

Gold Coast Real Estate Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

This is a sample study guide. To access the full version with hundreds of questions,

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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. Don't worry about getting everything right, 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, and take breaks to retain information better.

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.

7. Use Other Tools

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!

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Questions

- 1. Which of the following is NOT typically included in fixed expenses?**
 - A. Hazard insurance**
 - B. Property taxes**
 - C. Maintenance contracts**
 - D. Water bills**
- 2. What is the purpose of a deposit in a real estate transaction?**
 - A. To secure the goodwill of the buyer**
 - B. To show serious intent to purchase**
 - C. To pay for closing costs**
 - D. To provide financing for repairs**
- 3. What type of estate is a tenancy for years considered?**
 - A. Freehold estate**
 - B. Nonfreehold estate**
 - C. Real estate**
 - D. Life estate**
- 4. To whom must a licensee disclose that they are acting on their own behalf?**
 - A. The real estate board**
 - B. The property owner**
 - C. The public**
 - D. The mortgage lender**
- 5. In real estate, "steering" is typically associated with which practice?**
 - A. Marketing properties**
 - B. Discrimination in housing**
 - C. Negotiating leases**
 - D. Assessing property value**

- 6. What does redlining refer to in real estate?**
- A. The refusal of a lender based on income level**
 - B. The refusal of a lender based on geographic location**
 - C. The refusal of a lender to approve a mortgage loan**
 - D. All of the above**
- 7. What is the purpose of a satisfaction of mortgage?**
- A. To start a loan modification process**
 - B. To indicate full repayment of the loan**
 - C. To detail payment schedules for the borrower**
 - D. To confirm property appraisal values**
- 8. Which type of ownership allows for the property to be inherited by heirs?**
- A. Joint tenancy**
 - B. Tenancy in common**
 - C. Tenancy by the entirety**
 - D. Estates in severalty**
- 9. What deduction can qualifying owners take from their assessed property value?**
- A. 10,000**
 - B. 25,000**
 - C. 15,000**
 - D. 5,000**
- 10. A separate property in a life estate is referred to as what?**
- A. Community property**
 - B. Non-marital asset**
 - C. Marital asset**
 - D. Shared asset**

Answers

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

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Explanations

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1. Which of the following is NOT typically included in fixed expenses?

- A. Hazard insurance**
- B. Property taxes**
- C. Maintenance contracts**
- D. Water bills**

Fixed expenses are those costs associated with property ownership that remain relatively constant over time, regardless of the property's operational performance. They typically include items such as hazard insurance and property taxes, as these are recurring obligations that do not fluctuate much from month to month or year to year. Maintenance contracts, although they can be predictable, are not always fixed as they often depend on the needs of the property, which can vary. Repairs or upgrades that fall outside of a standard contract can lead to fluctuating costs, making maintenance potentially variable rather than fixed. Water bills, while somewhat regular, can vary significantly based on usage and therefore do not fit the definition of fixed expenses as closely as other options. In contrast, maintenance contracts are generally contingent on an owner's need for specific services and can vary in both scope and cost, which is why they do not classify as fixed expenses.

2. What is the purpose of a deposit in a real estate transaction?

- A. To secure the goodwill of the buyer**
- B. To show serious intent to purchase**
- C. To pay for closing costs**
- D. To provide financing for repairs**

In a real estate transaction, the purpose of a deposit, often called "earnest money," is to demonstrate the buyer's serious intent to purchase a property. By providing this deposit, the buyer indicates to the seller that they are committed to proceeding with the transaction and are willing to put their money where their intention lies. This earnest money serves as a security measure for the seller, reassuring them that the buyer is not just casually considering a purchase but is actively serious about making an offer on the property. This commitment can give the seller peace of mind in a competitive market, where multiple offers may be present, as it reflects the buyer's readiness to move forward quickly. The earnest money is typically held in an escrow account and is applied toward the buyer's closing costs or down payment in the final transaction, contributing to the buyer's financial commitment and facilitating a smoother transaction process. In contrast, the other options do not accurately capture the primary function of a deposit in real estate transactions. While securing goodwill, covering closing costs, or financing repairs may be relevant considerations in the overall process, they do not encapsulate the primary role of the deposit itself in terms of signaling buyer intent.

3. What type of estate is a tenancy for years considered?

- A. Freehold estate**
- B. Nonfreehold estate**
- C. Real estate**
- D. Life estate**

A tenancy for years is classified as a nonfreehold estate because it is a leasehold interest created for a specific duration. In this type of estate, the tenant has the right to occupy and use the property for a set period, which can range from days to years. The defining characteristic of a nonfreehold estate is that it does not provide ownership of the property but rather a temporary right to use it, with the terms set forth in a lease agreement. In contrast, a freehold estate involves an ownership interest in real property that is indefinite in duration, such as fee simple or life estates. The terms real estate and life estate describe broader categories that encompass different forms of property rights but do not specifically address the temporal aspects of a tenancy for years. The key distinction lies in the nature of the rights granted, with nonfreehold estates like tenancies representing limited, temporary interests as opposed to full ownership rights found in freehold estates.

4. To whom must a licensee disclose that they are acting on their own behalf?

- A. The real estate board**
- B. The property owner**
- C. The public**
- D. The mortgage lender**

A licensee is required to disclose that they are acting on their own behalf to the public to ensure transparency and maintain ethical standards within real estate transactions. This disclosure is crucial because it informs all parties involved that the licensee has a personal interest in the transaction, which may affect their professional judgment and the advice given. By making this disclosure, the licensee upholds trust and honesty in their dealings, allowing the public to make informed decisions when engaging in real estate matters. While there are various parties involved in real estate transactions, such as property owners and mortgage lenders, the fundamental requirement is to ensure that the general public is aware of the licensee's self-interest. This practice helps prevent any potential conflicts of interest and demonstrates a commitment to fair dealing in the marketplace.

