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Real Estate Essentials  
Chapter 16-17

Name \_\_\_\_\_

1. Under a gross lease, the lessee may be requested to pay
  - a. maintenance.
  - b. real estate taxes.
  - c. insurance.
  - d. a percent of sales.
  
2. A tenant's lease does not terminate for five more years. The premises, however, have become too small to accommodate the tenant's growing business. Another business owner is interested in leasing the premises from the tenant for 3 years. Which of the following would the parties use for the tenant to lease the space to the business owner?
  - a. An assignment
  - b. A novation
  - c. A sublease
  - d. A tenancy at sufferance
  
3. Generally, an oral lease for five years is
  - a. illegal.
  - b. unenforceable.
  - c. a short-term lease.
  - d. renewable only in writing.
  
4. A lease would be terminated by which of the following?
  - a. The sale of the leased premises
  - b. The death of the tenant
  - c. The abandonment of the leased premises by the tenant
  - d. The expiration of the term of the lease
  
5. The principal difference between an estate for years and an estate from year to year is that
  - a. an estate for years is a life estate.
  - b. an estate for years cannot be terminated.
  - c. an estate from year to year must be in writing.
  - d. an estate from year to year has no expiration date.
  
6. Despite the complexity of the laws that affect today's properties, a property manager does NOT need to be familiar with
  - a. environmental hazards.
  - b. accessible construction.
  - c. nondiscriminatory practices.
  - d. investment securities laws.
  
7. Which of the following would NOT acquire title to real property?
  - a. The grantee
  - b. The devisee
  - c. The vendee
  - d. The lessee

8. A lessee is in possession of property under a tenancy at will. Which of the following is true?
    - a. The lessee has not received the consent of the landlord to possess the property.
    - b. The tenancy will terminate if the lessee dies.
    - c. The tenancy was created by the death of the lessor.
    - d. The tenancy has a definite termination date.
  
  9. A tenant is leasing a house until he has saved enough money for the down payment to perform on the sales contract. What type of an arrangement is this?
    - a. Lease with an option
    - b. Lease purchase agreement
    - c. Periodic tenancy
    - d. Purchase money mortgage
  
  10. The purpose of a security deposit is to
    - a. provide additional revenue for the landlord.
    - b. repair damage to the property caused by the tenant.
    - c. pay for the last month's rent.
    - d. ensure that the lease is valid.
  
  11. A lease agreement is signed by a lessee who is 17 years of age. Which of the following is true?
    - a. A 17 year old person cannot sign a lease.
    - b. The lease agreement is voidable.
    - c. The lease agreement is valid provided the security deposit is increased.
    - d. The lease agreement is void.
  
  12. The authority to carry out the eviction of a delinquent tenant from rented property is held by the
    - a. court.
    - b. landlord.
    - c. sheriff.
    - d. property owner.
  
  13. The landlord's lease prohibits tenants from altering the property in any way. A young woman who uses a wheelchair cannot maneuver over the doorstep into the apartment by herself. Nor can she use the bathroom facilities in her wheelchair. Which of the following is true?
    - a. The landlord is responsible for making all apartments accessible to people with disabilities.
    - b. The tenant cannot remedy these conditions because of the terms of the lease.
    - c. The landlord should not have rented this apartment to the tenant.
    - d. The tenant is entitled to make the necessary alterations.
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14. A young couple with a toddler and an infant want to lease an apartment in a complex that is occupied primarily by adults. The rental agent shows the couple apartments only on the first floor. Which of the following is true?
  - a. The rental agent is protecting the other adults from the disruption of the children.
  - b. The rental agent should charge a higher security deposit for this family.
  - c. The rental agent should have suggested that the couple look elsewhere.
  - d. The rental agent should have inquired about the couple's preference for apartments.
  
15. If a leased building collapsed and the tenant was forced to move out, this could be called
  - a. constructive eviction.
  - b. effective eviction.
  - c. actual eviction.
  - d. detainer.
  
