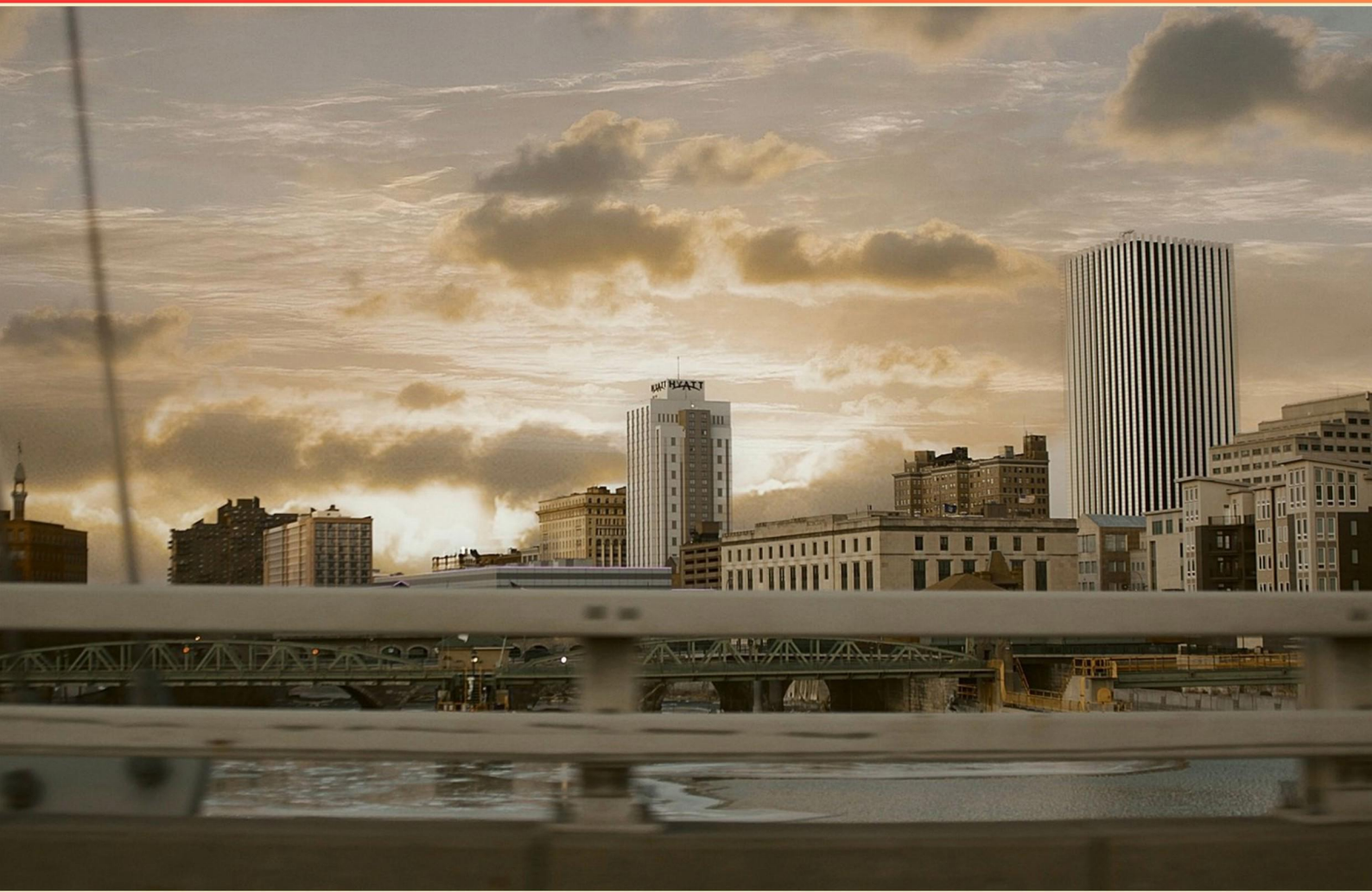


OHIO REAL ESTATE PRACTICE EXAM (SAMPLE)

