

## **ITSO Residential Measurement Standard**

### **Background**

The first rule of real estate is location, location, location. But after determining the location, it quickly becomes about the property attributes, and one of the most critical factors about any property is its size.

The integration of square footage in MLS® Systems has been inconsistent across Ontario, with some associations requiring the precise value for a number of years, and others who still do not require it at all. For the associations who do not require it, one of the challenges has always been there are no standards of measurement for residential real estate in Ontario. But the undeniable reality is that consumers always look for this information.

The path of least resistance for many REALTORS® has been to use MPAC square footage values as a starting point to determine the square footage of a property. There is concern, however, that these MPAC values are not accurate. MPAC measures properties externally only, and therefore open voids or areas of the property with limited head room or no walkable floor are included in their measurements. Their measurements may also include additions to properties that cannot be used year-round. Inaccurate square footage numbers can drastically affect the estimated cost of the property, which in turn could lead to liability for REALTORS®.

After consulting with Member Associations, REALTORS®, and industry experts on measurement standards, ITSO has adopted the Residential Measurement Standard (RMS) created by the Real Estate Council of Alberta. Adopting this standard for ITSO Member Associations will help provide guidance to users on how to measure properties, will increase the accuracy of the square footage numbers in the ITSO MLS® System, and will be a step towards establishing RMS as the Canadian norm.

ITSO is adopting RMS and recommends its use but use of RMS will not be mandatory. The square footage field in the MLS® System, however, will remain a mandatory field, as this information is essential to enable all REALTORS® using the system to conduct CMAs and to maintain the value of the MLS® System.

This guide will explain the benefits of RMS, set out the principles of RMS, and show how these measurements should be displayed in the ITSO MLS® System.

## Benefits of RMS

Accurate measurements are important

- REALTORS® need accurate measurements to do CMAs and explain how size affects value to their clients
- REALTORS® need accurate measurements to selecting properties that meet client's criteria
- REALTORS® may need to provide these measurements to mortgage brokers or financial institutions to help their clients obtain financing

Benefits of using RMS

- Using RMS will result in a consistent methodology for properties on the ITSO MLS® System
- Using a defined measurement standard will increase transparency and increase consumer confidence in the information on the ITSO MLS® System
- Using RMS will give REALTORS® direction on how to measure properties to fulfill their obligation of providing accurate information in MLS® listings including the mandatory square footage field
- RMS is more accurate than builder or MPAC measurements that include open voids and non-livable space

## Definitions

**Grade** - Grade is the level of the ground around the exterior of the residence. The grade can be horizontal, sloped, or a combination of both. Many residential properties contain above grade and below grade areas. REALTORS® must be able to distinguish between them in order to measure residential properties in accordance with the RMS.

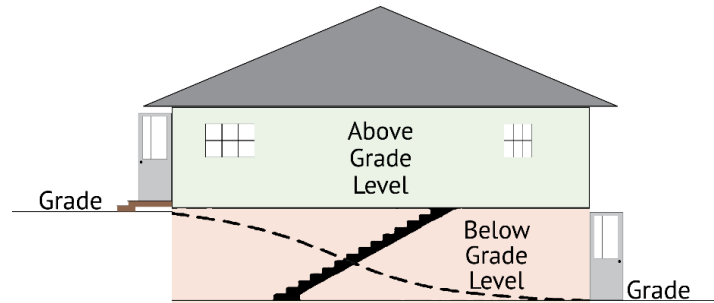
**Levels** - Levels are areas of the residence that are in the same horizontal plane. A level must meet the minimum ceiling height requirements to be counted towards the RMS calculation.

**Above Grade Levels** - Above Grade Levels are the levels of a residence that are entirely above grade. The RMS area of a residence is the sum of its above grade floor levels.

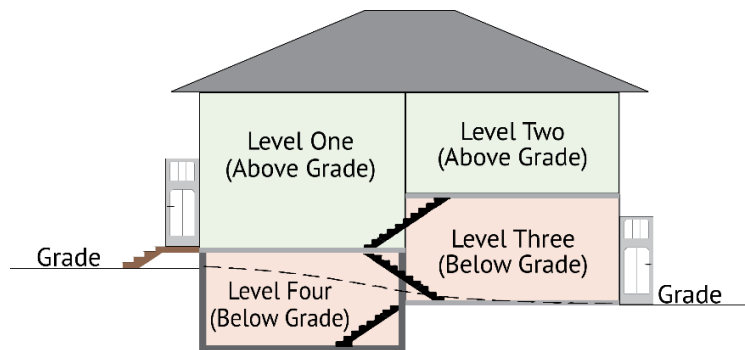
**Below Grade Levels** - Below Grade Levels are the floor levels of a residence that are partly or fully below grade. If any portion of the level is below grade, the entire level is below grade. Below grade spaces include lower levels and basements. Below grade levels are not included in the RMS area.

## Application of RMS

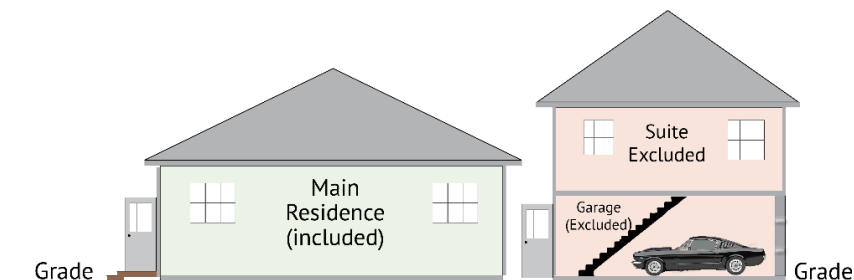
The RMS area of a property is the sum of its Above Grade Levels. Below Grade Levels are not included in the RMS area. Structures not connected to the main residence are not included in the RMS area (e.g, pool house, boat house, bunkie, etc.). The square footage of finished Below Grade Levels and other structures can be measured and reported separately, but do not form part of the RMS area.



**Example:** the total above grade area of this bungalow only includes the main level because the walkout basement is below grade. Partially or below grade levels are not included.



**Example:** the total above grade area of this 4-Level split only includes the top 2 levels because the 2 lower levels are partially below grade.



**Examples:** do not include structures not connected to the main structure of the residence in the RMS area (such as suites or bedrooms build on the second floor of a detached garage or shed converted into a recreation room).

RMS only applies to residential properties for sale or lease. RMS does not apply to commercial properties.

