

# ISRAEL ECONOMIC REVIEW

## Editorial Board

Assaf Razin (Tel Aviv University), Editor  
Michel Strawczynski (Bank of Israel), Editor  
Elhanan Helpman (Tel Aviv University)  
Adi Brender (Bank of Israel)  
Momi Dahan (Hebrew University of Jerusalem)  
Joseph Djivre (Bank of Israel)  
Tali Marom and Ilanit Sharon (Editorial support)  
Zipi Weiss (Typesetting and layout)  
Alan Hercberg (English)  
Meir Dubitsky (English)

The Israel Economic Review (IER) is published twice a year.\* Its main objective is to serve as a publication forum for research on the Israeli economy. Papers are selected from the Economic Quarterly and the Bank of Israel's Economic Review, both of which appear in Hebrew. Other papers relevant to Israel's economy sent to the IER are also considered.

Correspondence and submissions addressed to the editors should be sent to Ilanit Sharon, Research Department, Bank of Israel, Kiryat Ben Gurion, P.O.B. 780, 91007 Jerusalem, or by email to [ilanit.sharon@boi.org.il](mailto:ilanit.sharon@boi.org.il). Manuscripts should be double-spaced throughout and include an abstract of up to 150 words; they should not be under consideration by other journals.

© Bank of Israel and Israel Economic Association  
Passages may be cited provided source is specified.

ISSN 0792-0385

Catalog # 601680

<http://www.bankisrael.org.il>

Published by the Publications Unit, Bank of Israel  
Printed in Israel by Printiv Ltd.

\* Volume 3, Volume 6 and Volume 9 consisted of one issue only.



## CONTENTS

Polina Dovman, Sigal Ribon and Yossi Yakhin The Housing Market in Israel 2008-2010: Are House Prices a “Bubble”?.....	1
Doron Sayag Measuring Local House Price Movements in Israel And Estimating Price Elasticity.....	39
Nir Becker Nature Reserve Pricing: Yes, No, How? The Case for the Darga River Reserve.....	95
* * *	
Book Review – Sebnem Kalemli-Ozcan Foreign Direct Investment: Analysis of Aggregate Flows, by Assaf Razin and Efraim Sadka.....	123
Assaf Razin and Steven Rosefielde Political-Economic Origins of the Recent Euro Crisis: A Tale of a Politically-Failing Single-Currency Area.....	125

