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RESIDENTIAL  
SQUARE  
FOOTAGE  
GUIDELINES

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NORTH CAROLINA REAL ESTATE COMMISSION

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## NORTH CAROLINA REAL ESTATE COMMISSION

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## INTRODUCTION

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It is often said that the three most important factors in making a home buying decision are “location,” “location,” and “location.” Other than “location,” the single most-important factor is probably the size or “square footage” of the home. Not only is it an indicator of whether a particular home will meet a homebuyer’s space needs, but it also affords a convenient (though not always accurate) method for the buyer to estimate the value of the home and compare it to other properties.

Although real estate agents are not required by the Real Estate License Law or Real Estate Commission rules to report the square footage of properties offered for sale (or rent), when they do report square footage, it is essential that the information they give prospective purchasers (or tenants) be accurate. At a minimum, information concerning square footage should include the amount of *living area* in the dwelling. The following guidelines and accompanying illustrations are designed to assist real estate brokers in measuring, calculating and reporting (both orally and in writing) the *living area* contained in detached and attached single-family residential buildings. When reporting square footage, real estate agents should carefully follow these *Guidelines* or any other standards that are comparable to them, including those approved by the American National Standards Institute, Inc. (ANSI) which are recognized by the North Carolina Real Estate Commission as comparable standards.\* Agents should be prepared to identify, when requested, the standard used.

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\* The following materials were consulted in the development of these *Guidelines*:

*The American National Standard for Single-Family Residential Buildings;*  
*Square Footage-Method for Calculating* approved by the American National Standards Institute, Inc.;  
*House Measuring & Square Footage* published by the Carolina Multiple Listing Services, Inc.;  
and materials compiled by Bart T. Bryson, MAI, SRA, Mary L. D’Angelo, and Everett “Vic” Knight.

## LIVING AREA CRITERIA

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Real estate appraisers and lenders generally adhere to more detailed criteria in arriving at the *living area* or “gross living area” of residential dwellings. This normally includes distinguishing “above-grade” from “below-grade” areas, which is also required by many multiple listing services. “Above-Grade” is defined as space on any level of a dwelling which has *living area* and no earth adjacent to any exterior wall on that level. “Below-Grade” is space on any level which has *living area*, is accessible by interior stairs, and has 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.” Space that is “at” or “on grade” is considered “above-grade.”

While real estate agents are encouraged to provide the most complete information available about properties offered for sale, the *Guidelines* recognize that the separate reporting of “above-grade” and “below-grade” area can be impractical in the advertising and marketing of homes. For this reason, *real estate agents are permitted under these Guidelines to report square footage of the dwelling as the total “living area”* without a separate distinction between “above-grade” and “below-grade” areas. However, to help avoid confusion and concern, agents should alert purchasers and sellers that the appraisal report may reflect differences in the way *living area* is defined and described by the lender, appraiser, and the *North Carolina Building Code* which could affect the amount of *living area* reported.

*Living area* (sometimes referred to as “heated living area” or “heated square footage”) is space that is intended for human occupancy and is:

1. **Heated** by a conventional heating system or systems (forced air, radiant, solar, etc.) that are permanently installed in the dwelling — not a portable heater or fireplace — which generates heat sufficient to make the space suitable for year-round occupancy;
2. **Finished**, with walls, floors and ceilings of materials generally accepted for interior construction (e.g., painted drywall/ sheet rock or panelled walls, carpeted or hardwood flooring, etc.) and with a ceiling height of 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.*]; and
3. **Directly accessible from other living area** (through a door or by a heated hallway or stairway).

Determining whether an area is considered *living area* can sometimes be confusing. Finished rooms used for general living (living room, dining room, kitchen, den, bedrooms, etc.) are normally included in *living area*. For other areas in the dwelling, the determination may not be so easy. *For example, the following areas are considered living area if they meet the criteria (i.e., heated, finished, directly accessible from living area):*

- **Attic**, but note in the listing data that the space is located in an attic (Fig. 2). [Note: If the ceiling is sloped, remember to apply the “ceiling height” criteria.]

- **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.)

- **Bay Window**, if it has a floor, a ceiling height of at least seven feet, and otherwise meets the criteria for *living area* (Fig. 2).

- **Bonus Room (e.g., Finished Room over Garage)** (Fig. 3). [Note: If the ceiling is sloped, remember to apply the “ceiling height” criteria.]

- **Breezeway** (enclosed).

- **Chimney**, if the chimney base is inside *living area*. If the chimney base is outside the *living area* but the hearth is in the *living area*, include the hearth in the *living area* but not the chimney base (Fig. 1).