#### RMS Applies

- Property intended for residential use consistent with the land on which it is located
- Residential property regardless of whether it is detached, semi-detached, or attached
- Residential property containing up to four dwelling premises
- Residential property that may be part of a rural property, such as a farm or ranch
- Attached residential properties regardless of whether they are a fee simple or condominium

#### RMS Does Not Apply

- Commercial, industrial or retail properties
- Residential properties with five or more dwelling premises

### RMS Principles

#### **1. Using RMS to determine the square footage of a property is preferred**

REALTORS® can measure a property using RMS themselves, or they can use the services of a company that does measurements. If a REALTOR® is using a company to do the measurements, the REALTOR® should confirm with the company if they follow RMS.

If RMS is used to determine the square footage of a property, then the RMS source flag may be selected in the MLS® System to convey to all users how the property was measured. This source flag must not be selected if RMS was not followed, as inaccurately representing how the property was measured could raise concerns under the MLS® Rules regarding accuracy.

#### **2. Identify if the measurement system is metric or imperial, and apply it consistently. Measurements must be calculated to within 2% of the RMS size.**

A REALTOR®, or a company hired by a REALTOR® to do the RMS measurements, may measure a property using metric or imperial units. If a property is measured using metric measurements, the RMS area must be converted to imperial measurements in order to report the square footage in the ITSO MLS® System.

Measurements may be rounded up to the nearest whole square foot, as RMS allows for a 2% tolerance.

#### **3. For detached properties, measure the property using the exterior wall at the foundation**

Ideally detached properties will be measured using the exterior wall at the foundation. However, there may be situations where this is not possible, for example due to landscaping or

obstacles such as sheds that prevent such measurements. In these circumstances REALTORS® may extrapolate exterior measurements by measuring the interior surface of the perimeter walls and adding the exterior wall thickness. REALTORS® can extrapolate the exterior wall thickness using the thickness of exterior door or window casings.

If a REALTOR® has to extrapolate to calculate the RMS area that fact should be disclosed in the REALTOR® remarks section of the MLS® listing.

**Example:** measure the exterior wall at the foundation.



**Example:** obstacles along the foundation of this property make it impossible to take some exterior measurements at the foundation.

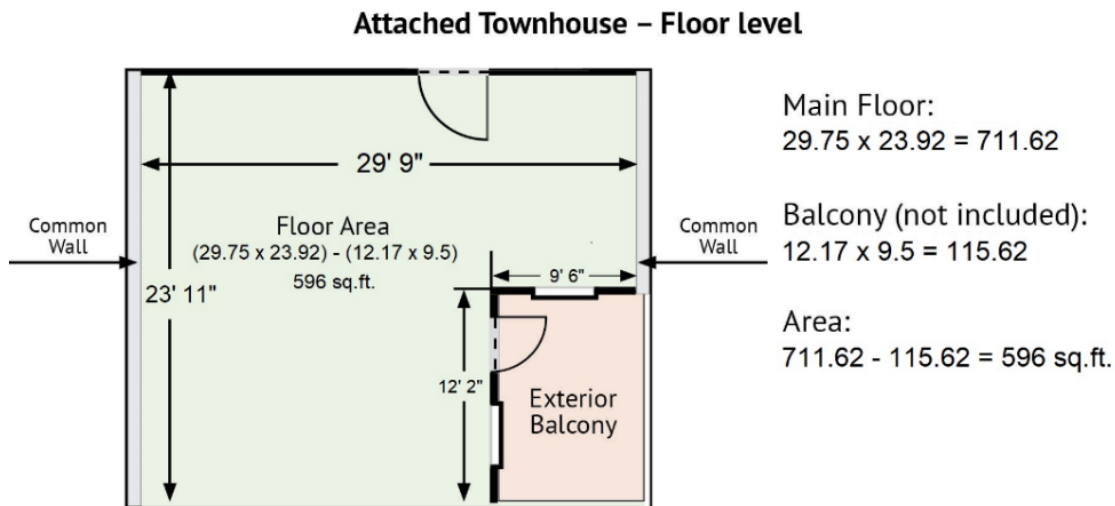


4. For properties with common walls, such as half-duplexes, townhouses, and apartments, measure the interior perimeter walls (paint-to-paint) at floor level. An additional area representation may be made assuming exterior measurements.

Common walls separate attached and semi-detached properties. REALTORS® must measure the Above Grade Levels of properties with common walls from the interior surface of the opposing exterior walls. This may be known as taking paint-to-paint measurements.

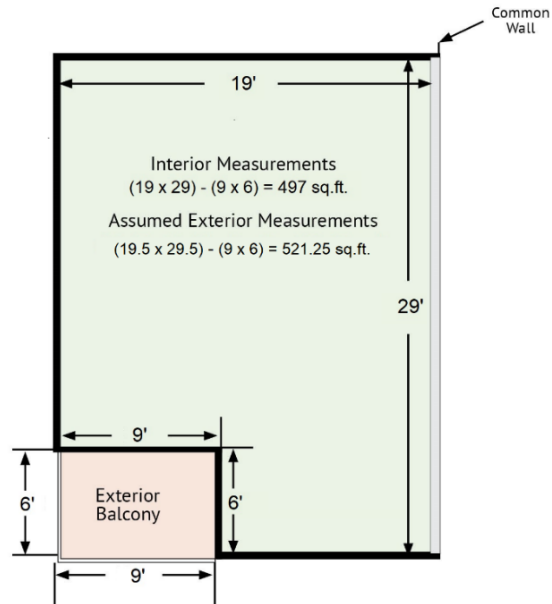
If a client wants to compare an attached property that was measured using RMS to an attached property that was not measured using RMS, or a detached property, this can be done by extrapolating the external measurements using the thickness of the exterior wall. In these circumstances it is the RMS area that should be included in the MLS® System and not the extrapolated measurement done to compare to other properties.

**Example:** how to measure an attached townhouse using the interior surface of the perimeter walls. Although the balcony is covered, it is not suitable for year-round use. Therefore, REALTORS® must exclude it from the total above grade floor area (explained in Principle 6).



Note that in the example above 29 feet and 9 inches was converted to 29.75 to do the square footage calculation. A chart showing how to convert inches into decimal points is included at the end of this manual.

**Example:** a REALTOR® measured the attached townhouse and determined the exterior door casings were 6' inches thick and added 6 inches to the area. The REALTOR® then describes the RMS as 497 sq.ft. and states that, assuming a wall thickness is 6 inches, the exterior measurement is 521.25 sq.ft.