STUDY GUIDE



Prepare with structure. Pass with confidence



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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. What is the difference between equitable and legal title?**
 - A. Equitable title is a temporary arrangement; legal title is permanent
 - B. Equitable title refers to usage benefits; legal title refers to ownership duties
 - C. They are the same under property law
 - D. Equitable title is for commercial properties; legal title is for residential properties
- 2. What is the key purpose of determining replacement cost in real estate?**
 - A. To assess the market value of a property
 - B. To evaluate the property tax liability
 - C. To estimate the insurance coverage needed
 - D. To establish the value of improvements made to a property
- 3. Which of the following best describes caveat emptor?**
 - A. The principle of buyer's responsibility
 - B. The requirement for full disclosure
 - C. A warranty protecting the buyer
 - D. The seller's duty to inform the buyer
- 4. Which type of loans requires no disclosure?**
 - A. Residential loans
 - B. Conventional loans
 - C. Business loans
 - D. Government-backed loans
- 5. What is the aim of building codes?**
 - A. To improve property aesthetics
 - B. To govern property value assessments
 - C. To ensure safety and health in building construction
 - D. To facilitate real estate marketing
- 6. What happens to a listing agreement if the seller dies?**
 - A. It remains valid until the estate is settled
 - B. It automatically transfers to the heirs
 - C. It is terminated and becomes void
 - D. It can be renewed by the estate

- 7. What does the term "market price" imply?**
- A. The listed price on a real estate ad
 - B. The value assigned by an appraiser
 - C. The agreed price between buyer and seller
 - D. The price the market is willing to pay currently
- 8. What are mineral rights associated with real property considered?**
- A. Separate and Divisible
 - B. Integral
 - C. Inalienable
 - D. Common Property
- 9. What does RESPA require lenders to provide to borrowers within 3 business days?**
- A. A checklist of properties
 - B. A booklet about shopping for a home loan
 - C. A report on credit scores
 - D. A list of available real estate agents
- 10. Effective Gross Income is calculated by subtracting what from Potential Gross Income?**
- A. Operating expenses
 - B. Vacancy and collection losses
 - C. Loan repayments
 - D. Maintenance costs

Answers

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

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Explanations

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1. What is the difference between equitable and legal title?

- A. Equitable title is a temporary arrangement; legal title is permanent
- B. Equitable title refers to usage benefits; legal title refers to ownership duties**
- C. They are the same under property law
- D. Equitable title is for commercial properties; legal title is for residential properties

The distinction between equitable and legal title primarily revolves around the rights and interests associated with property ownership. Equitable title refers to the right to enjoy the benefits of a property, often involving the use and enjoyment of that property, even if the individual does not hold legal ownership. For instance, a buyer who has entered into a contract to purchase property possesses equitable title; they may have rights such as occupancy or the ability to derive income from the property while not yet formally recorded as the owner. Legal title, on the other hand, signifies formal ownership of property recognized by law. This includes the rights and responsibilities that come with ownership, such as the obligation to pay property taxes, maintain the property, or bear liability for injuries that occur on the property. Legal title represents the official and recorded ownership interest. In property law, understanding this distinction is vital for both real estate professionals and property owners, as it impacts various dealings, contractual agreements, and rights inherent to property ownership and use.

2. What is the key purpose of determining replacement cost in real estate?

- A. To assess the market value of a property
- B. To evaluate the property tax liability
- C. To estimate the insurance coverage needed**
- D. To establish the value of improvements made to a property

Determining the replacement cost in real estate primarily serves the purpose of estimating the insurance coverage needed. Replacement cost refers to the amount it would take to replace a damaged property with a similar one using current materials and construction standards, without regard for depreciation. This assessment is crucial for determining how much insurance coverage a property owner should obtain to adequately protect against potential losses. If a property is underinsured, the owner risks losing significant equity, as the insurance may not cover the full cost of rebuilding or repairing the property in the event of a loss. Other considerations, such as assessing market value or property tax liability, while important in the broader scope of real estate, do not directly relate to the specific considerations of replacement cost. Similarly, evaluating improvements made to a property typically involves appraisals of value increase rather than the direct assessment of replacement costs incurred. Therefore, the main focus remains on ensuring that the insurance coverage reflects a realistic and current estimate of what it would cost to replace the structure if necessary.

