

ENGLISH ABSTRACTS

OF INTEREST: Scientific (refereed) articles: Theory and research

VATMAL After a Decade: Is It Still Needed?

Natalya Presman

ABSTRACT

The National Planning and Building Committee for Priority Housing Areas (VATMAL) was established as a temporary tool to address the housing crisis and began operating in 2014, with the aim of rapidly increasing the stock of approved residential plans. The effectiveness of planning institutions in general, and of VATMAL in particular, is commonly measured by the number of housing units approved and the time taken to process plans, rather than by the time it takes for those plans to be implemented through actual construction. I examine the implementation of VATMAL plans at the land-marketing stage by the Israel Land Authority, using a unique database constructed for this purpose. I find that numerous obstacles at the land-marketing stage delay the implementation of a large share of the priority housing plans. In addition, VATMAL's success in increasing the housing supply in Arab, Druze, and Circassian communities, as well as in advancing urban renewal projects, is questionable. This is against the backdrop of overplanning in recent years, partly as a result of improved efficiency in other planning committees, as well as the creation of a large inventory of homes for sale at various stages of construction. The study's conclusions may contribute to decision-making regarding VATMAL's future course and the need to make it a permanent committee.

Key words: Housing market, National Planning and Building Committee for Priority Housing Areas, Priority Housing Plan, Land marketing, Israel Land Authority.

Dr. Natalya Presman is a Senior Researcher in the Research Department of the Bank of Israel. She holds a B.A with honors, an M.A with honors, and a PhD in Economics from Ben-Gurion University of the Negev. Dr. Presman has been employed in the Research Department of the Bank of Israel since 2006. Between 2006 and 2013, she worked in the field of the labor market. Since 2014, her main area of expertise has been real estate and the housing market, with a focus on both real and financial aspects.