

# Objectified Housing Sales and Rent Prices in Representative Household Surveys: The Impact on Macroeconomic Statistics

Sofie Walth

Luxembourg Institute of Socio-Economic Research (LISER) & Vienna University of Economics  
and Business

[sofie.walth@liser.lu](mailto:sofie.walth@liser.lu)

Denisa Naidin

Luxembourg Institute of Socio-Economic Research (LISER) & University of Luxembourg

Michael Ziegelmeier

Banque centrale du Luxembourg (BCL) & Munich Center for the Economics of Aging, MEA

Reliable macro-economic housing and wealth statistics as well as counterfactual analyses across housing tenure status require hypothetical sales and rent price estimates reflecting current market conditions. We propose to use micro data retrieved from household surveys enriched by housing market data.

Thus, we replace subjectively estimated home current market sales and rent values by participants in the Luxembourg Household Finance and Consumption Survey by objectified values imputed via hedonic models estimated on observable market transactions. We characterise survey participants who tend to under- or over-report, respectively, and find strong correlations with tenure length, tenure type, type of dwelling, as well as household income and wealth.

We find structural shifts in the wealth distribution, detect large regional variation in price-to-rent, price-to-income and rent-to-income ratios as well as stark affordability concerns: only 15% of all renting households could theoretically afford and would economically benefit from purchasing their inhabited dwelling given current market conditions. Renters that could afford such a purchase are typically below 35, placed at the top of the wealth and income distribution and reside outside of Luxembourg City.