ILLINOIS REAL ESTATE 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 causes land to be lost due to an act of nature like a mudslide or earthquake?**
   A. Accretion
   B. Avulsion
   C. Erosion
   D. Doctrine Of Prior Appropriation

2. **If Graham Office Supply Store paid $1500 monthly rent plus 3% on all sales over $150,000 and a total rent of $25,000 annually, what were the total sales for the store?**
   A. A. $200,000
   B. B. $316,667
   C. C. $383,333
   D. D. $410,000

3. **What occurs in a situation of Constructive Eviction in a lease agreement?**
   A. The tenant voluntarily vacates the property
   B. The landlord forces the tenant out for non-payment
   C. The landlord's actions render the unit uninhabitable
   D. The tenant sublets the unit illegally

4. **What term is used to describe a portion of a building constructed on another person's land?**
   A. Area Preference
   B. Encroachment
   C. Life Estate
   D. Conventional Life Estate

5. **What characteristic of land is considered the most important in economics?**
   A. Area Preference
   B. Conventional Life Estate
   C. Encroachment
   D. Remainder interest

6. What is the monthly real estate tax on a property valued at $325,000, assessed at 33% of market value, with a tax rate of 40 mills and an equalization factor of 1.1?

A. A. $311.25

B. B. $345.50

C. C. $393.25

D. D. $420.75

7. Which lien is a charge or claim against a property enforced to secure payment of money?

A. Encumbrance

B. Mechanic's Lien

C. Specific Lien

D. Lien

8. What is the term for the property that benefits from an easement?

A. Dominant Tenement

B. Beneficiary Parcel

C. Servient Estate

D. Main Tenure

9. In what situation can a broker sign the real estate sale contract on behalf of the seller?

A. If the broker has a power of attorney

B. If the broker is related to the seller

C. If the broker is a licensed attorney

D. If the broker is a family friend of the seller

10. A man wants to sell his property in another state. The agent he hires practices real estate in that state. If the agent makes an offer on the property for herself, the agent should:

A. Disclose the change in zoning and the resulting increase in value.

B. Keep the information to herself

C. Conceal the offer from the seller

D. Proceed with the purchase without any notice

Answers

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

Explanations

1. What causes land to be lost due to an act of nature like a mudslide or earthquake?

A. Accretion

B. Avulsion

C. Erosion

D. Doctrine Of Prior Appropriation

The correct choice is indeed related to the sudden loss of land due to natural events. Avulsion refers to a rapid and often violent change in the course of a river or the sudden loss of land due to the forces of nature, such as mudslides or earthquakes. When these events occur, they can cause a substantial amount of land to be displaced or removed in a short time frame—this is characteristic of avulsion. In contrast, erosion refers to the gradual wearing away of land by natural forces like water or wind, and accretion involves the gradual accumulation of sediment that can actually increase land area. The Doctrine of Prior Appropriation is related to water rights rather than land loss. Understanding these terms is crucial in real estate as they pertain to land ownership, use, and regulation.

2. If Graham Office Supply Store paid $1500 monthly rent plus 3% on all sales over $150,000 and a total rent of $25,000 annually, what were the total sales for the store?

A. A. $200,000

B. B. $316,667

C. C. $383,333

D. D. $410,000

To determine the total sales for the Graham Office Supply Store, we first analyze the components of the rent payment structure. The store pays a fixed monthly rent of $1,500, which totals to $18,000 annually (calculated as $1,500 multiplied by 12 months). Since the total annual rent is $25,000, we can find the excess rent due to the percentage on sales over $150,000. By subtracting the base rent from the total rent, we find that the additional amount paid due to the sales percentage is $25,000 minus $18,000, which equals $7,000. Next, we know that the additional rent is charged at a rate of 3% on sales exceeding $150,000. Let's denote total sales as \(S \). The sales over $150,000 can be expressed as \(S - 150,000 \). The 3% on these excess sales can be set up in an equation: \[0.03(S - 150,000) = 7,000 \] To solve for \(S \), first isolate the term \(S - 150,000 \): \[S - 150,000 = \frac

3. What occurs in a situation of Constructive Eviction in a lease agreement?

A. The tenant voluntarily vacates the property

B. The landlord forces the tenant out for non-payment

C. The landlord's actions render the unit uninhabitable

D. The tenant sublets the unit illegally

In a situation of Constructive Eviction, the key element is that the landlord's actions have made the rented unit uninhabitable or significantly impaired the tenant's ability to enjoy and use the property. This can happen through various means, such as inadequate maintenance, failure to provide essential services (like heat or water), or creating an environment that poses a risk to health and safety. Although the tenant does not receive a formal eviction notice, the conditions created by the landlord are so severe that the tenant is effectively forced to leave because they cannot reasonably continue to occupy the space. This concept is important in lease agreements, as it emphasizes the landlord's obligation to maintain the property in a habitable condition. If a tenant does experience such conditions and subsequently vacates the property, they may have legal grounds to terminate the lease without penalty due to the landlord's failure to uphold their responsibilities.

4. What term is used to describe a portion of a building constructed on another person's land?

A. Area Preference

B. Encroachment

C. Life Estate

D. Conventional Life Estate

The correct term to describe a portion of a building that is constructed on another person's land is "encroachment." Encroachment occurs when a structure, such as a fence or part of a building, intrudes onto a neighbor's property without permission. This can lead to legal disputes, as the property owner has rights to their land, and any unauthorized use can be considered a violation of those rights. The other options refer to different concepts in real estate. Area preference pertains to the desirability of a location, life estate is a form of property ownership that lasts for the lifetime of a designated individual, and a conventional life estate is a specific type of life estate where the rights are limited to that individual's life. These terms do not relate to the unauthorized occupation of land by construction, making encroachment the accurate term in this context.

