

Standardized Property Measuring Guidelines



Updated guidance

Appraisers will be required to use the Square Footage-Method for Calculating: ANSI® Z765-2021 (American National Standards Institute®) Measuring Standard for measuring, calculating, and reporting gross living area (GLA) and non-GLA areas of subject properties for appraisals requiring interior and exterior inspections with effective dates of April 1, 2022 or later on loans sold to Fannie Mae.

Historically, Fannie Mae's *Selling Guide* has not required the use of a specific measurement standard. This policy update will standardize the method used to measure, calculate, and report GLA and non-GLA areas of subject properties.

All footprint sketches and floor plans must be computer-generated (not hand-drawn), indicate all the dimensions needed to calculate the GLA and other required areas such as garage and basement, and show the calculations to demonstrate how the estimate for gross living area was derived.

Why the change?

Valuations of residential property correlate strongly with GLA, yet to date there is little consistency in how appraisers determine it. Our adoption of the ANSI standard for measuring, calculating, and reporting square footage:

- Creates alignment across market participants.
- Provides a professional and defensible method for the appraiser.
- Allows transparent and repeatable results for the user of the appraisal report.

How well do you know ANSI?

Here are some items for appraisers to consider when using the ANSI standard¹:

- Measurements are taken to the nearest inch or tenth of a foot, and the final square footage is reported to the nearest whole square foot.
- Staircases are included in the GLA of the floor from which they descend.
- Basement is any space that is partially or completely below grade.
- The GLA calculation does not include openings to the floor below, e.g., two-story foyers.
- Finished areas must have a ceiling height of at least 7'. In a room with a sloping ceiling, at least 50% of the finished square footage of the room must have a ceiling height of at least 7' and no portion of the finished area that has a ceiling height of less than 5' can be included in the GLA.
- If a house has a finished area that does not have a ceiling height of 7' for 50% of the finished area, e.g., some cape cods, in conformance with the ANSI Standard, the appraiser may put this area on a separate line in the Sales Comparison Grid with the appropriate market adjustment. The report will be ANSI-compliant and also acknowledge the contributing value of the non-GLA square footage.

What if comparable sales are measured differently?

GLA for properties in local MLS systems and assessor records may not be ANSI-compliant. The appraiser may not know what method an MLS listing or assessor used to calculate the GLA. Through research and their knowledge of the local market, appraisers determine if the GLA provided through alternate sources should be adjusted. The adjustment process does not change the requirement to report subject GLA to the ANSI standard.

Is there an exception process?

If the appraiser is unable to adhere to the ANSI Standard, the appraiser will provide the code "GXX001 –" in the Additional Features field on the appraisal form and must explain why compliance was not possible. For example, berm homes with their entire square footage below grade would be eligible for an exception. The appraiser must provide justification for an exception, lenders are responsible for confirming the appraiser provided an adequate explanation. Fannie Mae will monitor for inappropriate use of exceptions (i.e., using methods other than the ANSI standard for homes that have typical above grade square footage).

What next?

For additional information, see *Selling Guide* [B4-1.3-05](#), Improvements Section of the Appraisal Report and [B4-1.2-01](#), Exhibits for Appraisals.

Appraisers can visit [Home Innovation Research Labs](#) to obtain a copy of the standard and might consider taking a continuing education course to sharpen their skills.

Appraisers are encouraged to begin using the ANSI Z765-2021 Standard as soon as possible; however, it will be required for appraisals with effective dates of April 1, 2022 or later.

¹ American National Standard for Information Sciences — Square Footage — Method for Calculating, ANSI, Z765-2021 (approved March 2021)