

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 term best describes a misleading statement in real estate advertising?**
 - A. Informative**
 - B. Innocent**
 - C. Intentional deception**
 - D. Misunderstood**
 - E. Plain language**
 - F. Vague assertion**

- 2. Which of the following methods is NOT a valid way to resolve potential buyer liability for tax owing by non-resident sellers in Canada?**
 - A. A buyer's lawyer can hold back a percentage of the sale price.**
 - B. A seller can sign an affidavit indicating property ownership for over 10 years and claim tax exemption.**
 - C. A seller can provide a Ministry Certificate upon completion.**
 - D. A seller can sign a statutory declaration affirming non-resident status.**
 - E. A seller can obtain a tax clearance certificate from the CRA.**
 - F. A buyer can request tax prepayment from the seller.**

- 3. Who is primarily responsible for taxes in transactions involving non-resident sellers?**
 - A. Buyer's lawyer**
 - B. Minister of National Revenue**
 - C. Buyer's agent**
 - D. Seller**
 - E. Local tax authority**
 - F. Notary public**

- 4. According to the DNCL restrictions, which of the following individuals CANNOT be contacted if they are registered on the list?**
- A. A buyer who expressly asked to be contacted with details when a property was listed on her street.**
 - B. A seller client who sold their home while represented by your brokerage within the last 18 months.**
 - C. A seller who signed a representation agreement that expired 3 months ago.**
 - D. An individual who contacted the brokerage 10 months ago inquiring about a listing.**
- 5. While finalizing an agreement of purchase and sale, what should Salesperson Montoya know about electronic signatures?**
- A. Inform parties that electronic signatures are only for representation agreements.**
 - B. Ensure the technology used for signatures is secure and verifiable.**
 - C. Insist on implied consent from both parties.**
 - D. Only use electronic signatures if mandated by either buyer or seller.**
 - E. Recommend against using electronic signatures to avoid disputes.**
 - F. Use handwritten signatures as a default.**
- 6. Which statement is NOT correct regarding an unregistered assistant's participation during a listing presentation?**
- A. Jamieson can fill in the basic details of a listing agreement in advance of the meeting.**
 - B. Jamieson can answer certain questions that the seller may have, but only in relation to preprinted clauses in the listing agreement.**
 - C. Assuming that the listing is signed by the seller, Jamieson can install the 'for sale' sign on the property.**
 - D. If after the listing is signed, a minor error was identified regarding lot size, Jamieson cannot call the seller and discuss the needed change.**
 - E. Jamieson can present the entire listing presentation on behalf of Salesperson Wheldon.**
 - F. Jamieson can perform administrative tasks related to the listing agreement.**

- 7. What are zoning bylaws in Ontario?**
- A. Bylaws enacted by the county council.**
 - B. Regulations approved by the provincial assembly.**
 - C. Bylaws created by the local municipalities.**
 - D. Federal directives.**
 - E. Restrictions issued by regional committees.**
 - F. Policies established by neighborhood associations.**
- 8. The Personal Information Protection and Electronic Document Act (PIPEDA) defines personal information as:**
- A. Information such as name, identification numbers, and age, excluding income**
 - B. Business-related information about an employee**
 - C. Any information that can identify an individual**
 - D. Publicly available contact details**
 - E. Information used solely for marketing purposes**
 - F. Anonymous aggregated data**
- 9. Which of the following is a common consequence of misleading advertising in real estate?**
- A. Increased property value**
 - B. Higher taxes**
 - C. Loss of license**
 - D. Longer property listing period**
- 10. LEED is best described as:**
- A. A synonym for Low Energy Efficient Designs**
 - B. A system administered by Natural Resources Canada**
 - C. A rating system for green buildings**
 - D. A standard exclusively for energy conservation**
 - E. An alternative name for R-2000**
 - F. A program focusing solely on residential construction**

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. Which term best describes a misleading statement in real estate advertising?

- A. Informative**
- B. Innocent**
- C. Intentional deception**
- D. Misunderstood**
- E. Plain language**
- F. Vague assertion**

The term that best describes a misleading statement in real estate advertising is intentional deception. This phrase indicates that the statement was deliberately crafted to mislead potential buyers or tenants about a property. In the context of real estate, this could involve exaggerating the features of a property, concealing defects, or presenting false information that influences a buyer's decisions. When advertising property, ethical practices are crucial, and being transparent fosters trust between the parties involved in the transaction. Intentional deception undermines this trust and can lead to legal ramifications for the advertisers. In real estate, maintaining honesty is not just a best practice but rather a requirement for ensuring fair and ethical dealings. The other terms listed do not capture the essence of a misleading statement as accurately. For instance, being informative suggests that the statement provides useful information, while innocent and misunderstood imply a lack of intent or awareness, which does not align with the concept of misleading advertising crafted with intent. Vague assertion hints at a lack of clarity but doesn't imply deceit, and plain language typically indicates straightforward communication, which is opposed to misleading statements.

