



Consultation Paper: Proposed Modification to the Residential Measurement Standard

Based on industry trends, stakeholder feedback, and identified consequences of the current Residential Measurement Standard (RMS), the Real Estate Council of Alberta is proposing amendments to the RMS to create consistency and practicality for residential real estate professionals when measuring a property.

This consultation paper contains two parts. The first part outlines proposed amendments to the RMS, asks if you support or do not support the amendments, and the reasons for your opinion. The second part of this paper outlines the proposed transition and implementation process, and asks for your feedback and suggestions.

Stakeholders can provide their feedback on the proposed amendments to the RMS and proposed transition processes through the online survey below, or by sending their direct feedback to consultation@reca.ca.

[ONLINE SURVEY](#)

We strongly encourage stakeholders to review the complete consultation paper before providing feedback. **Please provide your feedback on or before September 16, 2019.**

RMS Background

2014-2015

RECA created the Residential Measurement Standard (RMS) in 2015 after noticing gaps and a lack of clarity on residential measurement methodology in a review of pre-licensing education courses. RECA also learned of inconsistencies between residential measurement methodologies and how they were enforced across different real estate boards in Alberta.

After careful research, RECA created a standard for the pre-licensing course, and adopted the RMS in September 2015 to ensure the same measurement methodology was known and used across the entire residential real estate industry.

By ensuring all residential real estate professionals use the same standard for measuring and reporting measurements of residential properties, consumers can directly compare property size without concern that different measurement methods may have been used, and possibly skewed the size one way or another.

2016

RECA consulted all stakeholders on the RMS in 2016. The consultation resulted in changes to RMS Principle 3.

The RMS Principles require that, among other things, detached properties must be measured on the exterior at the foundation, and semi-detached and attached properties must be measured using interior walls (paint-to-paint).

2017-2018

Council directed RECA Administration to form an RMS Working Group of stakeholders to whom RMS applied. The RMS Working Group recommended amendments to the RMS, including changing the RMS to make interior measurements the standard for all property types. They presented their recommendations to Council at the October 2018 Council meeting.

At the October 2018 meeting, Council defeated a motion to adopt the recommendations of the RMS Working Group. Council then carried a motion that RECA conduct further consultation with affected stakeholders specifically about the consequences of the RMS methodology for measuring semi-detached and attached properties, i.e. the paint-to-paint methodology.

2019

From January 18 to March 18, 2019, RECA asked stakeholders for feedback on the potential consequences of the RMS methodology for measuring semi-detached and attached properties. The results of the feedback ranged considerably, but several key consequences were identified, including the potential for under-insured, under-valued, and under-appraised properties, some properties may be refused financing, and a lack of clarity and consistency for consumers.

On April 17, 2019 Council made a motion to create an Ad Hoc committee to consolidate the methodology of the measurement of detached, semi-detached and attached homes. The Committee met on May 27, 2019 and June 18, 2019.

The committee recommended the amendments to the RMS and proposed transition processes contained in this paper.

Council approved consultation on these proposed amendments at its July 17, 2019 meeting.

Proposed Amendments to the RMS

Proposed amendment 1

Measure all properties, except for apartment-style/stacked condominium units, using the exterior wall at foundation.

Questions:

Do you support this amendment?

If yes, do you have any suggestions for improvement?

If no, why not?

Proposed amendment 1a

Below grade measurement may be reported. If it's reported it must be calculated using the exterior wall at foundation.

Questions:

Do you support this amendment?

If yes, do you have any suggestions for improvement?

If no, why not?

Proposed amendment 2

For apartment-style/stacked condominium units measure the interior perimeter walls (paint-to-paint) at floor level. An additional area representation may be made assuming exterior measurements.

Questions:

Do you support this amendment?

If yes, do you have any suggestions for improvement?

If no, why not?

Proposed amendment 2a

Below grade measurement may be reported. If it's reported it must be calculated using the interior perimeter walls (paint-to-paint) at floor level.

Questions:

Do you support this amendment?

If yes, do you have any suggestions for improvement?

If no, why not?

Proposed Transition Process

Proposed process 1

Change announcement to take place 3 months before transition process is to commence, to enable real estate boards to change their databases and set up transition systems.

Questions:

Do you support this proposed transition process?

If yes, do you have any suggestions for improvement?

If no, why not?

Proposed process 2

Once boards have developed their transition systems, work with boards to create and disseminate detailed communications to industry professionals during the transition process.

Questions:

Do you support this proposed transition process?

If yes, do you have any suggestions for improvement?

If no, why not?

Proposed process 3

Establish an additional transition process of 3 months where attached properties are measured using exterior measurements (new RMS) and interior measurements (old RMS) to allow for Comparative Market Analyses and for appraisal data. This transition process is not to overlap into the spring market period.

Questions:

Do you support this proposed transition process?

If yes, do you have any suggestions for improvement?

If no, why not?

Proposed process 4

The consultation process will also seek feedback on the residential real estate professionals' desire for RECA to offer an RMS course for individuals providing measurement services to real estate professionals (i.e. measurement companies).

Questions:

Do you support this proposed transition process?

If yes, do you have any suggestions for improvement?

If no, why not?

What next?

This formal consultation will end on **September 16, 2019**, and following that, Council will review the feedback and will decide to approve or modify the proposed amendments and processes.

Please continue to watch for updates via RECA News emails and via the November 2019, February 2020, and April 2020 Regulator newsletters.