

# Humber/Ontario Real Estate Course 3 Exam Practice (Sample)

## Study Guide



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## Questions

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- 1. When handling an incoming inquiry about a listed property, what should Salesperson Joseph aim to do?**
  - A. Create a positive, first impression and make a sale.**
  - B. Answer questions and encourage follow-up inquiries.**
  - C. Create a favourable impression and get a face-to-face appointment.**
  - D. Detail the brokerage's services and send information to the interested party.**
  - E. Offer a virtual tour to close the deal immediately.**
  - F. Transfer the call to another available salesperson.**
  
- 2. Why would a builder include both cross bridging and solid blocking in a residential structure?**
  - A. Strengthen the beams**
  - B. Minimize joist twisting**
  - C. Reduce the size of footings**
  - D. Avoid the use of cross members between joists**
  - E. Enhance aesthetic appeal**
  - F. Ensure even settling**
  
- 3. In Ontario, what do land lease and life lease community residents have in common?**
  - A. Neither have ownership in land.**
  - B. Both represent fee simple ownership.**
  - C. Both types guarantee indefinite occupancy.**
  - D. Both types include maintenance fee obligations.**
  - E. Residents in both types of communities own title deeds.**
  - F. Both involve renting a part of the structure.**

- 4. What should a real estate salesperson do if a buyer customer asks if the seller will accept a lower price?**
- A. Provide any information about the seller's negotiating position that will assist the buyer.**
  - B. Disclose the brokerage's role regarding the seller client and the buyer customer, and advise the buyer that such information is confidential.**
  - C. Disclose such information to the buyer only if the buyer is seriously contemplating buying the home.**
  - D. Attempt to get more details from the seller, as they are working in the best interests of the buyer.**
  - E. Negotiate directly with the seller on the buyer's behalf without consulting the brokerage.**
  - F. Postpone the discussion until a written offer is received from the buyer.**
- 5. Which question is inappropriate when assessing a seller client's needs and motivations?**
- A. Are you purchasing a new home?**
  - B. What closing date do you prefer?**
  - C. What is your yearly income?**
  - D. What is the net amount expected from the sale?**
  - E. How soon do you need to move?**
  - F. Do you plan to buy another property locally?**
- 6. When must Salesperson Gadhi inform the seller about possible multiple representation?**
- A. After signing the listing agreement, but before posting a 'for sale' sign**
  - B. Before any other salesperson shows the property to a potential buyer**
  - C. Before the seller signs the agreement of purchase and sale**
  - D. Before asking the seller to sign the listing agreement**
  - E. After showing the property to potential buyers**
  - F. After an offer has been made**

- 7. An owner of a 58-foot frontage vacant lot wants to build a single-family home, but the zoning bylaw requires a minimum of 60-foot frontage. What can the owner do?**
- A. The owner of the vacant land will not be able to build his new home, as the property does not meet the zoning requirements.**
  - B. If the owner applies to a committee of adjustment, the decision would weigh entirely on whether or not the two-foot variance is minor.**
  - C. The owner can construct the single-family home, as the lot frontage variance is less than three feet.**
  - D. The owner may successfully obtain approval from the committee of adjustment, depending on various planning/zoning considerations.**
  - E. The owner should request a zoning exception from the municipal council directly.**
  - F. The owner needs to acquire additional land to meet the minimum frontage requirement.**
- 8. Which BEST describes a significant deposit in real estate transactions?**
- A. It shows good faith and credibility**
  - B. It indicates buyer reluctance**
  - C. It must be a certified cheque**
  - D. It is irrelevant to negotiations**
  - E. It guarantees offer acceptance**
  - F. It lowers the asking price**
- 9. What could be covered under a new buyer's title insurance for a resale property?**
- A. Seller's unauthorized home extension**
  - B. Buyer's failure to pay the insurance premium**
  - C. Buyer's illness affecting mortgage payments**
  - D. Failure to get right-of-way access over adjoining property**
  - E. Problems with home zoning laws**
  - F. Issues arising from previous property tax defaults**

