

REAL ESTATE PRACTICE STUDENT STUDY GUIDE

<p>CHAPTER ONE - Pg</p> <p>A. residential Pg 7</p> <p>1. Residential</p> <p style="padding-left: 20px;">Special purpose</p> <p style="padding-left: 20px;">Commercial</p> <p style="padding-left: 20px;">Industrial</p> <p style="padding-left: 20px;">Agricultural</p> <p style="padding-left: 20px;">Business opportunities</p> <p>2. Residential specialist Pg 8</p> <p style="padding-left: 20px;">Residential income property specialist</p> <p style="padding-left: 20px;">REO</p> <p style="padding-left: 20px;">Commercial/industrial property specialist</p> <p style="padding-left: 20px;">Commercial/industrial property leasing agent</p> <p style="padding-left: 20px;">Franchise investment specialist</p> <p style="padding-left: 20px;">Syndicator</p> <p style="padding-left: 20px;">Subdivider</p> <p style="padding-left: 20px;">Property manager</p> <p style="padding-left: 20px;">Business opportunity specialist</p> <p style="padding-left: 20px;">Mobile home specialist</p> <p style="padding-left: 20px;">Mineral, oil & gas properties specialist</p> <p>B. affiliates:</p> <p style="padding-left: 20px;">Appraisers Pg 8-9</p> <p style="padding-left: 20px;">Escrow agents/title companies</p> <p style="padding-left: 20px;">Contractors</p> <p style="padding-left: 20px;">Architects</p> <p style="padding-left: 20px;">Attorneys</p> <p style="padding-left: 20px;">Engineers</p> <p style="padding-left: 20px;">Financial institutions</p> <p style="padding-left: 20px;">Pest control inspectors</p> <p style="padding-left: 20px;">Surveyors</p> <p style="padding-left: 20px;">Home inspectors</p> <p style="padding-left: 20px;">Escrow coordinators</p> <p style="padding-left: 20px;">Personal assistants</p> <p style="padding-left: 20px;">Credit reporting agencies</p> <p style="padding-left: 20px;">Accountants</p> <p style="padding-left: 20px;">Mortgage brokers/lenders</p> <p>Risk Alert: endorsement 9</p> <p style="padding-left: 20px;">mandatory</p> <p style="padding-left: 20px;">Mortgage loan originator, www.dre.ca.gov/</p> <p style="padding-left: 20px;">escrow coordinators</p> <p style="padding-left: 20px;">personal assistants</p>	<p>licensees Pg 9</p> <p style="padding-left: 20px;">Salesperson</p> <p style="padding-left: 20px;">Broker</p> <p style="padding-left: 20px;">Appraisal</p> <p style="padding-left: 20px;">Contractor</p> <p style="padding-left: 20px;">Law</p> <p style="padding-left: 20px;">Mortgage loan originator</p> <p>C. www.dre.ca.gov/ Pg 10</p> <p style="padding-left: 20px;">a. 1. 18</p> <p style="padding-left: 40px;">4. three</p> <p style="padding-left: 40px;">Real Estate Principles</p> <p style="padding-left: 40px;">Real Estate Practice</p> <p style="padding-left: 20px;">b. 1. 18 Pg 11</p> <p style="padding-left: 40px;">6. one</p> <p style="padding-left: 20px;">7. all Pg 12</p> <p style="padding-left: 40px;">Practice</p> <p style="padding-left: 40px;">Appraisal</p> <p style="padding-left: 40px;">Principles</p> <p style="padding-left: 20px;">Plus Principles</p> <p style="padding-left: 20px;">Corporation as Broker:</p> <p style="padding-left: 40px;">1. one</p> <p style="padding-left: 20px;">c. Additional License Information</p> <p style="padding-left: 40px;">1. Social security number Pg 13</p> <p style="padding-left: 40px;">2. Child Support</p> <p style="padding-left: 40px;">3. Proof of Legal Presence</p> <p>D. 1. Frauds Pg 14</p> <p style="padding-left: 20px;">one</p> <p style="padding-left: 20px;">real</p> <p style="padding-left: 20px;">lease</p> <p style="padding-left: 20px;">employment</p> <p style="padding-left: 20px;">2. Professions Pg 14-15</p> <p style="padding-left: 40px;">10176</p> <p style="padding-left: 40px;">promise</p> <p style="padding-left: 40px;">agency</p> <p style="padding-left: 40px;">profit</p> <p style="padding-left: 40px;">advertising</p> <p style="padding-left: 40px;">incompetence</p> <p style="padding-left: 20px;">3. Housing Pg 15-16</p> <p style="padding-left: 40px;">a) discrimination</p> <p style="padding-left: 80px;">“red-lining”</p> <p style="padding-left: 40px;">b) Disabilities</p> <p style="padding-left: 80px;">Civil</p> <p style="padding-left: 20px;">4. price fixing</p>
--	--

