

Ontario Real Estate Practice Course 1 Test - Pass the Ontario License Exam in 2025 (Sample)

Study Guide



Everything you need from our exam experts!

Copyright © 2025 by Examzify - A Kaluba Technologies Inc. product.

ALL RIGHTS RESERVED.

No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.

Notice: Examzify makes every reasonable effort to obtain from reliable sources accurate, complete, and timely information about this product.

SAMPLE

Questions

- 1. Which document outlines the legal rights and obligations of buyers and sellers in a property transaction?**
 - A. Agreement of Lease**
 - B. Deed**
 - C. Mortgage Application**
 - D. Agreement of Purchase and Sale**

- 2. What does a seller need to provide to satisfy a buyer's request for a current property survey?**
 - A. The property's last transaction details**
 - B. An estimate of property taxes**
 - C. A survey showing lot dimensions and structures**
 - D. A legal description of the property**
 - E. A history of previous ownership**
 - F. A copy of utility bills**

- 3. Jackson submitted a registration application to RECO but failed to disclose past termination due to suspicion of fraud. What can the Registrar do?**
 - A. Accept the application but deny RECO insurance coverage**
 - B. Deny the application due to non-disclosure**
 - C. Ignore the past if it was more than 10 years ago**
 - D. Accept the application if no charges were filed**

- 4. Which is true regarding a draft plan of subdivision?**
 - A. Must be consistent with the requirements of the Local Planning Appeal Tribunal.**
 - B. Does not require the circulation of notices to public bodies.**
 - C. Must comply with requirements set out in the Planning Act.**
 - D. Does not require a final plan to be registered within a specified time period.**
 - E. Must follow the zoning by-laws of the locality strictly.**
 - F. Needs approval from the regional council.**

- 5. Which item is not required in a Surveyor's Real Property Report?**
- A. A written analysis**
 - B. List of property uses**
 - C. Location of easements**
 - D. Marker placements**
 - E. Plot boundaries**
 - F. Property's municipal address**
- 6. What steps should be taken if an underground storage tank is discovered on a property?**
- A. The seller should contact the Technical Standards and Safety Authority (TSSA) to ensure that it meets current standards.**
 - B. The property cannot be sold until the tank is removed.**
 - C. The tank, if unused, does not need to be disclosed to the buyer.**
 - D. The listing salesperson should not list the property.**
 - E. The buyer must sign a waiver assuming all responsibilities.**
 - F. The tank should be inspected by a third-party contractor.**
- 7. Which legal document outlines the responsibilities and liabilities of condominium ownership?**
- A. A status certificate**
 - B. A deed**
 - C. A title search**
 - D. A vendor's statement**
- 8. The Competition Act applies under which of the following scenarios?**
- A. When administered in Ontario by the Provincial Competition Bureau.**
 - B. When addressing conspiracies but not misleading advertising.**
 - C. If a salesperson refuses to work with another brokerage offering lower remuneration rates.**
 - D. When disputes between two big brokerages arise.**
 - E. When brokerages refuse to share listings with non-member agents.**
 - F. If agents form a monopoly in their service areas.**

- 9. Which of the following would NOT be a key consideration when the Registrar reviews a new application for salesperson registration?**
- A. Any criminal convictions or pending charges**
 - B. Completion of required real estate courses**
 - C. Past conduct indicating a lack of integrity**
 - D. Previous license or registration refusals**
 - E. Professional recommendations**
 - F. The pass marks received in pre-registration programs**
- 10. What is true about land registration offices?**
- A. They only handle registry system records**
 - B. They must be visited in person for title searches**
 - C. They are operated by Teraview**
 - D. They allow access to POLARIS databases**
 - E. They require appointments for document registration**
 - F. They handle all land registration processes online**

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. Which document outlines the legal rights and obligations of buyers and sellers in a property transaction?

- A. Agreement of Lease**
- B. Deed**
- C. Mortgage Application**
- D. Agreement of Purchase and Sale**

The Agreement of Purchase and Sale is the document that specifically outlines the legal rights and obligations of buyers and sellers in a property transaction. It serves as a binding contract that details the terms of the sale, including the purchase price, closing date, and any conditions that must be met. This document is essential for facilitating the transaction and ensuring that both parties are clear about their responsibilities and entitlements. In contrast, the other documents mentioned do not serve the same purpose within the context of a property transaction. The Agreement of Lease pertains to rental agreements rather than the sale of property, while a Deed is involved in the transfer of ownership but does not detail the terms of the agreement between buyer and seller. A Mortgage Application is focused on the financing aspect of purchasing property and does not address the legal rights related to the transaction itself. Thus, the Agreement of Purchase and Sale is the correct choice for outlining the legal framework of buyer-seller relations in a property transaction.

