



A New Definition of Professionalism:

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There isn't a real estate agent I know today who believes they are unprofessional. Agents will tell you they do everything in their power to represent the best interests of their sellers by trying to get them the highest price while selling a home in the shortest amount of time possible. Sellers, of course, are looking for ways to pump up the perceived value of their home as much as they can.

Professionalism is a lot more than passing an exam and getting awarded a license to sell real estate. Professional agents have a mindset to do the right thing for their clients no matter what it takes. They align themselves with a brokerage that is dedicated to supporting the agent with effective training and diligent transaction support to ensure every property

closing is fully compliant and provides the consumer with the most stress-free buying/selling process possible. Going the extra mile to be sure that every 'i' is dotted and every 't' is crossed accurately in every closing document is a sign of an agent who takes their job of delivering professional service seriously. The best agents ensure that every detail of the listing affecting the ultimate value of the home is accurate and verified. They take the time to proactively get trained on the most accurate ways to ensure the measurements of the home are correct by using laser-accurate and reliable floor plans and measurements. An agent's professionalism is reflected in the services they choose to offer, how they stand behind their services, and how they go out of their way to ensure that their clients receive the best service possible.

While most real estate agents do their best to provide professional, well-prepared services for their clients, many rely on third parties for one of the most

important and fundamental selling features of a property – determining square footage. Providing a CMA and price suggestion using third party, unverified square footage sources can not only set up a practitioner for legal liability, it can also hurt the reputation of the agent and the company they work for. According to NAR’s 2018 Home Buyers and Sellers Survey, trust is the single most important reason a consumer chooses to work with an agent. Inaccurate square footage can tear down the hard work of building a strong reputation with just one inaccurate measurement. One threat of a lawsuit, or even a grievance, can significantly damage the reputation of a real estate professional.

Definition of Professionalism Related to Square Footage

For those agents that are REALTORS® and members in good standing with the National Association of REALTORS®, they are bound by the Code of Ethics. There are several sections of the Code of Ethics that require a practicing real estate professional to protect the best interest of their clients. It calls out the need to provide accurate and verified information regarding a property. REALTORS® are required to provide their best efforts to provide an accurate description of the property, especially with the material facts that can affect the value of the home.

Article 2 of the REALTOR® Code of Ethics says “REALTORS® shall avoid exaggeration, misrepresentation, or concealment of pertinent facts relating to the property or the transaction.” When an agent relies on public records or MLS information for square footage without any verification, they may be



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unknowingly exaggerating or misrepresenting the property.

Standard of Practice 11-1 in the REALTOR® Code of Ethics requires diligent methods to ensure that the presented opinion of a home’s value is as accurate as possible.

The opinion must include among other things:

- a basis for the price opinion, including applicable market data if the opinion is not an appraisal. A statement to that effect.
- disclosure of whether and when a physical inspection of the property’s exterior was conducted.
- disclosure of whether and when a physical inspection of the property’s interior was conducted.

Many Consumers Buy and Sell Based on Price per Square Footage

Many consumers, especially millennials, believe they can do their own research to identify the home they would like to purchase using the myriad online tools available today. Everyone one of the top five property search sites in America displays price/square foot for the millions of viewers they serve every month. The price/square foot metric is used by many buyers who believe they can create a valid evaluation of a home. What the public doesn’t know is that many times the information used to create the price/square foot calculation is flawed.

When agents rely on unverified square footage information pulled from public records or old MLS records, they are setting themselves up for potential problems including fines, lawsuits, and the bad press and brand damage that goes along with regulatory and legal

challenges.

In Canada, the province of Ontario has taken some interesting measures to ensure that square footage shared with the buying public is more accurate. The [Municipal Property Assessment Corporation](#) (MPAC) has issued an announcement reiterating that public records/assessments of square footage cannot be shared publicly through an MLS. The announcement also clarified a change to the way the information could be presented. Instead, agents are now required to either enter a predetermined range of sizes that doesn’t accurately represent the property in question or contract with a third party appraiser. A full summary of the announcement is listed [here](#).