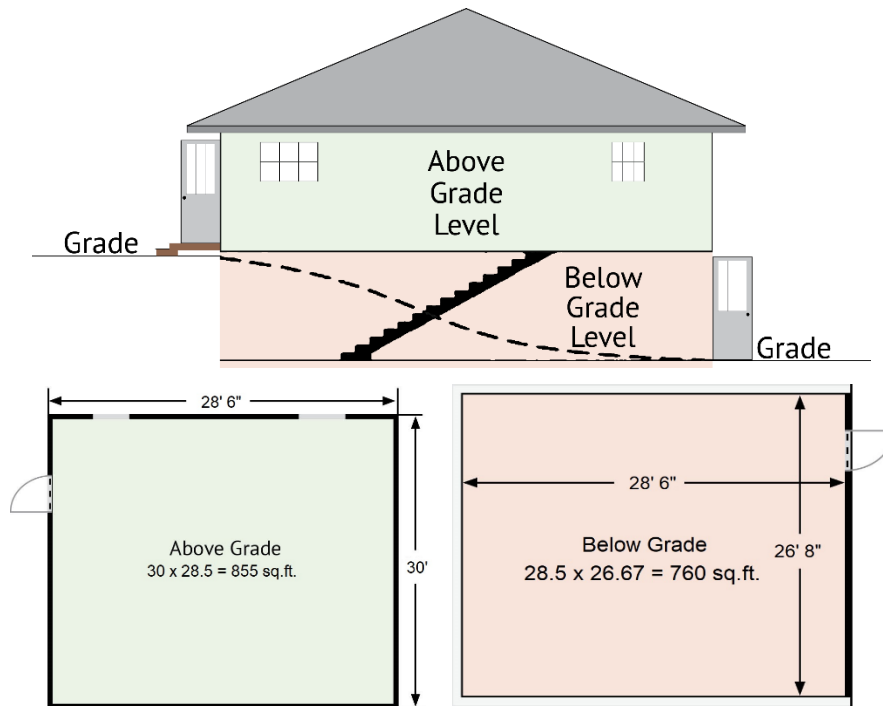


**5. Include floor levels that are entirely above grade and exclude floor levels if any portion is below grade. Below Grade Levels may be measured, but the area must not be included in the RMS area.**

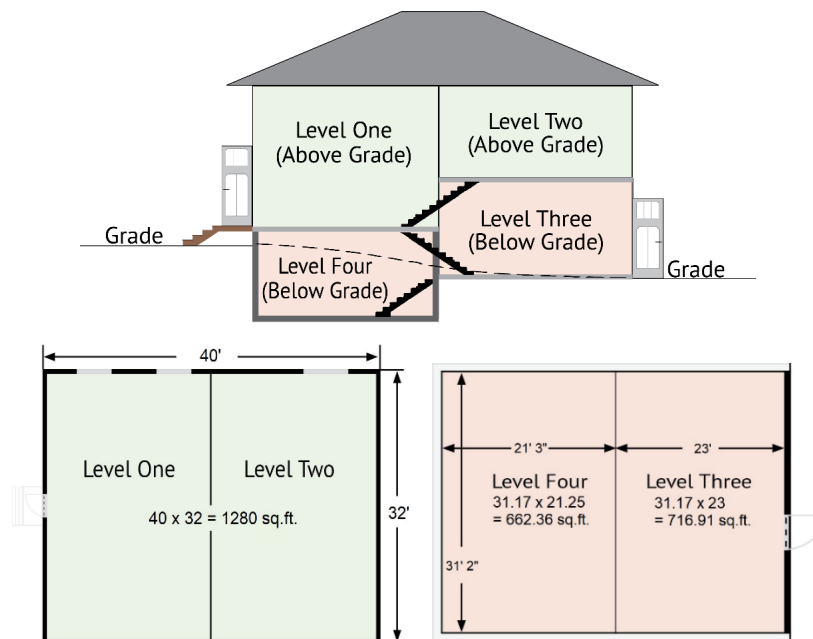
All Below Grade Levels can be measured and included in the MLS® listing in the BG fin SF field. These levels must not be included in the RMS area. If reporting square footage of Below Grade Levels REALTORS® should:

- Explain in the REALTOR® remarks how they calculated the measurement (from exterior or interior measurements)
- Not include inaccurate representations regarding finished vs. unfinished space
- Include a disclosure statement in the REALTOR® remarks or public remarks if the below grade area does not meet the minimum 7 feet ceiling height requirement (discussed in Principle 7)

**Example:** this bungalow with a walkout basement must only include the 855 sq.ft. above grade area in the RMS area

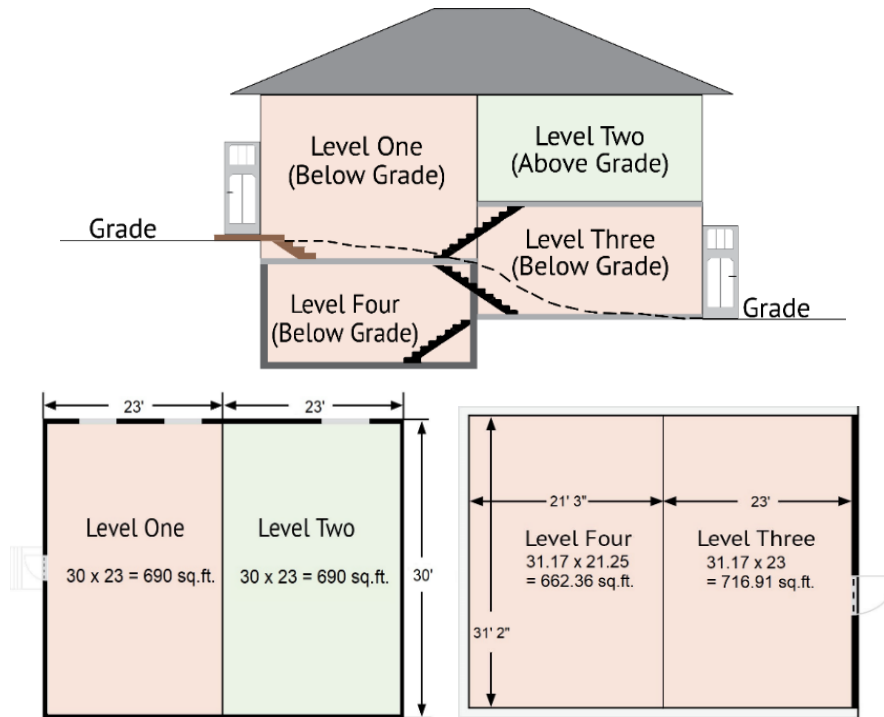


**Example:** how to measure the above grade levels of a 4-level split. Because the developed 3<sup>rd</sup> and 4<sup>th</sup> levels are partly below grade, REALTORS® must exclude these levels from the RMS area.

