

ARIZONA REAL ESTATE LICENSE PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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THE FULL VERSION STUDY GUIDE

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. What do local zoning ordinances define as the distances between lot lines and improvements?**
 - A. Buffer zones
 - B. Depth
 - C. Frontage
 - D. Setbacks
- 2. What factor primarily influences the monthly payment on a mortgage?**
 - A. Loan term
 - B. Interest rate
 - C. Down payment amount
 - D. Borrower credit score
- 3. Which of the following is not a cost that a seller typically pays?**
 - A. Affidavit of value
 - B. Back taxes
 - C. Escrow fees
 - D. Termite report
- 4. Which entity is responsible for the oversight of water adequacy in proposed developments in Arizona?**
 - A. ADWR
 - B. ADEQ
 - C. Arizona Department of Water Quality
 - D. US Geological Survey
- 5. Peter leases space for his ice cream shop and pays \$800 a month plus a percentage of profits. What kind of lease does he most likely have?**
 - A. Graduated lease
 - B. Ground lease
 - C. Index lease
 - D. Percentage lease

- 6. Which of the following best defines "eminent domain"?**
- A. The right of the government to seize private property for public use
 - B. The legal process of evicting tenants
 - C. The requirement for landlords to maintain property
 - D. A method for determining property value
- 7. New home builders in Arizona must provide a formal warranty on structures for how many years?**
- A. One year
 - B. Two years
 - C. Four years
 - D. Six years
- 8. Which lien would take priority and be paid first in the event of a foreclosure sale?**
- A. Judgment lien
 - B. Mechanic's lien
 - C. Mortgage lien
 - D. Property tax lien
- 9. What documentation is required to establish the value of a property for a VA-Guaranteed loan?**
- A. Broker price opinion
 - B. Certificate of eligibility
 - C. Certificate of reasonable value
 - D. Competitive market analysis
- 10. Radon gas would primarily be found in which of the following substances?**
- A. Insulation material
 - B. Lead-based paint
 - C. Underground minerals
 - D. Building materials containing formaldehyde

Answers

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1. D
2. B
3. D
4. A
5. D
6. A
7. B
8. D
9. C
10. C

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Explanations

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1. What do local zoning ordinances define as the distances between lot lines and improvements?

- A. Buffer zones
- B. Depth
- C. Frontage
- D. Setbacks**

Local zoning ordinances establish setbacks as the required distances between property lines and any structures or improvements on the property. Setbacks are critical in urban planning as they help ensure that buildings are positioned at a safe distance from property boundaries, which aids in maintaining privacy, reducing noise, and ensuring adequate light and air for surrounding properties. Additionally, setbacks can prevent overcrowding and promote uniformity in the development of neighborhoods, thereby enhancing community aesthetics and functionality. The term "buffer zones" typically refers to areas designated to separate different land uses, such as residential from commercial, rather than specifying distances from structures. "Depth" generally relates to the measurement from the front to the back of a lot and does not specifically address distances concerning lot lines. "Frontage" refers to the extent a property faces a public road or street, which is a different concept from the required setbacks for structures. Therefore, setbacks are the precise term that encompasses the definition provided in the question.

2. What factor primarily influences the monthly payment on a mortgage?

- A. Loan term
- B. Interest rate**
- C. Down payment amount
- D. Borrower credit score

The monthly payment on a mortgage is primarily influenced by the interest rate. This is because the interest rate determines how much interest will accrue on the loan over time. A higher interest rate results in higher interest charges, which directly increases the total monthly payment, while a lower interest rate leads to lower monthly payments. While the loan term, down payment amount, and borrower credit score are important factors in the overall mortgage arrangement, they do not have as direct an impact on the monthly payment as the interest rate. The loan term affects the length of time over which payments are spread out, potentially influencing the size of each payment, but the interest rate is the key variable that affects how much interest is paid each month. Similarly, while a larger down payment can reduce the loan balance and thus decrease monthly payments, the interest rate still has the most significant and immediate effect on the payment amount. The borrower credit score influences the interest rate offered but does not directly affect the payment itself. Therefore, when considering the most substantial factor affecting monthly mortgage payments, the interest rate stands out.

