

Hawaii Real Estate State Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

Copyright © 2025 by Examzify - A Kaluba Technologies Inc. product.

ALL RIGHTS RESERVED.

No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.

Notice: Examzify makes every reasonable effort to obtain from reliable sources accurate, complete, and timely information about this product.

SAMPLE

Questions

SAMPLE

- 1. Is permission from the landowner necessary to establish a prescriptive easement in Hawaii?**
 - A. Yes**
 - B. No**
 - C. Only for partial use**
 - D. Only if it's documented**
- 2. When converting a leasehold condominium to fee simple ownership, must the landowner offer the association a first right of refusal?**
 - A. Yes**
 - B. No**
 - C. Only in some cases**
 - D. Only if specified in the lease**
- 3. What information is included in the declaration of a condominium regarding common elements?**
 - A. A description of the limited common elements**
 - B. A list of management staff**
 - C. The estimated cost of maintenance**
 - D. A yearly financial statement**
- 4. If Sally purchases a "vacation license," what is she buying?**
 - A. A time share unit**
 - B. A rental agreement**
 - C. A fractional ownership**
 - D. A full ownership property**
- 5. Which of the following duties remain in effect after the termination of an agency relationship?**
 - A. Confidentiality and accounting**
 - B. Full authority and representation**
 - C. Communication and negotiation**
 - D. Marketing and property management**

- 6. Which of the following is NOT addressed by a standard term in the Purchase Contract?**
- A. Buyer's right to inspect the property**
 - B. Termite inspection and treatment**
 - C. Pet related treatment**
 - D. Tenant's rights regarding notice of eviction**
- 7. Which statement about Land Court property is NOT true?**
- A. It can also be recorded in the regular system**
 - B. All properties are accepted for registration, regardless of the state of the title**
 - C. Once accepted, the state guarantees the title**
 - D. Once the title is searched, any future search of covering that same period is unnecessary**
- 8. Under what circumstance does a mechanic's lien take precedence over other claims?**
- A. When it is filed first**
 - B. When the work is completed**
 - C. Based on the commencement date of work**
 - D. When the contractor is licensed**
- 9. Can anyone who is licensed as a broker operate independently on behalf of a partnership in Hawaii?**
- A. Yes, if they have enough experience**
 - B. No, they must be the designated principal broker**
 - C. Only with the partnership's approval**
 - D. Yes, if the partnership allows it**
- 10. How many days must a subdivider give to a prospective purchaser to review the public offering statement?**
- A. Five days**
 - B. Seven days**
 - C. Ten days**
 - D. Fourteen days**

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. Is permission from the landowner necessary to establish a prescriptive easement in Hawaii?

A. Yes

B. No

C. Only for partial use

D. Only if it's documented

Establishing a prescriptive easement does not require permission from the landowner in Hawaii. A prescriptive easement allows a person to use someone else's land without formal permission, provided that the use meets certain legal criteria. The user must demonstrate that the use has been continuous, open, notorious, and adverse to the interests of the landowner for a prescribed period, typically 20 years in Hawaii. This means that the user treats the land as if they have the right to do so, without the landowner's consent. The nature of a prescriptive easement is that it arises from the user's long-term usage rather than an agreement with the owner. This principle is rooted in the encouragement of productive use of land, ensuring that rights established through prolonged usage can protect individuals against the adverse claims of the landowner.

2. When converting a leasehold condominium to fee simple ownership, must the landowner offer the association a first right of refusal?

A. Yes

B. No

C. Only in some cases

D. Only if specified in the lease

When a leasehold condominium is being converted to fee simple ownership, the law in Hawaii requires that the landowner must offer the association a first right of refusal. This provision is meant to protect the interests of the condominium association and its members, allowing them the opportunity to purchase the land and potentially convert their leasehold interests into fee simple ownership without outside interference. This first right of refusal is significant because it empowers the association to maintain control over the property and ensures that the members have a fair chance at ownership rather than the land being sold to a third party. By doing this, the law helps safeguard the investment of the condominium owners, allowing them to have a voice in the ownership transition process. The requirement is also reflective of broader principles in real estate that seek to provide stability and security for existing leasehold owners, making it an important aspect for anyone involved in Hawaii real estate transactions to understand.

