

# Hawaii Real Estate State Practice Exam (Sample)

## Study Guide



**Everything you need from our exam experts!**

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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

- 1. Under an Exclusive Right To Sell Listing Agreement, when is the commission paid to the broker?**
  - A. The seller accepts an offer that meets most of the conditions of the listing agreement.**
  - B. A financially unqualified buyer makes a full price offer.**
  - C. The seller counters a buyer's offer at less than full price.**
  - D. The seller does not respond to a full price offer contingent upon the sale of his existing home.**
- 2. If an owner-occupied property sells for \$760,000, what is the conveyance tax?**
  - A. \$760**
  - B. \$1140**
  - C. \$1520**
  - D. \$840**
- 3. Which of the following is a benefit of registering land under the Torrens System?**
  - A. Lower property taxes**
  - B. Instant liquidity**
  - C. Guaranteed title by the state**
  - D. Reduced closing costs**
- 4. Prior to presenting an offer to an unlisted seller, must the broker disclose their representation status?**
  - A. Yes, to the seller**
  - B. No, only to the buyer**
  - C. Only if asked**
  - D. Not necessary for for-sale-by-owner properties**
- 5. Which of the following obligations applies to all real estate licensees in Hawaii?**
  - A. Complete a minimum number of continuing education hours**
  - B. Provide warranty deeds for all transactions**
  - C. Act only in the best interests of the seller**
  - D. Maintain a transactional relationship with all clients**

- 6. Which term describes the visible and recognizable use of a property needed for a prescriptive easement?**
- A. Undisclosed**
  - B. Open and notorious**
  - C. Restricted**
  - D. Ambiguous**
- 7. Should an independent contractor adhere strictly to the broker's schedule for floor duty and open houses?**
- A. True**
  - B. False**
  - C. Only during active listings**
  - D. Yes, but only during working hours**
- 8. In Hawaii, is an easement of necessity created when a parcel of land does not have access to a public road?**
- A. Yes, automatically**
  - B. No, it is not**
  - C. It depends on the surrounding properties**
  - D. Only if the land is developed**
- 9. If a deed states "Reservation in favor of the state of Hawaii of all mineral and metallic mines," what claim does Hildo have to the gold found on his property?**
- A. A right to half of the gold**
  - B. No claim to the gold**
  - C. Full ownership of the gold**
  - D. A claim requiring payment to the state**
- 10. What role does an exchange agent play in time share law?**
- A. Conducts sales of time shares**
  - B. Operates an exchange program**
  - C. Acts as a mediator in disputes**
  - D. Regulates time share developers**



## **Answers**

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

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## **Explanations**

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**1. Under an Exclusive Right To Sell Listing Agreement, when is the commission paid to the broker?**

**A. The seller accepts an offer that meets most of the conditions of the listing agreement.**

**B. A financially unqualified buyer makes a full price offer.**

**C. The seller counters a buyer's offer at less than full price.**

**D. The seller does not respond to a full price offer contingent upon the sale of his existing home.**

Under an Exclusive Right to Sell Listing Agreement, the commission is typically earned and due to the broker when the seller accepts an offer that meets the terms specified in the listing agreement. This is because the broker has the exclusive right to sell the property and is compensated for their efforts in securing a buyer who is willing to meet the conditions outlined in the agreement. In this context, when the seller accepts an offer, it signifies that the transaction process is moving forward, which validates the broker's role and entitles them to commission. It is important to note that this is conditioned on the accepted offer being in alignment with the terms and conditions established in the listing agreement. The other scenarios present situations that do not fulfill the conditions necessary for triggering the broker's commission under the agreement. For example, an offer from a financially unqualified buyer does not guarantee a completed transaction; similarly, the seller's counter-offer or failure to respond to a full price offer does not constitute acceptance of an agreement. Thus, the correct answer reflects the established practice regarding when a commission is earned in the context of an Exclusive Right to Sell Listing Agreement.

