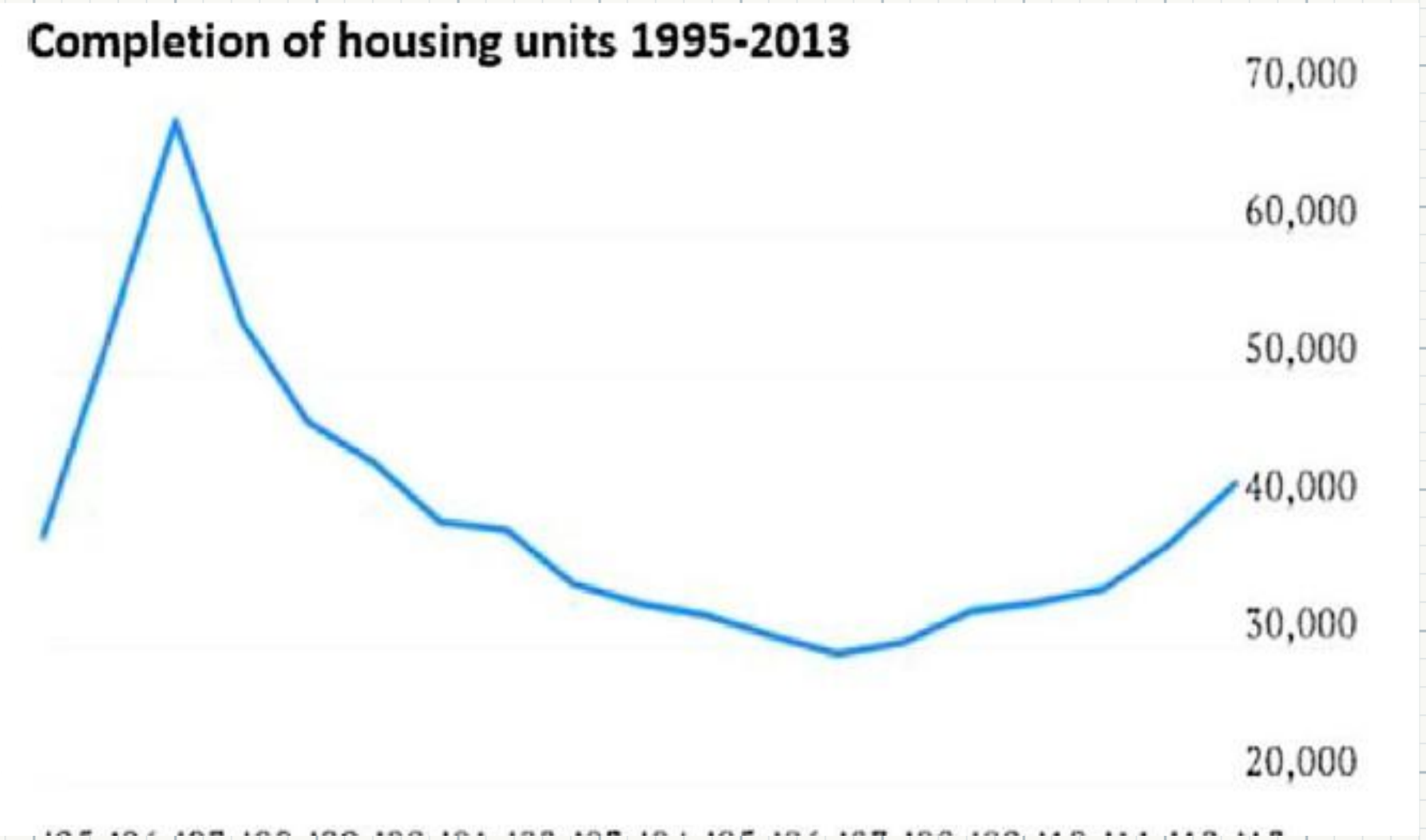
+134%

Following 2008

Inflation-adjusted

Near-zero interest rates after the global financial crisis intensified the price surge.