- 10. What should a broker/salesperson advise when a seller with valuables prefers an open house for a high-end home?**
- A. Immediately agree to conduct an open house, as it is the best way to market this home.**
  - B. Immediately agree to conduct an open house, but ensure that the seller hires some form of security for the duration of the open house to watch over any valuables.**
  - C. Suggest to the seller that she should be present to watch over any valuables, as well as taking over for the broker/salesperson if he or she is called away on another business matter.**
  - D. Suggest to the seller that, while an open house is appropriate for many houses, she should seriously consider viewing by appointment only given extensive valuables in the house. If ultimately an open house is needed, special precautions are needed to minimize the risk of theft or damage.**
  - E. Immediately reject the idea of an open house and suggest only private showings with security personnel present.**
  - F. Recommend a virtual open house to maintain security for the seller's valuables.**

## **Answers**

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

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## **Explanations**

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1. When handling an incoming inquiry about a listed property, what should Salesperson Joseph aim to do?
  - A. Create a positive, first impression and make a sale.
  - B. Answer questions and encourage follow-up inquiries.
  - C. Create a favourable impression and get a face-to-face appointment.
  - D. Detail the brokerage's services and send information to the interested party.**
  - E. Offer a virtual tour to close the deal immediately.
  - F. Transfer the call to another available salesperson.

When handling an incoming inquiry about a listed property, Salesperson Joseph should aim to detail the brokerage's services and send information to the interested party. This is the correct answer because providing detailed information about the brokerage's services and sending relevant information to the interested party helps establish professionalism, credibility, and trust. It allows the potential buyer to have a better understanding of the services offered and the property being inquired about, which can lead to further interest and potential for a successful sale. Options A, C, and E are not the most appropriate actions when handling an incoming inquiry as they focus more on immediate sales and closing the deal rather than building a relationship and providing valuable information to the potential buyer. Option B, although advocating for answering questions and encouraging follow-up inquiries, is not as thorough as providing detailed information about the brokerage's services and sending relevant materials to the interested party. Option F suggests transferring the call, which may lead to a loss of opportunity to engage and provide information to the potential buyer.

2. Why would a builder include both cross bridging and solid blocking in a residential structure?
  - A. Strengthen the beams
  - B. Minimize joist twisting**
  - C. Reduce the size of footings
  - D. Avoid the use of cross members between joists
  - E. Enhance aesthetic appeal
  - F. Ensure even settling

The decision to include both cross bridging and solid blocking in a residential structure primarily addresses the issue of minimizing joist twisting. Cross bridging consists of diagonal members that connect the joists, effectively stabilizing them and helping to prevent lateral movement. This lateral stabilization is crucial because, without such support, joists can twist or warp under certain loads or in response to environmental factors such as humidity changes. Solid blocking, typically composed of solid wood, is installed between the joists and serves a similar purpose by providing additional rigidity and support. This also prevents the joists from twisting, especially when they experience stress from loads or if they are subject to any potential environmental shifts. Together, cross bridging and solid blocking create a more robust structural framework that promotes stability and reduces the likelihood of defects like twisting, which can lead to structural issues over time. This attention to ensuring that joists remain straight and properly aligned contributes significantly to the overall integrity of the building.

**3. In Ontario, what do land lease and life lease community residents have in common?**

- A. Neither have ownership in land.**
- B. Both represent fee simple ownership.**
- C. Both types guarantee indefinite occupancy.**
- D. Both types include maintenance fee obligations.**
- E. Residents in both types of communities own title deeds.**
- F. Both involve renting a part of the structure.**

In Ontario, both land lease and life lease community residents do not have ownership in the land. In a land lease community, residents own the home but lease the land it sits on, while in a life lease community, residents have the right to occupy a unit but do not own the land. This distinguishes them from other forms of property ownership, such as fee simple ownership, where the owner has complete ownership of both the land and the structures on it. Therefore, the correct answer is that residents in both types of communities do not have ownership in the land.

