

1) Which of the following is not considered commercial real estate?

- a) single family housing ✓
- b) shopping center
- c) biotech laboratory
- d) office building

2) Which of the following are not considered direct interests in real estate

- i) Buying a shopping center
- ii) Buying a share in an office building REIT
- iii) Buying a 50% of an office building
- iv) Buying a security from a REMIC

- a) i,iv
- b) ii,iv ✓
- c) ii, iii
- d) they are all direct investments

3) 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) Leasehold ✓
- d) Syndication

4) Apex Office Building is a circa 1950 mid rise office building in a rapidly improving commercial corridor in Big City. Which professional has the responsible for developing a new competitive strategy for this property?

- a) Portfolio manager
- b) Asset Manager ✓
- c) Property manager
- d) Commercial banker

5) An office park property has lost occupancy because a large corporate tenant that had space in a number of buildings has decided 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) Construction company
- c) Leasing company ✓
- d) Law firm

6) An investor has just purchased the office building where her office is located. She is visiting her insurance broker to buy insurance for her new acquisition. What type of insurance is she least likely to buy?

- a) Property Casualty
- b) Personal Lines ✓
- c) Liability
- d) Title

7) Which type of equity structure offers all investors the most protection against personal liability?

- a) Limited partnership
- b) Joint venture
- c) General partnership
- d) Corporation ✓

8) Which vehicle provides you with a liquid and tax-advantaged investment in real estate?

- a) Real Estate Investment Trust ✓
- b) Real Estate Operating Company
- c) Special Purpose Entity
- d) Real Estate Syndication

9) A real estate company has an opportunity to acquire a large portfolio of hotels located along the eastern seaboard. The acquisition will require many different types of financing and sophisticated structuring advice. Which financial institution is best suited to this task?

- a) Commercial Bank
- b) Investment Bank ✓
- c) Mortgage Broker
- d) None of the above

10) 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

11) 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

12) Which of the following are considered positive economic indicators for real estate?

- i) GDP growth
  - ii) Rising unemployment
  - iii) Rising consumer confidence
  - iv) Declining corporate profits
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- a) i,ii
  - b) ii,iii
  - c) i,iii ✓
  - d) i,iv

13) All of the following are indicators of a strong regional real estate market except:

- a) Broad industrial base
- b) Access to transportation
- c) Abundant natural resources
- d) High unemployment ✓

14) Which of the following is false?

- a) Retail property demand is increased by rising 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

15) 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

16) 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

17) Which age trends are most favorable for economic growth?

- i) Birth rate < replacement
- ii) Birth rate > replacement
- iii) Average age increasing
- iv) Average age decreasing

- a) i,iii
- b) ii,iii
- c) i,iv
- d) ii,iv ✓

18) 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

19) Good sources of real estate market information include?

- a) Economic development officers
- b) Regional planning officers
- c) Bankers and real estate lawyers
- d) all of the above ✓

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

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

