

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

Study Guide



Everything you need from our exam experts!

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SAMPLE

Questions

- 1. Which function is NOT performed by the foundation of a building?**
 - A. Supporting the weight of the structure**
 - B. Being a retaining wall for soil**
 - C. Preventing frost from affecting stability**
 - D. Providing a base for construction**
 - E. Reducing groundwater penetration**
 - F. Lowering sound transmission**

- 2. Why might a selling brokerage claim remuneration during a holdover period?**
 - A. Because the property was listed during the introduction**
 - B. Because the property sold during the holdover period**
 - C. Because the buyer initiated contact after the BRA expired**
 - D. Because another brokerage handled the final agreement**
 - E. Because the introduction occurred before the expiration**
 - F. Because the seller contacted the original agent during the duration**

- 3. What is the main purpose of a Property Disclosure Statement (PDS)?**
 - A. To establish the market value of the property.**
 - B. To outline the responsibilities of the real estate agents.**
 - C. To disclose material information about the property's condition.**
 - D. To set the selling price of the property.**
 - E. To confirm the financing details of the buyer.**
 - F. To provide a legal description of the property.**

- 4. How should a broker respond if a seller with a high-value property insists on an open house?**
- A. Immediately agree to conduct an open house, as it is the best way to market this home.**
 - B. Agree to conduct an open house but ensure that the seller hires security for the duration of the open house.**
 - C. Suggest the seller should be present to watch over valuables and take over if the broker is called away.**
 - D. Suggest viewing by appointment only due to extensive valuables, and take special precautions if an open house is ultimately needed.**
 - E. Reject the idea of an open house and suggest a virtual tour instead.**
 - F. Conduct the open house only after removing all valuables from the home.**
- 5. Calculate the total square footage: (a) a 13-foot square room, (b) a trapezoid room with 26 and 31-foot parallel sides, 16 feet apart, (c) a 21x22-foot rectangular room.**
- A. 1,087 square feet**
 - B. 1,543 square feet**
 - C. 668 square feet**
 - D. 859 square feet**
 - E. 1,312 square feet**
 - F. 1,455 square feet**
- 6. What is the most appropriate step for a salesperson when a property meets proximity to public transit but not schools, given the client's priorities?**
- A. Advise the clients to consider reviewing and prioritizing what is more important to them: proximity to public transit or schools.**
 - B. Encourage the clients to make an offer on the current property since it meets one priority.**
 - C. Expand the search criteria to include a larger area of Anycity.**
 - D. Have the clients consider another home, closer to schools but farther from public transit.**
 - E. Provide the clients with details of the best school in the current neighborhood.**
 - F. Suggest that the clients negotiate the price due to the location disadvantage.**

- 7. What benefit do home inspections offer to potential buyers?**
- A. They offer a guarantee regarding environmental compliance.**
 - B. They inspect compliance with electrical and fire codes.**
 - C. They help assess the overall condition of the property.**
 - D. They provide a warranty of property conditions.**
 - E. They include a detailed structural liability analysis.**
 - F. They always lead to renegotiations of price.**
- 8. Who is best suited to provide input on load-bearing requirements and structural integrity in advanced building design?**
- A. Home Inspector**
 - B. Municipal Building Inspector**
 - C. Structural Engineer**
 - D. Mechanical Engineer**
- 9. How do condominium unit owners hold an interest in the common elements?**
- A. as equal partners**
 - B. as joint owners**
 - C. as joint tenants**
 - D. as tenants at will**
 - E. as tenants in common**
 - F. in a partnership**
- 10. What needs to be modified in a counter offer involving only an amended purchase price?**
- A. The purchase price and deposit should both be amended.**
 - B. The irrevocable clause must be modified as well.**
 - C. The pay a further sum amount should be changed accordingly.**
 - D. Only the purchase price needs to be changed.**

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. Which function is NOT performed by the foundation of a building?

- A. Supporting the weight of the structure**
- B. Being a retaining wall for soil**
- C. Preventing frost from affecting stability**
- D. Providing a base for construction**
- E. Reducing groundwater penetration**
- F. Lowering sound transmission**

The foundation of a building primarily serves to support the weight of the structure, distribute loads to the ground, and provide stability to prevent settlement or shifting. Among its various functions, one important aspect is resisting the forces of nature, including frost action, which can destabilize a structure if not adequately addressed. The choice regarding reducing groundwater penetration is not a direct function of the foundation itself, as while foundations are designed to manage moisture and provide some barrier to groundwater, they are not primarily intended to act as a waterproofing solution. Rather, external systems like drainage, landscaping, and site grading are typically utilized to control groundwater flow around the foundation. In contrast, functions such as supporting the structure, acting as a retaining wall for soil, preventing frost heave, providing a solid base for construction, and mitigating sound transmission are integral to the foundation's role in ensuring the building's integrity and performance. Each of those is critical to maintaining stability, safety, and comfort within the structure.