3. Which of the following best describes caveat emptor?

- A. The principle of buyer's responsibility
- B. The requirement for full disclosure
- C. A warranty protecting the buyer
- D. The seller's duty to inform the buyer

Caveat emptor, which translates to "let the buyer beware," embodies the principle of buyer's responsibility in a real estate transaction. This concept emphasizes that buyers must exercise due diligence before purchasing, as they are responsible for assessing the quality and condition of the property. It suggests that, unless explicitly stated otherwise, the buyer takes the risk regarding the property's defects or issues that may not be readily apparent. This principle contrasts with situations where sellers have a legal obligation to disclose specific information about the property. While requirements for full disclosure and the seller's duty to inform buyers exist under certain regulations and circumstances, those principles shift some responsibility from the buyer to the seller, which is not the essence of caveat emptor. Additionally, caveat emptor does not confer any warranty protecting the buyer; instead, it places the onus on the buyer to investigate and evaluate the property before making a purchase. Understanding this principle is crucial for buyers, as it highlights the importance of thorough research and investigation when entering into real estate transactions.

4. Which type of loans requires no disclosure?

- A. Residential loans
- B. Conventional loans
- C. Business loans
- D. Government-backed loans

Business loans typically require no disclosure, particularly in terms of the detailed consumer protections that residential loans demand. This distinction arises from the fact that business loans are often structured for commercial purposes rather than individual use, and they do not fall under the same regulatory frameworks that govern residential transactions. In residential loans, extensive disclosures are mandated by laws such as the Truth in Lending Act (TILA) and the Real Estate Settlement Procedures Act (RESPA) to protect consumers and ensure they are fully informed about the terms and costs associated with borrowing. Similarly, conventional loans, which are a type of residential loan not backed by the government, also require significant disclosure to ensure borrower protection. Government-backed loans, such as FHA or VA loans, also necessitate disclosures to help borrowers understand their financial commitments and any potential risk factors. These regulations aim to provide transparency and consumer safeguards that are crucial in residential finance. In contrast, business loans are often considered to be favored by those with greater financial literacy or commercial experience, which is why the same stringent disclosure requirements do not apply. This reduction in required disclosures helps streamline the borrowing process for businesses, allowing them to focus less on regulatory necessity and more on the operational aspects of financing their ventures.

5. What is the aim of building codes?

- A. To improve property aesthetics
- B. To govern property value assessments
- C. To ensure safety and health in building construction**
- D. To facilitate real estate marketing

The primary aim of building codes is to ensure safety and health in building construction. Building codes are a set of regulations established by local or national authorities to set minimum standards for construction and design. These codes are essential for protecting public health, safety, and welfare by ensuring that structures are sound, safe for occupancy, and resistant to hazards. By outlining specific requirements that buildings must meet in terms of structural integrity, fire safety, electrical systems, plumbing, and accessibility, building codes help prevent accidents and disasters that could endanger lives. Compliance with these codes is mandatory for all new construction and major renovations, making them a crucial component of the real estate development process. While property aesthetics, value assessments, and marketing may play a role in real estate, they are not the central focus of building codes, which prioritize the physical safety and health of occupants and the wider community.

6. What happens to a listing agreement if the seller dies?

- A. It remains valid until the estate is settled
- B. It automatically transfers to the heirs
- C. It is terminated and becomes void**
- D. It can be renewed by the estate

In the context of real estate, a listing agreement is a contract between a seller and a real estate agent that grants the agent the right to sell the property. When the seller of a property dies, the listing agreement is typically considered terminated and becomes void. This is because the contract is tied to the individual seller, and upon that person's death, they are no longer able to fulfill the obligations outlined in the agreement. The rationale behind this is rooted in contract law, where personal agreements may not automatically transfer upon death unless specified otherwise. This means the real estate agent cannot continue to act under the agreement, as the seller cannot authorize or engage in the sale due to their passing. While the estate may ultimately decide to continue the sale of the property through a new agreement, the original listing agreement itself does not persist beyond the seller's death. Therefore, the termination of the agreement aligns with standard legal principles governing contracts and estate matters.