16. A real estate broker acting as an owner's property manager
  - a. must not profit from private contracts at the expense of the owner.
  - b. may manage the client's property to his or her own advantage.
  - c. need not maintain complete and accurate trust account records.
  - d. can personally collect the interest earned on trust account funds.
  
17. An individual rents an apartment for one year. The landlord sells the building during the one year lease term. What effect does the sale have on the lease?
  - a. The sale does not affect the lease.
  - b. The lease is automatically terminated.
  - c. The new landlord will decide whether to honor the existing lease.
  - d. The lease is terminated after 60 days notice from the new owner.
  
18. A lessee who pays some or all of the lessor's property expenses has a
  - a. gross lease.
  - b. net lease.
  - c. percentage lease.
  - d. sublease.
  
19. A lease that will terminate within one year of its inception
  - a. is invalid.
  - b. violates the provisions of the statute of frauds.
  - c. must be in writing.
  - d. can be verbal.

20. When a tenant sublets all or any part of the premises rented under a written lease,
  - a. the tenant assigns all right title, and interest in the rented property to the new lessee.
  - b. the sublessee becomes primarily responsible to the landlord for the payment of rent and maintenance of the property.
  - c. the original lease is automatically canceled and the sublessee takes possession of the property on a month to month basis.
  - d. the original lease is unaffected unless it contains a provision that prohibits such subletting.
  
21. The owner of real estate who leases it to another is called the
  - a. vendor.
  - b. lessor.
  - c. grantor.
  - d. trustor.
  
22. D leases a barber shop from K. The lease does not specifically indicate who is responsible for making repairs to the premises. The expense of making such repairs is generally
  - a. paid by the lessor.
  - b. paid by the lessee.
  - c. shared by the lessor and the lessee.
  - d. paid by the lessee who will be reimbursed by the lessor.
  
23. For a written lease to be valid, it must contain
  - a. the signatures of both the lessor and the lessee.
  - b. a statement of the specific length of time.
  - c. a statement of the retention of the reversionary interest by the lessor.
  - d. a complete legal description of the premises.
  
24. Which of the following should be NOT be a consideration in selecting a tenant for the property?
  - a. Size of the available space relative to the tenant's requirements
  - b. Tenant's ability to make the rental payments
  - c. Compatibility of the tenant's business with those of other tenants
  - d. Ethnic background of the tenant and his or her employees
  
25. The manager of a commercial building has many responsibilities in connection with the operation and maintenance of the structure. The manager would normally be considered the agent of the
  - a. lessor of the building.
  - b. lessee of the building.
  - c. lessor and the lessee.
  - d. resident manager.

26. The property manager's chief concern should be that
  - a. the property is seldom vacant because it is consistently rented at the lowest possible rents.
  - b. the property is managed to achieve the highest rate of return possible for the owner's investment.
  - c. the property manager's time is maximized in his or her management of the property.
  - d. the property exhibits the proper amount of the owner's pride of ownership.
  
27. In the event that it is necessary for a landlord to remove a tenant from the premises, he or she does it by
  - a. refunding any rents paid.
  - b. refunding any security or other deposits paid.
  - c. filing an eviction suit.
  - d. using the minimum amount of physical force necessary.
  
28. A property management firm CANNOT receive its income from
  - a. a fixed fee.
  - b. a percentage of the net rentals collected.
  - c. a fixed fee with a percentage on new rentals.
  - d. a percentage of purchases made from suppliers.
  
29. An office rents for \$450 per month and measures 12 feet by 20 feet. The advertised annual rent per square foot would be
  - a. \$1.875.
  - b. \$4.50.
  - c. \$18.75.
  - d. \$22.50.
  
30. A tenant's lease has expired, but the tenant has not vacated the premises or negotiated a renewal lease, and the landlord has declared that he does not want the tenant to remain in the building. This type of occupancy is referred to as an estate
  - a. for years.
  - b. from year to year.
  - c. at will.
  - d. at sufferance.
  