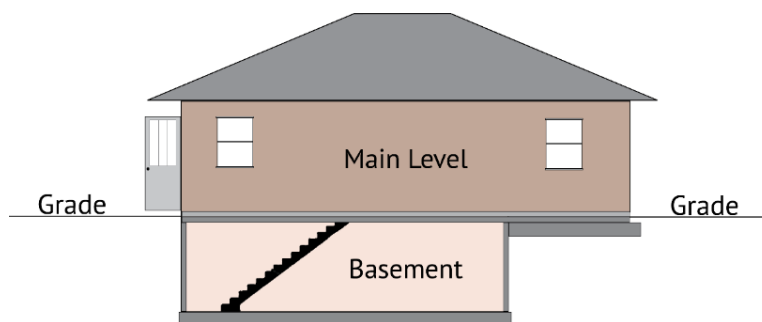




**Example:** a REALTOR® may make the representation, “690 sq.ft. 4-level split with 2,069.27 sq.ft. of additional space on 3 below grade levels. The first below grade level is only one foot below grade and the second below grade level is a walkout. Total above and below grade living area is 2,759.27 sq.ft.”



**Example:** a REALTOR® should disclose that the basement of this property is substantially smaller than the above grade area of the residence.



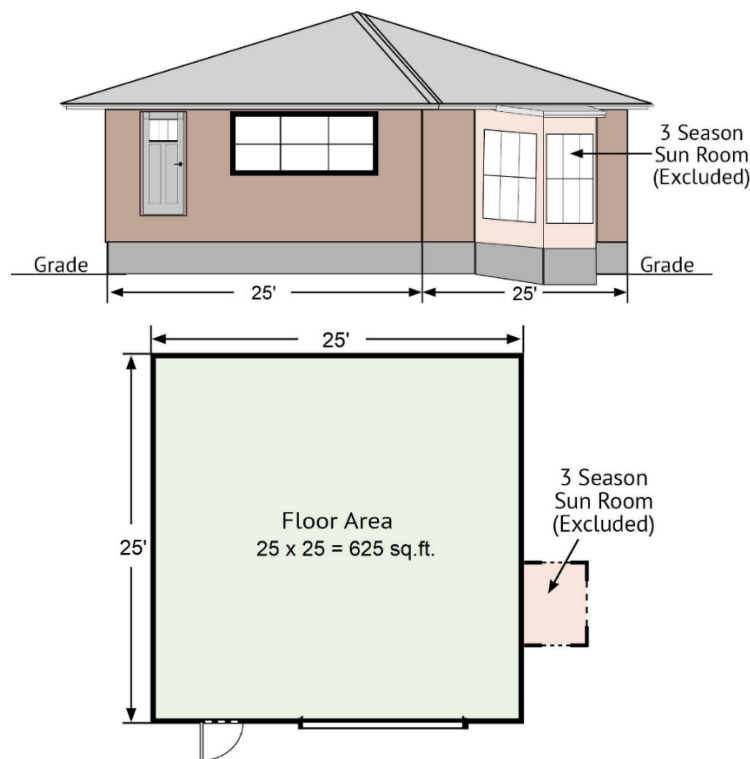
**6. Include all additions to the main structure and conversions of above grade areas within the structure if they are weatherproof and suitable for year-round use.**

The RMS area includes any additions and conversions to the main residential property when the addition or conversion meets the following criteria:

- the structure is permanent and has a foundation or footings
- the structure or conversion is connected permanently to the main electrical service
- the main heating system heats the structure or conversion or has its own permanent heating system. The heating system is able to heat the space to 22°C year-round. The REALTOR® must use their judgement as to whether the heating system is reasonably able to heat the space to 22°C in winter. If unsure, they may clarify their decision when communicating about the property. For example, the REALTOR® remarks or Public remarks may state 2300 sq. ft. residence with a 500 sq. ft. sunroom that is suitable for year-round use.

The permanent heating appliance in the addition does not need to use the same energy source as the heating appliance in the main structure. It may be a natural gas furnace, electric (baseboard heating, in-floor heating), wood burning stove, heat pumps, radiant, etc. Temporary mobile space heaters or extension cords are not suitable sources of heat or electricity.

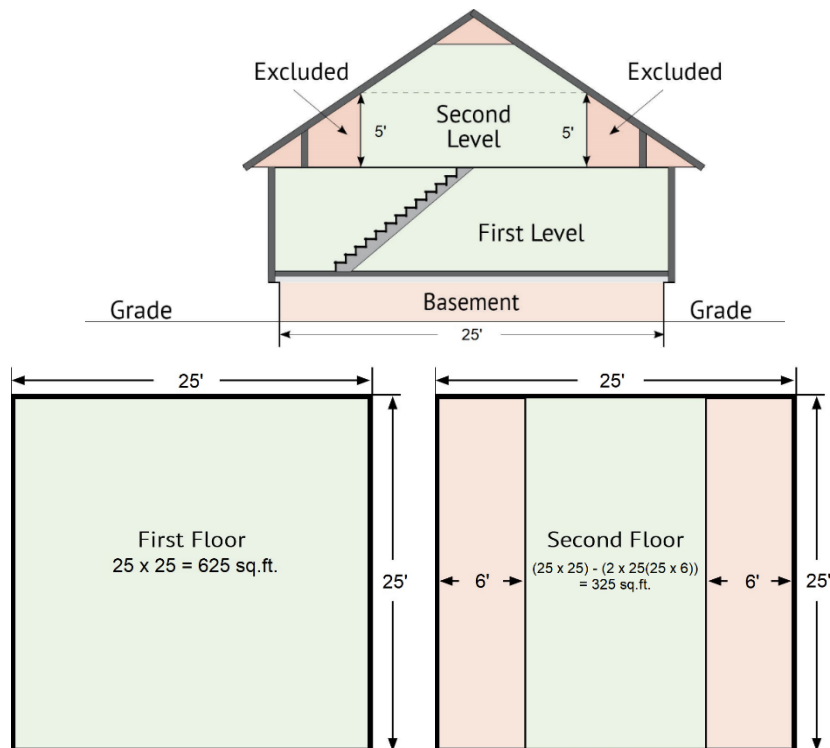
**Example:** a bungalow has a 3-season sunroom addition that is not connected to the main heating system and does not have electrical service to its own heat source. The sunroom does not meet the requirements of Principle 6 and is not included in the RMS area.