CONTEXT / HOUSING COMPLETIONS



Source: Central Bureau of Statistics

SUPPLY PRESSURES

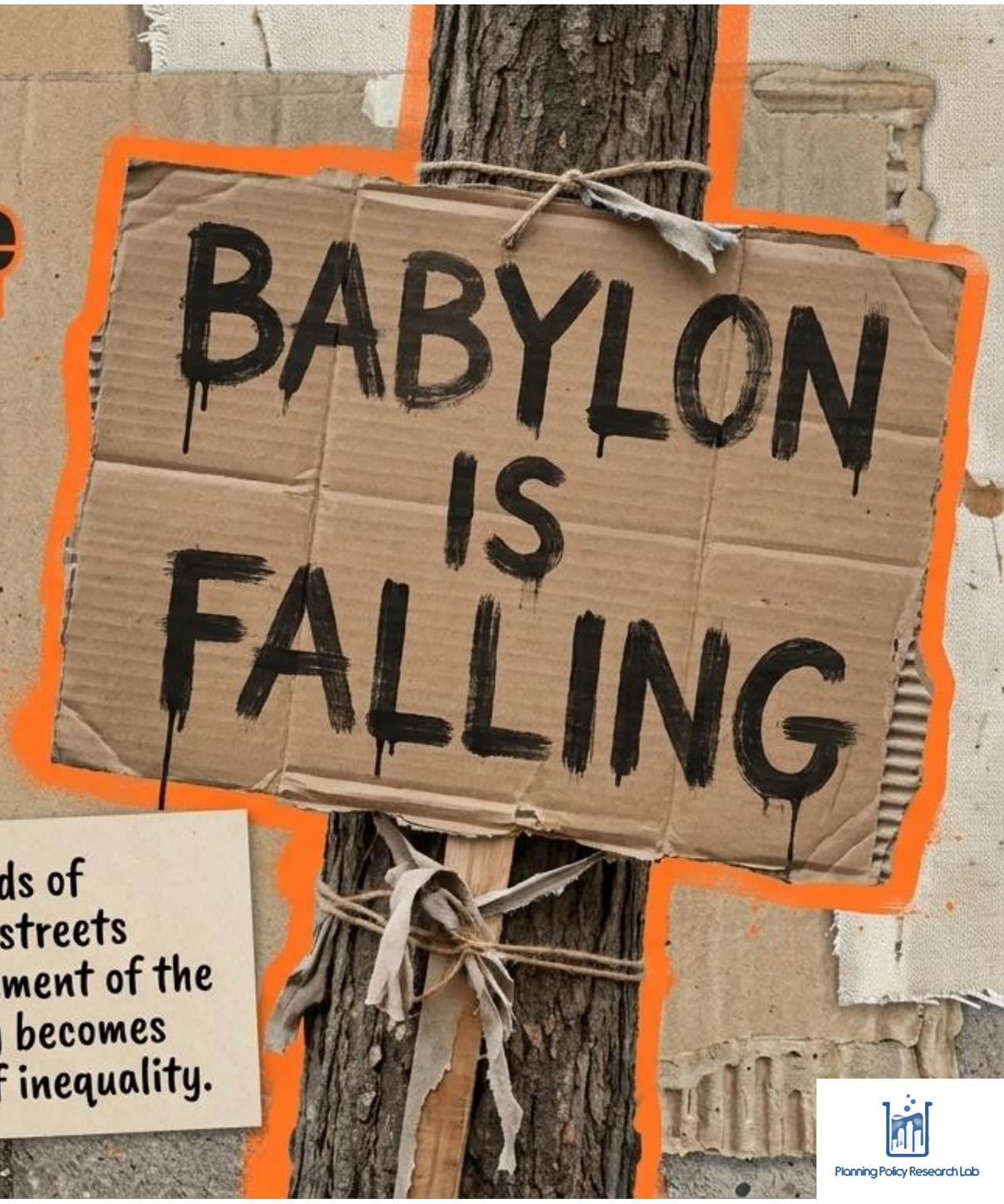
1995–2013

A middle-class backlash against the neoliberal retreat

The Context:
1977 marked Israel's transition from socialist housing provider to a decidedly capitalist, free-market regime.

The Spark:
July 14, 2011. Daphni Leef pitches a tent on Rothschild Boulevard over exorbitant rent.

The Eruption: Hundreds of thousands take to the streets demanding a reinstatement of the welfare state. Housing becomes the ultimate symbol of inequality.



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The Spivak-Yonah blueprint demanded a return to the welfare state

1

1. De-commodification

Make affordable housing a legally guaranteed basic human right.

2

2. Direct Provision

Massive expansion of state-built public housing and a governmental safety net.

3

3. Market Regulation

Strict rent control measures and landlord-tenant contractual regulations.

4

4. Democratic Planning

Decentralize planning powers to local committees and integrate NGOs into state planning bodies.

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THE STATE'S HOUSING REFORM TOOLKIT

01 LOCAL APPROVALS

Local planners can approve affordable-housing units, typically around 20% below market rent.

02 WELFARE VOICES

Social workers and welfare department representatives join housing committees.

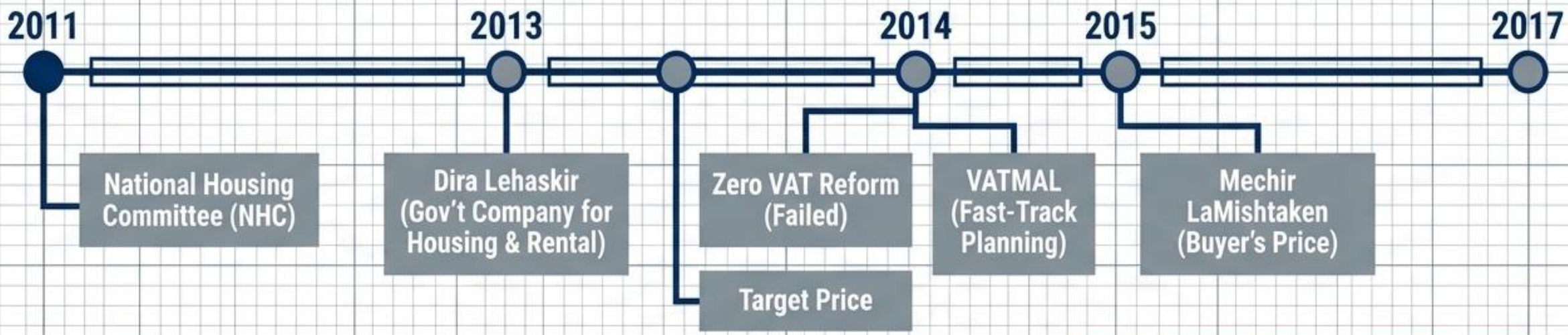
03 PUBLIC LAND

Government-owned land is sold at scale for below-market-price housing.