- **Closets**, if they are a functional part of the *living area*.

- **Dormers** (Fig. 6).

- **Furnace (Mechanical) Room** Also, in order to avoid excessive detail, if the furnace,

water heater, etc. is located in a small closet in the *living area*, include it in *living area* even if it does not meet other *living area* criteria (Fig. 4).

- **Hallways**, if they are a functional part of the *living area*.

- **Laundry Room/Area** (Fig. 6).

- **Office** (Fig. 1).

- **Stairs**, if they meet the criteria and connect to *living area* (Fig. 1, 2, 3, 4, 5, 6). Include the stairway with the area from which it descends, **not to exceed the area of the opening in the floor**. If the opening for the stairway exceeds the length and width of the stairway, deduct the excess open space from the upper level area. Include as part of the lower level area the space beneath the stairway, regardless of its ceiling height.

- **Storage Room** (Fig. 6).

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## 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 and other unfinished rooms. Decks, balconies, porches, garages and carports should not be included in any category of finished or unfinished area.

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## 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.

When an area that is not part of the *living area* (e.g., a garage) shares a common wall with the *living area*, treat the common wall as the exterior wall for the *living area*; therefore, the measurements for the living area will include the thickness of the common wall, and the measurements for the other area will not.

Interior space that is open from the floor of one level to the ceiling of the next higher level is included in the square footage for the lower level only. However, any area occupied by interior balconies, lofts, etc. on the upper level or stairs that extend to the upper level is included in the square footage for the upper level.

## MEASURING

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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).

When you cannot measure an exterior surface (such as in the case of attics

and below-grade areas), measure the perimeter walls of the area from the inside of the dwelling. Remember to add **six inches** for each exterior wall and interior wall that you encounter in order to arrive at the exterior dimensions (Fig. 2, 3, 4, 6).

Measure all sides of the dwelling, making sure that the overall lengths of the front and rear sides are equal, as well as the ends. Then inspect the interior of the dwelling to identify spaces which cannot be included in *living area*. You may also find it helpful to take several photographs of the dwelling for later use when you return to your office.

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### Calculating Square Footage

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From your sketch of the dwelling, identify and separate *living area* from “other area.” If your measurements are in inches (rather than tenths-of-a-foot), convert your figures to a decimal as follows:

1" = .10 ft.	7" = .60 ft.
2" = .20 ft.	8" = .70 ft.
3" = .25 ft.	9" = .75 ft.
4" = .30 ft.	10" = .80 ft.
5" = .40 ft.	11" = .90 ft.
6" = .50 ft.	12" = 1.00 ft.

Calculate the *living area* (and other area) by multiplying the length times the width of each rectangular space. Then add your subtotals and round off your figure for total square footage to the nearest **square foot**. Double-check your calculations. When in doubt, re-check them and, if necessary, re-measure the house.

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### Attached Dwellings

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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.

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### Proposed Construction

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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.

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### Agents' Responsibility

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Real estate agents are expected to be able to accurately calculate the square footage of most dwellings. When reporting square footage, whether to a party to a real estate transaction, another real estate agent, or others, a real estate agent is expected to provide accurate square footage information that was compiled using these *Guidelines* or comparable standards. While an agent is expected to use reasonable skill, care and diligence when calculating square footage, it should be noted that the

Commission does not expect absolute perfection. Because all properties are unique and no guidelines can anticipate every possibility, minor discrepancies in deriving square footage are not considered by the Commission to constitute negligence on the part of the agent. Minor variations in tape readings and small differences in rounding off or conversion from inches to decimals, when multiplied over distances, will cause reasonable discrepancies between two competent measurements of the same dwelling. In addition to differences due to minor variations in measurement and calculation, discrepancies between measurements may also be attributable to reasonable differences in interpretation. For instance, two agents might reasonably differ about whether an addition to a dwelling is sufficiently finished under these *Guidelines* to be included within the measured living area. Differences which are based upon an agent's thoughtful judgment reasonably founded on these or other similar guidelines will not be considered by the Commission to constitute error on the agent's part. Deviations in calculated square footage of less than five percent will seldom be cause for concern unless a broker intentionally overstates the square footage.

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. It is especially recommended that *listing agents* use this approach for dwellings that are not particularly unusual or complex in their design.