3. Which of the following is not a cost that a seller typically pays?

- A. Affidavit of value
- B. Back taxes
- C. Escrow fees
- D. Termite report**

The termite report is typically not a cost that the seller pays, as it is often a responsibility of the buyer or is negotiated during the transaction process. In real estate transactions, the buyer usually wants to ensure that the property is in good condition, which includes having pest inspections, like termite reports, conducted to assess any potential issues before finalizing the purchase. Additionally, the other costs mentioned are often the responsibility of the seller. The affidavit of value is necessary to document the sale for tax purposes and is usually a cost incurred by the seller. Back taxes might also need to be settled by the seller before the property is sold. Escrow fees can vary, but it's common for sellers to be responsible for their portion of these fees as part of the closing costs. Thus, sellers are generally more involved in covering costs that directly relate to the sale of the property, which is not typically the case with the termite report.

4. Which entity is responsible for the oversight of water adequacy in proposed developments in Arizona?

- A. ADWR**
- B. ADEQ
- C. Arizona Department of Water Quality
- D. US Geological Survey

The Arizona Department of Water Resources (ADWR) holds the responsibility for overseeing water adequacy in proposed developments throughout Arizona. This entity ensures that new developments have sufficient water supply to meet the needs of future residents and businesses. ADWR's role includes evaluating water availability and the sustainability of water sources, thereby promoting responsible water management and use in the state. In Arizona, where water resources can be limited and are a critical concern due to arid conditions, the ADWR's oversight helps to protect the water supply for all users. By requiring developers to demonstrate adequate water availability, the ADWR aims to prevent over-extraction and depletion of vital water resources, which could compromise the needs of current and future communities. Other entities, such as the Arizona Department of Environmental Quality (ADEQ), focus on environmental standards and water quality rather than the adequacy of water supply for new developments. The US Geological Survey conducts research and provides data but does not directly oversee water adequacy in development projects.

5. Peter leases space for his ice cream shop and pays \$800 a month plus a percentage of profits. What kind of lease does he most likely have?

A. Graduated lease

B. Ground lease

C. Index lease

D. Percentage lease

The situation described indicates that Peter pays a fixed monthly rent of \$800 along with a percentage of his profits. This type of agreement is characteristic of a percentage lease, which is commonly used in retail environments. In a percentage lease, the tenant pays a base rent, which is usually lower than that of a traditional lease, and then agrees to pay a percentage of their sales or profits to the landlord. This structure helps align the interests of both the landlord and the tenant, as the landlord benefits from the tenant's success, while the tenant has the potential for lower fixed costs. Other types of leases mentioned do not fit this scenario. For example, a graduated lease includes predetermined increases in rent over time but does not tie rental payments to sales or profits. A ground lease typically involves leasing land for an extended period, allowing the tenant to develop buildings but is not tied to sales percentages. An index lease uses an index, such as the Consumer Price Index, to adjust rents over time rather than linking them to sales or profits. Thus, the arrangement described aligns most closely with the characteristics of a percentage lease.

6. Which of the following best defines "eminent domain"?

A. The right of the government to seize private property for public use

B. The legal process of evicting tenants

C. The requirement for landlords to maintain property

D. A method for determining property value

The concept of "eminent domain" refers specifically to the power of the government to take private property for public use, provided that just compensation is given to the property owner. This principle is rooted in the Fifth Amendment of the United States Constitution, which states that private property shall not be taken for public use without just compensation. This power is typically exercised for projects such as infrastructure development (like roads, schools, and parks) that serve the public interest. The other options represent different legal concepts. The process of evicting tenants pertains to landlord-tenant law and does not involve government acquisition of property for public benefit. The requirement for landlords to maintain property speaks to the responsibilities of property owners in ensuring safe and habitable living conditions for tenants, which is unrelated to the concept of eminent domain. Finally, a method for determining property value typically involves appraisals or market analysis, which again does not tie into the government's authority to seize property for public use. This clarification helps to reinforce the specific nature of eminent domain as fundamentally involving governmental authority and public interest.

