

Illinois Real Estate Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

This is a sample study guide. To access the full version with hundreds of 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. Don't worry about getting everything right, 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, and take breaks to retain information better.

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.

7. Use Other Tools

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!

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Questions

- 1. In real estate, what term refers to the right to use the land of another?**
 - A. Tenant Rights**
 - B. Servient Rights**
 - C. Eminent Domain**
 - D. Easement**
- 2. Which type of lien is created to enforce the payment of money against a property?**
 - A. Voluntary Lien**
 - B. Involuntary Lien**
 - C. Statutory Lien**
 - D. Specific Lien**
- 3. The Junk Fax Act does not allow:**
 - A. Charging a fee to opt-out**
 - B. Sending unsolicited junk faxes**
 - C. Receiving solicitation faxes**
 - D. Opt-out of marketing emails**
- 4. A buyer bought a property and was given an unrecorded deed:**
 - A. The deed should be recorded to provide constructive notice of her ownership**
 - B. The buyer should keep the unrecorded deed safe**
 - C. The seller remains the legal owner until the deed is recorded**
 - D. The buyer should return the deed to the seller for recording**
- 5. A brokerage company offers to pay for moving costs of clients who are moving out of town:**
 - A. This is an acceptable business practice in that a principal to a transaction can receive compensation from a brokerage**
 - B. This is a violation of ethics and against real estate regulations**
 - C. It is mandatory for brokerages to cover moving costs for clients**
 - D. Commission rates need to be increased to cover moving costs**

- 6. If a three flat has rents totaling \$500 per month and the Gross Rent Multiplier (GRM) is 120, what is the value of the property?**
- A. \$1,200,000**
 - B. \$400,000**
 - C. \$540,000**
 - D. \$450,000**
- 7. Which items on the premises are considered trade fixtures and can be removed by the tenant?**
- A. Foundation and structural beams**
 - B. Appliances like refrigerators**
 - C. Window treatments and specialized equipment**
 - D. Exterior landscaping and fencing**
- 8. When the land is lost but the property boundaries stay the same is an example of:**
- A. Avulsion**
 - B. Erosion**
 - C. Flood**
 - D. Encroachment**
- 9. What action can Andrew take if a deed restriction prohibits chain link fences but municipal ordinances do not?**
- A. He can ignore the deed restriction**
 - B. He can sue the municipality**
 - C. He cannot install the fence as the deed restriction takes precedence**
 - D. He can request the removal of the deed restriction**
- 10. John is purchasing a property using an FHA 203b. More than likely he:**
- A. Will be occupying the property as his residence**
 - B. Will be renting out the property**
 - C. Will be selling the property immediately**
 - D. Will be using the property for commercial purposes**

Answers

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

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Explanations

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1. In real estate, what term refers to the right to use the land of another?

- A. Tenant Rights**
- B. Servient Rights**
- C. Eminent Domain**
- D. Easement**

The concept of an easement is fundamental in real estate as it refers to the legal right to use someone else's land for a specified purpose. Easements are most commonly established for utility companies to maintain power lines, or for neighbors to access a shared driveway, for example. The property that is benefiting from the easement is known as the dominant tenement, while the property that is burdened by the easement is referred to as the servient tenement. This arrangement allows individuals or entities to utilize parts of another's property without transferring ownership, clearly distinguishing easements from rights that generally pertain to tenants occupying rental properties or from other legal concepts like eminent domain, which pertains to government authority over private property for public use. Understanding easements is crucial for real estate transactions and property law, as they can significantly impact both property values and usage rights.

2. Which type of lien is created to enforce the payment of money against a property?

- A. Voluntary Lien**
- B. Involuntary Lien**
- C. Statutory Lien**
- D. Specific Lien**

The correct answer involves a type of lien specifically established to secure the payment of obligations associated with a property. A voluntary lien is created when a property owner agrees to give a lender a legal claim against their property as collateral for a loan. This often occurs in the case of mortgage agreements where the borrower voluntarily pledges their property to ensure repayment. By willingly entering into this arrangement, property owners acknowledge their obligation to repay the debt, and in turn, lenders obtain the right to pursue the property if payment defaults occur. This characteristic of voluntary consent distinguishes it from other lien types, which may arise without the property owner's agreement or consent. In contrast, an involuntary lien is imposed without the property owner's consent, often resulting from a legal action such as a court judgment. A statutory lien is created by law for specific purposes, such as tax liens, while a specific lien pertains to a particular property and usually arises from a specific debt, like a mortgage or mechanic's lien. Understanding these definitions helps clarify why a voluntary lien is distinctly linked to a property owner's choice to secure their obligation with the property itself.

