

# What Americans Need to Know Before Buying Property in Israel

*A plain-English guide by Sela — the buyer-side advisory for Americans buying property in Israel.*

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## Introduction

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This guide is for Americans thinking seriously about buying property in Israel — whether you are an investor looking at a new-construction tower in Netanya, a family planning aliyah in two years and trying to lock in an apartment in Jerusalem, or a dual citizen who has been quietly browsing listings on Yad2 for months. You do not need to be fluent in Hebrew, you do not need to live in Israel, and you do not need to have done a deal before. You do need a calm orientation to a market that runs on different defaults than the one you grew up in.

We wrote it because there is a real gap between what the Israeli market assumes you already know — how purchase tax works for non-residents, who the broker is actually paid by, what *Madad* indexation does to a contract price over 30 months — and what an American reader actually knows on day one. That gap is the single biggest source of avoidable surprises in an Israeli property purchase. None of the information is hidden. It just lives on the other side of a language barrier, in a system with different conventions, and nobody in a standard deal has a reason to walk you through it.

A few things this guide is **not**:

- It is not legal advice. Your lawyer's job is to draft and vet the contract; nothing here substitutes for that.
- It is not a recommendation on a specific deal, project, neighborhood, or contractor.
- It is not a substitute for verifying current rates, brackets, and rules at the time you actually transact. Tax brackets shift; FX rates move; bank policies change. Numbers in this guide are mid-2026 estimates meant for orientation, not pricing.

**A note on Hebrew terms.** Israeli real estate vocabulary is unavoidable — *mas rechisha*, *Tabu*, *Madad*, *kablan*, *mamad* — so we define each Hebrew term in parentheses on first use and then use it normally. You will recognize most of them by the end of the guide.

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## Chapter 1 — Can Americans actually buy property in Israel? Start here.

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*Before anything else, the basic question: are you even allowed to do this, and what is structurally different from buying a house back home?*

### Short answer first

Yes. Americans can buy property in Israel. You do not need Israeli citizenship, you do not need to be living in Israel, and you do not need a local co-signer. Most Americans who buy here complete the entire purchase from abroad, flying in only for a viewing trip and the handover. The friction is not legal — it is **process and translation**. The Israeli market runs on different defaults than the US, in a different language, with different paperwork, and that is where almost every avoidable mistake comes from.

This chapter is the front door — the orientation you wish someone had given you before you started clicking through Israeli listings at 11pm. Here is what makes buying in Israel different from buying a house in Boston.

### Who can actually buy

**US citizens.** You can buy property in Israel as an American citizen with no Israeli status. There is no residency requirement, no Israeli ID requirement, and no rule against owning property remotely. You will need a passport, an Israeli tax file (your lawyer opens this for you), and a structured way to move funds in.

**Dual citizens and future olim.** If you are an *oleh* (someone who has formally immigrated to Israel under the Law of Return), or you plan to be within a few years of buying, you get meaningful purchase tax benefits on your first home and slightly easier access to Israeli mortgage products. The timing windows are specific, so flag this to your lawyer early rather than assuming it will sort itself out at closing.

**Non-Jewish Americans.** Yes, non-Jews can buy property in Israel. The nuance worth knowing: a meaningful portion of Israeli land is owned by national bodies — primarily the *Israel Land Authority* and *KKL-JNF* (the Jewish National Fund) — and leased long-term to occupants. Some of that land has eligibility rules that historically favor Jewish buyers. In practice, most apartment purchases in cities are not on JNF-restricted land and the question rarely comes up. But it is a real category, and your lawyer should confirm the land status of a specific property before you sign.

### Five structural differences from a US purchase

This is the section that most surprises Americans. None of these things are wrong; they are just *different*, and assuming the US defaults apply is where deals quietly go sideways.

**1. There is no MLS.** The US Multiple Listing Service — one central database where every listing, asking price, and sale history is visible to any licensed agent — does not exist in Israel. Listings are scattered across project websites, the consumer portals *Madlan* and *Yad2*, broker WhatsApp groups, and word of mouth. Two brokers

showing you "the same neighborhood" will often show you non-overlapping inventory, and neither has an obligation to tell you what they are not showing you.