REAL ESTATE PRACTICE STUDENT STUDY GUIDE

E. 1. 5 separate 3 Pg 16-17

2. 45

3

4. 45

F. 2. Realtors® Pg 18

4. Realists®

CHAPTER TWO

A. 1. Misrepresentation Pg 22-24

2. signed

3. Negotiable

5. Underestimating

7. False

misleading

8. fraud.

9. representation

12. visual

13. escrow

14. duty

15. Contingency

16. disclose

18. profit

DRE

Commissioner

Suspended or revoked

B. 1. Commissioner's Pg 24

agreement

amount and type of supervision

duties

compensation

2. Business Pg 25

reasonable

3. Independent Contractor

C. 1. Commissions Pg 26

3. b. referral Pg 27

RESPA

E. Association Pg 28

car insurance

errors & omissions insurance

F. Management Pg 28

Goals

CHAPTER THREE

A. 1. Agent Pg 33

broker

salesperson

principal

clients

customers

2. a. actual Pg 33

b. ratification or estoppel

c. implied or ostensible

3. Answer: a. by action of one or both parties Pg 33

b. by operation of law

c. expiration of term

d. extinction of subject matter

e. death or incapacity

Risk Alert: gratuitous agent

4. Fiduciary Pg 34

principal

advice

informed decisions

fair and honest

5. represent Pg 34

disclose

explain

7. sub-agency

9. relationships

"BY"

a. new

Seller

Listing Agent

b. new

Buyer

Selling Agent

c. new

Seller

Selling Agent

elect

10. dual Pg 36

both agents

" LEGAL "

--disclose, elect & confirm(DEC)

B. 2. TDS form Pg 36

-sale

-exchange

-lease with an option to purchase

REAL ESTATE PRACTICE STUDENT STUDY GUIDE

-ground lease coupled with improvements	Pg 36	14./15. private transfer tax	Pg 42
-probate sale	Pg 37	1. Permit	Pg 43
-court ordered sale		2. Zoning	
-properties covered by a DRE public report		3. Energy	
-trustee's sale/foreclosures		CHAPTER FOUR	
Risk Alert: disclose know		A. needs	Pg 45
2. <u>Easton vs. Strassburger, 1984</u>		condition	
Inspection	Pg 37	listens	
dual		communicate	
buyer's		informed	
fiduciary		consumers	
buyer		B. identify	Pg 46
advise		people	
dual		1. Driver	
seller's		2. Theorist	
fiduciary		3. Analyst	
seller		4. Feeler	
4. prior	Pg 38	C. (1) much	Pg 47
three		(2) little	
6.I. substitute	Pg 39-40	(3) much	
II. seller's		1. -open-ended question:	Pg 47
'B' significant		- directed question:	
malfunctions		- closed-end question:	
signature		- expanders:	
III. listing		- restatement:	
material facts		- reflection:	
IV. additional agent		- silence:	
V. signature		2. gestures	Pg 47-48
Risk Alert: inspection	Pg 40	expressions.	
inside		Dress	
outside		3. Environmental	Pg 48
C. Financing	Pg 40	- distractions	
D. FIRPTA	Pg 41	- jargon	
NON-FOREIGN		- assuming	
E. local, federal, state	Pg 42	- inattention	
Mandated disclosures	Pg 42	- opinion	
5./6. Natural Hazard Disclosure		- hearing	
Statement		- fatigue	
10./11. Smoke Detector Statement of Compliance		- prejudice	
11./12. Water Heater Statement of Compliance		4. cultural	Pg 49
12./13. local		differences	
		D. "pictures"	Pg 49
		lifestyle	
		exciting	
		F. 1. Communication	Pg 52

