

NEW HAMPSHIRE STATE REAL ESTATE PRACTICE EXAM (SAMPLE)

STUDY GUIDE



**SAMPLE STUDY GUIDE
WITH LIMITED QUESTIONS**

**VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE**

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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

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- 1. Under NH law, what is true about a landlord's "no pets" policy regarding a visually impaired person with a guide dog?**
 - A. May apply uniformly to the guide dog
 - B. Prohibits the landlord from refusing to rent
 - C. Landlord may require an additional damage fee
 - D. Does not address the issue
- 2. What does "market value" represent?**
 - A. The value at which a property would sell in an open market
 - B. The highest price a seller can ask for a property
 - C. The estimated cost to build a new property
 - D. The value determined by a tax appraisal
- 3. How is an easement defined?**
 - A. A legal right to use another person's land for a specific purpose
 - B. A type of property insurance
 - C. A method for determining property boundaries
 - D. A strategy for repurchasing previously sold land
- 4. What does closing refer to in real estate transactions?**
 - A. The step where financing is secured
 - B. The final step where property transfers officially occur
 - C. The initial offer submission process
 - D. The period for negotiations between buyer and seller
- 5. How is a real estate agent's commission typically calculated?**
 - A. A flat fee per sale
 - B. A percentage of the sale price
 - C. Based on the number of properties sold
 - D. By hourly rate for services rendered
- 6. What does "market value" refer to in real estate?**
 - A. The estimated selling price of a property
 - B. The tax assessment value of a property
 - C. The price a buyer is willing to pay
 - D. The value of a property based on rental income

7. Which of the following actions would subject a licensee to disciplinary action?

- A. Providing info requested by the commission
- B. Preserving real estate records for 7 years
- C. Depositing earnest money correctly
- D. Misrepresenting sales price to a lender

8. What does "eminent domain" refer to?

- A. The right of the government to take private property for public use
- B. A tax assessed on undeveloped land
- C. The process of a property taking over another
- D. The ability to charge higher taxes on properties

9. A licensed resident of any state with reciprocity with NH wishes to obtain a NH real estate license. What must they do?

- A. Required to pass both portions of the NH licensing exam
- B. Only required to take and pass the NH state portion of the exam
- C. Required to show proof of having completed a 40 hour pre-licensing course
- D. Not required to take the exam if they have a license in good standing from their state

10. What does the term principal refer to in a mortgage?

- A. The total cost of the property
- B. The amount of money borrowed to purchase the property
- C. The interest rate on the loan
- D. The fees associated with closing the loan

Answers

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

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Explanations

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1. Under NH law, what is true about a landlord's "no pets" policy regarding a visually impaired person with a guide dog?

- A. May apply uniformly to the guide dog
- B. Prohibits the landlord from refusing to rent**
- C. Landlord may require an additional damage fee
- D. Does not address the issue

Under New Hampshire law, a landlord's "no pets" policy cannot apply to service animals, including guide dogs for visually impaired individuals. The law recognizes guide dogs as necessary aids for individuals with disabilities, thereby granting these individuals the right to have their guide dogs in rental properties regardless of a general "no pets" policy. This means that landlords must allow a visually impaired person to have a guide dog and cannot refuse to rent to them based on their policy about pets. This understanding is grounded in fair housing laws, which protect the rights of individuals with disabilities. The intention is to ensure that those requiring assistance from service animals are not discriminated against based on arbitrary pet policies. Therefore, a landlord's refusal to rent to someone who has a guide dog would be in violation of these laws, making it clear that landlords must make accommodations for service animals. The other options either misrepresent the law or misunderstand the protections in place for individuals with disabilities, emphasizing that landlords must comply with fair housing regulations that prioritize accessibility and support for tenants needing assistance animals.

