



Qatar reduced prices of apartments in Rawabi

Average apartment price in the Palestinian city is one third of that in Modi'in, thanks to political investment

04/05/15, 08:12

By Danny Rubinstein

Modern Palestinian city of Rawabi offers apartments at prices significantly lower than those in Modi'in, which is just 20 minutes away. What is the secret of the project developer, businessman American-Palestinian Bashar Al-Masri, who managed to sell in Rawabi, located northwest of Ramallah, a 3-room apartment at an average price of 300 thousand shekels, while in an Israeli city it is costing around One million NIS!!! Even the most expensive apartments in Rawabi, with the size of not less than 200 square meters, are sold at only NIS 500 thousand.

No investment in the West Bank

At a recent meeting between some Israelis with Al-Masri in Rawabi, the former finance minister Avraham (Boogie) Shohat wondered about the possibility of making profit from the project where Al-Masri has invested more than a billion dollars, together with Qatari Construction Company. Weak and Limited markets, forced Al-Masri to reduce apartments prices so as to adjust it with the Palestinian housing market prices, which is much cheaper than the Israeli one.



About half of the gap in housing prices between Rawabi and Modi'in comes as a result of Qatari funding. Principal financial investment is due to political considerations. Since the collapse of the peace process after the second intifada 15 years ago, there were no real economic investments in the West Bank and Gaza.

The other half of the gap is due to the policy of the Israeli government itself, which determines the cost of land and taxes. First, the price of land in the West Bank and Gaza is much lower. In addition, in Rawabi there are almost no taxes and government levies, or VAT paid, except only on what comes from Israel. One more factor is that because all the building material such as blocks and tiles are processed in place at Rawabi, construction costs are low and all what is needed to move from Israel are the products of simultaneously different technology. Also wages of local Palestinian labor workers are very low, especially with regard to income tax, employer's taxes, health and social security.

“Do not turn Rawabi into a sleeping City”

Political money which helps reduce housing prices in Rawabi could be considered parallel to amounts invested in settlements by the Israeli government, though several times larger in scale. So, if you compare the Rawabi prices not only to Modi'in, but to housing prices in settlements and outposts nearby, it turns out that the gap is not big at all.

Al-Masri refuses to sell homes for investment purposes only, to avoid Rawabi becoming solely a City “to sleep in” only, whose residents travel to work in nearby cities. He also refuses to sell apartments to Jewish citizens of Israel. But he agrees to allow Israeli Arabs to buy apartments in Rawabi, but he limits their share up to 10% of the apartments in the city.

Translated from Hebrew by Kameel Jafar/Rawabi