

TEXAS REAL ESTATE STATE PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED 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. 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 type of estate includes ownership for the duration of someone's life?

- A. Fee Simple
- B. Life Estate
- C. Defeasible Fee
- D. Qualified Fee

2. What is a license in real estate terminology?

- A. Permission to do a particular act, like going fishing
- B. Structure or improvements overlapping onto another's property
- C. Belongs to a person or corporation, like a utility easement
- D. Limited use or enjoyment of another's land

3. What is a major benefit of a release clause for tenants?

- A. It allows tenants to make permanent changes to the property
- B. It provides an easy way to terminate the lease early under specified conditions
- C. It guarantees low rent rates
- D. It extends the lease automatically

4. What are the four economic characteristics of land?

- A. Metes and Bounds, Lot, Block, and Subdivision, Monuments, Rectangular/
Government Survey
- B. Modification, Scarcity, Situs, Durability
- C. Indestructibility, Fixity, Situs, Monuments
- D. Scarcity, Modification, Fixity, Situs

5. Which term describes a tax that can be charged to property owners when the government provides new infrastructure in a neighborhood?

- A. Buffer Zone
- B. Riparian Rights
- C. Special Assessment Tax
- D. Zoning

- 6. Which leasehold estate involves a fixed period of time that automatically renews?**
- A. Estate at will
 - B. Holdover Tenancy
 - C. Estate for years
 - D. Tenancy at Sufferance
- 7. What does a seller's disclosure form typically include?**
- A. Only the seller's intentions for the property
 - B. Details about property taxes paid in the last year
 - C. Known defects and issues affecting property value or safety
 - D. A complete history of the property ownership
- 8. What is a potential consequence of an "as-is" sale for a buyer?**
- A. The buyer may inherit hidden defects without recourse
 - B. The buyer is guaranteed a home warranty
 - C. The property must be sold at a reduced price
 - D. The seller must fulfill all repair requests
- 9. When does the effective date of a contract occur?**
- A. At the time of negotiation
 - B. When the offer is made
 - C. On the date of closing
 - D. On the date the last party signs
- 10. What is the role of the Broker Lawyer Committee?**
- A. Property valuation
 - B. Record property encumbrances
 - C. Conduct property inspections
 - D. Writes promulgated contracts

Answers

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

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Explanations

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1. What type of estate includes ownership for the duration of someone's life?

- A. Fee Simple
- B. Life Estate**
- C. Defeasible Fee
- D. Qualified Fee

The correct answer is indeed Life Estate, which refers to an ownership interest in real estate that lasts for the duration of a person's life. In a life estate, the individual has the right to use and enjoy the property during their lifetime; however, upon their death, the ownership of the property will transfer to another party, known as the remainderman. This creates a temporary ownership structure based solely on the lifespan of the individual, rather than a permanent ownership like fee simple, which grants full ownership indefinitely. In contrast, a fee simple estate provides the owner with complete and unrestricted ownership that lasts forever. Defeasible fee estates have conditions under which the ownership could be terminated, and qualified fee estates often involve specific conditions or limitations that can result in a change of ownership upon certain events. Life estates stand apart in that they are inherently linked to an individual's life expectancy, making them unique in property law.

2. What is a license in real estate terminology?

- A. Permission to do a particular act, like going fishing**
- B. Structure or improvements overlapping onto another's property
- C. Belongs to a person or corporation, like a utility easement
- D. Limited use or enjoyment of another's land

In real estate terminology, a license is essentially a type of permission that allows an individual or entity to engage in a specific act on another person's property. This concept aligns with the idea of granting permission for activities that would otherwise be considered trespassing. For example, a homeowner might give a neighbor a license to park a car in their driveway or to walk across their property to access a public beach. This concept of license distinguishes it from other interests in real estate, such as easements or property rights. It does not confer any ownership interest or ongoing rights in the land itself; it is merely temporary and can often be revoked at any time by the property owner. Understanding this clarifies the nature of licenses in real estate as a limited and revocable privilege rather than an enduring right or claim to the property.