7. The property must have a minimum floor-to-ceiling height of 7 feet. If the ceiling is sloped, the area with a floor-to-ceiling height of at least 5 feet is included in the RMS area, provided there is a ceiling height of 7 feet somewhere in the room.

The minimum ceiling height for rooms is 7 feet. Ductwork, beams, and other obstructions are included in the level, provided the floor-to-ceiling height to the ductwork, beams, and other obstructions exceeds 5 feet. The RMS area must exclude the portions of the floor area with a ceiling height below 5 feet.

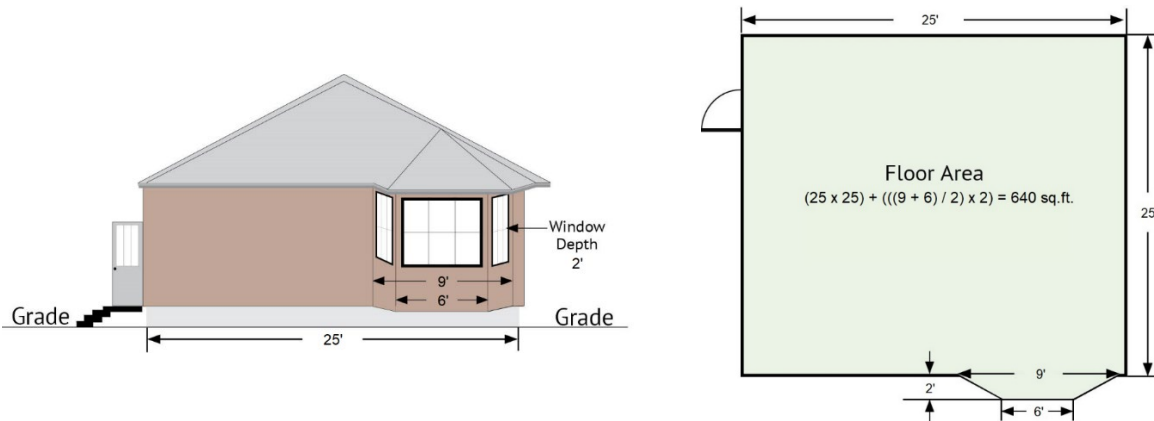
**Example:** sloped ceiling on the second floor has areas above and below 5 feet in height.



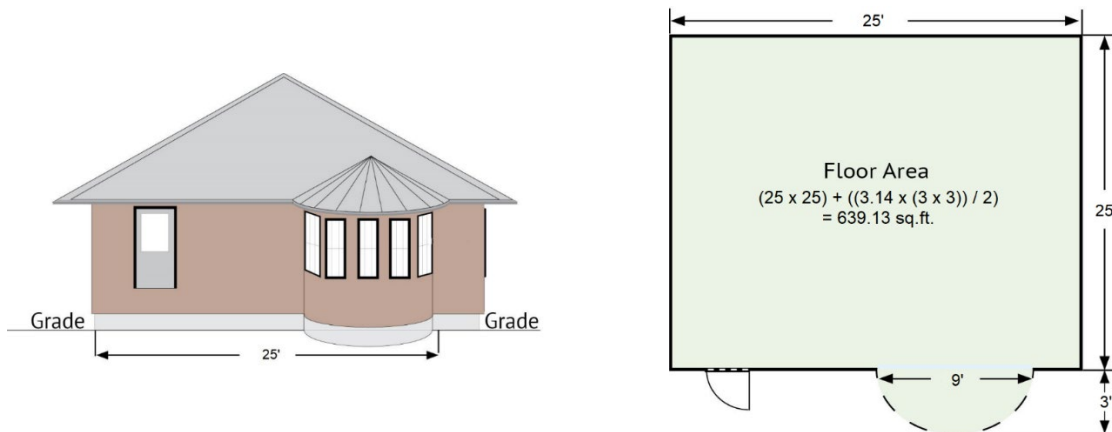
**8. Include extensions from the main structure that have a minimum floor-to-ceiling height 5 feet, such as cantilevers, bay and bow windows, and dormers.**

The 5 feet minimum height must start at floor level. REALTORS® must add these above grade areas to the RMS area for the property. However, REALTORS® must exclude areas that do not start at floor level, such as a bay window that has a window seat blocking the floor area, even if they meet the minimum floor-to-ceiling height requirement.

**Example:** how to measure a bungalow with a bay window that has a floor-to-ceiling height of 5 feet. The REALTOR® must include the bay window area in the RMS area because it meets the minimum floor-to-ceiling height.



**Example:** how to measure a bungalow with a bow window that has a floor-to-ceiling height of 5 feet. REALTORS® must include the bow window area in the RMS area because it meets the minimum floor-to-ceiling height.



## 9. Exclude open areas that have no floor, such as vaulted areas.

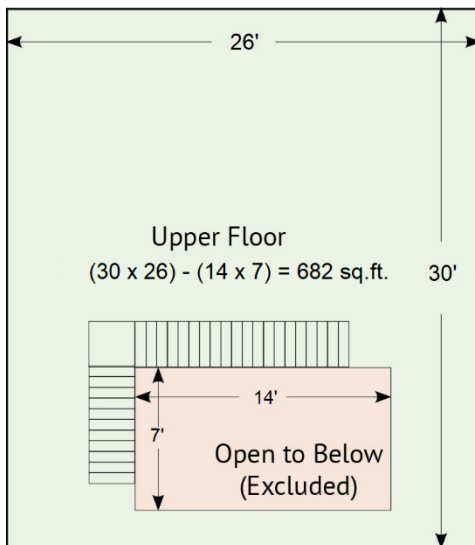
The RMS area excludes open areas that have no floor associated with them, such as vaulted ceilings. REALTORS® must not include these open areas when calculating the RMS area of the property.

When measuring detached properties, REALTORS® must always deduct the open areas and vaulted areas from the upper level measurements so that they are consistent with exterior measurements.