2. What does a seller need to provide to satisfy a buyer's request for a current property survey?

- A. The property's last transaction details**
- B. An estimate of property taxes**
- C. A survey showing lot dimensions and structures**
- D. A legal description of the property**
- E. A history of previous ownership**
- F. A copy of utility bills**

The correct answer is that a seller needs to provide a survey showing lot dimensions and structures. This document is crucial in real estate transactions as it provides a clear representation of the property's boundaries, the location of any structures on the lot, and any easements or encroachments that may affect the property. Buyers typically rely on this information to ensure that they are fully aware of what they are purchasing, and to confirm that the property's physical characteristics match the legal description provided. In contrast, while the last transaction details, property tax estimates, legal descriptions, ownership history, and utility bill copies may be relevant in various contexts during a real estate transaction, they do not directly satisfy a request for a current property survey. The survey specifically addresses the buyer's concern about the precise dimensions and layout of the property, which is paramount in making an informed purchasing decision.

3. Jackson submitted a registration application to RECO but failed to disclose past termination due to suspicion of fraud. What can the Registrar do?

- A. Accept the application but deny RECO insurance coverage**
- B. Deny the application due to non-disclosure**
- C. Ignore the past if it was more than 10 years ago**
- D. Accept the application if no charges were filed**

The correct answer is B. The Registrar can deny the application due to non-disclosure of past termination due to suspicion of fraud. In real estate, honesty and transparency are crucial, and failure to disclose such important information can call into question the individual's integrity and ethical standards. By not being forthright about past terminations related to fraud, the applicant may pose a risk to clients, the public, and the reputation of the real estate profession. Therefore, the Registrar has the authority to deny the application based on this non-disclosure. Options A, C, and D are incorrect because accepting the application with conditions, ignoring past transgressions, or overlooking non-disclosure would not be appropriate in this case. It is essential to uphold the standards of professionalism and trustworthiness in the real estate industry, and failure to disclose crucial information should result in application denial.

4. Which is true regarding a draft plan of subdivision?

- A. Must be consistent with the requirements of the Local Planning Appeal Tribunal.**
- B. Does not require the circulation of notices to public bodies.**
- C. Must comply with requirements set out in the Planning Act.**
- D. Does not require a final plan to be registered within a specified time period.**
- E. Must follow the zoning by-laws of the locality strictly.**
- F. Needs approval from the regional council.**

A draft plan of subdivision must comply with the requirements set out in the Planning Act. This legislation outlines various stipulations regarding land use, development, and the processes involved in creating a subdivision, ensuring that any plans submitted conform to provincial standards. Adhering to the Planning Act is crucial for the legal acceptance of the draft plan and for aligning with broader planning objectives, such as sustainable development and community integration. Other options present specific conditions that are either too stringent or inaccurate in describing the requirements for a draft plan of subdivision. For example, while the Local Planning Appeal Tribunal does play a role in planning appeals, it is not the primary body that sets the requirements for the draft plans themselves. Additionally, the circulation of notices to public bodies is often a necessary step in the planning process, and final plans usually need to be registered within a specified time frame to maintain legal validity. Lastly, while draft plans should generally align with local zoning by-laws, the requirement to follow these by-laws strictly can vary based on certain circumstances or minor adjustments allowed under the Planning Act.

5. Which item is not required in a Surveyor's Real Property Report?

- A. A written analysis**
- B. List of property uses**
- C. Location of easements**
- D. Marker placements**
- E. Plot boundaries**
- F. Property's municipal address**

The correct answer is that a list of property uses is not required in a Surveyor's Real Property Report. This report focuses primarily on physical characteristics and boundaries of the property rather than its functional uses. The necessity of including markers for placements, details about easements, and clearly defined plot boundaries stems from legal requirements and practical considerations around property rights and development. Including the property's municipal address is essential for identification and administrative purposes. Those details help establish the property lines and any encumbrances that may affect it. On the other hand, while understanding how a property is used is valuable, it's primarily the physical layout and legal aspects that take precedence in the Surveyor's Real Property Report. As such, listing property uses does not fall within its typical scope.

6. What steps should be taken if an underground storage tank is discovered on a property?

- A. The seller should contact the Technical Standards and Safety Authority (TSSA) to ensure that it meets current standards.**
- B. The property cannot be sold until the tank is removed.**
- C. The tank, if unused, does not need to be disclosed to the buyer.**
- D. The listing salesperson should not list the property.**
- E. The buyer must sign a waiver assuming all responsibilities.**
- F. The tank should be inspected by a third-party contractor.**

When an underground storage tank is discovered on a property, it is crucial to contact the Technical Standards and Safety Authority (TSSA) to assess whether the tank meets current standards. This regulatory body oversees the safe use and operation of such tanks and ensures compliance with environmental laws and safety requirements. By contacting the TSSA, the seller can determine if the tank is properly registered and certified. Additionally, they can obtain guidance on necessary inspections, potential remediation steps if contamination has occurred, and what actions need to be taken to bring the tank into compliance with current regulations. This step is essential not only to ensure the safety of future property occupants but also to protect the seller's legal interests regarding liability and potential hazards associated with underground storage tanks. The other options either misinterpret the legal responsibilities or suggest actions that may not comply with regulatory processes regarding underground storage tanks.

