HAWAII REAL ESTATE STATE PRACTICE EXAM (SAMPLE)

STUDY GUIDE

SAMPLE STUDY GUIDE WITH LIMITED 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. 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. What characterizes the ownership of land created by natural processes such as lava flow?

A. Belongs to the original owner

B. Legally belongs to the state

C. Can be claimed by previous landowners

D. Is owned by the neighboring landowners

2. What information must a selling sales agent disclose to a buyer at least once?

A. The price range of properties

B. Which party he represents

C. The history of the property

D. The commission fee structure

3. 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

4. In Hawaii, what type of agents may have different disclosure requirements?

A. Property managers

B. Buyer's agents and seller's agents

C. Commercial agents

D. All real estate agents

5. What is required to be given to existing tenants when converting a rental property to a condominium?

A. Right of first refusal

B. Cash incentive

C. Discounted pricing

D. Reimbursement for moving expenses

6. Are real property taxes assessed only on individual condo units?

A. Yes

B. No

C. Only if they are leasehold

D. Only for high-value units

7. What is a common feature of land ownership for both condominiums and cooperatives?

A. Ownership is always fee simple

B. Ownership may be leasehold or fee simple

C. Ownership must be fee simple

D. Ownership is usually divided equally

8. 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

9. When do tenants have equal rights as the general public during a rental to condominium conversion?

A. When not given proper notice

B. Under the anti-discrimination laws

C. When they are paying rent

D. When they have lived there for over two years

10. 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

Answers

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

Explanations

1. What characterizes the ownership of land created by natural processes such as lava flow?

A. Belongs to the original owner

B. Legally belongs to the state

C. Can be claimed by previous landowners

D. Is owned by the neighboring landowners

The ownership of land created by natural processes, such as lava flow, is characterized by being legally owned by the state. In Hawaii, when land is formed or expanded naturally—like through volcanic activity—it becomes part of the state's land. This principle is grounded in the idea that the state holds the title to land that is created through such natural phenomena.   As a result, previous landowners do not retain any claim to the new land formed by natural processes, which distinguishes this situation from typical property transactions or claims. The state has the right to regulate and manage this newly formed land, ensuring it is used appropriately and in accordance with Hawaii's land use and environmental laws. This reflects the broader understanding of land ownership rights in relation to natural changes, particularly in a geologically active state like Hawaii.

2. What information must a selling sales agent disclose to a buyer at least once?

A. The price range of properties

B. Which party he represents

C. The history of the property

D. The commission fee structure

A selling sales agent is required to disclose the party they represent to the buyer at least once during the transaction. This disclosure is crucial in real estate transactions because it clarifies the agent's fiduciary duty and the nature of the relationship between the agent and the parties involved. Understanding who is being represented helps buyers make informed decisions and protects their interests. If an agent represents only the seller, the buyer needs to be aware that the agent's primary loyalty is to the seller, potentially influencing how negotiations and communications are handled.   While other information, such as the property's history or price range, may also be significant in guiding a buyer's decision, the representation disclosure is a fundamental requirement designed to maintain transparency and ethical practices within the real estate industry. This foundational understanding of representation fosters a trustworthy environment where buyers feel secure in their transactions.

3. 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.

4. In Hawaii, what type of agents may have different disclosure requirements?

A. Property managers

B. Buyer's agents and seller's agents

C. Commercial agents

D. All real estate agents

In Hawaii, buyer's agents and seller's agents may have different disclosure requirements due to the distinct roles they play in a real estate transaction. Buyer's agents represent the interests of the buyer and are typically obligated to disclose any material facts that could affect the buyer's decision. This includes both positive and negative aspects of the property and related transactions. On the other hand, seller's agents, also known as listing agents, represent the seller's interests and must disclose information that is material to the seller's situation, as well as ensure that any representations made about the property are accurate. The differing obligations stem from the fiduciary duties that each type of agent has towards their respective clients. This encompasses the need for transparency and honesty in representing either the buyer or the seller. The Hawaii Association of Realtors has established specific guidelines for disclosures that reflect these different responsibilities, emphasizing the importance of protecting the interests of clients in each role. Other agent types, such as property managers or commercial agents, may have some specific disclosure requirements as well, but they do not typically differentiate between seller and buyer responsibilities in the same manner as buyer's and seller's agents do, which makes this distinction particularly significant.

