

Massachusetts Real Estate License Practice Test (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

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- 1. Which form of ownership allows different percentages of ownership among co-owners?**
 - A. Joint Tenancy**
 - B. Tenancy by the Entirety**
 - C. Tenancy in Common**
 - D. Community Property**
- 2. What must be communicated to buyers if there are toxic chemicals on or under the soil?**
 - A. It is not necessary to disclose**
 - B. Buyers must not worry about it**
 - C. It must be communicated that an examination is needed**
 - D. Only involved parties need to be informed**
- 3. What is necessary for a valid real estate contract?**
 - A. Informal agreement**
 - B. Public notarization**
 - C. Offer and acceptance**
 - D. Written documentation only**
- 4. What is meant by "exclusive right to sell" in real estate?**
 - A. The seller gives permission to multiple brokers**
 - B. Only one broker is authorized to sell the property**
 - C. This allows the seller to avoid paying any commissions**
 - D. It guarantees the seller a minimum price**
- 5. What is the required lifespan for a private sewage disposal system?**
 - A. 10-15 years**
 - B. 20-25 years**
 - C. 15-25 years**
 - D. 5-10 years**

6. What is the tax rate on selling a home in Massachusetts?

- A. \$2.50/\$1,000
- B. \$4.56/\$1,000
- C. \$5.00/\$1,000
- D. \$3.00/\$1,000

7. What does implied authority allow an agent to do?

- A. Delegate authority to others
- B. Exercise discretion in all decisions
- C. Take necessary actions to fulfill explicit authority
- D. Make independent financial decisions

8. How does community property affect married couples concerning property ownership?

- A. Each partner has equal stake in the property acquired during marriage
- B. Only one partner has ownership rights
- C. Ownership is based solely on individual earnings
- D. It restricts property ownership to separate estates

9. What characterizes a net listing in real estate?

- A. The seller keeps all proceeds after expenses
- B. A commission-based listing for brokers only
- C. A formal agreement with one real estate agent
- D. A listing that requires multiple broker involvement

10. Which of the following mortgages typically includes monthly payments that pay off the principal sum by the maturity date?

- A. Direct Deduction Mortgage
- B. Adjustable Rate Mortgage
- C. Balloon Mortgage
- D. Interest-Only Mortgage

Answers

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

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Explanations

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1. Which form of ownership allows different percentages of ownership among co-owners?

- A. Joint Tenancy**
- B. Tenancy by the Entirety**
- C. Tenancy in Common**
- D. Community Property**

The form of ownership that allows for different percentages of ownership among co-owners is Tenancy in Common. In this arrangement, each co-owner, or tenant in common, can own an unequal share of the property. This means that one co-owner might possess a 50% interest, while another might own only 25%, and a third co-owner could have a 25% share, reflecting their individual contributions or agreements regarding the property. This flexibility in ownership percentages is a key feature of Tenancy in Common, making it distinct from Joint Tenancy or Tenancy by the Entirety. In contrast, Joint Tenancy requires equal ownership shares among co-owners; if one owner sells or transfers their share, the joint tenancy is severed. Tenancy by the Entirety is specifically for married couples and also mandates equal shares. Community Property applies specifically to married couples and typically presumes equal ownership of property acquired during the marriage, barring specific exceptions. Thus, Tenancy in Common stands out as the only arrangement that accommodates varying ownership percentages among co-owners, providing a tailored approach to property ownership.

2. What must be communicated to buyers if there are toxic chemicals on or under the soil?

- A. It is not necessary to disclose**
- B. Buyers must not worry about it**
- C. It must be communicated that an examination is needed**
- D. Only involved parties need to be informed**

When dealing with properties that may contain toxic chemicals in or under the soil, it is essential to communicate the need for an examination to potential buyers. Buyers have the right to know the condition of the property they are considering, including any environmental hazards that may pose a risk to their health or safety. This obligation aligns with the principles of transparency and disclosure in real estate transactions. By informing buyers that an examination is needed, sellers help ensure that potential buyers have the opportunity to assess the risks associated with living on or nearby contaminated land. This not only protects the buyer's interests but also the seller's, as it minimizes liability by allowing the buyer to make an informed decision based on the property's environmental condition. In contrast, the other options suggest a lack of communication or imply that the presence of toxic chemicals is a non-issue. These positions contradict the ethical and legal standards expected in real estate transactions, where full disclosure about property conditions is crucial to uphold buyer protection and trust in the real estate process.

