

Size Matters! Measuring and Calculating Residential Square Footage

by D. Hamp Thomas—The Measure Man

Published by The Measure Man, LLC, in association with Carolina Appraisers & Real Estate, 2008, 159 pages

\$24.95, softcover

Size Matters! Measuring and Calculating Residential Square Footage is not just a book about how to measure a house; it is a passionate plea for consistency in measuring and calculating square footage. D. Hamp Thomas (“The Measure Man”) is a North Carolina Certified Residential Appraiser/CRS/ABR/GRI/Realtor who believes that a uniform method for measuring a single-family residence is essential for accurate appraisals and listings of homes for sale. While the focus of this book is on residential structures, his point is equally applicable to commercial properties. It is the author’s goal that someday there will be one standard, that all real estate professionals agree on, to measure and calculate residential square footage.

Thomas claims that his book has everything you need to know about measuring and calculating residential square footage. He is correct. The book covers “The Eight Basic Categories of Square Footage”; “Basic Measuring Principles”; “Wall Construction and Interior Measurements”; “Stairs, Guidelines and Square Footage”; and “Calculating Square Footage.” Following these discussions, there are thirty-one examples of how to measure and calculate square footage. He also gives detailed instructions on how to measure one-story and two-story homes, and two-story homes with basements. According to Thomas, all houses are like a jigsaw puzzle waiting to be solved. The examples include how to treat dormers; bonus rooms; unfinished storage; partial and unfinished basements; bay windows; fireplaces; sloped ceilings; and circles and octagons. This portion of the book is a good training manual for novice appraisers and real estate agents.

Thomas concentrates on making sure that the square footages are calculated correctly and comply with the FNMA, Freddie Mac, VA, and FHA requirements. He defines *gross living area* (GLA) as con-

tinuous finished living area. If finished living area is separated from the main dwelling, or can only be accessed by going outside, then it is not counted in the total heated and air-conditioned square footage. However, this area would be included in the gross building area (GBA). Fireplaces on the exterior of the dwelling are not included in GLA and a bay window is counted only if it has a floor underneath and a ceiling height of at least seven feet. Stairs are included on the floor where they are located and subtracted from the floor where they end going up. This prevents them from being counted twice. The upper level’s GLA should include only walkable, finished space.

Being from a part of the country (Houston) where a basement is an indoor pool, it was interesting to find out that basement living area is not considered the same as above-grade living area. It is obvious that the two have different construction components, but one must also be careful that the basement finishes are equal to the above-grade finishes. This is also true of bonus rooms, additions, and conversions.

The author makes a passionate plea for consistency in measuring and calculating square footage. From the acknowledgements section to the end of the book, the author makes the case that square footage is one of the most—if not the most—important elements of comparison in residential appraising. Sellers and buyers want to know the size of the home they are selling or buying. Real estate agents are sued more often over inaccurate reporting of a house’s size than any other factor. However, real estate agents seldom take on the responsibility of measuring a home and basing their listing on an accurate square-footage number. The Measure Man attributes this to poor training of real estate agents and gives a list of the top ten reasons agents do not measure houses. These are rather amusing; for example number two

is “The shrubs were too big and close to the house, and I had on new pants” (page 86). Another is “Did you see that? Something moved in that tall grass—not me!” and “It’s raining, too cold, too hot, almost dark, got prickly bushes, got spiders” (page 86).

The author acknowledges that a portion of his book is taken from the “Residential Square Footage Guidelines” published by the North Carolina Real Estate Commission. The book also references the “Square Footage—Method for Calculating: ANSI Z765-2003” by the American National Standards Institute (ANSI). The ANSI standard was first introduced in 1996 in conjunction with the National Association of Home Builders Research Center, and was changed in 2002. The problem with North Carolina’s and ANSI’s guidelines is that they are just guides and do not set a uniform national standard for measuring and calculating square footage.

The author also points out that the ANSI standard does not cover problem areas in sufficient detail to help appraisers and agents address trouble spots such as squaring houses; the areas underneath stairs; adjusting for exterior surfaces such as stone with differences in thickness or lap siding where there is overlap with different measurements from the bottom of the board to the top; measurements where there is a dual exterior surface such as brick veneer and vinyl siding; conversions from tenths to inches; upper-level special circumstances such as a room or closet that partially projects out over the first story; and specifics on the formula for exterior sheathing plus exterior surface. This often causes the art of measurement to be subjective. He interviewed appraisers and architects across the country and found that none of them treat stairways the way the ANSI standard suggests. In fact, all those surveyed consistently treat stairways the opposite way to the ANSI’s suggested method.

The book offers several examples demonstrating problems with inaccurate measurements, faulty calculations, or just plain misrepresentations. In one example, the builder of a home intentionally allowed the size of a home to be understated and would not correct the size even after the author notified him of the error. Once this property closed, the builder continued to tell everyone the smaller, incorrect size of the home so that appraisers and real estate agents would report a higher price for the smaller house, which in turn would help inflate the price of larger homes in the same subdivision.

The book also points out that many appraisers are forced to use public data, which is notoriously inaccurate for comparable sales. The author suggests that public data would not be a problem if real estate agents would accurately measure and report the square footage of the homes they list. He points out that agents like to say they have exclusive information in their multiple listing service (MLS) systems, but if all the square footages reported in the MLS are based on public data then the MLS system is really not exclusive or unique.

Thomas proposes that the National Association of Realtors and the national appraisal organizations take the lead and develop a uniform national standard for measuring and calculating square footage for single-family homes. He thinks a DVD should be made explaining and demonstrating the art of measuring, and that it should be distributed throughout the country. As he states on page 14: “If everyone is playing by the same rules, we can have a written, nationally accepted guideline to point to and say, ‘this is how I calculated the square footage.’” I agree with The Measure Man, this is definitely needed, and the Appraisal Institute and the National Association of Realtors can help make this happen.

(Reviewed by Larry T. Wright, MAI, SRA, Vice President, Stanfield and Associates, Houston, Texas.)

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