3. What information is included in the declaration of a condominium regarding common elements?

- A. A description of the limited common elements**
- B. A list of management staff**
- C. The estimated cost of maintenance**
- D. A yearly financial statement**

The declaration of a condominium is a crucial document that outlines the structure and governance of a condominium project. It typically includes detailed descriptions of common elements, which are the portions of the property owned collectively by all condominium owners. This includes areas such as hallways, roofs, swimming pools, and recreational facilities. Among the choices provided, the correct answer encompasses a comprehensive description of the limited common elements, which are a subset of common elements. Limited common elements are areas that are designated for the exclusive use of one or more, but not all, unit owners, such as patios or parking spaces. Including this information helps unit owners understand their rights and responsibilities regarding these specific areas, thereby facilitating the management and preservation of the property. Other options like a list of management staff, the estimated cost of maintenance, or a yearly financial statement, while pertinent to the overall functioning of a condominium association, do not specifically fall under the declaration's provisions regarding common elements. These aspects are typically covered in separate documents or reports related to the operations and governance of the condominium community. Thus, the declaration's primary focus is on the description of common areas, making the first option the most accurate answer.

4. If Sally purchases a "vacation license," what is she buying?

- A. A time share unit**
- B. A rental agreement**
- C. A fractional ownership**
- D. A full ownership property**

When Sally purchases a "vacation license," she is acquiring the right to use a specific property at designated times, typically associated with a shared or pooled ownership structure. This aligns with the concept of a time share unit, which allows multiple people to own the rights to use a property for a limited amount of time annually. In this context, the term "vacation license" usually refers to the arrangement where Sally is not buying an actual piece of real estate or a full ownership stake, but instead is purchasing a license that grants her access to the property during specific time frames. This differs from full ownership, where one would have complete control over a property, or from a rental agreement, which typically implies a temporary leasehold without ownership rights. Lastly, fractional ownership might suggest a more significant equity stake in the property compared to a vacation license, which is generally geared towards providing short-term access rather than a share of ownership equity. Thus, the transaction that Sally is entering is best characterized as a time share unit.

5. Which of the following duties remain in effect after the termination of an agency relationship?

- A. Confidentiality and accounting**
- B. Full authority and representation**
- C. Communication and negotiation**
- D. Marketing and property management**

After the termination of an agency relationship, certain duties continue to apply to protect the interests of the parties involved, particularly the duty of confidentiality and the duty of accounting. The duty of confidentiality requires the agent to keep any sensitive information disclosed by the principal during the agency relationship private, even after the relationship has ended. This ensures that the principal's interests and proprietary information remain secure, which is crucial in maintaining trust and integrity in real estate transactions. The duty of accounting obligates the agent to provide a transparent and accurate account of any funds or property they have managed on behalf of the principal. After termination, the agent is still responsible for honoring any obligations related to financial matters that were handled during the course of the agency, ensuring that the principal's assets have been managed and reported correctly. In contrast, duties such as full authority and representation, communication, negotiation, and marketing are inherently tied to the agency relationship itself and cease to exist once that relationship is terminated. This distinction emphasizes the ongoing importance of confidentiality and accounting duties, which serve to safeguard the principal's information and financial interests even after the formal agency agreement has concluded.

6. Which of the following is NOT addressed by a standard term in the Purchase Contract?

- A. Buyer's right to inspect the property**
- B. Termite inspection and treatment**
- C. Pet related treatment**
- D. Tenant's rights regarding notice of eviction**

The correct choice highlights a significant aspect of the Purchase Contract in real estate transactions. A standard Purchase Contract typically focuses on the primary responsibilities and rights of buyers and sellers in the context of property transactions. This includes items such as the buyer's right to inspect the property and details concerning property conditions, including pest inspections and necessary treatments. Tenant rights, specifically related to notices of eviction, fall under landlord-tenant laws, rather than the purchase terms of a property sale. Such laws regulate the relationship between landlords and tenants and address multiple aspects of tenancy that are not included in the transactional Purchase Contract for buying real estate. Since eviction notices pertain to rental agreements and tenancy rights, they are separate legal matters that do not get covered in the context of a Purchase Contract, which is focused on the transfer of ownership. Thus, tenant rights concerning eviction notices are not addressed within the terms of a Purchase Contract, making it the correct response to the question.