**4. What should a real estate salesperson do if a buyer customer asks if the seller will accept a lower price?**

- A. Provide any information about the seller's negotiating position that will assist the buyer.**
- B. Disclose the brokerage's role regarding the seller client and the buyer customer, and advise the buyer that such information is confidential.**
- C. Disclose such information to the buyer only if the buyer is seriously contemplating buying the home.**
- D. Attempt to get more details from the seller, as they are working in the best interests of the buyer.**
- E. Negotiate directly with the seller on the buyer's behalf without consulting the brokerage.**
- F. Postpone the discussion until a written offer is received from the buyer.**

A real estate salesperson should not disclose any information about the seller's negotiating position, as it would be a breach of confidentiality. Option A is incorrect because it goes against ethical guidelines of not disclosing confidential information. Option C is also incorrect because it limits when the information would be disclosed, which can lead to confusion and potential legal issues. Option D is incorrect because the real estate salesperson should not try to obtain information from the seller without the seller's consent. Option E is incorrect because the real estate salesperson should always work with the brokerage and not negotiate directly with the seller. Option F is incorrect because the real estate salesperson should disclose the brokerage's role and the confidentiality of the information, rather than postponing the discussion. Option B is the correct answer because it clearly states that the real estate salesperson should disclose the brokerage's role and the confidentiality of the information to the buyer.

**5. Which question is inappropriate when assessing a seller client's needs and motivations?**

- A. Are you purchasing a new home?**
- B. What closing date do you prefer?**
- C. What is your yearly income?**
- D. What is the net amount expected from the sale?**
- E. How soon do you need to move?**
- F. Do you plan to buy another property locally?**

When assessing a seller client's needs and motivations, inquiring about their yearly income is considered inappropriate because it breaches the privacy of the client and is not directly relevant to the sale of a property. Understanding a client's financial situation, such as their income, does not typically influence the sale process or the specific details that guide the successful sale of their home. Questions about purchasing a new home, preferred closing dates, net expectations from the sale, timing for moving, and plans for buying another property are all pertinent to understanding a seller's motivations and needs. These aspects help form a clearer picture of the client's situation and assist in tailoring services to ensure a smooth transaction. In contrast, asking about yearly income does not enrich the conversation in the context of real estate needs and can make clients uncomfortable or feel like their financial privacy is being violated.

**6. When must Salesperson Gadhi inform the seller about possible multiple representation?**

- A. After signing the listing agreement, but before posting a 'for sale' sign**
- B. Before any other salesperson shows the property to a potential buyer**
- C. Before the seller signs the agreement of purchase and sale**
- D. Before asking the seller to sign the listing agreement**
- E. After showing the property to potential buyers**
- F. After an offer has been made**

The correct answer is that Salesperson Gadhi must inform the seller about possible multiple representation before asking the seller to sign the listing agreement. This is crucial because it ensures that the seller is aware of the implications of multiple representation, including potential conflicts of interest and the requirement for the salesperson to manage these conflicts appropriately. Informing the seller before the listing agreement is signed allows them to make an informed decision about whether they want to proceed under such conditions. This aligns with the principles of transparency and informed consent in real estate transactions. By disclosing this information at this stage, Gadhi upholds their professional responsibilities and helps the seller understand how their representation might intersect with other parties. This proactive approach is essential in establishing trust and clarity in the client-agent relationship right from the outset, allowing the seller to weigh their options with full awareness of the potential representation scenario.

7. An owner of a 58-foot frontage vacant lot wants to build a single-family home, but the zoning bylaw requires a minimum of 60-foot frontage. What can the owner do?
- A. The owner of the vacant land will not be able to build his new home, as the property does not meet the zoning requirements.
  - B. If the owner applies to a committee of adjustment, the decision would weigh entirely on whether or not the two-foot variance is minor.
  - C. The owner can construct the single-family home, as the lot frontage variance is less than three feet.
  - D. The owner may successfully obtain approval from the committee of adjustment, depending on various planning/zoning considerations.**
  - E. The owner should request a zoning exception from the municipal council directly.
  - F. The owner needs to acquire additional land to meet the minimum frontage requirement.

The most appropriate course of action for the owner of the 58-foot frontage lot, who wishes to build a single-family home despite the zoning bylaw requiring a minimum of 60 feet, would involve applying to the committee of adjustment for a variance. The outcome of such an application would depend on various planning and zoning considerations that the committee evaluates, such as the nature and purpose of the zoning bylaw, the uniqueness of the property, and whether granting the variance would cause any adverse effects on the surrounding area. This process recognizes that in certain circumstances, such as the minor nature of the variance (in this case, a two-foot difference), there can be flexibility in zoning regulations. The committee of adjustment typically assesses whether the variance is minor, how it aligns with the intent of the zoning bylaw, and weighs public input and potential impacts. If these factors are favorable, the committee may grant permission to proceed with the construction despite not fully meeting the dimensional requirements. Other responses suggest options that either overlook the possibility of obtaining a variance or impose unnecessary restrictions without considering the established process for variances, making them less suitable for the owner's situation.