2. Why might a selling brokerage claim remuneration during a holdover period?

- A. Because the property was listed during the introduction**
- B. Because the property sold during the holdover period**
- C. Because the buyer initiated contact after the BRA expired**
- D. Because another brokerage handled the final agreement**
- E. Because the introduction occurred before the expiration**
- F. Because the seller contacted the original agent during the duration**

The correct choice is that a selling brokerage might claim remuneration during a holdover period because the property sold during that specific period. In the context of real estate, a holdover period is typically referenced in a listing agreement where the brokerage is entitled to a commission on the sale of a property if the transaction occurs after the agreement has ended but within a specified timeframe. This means that if the property indeed sold during the holdover period, the brokerage has a legitimate claim to remuneration based on the work and services they provided prior to the expiration of the listing agreement. In scenarios where the property was sold due to the efforts of the brokerage before the listing agreement expired, or if the seller had contacted the original agent, those situations could also suggest grounds for the brokerage to seek compensation. However, if the transaction takes place while the holdover clause is still active, it solidifies their entitlement. The other options do not accurately address why a claim for remuneration would be made specifically during the holdover period, as they either reference actions that do not directly relate to the timing of a sale or imply that other parties or processes, such as a different brokerage, were involved in the final agreement.

3. What is the main purpose of a Property Disclosure Statement (PDS)?

- A. To establish the market value of the property.**
- B. To outline the responsibilities of the real estate agents.**
- C. To disclose material information about the property's condition.**
- D. To set the selling price of the property.**
- E. To confirm the financing details of the buyer.**
- F. To provide a legal description of the property.**

The main purpose of a Property Disclosure Statement (PDS) is to disclose material information about the property's condition. This document is essential in real estate transactions as it helps potential buyers gain a comprehensive understanding of the property they are considering purchasing. It includes significant details regarding structural issues, systems, and any known defects or environmental concerns, allowing buyers to make informed decisions. The PDS serves to protect both the buyers and the sellers by ensuring transparency in the transaction. When sellers provide a PDS, they fulfill their duty to disclose relevant information, reducing the likelihood of future disputes about the property's condition. This proactive disclosure is in line with the legal and ethical obligations of the seller, fostering trust and facilitating a smoother transaction process.

4. How should a broker respond if a seller with a high-value property insists on an open house?
- A. Immediately agree to conduct an open house, as it is the best way to market this home.
 - B. Agree to conduct an open house but ensure that the seller hires security for the duration of the open house.
 - C. Suggest the seller should be present to watch over valuables and take over if the broker is called away.
 - D. Suggest viewing by appointment only due to extensive valuables, and take special precautions if an open house is ultimately needed.**
 - E. Reject the idea of an open house and suggest a virtual tour instead.
 - F. Conduct the open house only after removing all valuables from the home.

The best course of action is to suggest viewing by appointment only due to extensive valuables, while also considering special precautions if an open house is ultimately needed. This response recognizes the reality that high-value properties often contain items of significant worth which could be at risk during an open house. By proposing appointment-only viewings, the broker is prioritizing the safety and security of the seller's valuables, while also ensuring that potential buyers can still view the property in a controlled manner. This approach allows for a more personalized experience, as appointments can be scheduled when the property is less likely to have distractions or interruptions. If the seller still insists on an open house, suggesting that special precautions be taken acknowledges that the broker is attentive to the seller's wishes but also cautious about potential risks. This creates a balance between marketing the property and ensuring the safety of valuable items. In contrast, immediately agreeing to an open house or conducting one without safeguards could lead to security issues. Similarly, having the seller present may not be the most effective way to showcase the home and could create a less inviting atmosphere for potential buyers. Suggesting a virtual tour may limit exposure to the property as well; in-person showings are often more impactful in luxury real estate.

5. Calculate the total square footage: (a) a 13-foot square room, (b) a trapezoid room with 26 and 31-foot parallel sides, 16 feet apart, (c) a 21x22-foot rectangular room.

A. 1,087 square feet

B. 1,543 square feet

C. 668 square feet

D. 859 square feet

E. 1,312 square feet

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To find the total square footage of the rooms described, we calculate the area of each room type and then sum those areas. 1. For the 13-foot square room, the area is calculated by squaring the length of one side. Thus, $\text{Area} = \text{side} \times \text{side} = 13 \text{ ft} \times 13 \text{ ft} = 169 \text{ square feet}$. 2. For the trapezoid room with 26-foot and 31-foot parallel sides that are 16 feet apart, the area can be determined using the formula for the area of a trapezoid: $\text{Area} = (\text{Base1} + \text{Base2}) \times \text{Height} / 2$ $\text{Area} = (26 \text{ ft} + 31 \text{ ft}) \times 16 \text{ ft} / 2 = 57 \text{ ft} \times 16 \text{ ft} / 2 = 456 \text{ square feet}$. 3. For the rectangular room measuring 21 feet by 22 feet, the area is calculated by multiplying the two dimensions: $\text{Area} = \text{length} \times \text{width} = 21 \text{ ft} \times 22 \text{ ft} = 462 \text{ square feet}$. Now, summing all the areas gives: - Square room: 169 square feet - Trapezoid room: 456 square feet - Rectangular room: 462 square feet Total square

6. What is the most appropriate step for a salesperson when a property meets proximity to public transit but not schools, given the client's priorities?
- A. Advise the clients to consider reviewing and prioritizing what is more important to them: proximity to public transit or schools.
 - B. Encourage the clients to make an offer on the current property since it meets one priority.
 - C. Expand the search criteria to include a larger area of Anycity.**
 - D. Have the clients consider another home, closer to schools but farther from public transit.
 - E. Provide the clients with details of the best school in the current neighborhood.
 - F. Suggest that the clients negotiate the price due to the location disadvantage.