**2. If an owner-occupied property sells for \$760,000, what is the conveyance tax?**

**A. \$760**

**B. \$1140**

**C. \$1520**

**D. \$840**

In Hawaii, the conveyance tax is calculated based on the selling price of the property, with specific rates applied depending on various factors such as whether the property is owner-occupied or not. For owner-occupied residential properties, the conveyance tax rate is typically lower compared to other properties. In this case, the selling price is \$760,000. The calculation for the conveyance tax for an owner-occupied property involves taking the sale price and applying the respective rate. For the amount of \$760,000, the conveyance tax rate for owner-occupied residential properties is \$0.80 for each \$1,000 of the selling price up to \$1,000,000. To calculate the total tax: 1. Divide the selling price by \$1,000:  $\$760,000 \div \$1,000 = 760$  units of \$1,000. 2. Multiply the number of units by the tax rate:  $760 \times \$0.80 = \$608$ . This calculation, along with the tiered rates for Hawaii, needs to be correctly evaluated based on the updated rates. The specific predetermined rates for various price brackets factor in not being prohibitively expensive, thus managing the costs associated with selling.

**3. Which of the following is a benefit of registering land under the Torrens System?**

- A. Lower property taxes**
- B. Instant liquidity**
- C. Guaranteed title by the state**
- D. Reduced closing costs**

Registering land under the Torrens System provides the significant benefit of a guaranteed title by the state. This system simplifies the process of proving property ownership by establishing a clear title that is officially recognized and backed by state authority. Once land is registered under the Torrens System, the title is maintained on a central register, and the government guarantees its accuracy. This eliminates many of the uncertainties associated with traditional title searches, making it easier for property owners to assert their rights and sell or transfer property without the fear of competing claims. The other options are less directly tied to the primary advantage the Torrens System offers. While factors like lower property taxes, instant liquidity, or reduced closing costs can be considerations in real estate transactions, they do not specifically relate to the core benefit of the Torrens System, which is the state's guarantee of title.

**4. Prior to presenting an offer to an unlisted seller, must the broker disclose their representation status?**

- A. Yes, to the seller**
- B. No, only to the buyer**
- C. Only if asked**
- D. Not necessary for for-sale-by-owner properties**

In real estate transactions, transparency and ethical practices are paramount to maintaining trust between parties involved. When a broker works with an unlisted seller, it is essential for them to disclose their representation status to the seller. This means the broker must clarify whether they are representing the buyer, the seller, or acting as a facilitator in the transaction. By disclosing their representation status, the broker ensures that the seller understands the dynamics of the relationship and the broker's role in the negotiation process. This disclosure helps establish clear expectations and can prevent potential conflicts of interest. In a market like Hawaii, where transactions can be competitive and complex, such communication fosters a better working relationship and promotes ethical standards. This requirement holds true regardless of whether the property is listed with another brokerage or is a for-sale-by-owner situation. It's important for all parties to be fully aware of who is representing whom, which reinforces the integrity of the transaction and helps to protect the interests of everyone involved.

**5. Which of the following obligations applies to all real estate licensees in Hawaii?**

- A. Complete a minimum number of continuing education hours**
- B. Provide warranty deeds for all transactions**
- C. Act only in the best interests of the seller**
- D. Maintain a transactional relationship with all clients**

Completing a minimum number of continuing education hours is a key obligation for all real estate licensees in Hawaii. This requirement ensures that licensees stay updated on current laws, practices, and trends in the real estate market, which is essential for providing competent service to clients. Regular education helps maintain and improve the standards of the profession, ensuring that all licensees operate with the necessary knowledge and skills to effectively represent their clients. While offering warranty deeds may be related to the transactions handled by real estate licensees, it does not apply universally to all licensees since not every transaction requires a warranty deed; rather, it depends on the specifics of the sale or transfer. Acting only in the best interests of the seller is a duty that applies primarily in agency relationships where the licensee represents the seller, but not all licensees have such exclusive relationships; some work with buyers or act in a dual capacity. Maintaining a transactional relationship with all clients is also not a standardized obligation, as some licensees may operate in different capacities depending on client needs, and their relationships can vary significantly. Therefore, the requirement for continuing education stands out as a universal obligation for all licensed professionals in Hawaii's real estate industry.

**6. Which term describes the visible and recognizable use of a property needed for a prescriptive easement?**

- A. Undisclosed**
- B. Open and notorious**
- C. Restricted**
- D. Ambiguous**

The term that accurately describes the visible and recognizable use of a property necessary for establishing a prescriptive easement is "open and notorious." This legal concept indicates that the use of the property must be evident to anyone who looks, making it clear to the property owner and the public that the user is exercising rights over that portion of the property. For a prescriptive easement to be granted, the use must not be secretive or hidden; instead, it needs to be open so that it can be observed easily. This visibility serves several important purposes: it gives the property owner an opportunity to defend their rights if they disagree with the use of their land, and it also establishes a consistent use over an uninterrupted period of time, which is typically required for a prescriptive easement claim. The other terms do not convey the necessary characteristics. For example, "undisclosed" would imply that the use is not known to others, while "restricted" and "ambiguous" suggest limitations or vagueness regarding the use, neither of which align with the requirements for a prescriptive easement that must be clear and evident to establish legal rights.