04 DEVOLUTION but also Centralization

Planning powers shift away from regional planning bodies.

The State responded with legislative barrage



27 distinct statutory and policy reforms enacted to artificially inject supply into a rigid market.

The fundamental divergence between two housing paradigms

	Social (Protest Demand)	Affordable (Government Reality)
Primary Goal	De-commodification	Market access
View of Housing	A basic human right	A financial commodity
Role of State	Direct welfare provider	Land-broker and deregulator
Role of Citizen	Rights-holder	Consumer
Mechanism	Massive public investment & regulation	Supply-side developer incentives

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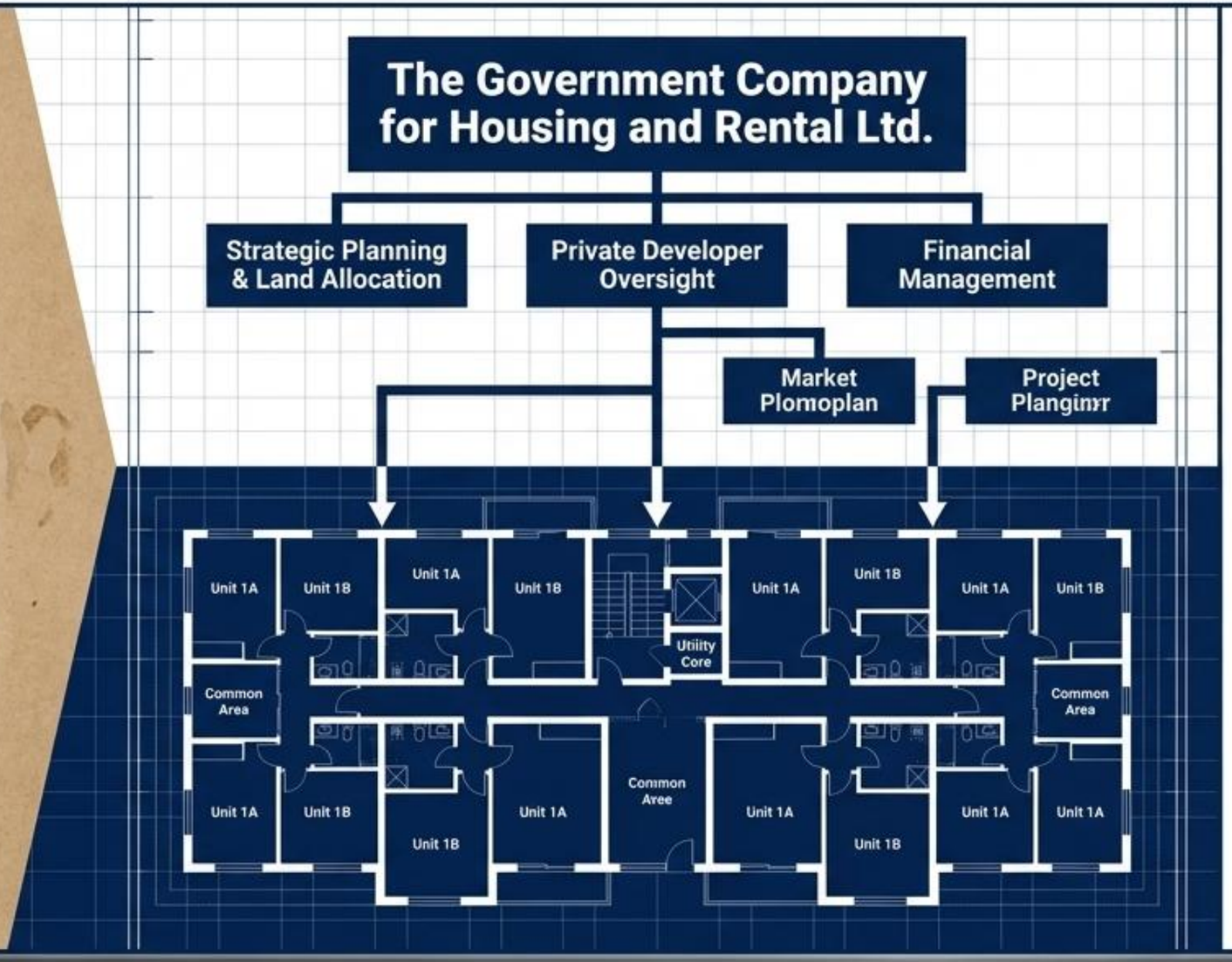
Dira Lehaskir: The illusion of public housing

The Protest Demand:

Build direct public-owned housing for rent as a governmental safety net.



The Implementation:

A government corporation created to locate state-owned land, only to oversee private developers who build and operate the 150,000 targeted long-term rental units.

Key Insight: The state defined rental availability as a worthy goal, but outsourced the execution, ownership, and operation entirely to the corporate sector.

