

# Nova Scotia Association of Realtors (NSAR) Practice Exam (Sample)

## Study Guide



**Everything you need from our exam experts!**

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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. Which statement about MLS trademark is true?**
  - A. MLS is a trademark of CREA.**
  - B. MLS is a trademark of NSREC.**
  - C. MLS is a trademark of NSAR.**
  - D. MLS has no trademark.**
  
- 2. What does NOI stand for in real estate cap rate calculations?**
  - A. Net Operating Income**
  - B. Net Outstanding Interest**
  - C. New Overall Investment**
  - D. Net Occupied Income**
  
- 3. Which of the following is a mortgagor right?**
  - A. The Right to Redeem the Property**
  - B. The Right to be Paid**
  - C. The Right to Assign**
  - D. The Right to Discharge**
  
- 4. Cap Rate Equation is:**
  - A. Net Operating Income divided by the value**
  - B. Value divided by Net Operating Income**
  - C. NOI multiplied by value**
  - D. Cap rate equals NOI minus value**
  
- 5. Which best captures the Principle of Consistent Use in valuation?**
  - A. Using different methods for different properties**
  - B. Avoiding double counting in valuation**
  - C. Applying only cost-based approaches**
  - D. Ignoring data quality**

- 6. Which principle states that buyers purchase the present worth of future benefits?**
- A. The Principle of Anticipation**
  - B. The Principle of Balance**
  - C. The Direct Comparison Approach**
  - D. The Income Approach**
- 7. Which principle expresses that a value today is only valid today?**
- A. Chance**
  - B. Consistent Use**
  - C. Conformity**
  - D. Highest and Best Use**
- 8. Which principle claims maximum value is achieved through balance in property features?**
- A. The Principle of Anticipation**
  - B. The Principle of Balance**
  - C. The Direct Comparison Approach**
  - D. The Cost Approach**
- 9. Which organization is responsible for providing educational opportunities and promoting high standards in Nova Scotia real estate?**
- A. NSAR**
  - B. NSREC**
  - C. CREA**
  - D. MLS**
- 10. Which components make up the three tiers of the Canadian real estate professional trade organization?**
- A. Canadian Real Estate Association (CREA), Provincial/Territorial associations, and real estate boards (localized)**
  - B. Canadian Real Estate Association (CREA), National Licensing Authority, and Mortgage Boards**
  - C. Provincial Real Estate Councils, City Boards, and Financial Authorities**
  - D. Canadian Real Estate Association (CREA), Local Brokerage Alliances, and Insurance Boards**

## Answers

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

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## **Explanations**

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### 1. Which statement about MLS trademark is true?

- A. MLS is a trademark of CREA.**
- B. MLS is a trademark of NSREC.**
- C. MLS is a trademark of NSAR.**
- D. MLS has no trademark.**

MLS is a registered trademark owned by CREA (the Canadian Real Estate Association). CREA holds the mark and licenses its use to provincial and regional associations, which then provide MLS access to REALTORS through their member organizations. In Nova Scotia, NSAR is the provincial association that works within CREA's MLS system, while NSREC is the regulator, not the owner of the MLS trademark. Because the mark belongs to CREA, the statement is true. The other options are not correct because neither NSREC nor NSAR owns the MLS trademark, and MLS does have a trademark.

### 2. What does NOI stand for in real estate cap rate calculations?

- A. Net Operating Income**
- B. Net Outstanding Interest**
- C. New Overall Investment**
- D. Net Occupied Income**

Net Operating Income is the amount a property earns from its day-to-day operations after operating expenses, but before financing costs and taxes. In cap rate calculations, NOI is used because it reflects the property's ability to generate income from operations without considering how it's financed. You start with gross rental income plus any other income, adjust for vacancy or credit losses to get effective gross income, then subtract operating expenses (like property management, maintenance, utilities paid by the owner, property taxes, and insurance). The result is NOI, and the cap rate is computed by dividing NOI by the property's value or purchase price. For example, if NOI is \$70,000 and the property value is \$1,000,000, the cap rate is 7%. The other terms listed aren't standard in cap rate discussions.

### 3. Which of the following is a mortgagor right?

- A. The Right to Redeem the Property**
- B. The Right to be Paid**
- C. The Right to Assign**
- D. The Right to Discharge**

The main concept is the mortgagor's right to redeem the property. This is the equity of redemption—the borrower's ability to reclaim full ownership by paying off the debt, including principal, interest, and costs, before foreclosure or a foreclosure sale occurs. This right protects the mortgagor by allowing cure of the default and removal of the lender's lien, restoring clear title. The other options describe remedies or actions typically associated with the lender (such as getting paid, transferring the loan, or removing the lien after payment), not the borrower's inherent right to reclaim the property. So the right to redeem the property is the mortgagor's fundamental entitlement.

#### 4. Cap Rate Equation is:

- A. Net Operating Income divided by the value**
- B. Value divided by Net Operating Income**
- C. NOI multiplied by value**
- D. Cap rate equals NOI minus value**

Cap rate measures the return on an investment property by comparing the income it generates to its value. It is calculated by dividing the net operating income by the property's value. Net operating income is the income left after operating expenses, excluding financing costs, taxes, and depreciation. The value used is the current market value or purchase price. This ratio helps compare properties: a higher cap rate indicates a higher return for the same NOI or the same price, often reflecting higher risk or a lower price. Inverting the ratio (value divided by NOI) would give a price-to-NOI multiple, not the cap rate; multiplying NOI by value isn't a meaningful rate, and subtracting value from NOI yields a difference, not a rate. Therefore, the correct expression is NOI divided by value.