**7. Should an independent contractor adhere strictly to the broker's schedule for floor duty and open houses?**

**A. True**

**B. False**

**C. Only during active listings**

**D. Yes, but only during working hours**

An independent contractor in real estate operates with a degree of autonomy that differentiates them from employees. This independence means that while brokers can provide guidance and suggest schedules for activities like floor duty and open houses, independent contractors are not required to adhere strictly to these schedules. Independent contractors typically manage their own time, decide how to fulfill their responsibilities, and create their own strategies for growing their business. They might choose to participate in open houses and floor duty as a part of their marketing efforts, but the broker cannot enforce these commitments in the same way as they would with an employee. Understanding this distinction is crucial for both the contractor and the broker, as it impacts the operational dynamics of their professional relationship. The flexibility afforded to independent contractors allows them to tailor their schedules according to personal preferences and client needs rather than strictly conforming to the broker's directives.

**8. In Hawaii, is an easement of necessity created when a parcel of land does not have access to a public road?**

**A. Yes, automatically**

**B. No, it is not**

**C. It depends on the surrounding properties**

**D. Only if the land is developed**

In Hawaii, an easement of necessity is not automatically created when a parcel of land lacks access to a public road. The state follows specific legal principles regarding the creation of easements. An easement of necessity typically arises when a landlocked parcel has no reasonable access to a public way and the owner has a need for access that is essential for the use of the property. However, it is essential to understand that just being landlocked does not automatically grant an easement; the conditions for such an easement must be legally assessed. For instance, an easement of necessity may require that the dominant tenement (the land needing access) existed before the servient tenement (the land providing access) was separated from it. Additionally, the surrounding property circumstances can play a critical role in determining whether an easement of necessity is warranted, emphasizing that mere lack of access doesn't suffice to create an easement without further legal justification or consideration of specific facts. Options that suggest the creation of an easement based on conditions without a legal basis or without considering the history and context of the property ownership do not align with the established legal framework in Hawaii.

**9. If a deed states "Reservation in favor of the state of Hawaii of all mineral and metallic mines," what claim does Hildo have to the gold found on his property?**

**A. A right to half of the gold**

**B. No claim to the gold**

**C. Full ownership of the gold**

**D. A claim requiring payment to the state**

The appropriate interpretation of the deed that states "Reservation in favor of the state of Hawaii of all mineral and metallic mines" indicates that the state reserves the rights to all minerals and metallic resources found on the property, including gold. This means that Hildo does not have ownership rights to any of the mineral resources underneath his property, as those rights have been explicitly retained by the state. In property law, when a deed includes a reservation like this, it signifies that the property owner—the individual in this case—does not own those specific rights, despite potentially owning the surface rights to the land. As a result, Hildo would have no legal claim to any gold found on his property, as the reservation grants the state exclusive rights over those mineral resources. This concept is crucial in understanding property ownership rights in Hawaii and is consistent with how reservations are typically treated in land deeds.

**10. What role does an exchange agent play in time share law?**

**A. Conducts sales of time shares**

**B. Operates an exchange program**

**C. Acts as a mediator in disputes**

**D. Regulates time share developers**

An exchange agent plays a crucial role in the context of time share law by operating an exchange program, which allows time share owners to swap their time slots with others. This is particularly beneficial for owners who wish to vacation in different locations or at different times than their designated time share. The exchange program provides flexibility and enhances the overall value of the time share experience, as it enables owners to access a broader range of vacation opportunities. This role is essential in the time share industry, fostering interactions between owners and helping maintain satisfaction by providing options beyond the owner's specific property. The other roles mentioned, such as conducting sales, mediating disputes, or regulating developers, do not align with the primary responsibilities of an exchange agent in the specific context of time share law. Sales are typically handled by licensed real estate agents, dispute mediation usually involves professional mediators or legal professionals, and regulation is the responsibility of governmental entities or regulatory bodies overseeing real estate practices.



## 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](mailto:hello@examzify.com).**

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

**<https://hawaii realestate.examzify.com>**

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