**2. There is no buyer-agent fiduciary tradition.** In the US, a buyer's agent is a legal role with duties to you. In Israel, the broker showing you the apartment is, in the standard case, paid by the seller, and the default assumption is that they work for whoever is paying them. You can hire a broker to work for you specifically, but it is the exception.

**3. Funds sit with lawyers, not in escrow.** US deals run through a third-party escrow or title company that holds the money. Israeli deals do not. The buyer's lawyer holds funds in a regulated client trust account and releases them at contract milestones. There is no neutral escrow agent, which makes the lawyer's role structurally central in a way American buyers underestimate.

**4. *Tabu* is where ownership actually lives.** *Tabu* is the Israeli land registry — the official record of who owns what. Signing the contract and paying the money is not the end of the story. Until your name is registered at *Tabu*, the deal is not fully "closed" the way an American expects from a US closing. Registration usually follows handover by weeks to months.

**5. New construction prices escalate with *Madad*.** *Madad* is the Israeli consumer price index. Most new-construction contracts are written so the price escalates between signing and delivery, indexed to *Madad*. If you sign for ₪2,000,000 today and delivery is 24 months out, you will not pay ₪2,000,000 at handover — you will pay whatever ₪2,000,000 has become after two years of indexation. This is normal, it is in the contract, and it is one of the most common "but nobody told me" moments.

## Who you will be dealing with

Almost every transaction involves the same four roles: the **contractor or seller**, the **broker** (*metavech*), the **lawyer** (*orech din*), and — if you choose to bring one — a **mortgage advisor** (*yo'etz mashkanta'ot*). Knowing who is paid by whom is most of the battle, and that is the subject of Chapter 2. For now, the one-line version: the broker is standardly paid by the seller, the lawyer is paid by you but handles the *legal* side of the deal rather than whether the deal is sound, and the mortgage advisor is optional but useful for non-residents.

If you want someone whose job is to look at a specific deal and tell you whether *the deal itself* is sound — pricing against comparables, contract terms against market norms, project risk against alternatives — that role exists, but you have to hire it separately. That is what **Sela** does.

## A realistic timeline from interest to keys

Numbers vary, but here is the honest range most American buyers experience.

- **Initial interest to first viewings:** 1–3 months. For Americans this is often partly remote — virtual tours, video walk-throughs, broker WhatsApp updates — followed by one focused trip.
- **Picking a unit and negotiating price:** 2–6 weeks. Israeli negotiation tends to be slower and more relationship-driven than American buyers expect.
- ***Zikaron dvarim* to final contract:** 2–4 weeks. A *zikaron dvarim* is a preliminary signed memo of agreed terms — not the full contract, but more binding than an American "letter of intent". Sign one only with your lawyer's guidance.
- **Final contract to handover (*mesirat hamafte'ach* — literally, "delivery of the key"):** For second-hand apartments, typically 60–90 days. For new construction bought *al hanyar* (on paper, off-plan), 12–36 months depending on how far along the project is at signing.

- **Tabu registration after handover:** A few additional weeks to several months. The deal is functionally done, but the official registration follows.

The whole arc — from "I am seriously looking" to keys on a second-hand apartment — is often 6–9 months. For new construction, it can be 2–4 years. Plan accordingly.

## What this means for you

- You can buy in Israel as an American, from America, without changing your citizenship or residency.
- The structural defaults — no MLS, no buyer-agent norm, lawyer-held funds, *Madad*-indexed new-construction prices — are different from the US. None are problems; all are surprises if you do not know them in advance.
- The broker who shows you the apartment is, by default, paid by the seller. The lawyer is required, but checks the legal side, not the deal side. Those are different jobs.
- Realistic timelines are months for second-hand and years for new construction. Budget for that, both financially and emotionally.
- If you want a second opinion on a *specific* deal — not just legal vetting, but "is this a good buy at this price on these terms" — that is a separate role you have to hire.

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## Chapter 2 — The broker showing you the apartment doesn't work for you — here's who works for whom.

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*Chapter 1 introduced the cast. This chapter is the deep dive: who is paid by whom, why that matters, and what changes when there is finally someone in the room whose only job is to read the deal on your behalf.*

A client of ours, a doctor in New Jersey, was three weeks into looking at a new-build project in Netanya. He'd been on four video calls with a very pleasant broker, gotten floor plans, gotten a payment schedule, gotten a soft "we should lock in the 7th floor before someone else does." On the fifth call, almost as a side question, he asked: "By the way — who pays you? Me or the contractor?"

