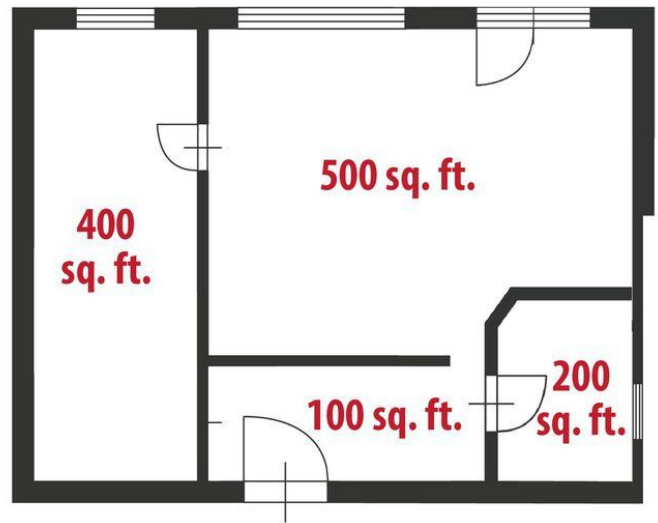


SQUARE FOOTAGE RULES TO REMEMBER



STATE THE SOURCE... Don't be the source.

Square footage discrepancies are one of the most often litigated real estate issues across the country. The reason is square footage is such an inexact science. Two individuals could measure a property and arrive at different numbers. That leads to disputes.

So make sure you have these 5 tips incorporated into your real estate business to minimize any legal risk.

- (1) Comply with Utah Admin Rule 162-2f-401(a)(8). This rule tells us that when selling a property, the agent must disclose the source that is being used for any square footage data when marketing the property. The square footage source must also be included in both the listing agreement and in a written disclosure provided to the buyer as part of the seller disclosures.
- (2) To comply with the rule above, simply use the UAR exclusive listing agreement and seller disclosure form. Both documents use check boxes to indicate the source used for square footage data and include other important info. So if the square footage was determined from a previous appraisal, check the appropriate box, and so on.
- (3) Don't personally measure the square footage. This only increases your potential liability should your measurements be inaccurate. Rather, state the source and encourage the buyer to independently verify.
- (4) If you have conflicting data, disclose the discrepancy to the buyer and allow he/she to independently verify. For example, suppose the county records say the sq footage is 3000 but a previous appraisal indicates 3500. Disclose both and let the buyer verify.
- (5) If representing the buyer, be sure to thoroughly review and have the buyer sign the Buyer Due Diligence Checklist. Paragraph 11 talks about square footage and encourages the buyer to not rely on anyone's measurement and to independently verify.

This is a Publication of the Cache Valley Association of REALTORS®

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