2. What does "market value" represent?

- A. The value at which a property would sell in an open market**
- B. The highest price a seller can ask for a property
- C. The estimated cost to build a new property
- D. The value determined by a tax appraisal

Market value represents the price at which a property would sell in an open market, assuming both the buyer and seller are knowledgeable about the relevant facts and are acting in their own best interest. This value is influenced by various factors including the condition of the property, location, market trends, and comparable sales in the area. This definition reflects the essence of real estate transactions where properties are typically bought and sold through open market negotiations. The concept assumes a level of fairness and a competitive atmosphere, where neither party is under duress to buy or sell, leading to a price that is representative of the property's true worth in the current market conditions. Other options like the highest price a seller could ask or the estimated cost to build a new property reflect different concepts that do not encapsulate the idea of market value. The highest price a seller can set may exceed what buyers in the market are willing to pay, while the estimated cost to build a new property does not take into account the existing property's value in the current market context. Finally, a tax appraisal may not reflect market conditions but rather is based on assessment criteria set by local tax authorities, which can also differ from the market value. Thus, the correct understanding of market value is pivotal for both buyers

3. How is an easement defined?

- A. A legal right to use another person's land for a specific purpose
- B. A type of property insurance
- C. A method for determining property boundaries
- D. A strategy for repurchasing previously sold land

An easement is defined as a legal right to use another person's land for a specific purpose. This definition emphasizes the nature of an easement as a property interest that allows an individual or entity to utilize a portion of someone else's land without owning it. Easements are commonly created for various reasons, such as allowing access to a roadway, utility lines, or drainage, enabling one party to benefit from the land of another while not possessing full ownership rights. The specific purpose of the easement differentiates it from simply using another's land in an unregulated manner, as it typically involves a formal agreement or legal documentation that outlines the rights and duties associated with that easement. Understanding this concept is crucial because easements can significantly impact property values, land use, and ownership rights.

4. What does closing refer to in real estate transactions?

- A. The step where financing is secured
- B. The final step where property transfers officially occur
- C. The initial offer submission process
- D. The period for negotiations between buyer and seller

Closing in real estate transactions is defined as the final step where property transfer officially occurs. This is a critical phase in the buying or selling process, as it involves the completion of all necessary documentation, the payment of closing costs, the signing of the deed, and the final disbursement of funds. At closing, the buyer takes possession of the property, marking the culmination of the purchase agreement and the fulfillment of all conditions outlined in the contract. Understanding this step is essential for anyone involved in real estate, as it signifies the legal transfer of ownership and the execution of documents that protect the rights of both the buyer and the seller. It is during this process that the transaction is finalized, and the new ownership is recorded with the appropriate local government authority. The other choices represent different stages or concepts in real estate transactions but do not capture the essence of closing. Securing financing occurs prior to closing, while negotiations happen well before this final step. The initial offer submission is part of the beginning of the transaction, which leads up to closing. Hence, the focus should remain on closing as the definitive moment when the property changes hands.

5. How is a real estate agent's commission typically calculated?

- A. A flat fee per sale
- B. A percentage of the sale price**
- C. Based on the number of properties sold
- D. By hourly rate for services rendered

A real estate agent's commission is typically calculated as a percentage of the sale price. This method aligns the incentive of the agent with the interests of the seller, as the higher the sale price, the greater the commission earned. This percentage can vary based on the market, the agreement between the seller and the agent, and the overall commission structure in a given area. This calculation method promotes a focus on achieving the highest possible sale price for the property and can motivate agents to invest more effort into marketing and negotiating for the seller. In many cases, commission rates are commonly around 5% to 6% of the property's sale price, often split between the listing agent and the buyer's agent. The other methods mentioned—charging a flat fee, basing commissions on the number of properties sold, or an hourly rate for services—are less common in traditional real estate practice. While there might be scenarios where a flat fee could be used, it doesn't reflect the standard practice where commissions are tied to the sale price, making the percentage model the prevalent standard in the industry.

6. What does "market value" refer to in real estate?

- A. The estimated selling price of a property**
- B. The tax assessment value of a property
- C. The price a buyer is willing to pay
- D. The value of a property based on rental income

"Market value" in real estate is best defined as the estimated selling price of a property when it is placed on the open market. This reflects the value that a property would fetch under normal conditions, assuming a willing buyer and a willing seller are involved, and that both parties have reasonable knowledge of the relevant facts. This concept focuses on the idea that market value is determined by the dynamics of supply and demand within a specific market. It represents the amount that buyers are generally prepared to pay for a property in a competitive market environment, which aligns closely with the concept outlined in the selected answer. Factors such as property condition, location, market trends, and comparable sales all influence this estimated selling price. While the value of a property based on rental income is certainly important for investment properties, it does not equate to market value in a broader sense. Similarly, the tax assessment value is often derived from a property's market value but may not accurately reflect actual market conditions, as tax assessments can be outdated or calculated differently from current market trends. The price a buyer is willing to pay can reflect market conditions but is not the definitive measure of market value without the context of further analysis.