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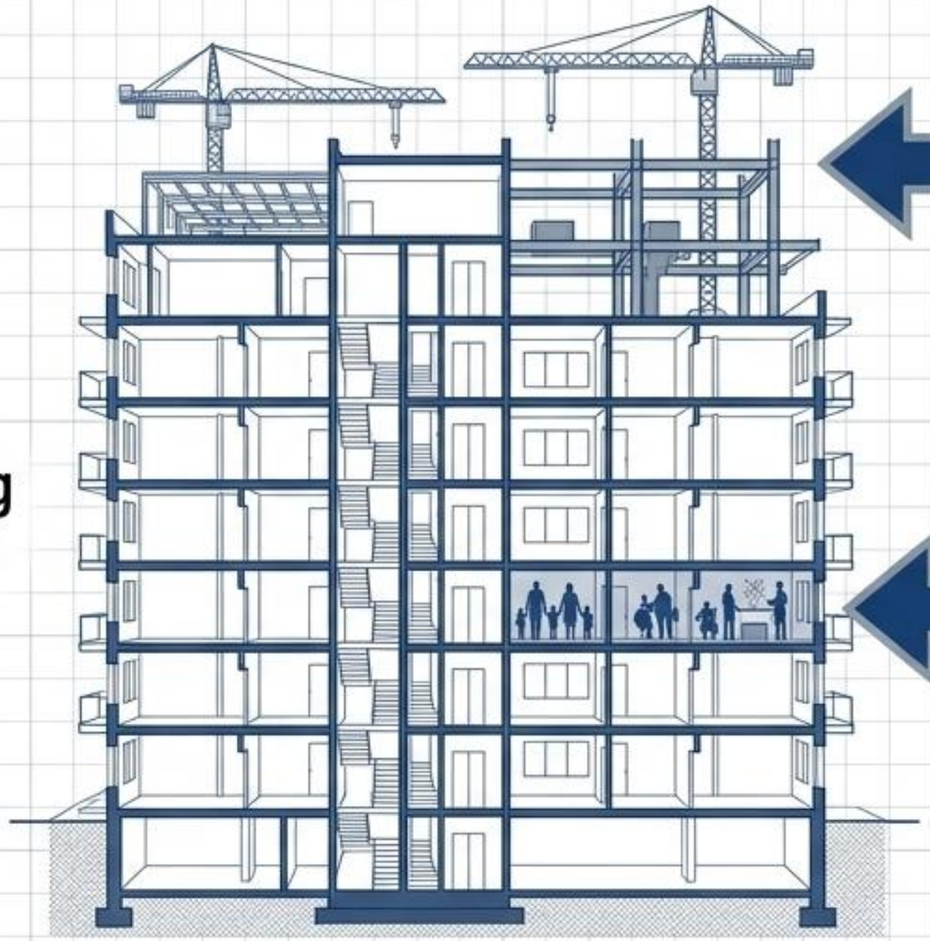
Mechir LaMishtaken: Affordability as a competitive lottery



1 **State as Broker:** Government forfeits maximum profit, selling land to developers at a deep discount.

2 **Developer as Provider:** Private market executes all construction. State refuses to build directly.

3 **Citizen as Consumer:** Eligible middle-class buyers compete in a randomized lottery for a 20% below-market price.

A massive financial concession by the state, yet it reinforces the citizen's role as a consumer competing in a market, rather than a citizen holding a right.

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The Fast-Track Funnel bypassed democratic planning

Hyper-centralization disguised as efficiency. The state assumed overriding powers to streamline developer approvals.

2014 EMERGENCY LAW / THE SUPERTANKER

NCPHP

National Committee for Preferred Housing Plans

SPEED

Accelerate the supply of housing.

QUOTAS

Requires affordable-housing allocations.