Expanding the search criteria to include a larger area is the most appropriate step in this scenario because it allows the clients to explore a wider range of options that might better meet their priorities regarding both public transit and schools. By broadening the geographical area, the clients may discover properties that are located within close proximity to both essential amenities, thereby addressing their needs more comprehensively. Additionally, this approach demonstrates flexibility and a willingness to assist the clients in finding a home that aligns with all of their priorities, rather than settling for a property that only partially fulfills their requirements. It emphasizes the importance of thorough market knowledge and an understanding of the clients' needs, which is essential for a salesperson in real estate. The other options might not fully address the clients' needs or may even limit their choices in a competitive market. Prioritizing is helpful, but it can also lead to missing out on suitable properties if the search criteria are too narrow. Encouraging an offer on a property with only one priority met could lead to regret later if the clients feel they compromised too much. Considering other homes might not address the best of both worlds that they are seeking, while negotiating due to a perceived disadvantage may not be a constructive step without considering a broader perspective on available options.

- 7. What benefit do home inspections offer to potential buyers?**
- A. They offer a guarantee regarding environmental compliance.**
 - B. They inspect compliance with electrical and fire codes.**
 - C. They help assess the overall condition of the property.**
 - D. They provide a warranty of property conditions.**
 - E. They include a detailed structural liability analysis.**
 - F. They always lead to renegotiations of price.**

Home inspections primarily help assess the overall condition of the property, which is crucial for potential buyers. This process allows buyers to gain a comprehensive understanding of both visible and underlying issues that may not be apparent during initial viewings. By examining various aspects of the home - such as the roof, electrical systems, plumbing, structural integrity, and major appliances - inspectors provide insights into the property's current state and any necessary repairs or maintenance. This information empowers buyers to make informed decisions about their purchase, negotiating repairs or price adjustments if significant issues are discovered. While inspections may touch on other specific areas like compliance with electrical codes or structural integrity, the overarching benefit resides in the detailed assessment of the property as a whole. Consequently, recognizing the property's overall condition helps buyers avoid unexpected expenses and makes the transaction more transparent.

- 8. Who is best suited to provide input on load-bearing requirements and structural integrity in advanced building design?**
- A. Home Inspector**
 - B. Municipal Building Inspector**
 - C. Structural Engineer**
 - D. Mechanical Engineer**

The correct choice is the Structural Engineer. A Structural Engineer specializes in understanding and applying principles of engineering to ensure that structures can withstand the loads and forces they may experience throughout their lifetime. This includes providing expertise on load-bearing requirements and assessing the overall structural integrity of buildings. They analyze various factors, such as material strength and environmental conditions, to design safe and efficient structures. While a Home Inspector and a Municipal Building Inspector can provide valuable insights, their scopes of work typically do not delve as deeply into structural engineering principles. A Home Inspector may evaluate overall home conditions but may not have the specific expertise required for loading and structural analysis. Similarly, a Municipal Building Inspector enforces building codes and regulations but does not specialize in the engineering aspects necessary for advanced building design. A Mechanical Engineer focuses on systems such as HVAC, plumbing, and electrical systems rather than the structural components of a building. This nuanced understanding makes the Structural Engineer the most appropriate professional for input on load-bearing and structural design matters.

9. How do condominium unit owners hold an interest in the common elements?

- A. as equal partners**
- B. as joint owners**
- C. as joint tenants**
- D. as tenants at will**
- E. as tenants in common**
- F. in a partnership**

Condominium unit owners hold an interest in the common elements as "tenants in common." This means that each owner has a separate and distinct share in the common elements. They do not hold an equal interest or joint ownership as in a partnership, joint tenancy, or as equal partners. Additionally, being tenants at will implies a more temporary and casual agreement, which is not the case in a condominium setting where each owner has a formal ownership stake.

10. What needs to be modified in a counter offer involving only an amended purchase price?

- A. The purchase price and deposit should both be amended.**
- B. The irrevocable clause must be modified as well.**
- C. The pay a further sum amount should be changed accordingly.**
- D. Only the purchase price needs to be changed.**

In a counter offer that involves modifying only the purchase price, it is crucial to also amend the deposit amount to reflect any changes made to the total purchase price. The deposit is typically a percentage of the purchase price, and if the price increases or decreases, the deposit should be adjusted accordingly to align with the new terms of the agreement. This ensures that the terms of the offer are consistent and clear to all parties involved, preventing any confusion about the financial obligations associated with the transaction. Other elements of the agreement, such as the irrevocable clause or the "pay a further sum" amount, may not necessarily require modification if the only change pertains to the purchase price. However, the deposit is directly tied to the purchase price and must be modified to maintain the integrity and fairness of the counter offer.