

Measuring GLA – Mixing ANSI Standards with Local Custom

Let's face it, if you put 2 or more of any profession in the same room and ask for an opinion, the number and variations of that opinion will probably equal the number of people in the room. Coming to a consensus about anything must include a "melding" of the various ideas and opinions.

In the face of providing accurate information, we are all charged with providing such information in such a manner that the user of this information is not misled, whether intentionally or not. This applies to many aspects of the real estate business, whether it be from the agents, appraisers, title companies or even lenders. While we all have to follow the rules, mandates and regulations of our respective professions, some gray areas subject to interpretation find their way into our daily decisions while conducting our respective businesses.

To be addressed here is the measuring of single-family houses. While ANSI (American National Standards Institute, Inc.) is utilized as the basis from which we should aspire to achieve the most in a common square footage output, such cannot be a unilateral guideline. Local custom provides for many variations on providing what we can hopefully consider a common understanding of providing the most accurate representations of gross living area (GLA). This can only be reasonably achieved by beginning with the aforementioned ANSI and allowing some modifications based on local custom.

Arriving at the most accepted methods for our market, we need to first define the problems faced. As professionals, we must determine appropriate style, how to measure these styles, and finally, what to include as GLA. Beginning with style, most of our single family dwellings fall within certain styles of which we will focus on levels or floors.

Styles of Dwellings

Ranch, bungalow and ramblers are all basically referring to the main level of a home which has no upper level but may have a basement. These will all be referred to as Ranch for purposes of this paper. Other styles include 2-story, 1.5-story, raised ranch, and, multi-level homes such as four-level, tri-level, and bi-level. Some differences in these deserve some discussion. While it is usually clear what a **2-story** is (you know one when you see one), there may be some interior amenities which differ from the norm. Since most 2-story dwellings have the kitchen and main living area on the main (ground) level, what if this home has the kitchen and living area on the second level? What does that do to the main level? In some circumstances, the raised ranch concept comes to mind when it is merely a raised "main" level with a garden level basement. However, when viewing a home that is certainly a 2-story with the main level being at grade, one should call it as it is. If it's an apple, call it an apple. It's a 2-story. Mention of the kitchen and main living area being on the 2nd level should merely be noted as this could raise concerns of functional utility to those who wish not to "climb the stairs" multiple times per day.

Other variances include the multi-story styles of bi-level, tri-level, and four-level homes. **Bi-levels** have an upper and lower level typically accessed by a split stairwell. The lower level is partially below grade. This is one area where ANSI and local custom differ somewhat. Per ANSI, any area which is even partially below grade is to be considered as basement area and therefore not included in the GLA; however, local custom includes this lower level as part of the total GLA. 2 reasons come to mind which include the aforementioned local custom but also in that the assessor's office provides the numbers this way. While we could argue that we could all go to the assessor's office and determine the exact breakdown of the 2 levels, such simply is not practical. Rather, we work within the availability of data in the form provided to us, and by doing so we obtain consistency of this information and the subsequent product that we ultimately produce.



Tri-levels are similar to bi-levels, but, also include a main level to the side or in a front/back configuration. Such a style has that same bi-level configuration which includes a lower level partially below grade. In the case of ANSI, the lower level would be considered

basement while local custom provides for its inclusion in the total GLA.

The following picture is a front/back tri-level.



The following is a more typical tri-level.



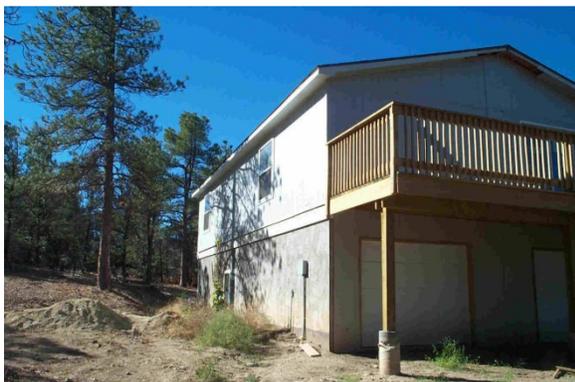
Four-level homes are merely tri-level homes which have yet another level below the main level. This lowest level is typically entirely below grade and is indeed considered basement. Another term for this home is a tri-level with basement.

