

Subdivision Development 2-1 Practice Test (Sample)

Study Guide



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SAMPLE

Questions

- 1. What factors determine the viability of a subdivision project?**
 - A. Market demand and financing availability**
 - B. The sole opinion of the developer**
 - C. The location of the developer's office**
 - D. The historical significance of the land only**
- 2. Under what condition can a developer's certificate of registration be revoked?**
 - A. Developer is of bad business repute**
 - B. Completion of all projects**
 - C. Pending payments to buyers**
 - D. Successful audits of business practices**
- 3. What is the voting process for homeowners association meetings?**
 - A. Only by mail**
 - B. In person or by proxy**
 - C. Online only**
 - D. Decisions made by the board without consultation**
- 4. What is the difference between horizontal and vertical development?**
 - A. Horizontal is land use; vertical is infrastructure**
 - B. Horizontal refers to building multi-story buildings; vertical refers to land use**
 - C. Horizontal expands land use; vertical involves the construction of multi-story buildings**
 - D. There is no difference; they are interchangeable terms**
- 5. What is required for OGC Properties to borrow from the bank for development purposes?**
 - A. Internal review by the developer**
 - B. Additional government funding**
 - C. Approval from HLURB**
 - D. A financial guarantee from brokers**

- 6. What restricts a rowhouse cluster within PD 957?**
- A. The requirement for a side yard**
 - B. The number of units in a cluster**
 - C. The maximum plot size**
 - D. The approval of the local government**
- 7. When must the owner or developer deliver the title of the lot or unit to the buyer?**
- A. After the first payment**
 - B. Upon full payment of the lot or unit**
 - C. At the beginning of construction**
 - D. Once all approvals have been received**
- 8. Which body must homeowners register their association with?**
- A. Department of Housing and Urban Development**
 - B. Housing and Land Use Regulatory Board**
 - C. Local Government Unit**
 - D. Homeowners Association Bureau**
- 9. What is defined as a structure designed or used as a residence in subdivisions?**
- A. Rowhouse**
 - B. Duplex**
 - C. Dwelling**
 - D. Condominium**
- 10. What is a special use permit?**
- A. A permit for conventional land uses only**
 - B. A permission for a special use not typically allowed under zoning**
 - C. A general building approval without restrictions**
 - D. A type of environmental assessment requirement**

Answers

SAMPLE

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

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Explanations

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1. What factors determine the viability of a subdivision project?

A. Market demand and financing availability

B. The sole opinion of the developer

C. The location of the developer's office

D. The historical significance of the land only

The viability of a subdivision project is fundamentally influenced by market demand and financing availability. Market demand refers to the interest and need for housing in a certain area, which can fluctuate based on economic conditions, demographics, and local trends. A strong market demand indicates a higher likelihood of selling homes within the subdivision, making the project more viable. Financing availability is equally crucial, as it determines the ability of the developer to secure the necessary funds to carry out the project. Without adequate financing, even the most promising projects may stall or fail to materialize. Lenders typically assess the market demand before providing financing, ensuring that the project has a solid chance of success. Other factors like location, zoning regulations, environmental considerations, and community amenities also play significant roles, but the combination of market demand and financing creates the foundational basis for determining whether a subdivision project will proceed successfully or not. The other options do not consider these essential economic factors that dictate a project's feasibility.

2. Under what condition can a developer's certificate of registration be revoked?

A. Developer is of bad business repute

B. Completion of all projects

C. Pending payments to buyers

D. Successful audits of business practices

The condition under which a developer's certificate of registration can be revoked pertains to the developer's business conduct. A developer being of bad business repute indicates a lack of integrity or ethical standards in conducting business, which is crucial in the real estate development industry. When the reputation of a developer is tarnished due to fraudulent activities, mismanagement, or failure to meet contractual obligations, trust is undermined. Regulatory bodies prioritize consumer protection and the maintenance of high standards in the industry, so a developer's questionable reputation can be a significant reason for revocation of their registration. Completion of all projects, pending payments to buyers, and successful audits of business practices do not inherently indicate any wrongful activity on the part of the developer. In fact, completing projects and undergoing audits align with good business practices, while pending payments could simply reflect ongoing transactions rather than unethical behavior. Hence, business repute stands out as a critical factor in maintaining a developer's registration.