3. What is necessary for a valid real estate contract?

- A. Informal agreement
- B. Public notarization
- C. Offer and acceptance**
- D. Written documentation only

For a real estate contract to be valid, there must be an offer and acceptance between the parties involved. This means that one party proposes terms for the transaction, and the other party agrees to those terms without modifications. This mutual agreement signifies the parties' consent to enter into the contract, which is a fundamental principle in contract law. While written documentation is often required for real estate contracts to ensure clarity and enforceability, it is the mutual agreement (offer and acceptance) that establishes the foundational commitment between the parties. The requirement for written documentation varies by state, but in Massachusetts, real estate contracts must typically be in writing to be enforceable under the Statute of Frauds. However, the real crux of a valid contract lies in the offer and acceptance, which identifies the intentions and agreements of the parties involved. Public notarization is not a necessity for every real estate contract, although it can provide an additional layer of authenticity. An informal agreement lacks the necessary elements that formalize a binding contract, which includes the offer and acceptance. Thus, the correct choice highlights the essential component required for a valid real estate contract.

4. What is meant by "exclusive right to sell" in real estate?

- A. The seller gives permission to multiple brokers
- B. Only one broker is authorized to sell the property**
- C. This allows the seller to avoid paying any commissions
- D. It guarantees the seller a minimum price

The concept of "exclusive right to sell" refers to a situation where only one broker is given the authority to sell a property. This arrangement means that the seller cannot list the property with multiple brokers at the same time; instead, they enter into a contract with a single broker who has the sole right to market and sell the property. With an exclusive right to sell agreement, regardless of who ultimately finds the buyer—whether it be the broker or the seller themselves—the broker is entitled to a commission upon the sale of the property. This arrangement tends to incentivize brokers to invest more resources into marketing and selling the property because they know they will receive compensation if the property sells during their period of exclusivity. The other options present different scenarios that do not align with the exclusive right to sell arrangement. For example, allowing multiple brokers would instead describe a non-exclusive or open listing. The assertion that it allows sellers to avoid paying any commissions is incorrect, as commissions are still required under this agreement; the broker will receive payment regardless of the sales effort. Lastly, the idea that it guarantees a minimum price does not apply, as the agreement focuses more on the exclusive rights granted to the broker rather than pricing guarantees for the seller.

5. What is the required lifespan for a private sewage disposal system?

- A. 10-15 years**
- B. 20-25 years**
- C. 15-25 years**
- D. 5-10 years**

The required lifespan for a private sewage disposal system is 15-25 years. This range reflects the typical durability and functionality of such systems under normal conditions, taking into account factors such as proper maintenance, installation quality, soil conditions, and usage patterns. Understanding the lifespan of private sewage disposal systems is essential for home buyers and property owners; it helps them plan for potential repairs or replacements. Additionally, consistent maintenance can often extend the life of these systems, which aligns with the importance of regular inspections and servicing to prevent early failures. The other choices suggest either shorter or longer lifespans than what is generally accepted in the industry, which may mislead individuals regarding the expected performance and financial planning related to sewage systems.

6. What is the tax rate on selling a home in Massachusetts?

- A. \$2.50/\$1,000**
- B. \$4.56/\$1,000**
- C. \$5.00/\$1,000**
- D. \$3.00/\$1,000**

In Massachusetts, the tax rate on the sale of a home is established at \$4.56 for every \$1,000 of the sale price. This tax is known as the "Deed Excise Tax" and is imposed on the transfer of real estate. When a property is sold, the seller is responsible for this tax, which is calculated based on the selling price of the property. To convert the sale price into a tax amount, one would divide the total sale price by 1,000 and then multiply that result by \$4.56. Understanding this tax rate is vital for both sellers and buyers, as it can affect the overall cost of the transaction. Sellers should factor this tax into their closing costs, while buyers should be aware of it to ensure that all transaction expenses are accounted for in their budget.