Another variance to be noted is partially definition and partially local terminology. This lies in the difference between a **raised ranch** and a bi-level. Many markets consider them as similar if not the same. However, another take on this is the difference in the access. While a bi-level is accessed by a split stairwell which

“melds” the 2 levels into a more singular living area, raised ranches will typically be accessed by a staircase to the main level and a long single run staircase to the “basement”. Such an access tends to limit the functional “feel” of the lower level inclusion as part of the house as a whole. In other words, it feels like a basement by level as well as access and functional utility. This subsequently effects how the market may view this style and it may not be the same as that of the more assessable bi-level configuration.

Yet another style which comes to bear is the installation of a **manufactured home on a lower level** which is completely above grade. Even if this lower level is finished, does it fall within a definition that would justify its inclusion as GLA? This has been debated by many in the appraisal profession and 2 sides are certainly provided. One side says that if it’s finished, it should be 2-story as based on our 2-story discussion presented earlier; however, the other side suggests that it is a basement despite its being entirely above grade.

Following is such a dwelling which even includes a garage in the basement.



Here-in lies the dilemma; can one really state emphatically which it should be? When looking at the ramifications of such a style (Manufactured over above-grade lower level),

some issues will become apparent which help guide what the market may be thinking and thus how we should present it. Picture driving up to such a home. What do you see – a 2-story style home or are you thinking a manufactured home situated way up on an 8 to 10 foot rise? While it is perspective, the majority probably thinks the latter. Why? Picture living in such a style where-in the living area is way up above the yard, the garage, etc. Every time you go anywhere or arrive at home, you are negotiating a full set of stairs. This is not preferred. Do some prefer this? Probably, but, this is a functional issue which cannot be ignored. If it looks and feels like a basement, should it not be treated as one? Now let’s look at the “basement” itself. If it is finished and above grade, would one consider it a walk-out basement? Certainly it should but unlike the typical walk-out basement, you do not have ground level access to the main living area so any additional consideration given the walk-out basement tends to be offset by the inferior functional utility of the main level access. There will be much debate on this one and it is not sure if there is a local consensus as to 2 levels of GLA verses a main level over a basement. If the entire dwelling (both levels) are considered GLA, certainly some disclosure as to what this really is becomes warranted. Remember, we as agents and/or appraisers are not restricting value by how we call the lower level but are providing a more realistic and non-misleading assessment of the lower level. Value as a basement plus value of its finish are done in accordance with the valuation models we as agents and appraisers employ, but, must begin with what it really is or how the market likely views this amenity.

Finally, some discussion on 1.5 story homes is warranted. While the main level is pretty obvious, what constitutes a 1.5-story versus a 2-story style? 2-story dwellings typically go straight up with similar main and second stories. Deviations between the 2 levels are expected due simply to design aesthetics and functional issues with the respective floor plans; however, when the upper floor makes up only a percentage of the main level, then a 1.5 story style may be appropriate. When a 1-story addition is built onto a 2-story structure, this may leave a significantly larger main level than that of the upper. This may deserve to remain being called a 2-story as the 2-story portion is still a 2-story style. This goes back to the apples to apples thing again. Now if the upper level walls do not rise to the typical 8' level before the beginning of the roof line, this would typically be a 1.5 story home.

Measuring the Dwellings

Following are some points to follow when measuring dwellings of all styles.

- Always measure the outside. This is method employed by most and thus how everything should be compared. Always measure to the outside of a brick fascia or veneer (ground to roof-line) but not for brick wainscots. If you must measure from the inside, be sure to account for the thickness of the outside walls before calculating the GLA.
- Include chimney/fireplaces and bay windows. Bay windows which do not include a floor level (a floor you can

walk on or built-in storage at that level) are not included.

- Round to the nearest ½ foot. Any additional accuracy beyond this would be beyond the scope of what you are trying to provide and simply would have little effect on value or marketability. This will also make it easier to “close” the sketch.
- Measure all garages, patios, porches, decks, attached storage sheds, etc separately but do NOT include in the final GLA calculation. Remember to measure the living area of the house to its outside wall which may be the inside wall of the garage or enclosed porch or patio.
- Provide for a separate measurement of the finished basement area. While basements should be measured and calculated in their entirety, the amount which is finished must be provided.
- In multi-level, 2-story and 1½ story homes, stairwells are included in both levels in which they serve. This is limited to the space taken by the staircase itself. Watch for upper level open areas where the upper level floor does not continue across this area. 2-story vaulted living rooms are typical with upper areas overlooking this main or lower level.
- If the level of a section is within 2' of another section, it may and should be included in the square footage of that level. This is common when a sunken living room or family room is adjacent a main level.
- Measure declining ceiling heights of 1½-story to the 5' level. Beyond that should not be considered as GLA as per ANSI. Some ceilings go to the knee-