31. The covenant implied in a lease that ensures that the tenant will not be evicted by someone claiming ownership of the property prior to that of the lessor is the covenant
  - a. of seizin.
  - b. of quiet enjoyment.
  - c. of warranty forever.
  - d. against encumbrances.
  
32. The duties of a property manager generally do NOT include
  - a. renting space to tenants.
  - b. preparing a budget.
  - c. developing a management plan.
  - d. repairing a tenant's fixture.

33. When dealing with risk, the options of a property manager include all of the following EXCEPT
- avoid it.
  - retain it.
  - ignore it.
  - transfer it.
34. Which of the following is the best definition of actual eviction?
- The right of a landlord to use the rental premises
  - The enforcement of a court order to remove a lessor
  - The landlord's reversionary right in the rental premises
  - The enforcement of a court order to remove a lessee
35. The type of maintenance that is most often overlooked is
- corrective maintenance.
  - repairs.
  - routine maintenance.
  - preventative maintenance.
36. Under a tenancy for years
- the term of the lease must be for at least one year.
  - no notice is required to terminate the lease.
  - a 30-day notice is required to terminate the lease.
  - the lessee has a freehold estate.
37. A high vacancy rate may be caused by any of the following EXCEPT
- inept management.
  - poor location.
  - excessive rent.
  - strong amenities.
38. Rent would best be defined as
- the contractual consideration to a third party.
  - the consideration for the use of real property.
  - all monies paid by the lessor to the lessee.
  - the total amount owed under the terms of a lease.
39. The T's apartment lease has expired, but their landlord has indicated to them that they may remain on the premises until a sale of the building is closed. The Ts will be charged their normal monthly rental during this period. The tenancy held by the Ts is called a(n)
- year to year holdover.
  - estate for term.
  - estate at sufferance.
  - estate at will.

40. The tenant leases a heated apartment, but the landlord fails to provide heat because of a defective central heating plant. The tenant vacates the premises and refuses to pay any rent. This is an example of
- abandonment.
  - actual eviction.
  - constructive eviction.
  - lessor negligence.
41. Which of the following is NOT an important function of a property manager?
- Supervising the maintenance of the property
  - Protecting the physical integrity of the property
  - Meeting the functional requirements of the tenants
  - Preparing the owner's income tax returns
42. A management agreement is to a property manager like a(n)
- listing agreement is to a broker.
  - lease is to a tenant.
  - deed is to a buyer.
  - assignment.
43. A property manager's primary obligation is to
- the tenants.
  - the owner.
  - the banker.
  - government authorities
44. Adaptations of property specifications to suit tenant requirements are
- tax-exempt improvements.
  - tenant improvements.
  - prohibited by most non-residential leases.
  - generally not a good idea.
45. A tenant has an estate for years. According to the written one-year lease, the tenancy will expire on May 1st. For the landlord to obtain possession as of that date, he must give the tenant
- 30 days' notice.
  - 60 days' notice.
  - no notice.
  - notice as of April 15th.
46. Which of the following tenancies does NOT involve a lessor-lessee?
- Tenancy at will
  - Tenancy in common.
  - Tenancy from month to month.
  - Tenancy from year to year.

47. In determining rental amounts, a property manager considers the economic principle of
  - a. marginal contribution.
  - b. supply and demand.
  - c. conformity.
  - d. balance.
  
48. The lessor and lessee have agreed to a lease term of 5 years. How could the lessor ensure that the rental income during the term is reflective of the market conditions?
  - a. Negotiate a new lease each year.
  - b. Collect an additional security deposit each year.
  - c. Negotiate an index lease.
  - d. Negotiate a gross lease.
  
49. When a tenant holds possession of a landlord's property without a definite lease term but with the consent of the landlord, this is called
  - a. tenancy in common.
  - b. tenancy at sufferance.
  - c. tenancy at will.
  - d. trespass.
  
50. The successful property manager does NOT
  - a. screen the tenants' ability to pay.
  - b. study rental rates in the area.
  - c. consider the type of business the tenant has.
  - d. appease the tenants by repairing their equipment.