While no determination of this sort is in effect in the United States yet, there are states like North Carolina that provide [guidelines](#) that agents can use and there is a potential for measurement standards to be enacted in other states in the future. Even without specific requirements, it makes sense for every agent interested in delivering professional services in America to proactively learn what should be included in square footage and hire a professional or use automated square footage measurement technologies to protect themselves and their clients. This proactive step reinforces every agent’s commitment to professionalism.



Dolly Helbert

WAV Group spoke with Dolly Helbert, leader of The Helbert Team in the Research Triangle area of North Carolina, USA, who told us “Where we live, the Real Estate

Commission does not give us much leeway. We either have to measure the property ourselves or have a professional that is competent to measure it. We cannot take the square footage calculations from previous appraisals or public records. We chose to use software



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that uses a highly accurate camera and software solution that was recognized and approved by our Real Estate Commission as a viable method for capturing accurate square footage.”

“Before we deployed the service, we completed a series of manual measurements and compared them to the results of the automated square footage builder to ensure that our measurements were accurate. After reviewing the results of that exercise, we are very confident that we have [accurate numbers](#). I take my job of delivering professional support and counsel to my clients very seriously. My clients appreciate my focus on protecting their best interests by ensuring that the homes they are selling are accurately priced and the homes they are buying are fully transparent, so they know the true size of the home.”

Challenges to an Accurate Square Footage Definition

Relying on Public Records

While the Code of Ethics clearly articulates the need for transparency about the source of the home’s valuation, there is a common practice today in many markets where an agent pulls up the public record for a property and includes the square footage stated in public records in the listing details **WITHOUT** verifying its accuracy.



Lack of Training

Some agents do take the time to measure the interior rooms of each home, but may not fully understand what type of spaces can and should be included in the definition of square footage. Agents may not realize that they will need additional training on the most accurate ways to measure the square footage of a home and what types of spaces can, be included in the local definitions of an accurate square footage calculation beyond what is covered in their licensing courses. Ideally, every MLS and brokerage will offer training to ensure that every real estate agent included the same types of spaces so that consumers can truly conduct a side by side comparison of properties. This type of diligence underlines an agent and brokerage's commitment to delivering professional insight and counsel beyond what a consumer could do on their own relying on inaccurate third party sources.

Lack of Measurement Standards

While there has been a standard built for appropriate methods for measuring the [square footage](#) of a property by the International Property Measurement Standards Coalition or [IPMS](#), it is not a standard that

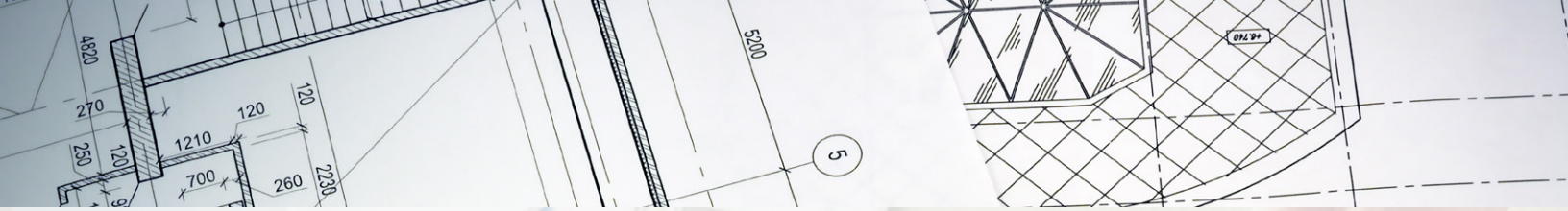
has been universally adopted or accepted in the real estate industry. Local traditions sometimes override national standards making it more difficult for a consumer to understand what is included in a square footage definition. Without proper training and years of experience accurately calculating square footage, agents can include areas of the property that may not count in square footage and thus over-state the size of the home.

In Canada, the province of Alberta has built their own standards that agents must abide by when measuring homes. The guide, called the [Residential Measurement Standard](#) (RMS) sets out, among other things to define what parts of a property can be included in its measured area. It would be great to see the [Real Estate Standards Organization](#) take this one on since they have been so successful in creating real estate data standards.

How Inaccurate Can Public Records Be?

WAV Group set out to begin to answer this question to better understand the potential scope of the problem, with our own analysis of the accuracy of public records relative to a professional third party source. While, in no way can we claim the data we gathered to be conclusive, it was directionally of major concern.

