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### **Estimates of imputed rents and their distributional impact in Greece**

**Abstract:** Most empirical income studies do not take into account the income advantage that is derived from home ownership, possibly contaminating the results with a bias. Using micro data from the 2004/2005 Greek Household Budget Survey, we estimate the imputed rental income using both a hedonic model and homeowners' self-assessments. Imputed rents are then added to the standard notion of equivalized disposable income and inequality and poverty are reexamined. We find that in a country such as Greece, where homeownership is widespread, imputed rents are far more equally distributed than disposable income, thus resulting in a significant decrease in both inequality and poverty. Moreover the identification of gainers and losers reveals that demographic groups considered as sensitive to poverty such as the elderly, households that are headed by pensioners or by low educated persons and people who live in rural areas enjoy an improvement in their relative income position.

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