North Carolina Real Estate Commission Quietly Changes SF Guidelines

The Commission has quietly [and we believe, as yet unannounced to licensees] changed its publication “Residential Square Footage Guidelines,” the booklet which provides guidance to real estate agents on how to measure and report square footage for residential properties.

The change was published on 11/1/2013 and is available on NCREC website or may be accessed below:

http://www.ncrec.gov/Brochures/Measurement%20booklet%202013.pdf

The publication is also available in WSRAR Realtor® Store for $0.75 plus tax.

The changes are mostly minor and technical, but there are several important changes. The Classroom Square Footage Training sessions offered by the Valuation Forum of WSRAR will fully explore the changes and their impact on our measurement and reporting procedures.

Triad MLS has highlighted the changes and this document immediately follows this page. Ms. Karen Dietz, Technology Instructor for TMLS, prepared the attached information in an easy to read markup-style document which identifies additions to and deletions from the “Guidelines” material.
Triad MLS staff recently reviewed the differences between previous NCREC Residential Square Footage Guidelines 4/1/2010 Edition and 11/1/2013 Edition. This document is an overview of those findings.

ONLY portions of the sections that have had additions or deletions are included for reference purposes. The yellow highlights verbiage ADDED to new edition and the gray highlights are DELETIONS from new edition.

**Basement (or “Below-Grade”)**, but note in the listing data that the space is located in a basement or “below-grade” (Fig. 1). [Note: For reporting purposes, a “basement” is defined as an area below the entry level of the dwelling which is accessible by a full flight of stairs and has earth adjacent to some portion of at least one wall above the floor level. A full flight of stairs is a flight of stairs connecting two main floors where the ceiling height for the lower floor is at least seven (7) feet, except where ductwork provides clearance of at least 6’4”.] (See illustration in Figure 1, page 8.)

**Other Area** Note in the listing data and advise purchasers of any space that does not meet the criteria for living area but which contributes to the value of the dwelling; for example, unfinished basements, unfinished attics (with permanent stairs), unfinished bonus rooms, shops, decks, balconies, porches, garages and carports and other unfinished rooms. Decks, balconies, porches, garages and carports should not be included in any category of finished or unfinished area.

**Helpful Hints** Concealed in the walls of nearly all residential construction are pipes, ducts, chases, returns, etc. necessary to support the structure’s mechanical systems. Although they may occupy living area, to avoid excessive detail, do not deduct the space from the living area.

When measuring and reporting the living area of homes, be alert to any remodeling, room additions (e.g., an enclosed porch) or other structural modifications to assure that the space meets all the criteria for living area.

Pay particular attention to the heating criteria, because the heating system for the original structure may not be adequate for the increased square footage. Although agents are not required to determine the adequacy of heating systems, they should at least note whether there are heat vents, radiators or other heat outlets in the room before deciding whether to include space as living area.

The square footage of unpermitted additions or improvements must be separately identified when making representations concerning square footage and brokers must inform prospective purchasers that there is no permit for the addition.

**Measuring** The amount of living area and “other area” in dwellings is based upon exterior measurements except for condominiums, which use interior measurements. A one-hundred-foot-long tape measure is recommended for use in measuring the exterior of dwellings, and a thirty-foot retractable tape for measuring interior and hard-to-reach spaces. A tape measure that indicates linear footage in “tenths of a foot” will greatly simplify your calculations. For best results, take a partner to assist you in measuring. But if you do not have someone to assist you, a screwdriver or other sharp tool can be used to secure the beginning end of the tape measure to the ground.
Begin at one corner of the dwelling and proceed with measuring each exterior wall. **Double-check each measurement.** Round off your measurements to the nearest inch (or tenth-of-a-foot if your tape indicates footage in that manner). Make a sketch of the structure. Write down each measurement as you go, and record it on your sketch. A clipboard and graph paper are helpful in sketching the dwelling and recording the measurements. **You may also use electronic devices to create sketches.** Be sure to print the electronic sketches for your records or save them in a manner that will enable you to print them for at least three years. Measure living area and “other area,” but identify them separately on your sketch. Look for offsets (portions of walls that “jut out”), and adjust for any “overlap” of exterior walls (Fig. 3) or “overhang” in upper levels (Fig. 5).

**Attached Dwellings** When measuring an “attached” single-family home (e.g., townhouse, duplex, condominium, etc.), use the same techniques just described. If there is a common wall (i.e., a wall separating the subject property from an adjacent property), measure to the inside surface of the wall and add six inches. [Note: In the case of condominiums, measure from inside surface to inside surface of the exterior walls. Do not include the thickness of exterior or common walls.] Do not include any “common areas” (exterior hallways, stairways, etc.) in your calculations.

**Proposed Construction** For proposed construction, your square footage calculations will be based upon dimensions described in blueprints and building plans. When reporting the projected square footage, be careful to disclose that you have calculated the square footage based upon plan dimensions. The square footage may differ in the completed structure. **Once the structure is completed**, do not rely on any calculations printed on the plans. The broker should measure and report the actual square footage of the completed structure.

**Agents Responsibilities**

Brokers must retain for at least three years all sketches, calculations, photos and other documentation used and/or relied upon to determine square footage.

**Changes to the Illustrations and Figures**

Figure 1 – addition of “A full flight of stairs”; Worksheet -removal of Carport from “Other Area” calculations and additional language Dimensions of carports, decks, storage sheds, garages, etc., can be included in MLS and other advertising, but cannot be included in the living area.

Figure 2 – Worksheet – removal of Garage from “Other Area” calculations and additional language Dimensions of carports, decks, storage sheds, garages, etc., can be included in MLS and other advertising, but cannot be included in the living area.

Figure 3 – Worksheet - removal of Garage from “Other Area” calculations and additional language Dimensions of carports, decks, storage sheds, garages, etc., can be included in MLS and other advertising, but cannot be included in the living area.

Figure 4 – addition of **explanation of GARAGE space** Worksheet - removal of Garage from “Other Area” calculations and additional language Dimensions of carports, decks, storage sheds, garages, etc., can be included in MLS and other advertising, but cannot be included in the living area.

Figure 5 – addition of **Upper level has 1’ overhang on front and rear and a 2’ overhang on right side** Worksheet – removal of Deck from “Other Area” calculations and additional language Dimensions of carports, decks, storage sheds, garages, etc., can be included in MLS and other advertising, but cannot be included in the living area.
Figure 6 – addition of Include in living area if they are part of living area and have ceiling height of at least 5 feet Worksheet – removal of Garage from “Other Area” calculations and additional language Dimensions of carports, decks, storage sheds, garages, etc., can be included in MLS and other advertising, but cannot be included in the living area.

Figure 6 – CHANGED the explanation for Condominium calculations. Worksheet – removal of Deck from “Other Area” calculations and additional language Dimensions of carports, decks, storage sheds, garages, etc., can be included in MLS and other advertising, but cannot be included in the living area.