

a mortgage to buy the main dwelling. Other types of loans should be considered only if taken for the purpose of buying the main dwelling and should be included in the modality 'Owner with outstanding mortgage'.

Reference period for those variables should be 'current'. However, if information on mortgage is not available for current situation, income reference period can be used instead (e.g. by obtaining information from variable "Interest paid on mortgage" (HY100)).

Owner with outstanding mortgage and owner without outstanding mortgage

Households of which at least one member is the owner of the housing unit in which the household lives, regardless whether any other member of the household is a tenant of all or part of the housing unit. A person is an owner if he or she possesses a title deed, independently of whether the house is fully paid or not.

If the housing unit is owned by a relative (not living in the household) to one household member (e.g. by a parent to a child living in the household) the household member (e.g. child) does not qualify as an owner.

Tenant or subtenant paying rent at prevailing or market rate: Tenant/subtenant, paying rent at prevailing or market rent covers also the situation whereby the rent is wholly covered from housing benefits or other sources, including public, charitable, or private sources. No distinction is made here when the accommodation is directly rented from a 'landlord', or as a subtenant renting from someone who himself is a tenant.

Accommodation is rented at a reduced rate (lower price than the market price): The key issue is the distinctiveness of the 'prevailing' and 'reduced-rent' sectors.

In some countries, there is a fairly clear distinction between the market or private sector renters and subsidised or public sector renters. Reduced-rate renters would include those (a) renting social housing, (b) renting at a reduced rate from an employer and (c) those in accommodation where the actual rent is fixed by law. All tenants in this situation would be included in category 4 (Accommodation rented at a reduced rate).

If there is a clear, nationally meaningful distinction between the market or prevailing rent and 'reduced-rent' sectors, along these lines, it should be used to distinguish between categories 3 and 4.

However, there is no clear distinction between a 'prevailing rent' and 'reduced-rent' sector in rental accommodation: there is no (or almost no) market sector in rents, either because virtually every household owns their home, because all tenants live in social housing, all (or most tenancies) are long-term with restrictions on rent increases, or all rents are fixed. If this is the case, the concept of market rent does not have a real empirical meaning in the country: at least in terms of trying to usefully distinguish a group paying market rents from a group that pays rents below that value.

In a situation where there is no clear distinction between a 'prevailing rent' sector and a 'reduced rent' sector, all renters would be classified as 'tenant or subtenant paying rent at prevailing or market rate'.

Empirical importance of length of tenure is a separate issue

If the national situation is one where *all* tenants benefit from lower rents based on length of tenancy (or there is no readily distinguishable group that benefits more than another), all renting households (other than those belonging to a clearly distinct 'reduced-rent' sector) should be coded in category 3 (prevailing rent) on the tenure variable, and length of tenure collected as a separate item. If there is a clearly distinct 'reduced-rent' sector this should be coded as category 4 on the tenure variable.

If the national situation is one where only some tenants (in fixed-rent accommodation, for instance) benefit from lower rents based on length of tenancy, these tenants should be coded as category 4 on the tenure variable (reduced rent).

Length of tenancy refers to the length of time the household has been renting the accommodation. It is different from the length of the lease.

Households where at least one member pays partly rent and partly mortgage for the housing unit in which the household lives should be classified under 'owner with outstanding mortgage' if the household member possesses a title deed.

The category 'tenant, rent at market price' applies to households of which at least one member is the tenant or subtenant who pays rent at prevailing or market prices. The category also applies where rent at market price is paid but is partly or wholly reimbursed from housing benefits or other sources, including public, charitable, or private sources.