



C.A.R.
LEGAL
TOOLS

**Square Footage,
Lot Size,
and Boundaries**



Your Duties in a Real Estate Transaction

- Fiduciary duty to clients
- Duty of honesty to all principals



How Duties Impact Disclosure of Estimates of Square Footage, Lot Size and Boundaries



Listing Advertisements

Disclose **ALL** known estimates and **ALWAYS** include:

- (1) The source of the material
- (2) That you have not verified the information

MLS Considerations

- Some Multiple Listing Services (MLSs) automatically fill in the square footage or lot size fields from public records
- Some include disclaimers like “this information is deemed reliable but not guaranteed,”
- This information may not be adequate if : 1) the source of the material is not identified and 2) there is a failure to indicate that the information has not been verified



\$429,900

Bedroom: 4

Bathroom: 2

Lot Size: 2460*

Square Footage: 1140*

MLS #: 00000000

REMARKS

*The information contained herein has been obtained through sources deemed reliable but cannot be guaranteed as to its accuracy.

Sample MLS Disclaimer

Likely Insufficient MLS disclaimer

- The source of the material is not identified
- Failure to indicate that the information has not been verified



\$659,900

Bedroom: 5

Bathroom: 3

Lot Size: 3950*

Square Footage: 1360*

MLS #: 00000000

REMARKS

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Sample Real Estate Property Sheet

For Sale Price: \$799,900

Address: 555 Real Estate Lane, Los Angeles, CA 55555

Bedrooms: 4

Bathrooms: 3

Size: 3982 Square Feet

Lot Size: 1398

Year Built: 1992

Listing Date: August 1, 2017

ID#: 00000000

Description:

Beautiful, spacious, California home.
New Paint, carpet, and tile.



Remarks:

Information above obtained from source: building and safety
Disclaimer: The information contained herein has been obtained through sources deemed reliable but cannot be guaranteed as to its accuracy. Any information of special interest should be obtained through independent verification.

Missing disclaimer that information has not been verified in the Remarks

Disclaimer may be sufficient to avoid liability, but best practice requires both:

- Identification of information source
- Disclaimer that agent has not verified the information

Additional Remarks:

Square Footage Estimates

3876 (tax assessor)

3976 (seller's lender's appraisal)

4000 (seller)

Lot Size Estimates

1321 (tax assessor)

1500 (seller)

- If there is more than one estimate available, ALL estimates should be disclosed
- Provide disclosure in the Remarks section of the MLS or advertisement, or in a separate addendum

Seller Provided Estimates

- Ask sellers if they have any documentation to support an estimate of square footage
- Disclose the information was provided by seller and that it has not been verified



Advising Buyers

- Caution buyers against relying only on information in public records (it may be incomplete or wrong)
- If buyer desires a certain size lot, advise buyer to obtain an appraisal
- Obtaining an independent appraisal may provide additional protection in case the lender's appraisal value is not accurate



Real Estate Appraisal

Vendor Name:

Last Name

Street Address:

City

Evaluation Period:

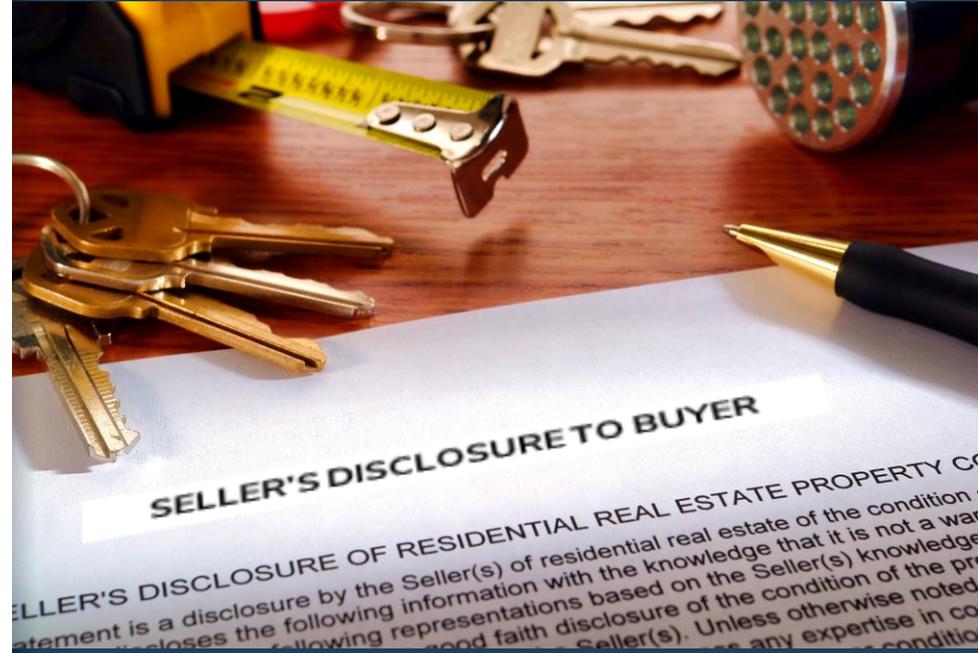
Special Assessment:

Valuation Amount:

View:

Advising Buyers

- If buyer requires a particular square footage or lot size and does not obtain an independent appraisal:
- Advise buyer in writing of the risk in relying on public records, estimates from others, and (especially) seller remarks



Agent Do's and Do Not's



DO NOT:

Identify boundary lines or markers

DO:

Recommend that buyer hire an engineer or surveyor to identify the boundaries or monument markers. While title companies will plot out the boundaries of an easement, upon request, they do not do so for property boundaries.

Use C.A.R. Form SWPI (Septic Inspection, Well Inspection, Property Monument and Allocation of Cost Addendum), paragraph 3, to allocate the costs of such inspections.

Easement Considerations

- Watch the inspection contingency time periods
- For questions on extent of a recorded easement, direct buyer to title company or a lawyer
- Easement issues often involve access to property, a shared driveway, and whether it includes access only or right to parking



ADDITIONAL RESOURCES

Square Footage, Lot Size and Boundaries

C.A.R. VIDEO SHORT



**Buyer Video
&
Seller Video**

QUICK GUIDE



**Buyer & Seller Guide to
Navigating Square Footage**

Available at: www.car.org/riskmanagement/tools/squarefootage-lotsize-boundaries