3. What is a major benefit of a release clause for tenants?

- A. It allows tenants to make permanent changes to the property
- B. It provides an easy way to terminate the lease early under specified conditions**
- C. It guarantees low rent rates
- D. It extends the lease automatically

A release clause is particularly beneficial for tenants because it enables them to terminate their lease agreement early under specific conditions. This can provide significant flexibility in situations where a tenant's circumstances change, such as relocation for a job, personal emergencies, or other unforeseen events. Having this clause ensures that tenants can exit their lease without facing severe penalties, which is especially valuable in a dynamic housing market or for those who may need to move on short notice. It delineates the conditions under which they can exercise this option, allowing for a structured and clear understanding of the process. In contrast, the other options do not reflect the primary purpose of a release clause. Making permanent changes to a property is often not permitted by landlords without prior consent. There is no guarantee that a release clause ensures low rent rates or automatic extension of leases; rather, these terms typically depend on the specific lease agreement and market conditions.

4. What are the four economic characteristics of land?

- A. Metes and Bounds, Lot, Block, and Subdivision, Monuments, Rectangular/Government Survey
- B. Modification, Scarcity, Situs, Durability
- C. Indestructibility, Fixity, Situs, Monuments
- D. Scarcity, Modification, Fixity, Situs**

The four economic characteristics of land are Scarcity, Modification, Fixity, and Situs. Scarcity refers to the limited supply of land, which can increase its value based on demand. This concept highlights that land is a finite resource, meaning that as the population grows, the competition for land tends to increase, leading to higher values. Modification speaks to how land can be altered or improved through various means, such as construction or development. Changes made to land can significantly enhance its value and usability, illustrating how human efforts can contribute to the economic potential of a property. Fixity addresses the permanence of land; once land is developed or improved, those changes are generally lasting. This characteristic emphasizes that land does not move or diminish in the same way that other assets might, contributing to its long-term value. Situs is the location of the land, which can greatly affect its desirability and market value. The specific characteristics and attributes of a location, including accessibility, neighborhood dynamics, and local amenities, play a crucial role in determining how much land is worth. Collectively, these four characteristics inform how land is valued and traded within the real estate market in Texas and beyond.

5. Which term describes a tax that can be charged to property owners when the government provides new infrastructure in a neighborhood?

- A. Buffer Zone
- B. Riparian Rights
- C. Special Assessment Tax**
- D. Zoning

Special Assessment Tax is a fee charged to property owners to fund the costs of constructing new infrastructure in their neighborhood, such as roads, sidewalks, and sewer systems. This option is correct because it specifically mentions the government providing new infrastructure in a neighborhood, which is the main focus of a special assessment tax. Option A, Buffer Zone, does not accurately describe a tax that is charged to property owners. Buffer zones are areas of land designated for specific purposes, such as environmental protection. Option B, Riparian Rights, also does not accurately describe a tax that can be charged to property owners. Riparian rights refer to the legal rights and privileges of property owners in regards to water resources, such as rivers and lakes. Option D, Zoning, is a related concept to special assessment taxes as it involves designating specific areas for certain uses, but it does not address the concept of funding new infrastructure. In summary, Special Assessment Tax is the best term to describe a tax that can be charged to property owners when the government provides new infrastructure in a neighborhood, as it specifically refers to the funding aspect of this process.

6. Which leasehold estate involves a fixed period of time that automatically renews?

- A. Estate at will
- B. Holdover Tenancy
- C. Estate for years**
- D. Tenancy at Sufferance

The leasehold estate that involves a fixed period of time that automatically renews is referred to as an estate for years. This type of lease has a specified start and end date defined in the lease agreement. Upon reaching the end of this term, the lease can be structured to automatically renew for successive periods unless either party decides to terminate it. This is an important distinction because it provides both the landlord and the tenant with predictability regarding the tenancy duration. Typically, the conditions for renewal, such as terms of notice for termination or new rental rates, are detailed in the original lease agreement, making it crucial for both parties to understand their rights and responsibilities before entering into such an arrangement. The clear start and end dates further differentiate it from other lease types that lack defined timeframes or have more flexible terms. In contrast, other leasehold estates don't feature this automatic renewal structure or have less defined time parameters. For instance, an estate at will can be terminated at any time by either party, and holdover tenancies arise when a tenant remains after their lease has expired without the landlord's consent. A tenancy at sufferance occurs when a tenant is in possession of the property without the landlord's agreement, typically after the lease has expired.

