

BANK OF ISRAEL

Office of the Spokesperson and Economic Information

Press release

February 29, 2024

**Dr. Adi Brender, Director of the Bank of Israel Research Department, participated in a conference on “Challenges in the Real Estate Market After October 7”**

The Director of the Bank of Israel Research Department, Dr. Adi Brender, participated in a conference on “Challenges in the Real Estate Market After October 7”, held by the Alrov Institute for Real Estate Research at the Coller School of Management, Tel Aviv University.

The conference featured participation of senior personalities from the real estate and economics fields, who discussed the war’s effect on the industry.

Dr. Adi Brender:

“There was a high volume of activity in the construction industry prior to the war. Total active construction, building starts, and employment in the industry were at high levels, and building permits and approval volumes issued by the planning institutions indicated a promising “pipeline” of expansion in the coming years. With the outbreak of the war, activity in the industry narrowed greatly. The main barrier to activity currently is the shortage of workers, due to the absence of Palestinian laborers. Decisions are needed regarding the desired mix of workers and technology in the construction industry, since the arrival of a large number of foreign workers to replace Palestinian laborers will take a long time, employing Palestinian laborers involves interruptions during periods of security tension, and technological advancement that will reduce the number of workers required in the industry and encourage the employment of additional Israelis involves investments and adaptation. In addition, it is important to work toward advancing public investments in infrastructure in order to release the potential of land where progress on construction is dependent on the development of that infrastructure.”

The presentation that accompanied Dr. Brender’s remarks (in Hebrew) is attached.