There was a beat of silence. Then: "The contractor, of course."

He told us afterward that the answer didn't shock him. What shocked him was that he hadn't thought to ask for three weeks.

That moment — when an American buyer realizes the friendly, responsive, English-speaking person showing them apartments is being paid by the other side of the table — is one of the most common conversations we have. Not because anyone was lying. Because the structure of Israeli real estate is invisible from the outside, and nobody in the room has a reason to draw you a map.

So let's draw one.

### The four people in the room

Picture the table where a typical new-construction deal in Israel gets done. There are four roles. Three of them are usually filled. The fourth is almost always empty when an overseas buyer is involved.

**1. The contractor (the seller).** This is the company building the project — a *kablan* in Hebrew. They get paid when the unit sells. Their job is to sell units at the highest price the market will bear, on the schedule that works for their financing. That is a completely legitimate goal. It is also not your goal.

**2. The broker.** The person showing you the apartment. On new construction in Israel, brokers are almost always paid by the contractor — typically a commission of around 1–2% of the sale price, sometimes more on slow-moving inventory. The broker has every reason to be friendly, professional, and informative. They also have zero financial reason to tell you the unit is overpriced, the floor plan is awkward, or that the project two blocks over is a better deal.

**3. The lawyer.** This one trips Americans up the most. In Israel, you absolutely need a real estate lawyer, and yes — you pay them. So they work for you, right?

Sort of. A real estate lawyer's job is to make the transaction legally clean: review the contract, check the *Tabu* (the land registry), confirm the contractor's bank guarantees, make sure the indexation clauses are enforceable, file the right paperwork with the tax authority. That is critical work and you cannot skip it. But notice what's not on that list: deciding whether the *price* is fair, whether the *contractor* is one of the strong ones or one of the wobbly ones, whether the *unit* is the right one for your goals. Lawyers don't underwrite deals. They paper them.

**4. The buyer-side advisor.** This is the empty chair. Someone whose only job is to represent the buyer — paid by the buyer, on a flat fee, never on a percentage of the purchase price. (That last part matters: if your advisor gets paid more when you pay more, they're not really your advisor.) This is the role we play. We're not a broker. We're not a lawyer. We're the person reading the deal on your behalf.

## **This isn't malicious. It's how the system is built.**

It's tempting, when you first see this layout, to feel like you've uncovered something shady. Resist that. The Israeli market isn't unusual here. American new-construction works similarly — the on-site sales agent at a US development is also paid by the builder, and most buyers there don't have their own representation either.

The contractor is doing their job. The broker is doing their job. The lawyer is doing their job. Each of them is operating exactly as the system expects them to.

The asymmetry isn't about bad faith. It's about *information*. A local Israeli buyer has, by osmosis, a rough sense of what a square meter costs in a given neighborhood, what *Madad* (the Israeli consumer price index, used to escalate the contracted price between signing and delivery) typically caps at, which contractors deliver on time and which don't, what a "reasonable" payment schedule looks like. An American buyer has none of that. They're hearing every claim for the first time, with no benchmark to test it against.

That's the gap. Not villainy. Just a missing instrument panel.

## **What the gap actually sounds like**

Once you know to listen for it, you can hear the asymmetry in almost every sentence of a sales conversation. Some examples we hear constantly:

**"The 7th floor in this line sold for 3.4 last month."** Maybe true. Maybe a different floor plan, different exposure, different stage of the payment schedule, different buyer. Without comparables across multiple projects in the same neighborhood, this number is a data point with no context. It sounds like a benchmark. It isn't one.

**"The contractor is very reputable."** Against what standard? Reputable contractors in Israel still vary wildly on delivery timing, on quality of finish, on how aggressively they price change orders, on how they handle defects

after handover. "Reputable" is a category, not a grade.

**"Madad indexation is standard."** Yes — almost every contract has it, because between signing and the day you get keys (often 24–36 months later), the contractor's costs move with inflation. The question is never "is there Madad?" The question is: what's the cap? Is it capped at all? When does indexation start — from signing or from a later milestone? Two contracts that both say "Madad-linked" can produce very different final prices.