5. What is required to be given to existing tenants when converting a rental property to a condominium?

A. Right of first refusal

B. Cash incentive

C. Discounted pricing

D. Reimbursement for moving expenses

The correct choice is the requirement to provide existing tenants the right of first refusal when converting a rental property to a condominium. This is an important legal right that ensures tenants are given the opportunity to purchase their rental units before the units are offered to other potential buyers. This right is designed to protect tenants by allowing them to maintain their residence and potentially become homeowners if they desire. It signifies a recognition of their existing relationship with the property and gives them a chance to secure their living situation rather than face potential displacement. The other options, while they may offer some form of incentive to existing tenants, do not reflect legal requirements related to the conversion process itself. A right of first refusal is rooted in tenant protection laws, ensuring that tenants' rights are honored during real estate transitions.

6. Are real property taxes assessed only on individual condo units?

A. Yes

B. No

C. Only if they are leasehold

D. Only for high-value units

Real property taxes in Hawaii are not assessed solely on individual condo units; instead, they can also be applied to the entire condominium property as a whole, including common areas shared by all residents. While individual unit owners may receive a portion of the assessment based on the value of their specific unit, the overall tax is determined by the assessed value of the property, which includes land and common elements. This means that condo associations or management may pay the property taxes collectively, and then they typically allocate those costs to individual owners based on certain calculations. Understanding this helps ensure that prospective buyers and current property owners recognize the dynamics of property taxes in relation to condos and not just individual units. This broader perspective is essential for managing financial responsibilities within a condominium community.

7. What is a common feature of land ownership for both condominiums and cooperatives?

A. Ownership is always fee simple

B. Ownership may be leasehold or fee simple

C. Ownership must be fee simple

D. Ownership is usually divided equally

In the context of land ownership for both condominiums and cooperatives, the ability for ownership to be either leasehold or fee simple is a significant characteristic. This means that individuals can hold their interest in the property through different types of ownership agreements. In condominiums, it is common for owners to purchase their units in a fee simple format, granting them outright ownership of the unit and a proportional interest in the common areas. However, developers may also offer units on a leasehold basis, where the buyer owns the unit but leases the underlying land, usually from a landowner or the original developer. Similarly, in cooperatives, members typically own shares in a corporation that owns the entire property, and they have the right to occupy a specific unit. This arrangement can also exist in a leasehold format, where the cooperative's ownership is structured in a way that allows for either a fee simple purchase of shares or a lease agreement for the cooperative land. This flexibility in ownership types is crucial because it accommodates varying preferences, market conditions, and financial structures associated with real estate in Hawaii, thereby creating opportunities for a broader segment of potential buyers. Understanding this aspect helps differentiate the unique structures of condominiums and cooperatives in real estate practice.

8. 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.

9. When do tenants have equal rights as the general public during a rental to condominium conversion?

A. When not given proper notice

B. Under the anti-discrimination laws

C. When they are paying rent

D. When they have lived there for over two years

Tenants have equal rights as the general public during a rental to condominium conversion under the anti-discrimination laws. These laws are designed to ensure that individuals are treated fairly and without bias when it comes to housing and rental opportunities. This means that regardless of their status as tenants, they should not face any discriminatory practices that would restrict their rights to access housing, including during the conversion from rental properties to condominiums. While proper notice is indeed crucial in the context of rental agreements and conversions, it does not directly equate to the broader rights enjoyed under anti-discrimination laws. Furthermore, paying rent establishes a tenant's relationship with a property but does not confer additional rights beyond those laid out by law. Living in a property for a set period, such as two years, may affect specific tenant protections or benefits but also does not address the equal treatment as dictated by anti-discrimination regulations. Therefore, understanding the significance of anti-discrimination laws is key to recognizing tenant rights in situations involving rental to condominium conversions.

10. 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.

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://hawaiirealestate.examzify.com

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