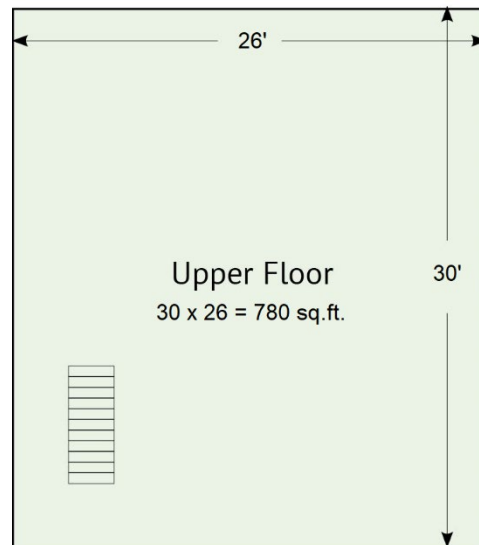
The following information describes how to treat open areas with stairs:

- the stairs are counted in the above grade level they lead to
- the stairs are counted in the above grade level they lead to even if part or all of the stairs are below grade (exception to Principle 5)
- the portion of the stair opening that is larger than the area of the stair treads and landings must be deducted from the floor level

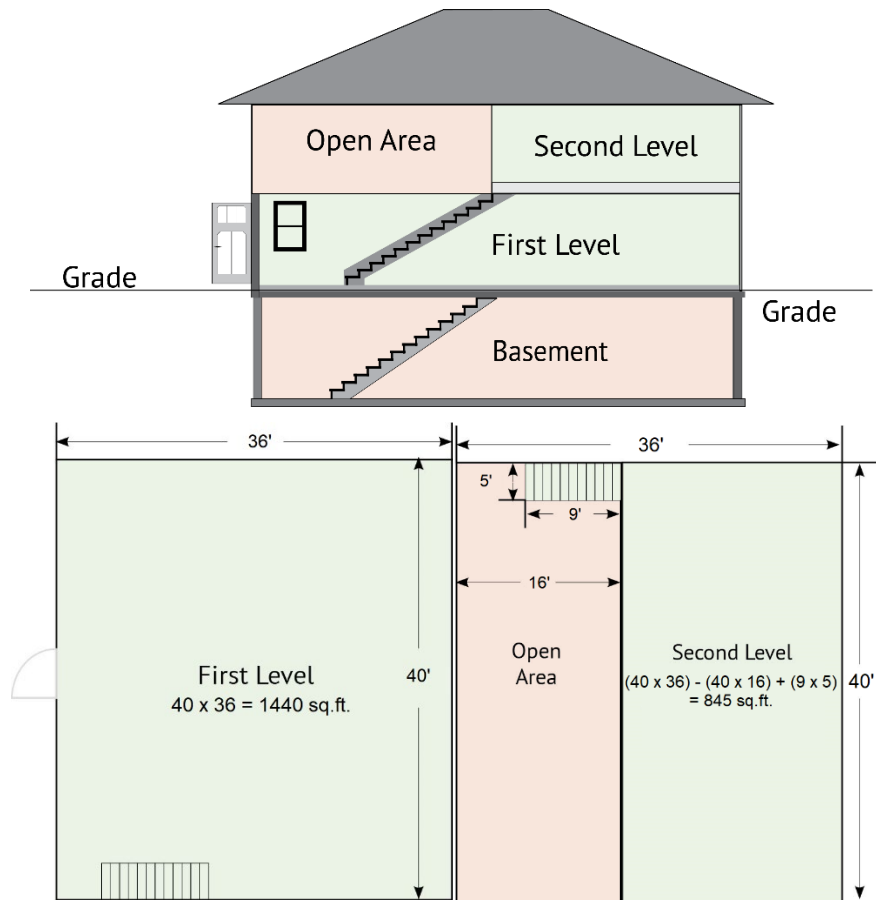
**Example:** this property has a stairwell to the upper level. Because the area of the stairwell opening equals the area of the stair treads, there is no open area to exclude from upper floor measurements



**Example:** this property has a stairwell with an open area that is larger than the area of the stair treads and landing. The open area that is greater than the area of the treads and landing is deducted from the upper floor measurements.



**Example:** how to measure a residential property with an open area. The 2-storey split has an open ceiling area between the 1<sup>st</sup> floor and the 2<sup>nd</sup> floor on one side. REALTORS® must measure the open area and exclude it from the RMS area.



## Summary

### Application and How to Measure

- RMS only applies to residential properties
- RMS does not apply to commercial properties
- Measure Above Grade Levels for detached properties using exterior measurements at the foundation
- Measure Above Grade Levels for attached properties using interior measurements

### Include

- The area of all Above Grade Levels
- Additions that are weatherproof and can be used year-round
- Extensions that have a floor-to-ceiling height of 5 feet

### Exclude

- The area of all Levels where any portion of the Level is below Grade
- The area of a Level with a sloped ceiling where the floor-to-ceiling height is less than 5 feet
- Open areas that have no floor

Below Grade Levels and other structures that are separate from the main residence can be measured and reported separately.

## Entering Square Footage Measurements into the ITSO MLS® System

No changes will be made to the existing SF Fin Total, AG Fin SF, or BG Fin SF fields. The AG Fin SF will remain a mandatory field.

The RMS area can be reported in the AG Fin SF field. The source of the measurement should then be set to RMS. Do not select RMS if the RMS principles were not followed.

The square footage of the Below Grade Levels should be entered into the BG Fin SF field. The REALTOR® remarks should indicate how those measurements were obtained (e.g., internal walls, builder plans, etc.).

A new field will be added for “Other SF” will be added, which is where REALTORS® can report square footage of areas not included in the RMS area, such as boathouses, bunkies, or 3 season sun rooms. Again ideally the REALTOR® remarks would explain how those measurements were arrived at.