REAL ESTATE PRACTICE STUDENT STUDY GUIDE

<p>2. green - MLS - Paperless</p> <p>CHAPTER FIVE</p> <p>A. everywhere Floor time/opportunity time, open houses, civic clubs, community service existing property owners management</p> <p>C. Geographic farms People farms Expired listings For sale by owners Target marketing</p> <p>D. - face-to-face - personal mail - social networking - mass mailings - planned exposure - Time - Comfort</p> <p>CHAPTER SIX</p> <p>A. employment (property owner) (real estate broker) firm designated broker listing agreement safety clause</p> <p>B. disclosures seller listing agent prudent practice prior</p> <p>C. NET differ due on sale ordinances</p> <p>Risk Alert: private transfer tax - escrow officer - percentage - higher low</p>	<p style="text-align: right;">Pg 52</p> <p style="text-align: right;">Pg 55</p> <p style="text-align: right;">Pg 56</p> <p style="text-align: right;">Pg 57</p> <p style="text-align: right;">Pg 57</p> <p style="text-align: right;">Pg 58</p> <p style="text-align: right;">Pg 61</p> <p style="text-align: right;">Pg 62</p> <p style="text-align: right;">Pg 62-63</p>	<p>- listing tool - want range</p> <p>D. (CMA) legally numerous accuracy “comps”</p> <p>- SOLD PROPERTIES - CURRENTLY ON THE MARKET - PENDING SALES - EXPIRED LISTINGS “market value.” days - multiple offers competition desirable sell.</p> <p>- poor marketing effort - too high a price - inadequate terms - undesirable condition - location marketing conditions</p> <p>LISTING TOOL: MARKETING TOOL: BUYING DECISION: APPRAISAL USE:</p> <p>D. 1. Professional prepared - realistic - credibility</p> <p>2. Property Profile a. deeds of trust b. property owners d. liens easements CC&Rs e. Taxes assessments/</p> <p>-Disclosure Regarding Real Estate Agency Relationships before - CMA</p>	<p style="text-align: right;">Pg 63</p> <p style="text-align: right;">Pg 63</p> <p style="text-align: right;">Pg 64</p> <p style="text-align: right;">Pg 64</p> <p style="text-align: right;">Pg 65</p> <p style="text-align: right;">Pg 65</p> <p style="text-align: right;">Pg 65</p> <p style="text-align: right;">Pg 66</p> <p style="text-align: right;">Pg 66</p>
---	--	--	---

REAL ESTATE PRACTICE STUDENT STUDY GUIDE

- rate charts from the title company,
escrow company & the lenders
- disclosure Pg 66-67
- listing
- marketing
- virtual tours
- mentally
- script
- F. – Breaking the ice Pg 67-68
- motivation
- communicator
- Why list the property;
- your firm
- assurance
- you (me)
- expert
- modest
- Price;
- CMA
- objects
- Answering objections;
- commission
- sincere
- honest
- Get the signature and get out!
- G. COMMISSION Pg 68-69
- TRUST
- HOW TO
- I HAVE A FRIEND
- H. communications Pg 69-70
- staging
- showings
- “sell”
- Listing Packet
- forms
- Risk Alert: short sales,
- foreclosures
- auctions
- tread
- laws
- regulations
- protect
- I. 1. Short sale Pg 70
- less
- exchange
- release
- security
- 2. Before Pg 70-71
- a. first
- advising
- attorney
- CPA
- legal
- tax
- b. hard
- hardship
- c. Preliminary Title Report
- 3. seller
- authority
- receive
- convey
- a. Listing
- maintained
- same
- b. Agent
- time
- money
- presentable
- home warranty
- Notice of Default (NOD)
- 4. Modification
- a. unlicensed
- b. current
- advance fees
- 5. lender’s
- detail
- requires
- J. 1. Foreclosure Pg 71-72
- 2. Lenders
- Asset Managers
- Broker Price Opinions (BPO)
- mandatory
- visual inspection
- CHAPTER SEVEN**
- A. AIDA Pg 74
- ATTENTION
- INTEREST
- DESIRE
- ACTION
- B. Senate Bill 1461 Pg 74-75
- Purchase contracts