**"We're getting interest on this unit, you should sign by Tuesday."** Sometimes true. Often a sales technique. Either way, whose deadline is that? It's the contractor's sales cycle, not your decision cycle. A buyer-side advisor's job, partly, is to tell you when the urgency is real and when it's manufactured.

None of these statements are lies. They're just sentences that land differently when you're hearing them for the first time versus the hundredth.

## What changes when there's a fourth chair

The point of a buyer-side advisor isn't to replace anyone at the table. The contractor still sells. The broker still shows. The lawyer still papers the deal. What changes is that there's now someone in the room whose entire job is asking the questions you don't know to ask.

Before: you're getting one side of every claim, and your only counterweight is your own gut and a lawyer focused on contract language.

After: someone is pulling comparables across projects you haven't been shown, pressure-testing the indexation clause, checking the contractor's delivery history on past projects, sanity-checking the payment schedule against the construction timeline, and — often most valuable — telling you when a deal is actually good and you should move on it. We're not professionally skeptical. We're professionally *honest*. Sometimes the unit you're looking at is the right one at the right price. When that's true, we say so.

At Sela, this is the only thing we do. We don't sell units. We don't take referral fees. The buyer is the only person who pays us, and they pay a flat fee, not a percentage. That structural choice is the whole point — it's what makes the fourth chair actually different from the other three.

## What this means for you

- **The friendly broker is not your representative.** They might be a great person and a useful information source. They are not on your side of the transaction.
  - **Your lawyer is essential but narrow.** A real estate lawyer makes the deal legally safe. They are not pricing the unit or grading the contractor.
  - **The asymmetry is structural, not personal.** Nobody in the standard deal is doing anything wrong. The buyer just has no instrument to read the deal with — unless they bring one.
  - **Watch how your advisor is paid.** A flat fee from the buyer is the only model that aligns incentives. Percentage fees, referral fees from contractors, or "free" advisory services usually mean someone else is the real client.
  - **You can hire your own representation.** This is the part most overseas buyers don't realize is even an option. It is.
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# Chapter 3 — How do you know if you're paying a fair price in Israel?

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*Once you understand who is in the room, the next question is the one that keeps American buyers up at night: how do I tell if this number is reasonable, in a market with no MLS and no Zillow?*

You are standing in a 3-room apartment on the 14th floor of a new tower in Netanya. The broker hands you a printout. ₪22,000 per square meter. "Below market," he says. "Two units in this line went last month for ₪23,500. The contractor wants to close out the floor."

You nod. You smile. You ask for a minute.

And quietly, you realize you have no instrument to verify a single thing he just said.

You cannot pull up Zillow. You cannot ask your buyer's agent to run comps, because the broker showing the unit is not your agent — he is paid by the seller. You speak no Hebrew. You fly home in three days. The number sounds reasonable, and you genuinely cannot tell whether ₪22,000 is a gift or a haircut.

This chapter is about how American buyers can actually answer that question.

## Why your US instincts don't transfer

In the US, price discovery is a solved problem. The MLS aggregates active listings. Zillow and Redfin show asking prices and Zestimates. Public records show what every house closed for, often within days. Your buyer's agent runs comps for free as part of her fiduciary duty.

None of that exists in Israel. No MLS. No portal with sale-price history baked into every listing. The broker walking you through the unit works for the seller, and there is no tradition of an exclusive buyer-side agent who runs the comps before you sign.

The data exists. Israel actually has more transparent closed-deal disclosure than most Americans assume. But it lives in places you don't know to look, in a language you don't read, with quirks you don't know to adjust for. The asymmetry is in who can use it.

## What real comparable-sale data looks like in Israel

Three sources are worth knowing. None is a one-click answer.

**Rashut HaMisim (the Israel Tax Authority)** publishes a public database of every residential transaction in the country. Not estimates — the actual closed prices buyers and sellers reported when they paid purchase tax. Address-level. You can pull every closed deal on a specific street for the last several years.

The catches: the interface is in Hebrew. The data lags — a deal signed in March may not surface until June. And the records include fields most buyers don't know how to weight. Was the unit sold as a shell or fully finished? Was parking included? Two units on the same floor can show very different numbers, and the raw data alone won't tell you which is the real signal.