7. Which legal document outlines the responsibilities and liabilities of condominium ownership?

- A. A status certificate**
- B. A deed**
- C. A title search**
- D. A vendor's statement**

A status certificate is the correct answer because it is a legal document that provides important information about the condominium corporation, including financial statements, rules and regulations, insurance coverage, and reserve fund details. It outlines the responsibilities and liabilities of condominium ownership for potential buyers or current owners. In contrast, a deed is a legal document used to transfer ownership of real property, but it does not specifically outline the responsibilities and liabilities of condominium ownership. A title search is a review of public records to confirm a property's ownership history, which is not the same as outlining condominium ownership responsibilities. A vendor's statement is a document provided by a seller in a real estate transaction, detailing information about the property being sold, but it also does not specifically outline condominium ownership responsibilities and liabilities.

8. The Competition Act applies under which of the following scenarios?

- A. When administered in Ontario by the Provincial Competition Bureau.**
- B. When addressing conspiracies but not misleading advertising.**
- C. If a salesperson refuses to work with another brokerage offering lower remuneration rates.**
- D. When disputes between two big brokerages arise.**
- E. When brokerages refuse to share listings with non-member agents.**
- F. If agents form a monopoly in their service areas.**

The Competition Act applies when a salesperson refuses to work with another brokerage offering lower remuneration rates because it falls under anti-competitive behavior. Refusing to work with a brokerage offering lower rates can be seen as an attempt to stifle competition, which goes against the principles of fair competition outlined in the Competition Act. This type of behavior is considered anti-competitive and can be subject to investigation and potential legal consequences under the Act. The other options are incorrect because they do not directly relate to scenarios of anti-competitive behavior as outlined in the Competition Act: - Option A mentions the Provincial Competition Bureau, which is not an accurate depiction of the application of the Competition Act. - Option B refers to conspiracies and misleading advertising, which are also covered by the Act but are not the focus of the question. - Option D talks about disputes between brokerages, which may not necessarily involve anti-competitive practices. - Option E is about brokerages refusing to share listings with non-member agents, which could be against industry regulations but may not directly violate the Competition Act. - Option F discusses agents forming a monopoly, which is related to anti-competitive behavior but is not the scenario described in the question.

9. Which of the following would NOT be a key consideration when the Registrar reviews a new application for salesperson registration?

- A. Any criminal convictions or pending charges**
- B. Completion of required real estate courses**
- C. Past conduct indicating a lack of integrity**
- D. Previous license or registration refusals**
- E. Professional recommendations**

F. The pass marks received in pre-registration programs

When the Registrar reviews a new application for salesperson registration, the details of the pass marks received in pre-registration programs would not be a key consideration. The primary focus is on the applicant's qualifications, integrity, and any potential risks they may pose to the industry and the public. While it is important that candidates successfully complete the required courses to ensure they have the necessary knowledge and skills, the specific scores or grades achieved are not typically a factor. The key concerns revolve around ensuring that the applicant has demonstrated overall competency and ethical standards, rather than hitting certain numerical benchmarks. In contrast, factors like criminal convictions, past conduct, and previous licensing issues provide insight into the applicant's character and reliability, which are crucial in determining if they can uphold the standards expected in the real estate profession. Recommendations from professionals in the field can also serve as evidence of an applicant's competence and trustworthiness, making them relevant in the review process.

10. What is true about land registration offices?

- A. They only handle registry system records**
- B. They must be visited in person for title searches**
- C. They are operated by Teraview**
- D. They allow access to POLARIS databases**
- E. They require appointments for document registration**
- F. They handle all land registration processes online**

The correct answer is that land registration offices allow access to POLARIS databases. POLARIS (Property Online Registration and Information System) is a system that provides users with digital access to property registration information and services. By allowing access to POLARIS databases, land registration offices facilitate online searches and provide vital information about land titles, ownership history, and other property-related matters. The other options, while each presenting some aspect of land registration processes, do not accurately represent the broader functionality of land registration offices. They may imply restrictive practices or outdated processes that do not align with the current emphasis on digital solutions and accessibility in property registration. For instance, while some offices may handle records in various capacities, inclusive access to electronic systems like POLARIS is a more comprehensive and accurate characteristic of their operations.