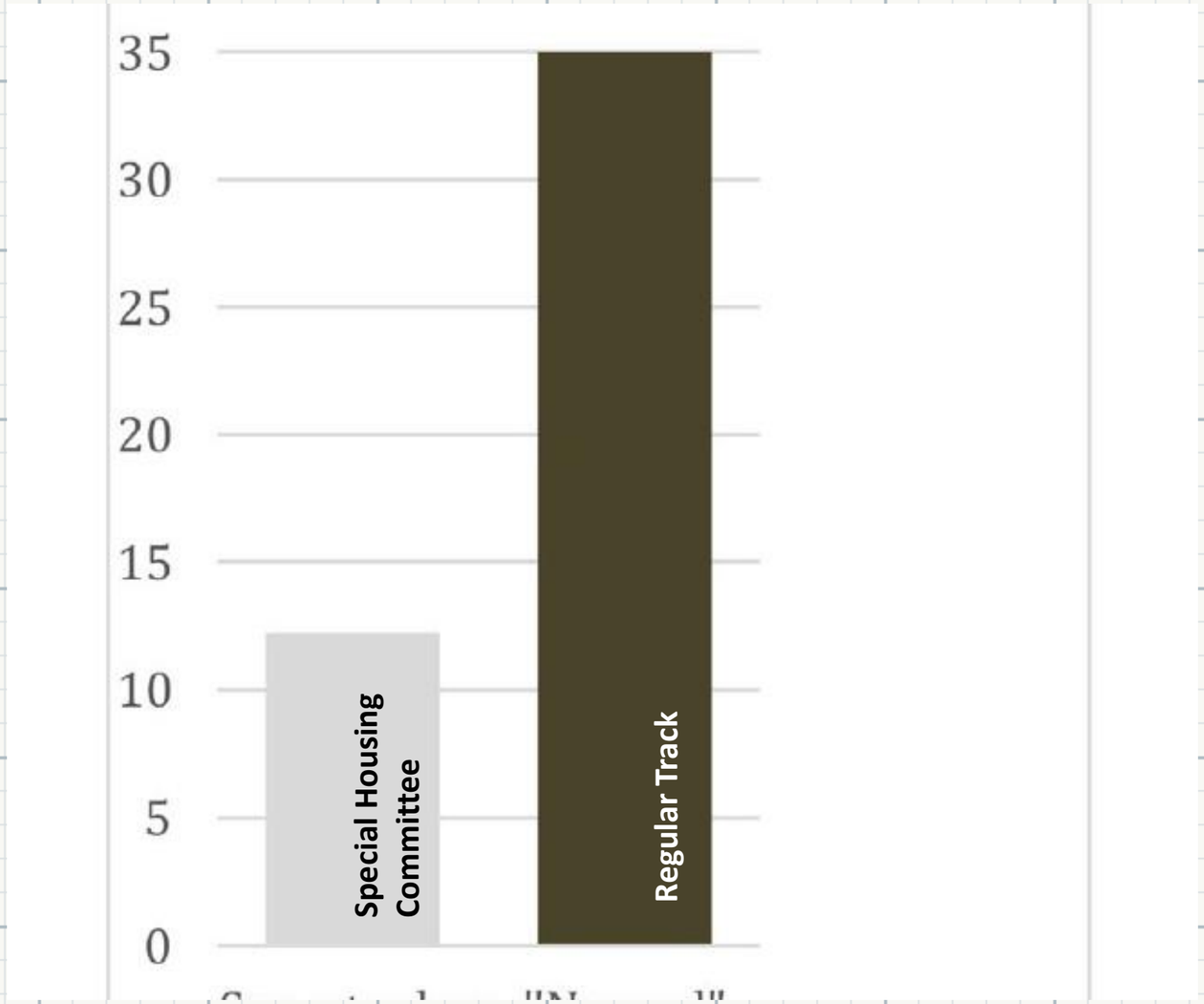
FAST TRACK

Bypass regional/national planning and create a one-stop approval process.

FASTER APPROVALS of ‘Affordable Housing’/ AT WHAT COST?

ONE-STOP SHOP

- Shorter consultations
- Consultants review plans in parallel
- Less bureaucratic processing
- Citizen objections are often rejected;



Average duration (months) for housing plan approval

Statutory Targets: The Illusion of Massive Production

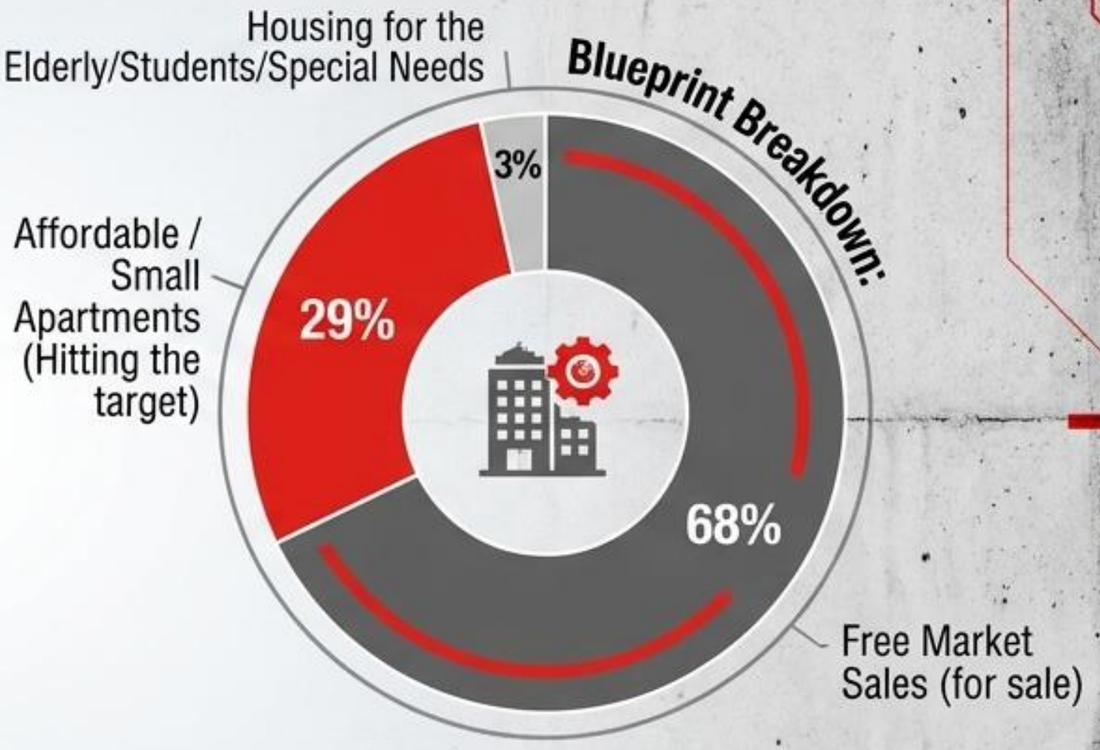
The Quota:

The Vatmal was bound by a mandatory 30% quota for long-term rental housing on state land (split into 15% general long-term rental and 15% at a reduced rent for 15–20 years).

Paper Achievements (By 2020):

88 Massive Plans Approved.

261,000 Total Units Approved in Blueprints.



Blueprint Breakdown:
- **68%** Free Market Sales.
- **29%** Affordable / Small Units (Hitting the target).
- **3%** Special Needs Housing.