wall (side-wall) which may be 4' off the floor, or all the way to the floor itself. While some local custom may include all that which has a floor, anything under 4' simply is too limited in its functional use and should not be included. ANSI says to measure to the 5' level. However, while one should strive for that standard, a knee wall of 4' may not deserve its exclusion. To include floor area all the way to the 4' level would certainly be a significant deviation from the 5' standard and should be explained so as not to misrepresent the actual / reasonable GLA.

- Finished lofts or bonus rooms over garages may be included if it has a finished access from the main living area of the dwelling. The same practices applied to 1-½ story homes should be employed here.

What about Styles not Covered above?

Being in the Colorado foothills gives rise to topographic options in styles and designs that are parallel to none. With hillside walk-outs, partial berm multi-level homes, custom cabins and so forth, it is almost impossible to account for and describe any and all possibilities. Some of these may indeed not be measureable. Of importance is the need to communicate the square footage, style, GLA vs non-GLA, etc. such that it is not misleading.

While some appraisal offices offer measuring homes as a product, many prefer not to invest in this offering. Subsequently, in order to

understand your subject as well as possible start with what is obviously NOT GLA and then try to understand the remainder. Sometimes just deciding what is basement and removing it from consideration helps to understand the remaining square footage. Do it carefully – and in sections. A suggestion would be to go to the assessor's office and obtain a copy of their sketch. This provides an important visual tool while inspecting the subject. It can help give you a sense of direction in what may be a very confusing design.

Using Courthouse Data

We all know that it is not always practical or possible to measure a dwelling due to extreme weather, brush, limited access, etc. If for a reason other than just not having the spirit that day, the assessor's records may be an option but should not be your first option.

When finding the courthouse info on the subject property (www.qpublic.net/fremont), the data is broken down such that significant and useful information can actually be gleaned and utilized. When the account card is pulled up, you will find some area figures under the Building Data section. These figures should NOT be mixed up as providing the wrong figure is once again misleading and could cause erroneous pricing and create a waste of time for buyers, sellers and agents.

Please notice in the figure that follows where it indicates **TOTAL AREA**. At 2,952 sq ft, it may seem like a very large home; however, when one clicks on the link to the left that says Show Area Values, it provides a breakdown of what is included in that total figure.

<u>BUILDING #</u>	<u>TYPE</u>	<u>TOTAL AREA</u>
Show Area Values	RANCHER	2,952
<u>HEATING</u>	<u>COOLING</u>	<u>PRIMARY EXTERIOR WALLS</u>
HOT WATER	N/A	SINGL SIDE

Following is a view of this breakdown.

Parcel Number:
Traversal Information:
BAS1966=2283\$EPG1966=189\$CPT1966=480\$.

Please note that each of these include the area being provided, the year it was put on the records and the square footage. Each of the areas are separated by a \$ sign. In the above, the 1st level Base area (BAS) is only 2,283 (not 2,952). Following are areas NOT in the GLA which include an enclosed porch of 189 and a concrete patio of 480. All show 1966 as the year they were put on the record. All of these added together equal the TOTAL AREA.

BUILDING DATA	
<u>TOTAL AREA</u>	<u>HEATED AREA</u>
2,952	2,283
<u>PRIMARY EXTERIOR WALLS</u>	<u>PRIMARY INTERIOR WALLS</u>
SINGL SIDE	W BRD/DRYW

Notice above – do NOT use the red area but instead use the green area indicated as **HEATED AREA**. This is so important. Do you think the extra 669 sq ft would affect a pricing? How about its effect as a comparable? When it becomes a comparable, it will be shown to be much bigger than it really is which may cause significant errors in GLA adjustments when utilizing it in a CMA. While it is incumbent upon

and required by appraisers to check these figures, agents may choose to do quick CMAs through the MLS which would of course take this overstated figure and cause the potential listing subject to be priced lower than it should. While the principles of valuation adjustments are beyond the scope of this paper, it is important to understand the negative ramifications which could occur even beyond ones initial application of such an error.

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