

NOVA SCOTIA ASSOCIATION OF REALTORS (NSAR) PRACTICE EXAM (SAMPLE) STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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THE FULL VERSION STUDY GUIDE**

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Table of Contents

Copyright	1
Table of Contents	2
Introduction	3
How to Use This Guide	4
Questions	5
Answers	9
Explanations	11
Next Steps	17

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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. Organized Real Estate is defined as

- A. voluntary member organizations consisting of local real estate boards, provincial/territorial associations and the Canadian Real Estate Association
- B. a mandatory government agency overseeing licensing
- C. a single brokerage network
- D. a consumer advocacy group

2. What are the main differences between residential condominiums (strata) and co-operatives in NS?

- A. Condominiums involve ownership of a unit and shared common elements; cooperatives involve ownership of shares in a corporation with a lease to occupy; governance and disclosures differ.
- B. Condominiums involve leases; cooperatives involve ownership of shares in a corporation with a lease to occupy.
- C. Condominiums have no common elements; cooperatives own property as a whole.
- D. Condominiums are tax-exempt; cooperatives are taxed normally.

3. Market Value is

- A. also known as value in exchange. Based on the cumulative judgement of multiple sales in the marketplace
- B. the least probable price
- C. the price charged by the bank for a loan
- D. the list price set by the seller

4. Which statement best describes the difference between fixed-rate and variable-rate mortgages?

- A. Fixed-rate changes with the lender's reference rate; variable-rate stays constant.
- B. Fixed-rate is always lower than variable-rate.
- C. Variable-rate includes prepayment penalties.
- D. Fixed-rate keeps constant for term; variable-rate fluctuates with reference rate.

- 5. Mortgage Priority determines which mortgage is paid first when multiple mortgages exist.**
- A. The 1st priority mortgage gets paid first
 - B. Mortgages with higher interest rates get paid first
 - C. Open mortgages are paid first
 - D. The smallest loan is paid first
- 6. Which scenario best illustrates the Principle of Balance?**
- A. A huge house with only a one-car garage
 - B. A huge house with a three-car garage
 - C. A small house with a very large pool
 - D. A mid-size house with no garage
- 7. What is a 'single agency' relationship, and how should conflicts be managed if both buyer and seller interests arise?**
- A. Single agency means representing one client in a transaction; if a potential conflict arises, disclose in writing and seek informed consent; avoid dual agency; if necessary, withdraw from representing one party.
 - B. Single agency means representing both the buyer and seller with equal duties.
 - C. Single agency means representing one client, but conflicts are resolved by the broker.
 - D. Single agency means representing the seller only; conflicts resolved by the seller's instructions.
- 8. What is the composition of the NSAR Board of Directors?**
- A. 3 NSAR members, 3 Public appointments, 3 Industry selections, 1 commercial recommendation, and the registrar
 - B. 4 NSAR members, 2 Public appointments, 2 Industry selections, 2 commercial recommendations, and the registrar
 - C. 2 NSAR members, 4 Public appointments, 2 Industry selections, 1 commercial recommendation, and the registrar
 - D. 3 NSAR members, 2 Public appointments, 4 Industry selections, 1 commercial recommendation, and the registrar

9. In the context of NS real estate contracts, the element relates to the contract's compliance with laws and public policy?
- A. Legal purpose
 - B. Capacity
 - C. Offer and acceptance
 - D. Consideration
10. In the Cost Approach, depreciation deductions account for which factors?
- A. Age, functional or economic conditions
 - B. Market trends
 - C. Interest rates
 - D. Zoning restrictions

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Answers

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

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Explanations

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1. Organized Real Estate is defined as

- A. voluntary member organizations consisting of local real estate boards, provincial/territorial associations and the Canadian Real Estate Association
- B. a mandatory government agency overseeing licensing
- C. a single brokerage network
- D. a consumer advocacy group

Organized Real Estate is a coordinated, voluntary federation of local real estate boards, the provincial/territorial associations, and the Canadian Real Estate Association. This network brings REALTORS together across Canada to share MLS access, education, standards, and advocacy within a framework of professional self-regulation. Licensing and regulation remain the responsibility of provincial authorities, not a centralized government body. It isn't a single brokerage network or a consumer advocacy group; its purpose is to unite local boards and provincial associations under a national structure to support professional real estate practice.