In one analysis, we looked at 333 properties distrib-



uted between Tallahassee, Jacksonville, Sarasota, and Bradenton, Florida. We examined properties ranging in size from approximately 400 square feet to 7,000 square feet according to public records. We then compared the results of the public records relative to a technology solution measurement that was completed by Planitar Inc. Planitar is the maker of [iGUIDE](#), a proprietary camera system and software platform for capturing and delivering reliable property data and square footage measurements via a [LiDAR](#) laser system supported by a professional team of drafters, immersive 3D virtual tours, and comprehensive floor plans.

The results were quite disturbing. **On average, the property measurements displayed by public records were off by 231.8 square feet or 13.6%**, versus the professional measurements completed by iGUIDE. Let's look at a couple of specific examples of how an inaccuracy of that magnitude could affect the selling price of a home. For this analysis, we used the basis of the average price per square footage of homes in America according to Zillow.com of \$157, and a median home price of \$294,000.

	Selling Price	Low Estimate	High Estimate
Median Selling Price:	\$294,000	\$253,869	\$333,782
Average Square Footage Price:	\$157	\$157	\$157
Average Square Footage:	1872	1617	2126

Let's say the public record for the home was overstated or understated by 13.6% as our sample data using LiDAR-driven measurements as a baseline suggests. The home's square footage could be as high as 2126 square foot or as low as 1617 square feet. That range in square footage could change the range of the value of the home by \$80,000.

The problem can become even more dramatic for more expensive homes. Let's use an average cost of \$350 per square and an average square footage of 3000 square feet as an example.

	Selling Price	Low Estimate	High Estimate
Median Selling Price:	\$1,050,000	\$907,200	\$1,192,800
Average Square Footage Price:	\$350	\$350	\$350
Average Square Footage:	3000	2592	3408

For a larger home, the square footage could be as high as 3408 square feet or as low as 2591 square feet. That range in square footage could change the range of the value of the home by nearly \$200,000. A real estate professional who is relied upon by their clients to provide a trusted opinion and to present only the most accurate description of properties simply cannot rely on public records data when it could repre-

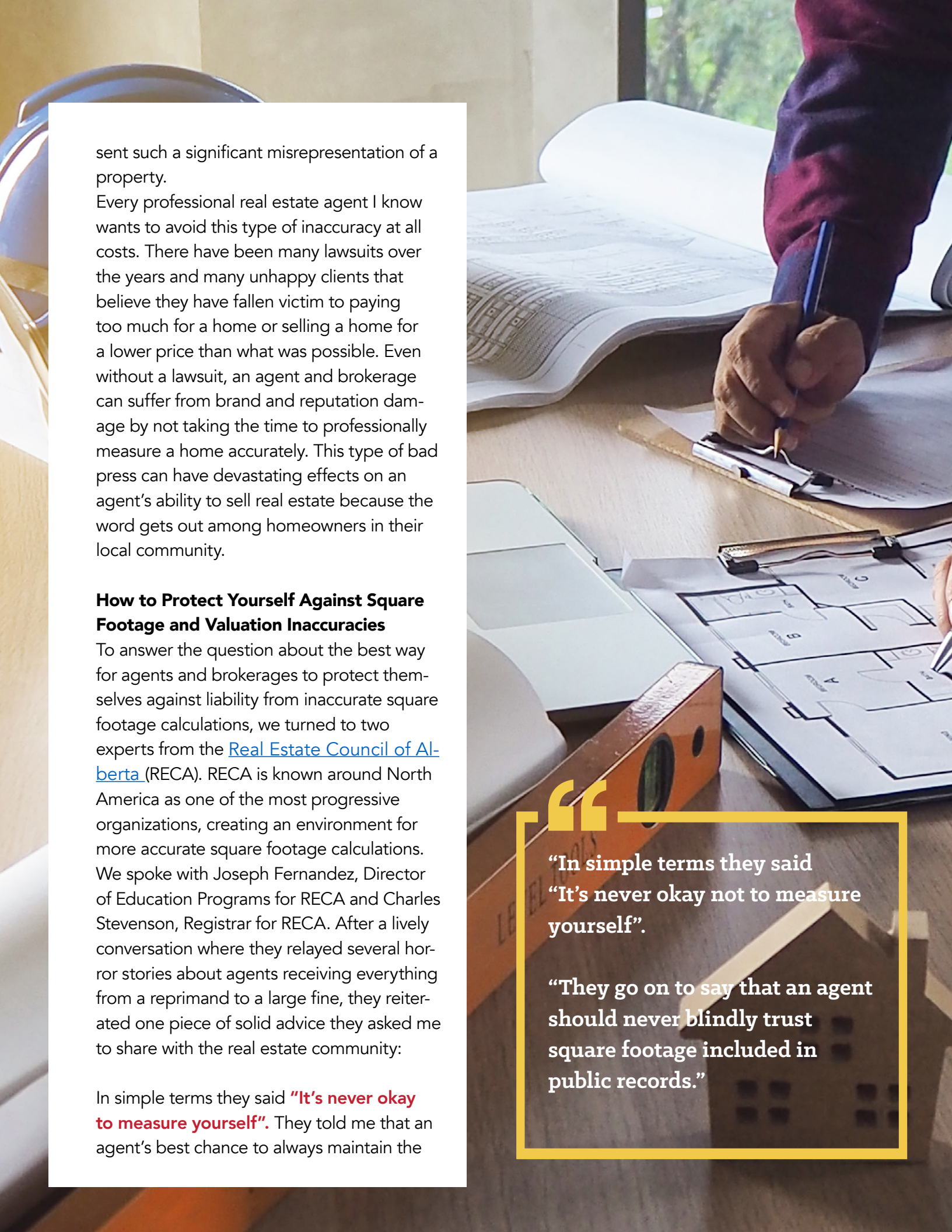
sent such a significant misrepresentation of a property.