7. What does the term "market price" imply?

- A. The listed price on a real estate ad
- B. The value assigned by an appraiser
- C. The agreed price between buyer and seller
- D. The price the market is willing to pay currently**

The term "market price" implies the price that the market is currently willing to pay for a property. This concept reflects the dynamic nature of real estate, where the value can fluctuate based on demand, supply, and other market conditions. Market price is not fixed and can change based on various factors such as economic trends, neighborhood desirability, and competing listings. While the listed price on a real estate ad represents an asking price, it does not necessarily reflect the actual price agreed upon or what buyers are willing to pay. The value assigned by an appraiser offers an estimation based on various parameters and market data; however, it doesn't take into account the unique circumstances of a specific sale. The agreed price between buyer and seller denotes a specific transaction agreement but does not encompass the broader market dynamics at play. Thus, the market price is ultimately determined by buyer willingness and seller expectations in the current economic landscape.

8. What are mineral rights associated with real property considered?

A. Separate and Divisible

B. Integral

C. Inalienable

D. Common Property

Mineral rights associated with real property are considered separate and divisible because they can be owned independently of the surface rights. This means that an individual or entity can sell or lease the mineral rights to another party while retaining ownership of the surface land. This separation allows for transactions that can involve various parties, such as a landowner who may not have the resources or desire to exploit minerals beneath their property. Therefore, mineral rights can be consciously transferred, sold, or retained independently, which exemplifies their status as separate interests in real estate. This understanding is critical in real estate transactions, as it affects the rights and interests of both buyers and sellers, and highlights the complexities that can arise regarding land use and resource extraction.

9. What does RESPA require lenders to provide to borrowers within 3 business days?

A. A checklist of properties

B. A booklet about shopping for a home loan

C. A report on credit scores

D. A list of available real estate agents

RESPA, which stands for the Real Estate Settlement Procedures Act, mandates that lenders must provide borrowers with a booklet about shopping for a home loan within three business days of receiving a loan application. This requirement is in place to ensure that consumers are informed about the various components of the mortgage process, including the different types of loans available, the associated costs, and the importance of comparing offers from multiple lenders. The goal of this regulation is to promote transparency and protect consumers from potentially predatory lending practices. The other options listed do not fall under the specific obligations set by RESPA. A checklist of properties, a report on credit scores, and a list of available real estate agents are not required documents that lenders must provide within this timeframe, which is why the focus is on the booklet designed to help borrowers understand their loan options and the home-buying process.

10. Effective Gross Income is calculated by subtracting what from Potential Gross Income?

- A. Operating expenses
- B. Vacancy and collection losses**
- C. Loan repayments
- D. Maintenance costs

Effective Gross Income (EGI) is a critical concept in real estate that represents the income a property is expected to generate after accounting for potential losses. The calculation of EGI begins with Potential Gross Income (PGI), which is the total rental income a property could generate if it were fully occupied and there were no collection issues. To derive Effective Gross Income from Potential Gross Income, it is necessary to subtract vacancy and collection losses. This adjustment accounts for the reality that not all units will be rented at all times due to vacancies, and that some collected rents may be uncollectible due to tenant defaults or late payments. By deducting these losses from the Potential Gross Income, you arrive at a more realistic and achievable revenue figure, which provides a clearer picture of the property's financial performance. Other options, such as operating expenses, loan repayments, and maintenance costs, are essential for evaluating a property's overall financial health but do not play a role in the calculation of Effective Gross Income from Potential Gross Income. These factors come into consideration later when calculating Net Operating Income or assessing profitability, but they do not directly modify the gross income figure at the initial EGI calculation stage.

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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://ohiorealestate.examzify.com>

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

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