**Madlan and Yad2** are the two large consumer portals. Useful — but mostly for *asking* prices, not closing prices. The gap is often 5–10%, sometimes more in a soft market. Treating an asking price as a market price is one of the most common mistakes American buyers make.

**Project-level sales records (new construction).** The contractor knows exactly what every prior unit sold for.

Sometimes they will share a partial list — the units they want to use as comps. The ones they don't show you are often the most useful.

Reading these three sources together — and knowing what to discount — is its own skill. The data exists, but raw access is not the same as a verdict.

## Per-meter pricing alone will mislead you

Shekels per square meter is the easiest number to compare, which is exactly why it is dangerous on its own. Two apartments at the same per-meter price can be very different deals.

Here are the adjustments that actually move the number, roughly in the order they tend to matter:

- **Floor.** Higher floors price up. The premium from floor 6 to floor 18 in a Tel Aviv tower can be 10% or more.
- **Orientation and view.** A south-facing sea view is not the same asset as a north-facing view of the next parking lot. "Same building, same line, same floor" is the only true apples-to-apples.
- **Parking.** One underground space is the baseline. Two is a real premium. A surface or tandem space is worth materially less.
- **Machsan (storage room).** A dedicated basement storage unit is a real line item — usually worth low five figures in shekels on its own.
- **Mamad (the in-unit reinforced safe room — every new Israeli apartment built since the early 1990s has one).** Size and placement affect layout. A mamad that doubles as a real bedroom is worth more than one that is essentially a closet.
- **Finish level and contractor reputation.** Top-tier contractor finishes are not the same as the same finishes from a contractor with a history of delivery delays. The market knows the difference.
- **Building amenities.** Elevator, gym, garden, and ongoing *vaad bayit* (building HOA fees) all feed into what the unit is worth.

When someone tells you "₪22,000 per meter is below market," the honest follow-up is: below market *adjusted for what?*

## New construction and second-hand follow different price logic

These are two different games.

**New construction.** Your contract price is almost always linked to *Madad*. Between signing and delivery — often 24 to 36 months — the price escalates with the index, typically an estimated 5–10%. So a "₪22,000 per meter" price today might be ₪23,500 at handover. Any comparison between contractor quotes has to be Madad-adjusted to a consistent base date.

**Second-hand.** Here the asking-versus-closing gap is the central number. Sellers anchor high; closed deals are the truth. Building age also matters more than American buyers expect — not just for current value, but for upside. A 1970s building that is a credible candidate for *TAMA* (a national earthquake-retrofit and densification program) or *Pinui-Binui* (full demolition and rebuild) carries optional long-tail value a younger building does not.

## How a buyer-side advisor actually benchmarks price

This is the part where most posts hand you a formula. We are not going to — the formula is the wrong artifact. What matters is the process. Here is the *shape* of a serious benchmark:

- Pull the last 12–18 months of closed deals from Rashut HaMisim within roughly 500 meters of the target building, filtered to the buildings actually comparable.
- Adjust each comp for floor, view, parking, machsan, mamad layout, finish level, and building age — building a normalized per-meter number, not a raw one.
- For new construction, cross-reference the contractor's project sales ledger where available, Madad-adjusted to a single base date.
- Compare the target unit against the *same buyer's other live options* at the same price point. A unit is not fairly priced in a vacuum — it is fairly priced relative to what else the same money would buy this week.
- Form an opinion: above market, at market, or below market, and by how much. Sometimes the real answer is "fair, but you should be looking three streets over."

That is the work. Not magic. Just being the only person in the room who has done it before.

## A short checklist before you agree to a price

If you take nothing else from this chapter, ask these before you sign:

- Ask the seller or contractor for the **last three closed unit prices in the same project on the same line and floor band**. If they will not show you, that is information.
- Ask whether the price is **linked to Madad, and from what base date**. Get the base date in writing.
- Ask what is included: **parking (how many, where), machsan, finish package**. The bundle is the price.
- Ask for the building's projected **vaad bayit and arnona** (HOA and municipal property tax). These are real ongoing numbers and vary widely.
- Get the answers in **writing, in English**, before you commit.