The Implementation Chasm: Paper Approvals vs. Concrete Reality

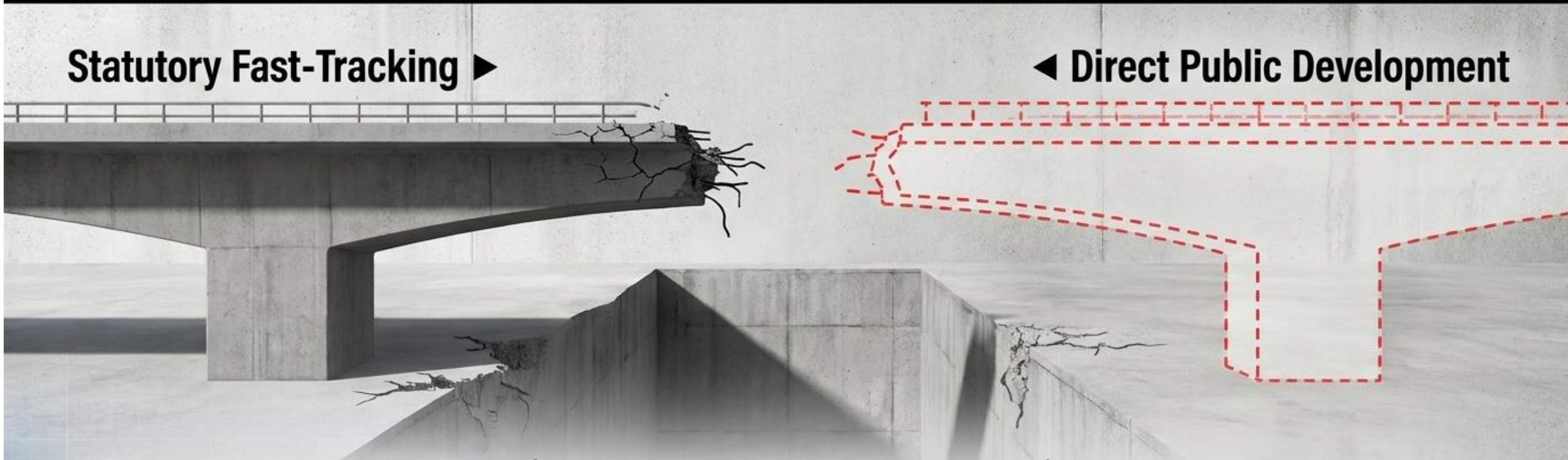
Approved on Paper:
Over 500,000 total
Over 500,000 total units fast-tracked and approved by the end of the decade.

Designated Affordable:
~150,000 units officially designated as affordable or for-rent in the statutory plans.

Actually Constructed:
ONLY ~10,000 units were actually built and completed on the ground.

The result is an artificial pipeline that generated headlines without generating homes.

Synthesis: The Limits of Market-Reliant Fast-Tracking



Solving the Wrong Problem:

The Vatmal treated the housing crisis strictly as a zoning and red-tape problem, ignoring the economics of construction.

The Market Absorption Trap:

Without direct public development or long-term financial guarantees, the private market absorbs the zoning benefits (upzoning and fast aprovals) but stalls actual construction until maximum profitability is reached.

Conclusion:

Making housing systems faster does **not** make them more social. Protests forced the government to modify planning regulations, but the deeper institutional logic of neoliberal housing provision remained entirely intact.