7. What does a seller's disclosure form typically include?

- A. Only the seller's intentions for the property
- B. Details about property taxes paid in the last year
- C. Known defects and issues affecting property value or safety**
- D. A complete history of the property ownership

A seller's disclosure form is designed to inform potential buyers about the condition of a property and any known issues that may affect its value or safety. This form typically includes important details such as known defects, issues related to structural integrity, environmental hazards, and any repairs that have been made, or need to be made. Providing this information is essential for buyers to make an informed decision about the property. This transparency helps to minimize potential disputes post-sale and ensures that buyers enter the transaction with a clear understanding of what they are acquiring. While other options might involve aspects related to the property, they do not encompass the primary purpose of the disclosure form, which focuses specifically on known defects and issues affecting the property's value or safety.

8. What is a potential consequence of an "as-is" sale for a buyer?

- A. The buyer may inherit hidden defects without recourse**
- B. The buyer is guaranteed a home warranty
- C. The property must be sold at a reduced price
- D. The seller must fulfill all repair requests

An "as-is" sale indicates that the property is being sold in its current condition, with no guarantees or warranties from the seller regarding its state. This means that the buyer accepts the property with all its existing flaws and issues. One significant consequence of this arrangement for the buyer is the risk of inheriting hidden defects. These are problems or damages that may not be immediately visible or disclosed during the purchasing process. In an "as-is" sale, the buyer typically has limited recourse against the seller for these undisclosed issues, as the buyer has agreed to accept the property without the seller's obligation to make repairs or disclosures about its condition. This underscores the importance of thorough inspections and due diligence prior to finalizing such purchases.

9. When does the effective date of a contract occur?

- A. At the time of negotiation
- B. When the offer is made
- C. On the date of closing
- D. On the date the last party signs**

The effective date of a contract is established on the date the last party to the agreement signs the contract. This moment signifies mutual acceptance of all terms outlined in the contract by both parties involved. Until this point, there may be negotiations, offers, and discussions, but the contract has not yet come into effect. Although negotiations and offers are essential in the contracting process, they do not create an enforceable agreement until both parties have agreed to the final terms. The date of closing refers to the time when the transaction is completed and ownership is transferred, but it does not denote the beginning of the contractual obligations outlined in the agreement. Thus, the defining moment for determining when a contract becomes effective is indeed the date when all parties have signed, indicating that there is a mutual agreement to the terms set forth.

10. What is the role of the Broker Lawyer Committee?

- A. Property valuation
- B. Record property encumbrances
- C. Conduct property inspections
- D. Writes promulgated contracts**

The Broker Lawyer Committee plays a vital role in the realm of Texas real estate by being responsible for writing and reviewing promulgated contracts and forms. These contracts include essential documents such as the Residential Lease and the One to Four Family Residential Contract, which are standardized agreements used in real estate transactions. The committee is comprised of both licensed real estate brokers and lawyers, allowing it to draw on both legal expertise and industry knowledge to create forms that are clear, comprehensive, and protective of all parties involved in a transaction. The importance of this role cannot be overstated, as creating effective and legally sound contracts helps minimize disputes and misunderstandings in real estate transactions. By working to ensure clarity and compliance with state laws, the committee shields both consumers and real estate professionals from potential legal issues arising from poorly constructed agreements. The other options, such as property valuation, recording encumbrances, and conducting property inspections, fall outside the committee's specific responsibilities, reinforcing the unique focus of the committee on contract formulation.

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://texasrealestate.examzify.com>

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

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