## What this means for you

- Per-meter pricing without adjustments is a marketing number, not a market number.
- Closed-deal data exists in Israel — Rashut HaMisim is real and public — but raw access is not the same as a verdict.
- Asking prices on Madlan and Yad2 are a starting point, not an answer.
- For new construction, Madad escalation can change the real price by 5–10% between signing and handover. Always benchmark to a single base date.
- "Below market" is a sentence, not evidence. Ask for the evidence.

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## Chapter 4 — The real cost of buying: purchase tax, FX, and fees Americans don't see coming.

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*Chapter 3 was about whether the headline price is fair. This chapter is about the headline price not being the deal — and the 10–12% of additional cost that lands between the sticker and the keys.*

David signs a contract for a three-bedroom apartment in a quiet Jerusalem neighborhood. The price is ₪1.8M —

about \$500,000 at the rate his banker quoted him on a Tuesday morning. He's done his homework. He has a lawyer. He's read about the market. He feels good.

Three months later, he and his family are moved in. He sits down with a spreadsheet to figure out where he actually stands. The number that comes back is closer to \$560,000.

That's a \$60,000 gap. Not a rounding error. Not "Israeli markup." Just the predictable, knowable cost of buying property in Israel as a non-resident American — costs that almost nobody briefs you on before you sign.

This chapter walks through where every dollar of that \$60,000 went, why each line item exists, and which ones you can actually control. None of this is a surprise to the lawyers, bankers, and tax authorities on the Israeli side. It's only a surprise to you, because the information has been on their side of the table.

That gap — what they know and you don't — is the whole story.

## **Purchase tax (*mas rechisha*): the biggest line item nobody warned them about**

The single largest fee in any Israeli real estate purchase is *mas rechisha* (purchase tax), paid to the Israeli Tax Authority within 60 days of signing the contract.

Here's the part that catches Americans: there are two completely different tax schedules, depending on who's buying.

**If you're an Israeli resident buying your only home**, you get a generous zero bracket. The first ~₪1.98M of the purchase price (mid-2026 brackets) is taxed at 0%. Above that, the rate climbs progressively. For a modest first home, an Israeli family might pay almost nothing in purchase tax.

**If you're a non-resident, or if this is your second home anywhere in the world**, that zero bracket disappears entirely. Tax starts at the first shekel. Rates start around 8% and climb from there for higher-value properties.

That is the rule that quietly costs Americans the most money in the entire transaction, and it's the one that's most often glossed over in the initial pitch.

For a ₪1.8M apartment, a non-resident buyer pays roughly ₪**140,000–145,000** in *mas rechisha* at current brackets (mid-2026 estimates). That's around \$40,000 — and it lands on your lap as a single line on a tax authority form.

A note that will save you grief: the brackets are reset periodically by the Knesset, sometimes meaningfully. Always verify current rates with your lawyer at the time you sign, not at the time you start looking. A bracket shift in the six months between "browsing" and "closing" can swing your tax bill by thousands of dollars.

## **FX bleed on the wire: the silent killer**

Here's a cost that doesn't appear on any form, in any contract, or on any closing statement — but it's almost always the second-biggest hit after purchase tax.

When you wire \$500,000 from a US bank to your Israeli account, you pay a spread on the conversion from dollars to shekels. Your US bank doesn't itemize it. The wire just lands smaller than you expected.

On a typical US-bank-to-Israeli-bank wire, the all-in spread plus fees runs **2–4% of the transferred amount** (mid-2026 estimates). On \$500,000, that's **\$10,000–\$20,000** of pure friction — money that simply evaporates between your account and the seller's.

You can dramatically cut this number. Licensed Israeli FX houses (regulated, reportable, fully legal) typically quote spreads in the range of **0.3%–0.7%**, with the exchange rate disclosed on the ticket before you commit.

Compared to a blind bank wire, the savings on a half-million-dollar purchase are often **\$8,000–\$15,000**. That is real money that stays in your pocket, for the price of one extra phone call.

A related point on paperwork: Israeli banks are required to document your source of funds. They will ask for US bank statements showing the funds accumulated, plus excerpts from your tax returns that match. Americans who arrive with this paperwork pre-assembled close on time. Americans who don't lose **2–4 weeks** while the bank's compliance team chases documents. That delay alone can put a deal at risk, especially if the seller has options.