3. The Junk Fax Act does not allow:

- A. Charging a fee to opt-out**
- B. Sending unsolicited junk faxes**
- C. Receiving solicitation faxes**
- D. Opt-out of marketing emails**

The Junk Fax Act primarily aims to prevent the sending of unsolicited advertisements via fax. While the Act does allow for an opt-out mechanism, it explicitly prohibits any fees being charged for that opt-out process. This is crucial because it ensures that recipients can easily and freely withdraw their consent to receive further faxes without facing financial barriers. The other options relate to different aspects of fax communication. Sending unsolicited junk faxes is directly prohibited by the Act, as it seeks to protect individuals and businesses from unwanted solicitations. Receiving solicitation faxes is not inherently disallowed by the Act, as it pertains to what someone may receive if they have not opted out or if they have consented to receive such faxes. The discussion of opting out of marketing emails falls outside the specific focus of the Junk Fax Act, which is concerned with fax communications specifically rather than email marketing practices.

4. A buyer bought a property and was given an unrecorded deed:

- A. The deed should be recorded to provide constructive notice of her ownership**
- B. The buyer should keep the unrecorded deed safe**
- C. The seller remains the legal owner until the deed is recorded**
- D. The buyer should return the deed to the seller for recording**

The correct response highlights the importance of recording a deed to provide constructive notice of ownership. In real estate, recording a deed is a crucial step that protects the buyer's interests. Once a deed is recorded in the appropriate government office, it becomes part of the public record. This action offers legal protection to the buyer by establishing a clear chain of title and notifying any future purchasers or creditors of the buyer's ownership. Without recording, the buyer's ownership is not publicly acknowledged, which could lead to disputes regarding ownership rights. While keeping the unrecorded deed safe is certainly wise, it does not confer the legal protections that recording provides. The statement about the seller remaining the legal owner until the deed is recorded is misleading; the buyer is the owner from the moment the deed is signed, but they may face challenges regarding that ownership if it's not recorded. Finally, returning the deed to the seller for recording is unnecessary; the buyer can directly record the deed themselves. Thus, the most appropriate choice emphasizes the necessity of recording the deed.

5. A brokerage company offers to pay for moving costs of clients who are moving out of town:
- A. This is an acceptable business practice in that a principal to a transaction can receive compensation from a brokerage
 - B. This is a violation of ethics and against real estate regulations
 - C. It is mandatory for brokerages to cover moving costs for clients
 - D. Commission rates need to be increased to cover moving costs

The choice that states the practice is acceptable is correct because brokerage companies are allowed to offer incentives like covering moving costs as part of their business strategies. This practice can serve as a marketing tool to attract clients and make the moving process easier for them, showing goodwill and a commitment to customer service. In this context, it's important to differentiate this option from the other alternatives. The second option about violation of ethics and regulations is misleading since providing moving cost assistance is not inherently unethical or against regulations if disclosed appropriately. The third option regarding the mandatory nature of covering moving costs is incorrect as it is ultimately at the discretion of the brokerage and not a requirement. Lastly, the fourth choice about needing to increase commission rates to cover moving costs is also inaccurate; a brokerage can choose to provide incentives without adjusting their commission structure. Overall, the practice of covering moving costs can be a valuable proposition for real estate clients when conducted transparently and within legal boundaries.

6. If a three flat has rents totaling \$500 per month and the Gross Rent Multiplier (GRM) is 120, what is the value of the property?
- A. \$1,200,000
 - B. \$400,000
 - C. \$540,000
 - D. \$450,000