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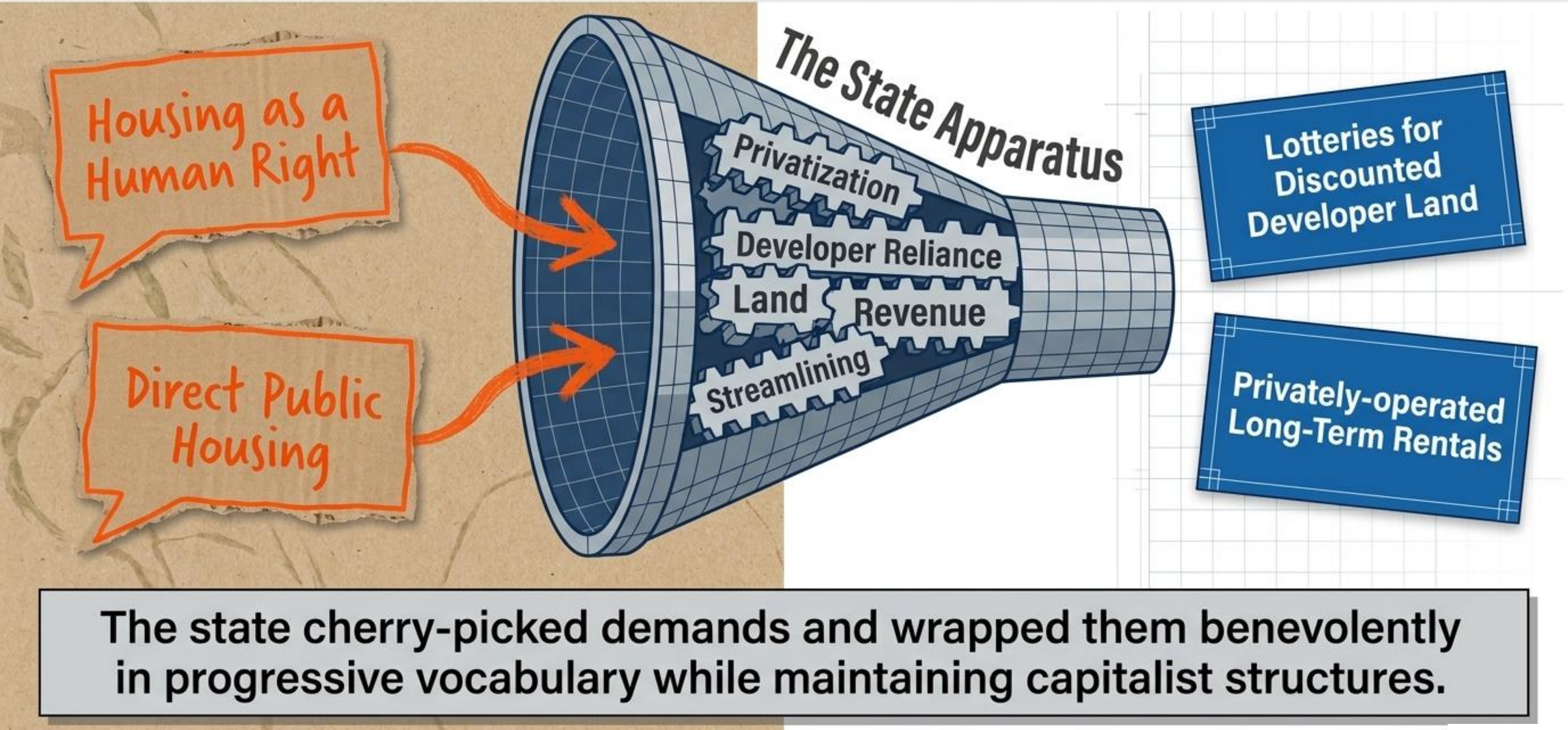
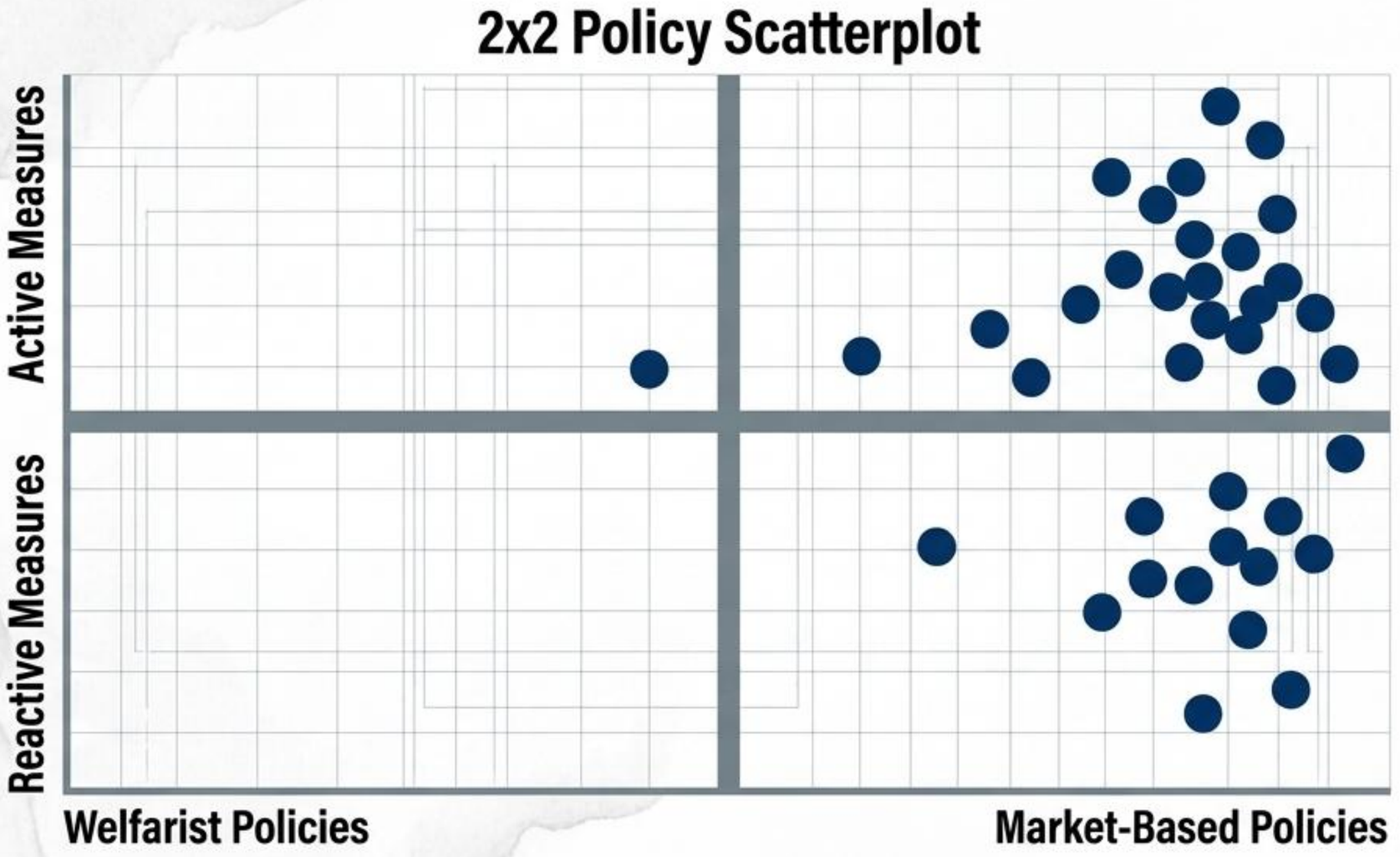
Processing social demands through the neoliberal filter



The state cherry-picked demands and wrapped them benevolently in progressive vocabulary while maintaining capitalist structures.

