

REEDC New York Real Estate Salesperson Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

This is a sample study guide. To access the full version with hundreds of questions,

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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. Don't worry about getting everything right, 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, and take breaks to retain information better.

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.

7. Use Other Tools

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!

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Questions

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- 1. What substance is often a concern in drinking water because of its potential health risks?**
 - A. Chlorine**
 - B. Nitrogen**
 - C. Lead**
 - D. Mercury**
- 2. In what scenario is it critical for a tenant to understand the terms of a lease?**
 - A. When leasing equipment**
 - B. When renting a car**
 - C. When renting residential property**
 - D. When subletting a commercial space**
- 3. What is typically the term length for residential property depreciation?**
 - A. 15 years**
 - B. 27.5 years**
 - C. 39 years**
 - D. 50 years**
- 4. What are the three appraisal approaches to value?**
 - A. Cost, market, and income approaches**
 - B. Sales comparison, cost approach, and income approach**
 - C. Cost, appraisal, and market analysis**
 - D. Income, sales, and comparative analysis**
- 5. Which document should be filled out first with a new client or customer?**
 - A. Property listing agreement**
 - B. Agency disclosure form**
 - C. Rental agreement**
 - D. Service agreement**

6. What does CPIS stand for in real estate?

- A. Cooperative Pricing Index Statement**
- B. Cooperative Property Information System**
- C. Cooperative Policy Statement**
- D. Construction Planning and Information Service**

7. What term describes the division of expenses and income between the buyer and seller?

- A. Allocation**
- B. Proration**
- C. Distribution**
- D. Settlement**

8. What is the primary function of a ventilation stack in a basement?

- A. To improve heating efficiency**
- B. To draw air and radon gas out from under the basement slab**
- C. To enhance lighting in the basement area**
- D. To circulate cold air into the basement**

9. Who is a mortgage loan servicer?

- A. A company providing car loans**
- B. An entity managing residential mortgage loans and payments**
- C. A developer building new homes**
- D. A bank processing credit cards**

10. Which type of lease typically outlines who pays for utilities and property maintenance?

- A. Gross lease**
- B. Net lease**
- C. Combination lease**
- D. Joint lease**

Answers

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

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Explanations

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1. What substance is often a concern in drinking water because of its potential health risks?

- A. Chlorine**
- B. Nitrogen**
- C. Lead**
- D. Mercury**

Lead is often identified as a significant concern in drinking water due to its serious health risks, particularly for vulnerable populations such as children and pregnant women. When lead pipes, fixtures, or soldering materials corrode, they can leach lead into the drinking water supply, leading to contamination. Exposure to lead can result in severe health effects, including developmental delays, learning difficulties, and various neurological issues in children. In adults, it can cause high blood pressure and kidney dysfunction. The worrying aspect of lead is that there is no safe level of exposure, making any presence in drinking water a critical public health concern. While chlorine is used for disinfection in water treatment, and nitrogen can contribute to environmental issues when present in high concentrations, they do not pose the same level of direct health risks in terms of long-term exposure as lead. Mercury is also a harmful substance, but its presence in drinking water is usually linked to specific industrial contamination sources rather than widespread drinking water issues commonly associated with plumbing systems.

2. In what scenario is it critical for a tenant to understand the terms of a lease?

- A. When leasing equipment**
- B. When renting a car**
- C. When renting residential property**
- D. When subletting a commercial space**

Understanding the terms of a lease is particularly critical when renting residential property because a lease outlines the legal rights and responsibilities of both the tenant and the landlord. It contains essential information such as the duration of the lease, rent payment details, maintenance responsibilities, policies on pets or alterations, and the procedures for handling disputes or evictions. For tenants, comprehending these specifics is vital to ensure they know their obligations and rights, which can affect their living situation and overall legal standing. Residential leases often involve significant commitments, and misunderstandings can lead to financial or legal repercussions, such as loss of security deposits or eviction. While there are elements of leasing that are important in the other scenarios, such as understanding rental terms for equipment, cars, or commercial spaces, the complexity and potential consequences of residential leases make this scenario particularly crucial for tenants. These leases typically involve the tenant's primary residence, which adds an extra layer of importance to knowing the terms thoroughly.

3. What is typically the term length for residential property depreciation?

- A. 15 years
- B. 27.5 years**
- C. 39 years
- D. 50 years

In real estate, residential property depreciation is typically calculated over a period of 27.5 years. This timeframe is established by the Internal Revenue Service (IRS) for residential rental properties, which allows property owners to recover the cost of the property over this defined period. The 27.5-year span reflects the useful life of residential properties for tax purposes, thus providing a structured way for property owners to write off the cost against their income over time. Understanding the significance of this term length is crucial for investors and property owners, as it impacts financial planning, tax liabilities, and overall investment strategies in real estate. The longer timeframe of 39 years, on the other hand, is typically applied to non-residential properties, illustrating why the 27.5-year period is specific to residential properties. This distinction is important when considering the different depreciation schedules applicable to various types of real estate investments.

4. What are the three appraisal approaches to value?

- A. Cost, market, and income approaches
- B. Sales comparison, cost approach, and income approach**
- C. Cost, appraisal, and market analysis
- D. Income, sales, and comparative analysis

The three appraisal approaches to value that are widely recognized in real estate are the sales comparison approach, cost approach, and income approach. The sales comparison approach evaluates a property's value by comparing it to similar properties (comps) that have recently sold in the same area, adjusting for differences in features, size, and condition. This approach is particularly effective for residential properties where enough comparable sales data is available. The cost approach estimates value by determining what it would cost to replace or reproduce the property, factoring in depreciation and land value. This method is often used for new constructions or unique properties where comparable sales may not be readily available. The income approach is utilized primarily for investment properties and commercial real estate, assessing how much income a property generates. This method reflects the potential revenue an investor could expect from leasing the property, providing a valuation based on projected cash flow. This option captures the industry terminology and reflects the commonly accepted methods for determining property value, making it the correct choice.