## The smaller line items that compound

Individually, none of these will break you. Together, they add up to real money.

- **Lawyer fees.** A buyer-side real estate lawyer in Israel typically charges around **1.5%–2% of the purchase price, plus VAT**. (VAT is 17% as of mid-2026.) On a ₪1.8M purchase, that's roughly **₪31,000–₪42,000** all-in. Not cheap — but a good lawyer earns it many times over by structuring the contract to protect you.
- **Real estate broker commission.** On new construction from a developer (*kablan*), the broker is usually paid by the seller and the cost is baked into the price. On second-hand homes from private sellers, the standard is **~2% + VAT from each side** — so you pay ~2.34% as a buyer. Always confirm in writing who's paying what before you tour with a broker.
- **Tabu registration fees.** Modest — a few thousand shekels — but they are real and someone has to pay them. Make sure it's clear in your contract whether it's you, the seller, or split.
- **VAT considerations.** New-construction prices are typically advertised as *kollel* (inclusive of VAT). Second-hand homes from private sellers are not subject to VAT at all. The word *kollel* on a listing means the sticker is the all-in number for the unit itself. *Lo kollel* (not inclusive) means you'll be adding 17% on top. Confirm this in the first conversation, in writing.

## Mortgage costs for non-residents (if you're financing)

If you're paying cash, skip this section. If you're financing, read carefully — the rules are quite different for non-residents.

- **LTV cap.** Israeli banks typically lend up to **~50% of the purchase price** for non-residents, versus around **75%** for residents. That means a much larger cash component up front than most Americans expect.
- **Appraisal (*shamai*).** The bank requires its own appraisal before issuing a mortgage. Cost is usually a few thousand shekels.
- **Mandatory life insurance (*bituach chayim*) and property insurance.** Both are required to draw the mortgage. The life insurance specifically covers the mortgage balance, and underwriting can take weeks for older borrowers or those with prior conditions. Start this process early.
- **Bank fees and file-opening fees.** Individually small, but together they typically come to **₪5,000–₪10,000** before you've drawn a shekel.

## A worked example: \$500k headline → real all-in number

Here's David's purchase, line by line. Numbers are approximate and illustrative, based on mid-2026 rates.

Headline contract price	\$500,000	(~₪1.8M)
Purchase tax (mas rechisha, ~8%)	+\$40,000	
FX bleed on wire (2–3%)	+\$13,000	

Lawyer (1.5% + VAT)	+\$8,800
Tabu registration	+\$700
Misc closing (notary, translations, bank wires, etc.)	+\$1,500

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All-in cash to close ~\$564,000

If David were financing 50% LTV, add another **\$3,000–\$5,000** for appraisal, mortgage insurance setup, and file-opening fees.

So the honest headline isn't "a \$500,000 apartment." It's "a \$564,000 transaction with a \$500,000 sticker." Same property. Different number.

## Sticker shock vs negotiating leverage: what's actually negotiable

Once you see the full list, the next question is: which of these can I push on?

- **Purchase tax: not negotiable.** It's set by law. No lawyer, broker, or banker can move it. Your only lever is whether you qualify for resident brackets — and that's a function of your status, not your negotiating skill.
- **FX bleed: very negotiable.** This is the single biggest dollar-for-dollar win on the entire list. Choosing a licensed FX house over a default bank wire is often a \$10,000+ swing on a half-million-dollar purchase, for one extra phone call.
- **Lawyer fees: somewhat negotiable.** Especially at higher purchase prices, the 1.5%–2% range has room. But don't pick a lawyer on price alone — a \$2,000 saving on fees can cost you \$20,000 in a poorly drafted contract.
- **Headline price: negotiable — but only with comparables in hand.** Walking into a negotiation with verified, recent transaction data is a different conversation than walking in with a feeling. (Chapter 3 is the long version of how that data gets gathered.)

## What this means for you

- **The contract price is not the deal.** The deal is the total all-in number, in dollars, after every fee and conversion.
- **Budget at least 10–12% on top of the headline** for total cash-to-close on an unfinanced purchase. More if you're financing.
- **The biggest controllable expense is FX, not the lawyer.** This is the single highest-leverage decision you make in the entire transaction, and most people make it on autopilot.
- **Get your source-of-funds paperwork in order before you make an offer.** US bank statements and tax-return excerpts, organized and ready. Saves weeks.
- **Mas rechisha brackets shift periodically.** Verify the exact rates with your lawyer at the moment you sign, not three months earlier.