Property Member Full

398 FOREST ACCESS Road, Echo Bay, Ontario P0S 1C0

Member Full  
Active / Residential

Confidential for REALTORS® Only

MLS®#: 40005048  
List Price: \$1,255,000



**Algoma/Macdonald, Meredith and Aberdeen/Macdonald,  
Meredith and Aberdeen**  
1.5 Storey/House

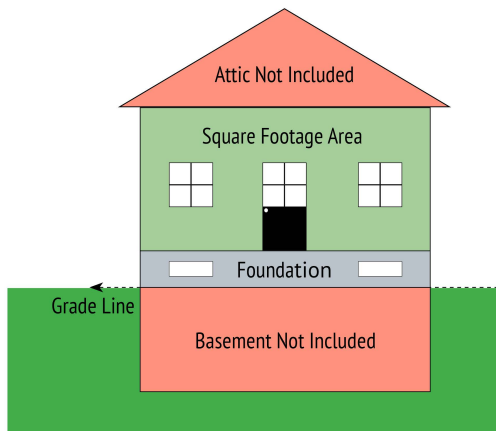
Water Body: **Zelneys Lake**  
Type of Water: **Lake**

	Beds	Baths	Kitch
Main	5	3	1

Beds (AG+BG): **5 (2 + 3)**  
Baths (F+H): **3 (2 + 1)**  
SF Fin Total: **5,900**  
SF Fin Range: **3001 to 4000**  
AG Fin SF: **3,100/Other**  
BG Fin SF: **2,800/Other**  
Other SF: **500**  
DOM/CDOM: **496/496**  
Common Interest: **Freehold/None**  
Tax Amt/Yr: **\$2,242.47/2019**  
Lot Size: **504.540/Acres**