2. Which of the following methods is NOT a valid way to resolve potential buyer liability for tax owing by non-resident sellers in Canada?

- A. A buyer's lawyer can hold back a percentage of the sale price.**
- B. A seller can sign an affidavit indicating property ownership for over 10 years and claim tax exemption.**
- C. A seller can provide a Ministry Certificate upon completion.**
- D. A seller can sign a statutory declaration affirming non-resident status.**
- E. A seller can obtain a tax clearance certificate from the CRA.**
- F. A buyer can request tax prepayment from the seller.**

Option B is not a valid way to resolve potential buyer liability for tax owing by non-resident sellers in Canada because it mentions a seller signing an affidavit indicating property ownership for over 10 years to claim tax exemption. The ownership duration does not factor into the non-resident status of the seller or their potential tax liability. The correct ways to resolve potential buyer liability for tax owing by non-resident sellers include options A, C, D, E, and F, which involve holding back a percentage of the sale price, providing a Ministry Certificate or a tax clearance certificate, signing a statutory declaration affirming non-resident status, or requesting tax prepayment from the seller. Each of the correct options provides a valid method to ensure that the buyer is not liable for any tax owing by non-resident sellers upon completion of the property transaction, thereby safeguarding the buyer's interests and complying with relevant tax regulations.

3. Who is primarily responsible for taxes in transactions involving non-resident sellers?

- A. Buyer's lawyer**
- B. Minister of National Revenue**
- C. Buyer's agent**
- D. Seller**
- E. Local tax authority**
- F. Notary public**

In transactions involving non-resident sellers, the seller is primarily responsible for handling taxes. This responsibility typically includes ensuring that any applicable taxes, such as non-resident withholding taxes, are properly accounted for and paid. Non-resident withholding taxes are taxes that non-residents must pay on certain types of income earned in Canada, including the sale of real estate. Therefore, it is important for the seller to be aware of and fulfill their tax obligations to avoid any complications or penalties related to the transaction. The other options are incorrect: - The buyer's lawyer, buyer's agent, and notary public do not have the primary responsibility for handling taxes in transactions involving non-resident sellers. - The Minister of National Revenue is responsible for the administration of Canada's tax laws but is not primarily responsible for taxes in transactions involving non-resident sellers. - The local tax authority is also not primarily responsible for taxes in transactions involving non-resident sellers.

4. According to the DNCL restrictions, which of the following individuals CANNOT be contacted if they are registered on the list?

- A. A buyer who expressly asked to be contacted with details when a property was listed on her street.**
- B. A seller client who sold their home while represented by your brokerage within the last 18 months.**
- C. A seller who signed a representation agreement that expired 3 months ago.**
- D. An individual who contacted the brokerage 10 months ago inquiring about a listing.**

When considering the Do Not Call List (DNCL) restrictions, the key aspect is understanding the scenarios where consent or an existing relationship allows for contact. The individual who cannot be contacted in this context is the one who reached out to the brokerage 10 months ago but is not currently in an active relationship or has not provided express consent to receive calls. The individual who inquired about a listing 10 months ago does not fall under any exemption to the DNCL because the inquiry did not create a continuing relationship or consent to be contacted again for any promotional or follow-up purposes. In contrast, a buyer who expressed interest in being contacted regarding listings on her street has provided explicit consent. A seller client who sold their home while represented by your brokerage within the last 18 months can still be contacted due to the continuing relationship established by that transaction. Lastly, a seller who signed a representation agreement that recently expired may also be contacted, as the agreement allows for contact until a reasonable time after its expiration.

5. While finalizing an agreement of purchase and sale, what should Salesperson Montoya know about electronic signatures?
- A. Inform parties that electronic signatures are only for representation agreements.
 - B. Ensure the technology used for signatures is secure and verifiable.**
 - C. Insist on implied consent from both parties.
 - D. Only use electronic signatures if mandated by either buyer or seller.
 - E. Recommend against using electronic signatures to avoid disputes.
 - F. Use handwritten signatures as a default.

Salesperson Montoya should ensure that the technology used for electronic signatures is secure and verifiable. This is crucial to maintain the integrity and authenticity of the signatures on the agreement of purchase and sale. Using secure and verifiable technology helps to protect against fraud and ensures that the parties can rely on the document's validity in case of any disputes or legal issues. It is important for the salesperson to prioritize the security and verification of electronic signatures to uphold the professionalism and legality of the transaction.

6. Which statement is NOT correct regarding an unregistered assistant's participation during a listing presentation?
- A. Jamieson can fill in the basic details of a listing agreement in advance of the meeting.
 - B. Jamieson can answer certain questions that the seller may have, but only in relation to preprinted clauses in the listing agreement.**
 - C. Assuming that the listing is signed by the seller, Jamieson can install the 'for sale' sign on the property.
 - D. If after the listing is signed, a minor error was identified regarding lot size, Jamieson cannot call the seller and discuss the needed change.
 - E. Jamieson can present the entire listing presentation on behalf of Salesperson Wheldon.
 - F. Jamieson can perform administrative tasks related to the listing agreement.

