

UBC Real Estate Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

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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. Which of the following is a duty of the strata corporation?**
 - A. Keep records (Minutes/Budget/Financial Statements)**
 - B. Issue Mortgage Documents**
 - C. Collect Fines**
 - D. Set Local Taxes**

- 2. To convert the strata building for rebuilding or renovation, what must the developer obtain?**
 - A. Bank loan approval**
 - B. Tenant consent**
 - C. Provincial ordinance**
 - D. Municipal council approval**

- 3. Which statement about a cooperative is true?**
 - A. Owned by a corporation**
 - B. Has fee simple ownership**
 - C. Can freely sell their interest**
 - D. Financing is easy to obtain**

- 4. Damages in negligent misrepresentation must arise from:**
 - A. The reliance on the misrepresentation**
 - B. A contract breach**
 - C. An independent tort**
 - D. An express promise**

- 5. Under the Doctrine of Privity, who can sue or be sued on a contract?**
 - A. Only the party to the contract can sue or be sued**
 - B. Any person with an interest in land can sue**
 - C. The agent may sue, even if not a party**
 - D. Third parties always have rights under the contract**

- 6. Which fund is described as the key to good strata management?**
- A. Operating Fund**
 - B. Contingency Fund**
 - C. Reserve Fund**
 - D. Capital Fund**
- 7. A licensee should handle a matter beyond their expertise by doing which of the following?**
- A. Always give their own unqualified opinion**
 - B. Refuse to engage with the client**
 - C. Identify themselves as a REALTOR and clearly state do not rely upon my advice**
 - D. Guarantee a favorable outcome**
- 8. Consistency principle requires?**
- A. Change methods frequently**
 - B. Use the same accounting methods and procedures from period to period**
 - C. Use different methods for different transactions**
 - D. Require external audits**
- 9. What must the disclosure contain?**
- A. Name of the person you disclose to**
 - B. Legal description and address of the subject real estate**
 - C. Indication that the licensee is licensed**
 - D. Signature of the licensee, date and witness**
- 10. Which statement about the two types of strata funds is true?**
- A. Operating Funds cover ongoing common expenses; Contingency Fund is a reserve to be used for less frequent needs**
 - B. Operating Funds are optional**
 - C. Contingency Fund finances daily operations**
 - D. There is no Contingency Fund**

Answers

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

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Explanations

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1. Which of the following is a duty of the strata corporation?

- A. Keep records (Minutes/Budget/Financial Statements)**
- B. Issue Mortgage Documents**
- C. Collect Fines**
- D. Set Local Taxes**

Keeping records such as minutes, the annual budget, and financial statements addresses a fundamental governance duty of a strata corporation. These records ensure transparency and accountability, showing owners how decisions are made and how money is spent. They support smooth AGM processes, enable proper budgeting, and provide fodder for audits and regulatory compliance. Without solid records, owners can't verify actions, and the strata can't demonstrate financial stewardship. Issuing mortgage documents isn't a function of the strata corporation; those are arrangements between owners (or lenders) and financial institutions, not a governing duty of the strata. Local taxes are determined and collected by the municipal government, not by the strata. While fines can be part of enforcing bylaws, the essential ongoing duty that aligns with governance and accountability is maintaining those records and financial reports.

2. To convert the strata building for rebuilding or renovation, what must the developer obtain?

- A. Bank loan approval**
- B. Tenant consent**
- C. Provincial ordinance**
- D. Municipal council approval**

Major redevelopment or converting a strata building involves changing land use and the built environment, which falls under local government authority. The municipal council is the body that grants approvals for such changes, handling zoning decisions, development permits, and any bylaw amendments needed for rebuilding or major renovation. Without that local approval, the project cannot legally proceed, regardless of financing or tenants' wishes. Financial approvals from a bank don't authorize construction, and tenant consent doesn't give the right to alter the property from a regulatory standpoint. Provincial ordinances don't automatically authorize development either, while the municipality has the statutory role to review and approve redevelopment plans to ensure they meet zoning, infrastructure, and safety requirements.

3. Which statement about a cooperative is true?

- A. Owned by a corporation**
- B. Has fee simple ownership**
- C. Can freely sell their interest**
- D. Financing is easy to obtain**

In a cooperative, the property is owned by a corporation, not by individual residents in fee simple. People don't own a unit outright; they own shares in the corporation that owns the building and receive a proprietary lease giving them the right to occupy a specific unit. Because ownership is via stock in a corporation, there isn't a deed to a particular unit, and transfers aren't simple unit-by-unit sales like in a condo or single-family home. Instead, selling your interest usually means selling your shares and transferring your proprietary lease, often with the condo board's approval or consent, which adds a layer of control over who can take occupancy. Financing tends to be more challenging as well, since lenders evaluate the coop as a corporate asset and may impose stricter requirements, higher down payments, or other restrictions. So the key truth is that a cooperative is owned by a corporation.

4. Damages in negligent misrepresentation must arise from:

- A. The reliance on the misrepresentation**
- B. A contract breach**
- C. An independent tort**
- D. An express promise**

Damages for negligent misrepresentation are tied to the losses that come from relying on the false statement. The key idea is causation: you must show that you relied on the misrepresentation when making a decision, and that this reliance caused your loss. If the misrepresentation didn't drive the loss, there's no liability for this tort. This differs from damages that would come from a contract breach, which arise when a contractual promise isn't fulfilled. It also isn't about some other independent tort or about an express promise creating a contract; in those cases the damages would flow from the contract breach or the other tort, not from relying on the misrepresentation itself.

