

QUIZ 1 (Version A)
MAY 8, 2018
CHAPTER 1 & CHAPTER 2

SELECT THE CORRECT ANSWER, TIME 10 MIN, EACH QUESTION IS WORTH ½ GRADE. THE MAXIMUM POSSIBLE GRADE IS 5/5, THE WEIGHT OF THIS QUIZ IS 1% OF YOUR TOTAL COURSE GRADE. GOODLUCK!

NAME: _____ STUDENT ID: _____

1) Jon intends to build a new convenience store on a property and operate it until he retires in 25 years. Each month he will pay fee to his landlord for the use of the land. At the end of the period he will no longer own either the land or the building. What type of interest does Jon have in the property?

- a) Fee Interest
- b) Easement
- c) Syndication
- d) Leasehold ✓

2) Which of the following is used by government to aggregate land for the creation of a new highway?

- a) Entitlement
- b) Easement
- c) Zoning
- d) Eminent Domain ✓

3) An office park property has lost occupancy because a large corporate tenant that had space in a number of buildings has decide to relocate to another city. The market for other office properties in my area is still good and I think my property is well located and in good physical condition. Whom do I call?

- a) Property brokerage company
- b) Law firm
- c) Leasing company ✓
- d) Construction company

4) Tenants are constantly complaining that the temperature in the office building is either too hot or too cold. Which type of engineering firm should the owner call in order to see if the HVAC design is correct?

- a) Environmental
- b) Civil
- c) Mechanical ✓
- d) Bio Medical

5) The sum of the occupancy rate and the vacancy rate for the same property are:

- a) Always 100% ✓
- b) Always greater than 100%
- c) Always less than 100%
- d) Are unrelated

6) Which of the following is false?

- a) Retail property demand is decreased by falling consumer confidence
- b) Hotel demand is decreased by rising corporate profits ✓
- c) Office demand is impacted by GDP growth
- d) Multifamily demand is increased by job growth

7) Which is not typically part of property due diligence?

- a) Audit of prior owner's corporate financial statement ✓
- b) Review of asset's historic financial and operational performance
- c) Engineering study of physical condition
- d) Legal review of key documents

8) Which of the following is true regarding economies that are heavily dependent on a single industry?

- a) Economic growth is slower than average
- b) Economic growth is faster than average
- c) Economic risk is higher than in diverse economies ✓
- d) Economic risk is lower than in diverse economies

9) Climate, natural features, natural resources and availability of water and power are examples of factors that determine a country's

- a) economic advantage ✓
- b) cost of living
- c) level of immigration
- d) political system

10) Asset level due diligence for an existing property includes all of the following historic performance metrics except?

- a) Vacancy
- b) Rent
- c) Operating expenses
- d) Time to entitlement ✓