In this scenario, Option B is not correct. An unregistered assistant like Jamieson should not answer certain questions on preprinted clauses during a listing presentation. Only a registered real estate professional, like Salesperson Wheldon in this case, should be providing explanations and answering legal and contractual questions from the seller. It is essential to ensure that all information provided to the client during the listing presentation is accurate and compliant with legal requirements. This helps maintain professionalism, integrity, and legal compliance within the real estate transaction process. Regarding the other options: - Option A is correct as an unregistered assistant can help in preparing documentation for the meeting. - Option C is accurate; an unregistered assistant can assist in installing the 'for sale' sign after the listing has been signed. - Option D highlights a limitation for Jamieson in discussing changes after the listing is signed, showing the importance of involving the registered salesperson in such discussions. - Option E is incorrect as an unregistered assistant should not be presenting the entire listing presentation on behalf of a salesperson. - Option F is correct as administrative tasks related to the listing agreement can be performed by an unregistered assistant.

7. What are zoning bylaws in Ontario?

- A. Bylaws enacted by the county council.
- B. Regulations approved by the provincial assembly.
- C. Bylaws created by the local municipalities.**
- D. Federal directives.
- E. Restrictions issued by regional committees.
- F. Policies established by neighborhood associations.

Zoning bylaws in Ontario are specific regulations created by local municipalities. These bylaws govern land use within a municipality, determining how properties can be developed and what types of activities are permissible in designated areas. They play a critical role in urban planning by ensuring that land use is organized in a manner that supports public welfare, safety, and community development. Municipalities have the authority to set these regulations based on the needs and character of their communities. Zoning bylaws can dictate aspects such as the types of buildings allowed, their heights, the density of development, and the purpose of land use (e.g., residential, commercial, agricultural). By having localized control, municipalities can tailor their bylaws to address specific local issues, such as maintaining the character of neighborhoods or controlling urban sprawl. This level of governance is crucial in balancing development with community needs and environmental considerations.

8. The Personal Information Protection and Electronic Document Act (PIPEDA) defines personal information as:

- A. Information such as name, identification numbers, and age, excluding income
- B. Business-related information about an employee
- C. Any information that can identify an individual**
- D. Publicly available contact details
- E. Information used solely for marketing purposes
- F. Anonymous aggregated data

The correct answer is that personal information is defined as any information that can identify an individual. PIPEDA emphasizes the protection of personal information that relates to identifiable individuals. This can include various types of data, such as names, addresses, and any details that could be linked to an individual, thereby allowing their identification. In contrast, other options involve data that does not meet the threshold of personal identification or pertain specifically to the context of PIPEDA's definition. For example, business-related employee information may not always constitute personal information if it is not linked to individual identification. Publicly available contact details can also be excluded from personal information under PIPEDA if they do not allow for the identification of an individual. Information used solely for marketing purposes would not fall under the same protective measures if it does not directly identify an individual. Similarly, anonymous aggregated data is not considered personal information because it cannot be used to identify a specific person. Thus, the essence of PIPEDA's definition is broad enough to include a wide range of identifiers, making the understanding of "any information that can identify an individual" critical to compliance and awareness in handling personal data.

9. Which of the following is a common consequence of misleading advertising in real estate?

- A. Increased property value**
- B. Higher taxes**
- C. Loss of license**
- D. Longer property listing period**

Misleading advertising in real estate can have serious consequences, one of which is the loss of license. Real estate professionals are held to high ethical standards, and misleading advertising is a serious violation of these standards. As a result, regulatory bodies can revoke a real estate agent's license for engaging in misleading advertising practices. Options A, B, and D are not directly related to misleading advertising in real estate. Increased property value, higher taxes, and longer property listing periods are not consequences typically associated with misleading advertising.

10. LEED is best described as:

- A. A synonym for Low Energy Efficient Designs**
- B. A system administered by Natural Resources Canada**
- C. A rating system for green buildings**
- D. A standard exclusively for energy conservation**
- E. An alternative name for R-2000**
- F. A program focusing solely on residential construction**

LEED, which stands for Leadership in Energy and Environmental Design, is a widely recognized rating system for green buildings. It provides a framework for assessing the sustainability and environmental performance of a building throughout its lifecycle, from design and construction to operation and maintenance. The system encourages the use of sustainable strategies in design, construction, and management, contributing to reduced operation costs and improved occupant satisfaction. While some of the other options mention aspects related to building and energy efficiency, they do not encapsulate the broader purpose and application of LEED. It is not solely focused on energy efficiency, nor is it exclusive to residential construction. LEED is applicable to various types of buildings and emphasizes a comprehensive approach to sustainability that includes water efficiency, materials selection, indoor environmental quality, and sustainable site development, in addition to energy performance. This holistic view makes the rating system a valuable tool for those aiming to create environmentally responsible and resource-efficient buildings.