As an alternative to personally measuring a dwelling and calculating

its square footage, an agent may rely on the square footage reported by other persons when it is reasonable under the circumstances to do so. Generally speaking, an agent working with a buyer (either as a buyer's agent or as a seller's agent) may rely on the listing agent's square footage representations except in those unusual instances when there is an error in the reported square footage that should be obvious to a reasonably prudent agent. For example, a buyer's agent would not be expected to notice that a house advertised as containing 2200 square feet of living area in fact contained only 2000 square feet. On the other hand, that same agent, under most circumstances, would be expected to realize that a house described as containing 3200 square feet really contained only 2300 square feet of living area. If there is such a "red flag" regarding the reported square footage, the agent working with the buyer should promptly point out the suspected error to the buyer and the listing agent. The listing agent should then verify the square footage and correct any error in the information reported.

It is also appropriate for an agent to rely upon measurements and calculations performed by other professionals with greater expertise in determining square footage. A new agent who may be unsure of his or her own calculations should seek guidance from a more experienced agent. As the new agent gains experience and confidence, he or she will become less reliant on the assistance of others. In order to ensure accuracy of the square footage they report, even experienced agents may wish to rely upon a competent state-licensed or state-certified appraiser or another agent with greater expertise in determining

square footage. For example, an agent might be confronted with an unusual measurement problem or a dwelling of complex design. The house described in Figure 8 in these *Guidelines* is such a property. When an agent relies upon measurements and calculations personally performed by a competent appraiser or a more expert agent, the appraiser or agent must use these *Guidelines* or other comparable standards and the square footage reported **must be specifically determined in connection with the current transaction**. An agent who relies on another's measurement would still be expected to recognize an obvious error in the reported square footage and to alert any interested parties.

Some sources of square footage information are by their very nature

unreliable. For example, 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.

In areas where the prevailing practice is to report square footage in the advertising and marketing of homes, agents whose policy is **not** to calculate and report square footage must disclose this fact to prospective buyer and seller clients before entering into agency agreements with them.

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

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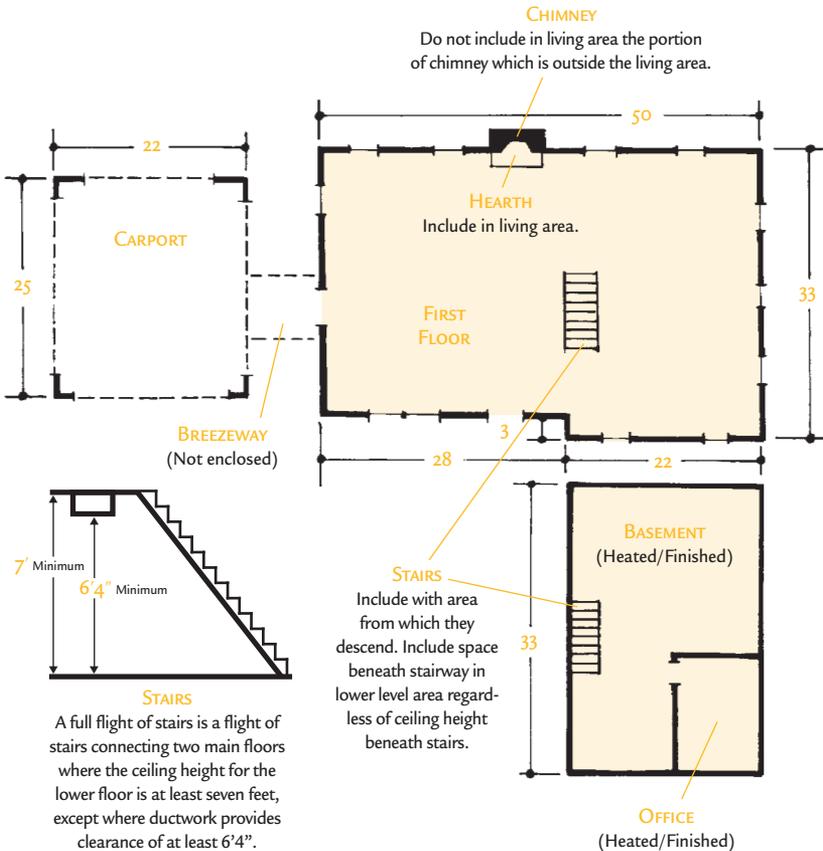
## ILLUSTRATIONS

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For assistance in calculating and reporting the area of homes, refer to the following illustrations showing the *living area* shaded. To test your knowledge, an illustration and blank “Worksheet” for a home with a more challenging floor plan has also been included. (A completed “Worksheet” for the Practice Floor Plan can be found on page 25.) In reviewing the illustrations, assume that for those homes with basements, attics, etc., the exterior measurements shown have been derived from interior measurements taking into account walls and partitions (*see page 4*). Where there is a common wall between *living area* and other area (*see page 4*), the measurements shown in the illustrations include the thickness of the common wall in *living area* except in the condominium example where wall thickness is not included.

