Recent scholarship on gated communities has challenged the notion of homogeneity of aesthetics and of motivations for enclosure, emphasizing the place-bound origins and meanings attached to exclusionary development. It has also called for a conceptual shift in classifying gated communities from the “hard” boundaries of a gate or wall to more “soft” boundaries that achieve a similar outcome of limited or discouraged access. This research discusses the socio-cultural, economic and political background and properties of urban gated communities in Israel, as well as their local receptions. The social and built characters of Jerusalem and Tel Aviv were found to influence the aesthetics, marketing techniques and population of their respective gated communities, but mechanisms of exclusion through both hard and soft boundaries remain comparable in both. Due to the national history and societal structure of Israel, awareness of and opposition to the spread of gated communities and other luxury developments have been hindered, although some manifestations of resistance to “luxification” have addressed more systemic issues.