7. New home builders in Arizona must provide a formal warranty on structures for how many years?

- A. One year
- B. Two years**
- C. Four years
- D. Six years

New home builders in Arizona are required to provide a formal warranty on structures for two years. This warranty typically covers defects in workmanship or materials, ensuring that the builder is held accountable for issues that may arise shortly after the home is completed. The two-year warranty period is a standard practice that provides assurance to homeowners that their new home meets acceptable standards of quality and durability. In addition to the two-year warranty for workmanship and materials, there are other warranties that may cover different aspects of the home for longer periods, such as structural components, which can be covered up to six years. However, when specifically referring to the warranty builders must provide for the workmanship and materials, the two-year requirement is the correct duration according to Arizona regulations. This requirement aims to protect consumers by ensuring that builders maintain a certain level of quality in their constructions.

8. Which lien would take priority and be paid first in the event of a foreclosure sale?

- A. Judgment lien
- B. Mechanic's lien
- C. Mortgage lien
- D. Property tax lien**

In the context of foreclosure sales, property tax liens hold the highest priority among all types of liens. This precedence is established by law, which mandates that property tax debts must be settled before any other liens, regardless of their creation date. The rationale behind this priority is to ensure that local governments can collect the taxes necessary for funding essential services, such as schools and public safety. On the other hand, judgment liens, mechanic's liens, and mortgage liens follow in rank of importance but do not surpass the priority of property tax liens. Judgment liens arise from court rulings, mechanic's liens are filed by contractors or suppliers for unpaid work or materials, and mortgage liens are created when property is used as collateral for loans. These liens can compete with each other based on their recording dates and specific circumstances, but none can override the government's claim for property taxes. Therefore, in the event of a foreclosure sale, the amount owed for property taxes will be satisfied first, ensuring that the local taxing authority receives payment before addressing any outstanding judgment, mechanic's, or mortgage liens.

9. What documentation is required to establish the value of a property for a VA-Guaranteed loan?

- A. Broker price opinion
- B. Certificate of eligibility
- C. Certificate of reasonable value**
- D. Competitive market analysis

To establish the value of a property for a VA-Guaranteed loan, a Certificate of Reasonable Value (CRV) is required. This document is primarily issued by the Department of Veterans Affairs and serves as an official determination of a property's market value based on a comprehensive evaluation typically performed by a VA-approved appraiser. The CRV assures lenders that the property is valued appropriately, reflecting its market conditions and ensuring borrowers do not overpay. This valuation is crucial for VA loans as it ensures that veterans and service members are not financing more than the property's worth, aligning with the VA's mission to protect the interests of eligible borrowers. The process often involves a thorough inspection of the property in question and an assessment of comparable sales in the area to yield an accurate valuation. Other options involve various forms of property assessment but do not fulfill the requirement needed for a VA-Guaranteed loan. A broker price opinion and competitive market analysis are typically used in different contexts and lack the formal recognition or approval of the VA, thereby not sufficing for this specific purpose. The certificate of eligibility, while vital for confirming a service member's qualification for a VA loan, does not pertain to property valuation.

10. Radon gas would primarily be found in which of the following substances?

- A. Insulation material
- B. Lead-based paint
- C. Underground minerals**
- D. Building materials containing formaldehyde

Radon gas is a naturally occurring radioactive gas that is primarily produced from the decay of uranium found in soil and underground minerals. This process occurs deep within the earth, and as uranium breaks down, radon is released into the surrounding environment, especially in areas where uranium deposits are found. The presence of radon is often associated with geological formations that contain these minerals, making underground minerals the primary source of radon gas. Therefore, when considering its main occurrence, the link between radon and underground minerals is significant, as it can seep into buildings from the ground, posing a health risk if not properly mitigated. In contrast, insulation material, lead-based paint, and building materials containing formaldehyde do not typically release radon. While they may pose other health risks, they are not sources of radon gas, which is specifically linked to the geological composition of the earth.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://arizonarealestate.examzify.com>

We wish you the very best on your exam journey. You've got this!

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