# ONE STORY WITH BASEMENT AND CARPORT

(Figure 1)





## TWO STORY WITH OPEN FOYER AND FINISHED ATTIC

(Figure 2)



### ATTIC

Add 1 ft. (6" for each exterior side wall) to inside measurements.

Thus, 19' inside measurement equals 20' exterior measurement.

In this example, do NOT add for front and rear walls since the allowable square footage (5' ceiling height) does not extend to the kneewalls.

### STAIRWAY WITH OPEN AREA

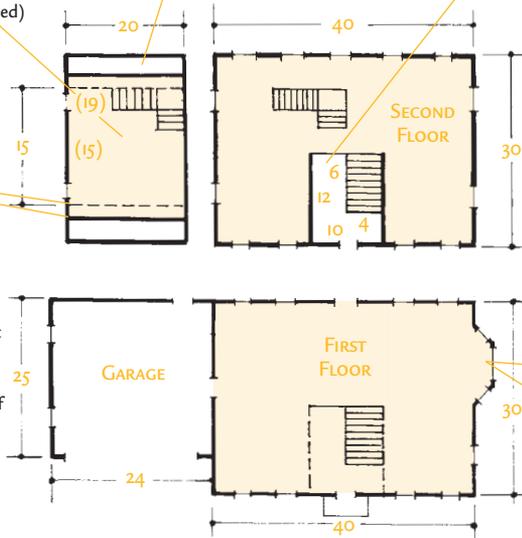
1. Calculate area of open space ( $10' \times 12' = 120$  sf).
2. Subtract from second floor area ( $1,200 - 120 = 1,080$  sf).
3. Add stairway ( $6' \times 4' = 24 + 1,080 = 1,104$  sf).

### 3RD FLOOR ATTIC (Heated/Finished)



### 3 FT. KNEE-WALL

In rooms with sloped ceilings, do not include any area with a ceiling height of less than 5 ft.



### BAY WINDOW (Floored)

Include in living area if it is floored and has ceiling height of at least 7 ft.

1. Calculate area of triangles ( $3' \times 4' \div 2 = 6$  sf  $\times 2 = 12$  sf).
2. Add area of triangles (12 sf) to remaining area of bay window ( $6' \times 4' = 24$  sf) = 36 sf.



## TWO STORY WITH OPEN FOYER AND FINISHED ATTIC WORKSHEET

LIVING AREA			
AREA	DIMENSIONS	SUBTOTAL	TOTAL
1st Floor	40 x 30	1,200	
Bay Window	See previous pg.	36	1,236
2nd Floor	40 x 30	1,200	
Opening around stairs	- 10 x 12	- 120	
	4 x 6	+ 24	1,104
Fin. Attic	20 x 15		<u>300</u>
Total			2,640

DIMENSIONS OF CARPORTS, DECKS, STORAGE SHEDS, GARAGES, ETC.,  
CAN BE INCLUDED IN MLS AND OTHER ADVERTISING, BUT CANNOT BE INCLUDED IN THE LIVING AREA.

**REPORT:** TWO-STORY DETACHED HOUSE WITH 2,640 SQUARE FEET OF LIVING AREA  
OF WHICH 300 SQUARE FEET ARE IN A FINISHED ATTIC.

## TWO STORY WITH “BONUS ROOM” OVER GARAGE

(Figure 3)



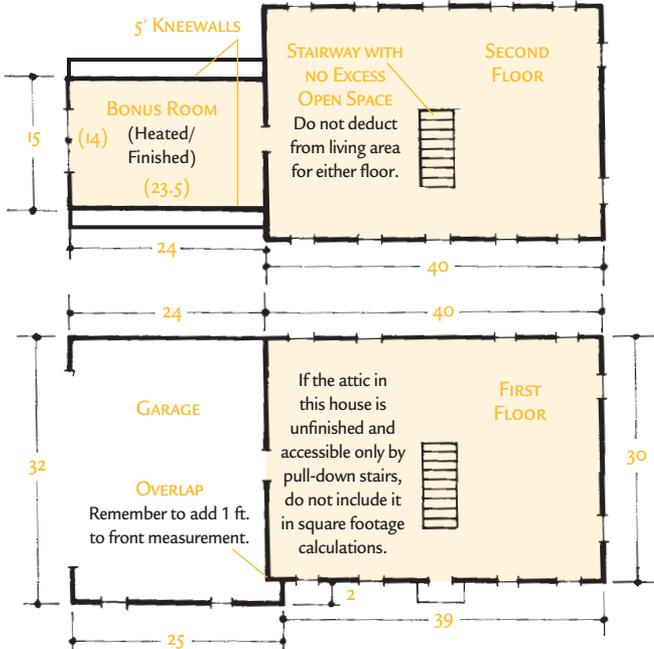
### BONUS ROOM

If the “Bonus Room” is accessible from living area through a door, hallway or stairway, include in living area; otherwise, report as other area.