#### 5. Which best captures the Principle of Consistent Use in valuation?

- A. Using different methods for different properties**
- B. Avoiding double counting in valuation**
- C. Applying only cost-based approaches**
- D. Ignoring data quality**

The main idea here is consistency in how valuations are built up, ensuring that inputs and methods are applied uniformly so results aren't distorted. Keeping things consistent includes avoiding counting the same value more than once. In valuation practice, double counting can inflate or misstate value, so the Principle of Consistent Use emphasizes that each element is valued once and treated the same way across properties. That's why avoiding double counting is the best fit. If you were to use different methods for different properties, you'd undermine comparability and reliability. Relying only on cost-based approaches narrows the toolkit and isn't about keeping inputs consistent across the board. Ignoring data quality would lead to inaccurate results, which again breaks the idea of consistent, trustworthy valuation.

**6. Which principle states that buyers purchase the present worth of future benefits?**

- A. The Principle of Anticipation**
- B. The Principle of Balance**
- C. The Direct Comparison Approach**
- D. The Income Approach**

Value is driven by the expectation of future benefits, so buyers today pay for the present worth of what those benefits will bring in the future. This idea is the Principle of Anticipation. In real estate, the future benefits can be rental income, enjoyment, or potential appreciation, and investors convert that expected future stream into a lump-sum value today. The Direct Comparison Approach relies on prices of similar recent sales to estimate value, which is a method rather than a principle about future benefits. The Income Approach is another valuation method that uses income streams to arrive at value, not the fundamental idea about present worth of future benefits. The Balance concept relates to harmony in use or design, not to how value reflects anticipated future benefits.

**7. Which principle expresses that a value today is only valid today?**

- A. Chance**
- B. Consistent Use**
- C. Conformity**
- D. Highest and Best Use**

Value is a snapshot in time, shaped by current market conditions and the unpredictable events that can occur after that moment. The idea here is that the value you determine today is contingent on factors like demand, financing costs, and local conditions, which can change suddenly. That element of unpredictability—chance—means the stated value is only guaranteed for today; if conditions shift, the value can be different tomorrow. That's why chance is the best fit: it directly accounts for the uncertain, day-to-day factors that can alter value after the appraisal date. The other options address different aspects of value—how it should align with the market (conformity), the best legal use of the property (highest and best use), or consistency in applying methods (consistent use)—but none speak to the time-sensitive, uncertain nature of value as clearly.

**8. Which principle claims maximum value is achieved through balance in property features?**

- A. The Principle of Anticipation**
- B. The Principle of Balance**
- C. The Direct Comparison Approach**
- D. The Cost Approach**

Value is maximized when property features are balanced. The Principle of Balance holds that maximum value comes from harmony among the home's size, layout, and features, so no single element overwhelms the others. When spaces and finishes relate well in proportion—rooms sized to fit their purpose, flow from room to room, and a design that feels coherent with the neighborhood—the home appeals to a broader range of buyers and supports a stronger price. If one feature dominates or feels out of proportion (for example, an oversized kitchen with cramped bedrooms or a very flashy feature that clashes with the rest of the property), the overall impression can be imbalanced and buyer interest—and thus value—can suffer. Other choices reflect different ideas: anticipating future benefits, using a method to compare to similar properties, or estimating value by cost to reproduce, but none specifically describe value arising from balanced features like this principle does.

**9. Which organization is responsible for providing educational opportunities and promoting high standards in Nova Scotia real estate?**

- A. NSAR**
- B. NSREC**
- C. CREA**
- D. MLS**

NSAR is the organization in Nova Scotia that focuses on educating REALTORS and raising professional standards within the province. It provides educational opportunities, post-license and continuing education programs, and resources to help members uphold ethical conduct and high practice standards. The Nova Scotia Real Estate Commission (NSREC) is the regulator that licenses practitioners and enforces rules, while CREA operates at the national level for broader standards and advocacy, and MLS is a listing service rather than an education or standards body.

**10. Which components make up the three tiers of the Canadian real estate professional trade organization?**

- A. Canadian Real Estate Association (CREA), Provincial/Territorial associations, and real estate boards (localized)**
- B. Canadian Real Estate Association (CREA), National Licensing Authority, and Mortgage Boards**
- C. Provincial Real Estate Councils, City Boards, and Financial Authorities**
- D. Canadian Real Estate Association (CREA), Local Brokerage Alliances, and Insurance Boards**

The arrangement is CREA at the national level, provincial/territorial associations in the middle, and local real estate boards at the bottom. CREA represents REALTORS across Canada and sets national standards and advocacy. Provincial or territorial associations coordinate licensing, education, and provincial-level support for members. Local real estate boards operate within specific communities, providing MLS services, local market data, and member services to REALTORS in that area. The other options mix in bodies that aren't part of the standard three-tier structure—such as a national licensing authority, mortgage or insurance boards, or city-specific entities—so they don't fit the established framework.

## 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](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://novascotiansar.examzify.com>**

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

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