

# RESIDENTIAL MEASUREMENT STANDARD - DOCUMENTATION

**Purpose:** This bulletin details the documentation that the Real Estate Council of Alberta expects real estate professionals to maintain in a file with respect to the Residential Measurement Standard.

**This bulletin applies to real estate professionals when trading in residential real estate or providing property management services.**

A fundamental requirement of the Residential Measurement Standard (RMS) is that industry professionals must measure the property themselves according to the RMS or cause it to be measured by someone competent in the RMS.

Brokers are responsible for ensuring their industry professionals are following the RMS principles. Beyond those specific principles, it is up to brokers to develop additional measurement-related policies for their industry professionals.

## **When performing the measurements yourself**

Because brokers are responsible for ensuring their industry professionals are following the RMS principles, the only way they can confirm this is by reviewing measurement documentation in the brokerage file.

Exactly what the broker requires in the file is up to the policies the broker develops for the brokerage. Remember that the broker wants to limit the brokerage's risk, and that requires due diligence.

While RECA does not require scaled diagrams or sketches that show room dimensions, it would be very unusual for a real estate professional to not have a diagram or sketch in the brokerage file showing measurements and/or calculations. Ultimately, residential real estate professionals need to be able to demonstrate how they calculated the RMS size, and diagrams, sketches, and calculations help them do this – and help their broker ensure it's being done correctly.

Here are just some of the ways real estate professionals can demonstrate due diligence when measuring property themselves:

- sketch the exterior perimeter of the property
- sketch separate floor plans for each above grade level
- identify the areas to measure (inclusions and exclusions) according to the RMS principles

- record measurements, sketches, and any other relevant notes related to the property
- double check your calculations for mathematical or transposition errors
- keep these items in the client's file

### When using a measurement company

All real estate trading activity that a real estate professional carries out is on behalf of the brokerage with which they are registered. This means that when an individual real estate professional hires a property measurement company to measure a listing, the measurement company is actually providing the service to the brokerage.

For that reason, a broker can and should establish policies surrounding its industry members' use of property measurement companies. The broker can:

- establish the steps the real estate professionals must take to determine whether a property measurement company is competent to measure in accordance with the RMS
- direct associates to only use property measurement companies the broker has determined are competent
- specify the types of information and documentation that must be contained in the property measurement reports prepared by property measurement companies (diagrams, sketches, etc.)
- outline the types of technology the property measurement companies must use when determining the RMS size
- stipulate the provisions and limits of the property measurement company's E&O insurance policy, and the types of proof required to confirm the policy is valid and in effect
- establish standards for the submission and timing of property measurement reports to the brokerage
- stipulate the types of reviews or verification that the associate or associate broker must undertake when reviewing a property measurement report

### Documentation Required

When a brokerage uses a property measurement company, RECA is primarily concerned with the process the brokerage follows to ensure the property measurement company is competent in the RMS. **RECA does not mandate the content of property measurement reports.**

A property measurement report that contains the name of the property measurement company, the address of the subject property, and the RMS size is sufficient from RECA's point of view.

However, this does not mean the real estate professional should necessarily be satisfied with this type of report. The brokerage and its real estate professionals should also be concerned about reducing their civil, professional, and reputational liability risk, and in order to do so, they may want more documentation from the property measurement company (diagrams, etc.). This is for them to negotiate with the property measurement company, but it is not a RECA requirement.

Real estate professionals may also want diagrams and dimensions in measurement reports as these can form part of marketing materials.

Brokerages that engage property measurement companies on behalf of clients should consider what information they want in the brokerage file, such as information on the property grade, diagrams, dimensions, and calculations. The real estate professional needs to determine what information is relevant and necessary to satisfy themselves the RMS size was calculated correctly, and to satisfy their client's marketing needs.

From a risk reduction perspective, reviewing a property measurement report or actual diagrams from the property measurement company's diagrams can help a real estate professional ensure:

- the appropriate measurement methodology was applied
- all levels above grade where included
- all levels below grade were excluded
- any protrusions from the main structure were properly evaluated to determine if they are required to be included or excluded as required
- any vaulted spaces were excluded and the calculations reflect their exclusion
- spaces not meeting minimum height requirements were excluded, etc.

The amount of due diligence a real estate professional exercises may depend on the circumstances. For example, a brokerage may be satisfied with a measurement report stating the RMS size in the case of a raised bungalow without any difficult features. However, a brokerage may require a property measurement report that includes side views together with the grade, and diagrams of each level for a 5-level split with vaulted spaces and protrusions.

If a property measurement company provides diagrams to scale, a real estate professional may be able to notice larger errors. For example, it may be easy to recognize if a 12 metre width incorrectly shows as 21 metres because of a number transposition.

## Related information

### Legislation

- *Real Estate Act* Rules, sections 41(b), 42(a)

### Information bulletins

- Competent Service
- Enforcement of the Residential Measurement Standard (RMS)
- Residential Measurement Standard (RMS)

### Other

- Guide to the Residential Measurement Standard