Add 6” to inside measurements for each exterior wall.

Thus, 14’ x 23.5’ inside measurement equals 15’ x 24’ exterior measurements.

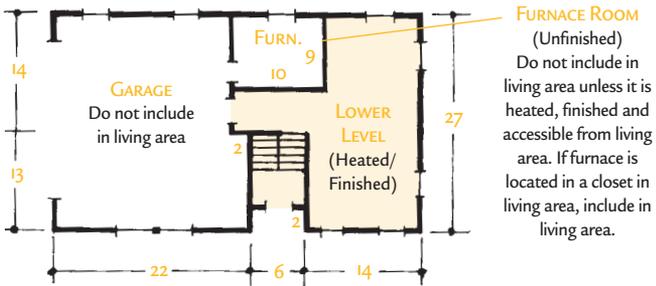
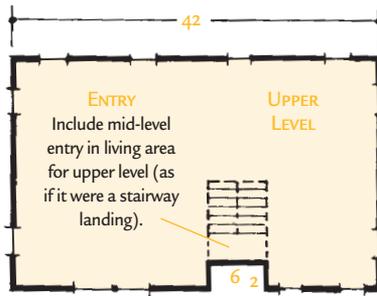
In rooms with sloped ceilings, do not include any space with a ceiling height of less than 5 ft. in height.





## SPLIT FOYER

(Figure 4)



## SPLIT FOYER WORKSHEET

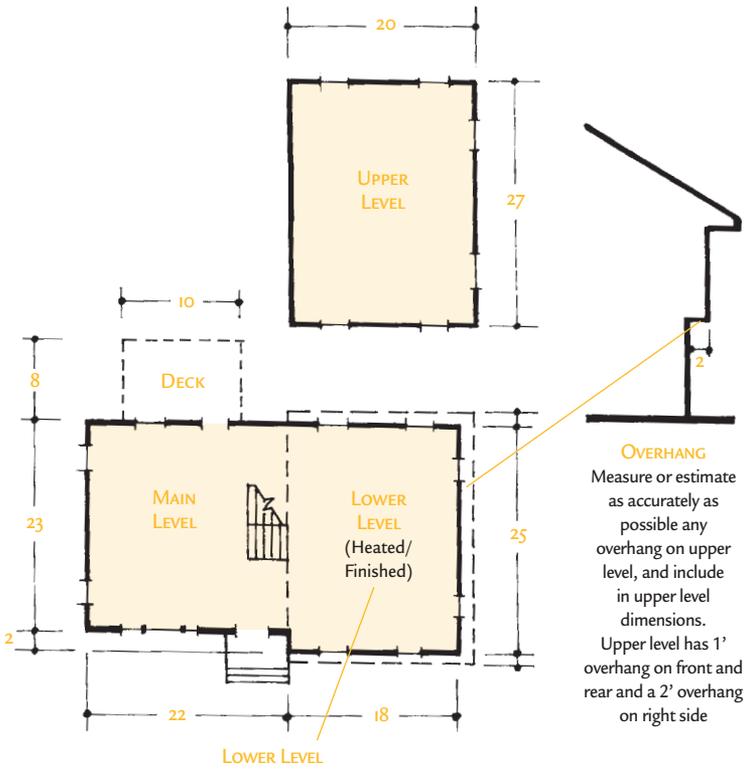
LIVING AREA			
AREA	DIMENSIONS	SUBTOTAL	TOTAL
Upper Level	27 x 42	1,134	
Open area above entry	- 6 x 2	- 12	1,122
Lower Level	22 x 27	594	
Front porch	- 6 x 2	- 12	
Portion of garage	- 13 x 2	- 26	
Furnace room	- 9 x 10	- 90	<u>466</u>
Total			1,588
OTHER AREA			
AREA	DIMENSIONS	SUBTOTAL	TOTAL
Furnace Room	9 x 10		90

DIMENSIONS OF CARPORTS, DECKS, STORAGE SHEDS, GARAGES, ETC.,  
CAN BE INCLUDED IN MLS AND OTHER ADVERTISING, BUT CANNOT BE INCLUDED IN THE LIVING AREA.