5. What characteristic of land is considered the most important in economics?

A. Area Preference

B. Conventional Life Estate

C. Encroachment

D. Remainder interest

In economics, the characteristic of land known as "Area Preference" is considered the most important. Area preference refers to the location of a piece of land and the value it holds based on its proximity to various amenities and services, such as schools, shopping centers, transportation hubs, and other community resources. This factor heavily influences the demand for land and its market value. The other options provided - Conventional Life Estate, Encroachment, and Remainder Interest - do not directly relate to the economic importance of land as Area Preference does. These options are terms related to different aspects of property rights and interests in real estate, but they do not have the same impact on the economics of land as the concept of Area Preference.

6. What is the monthly real estate tax on a property valued at $325,000, assessed at 33% of market value, with a tax rate of 40 mills and an equalization factor of 1.1?

A. A. $311.25

B. B. $345.50

C. C. $393.25

D. D. $420.75

*To determine the monthly real estate tax on the given property, we first need to calculate the assessed value, the taxable value, and then the tax amount. 1. **Assessed Value**: The property is valued at $325,000, and it is assessed at 33% of its market value. Thus, the assessed value is calculated as follows: \[\text{Assessed Value} = \text{Market Value} \times \text{Assessment Ratio} = 325,000 \times 0.33 = 107,250 \] 2. **Equalized Assessed Value**: The equalization factor is used to adjust the assessed value to a standardized level. Thus, the equalized assessed value is: \[\text{Equalized Assessed Value} = \text{Assessed Value} \times \text{Equalization Factor} = 107,250 \times 1.1 = 117,975 \] 3. **Tax Calculation**: The tax rate is given in mills (which represent a value of one-tenth of a cent per dollar of assessed value). A tax rate of 40 mills translates to: \[*

7. Which lien is a charge or claim against a property enforced to secure payment of money?

A. Encumbrance

B. Mechanic's Lien

C. Specific Lien

D. Lien

The correct choice is specific lien because it directly pertains to a legal claim on a specific property to secure the payment of a debt. A specific lien is attached to a particular piece of property, meaning that if the debt is not repaid, the lienholder has the right to take action against that specific property, such as foreclosing on it to satisfy the debt. While the term "lien" is more general, describing any legal claim against property, specific liens denote a more focused application, typically used to secure obligations related to that property, such as mortgages or liens for unpaid services related to the property. Mechanic's lien, while a specific type of lien used primarily by contractors and construction professionals to secure payment for work performed on the property, is a subset of specific liens and does not universally apply to all payment situations. Finally, "encumbrance" is a broad term that describes any claim, right, or interest that can affect or restrict the ownership of property. While it encompasses liens, it does not specifically denote the particular nature of a claim against property for payment, making the term "specific lien" the most accurate answer for this question.

8. What is the term for the property that benefits from an easement?

A. Dominant Tenement

B. Beneficiary Parcel

C. Servient Estate

D. Main Tenure

The correct term for the property that benefits from an easement is indeed "Dominant Tenement." In the context of easements, the dominant tenement is the parcel of land that utilizes the easement to gain access or benefit from the servient estate, which is the property that is burdened by the easement. This relationship highlights the distinction between the two types of properties involved in an easement: while one property allows certain uses or access to be made by another, the dominant tenement is the one that derives advantage from that arrangement. Understanding these terms is fundamental in real estate practice, especially when negotiating or managing property rights involving easements. The other options do not accurately represent the property benefiting from an easement, which further emphasizes the clarity provided by the correct term.

9. In what situation can a broker sign the real estate sale contract on behalf of the seller?

A. If the broker has a power of attorney

B. If the broker is related to the seller

C. If the broker is a licensed attorney

D. If the broker is a family friend of the seller

A broker can sign a real estate sale contract on behalf of the seller if the broker has a power of attorney. A power of attorney is a legal document that gives someone the authority to act on another person's behalf in legal or financial matters, including signing contracts. This authority is granted to the broker explicitly through the document, ensuring that they have the necessary permissions to make decisions and sign agreements for the seller. In contrast, simply being related to the seller, being a licensed attorney, or being a family friend does not inherently grant the broker the legal authority to sign contracts. These situations do not provide the required formal permission outlined in a power of attorney and therefore do not allow the broker to sign a real estate sale contract on behalf of the seller without that explicit designation.

10. A man wants to sell his property in another state. The agent he hires practices real estate in that state. If the agent makes an offer on the property for herself, the agent should:

A. Disclose the change in zoning and the resulting increase in value.

B. Keep the information to herself

C. Conceal the offer from the seller

D. Proceed with the purchase without any notice

The correct answer is that the agent should disclose the change in zoning and the resulting increase in value. In real estate transactions, transparency and honesty are crucial, especially when an agent is acting in a dual capacity – as both an agent for the seller and as a potential buyer. When an agent intends to purchase a property themselves, they have an obligation to inform the seller about any relevant information that may affect the property's value, including changes in zoning laws. Disclosing such information not only demonstrates ethical behavior but also helps to maintain trust between the agent and the seller. Failing to disclose significant changes like zoning could expose the agent to legal liabilities and ethical violations, as it could be perceived as taking advantage of the seller's lack of knowledge regarding the increased value of the property. By providing this information, the agent ensures that the seller is fully informed about the market conditions and can make a well-informed decision regarding the sale of the property. This transparency supports fair practices in real estate and is in accordance with both legal and ethical standards in the industry.

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!