5. Under the Doctrine of Privity, who can sue or be sued on a contract?

- A. Only the party to the contract can sue or be sued**
- B. Any person with an interest in land can sue**
- C. The agent may sue, even if not a party**
- D. Third parties always have rights under the contract**

Privity of contract means that enforceable rights and obligations under a contract exist only between the people who actually signed it. Because of that, only the contracting parties can sue on the contract or be sued under it. This is why the statement that describes "the party to the contract" as the one who can sue or be sued is the correct understanding of the doctrine. Why the other ideas don't fit: simply having an interest in land doesn't grant a contract-based right to sue unless the contract expressly creates such a right or a specific statute applies; an agent isn't automatically a party to the contract and can't sue on it just for acting in that role; and third parties do not automatically have rights under a contract unless a clear exception applies.

6. Which fund is described as the key to good strata management?

A. Operating Fund

B. Contingency Fund

C. Reserve Fund

D. Capital Fund

The contingency fund is the financial safety net for a strata corporation. It's specifically designed to cover unexpected expenses, urgent repairs, or cost overruns on work that wasn't planned in the operating budget. By having this cushion, the strata can handle surprises without forcing sudden, large special levies or borrowing, which helps keep annual contributions stable and the financial plan on track. The operating fund covers day-to-day expenses, while the reserve (or capital) fund is meant for planned major repairs and long-term replacements. Those plans are important, but they aren't meant to absorb unforeseen costs. A well-funded contingency fund provides the flexibility needed to respond to the unexpected, supporting smoother governance and financial stability.

7. A licensee should handle a matter beyond their expertise by doing which of the following?

A. Always give their own unqualified opinion

B. Refuse to engage with the client

C. Identify themselves as a REALTOR and clearly state do not rely upon my advice

D. Guarantee a favorable outcome

When a licensee encounters a matter outside their expertise, the right approach is to be transparent about the limits of their advice and guide the client toward appropriate help. Identifying oneself as a REALTOR and clearly stating that the client should not rely on that advice communicates a professional boundary: it shows you're honest about what you can responsibly advise on, and it directs the client to seek qualified input for the issue at hand. This protects the client from relying on incomplete or incorrect information and supports ethical practice by avoiding misleading assurances. Giving an unqualified opinion would risk misrepresentation. Refusing to engage with the client ignores the duty to assist and can undermine the transaction. Guaranteeing a favorable outcome is misleading and unethical, as outcomes cannot be guaranteed and should not be promised.

8. Consistency principle requires?

- A. Change methods frequently
- B. Use the same accounting methods and procedures from period to period**
- C. Use different methods for different transactions
- D. Require external audits

Consistency means applying the same accounting methods and procedures from period to period so the financial statements stay comparable over time. This consistency lets people see genuine performance trends instead of being misled by changes in how numbers are calculated. Therefore, using the same methods and procedures from one period to the next is the right approach. If a change is necessary, it must be disclosed and, where feasible, retrospective adjustments are made to maintain comparability. Choosing to change methods frequently would undermine comparability; using different methods for different transactions would produce inconsistent results; external audits relate to verification, not the requirement to keep methods constant.

9. What must the disclosure contain?

- A. Name of the person you disclose to
- B. Legal description and address of the subject real estate
- C. Indication that the licensee is licensed
- D. Signature of the licensee, date and witness**

Disclosures must be documented in writing with authentication from the licensee to create a verifiable record of what was disclosed and when. The essential requirement is that the licensee signs the disclosure, dates it, and has a witness attest to it. This combination provides accountability and a reliable timeline, which helps prevent disputes about who stated what and when it happened. Having a witness is important because it confirms the signature and date, adding an extra layer of integrity to the disclosure process. This is why the best choice emphasizes the licensee's signature, the date, and a witness. The other details listed aren't required parts of the disclosure itself. The name of the person you disclose to isn't a mandated element of the disclosure form, the legal description and address of the subject real estate are separate property details, and simply indicating that the licensee is licensed isn't a necessary component of the disclosure record.

10. Which statement about the two types of strata funds is true?

A. Operating Funds cover ongoing common expenses; Contingency Fund is a reserve to be used for less frequent needs

B. Operating Funds are optional

C. Contingency Fund finances daily operations

D. There is no Contingency Fund

The important idea is how strata budgets separate ongoing costs from larger, infrequent costs. A strata corporation typically has two funds: an operating fund for day-to-day, ongoing common expenses—things like cleaning, utilities, routine maintenance, and management fees. The contingency reserve fund is a separate savings account set aside for less frequent, larger costs such as major repairs, replacements, or emergencies, not for daily operations. So this statement is true because it correctly identifies the roles of both funds: operating funds cover ongoing expenses, while the contingency fund is a reserve for less frequent needs. The other options don't fit because operating funds aren't optional in a strata budget, the contingency fund isn't used for daily operations, and there is typically a contingency reserve fund rather than no such fund.

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://ubcrealestate.examzify.com>

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

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