To determine the value of the property using the Gross Rent Multiplier (GRM), you first need to calculate the annual gross rent. Since the monthly rents total \$500, the annual gross rent will be \$500 multiplied by 12 months, which equals \$6,000. Once you have the annual gross rent, you can calculate the value of the property by multiplying the total annual rent by the GRM. In this case, you multiply the \$6,000 annual rent by the GRM of 120: $\text{Value} = \text{Annual Rent} \times \text{GRM}$ $\text{Value} = 6,000 \times 120 = 720,000$ Since the value calculated does not match the options provided, it seems that understanding of the GRM or monthly income could be in question. However, if there was an intended consistency in the provided data (like identifying multiple properties with different characteristics), or errors in the choices listed, the emphasis should be on understanding the GRM as a key factor in property valuation. The correct answer based on the information indicated would lead to realization that the provided choices may need reevaluation or that additional context about the monthly income across the three flats might be beneficial for determining how the rents aggregate

7. Which items on the premises are considered trade fixtures and can be removed by the tenant?

A. Foundation and structural beams

B. Appliances like refrigerators

C. Window treatments and specialized equipment

D. Exterior landscaping and fencing

Trade fixtures are items that a tenant installs in a rental property for their business operations and can be removed before they vacate the premises. They are considered personal property of the tenant, even though they may be attached to the property. The correct answer encompasses items that are typically associated with a business operation. In this case, window treatments and specialized equipment fit the definition of trade fixtures, as they serve a specific function for the tenant's business and can be taken down and removed when the tenant moves out. This aligns with common practices regarding what items tenants install to enhance their business space. Other options, such as foundation and structural beams, are permanent fixtures of the building and are not removable by tenants. Appliances like refrigerators may sometimes be considered personal property, specifically if they are supplied by the landlord; however, they do not typically fall under the category of trade fixtures if they are standard amenities rather than specially installed for the tenant's specific business needs. Exterior landscaping and fencing are generally considered part of the property and not trade fixtures, as they are permanent improvements to the land.

8. When the land is lost but the property boundaries stay the same is an example of:

A. Avulsion

B. Erosion

C. Flood

D. Encroachment

The scenario described, where land is lost while property boundaries remain the same, is indeed best characterized by avulsion. Avulsion occurs when there is a sudden and rapid removal of land due to events such as floods, landslides, or other natural disasters, which can significantly alter the landscape. However, the legal property boundaries of ownership do not change immediately despite the physical loss of land. This distinction is important because it highlights the difference between avulsion and other concepts like erosion, which involves a gradual loss of land over time. In cases of erosion, the physical boundaries of property can change due to the slow and natural process of soil being worn away, but avulsion refers to abrupt changes that impact land ownership. Understanding avulsion in this context helps clarify property rights and responsibilities following significant land loss, making it crucial for real estate practitioners to grasp this definition in relation to property law in Illinois.

9. What action can Andrew take if a deed restriction prohibits chain link fences but municipal ordinances do not?

A. He can ignore the deed restriction

B. He can sue the municipality

C. He cannot install the fence as the deed restriction takes precedence

D. He can request the removal of the deed restriction

The correct action Andrew can take is to recognize that the deed restriction takes precedence over municipal ordinances. Deed restrictions are private agreements or limitations placed on a property by the owner, which remain in effect regardless of any local laws that may allow certain actions. In this case, since the deed restriction specifically prohibits chain link fences, Andrew is bound by that restriction. While municipal ordinances may permit the installation of chain link fences, acknowledging the supremacy of the deed restriction ensures compliance with the terms set forth by previous property owners or associations. This understanding helps maintain the integrity of the property's intended use and the agreements made by its owners. It is also important to note that ignoring the deed restriction could lead to legal disputes and potential enforcement actions from other affected parties. Therefore, any attempts to act against the restriction could potentially result in more significant complications.

10. John is purchasing a property using an FHA 203b. More than likely he:

A. Will be occupying the property as his residence

B. Will be renting out the property

C. Will be selling the property immediately

D. Will be using the property for commercial purposes

The FHA 203(b) loan program is specifically designed for individuals who are looking to purchase a home for personal occupancy. This program allows borrowers to secure low down payment financing and is aimed at making homeownership more accessible for those intending to live in the property. Therefore, it is most likely that John, who is using this type of financing, will occupy the property as his primary residence. In contrast, the other options suggest uses for the property that do not align with the purpose of the FHA 203(b) program. Renting out the property would typically require different financing, as many mortgage programs stipulate that properties financed through them must be owner-occupied. Selling the property immediately does not align with the intent of homeownership promoted by the FHA. Lastly, using the property for commercial purposes is outside the scope of the FHA's residential financing options, as the program focuses on properties that are intended for residential use.

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://illinoisrealestate.examzify.com>

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