**8. Which BEST describes a significant deposit in real estate transactions?**

**A. It shows good faith and credibility**

**B. It indicates buyer reluctance**

**C. It must be a certified cheque**

**D. It is irrelevant to negotiations**

**E. It guarantees offer acceptance**

**F. It lowers the asking price**

A significant deposit in real estate transactions serves as a demonstration of the buyer's good faith and credibility. This deposit reflects the buyer's commitment to the acquisition of the property and acts as an assurance to the seller that the buyer is serious about the transaction. By providing a substantial deposit, the buyer signals their willingness to follow through with the purchase, which can enhance their negotiating position. This financial commitment is crucial in the context of real estate negotiations, often impacting perceptions of the buyer's reliability. Sellers tend to view a larger deposit as a positive sign, reducing their concerns about potential default by the buyer. The deposit may be part of the purchase agreement and typically becomes part of the down payment upon successful transaction completion. Other elements, such as certified cheques or their implications on the negotiation process, play a role but do not encompass the primary function of the deposit as an expression of the buyer's intent and seriousness regarding the property.

**9. What could be covered under a new buyer's title insurance for a resale property?**

**A. Seller's unauthorized home extension**

**B. Buyer's failure to pay the insurance premium**

**C. Buyer's illness affecting mortgage payments**

**D. Failure to get right-of-way access over adjoining property**

**E. Problems with home zoning laws**

**F. Issues arising from previous property tax defaults**

Title insurance is designed to protect buyers from various risks and issues that can arise related to the ownership of a property, particularly those that may not be discovered during a standard title search. One of the key protections offered by title insurance is against claims linked to the property's physical condition and any unauthorized changes made to it. When considering the possible coverages under a new buyer's title insurance for a resale property, the correct response involves issues like unauthorized home extensions. If a seller made alterations to the property—such as adding an extension without proper permission or permits—this can lead to disputes, legal problems, or even the requirement to remove the unauthorized structure. Title insurance helps protect the buyer from any liability or claims related to such issues that may arise after the purchase. Title insurance does not cover personal issues of the buyer, such as their failure to pay the insurance premium, health problems affecting mortgage payments, or complications arising from zoning laws or property tax defaults, as these are outside the scope of what title insurance protects against. Instead, title insurance focuses on risks associated with the title itself and the ownership of the property.

- 10. What should a broker/salesperson advise when a seller with valuables prefers an open house for a high-end home?**
- A. Immediately agree to conduct an open house, as it is the best way to market this home.**
  - B. Immediately agree to conduct an open house, but ensure that the seller hires some form of security for the duration of the open house to watch over any valuables.**
  - C. Suggest to the seller that she should be present to watch over any valuables, as well as taking over for the broker/salesperson if he or she is called away on another business matter.**
  - D. Suggest to the seller that, while an open house is appropriate for many houses, she should seriously consider viewing by appointment only given extensive valuables in the house. If ultimately an open house is needed, special precautions are needed to minimize the risk of theft or damage.**
  - E. Immediately reject the idea of an open house and suggest only private showings with security personnel present.**
  - F. Recommend a virtual open house to maintain security for the seller's valuables.**

The correct answer recognizes the inherent risks associated with hosting an open house for a high-end property that contains valuables. While open houses can be a useful marketing strategy, they also create an environment where many potential buyers and curious onlookers can enter the home without any prior screening. This raises the chances of theft or damage to valuable items. By suggesting that the seller consider viewing by appointment only, the broker/salesperson emphasizes the importance of safeguarding the seller's possessions while still potentially accommodating interested buyers. Additionally, if the seller ultimately decides that an open house is the best approach, the advice to implement special precautions reflects a responsible and proactive attitude toward risk management. This could include hiring security personnel, restricting access to certain areas, or advising the seller to remove high-value items from the premises. This response balances the need for effective marketing of the property while prioritizing the safety and security of the seller's valuables. It shows understanding of the delicate situation and offers practical solutions, aligning with best practices in real estate without disregarding the seller's concerns.