2. What are the main differences between residential condominiums (strata) and co-operatives in NS?

- A. Condominiums involve ownership of a unit and shared common elements; cooperatives involve ownership of shares in a corporation with a lease to occupy; governance and disclosures differ.
- B. Condominiums involve leases; cooperatives involve ownership of shares in a corporation with a lease to occupy.
- C. Condominiums have no common elements; cooperatives own property as a whole.
- D. Condominiums are tax-exempt; cooperatives are taxed normally.

In Nova Scotia, the key distinction between residential condominiums and co-operatives is how ownership and occupancy are structured, which also affects governance and what needs to be disclosed to buyers. Condominiums involve owning a specific unit along with an undivided interest in the building's common elements, and you become a member of a condo corporation that governs the property and sets strata fees and rules. When you buy, you receive documents about the corporation's finances, reserve funds, bylaws, and rules because those governance and financial matters directly impact ownership and costs. Co-operatives, on the other hand, involve owning shares in a corporation that owns the building, with residents holding a lease or occupancy agreement to live in a unit. There isn't title to a particular unit in the same way as a condo; your rights come from the share ownership and the occupancy agreement, and the cooperative board handles governance, transfers, and approvals. Because of this structure, governance and disclosure obligations differ from those of a condo. So, the statement that best captures the main differences is that condominiums involve unit ownership plus shared ownership of common elements, while co-operatives involve ownership of shares in a corporation with a lease to occupy, with different governance and disclosure requirements.

3. Market Value is

- A. also known as value in exchange. Based on the cumulative judgement of multiple sales in the marketplace
- B. the least probable price
- C. the price charged by the bank for a loan
- D. the list price set by the seller

Market value is the price a property would likely bring in an open market between a willing buyer and a willing seller, both informed and acting without pressure. This value is derived from the consensus of market evidence, typically the collective results of multiple recent sales of comparable properties, which is why it's also described as value in exchange. It reflects what the market indicates the property is worth, not necessarily the seller's asking price or a single transaction. It's not the least probable price, nor the price a bank uses for a loan, and it's not simply the list price set by the seller. The list price is a starting point from the seller's perspective, while market value rests on actual market data and informed buyer-seller behavior.

4. Which statement best describes the difference between fixed-rate and variable-rate mortgages?

- A. Fixed-rate changes with the lender's reference rate; variable-rate stays constant.
- B. Fixed-rate is always lower than variable-rate.
- C. Variable-rate includes prepayment penalties.
- D. Fixed-rate keeps constant for term; variable-rate fluctuates with reference rate.

Interest rate behavior over the term distinguishes fixed-rate from variable-rate mortgages. A fixed-rate loan keeps the same interest rate for the entire term, so your monthly payments stay constant regardless of what happens in the market. A variable-rate loan, on the other hand, is tied to a reference rate (like the lender's prime rate or another index); when that reference rate changes, the mortgage rate changes too, causing potential changes in payment amounts or in the interest paid. The statement that best describes the difference directly reflects this: one rate stays constant for the term, while the other fluctuates with the reference rate. It's also worth noting that fixed vs. variable does not determine which is cheaper or more expensive—the market can move rates up or down. Prepayment penalties are not inherent to variable-rate loans; they depend on the specific loan terms and can occur with either rate type.

5. Mortgage Priority determines which mortgage is paid first when multiple mortgages exist.

- A. The 1st priority mortgage gets paid first
- B. Mortgages with higher interest rates get paid first
- C. Open mortgages are paid first
- D. The smallest loan is paid first

Mortgage priority is about the order in which liens on a property are satisfied from sale proceeds. When there are multiple mortgages, the lender whose loan was registered first holds the highest priority and is paid first from what's available. The order is set by the date of registration, not by how high the interest rate is, how large or small the loan is, or whether a mortgage is "open." So the first mortgage in time gets paid before the others, followed by the next in line, and so on—unless there are other liens (like government taxes) that take precedence. This ensures a clear, predictable sequence for repaying lenders from the property's sale or foreclosure proceeds.

6. Which scenario best illustrates the Principle of Balance?

- A. A huge house with only a one-car garage
- B. A huge house with a three-car garage**
- C. A small house with a very large pool
- D. A mid-size house with no garage

Balance means arranging the major parts of a property so they relate to each other in size and function, creating a cohesive overall feel. In a home, the garage is a key counterbalance to the house's mass. A huge house paired with a three-car garage reads as proportionate: the large living space is supported by a sizable parking and storage area, so the property feels well-planned and harmonious. The other options disrupt that sense of proportion. A huge house with only a one-car garage underserves the parking and storage relative to the home's size, making the mass feel unbalanced. A small house with a very large pool draws attention to the outdoor feature at the expense of indoor scale, creating a mismatch between inside and outside. A mid-size house with no garage lacks the practical and visual counterweight that a garage provides, leaving the overall mass unbalanced.