Reforms operated within the market, not against it



88%

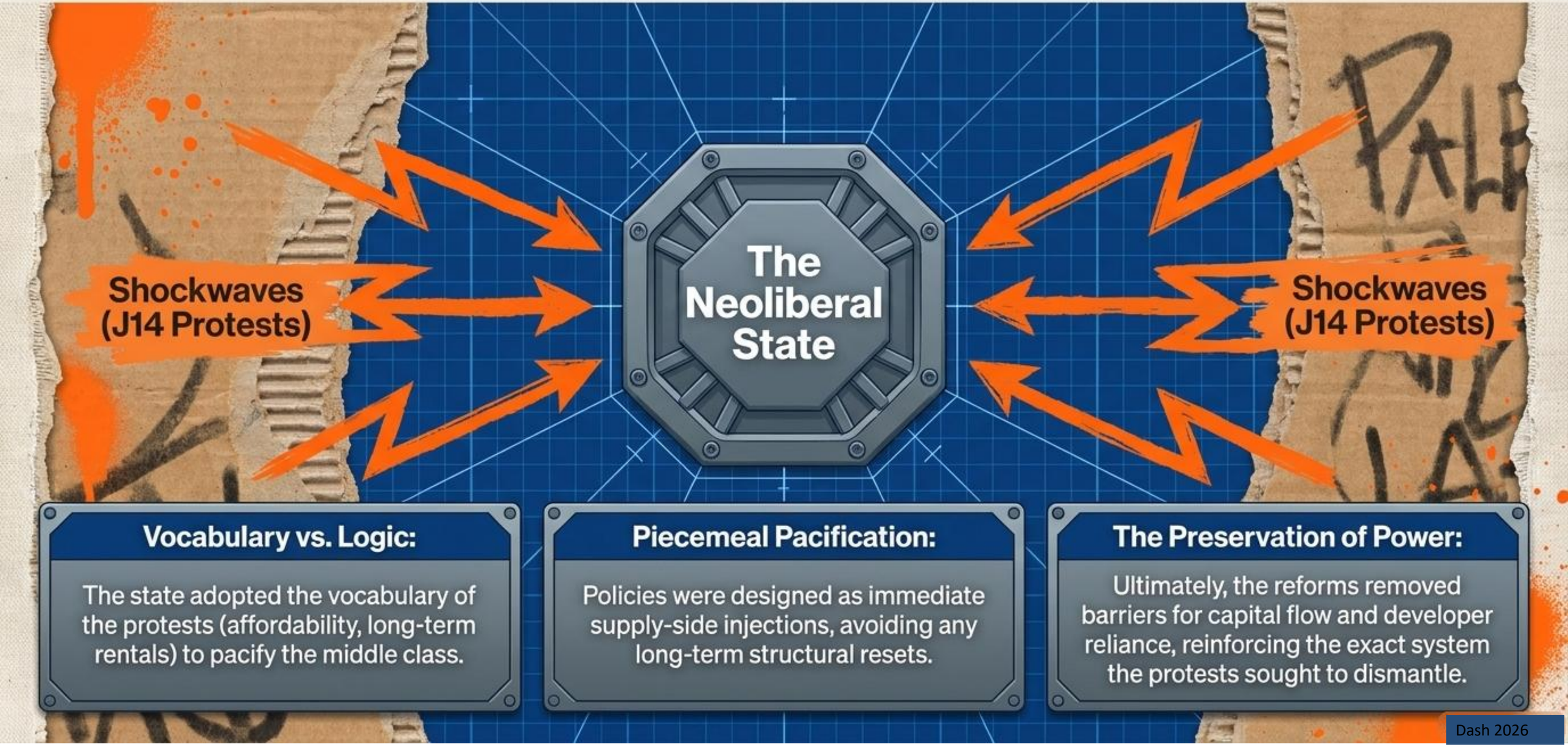
relied entirely on Supply-Side mechanisms.

59%

were predominantly Market-Based.

Key Insight Text: The complexity of the crisis required variety, but the default mechanism remained neoliberal competition.

The malleability of neoliberalism



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Beware of marketization disguised as social justice

Non-violent resistance can force immediate policy shifts. But without structural vigilance, governments will always default to making housing affordable for consumers, rather than making the system social for citizens.

Apply this diagnostic lens to your own local housing reforms.

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THE ISRAELI CASE EXPOSES AN IMPORTANT DISTINCTION BETWEEN MAKING HOUSING MORE AFFORDABLE ON PAPER, AND MAKING THE HOUSING SYSTEM MORE SOCIAL IN REALITY.

Apply this diagnostic lens to your own local housing reforms.

TWO DECADES / HOUSING PRICES KEEP RISING

2006

—

2026

Source: Israeli CBS data (2026)

THE LONG-RUN REALITY

+220%

Nominal price increase over twenty years

₪3.2M

2026 equivalent of a ₪1M apartment in 2006

+124.6%

Inflation-adjusted price increase

THANK YOU

SELECTED RESEARCH

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Mualam & Max (2022). Do social protests affect housing and land-use policies? Housing Studies, 37(8), 1465–1496.