

Price Per Square Foot Is Now More Meaningless Than Ever

By JIM SMITH
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A year ago today, my column headline was “Price Per Square Foot Made Meaningless by MLS Rules.”

On Oct. 27 I reported that Metrolist (our MLS) had changed its square footage rules, effective Jan. 1, 2006, so that both walk-out and garden level basements can be listed as “Lower Level” instead of “Basement.” Such square footage is thereby included in the “Square Feet” field from which “Price per Square Foot” (PSF) is calculated.

The previous rule was especially unfair to owners of homes with finished walk-out basements which were above grade on three sides and even had 9-foot ceilings. I owned such a home until earlier this year, and it had to be shown on the MLS as having 1,521 square feet. Under the new rule, that home has 2,977 square feet.

At first, I was elated with the new rule — that is, until I saw how far Metrolist had gone. Incredibly, they included “garden level” basements, which are basements with at least one window above grade (that is, not a window well). Secondly, they included the entire square footage, whether finished or not. As a result, we now have a PSF that is even more meaningless — and more misleading — than before! It includes, for example, my current unfinished basement, which is completely underground except for one window next to my sprinkler system. I paid \$162 per square foot for this house, but if I listed it for the same price today, it would cost



\$107 per square foot! In effect, I would be participating with Metrolist in deceptive marketing.

By the way, although Metrolist says this new rule is effective in January, they are already allowing agents to list qualifying basements as “Lower Level.”

I urge Metrolist to correct their mistake immediately, even though it requires programming that they don’t want to do because of their focus on “next generation” software to be released about a year from now. Part of the fix should be to replace PSF with Price per Finished Square Foot.

Habitat for Humanity Gets \$25,000 Donation

As you may know, I give 10% of every earned real estate commission to Habitat for Humanity in my clients’ honor. Last week I was able to write a \$25,000 check to the Denver affiliate of Habitat for Humanity, since my commissions for this year just passed the \$250,000 mark.

This amount allows me to provide a one-half sponsorship of a Habitat home to be built in Jefferson County next spring. The other sponsor is Jeffco Partners for Interfaith Action, a coalition of faith groups from around Jefferson County which has already sponsored six other Habitat homes. I am the volunteer coordinator for that coalition, so it was an easy decision to apply my gift to co-sponsoring their next home.

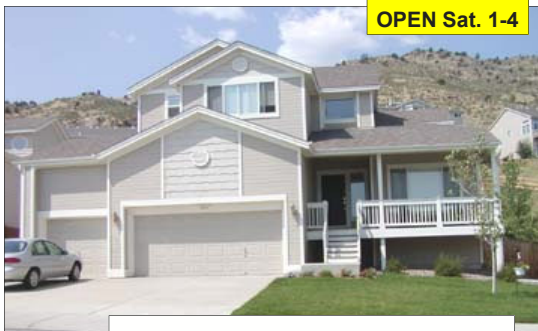
Last week I wrote my column about Habitat for Humanity and its mission. You can read it at www.JimSmithColumns.com

This Week’s Featured Listing

Great Mountain Ridge Home!

This great home in Golden’s premier neighborhood has a master suite and two bedrooms on the top floor. The guest bedrooms share a Jack & Jill bathroom. On

the main floor, you’ll appreciate the spacious eat-in kitchen with its hardwood floor which is open to the carpeted family room. A formal dining room and formal living room, plus a study overlooking the covered porch complete the main floor. The 3-car garage has a 16-foot ceiling — great storage! Call Jim for a showing today!



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