Every professional real estate agent I know wants to avoid this type of inaccuracy at all costs. There have been many lawsuits over the years and many unhappy clients that believe they have fallen victim to paying too much for a home or selling a home for a lower price than what was possible. Even without a lawsuit, an agent and brokerage can suffer from brand and reputation damage by not taking the time to professionally measure a home accurately. This type of bad press can have devastating effects on an agent's ability to sell real estate because the word gets out among homeowners in their local community.

How to Protect Yourself Against Square Footage and Valuation Inaccuracies

To answer the question about the best way for agents and brokerages to protect themselves against liability from inaccurate square footage calculations, we turned to two experts from the [Real Estate Council of Alberta](#) (RECA). RECA is known around North America as one of the most progressive organizations, creating an environment for more accurate square footage calculations. We spoke with Joseph Fernandez, Director of Education Programs for RECA and Charles Stevenson, Registrar for RECA. After a lively conversation where they relayed several horror stories about agents receiving everything from a reprimand to a large fine, they reiterated one piece of solid advice they asked me to share with the real estate community:

In simple terms they said **"It's never okay to measure yourself"**. They told me that an agent's best chance to always maintain the



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**"They go on to say that an agent
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best interest of their client is to hire a professional that follows the stated standards and is completely in tune and compliant with clearly defined and consistent local traditions. They go on to say that an agent should never blindly trust square footage included in public records. Charles said, "There could be inaccuracies in the way the square footage was calculated, renovations completed that are not reflected, incorrect assumptions, square footage calculated from plans and not from actual construction, and a host of other challenges that can reflect in the public record." The agent who does not go the extra mile to ensure the square footage of the home they are representing is as accurate as possible, does not demonstrate a true commitment to professionalism. In an age where consumers can readily share online reviews of an agent's commitment to excellence, every agent needs to be diligent about the accuracy of all of the data in their listings.



Desmond Von Teichman

As an example of what it looks like to be dedicated to professionalism, we spoke with Desmond Von Teichman, Broker of Record of Royal LePage Locations North from Collingwood, Ontario, Canada. He has 220 agents in his firm. Desmond told us that public records are not as reliable as he would like in his area, so he turned to a hardware/software provider to help him. He told us "I purchased [iGUIDE](#) to ensure that my property listings were accurate. I wanted to be sure that I was doing everything in my power to protect the best interests of my clients, myself, and my brokerage. I soon realized that there were several ancillary benefits too. iGUIDE uses a proprietary camera which not only measures room dimensions, but also creates multi-level floor plans and 3D virtual tours which generate great engagement on my listings online. Bringing these unique marketing elements to each listing also underlines my commitment to profession-



“...making every effort to be sure the information about a listing is as accurate as possible and the home is priced appropriately using the correct square footage calculation.”



ally marketing my listings.”