## Diagrams for Common Detached Building Types

### Bungalow

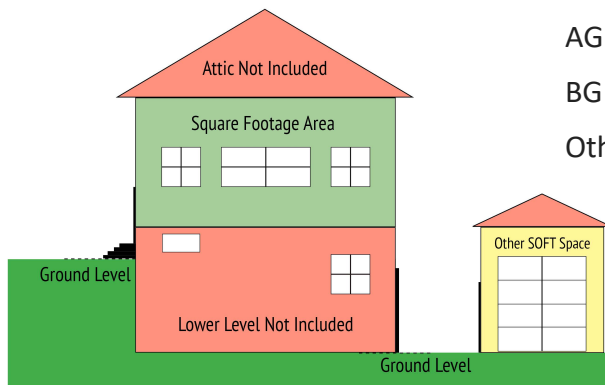


AG Fin SF - 1200

BG Fin SF - 1200

Other SF - 0

### Bungalow Walkout with Lower-Level Boathouse



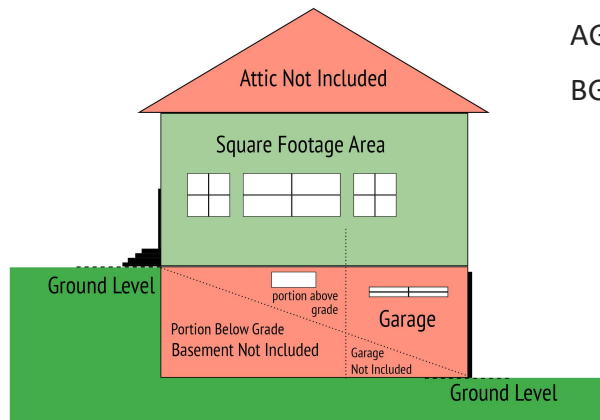
AG Fin SF – 1200

BG Fin SF – 1200

Other – Boathouse 700



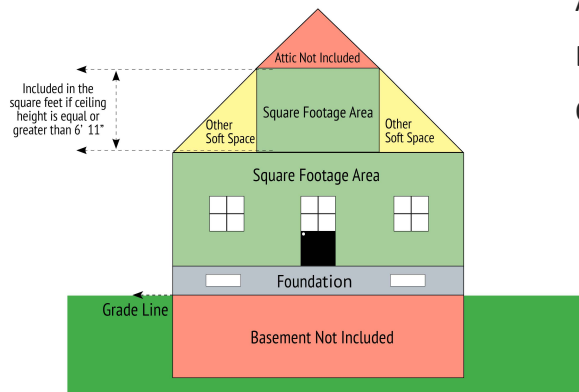
### Bungalow Walkout



AG Fin SF – 2400

BG Fin SF – 900

### One and a Half Storey

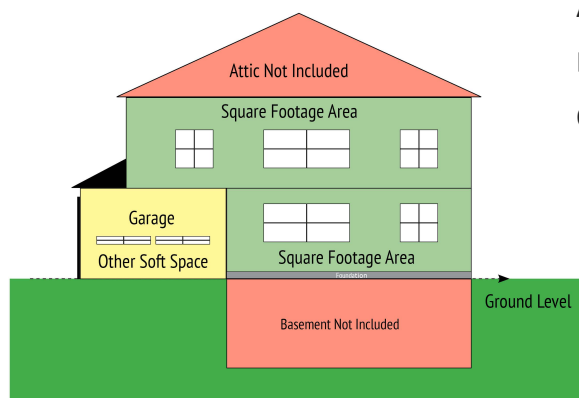


AG Fin SF – 1500

BG Fin SF – 700

Other SF – Low ceiling height 150

### Two Storey Attached Garage

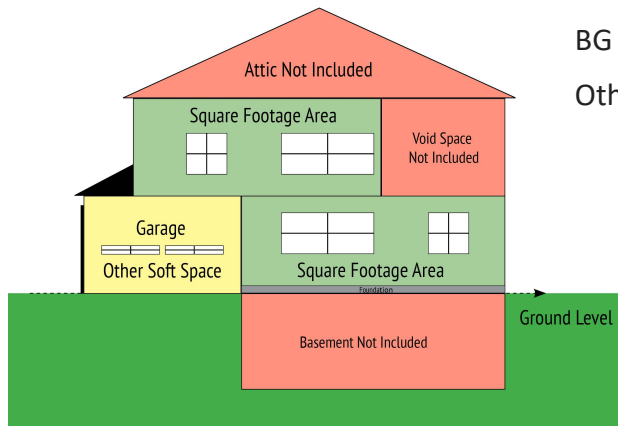


AG Fin SF - 1900

BG Fin SF - 700

Other SF - Garage 500

## Two Storey Foyer Open to Second Floor

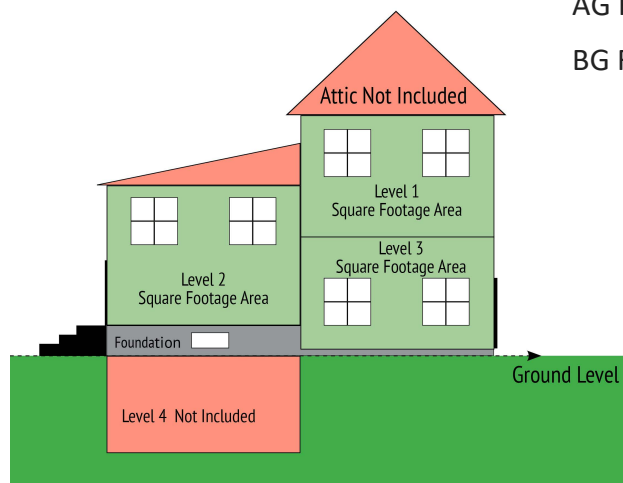


AG Fin SF – 2000

BG Fin SF – 700

Other SF – Garage 500

## Split Level

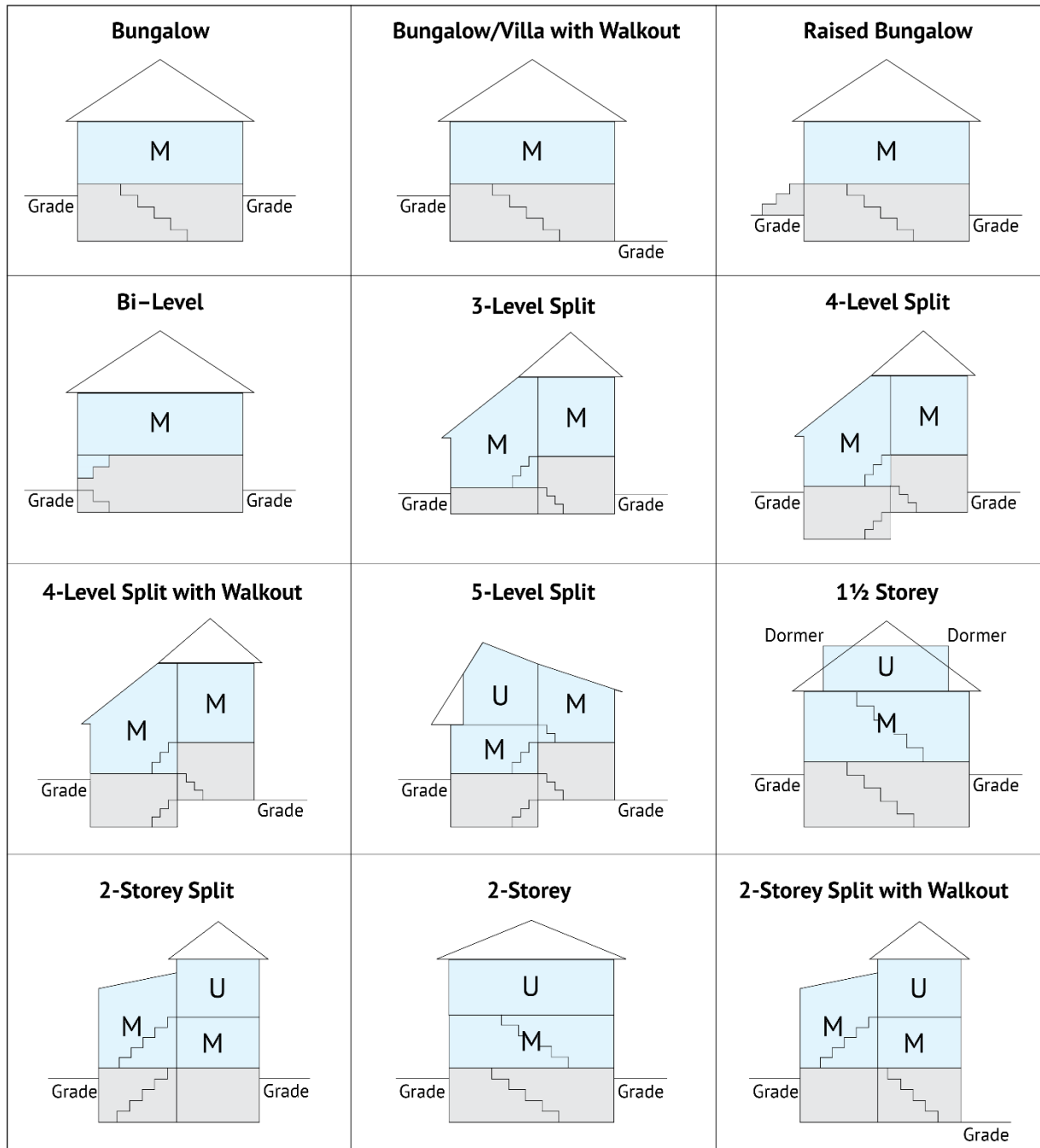


AG Fin SF – 2100

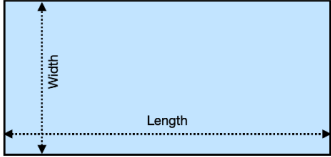
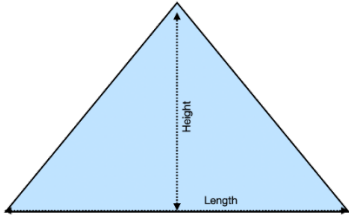
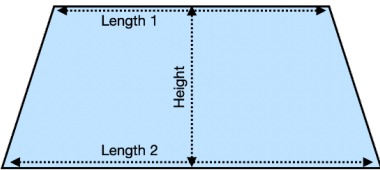
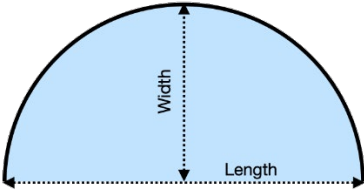
BG Fin SF – 700

## Common Residential Styles

LEGEND	
<b>M:</b> Main floor area(s)	<b>U:</b> Upper floor area(s)
<b>Grade:</b> Ground level	<b>Blue:</b> Above grade floor area
<b>White:</b> Area under roof/Attic	<b>Gray:</b> Below grade floor area



## Area Calculations

Shape	Formula
<p>Rectangle</p> 	Length x Width
<p>Triangle</p> 	$\text{Length} \times \text{Height} / 2$
<p>Trapezoid</p> 	$(L1 + L2) / 2 \times H$
<p>Half Elliptical</p> 	$\text{Length} \times \text{Width} / 4 \times 3.14$

## Inch to Decimal Conversion Chart

Inch	Decimal of a Foot
1 inch	0.0833
2 inches	0.167
3 inches	0.250
4 inches	0.333
5 inches	0.417
6 inches	0.500
7 inches	0.583
8 inches	0.667
9 inches	0.750
10 inches	0.833
11 inches	0.917