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## Chapter 5 — What to do next.

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Four chapters in, here is the short version, and the small set of concrete moves that turn this guide into something useful.

## The whole guide in five sentences

- **Chapter 1.** You can buy property in Israel as an American, from America, but the Israeli market runs on different defaults than the US — no MLS, no buyer-agent norm, funds held by the lawyer rather than escrow, and new-construction prices that escalate with *Madad* between signing and handover.
- **Chapter 2.** In a standard Israeli deal, the broker is paid by the seller, the lawyer is paid by you but checks the legal side rather than the deal side, and the buyer-side advisor seat — the one whose only job is to read the deal on your behalf — is almost always empty unless you choose to fill it.
- **Chapter 3.** Fair-price benchmarking in Israel is real and possible — closed-deal data is public on Rashut HaMisim — but per-meter pricing alone is misleading, asking prices are not closing prices, and "below market" is a sentence, not evidence.
- **Chapter 4.** The contract price is not the deal: budget at least 10–12% on top of the headline for non-resident purchase tax, FX bleed, lawyer fees, registration, and miscellaneous closing costs, and remember that FX is the single biggest *controllable* line item in the whole transaction.
- **The thread running through all four:** none of this is hidden. It's just on the other side of a language barrier, a system, and a habit of conversation that the Israeli market takes for granted and the American buyer is meeting for the first time.

## A second opinion, if you want one

If you have a specific deal — a unit, a project, a contract draft, an asking price — and you want a calm, independent second opinion on whether it makes sense, **that is what we do**. Book a 30-minute consultation with Sela. Consultations start at \$250 and credit toward a full engagement if you decide to bring us in on the deal. No commissions, no referral fees, no other side of the table — just an honest read.

## A 30-minute pre-conversation checklist

If you do decide to book a call, the conversation goes faster — and is more useful to you — if you have rough answers to these before we start. None of this needs to be polished. Bullet points in a notes app are perfect.

1. **City and neighborhood you're looking in.** (Even "narrowed to three of Jerusalem, Netanya, and Tel Aviv" is useful.)
2. **Investment, aliyah, or both.** The right deal for a rental income investor and the right deal for a family planning aliyah in 2028 are not the same deal.
3. **Have you been quoted a specific price yet?** If yes — what's the price, the unit type, and the project or address?
4. **What stage are you at?** Browsing, viewing trip booked, under offer, *zikaron dvarim* signed, or final contract drafted.
5. **Cash or financing?** And if financing, US-based, Israeli mortgage as a non-resident, or unsure.
6. **Timeline.** When would you ideally have keys in hand? (This tells us whether new construction is even on the table.)
7. **The single biggest open question in your head right now.** Often the most useful 30 minutes is just

answering this one.

## A reminder on what this guide is

This is general orientation for American buyers. Nothing in it is legal, tax, or financial advice for your specific situation — that is what your lawyer, accountant, and (if applicable) Sela engagement are for. Tax brackets, FX spreads, mortgage policies, and market norms shift over time; always verify with a current professional at the time you transact.

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## About Sela

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**Sela is the buyer-side advisory for Americans buying property in Israel.** We sit on your side of the table and read the deal on your behalf — pricing against comparables, contract terms against market norms, contractor track records against alternatives, all-in costs in dollars rather than shekels. We work on a flat fee, paid only by the buyer. We are never paid by contractors, brokers, developers, lawyers, or anyone else with an interest in whether a specific deal closes. That structural choice is the whole point: if your advisor is paid more when you pay more, they are not really your advisor.

### What we don't do:

- We are not real estate brokers. We do not list units, show inventory, or earn commissions on a sale.
- We are not lawyers. We do not draft contracts, file with *Tabu*, or hold trust funds. You will still hire an Israeli real estate lawyer; we work alongside yours.
- We do not take kickbacks, referral fees, or finder's fees from anyone in the transaction. Ever.

Sela is operated by **ZDR Consulting LLC**, based in Chicago.

**Contact:** [website TBD] · [email TBD]

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