7. What is a 'single agency' relationship, and how should conflicts be managed if both buyer and seller interests arise?

- A. Single agency means representing one client in a transaction; if a potential conflict arises, disclose in writing and seek informed consent; avoid dual agency; if necessary, withdraw from representing one party.**
- B. Single agency means representing both the buyer and seller with equal duties.
- C. Single agency means representing one client, but conflicts are resolved by the broker.
- D. Single agency means representing the seller only; conflicts resolved by the seller's instructions.

Single agency means the broker represents one client in a transaction, not both the buyer and the seller. This ensures the broker's duties of loyalty, confidentiality, and full fiduciary support sit with that one client. When a potential conflict arises between the buyer's and the seller's interests, the broker must disclose the conflict in writing and obtain the client's informed consent before continuing. If the conflict cannot be managed while representing that client, the broker should withdraw from representing one party to protect the client's interests and maintain confidentiality. The emphasis is on keeping loyalty to one client and avoiding situations where the broker would owe conflicting duties to both sides, which could compromise either party. Representing both sides is dual agency, which is not the approach described here. Simply having the broker resolve the conflict without client consent does not adequately protect the client's rights, and limiting representation to the seller while ignoring the need for consent and possible withdrawal does not reflect how single agency and conflict management work in practice.

8. What is the composition of the NSAR Board of Directors?

- A. 3 NSAR members, 3 Public appointments, 3 Industry selections, 1 commercial recommendation, and the registrar**
- B. 4 NSAR members, 2 Public appointments, 2 Industry selections, 2 commercial recommendations, and the registrar
- C. 2 NSAR members, 4 Public appointments, 2 Industry selections, 1 commercial recommendation, and the registrar
- D. 3 NSAR members, 2 Public appointments, 4 Industry selections, 1 commercial recommendation, and the registrar

The question tests understanding of how the NSAR Board is balanced to represent different perspectives. A board that includes three NSAR members, three public appointments, three industry selections, one commercial recommendation, and the registrar is designed to bring together internal governance, public trust, and industry insight while maintaining clear administrative oversight. Having equal numbers of NSAR members, public appointees, and industry selections helps ensure no single group dominates decisions. The single commercial representative adds a focused view from the commercial real estate sector, so commercial concerns are considered without overwhelming the board, while the registrar provides continuity and oversight from the administrative side. This structure supports accountability, public interest, and professional input in governance. Other options would tilt representation away from balance—for example, shifting more seats to one group or removing the commercial or registrar roles—leading to less diverse input and weaker checks and balances.

9. In the context of NS real estate contracts, the element relates to the contract's compliance with laws and public policy?

- A. Legal purpose**
- B. Capacity
- C. Offer and acceptance
- D. Consideration

Legal purpose means a real estate contract must have a lawful objective. A contract is enforceable only if what it seeks to do is legal and not against public policy. If the agreement contemplates illegal activity or aims to achieve something that public policy prohibits, the contract is void from the start and cannot be enforced. This is crucial in NS real estate practice because the terms must align with laws and protect legitimate interests, such as complying with disclosure duties and anti-fraud provisions. If the contract tried to accomplish an illegal end, no court would enforce it. The other elements—capacity, offer and acceptance, and consideration—concern who can form a contract, how agreement is reached, and what is exchanged, but they don't determine whether the contract's objective itself is lawful, which is the focus here.

10. In the Cost Approach, depreciation deductions account for which factors?

A. Age, functional or economic conditions

B. Market trends

C. Interest rates

D. Zoning restrictions

Depreciation in the Cost Approach reflects losses in value due to aging and obsolescence of the improvements. It accounts for physical deterioration that comes with age, functional obsolescence from outdated design or inadequate features, and economic obsolescence from external factors like market conditions or zoning influences. Market trends and interest rates affect value in other ways, not the depreciation deduction itself, and zoning can cause economic obsolescence but is captured under that category. So the depreciation deduction covers age and functional or economic conditions.

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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://novascotiansar.examzify.com>

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

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