Using Professionalism as a Differentiator for Luxury Clients

Every agent, especially those that specialize in luxury properties, is looking for a way to be perceived as the consummate professional, delivering well-educated insights, as well as effective and breakthrough marketing methods.



Mani Bagga

Mani Bagga, from Royal LePage Noralta Real Estate, shared his insights with WAV Group. He works primarily in luxury and with homebuilders. He uses a software driven measurement service to differentiate himself with luxury clients and to deliver superior service to homebuilders to gain their trust and loyalty.

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Mani told us, “Using a Laser-based measurement system and camera is a good way to know conclusively you have a correct floor plan and square footage. Since an inaccurate measurement of a luxury home can result in hundreds of thousands of dollars of inaccuracy, I wanted to find a way to demonstrate how serious we take the process of properly marketing a home. My clients see value in the professional approach as well as the engaging end product delivered. When asked what advice he would give to other top producing teams Mani said, “We never put a listing on the market without a professionally measured floor plan and square footage calculation...they ALL get it – it has to be consistent. We pay for every listing from our team to get the same professional measurement services and a [presentation](#). Not only can we deliver accurate square footage measurements, I can deliver 3D virtual real estate tours to give potential buyers a much more realistic feel of the home. We believe these services give us an edge that is hard to match and ensures we are protecting our clients fully.”

Conclusion: Perfecting your Professionalism

The real estate profession is more competitive than ever. The best agents have committed to providing THE best service, support, and insights they can for their clients and potential clients. If you want to be the best you can be, learn from the top producers highlighted here. Put your money where your mouth is and take the time to have each property professionally and accurately measured. Learn what should and should not be included in a square footage calculation. Take credit for the fact that you are an agent that is a step above be-

cause you **are making every effort to be sure the information about a listing is as accurate as possible and the home is priced appropriately using the correct square footage calculation.**

For More Information

If you would like to learn more about products that help you perfect your professionalism with 3D virtual tours, laser-accurate floor plans, and highly accurate square footage calculations, check out:

[iGUIDE](#)

If you are an agent and would like to add an iGUIDE 3D tour and floor plan to your next listing, click [here](#):

About the Author

Marilyn Wilson

Managing Partner, WAV Group Consulting, California

Marilyn Wilson is Managing Partner for WAV Group Consulting and President of RE Technology.com. Marilyn is the leading research in the real estate industry today. She regularly publishes studies highlighting methods for the real estate industry to better serve the needs of real estate consumers. She is a frequent keynote speaker at real estate conferences including NAR's iOi Summit, Inman, CMLS, Leading Real Estate Companies of the World, T360 Summit, RESO and many others. Marilyn is a graduate of Cornell University.

Ms. Wilson is also President of [RETechnology.com](#), the largest source of real estate technology information and education for agents, brokers and MLSs in the United States today.

Marilyn learned how to help companies become customer-centric as SVP Strategic Planning and Worldwide Marketing for Fisher-Price toys. Marilyn was also CEO of Surveyor Corporation, a leading provider of web camera software and hardware. Marilyn is a graduate of Cornell University and currently serves on the President's Council of Cornell Women. She is a frequent keynote speaker at real estate conferences

including NAR's iOi Summit, Inman, CMLS, Leading Real Estate Companies of the World, T360 Summit, RESO and many others.



About WAV Group

WAV Group is one of the residential real estate industry's leading consulting firms. The company regularly works with large brokers and top producing agents and teams to identify the best methods for delivering excellent customer service to help them improve their professionalism and build lifetime relationships with their clients and prospects. If your brokerage or team needs help launching professionalism improvement strategies, defining a suite of technology tools, outlining cost-effective marketing programs, measuring client satisfaction or implementing effective competitive strategies feel free to reach out to us at marilyn@wavgroup.com.

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