

## HY030: IMPUTED RENT

**Topic and detailed topic:** Living conditions, including material deprivation, housing, living environment, access to services / Housing conditions details, including deprivation and imputed rent

**Variable type:** Every 3 years

**Unit:** Household

**Reference period:** Income reference period

**Mode of collection:** Estimated

**In use (period):** Yes, nucleus until 2020, 2023

**Series' differences:** Yes, 2023, flags

### VALUES AND FORMAT

0-99999999.99      Amount (national currency)

### FLAGS

1	Filled
-1	Missing
-7	Not applicable (not collected according to the implementation of the “multiannual rolling planning” and year > 2020)

### DESCRIPTION

The imputed rent refers to the value that must be imputed for all households that do not report themselves as paying full rent, either because they are owner-occupiers or they live in accommodation rented at a lower price than the market price, or because the accommodation is provided rent-free.

The imputed rent must be estimated only for those dwellings (and any associated buildings such as garages) that are used as a main residence by the households.

The value to impute is the equivalent rent that must be paid for a similar dwelling as that occupied, less: (i) any rent actually paid (if the accommodation is rented at a lower price than the market price), (ii) expenditure on minor repairs or refurbishment. Costs for heating, water electricity, etc. are excluded. Repairs leading to improvements or fixing major problems in the dwelling are also excluded. If the respondent is identified as a ‘Tenant or subtenant paying rent at the prevailing or market rate’ (HH021 =3), the value recorded for this variable should be 0.

Depreciation (consumption of fixed capital) must not be taken into account because it is likely to be offset or superseded by variation in the market value of the dwelling. These are not covered in EU-SILC.

The market rent is the rent due for the right to use an unfurnished dwelling on the private market, excluding charges for heating, water, electricity, etc. By extension, the private market also includes the market that is regulated by government regulations.

Several methods for estimating ‘gross’<sup>68</sup> imputed rent are available:

- the regression/stratification method based on actual rents;
- the user cost method based on the estimation of cost incurred for homeownership by foregoing the opportunity to invest in financial assets from which real income flows are created by interest and dividends;
- the self-assessment method;
- the administrative assessment method, generally for fiscal purposes;

For the sake of comparability between countries, a regression/stratification method should be applied, except for duly justified cases, in particular when the private rental market represents less than 10% of the market

<sup>68</sup> i.e. before deduction of owner cost for maintenance and minor repairs.