3. What is the voting process for homeowners association meetings?

A. Only by mail

B. In person or by proxy

C. Online only

D. Decisions made by the board without consultation

The voting process for homeowners association meetings often allows members to participate both in person and by proxy. This dual method ensures that homeowners can engage in the decision-making process even if they cannot attend the meeting personally. Voting in person provides an opportunity for homeowners to discuss issues face-to-face, ask questions, and express their opinions directly. The option to vote by proxy gives those who cannot attend the meeting due to scheduling conflicts or other reasons the ability to have their voice heard by designating someone else to cast their vote on their behalf. This approach aims to enhance participation and ensure that the decisions made reflect the views of the community members. It also supports transparency and accountability within the association's governance, fostering a more democratic process. In contrast, the other methods mentioned involve limitations that can hinder participation or exclude homeowners from the voting process entirely, which is why they do not adequately represent the best practices typically encouraged in homeowners association governance.

4. What is the difference between horizontal and vertical development?

A. Horizontal is land use; vertical is infrastructure

B. Horizontal refers to building multi-story buildings; vertical refers to land use

C. Horizontal expands land use; vertical involves the construction of multi-story buildings

D. There is no difference; they are interchangeable terms

The distinction between horizontal and vertical development is clearly outlined in the chosen response. Horizontal development pertains to the expansion of land use, which typically involves the spread of a community or neighborhood outward. This form of development usually includes single-family homes, shopping centers, parks, and other facilities spread across a larger area, thereby increasing the geographical footprint of a development. In contrast, vertical development directly relates to the construction of multi-story buildings. This type of development focuses on maximizing the use of available space by building upwards rather than expanding horizontally. It is commonly seen in urban areas where land is scarce and the demand for space is high, such as high-rise apartments, office buildings, and mixed-use facilities. Understanding this distinction is crucial for planners and developers as it affects land use strategy, zoning regulations, and infrastructure needs. Horizontal development typically requires extensive planning for transportation and services over wider areas, while vertical development can lead to more concentrated community layouts, often requiring different considerations for utilities and services.

5. What is required for OGC Properties to borrow from the bank for development purposes?

- A. Internal review by the developer**
- B. Additional government funding**
- C. Approval from HLURB**
- D. A financial guarantee from brokers**

For OGC Properties to borrow from the bank for development purposes, obtaining approval from the HLURB (Housing and Land Use Regulatory Board) is essential. This regulatory body is responsible for ensuring that developers adhere to legal and zoning regulations before any development project can proceed. The bank will typically require that all necessary approvals and permits are in place to mitigate risks associated with lending. Without the HLURB's approval, the bank may see the project as high-risk, potentially affecting the likelihood of securing the necessary financing. Additionally, having this regulatory endorsement helps assure the bank that the development is viable and compliant with local laws and land use policies, thereby making it easier for the developer to access funds needed for the project.

6. What restricts a rowhouse cluster within PD 957?

- A. The requirement for a side yard**
- B. The number of units in a cluster**
- C. The maximum plot size**
- D. The approval of the local government**

The restriction on a rowhouse cluster within PD 957 is based on the number of units in that cluster. This regulation is significant because it governs the density and design of developments, ensuring that they align with planned urban development objectives. Limitations on the number of units help control population density, the functionality of infrastructure, and the overall character of the neighborhood. These standards aim to provide a balanced and sustainable community environment while maintaining the architectural harmony and social aspects of the area. By regulating the number of units, developers are also guided in their planning and construction processes, which can prevent overcrowding and contribute to better living conditions for residents. In contrast, while factors like side yard requirements and maximum plot sizes are important in overall urban planning, they do not specifically restrict the rowhouse clusters as directly as the unit count does. Similarly, while local government approval plays a critical role in the development process, it is more about granting permission rather than setting limitations specific to the structure of clusters within the PD 957 guidelines.