7. What does implied authority allow an agent to do?

- A. Delegate authority to others**
- B. Exercise discretion in all decisions**
- C. Take necessary actions to fulfill explicit authority**
- D. Make independent financial decisions**

Implied authority refers to the powers that an agent is assumed to possess in order to effectively carry out their explicit authority as outlined in a contractual agreement or agency relationship. Essentially, it allows the agent to perform actions that are reasonably necessary to fulfill their designated role, even if those actions are not specifically stated in the contract. For example, if an agent has the explicit authority to negotiate a lease on behalf of a client, implied authority would enable the agent to take necessary steps related to that negotiation, such as contacting potential tenants, scheduling viewings, and discussing terms with landlords. These actions support the agent's ability to honor the explicit authority granted to them. The other choices involve aspects that are not typically encompassed by implied authority. Delegating authority often requires explicit permission from the principal, exercising discretion may be limited by the terms of the agency agreement, and independent financial decisions generally fall outside the scope of what implied authority can provide without specific consent from the principal. Therefore, implied authority is primarily about taking necessary actions to support explicit instructions and responsibilities.

8. How does community property affect married couples concerning property ownership?

- A. Each partner has equal stake in the property acquired during marriage**
- B. Only one partner has ownership rights**
- C. Ownership is based solely on individual earnings**
- D. It restricts property ownership to separate estates**

Community property laws are designed to ensure that both spouses have an equal share in the assets and debts acquired during their marriage. Under this system, any property acquired during a marriage is typically considered jointly owned, unless it is specifically designated as separate property (such as gifts or inheritances received by one spouse). Therefore, each partner not only has an equal stake in properties acquired during the marriage, but they also share both the benefits and burdens associated with that property. This principle is grounded in the idea that both spouses contribute to the marriage, often in ways that may not be financially measurable. Hence, every asset and debt accumulated during the duration of the marriage is treated as belonging equally to both parties, regardless of whose name the title is held in or who earned the income that funded the acquisition. This equal distribution signifies the foundational principle of community property, fostering fairness and mutual responsibility in marriage.

9. What characterizes a net listing in real estate?

- A. The seller keeps all proceeds after expenses**
- B. A commission-based listing for brokers only**
- C. A formal agreement with one real estate agent**
- D. A listing that requires multiple broker involvement**

A net listing in real estate is characterized by the seller keeping all proceeds after expenses. In a net listing arrangement, the seller specifies a certain amount of money they want to receive from the sale of their property. The real estate agent's commission is then based on any amount received that exceeds the specified net amount. This means that the agent's payment comes from the excess above the seller's predetermined price, which incentivizes the agent to sell the property for the highest possible price. The focus of a net listing is on the net proceeds to the seller, which fundamentally distinguishes it from other listing types where the commission is a percentage of the sale price without consideration for the seller's desired net gain. This can streamline motivations for the agent and seller but also raises concerns about transparency and valuation, which can complicate the selling process. The other options do not accurately capture the essence of a net listing. A commission-based listing for brokers only may imply a traditional commission structure without the unique net pricing characteristic. A formal agreement with one real estate agent suggests an exclusivity that might not apply to net listings. Lastly, a listing that requires multiple broker involvement contradicts the intention of a net listing, which typically focuses on a single broker's performance related to the seller.

10. Which of the following mortgages typically includes monthly payments that pay off the principal sum by the maturity date?

- A. Direct Deduction Mortgage**
- B. Adjustable Rate Mortgage**
- C. Balloon Mortgage**
- D. Interest-Only Mortgage**

The correct answer is the Direct Deduction Mortgage. This type of mortgage is structured to ensure that the monthly payments made by the borrower contribute to both the interest and the principal, allowing the borrower to fully pay off the loan by the maturity date. This means that the borrower begins paying down the balance right from the outset, making it a common option for those looking to ensure full repayment in a specified timeframe. In contrast, Adjustable Rate Mortgages may have fluctuating payments based on interest rate changes, and may not always ensure the principal is paid off by maturity without specific terms. Balloon Mortgages typically involve lower payments during the initial period, with a large final payment due at the end, which does not guarantee that the principal is fully amortized by the end of the term. Interest-Only Mortgages allow borrowers to pay only interest for a set period, meaning the principal balance remains unchanged until the principal payments begin. Each of these alternatives has characteristics that prevent them from guaranteeing full repayment of the principal by the maturity date in the same way a Direct Deduction Mortgage does.

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://massachusetts-realestate.examzify.com>

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

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