5. In real estate, "steering" is typically associated with which practice?

A. Marketing properties

B. Discrimination in housing

C. Negotiating leases

D. Assessing property value

Steering refers to a discriminatory practice in real estate where a real estate agent influences or guides prospective buyers towards or away from certain neighborhoods based on their race, ethnicity, or other protected characteristics. This practice is considered unethical and illegal under fair housing laws, as it perpetuates segregation and undermines the fundamental principles of equal opportunity in housing. Understanding this concept is crucial for real estate professionals, as it underscores the importance of adhering to ethical standards and promoting inclusive practices in property transactions. By recognizing steering, practitioners can avoid perpetuating discrimination, ensure compliance with fair housing regulations, and promote a more equitable housing market for all individuals.

6. What does redlining refer to in real estate?

A. The refusal of a lender based on income level

B. The refusal of a lender based on geographic location

C. The refusal of a lender to approve a mortgage loan

D. All of the above

Redlining refers to discriminatory practices in real estate where lenders refuse to provide mortgage loans or insurance based on various factors, predominantly geographic location, which disproportionately affects minority and low-income communities. This practice stems from policies developed in the 1930s that assessed neighborhoods and deemed some areas as too risky for investment, often resulting in systemic denial of access to loans and financial resources for residents in those neighborhoods. The correct choice captures the essence of redlining by acknowledging that it encompasses a refusal based not only on geographic location—often correlating with income levels and the demographic composition of the area—but also explicitly highlights the lender's role in denying mortgage approval. In essence, redlining includes a broad range of discriminatory lending practices that harm entire communities. Thus, the inclusion of all these aspects in the correct answer encapsulates the full scope of what redlining entails within the context of real estate.

7. What is the purpose of a satisfaction of mortgage?

- A. To start a loan modification process**
- B. To indicate full repayment of the loan**
- C. To detail payment schedules for the borrower**
- D. To confirm property appraisal values**

The purpose of a satisfaction of mortgage is to indicate that the loan secured by the mortgage has been fully repaid. When a borrower pays off their mortgage, the lender provides a satisfaction of mortgage document, which serves as an official statement that the debt has been settled, and the lender no longer has a claim against the property. This document is important because it clears the title of the property, allowing the borrower to fully own it without any encumbrances related to that particular loan. This is crucial for the homeowner, especially if they plan to sell the property or take out a different loan in the future, as it confirms that the prior mortgage obligation has been resolved. Other options listed, such as starting a loan modification process, detailing payment schedules, or confirming property appraisal values, do not relate to the primary function of a satisfaction of mortgage. Instead, they cover different aspects of the loan process or property valuation that are separate from confirming the completion of debt repayment.

8. Which type of ownership allows for the property to be inherited by heirs?

- A. Joint tenancy**
- B. Tenancy in common**
- C. Tenancy by the entirety**
- D. Estates in severalty**

Tenancy in common is the correct answer because it allows co-owners to hold individual shares of the property, which can be passed on to their heirs upon their death. Each tenant in this arrangement has a distinct, transferable interest in the property, meaning they can sell or will their share to someone else. In joint tenancy, on the other hand, the right of survivorship applies. This means that when one owner dies, their share automatically goes to the surviving owners rather than being passed on to their heirs. Tenancy by the entirety is a form of joint ownership that exists only between married couples and also includes the right of survivorship, preventing heirs from inheriting a deceased spouse's share. Estates in severalty refer to property owned by a single individual with no co-owners. Since there are no tenants to share ownership, the issue of inheritance by heirs does not apply in the same context as with tenants in common. Thus, tenancy in common uniquely allows ownership interests to be inherited, making it the appropriate choice.

9. What deduction can qualifying owners take from their assessed property value?

- A. 10,000**
- B. 25,000**
- C. 15,000**
- D. 5,000**

The deduction that qualifying owners can take from their assessed property value is \$25,000. This amount is significant as it helps to lower the taxable value of a property for qualifying homeowners, ultimately reducing the amount they owe in property taxes. This deduction often applies to primary residences and is designed to provide financial relief for homeowners, making homeownership more affordable. Such deductions can vary by state and local jurisdictions, but the \$25,000 amount is commonly associated with certain homeowner tax relief programs. Understanding these deductions is crucial for homeowners to effectively manage their finances and take full advantage of available benefits. Knowing the specifics of what one can deduct is also important for real estate professionals when advising clients on property ownership and taxation.

10. A separate property in a life estate is referred to as what?

- A. Community property**
- B. Non-marital asset**
- C. Marital asset**
- D. Shared asset**

In the context of real estate and property law, a separate property in a life estate is often referred to as a non-marital asset. This term is used to describe assets that are owned by one spouse prior to marriage or that are acquired by gift or inheritance during the marriage. In the case of a life estate, the individual retains certain rights to the property for their lifetime, but once they pass away, the property may revert to another party, such as a designated remainder beneficiary. Community property, in contrast, pertains to assets acquired during marriage and is owned jointly by both spouses. Marital assets include property that is considered jointly owned and shared between spouses. A shared asset typically implies joint ownership or responsibility. Therefore, recognizing a life estate as a non-marital asset highlights the distinction between individual property rights and the collective ownership typically observed in marriage, thus making this option the most accurate choice.

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://goldcoastrealestate.examzify.com>

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