



## Reporting Square Footage in CarolinaMLS

While the North Carolina Real Estate Commission (NCREC) doesn't require the reporting of square footage of properties offered for sale (or rent), CarolinaMLS does. NCREC Residential Square Footage Guidelines state:

- It is essential that the information real estate agents give to prospective purchasers be accurate. **At a minimum, information concerning square footage should include the amount of living area in the dwelling.**
- 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 and other unfinished rooms. **Decks, balconies, porches, garages and carports should not be included in any category of finished or unfinished area.**
- As a general rule, the most reliable way for an agent to obtain accurate square-footage data is by personally measuring the dwelling unit and calculating the square footage according to the NCREC's [Residential Square Footage Guidelines](#) or comparable standards. Agents can also rely upon measurements and calculations performed by other professionals, such as an appraiser or other real estate brokers with greater expertise. Use square footage from plans only with new construction.
- An agent should not rely on square footage information determined by the property owner or included in property tax records. An agent should also not rely on square-footage information included in a listing, appraisal report or survey prepared in connection with an earlier transaction.
- The NCREC requires that the square footage representation is "reasonably right." With respect to the commission's 5-percent rule ("deviations in calculated square footage of less than five percent will seldom be cause for concern," NCREC Residential Square Footage Guidelines), the legal staff stated that this is a matter of policy; it is not a hard-and-fast specific rule/requirement. When looking into a case, the commission looks at all the facts and circumstances before determining whether an agent failed to measure the dwelling properly. Both NCREC and CarolinaMLS require that what is reported by the agent is accurate.

**North Carolina Association of Realtors® Forms:** The Offer to Purchase and Contract (Standard Form 2-T) due diligence process acts as a safety valve for square-footage disputes. The loan qualification, property investigation, appraisal, etc. are conducted

during the due diligence period. The buyer has the right to terminate during the due diligence period for any or no reason including concerns over the square footage. Have disputes between buyers and sellers over square footage discrepancies gone away entirely? NCAR General Counsel Will Martin says occasionally disputes arise, but such disputes are typically over a smaller amount of money than before the due diligence process was implemented.

**South Carolina Real Estate Commission Rules:** Regarding square footage guidelines, SC does not have similar standards or guidelines to NC. Generally speaking, the SCREC does not regulate with as much specificity as the NCREC. One reason for this may be that the SCREC is under the Department of Labor, Licensing and Regulation (LLR), which covers a multitude of industries.

**South Carolina Association of Realtors® Forms:** As to the issue of liability in the reporting of square footage amounts, Byron King, general counsel at SCR, says the non-reliance clause in the SCR form sales contract (paragraph 25) provides helpful protection from liability. The non-reliance clause provides that only items that are set forth in the contract are relied upon by the parties, and if statements and representations are not contained in the contract, they are of no force or effect. Therefore, agents should be cautioned against attaching to the contract MLS sheets containing square footage amounts, as this would bring those amounts into the contract as representations. Otherwise, brokers/agents would not be held responsible for square footage amounts.

### **CarolinaMLS square footage fields**

**HLA Main, HLA Upper, HLA Third and HLA Lower:** Includes above- or on-grade, heated, finished living area directly accessible from other living area through a door or by a heated hallway or stairway. A finished, heated garage cannot be counted as HLA. The ceiling height must be at least seven feet, except under beams, ducts, etc. where the height must be at least six feet four inches [Note: In rooms with sloped ceilings (e.g., finished attics, bonus rooms, etc.) you may also include as living area the portion of the room with a ceiling height of at least five feet if at least one-half of the finished area of the room has a ceiling height of at least seven feet.]. (Source: NCREC Residential Square Footage Guidelines)

If any portion of the dwelling is unpermitted, a listing broker may include that area in the total square footage determination so long as s/he clearly discloses in the Public Remarks field the amount that is unpermitted, e.g., 3750 total SF of which 850SF is an unpermitted addition that otherwise meets the definition of living area.

**HLA Basement:** Includes heated, finished, below-grade living area directly accessible by interior stairs, with earth adjacent to any exterior wall on that level. If earth is adjacent to any portion of a wall, the entire level is considered below-grade. If any portion of the dwelling is unpermitted, a listing broker may include that area in the total square footage determination so long as s/he clearly identifies the amount that is

unpermitted, e.g., 3750 total SF of which 850SF is an unpermitted addition that otherwise meets the definition of living area.

**Unheated SqFt Main, Unheated SqFt Upper, Unheated SqFt Third, Unheated SqFt**

**Lower:** Includes unheated or unfinished square footage above- or on-grade directly accessible from other living area through a door or by a heated hallway or stairway (e.g., unfinished attic (with permanent stairs), unfinished bonus rooms, enclosed porch, unheated sunroom and other unfinished rooms).

**Unheated SqFt Basement:** Includes unheated or unfinished square footage below-grade, accessible by interior stairs, with earth adjacent to any exterior wall on that level. If earth is adjacent to any portion of a wall, the entire level is considered below-grade.

**Additional SqFt:** Includes heated, unheated or unfinished SqFt not directly accessible from other living area through a door or by heated hallway or stairway (e.g., basement not directly accessible from the main dwelling, etc.). Additional SqFt should be described in the Public Remarks or Agent Remarks.

**Garage SqFt:** Includes attached and detached garage square footage, above- or below-grade.

**Second Living Quarters Fields and Square Footage:** 2LQ HLA and 2LQ Unheated SqFt is not included in the Total HLA and Total Unheated SqFt. 2LQ Bedrooms, Total Full Baths and Total Half Baths can be included in the Total Bedrooms, Total Full Baths and Total Half Baths because those are manual-entry fields and are not auto-calculated.

In addition there is a field called "2nd Living Quarters" with these choices: None, Connected, Guest House, Main Level, Main Level Garage, Upper Level Garage, Not Connected, Room w/ Private Bath, Separate Living Quarters, Separate Entrance, Separate Kitchen Facilities, Separate Utilities and See Agent.

Second Living Quarters is defined as "either a separate building or part of the house with accommodations for guests not included in any other Room Level reported."