7. Which of the following actions would subject a licensee to disciplinary action?

- A. Providing info requested by the commission
- B. Preserving real estate records for 7 years
- C. Depositing earnest money correctly
- D. Misrepresenting sales price to a lender**

Misrepresenting the sales price to a lender constitutes unacceptable behavior because it undermines the integrity of the transaction and can have serious legal implications. This action can lead to fraud, as lenders rely on accurate information to assess risk and make lending decisions. Providing false information not only violates ethical standards but also breaches the fiduciary duty the licensee has to their clients and to the lending institution. In contrast, the other options reflect compliant behavior expected of a licensee. Providing information requested by the commission is part of the duties a licensee has to maintain transparency and ensure adherence to regulations. Preserving real estate records for seven years is also a regulatory requirement that helps maintain accountability within the industry. Lastly, correctly depositing earnest money aligns with the legal obligation to handle clients' funds responsibly. Each of these actions represents adherence to legal and ethical standards, while misrepresentation distinctly violates those principles.

8. What does "eminent domain" refer to?

- A. The right of the government to take private property for public use**
- B. A tax assessed on undeveloped land
- C. The process of a property taking over another
- D. The ability to charge higher taxes on properties

Eminent domain refers to the government's right to take private property for public use, provided that just compensation is given to the property owner. This principle is rooted in the Fifth Amendment of the U.S. Constitution, which states that private property cannot be taken for public use without just compensation. The government may invoke eminent domain to acquire land for various public projects, such as roads, schools, or parks, which serve the greater good. This concept emphasizes the balance between individual property rights and the needs of the community, allowing governmental entities to fulfil their responsibilities to promote public welfare. The other options discuss unrelated concepts: a tax on undeveloped land, the process of one property taking over another, and increasing taxes on properties, none of which align with the definition of eminent domain.

9. A licensed resident of any state with reciprocity with NH wishes to obtain a NH real estate license. What must they do?

- A. Required to pass both portions of the NH licensing exam
- B. Only required to take and pass the NH state portion of the exam**
- C. Required to show proof of having completed a 40 hour pre-licensing course
- D. Not required to take the exam if they have a license in good standing from their state

In the context of obtaining a New Hampshire real estate license as a licensed resident from a state that has reciprocity with New Hampshire, the correct response is that the individual is only required to take and pass the New Hampshire state portion of the exam. This requirement arises because New Hampshire has established reciprocity agreements with certain states, which recognize the qualifications and training of agents who are already licensed in those states. Therefore, instead of going through the entire licensing process, which includes taking both sections of the exam and completing a pre-licensing course, these agents can demonstrate their knowledge of New Hampshire's specific real estate laws and practices by just passing the state portion of the exam. This streamlined process reflects the recognition of the individual's existing qualifications and facilitates their ability to practice in New Hampshire without redundant requirements. The focus is on ensuring that they are familiar with local laws and regulations, which is critical for effective practice in a new jurisdiction.

10. What does the term principal refer to in a mortgage?

- A. The total cost of the property
- B. The amount of money borrowed to purchase the property**
- C. The interest rate on the loan
- D. The fees associated with closing the loan

In the context of a mortgage, the term principal specifically refers to the amount of money borrowed to purchase the property. When a buyer takes out a mortgage, they receive a loan from a lender to cover part or the entire cost of the property. This loan amount is termed the principal. As the borrower makes payments on the mortgage, a portion of each payment goes towards reducing the principal balance. Understanding this concept is crucial, as it differentiates the principal from other financial elements related to a mortgage, such as interest and closing costs. The interest rate, which is the cost of borrowing that principal, is calculated based on the principal amount but does not define it. Similarly, any fees associated with closing the loan or the total cost of the property incorporate additional components beyond just the borrowing amount, which is solely represented by the principal.

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://nhstaterealestate.examzify.com>

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

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