5. Which document should be filled out first with a new client or customer?

- A. Property listing agreement**
- B. Agency disclosure form**
- C. Rental agreement**
- D. Service agreement**

When working with a new client or customer in the real estate industry, the agency disclosure form is essential and should be completed first. This document outlines the relationship between the agent and the client, making it clear whether the agent represents the buyer, the seller, or both. It fulfills legal requirements and helps establish trust by ensuring that clients understand their rights and the obligations of the agent. The agency disclosure form is crucial in arming clients with knowledge about how their information will be used and the fiduciary duties agents owe them. This legal transparency is vital before entering into any agreements or negotiations concerning property listings, rentals, or services since clarity about representation lays the foundation for all subsequent transactions. Once this document is in place, it's appropriate to discuss other forms, such as property listing agreements or service agreements, but the agency disclosure form must come first to ensure compliance with ethical standards and state laws.

6. What does CPIS stand for in real estate?

- A. Cooperative Pricing Index Statement**
- B. Cooperative Property Information System**
- C. Cooperative Policy Statement**
- D. Construction Planning and Information Service**

The correct answer is that CPIS stands for Cooperative Property Information System. This term is significant in real estate, particularly in contexts involving cooperative housing. The Cooperative Property Information System refers to a database or platform that provides essential information about cooperative properties, including ownership details, financial assessments, and building policies. This information is crucial for potential buyers, current owners, and real estate professionals who need to evaluate and manage these types of properties effectively. Engagement with a Cooperative Property Information System allows for better transparency and access to reliable information, fostering informed decision-making in the housing market. Understanding this system is particularly important for navigating the unique aspects of cooperative living, where shared ownership and responsibilities play a key role in property management and tenant relations.

7. What term describes the division of expenses and income between the buyer and seller?

- A. Allocation**
- B. Proration**
- C. Distribution**
- D. Settlement**

The term that describes the division of expenses and income between the buyer and seller is proration. This process is essential in real estate transactions to ensure that both parties fairly share the costs and revenues associated with the property. Proration typically applies to items like property taxes, utility bills, homeowner association fees, and rental income, among others. When a property changes hands, some expenses may need to be allocated for the time the seller owned the property and the time the buyer will own it during the billing period. By prorating these expenses, it ensures that neither party is unfairly burdened or benefited by expenses incurred before or after the sale takes place. This process is usually documented in the closing statement or settlement statement at the time of the closing, providing a clear picture of what amounts are owed or due from each party based on the agreed-upon closing date.

8. What is the primary function of a ventilation stack in a basement?

- A. To improve heating efficiency**
- B. To draw air and radon gas out from under the basement slab**
- C. To enhance lighting in the basement area**
- D. To circulate cold air into the basement**

The primary function of a ventilation stack in a basement is to draw air and radon gas out from under the basement slab. This is particularly important in areas where radon is a concern, as radon is a colorless, odorless radioactive gas that can accumulate in enclosed spaces, posing health risks. Ventilation stacks help to create a path for these hazardous gases to escape, thereby improving indoor air quality and reducing the potential for harmful exposure. Additionally, effective ventilation is crucial for moisture control in basements, reducing the likelihood of mold growth and structural damage. While heating efficiency, lighting, and air circulation are important considerations in the overall design and use of a basement, they are not the primary reason for the installation of ventilation stacks. Instead, the primary focus remains on health and safety by managing air quality and mitigating the risks associated with gas accumulation.

9. Who is a mortgage loan servicer?

- A. A company providing car loans
- B. An entity managing residential mortgage loans and payments**
- C. A developer building new homes
- D. A bank processing credit cards

A mortgage loan servicer is specifically an entity that manages residential mortgage loans and the associated payment processes. This includes collecting monthly mortgage payments from borrowers, maintaining accurate records of the loans, managing escrow accounts for property taxes and insurance, and communicating with borrowers about their loans. The role of a servicer is critical in the mortgage industry, as they ensure that all aspects of the loan administration are handled efficiently. This allows borrowers to focus on making their payments without needing to worry about the intricate details of loan management. In contrast, the other options refer to entities that operate in entirely different sectors of the financial industry. For example, companies providing car loans are focused on auto financing, while developers build new homes but do not manage mortgage payments. Similarly, banks processing credit cards are involved in consumer lending and payment transactions unrelated to mortgage servicing. Each of these functions serves its purpose but does not encompass the specific role of a mortgage loan servicer.

10. Which type of lease typically outlines who pays for utilities and property maintenance?

- A. Gross lease
- B. Net lease**
- C. Combination lease
- D. Joint lease

In a net lease, the tenant usually agrees to pay not just rent but also a portion of the property's operating expenses, which often includes utilities and property maintenance costs. This lease structure is designed to benefit landlords by transferring some of the financial responsibilities associated with property management directly onto the tenant. As a result, the landlord can receive a net operating income that is less influenced by the costs of running the property. This contrasts with other lease types. For example, in a gross lease, the landlord typically covers all utilities and maintenance costs, providing a simpler, more predictable payment system for the tenant. A combination lease may include features from both gross and net leases but doesn't specifically define who pays for utilities and maintenance in the same structured manner as a net lease. A joint lease, while it may involve shared agreements among multiple parties, does not specifically fit the established categories regarding utility and maintenance payments. Ultimately, net leases are particularly important in commercial real estate, where the potential for variable expenses necessitates clarity on responsibilities between landlords and tenants.

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://reedcnyrealestatesalesperson.examzify.com>

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

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