**REPORT:** SPLIT-FOYER DETACHED HOUSE WITH 1,588 SQUARE FEET OF LIVING AREA  
AND 90-SQUARE-FOOT FURNACE ROOM.

## SPLIT (TRI-) LEVEL WITH OVERHANG

(Figure 5)



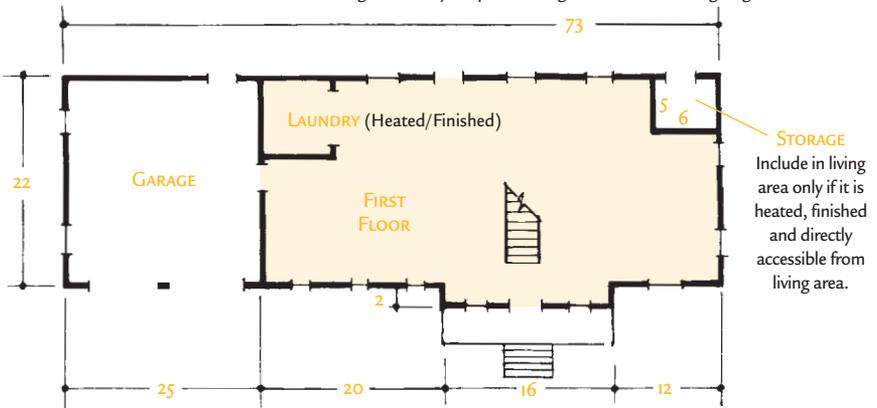
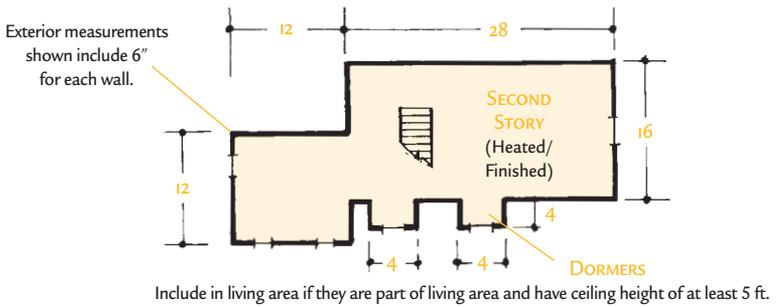
**OVERHANG**  
Measure or estimate as accurately as possible any overhang on upper level, and include in upper level dimensions. Upper level has 1' overhang on front and rear and a 2' overhang on right side

Report this as "lower level" rather than "basement" because it is not accessible by a full flight of stairs.



# ONE AND ONE-HALF STORY

(Figure 6)



## ONE AND ONE-HALF STORY WORKSHEET

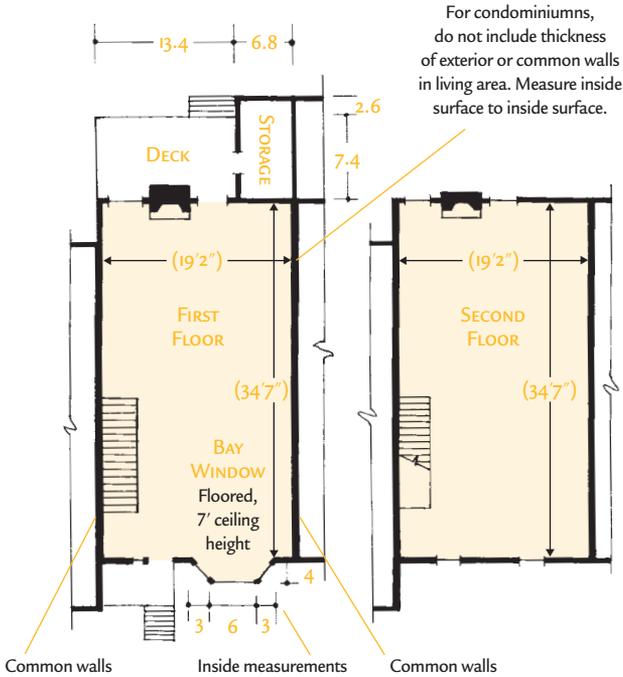
LIVING AREA			
AREA	DIMENSIONS	SUBTOTAL	TOTAL
1st Floor	48 x 22	1,056	
	16 x 2	+ 32	
Storage room	– 5 x 6	– 30	1,058
2nd Floor	16 x 28	448	
Dormer	4 x 4	+ 16	
Dormer	4 x 4	+ 16	
	12 x 12	+ 144	<u>624</u>
Total			1,682
OTHER AREA			
AREA	DIMENSIONS	SUBTOTAL	TOTAL
Storage	5 x 6		30

DIMENSIONS OF CARPORTS, DECKS, STORAGE SHEDS, GARAGES, ETC.,  
CAN BE INCLUDED IN MLS AND OTHER ADVERTISING, BUT CANNOT BE INCLUDED IN THE LIVING AREA.