REAL ESTATE PRACTICE STUDENT STUDY GUIDE

- | | |
|--|--|
| <p>ratios Pg 85</p> <p>presumed</p> <p>filled out a loan application</p> <p>approval Pg 85</p> <p>subject to</p> <p>fully qualified buyer</p> <p>C. PREVIEWING Pg 85-86</p> <p>broker caravan</p> <p>broker open house</p> <p>previewing</p> <p>Open houses</p> <p>D. 1. PREPARATION Pg 86</p> <p style="padding-left: 20px;">- Confidence</p> <p style="padding-left: 20px;">- qualifying</p> <p style="padding-left: 20px;">- Property choice</p> <p>2. drive Pg 86</p> <p style="padding-left: 20px;">waste</p> <p style="padding-left: 20px;">meet you there</p> <p style="padding-left: 20px;">separate</p> <p style="padding-left: 20px;">rapport</p> <p style="padding-left: 20px;">route</p> <p style="padding-left: 20px;">sold</p> <p style="padding-left: 20px;">buyer</p> <p style="padding-left: 20px;">needs</p> <p>Answer: three Pg 87</p> <p style="padding-left: 20px;">best interest of the buyer</p> <p style="padding-left: 20px;">order</p> <p style="padding-left: 20px;">works best</p> <p style="padding-left: 20px;">client</p> <p>3. arrive</p> <p>4. Lead Pg 87</p> <p style="padding-left: 20px;">control</p> <p style="padding-left: 20px;">discover</p> <p style="padding-left: 20px;">questions</p> <p style="padding-left: 20px;">responses</p> <p style="padding-left: 20px;">positive</p> <p style="padding-left: 20px;">negative</p> <p>E. "What would make it better?Pg 87-88</p> <p style="padding-left: 20px;">"Would you prefer a larger home in a poorer condition or one in a less costly neighborhood?"</p> <p style="padding-left: 20px;">"O.K., let's consider what other neighborhoods fit our needs and price range."</p> | <p>"I see your point. I wonder how much brighter it might be if the trees were trimmed back."</p> <p>"Will you buy this home if the seller will take less?"</p> <p>"I'm glad we discovered that. What is it about a newer home that is better for you?" Pg 88</p> <p>"I agree. We should discover why."</p> <p>Or "They are high, but there are more amenities offered than elsewhere. Wouldn't you enjoy these extra benefits?"</p> <p>agreeing</p> <p>positive</p> <p>- excuse</p> <p>- buy?</p> <p style="padding-left: 20px;">defensive</p> <p style="padding-left: 20px;">indifferent</p> <p style="padding-left: 20px;">irritated</p> <p>F. – MEET PEOPLE AT YOUR OFFICE Pg 89</p> <p>- LET SOMEONE IN YOUR OFFICE KNOW WHERE YOU ARE GOING AND ARRANGE TO CHECK BACK OFTEN</p> <p>- LEAVE THE NAME & PHONE NUMBER OF THE PERSON YOU ARE SHOWING PROPERTY TO</p> <p>WITH SOMEONE IN YOUR OFFICE</p> <p>- DRIVE YOUR OWN CAR</p> <p>- CARRY A CELL PHONE</p> <p>- DO NOT CARRY LARGE SUMS OF MONEY NOR WEAR EXPENSIVE JEWELRY</p> <p>- TEAM SHOWINGS MAY BE APPROPRIATE IN CERTAIN CASES</p> <p>- PLAN WHAT TO DO IF SOMETHING BAD HAPPENS</p> <p>G. "buyer loyalty"? Pg 89-90</p> <p>DESERVE</p> <p>ASK FOR</p> <p>WORK FOR</p> |
|--|--|

REAL ESTATE PRACTICE STUDENT STUDY GUIDE

- exclusively
- H. – Ask the buyer to buy Pg 90
 - The alternative
 - The assumptive close
 - The subordinate question
 - The summary Pg 90
 - The physical action
 - The narrative
 - The inducement
- fiduciary duty
- informed decisions
- disclosures