7. When must the owner or developer deliver the title of the lot or unit to the buyer?

- A. After the first payment**
- B. Upon full payment of the lot or unit**
- C. At the beginning of construction**
- D. Once all approvals have been received**

The correct timing for delivering the title of the lot or unit to the buyer is upon full payment of the lot or unit. This is a standard practice in real estate transactions, as it ensures that the buyer has met their financial obligations before transferring ownership rights. Until the full payment is completed, the seller maintains legal ownership of the property, which protects their interests and ensures that the buyer has fulfilled their part of the agreement. Delivering the title upon full payment also helps to avoid legal complications that could arise if the buyer cannot fulfill the payment after taking possession. This timing ensures that the transfer of ownership is clear and that the buyer is fully invested in the property they will own. Other options, such as delivering the title after a first payment or at the beginning of construction, do not provide sufficient assurance that the transaction is complete and can lead to disputes between the parties involved.

8. Which body must homeowners register their association with?

- A. Department of Housing and Urban Development**
- B. Housing and Land Use Regulatory Board**
- C. Local Government Unit**
- D. Homeowners Association Bureau**

Homeowners must register their association with the Housing and Land Use Regulatory Board. This body is responsible for overseeing various aspects of housing and land use, which includes regulating homeowners associations. By registering with this board, associations ensure they comply with legal standards and guidelines set for community and land development. Registration with this body is crucial as it allows for proper governance of the association and provides homeowners with legal recognition and protection under housing laws. It also helps facilitate communication between the homeowners association and government entities, allowing for better oversight and resources to support the community. Other entities mentioned, such as the Department of Housing and Urban Development or the Homeowners Association Bureau, may have relevant roles in housing policy and regulations, but the specific requirement for homeowners associations to register falls under the purview of the Housing and Land Use Regulatory Board. Local Government Units also play a role in local regulations, but the formal registration process specifically ties back to the regulatory board.

9. What is defined as a structure designed or used as a residence in subdivisions?

- A. Rowhouse**
- B. Duplex**
- C. Dwelling**
- D. Condominium**

A structure designed or used as a residence within subdivisions is best defined as a dwelling. The term "dwelling" encompasses various residential building types and refers to spaces where people live. It is a broader category that can include houses, apartments, condominiums, and similar structures, making it a comprehensive term relevant to subdivision development. While rowhouses, duplexes, and condominiums are specific types of dwellings, the term "dwelling" includes all these variations, along with others. This makes it the most appropriate answer to describe any residential structure situated in a subdivision. Each of the other choices pertains to specific formats of residential buildings but does not encapsulate the full scope of what a dwelling is in the context of subdivisions.

10. What is a special use permit?

- A. A permit for conventional land uses only**
- B. A permission for a special use not typically allowed under zoning**
- C. A general building approval without restrictions**
- D. A type of environmental assessment requirement**

A special use permit is specifically designed to allow a use that is not generally permitted by the zoning regulations for a particular area but can be deemed appropriate under certain circumstances. This type of permit is integral to zoning laws as it provides a mechanism through which municipalities can regulate land use while still allowing flexibility for unique or beneficial developments. The process for obtaining a special use permit typically involves a detailed application, possibly public hearings, and ensuring that the proposed use meets certain criteria or conditions outlined by zoning ordinances. These permits help ensure that the special use does not negatively impact the surrounding community, preserving the character and welfare of the area. In contrast, other options refer to more general or restrictive permits which do not convey the same level of specificity or allowance for non-standard uses in zoning regulations. For instance, a permit for conventional land uses would not encompass any special considerations, while general building approvals lack the tailored context that a special use permit provides. Similarly, environmental assessment requirements are separate processes focused on the potential impacts of a project rather than the permissibility of uses within zoning laws.