**REPORT:** ONE AND ONE-HALF STORY DETACHED HOUSE WITH 1,682 SQUARE FEET OF LIVING AREA  
AND A 30-SQUARE-FOOT STORAGE ROOM.

# CONDOMINIUM

(Figure 7)



## CONDOMINIUM WORKSHEET

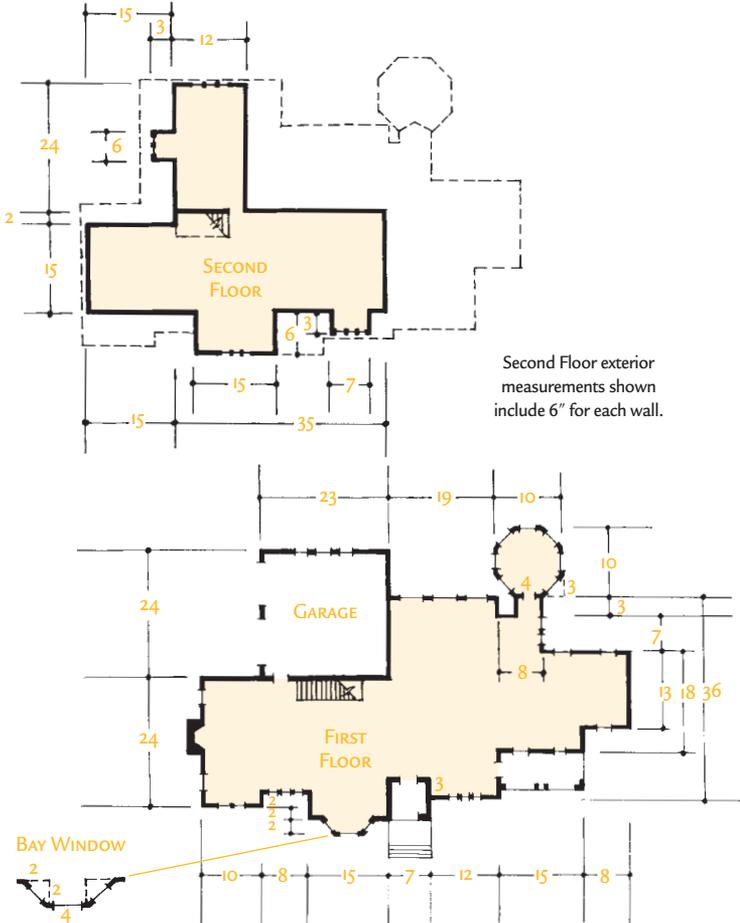
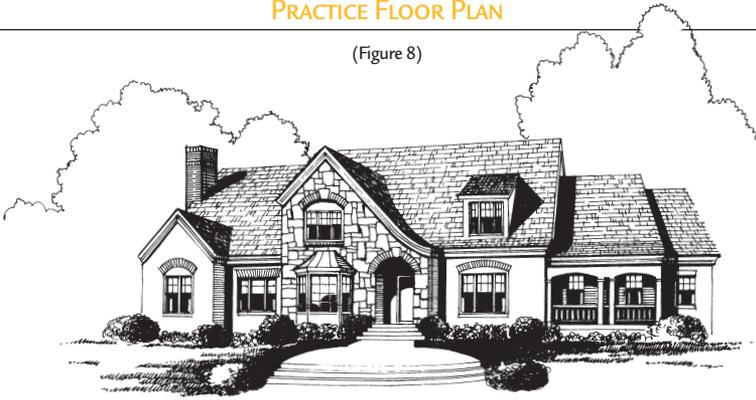
LIVING AREA			
AREA	DIMENSIONS	SUBTOTAL	TOTAL
1st Floor	34.6 x 19.2	664.3	
Bay Window	.5 (3x4)+.5 (3x4) +(6x4)	36	700
2nd Floor	34.6 x 19.2	664.3	664
Total			1,364
OTHER AREA			
AREA	DIMENSIONS	SUBTOTAL	TOTAL
Storage	10 x 6.8		68

DIMENSIONS OF CARPORTS, DECKS, STORAGE SHEDS, GARAGES, ETC.,  
CAN BE INCLUDED IN MLS AND OTHER ADVERTISING, BUT CANNOT BE INCLUDED IN THE LIVING AREA.