7. Which statement about Land Court property is NOT true?

- A. It can also be recorded in the regular system**
- B. All properties are accepted for registration, regardless of the state of the title**
- C. Once accepted, the state guarantees the title**
- D. Once the title is searched, any future search of covering that same period is unnecessary**

The statement that is not true regarding Land Court property is that all properties are accepted for registration, regardless of the state of the title. In Hawaii's Land Court system, only properties with a clear and marketable title are eligible for registration. The Land Court aims to provide a systematic and secure way to establish ownership and title where properties can be clearly defined and verified. Thus, before a property can be registered in the Land Court, its title must be examined, and any defects must be resolved. This process ensures that only estates with sound title are recognized, which is essential for maintaining the integrity of property records within the system. This clarity is foundational to the purpose of the Land Court, which seeks to eliminate the complications that arise from disputes over property ownership. In contrast, the other statements reflect the principles and assurances provided by the Land Court system, emphasizing the guarantee of title once accepted and the streamlined nature of future title searches within the established timeframe.

8. Under what circumstance does a mechanic's lien take precedence over other claims?

- A. When it is filed first**
- B. When the work is completed**
- C. Based on the commencement date of work**
- D. When the contractor is licensed**

A mechanic's lien takes precedence over other claims based on the commencement date of work. This means that the effectiveness of the lien and its priority relative to other claims depend on when the work on the property began. The law typically prioritizes mechanic's liens that are based on the starting date of the improvement or repair work, giving these liens a superior position over other claims that may arise after the initiation of such work. In the context of real estate, this ensures that contractors and subcontractors are compensated for their work, thereby providing a level of financial security for those who contribute to improving a property. It is critical for property owners and potential claimants to understand that the commencement date solidifies a mechanic's lien's position, making it essential for parties involved in construction and repair to keep clear records of when work begins.

9. Can anyone who is licensed as a broker operate independently on behalf of a partnership in Hawaii?

- A. Yes, if they have enough experience**
- B. No, they must be the designated principal broker**
- C. Only with the partnership's approval**
- D. Yes, if the partnership allows it**

In Hawaii, a broker must be a designated principal broker if they wish to operate independently on behalf of a partnership. This requirement ensures that there is a designated person within the partnership who meets the state's regulatory criteria for handling real estate transactions. The designated principal broker is responsible for the actions of the brokerage and must be licensed and in good standing with the Hawaii Real Estate Commission. This regulatory framework helps maintain professionalism and accountability within real estate transactions, as the principal broker has a comprehensive understanding of local laws and regulations, ensuring compliance and protecting the interests of clients. Therefore, the necessity for the broker to be a designated principal broker emphasizes the structured approach taken to manage real estate operations effectively within a partnership in Hawaii.

10. How many days must a subdivider give to a prospective purchaser to review the public offering statement?

- A. Five days**
- B. Seven days**
- C. Ten days**
- D. Fourteen days**

In Hawaii, the law requires that a subdivider must provide prospective purchasers with a minimum of seven days to review the public offering statement before signing a contract to purchase. This is designed to ensure that buyers have adequate time to understand the details of the property they are considering, including potential risks, obligations, and any other pertinent information disclosed in the public offering statement. Providing this review period reflects the state's commitment to consumer protection, allowing buyers to make informed decisions. The specified duration helps ensure that buyers are not pressured into making hasty choices, thus promoting transparency in real estate transactions. This seven-day timeframe allows prospective purchasers to thoroughly assess the information provided about the subdivision and to seek further advice or clarification if needed before committing to a purchase.