**REPORT:** TWO-STORY CONDOMINIUM WITH 1,364 SQUARE FEET OF LIVING AREA  
AND A 10' X 6.8' STORAGE ROOM.

# PRACTICE FLOOR PLAN

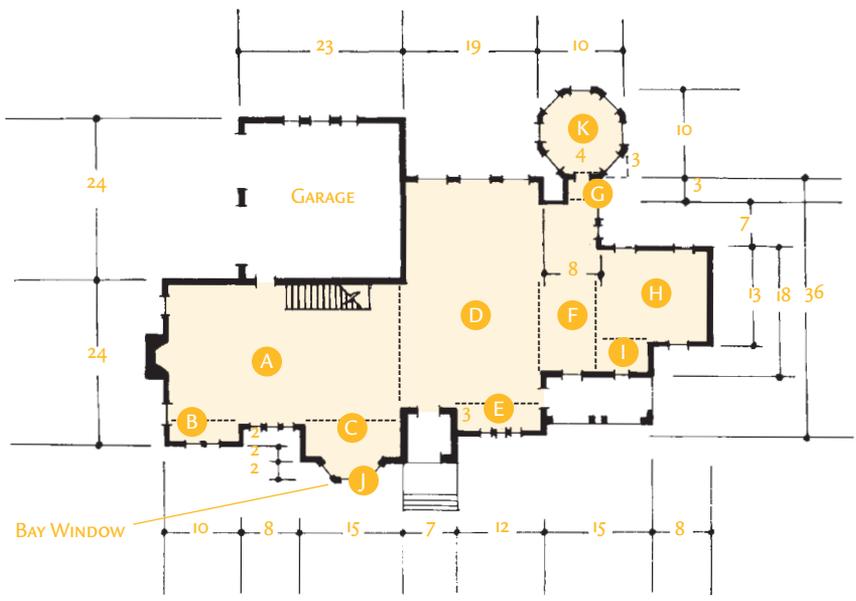
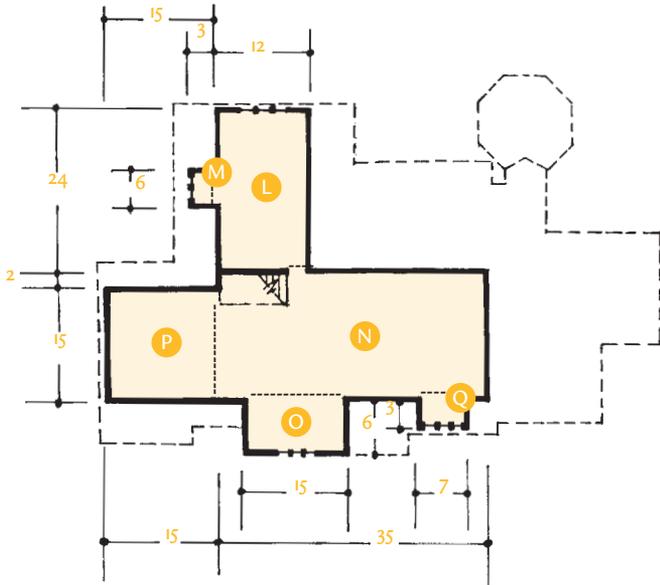
(Figure 8)





# PRACTICE FLOOR PLAN

(Zoned to facilitate calculations)



## PRACTICE FLOOR PLAN WORKSHEET

LIVING AREA			
AREA	DIMENSIONS	SUBTOTAL	TOTAL
1st Floor A	22 x 33	726	
1st Floor B	2 x 10	20	
1st Floor C	4 x 15	60	
1st Floor D	19 x 33	627	
1st Floor E	3 x 12	36	
1st Floor F	8 x 25	200	
1st Floor G	4 x 3	12	
1st Floor H	15 x 13	195	
1st Floor I	7 x 5	35	
Bay Window J		12	
Oct. Window K		82	2,005
2nd Floor L	24 x 12	288	
2nd Floor M	3 x 6	18	
2nd Floor N	17 x 35	595	
2nd Floor O	15 x 6	90	
2nd Floor P	15 x 15	225	
2nd Floor Q	3 x 7	21	1,237
Total			3,242
OTHER AREA			
AREA	DIMENSIONS	SUBTOTAL	TOTAL
Garage	24 x 23		

DIMENSIONS OF CARPORTS, DECKS, STORAGE SHEDS, GARAGES, ETC.,  
CAN BE INCLUDED IN MLS AND OTHER ADVERTISING, BUT CANNOT BE INCLUDED IN THE LIVING AREA.

**REPORT:** ONE AND ONE-HALF STORY DETACHED HOUSE WITH 3,242 SQUARE FEET OF LIVING AREA.





## NOTES

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SCAN THE CODE BELOW TO ACCESS THE  
COMMISSION WEB SITE FROM YOUR MOBILE DEVICES.



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