

Real Estate Principles

Chapter 13 Quiz

1. Warehouse and other industrial space for rent is generally expressed using which unit of measurement?
 - A. Cubic foot
 - B. Square foot
 - C. Front foot
 - D. Square yard
2. Value is affected by all but which of the following?
 - A. Physical and environmental factors
 - B. Government regulations
 - C. Private restrictions
 - D. Economic trends
3. The conditions of sale will affect which of a property's characteristics?
 - A. Utility
 - B. Value
 - C. Price
 - D. Basis
4. Which of the following would not contribute to the stability of neighborhood property values?
 - A. Similarity in residents' socioeconomic levels
 - B. Homogeneity in building uses
 - C. Increased density and high turnover in residents
 - D. Location in the direction of future population growth
5. What would be most likely to cause an "unearned increment" increase in a property's value?
 - A. Capital improvements
 - B. Population growth
 - C. Landscaping
 - D. Purchase of an adjoining parcel
6. How would the unit costs of building improvements on a small residence compare to the unit costs of building the same improvements on a large residence?
 - A. Less than a large residence
 - B. More than a large residence
 - C. About the same
 - D. None of the above
7. Residential property amenities are:
 - A. intangible and not included in appraisal reports
 - B. measurable on the market
 - C. available only in more expensive properties
 - D. All of the above

8. Of the following characteristics, which is not an essential element of value?
- A. Scarcity
 - B. Expectation
 - C. Utility
 - D. Demand
9. Laura's house has a fair market value of \$330,000 and rents for \$2,200 per month. Micah's house is across the street and rents for \$2,400 per month. Assuming the same rate of return, what is the value of Micah's property?
- A. \$360,000
 - B. \$368,000
 - C. \$371,000
 - D. \$377,000
10. What does functional utility in a residence depends on?
- A. Improvements
 - B. Floor plan
 - C. Inhabitants' wishes
 - D. Location
11. Two properties, each worth \$50,000, are combined into one larger parcel that has a value of \$120,000. This increase in value is called:
- A. blockage
 - B. appurtenance
 - C. plottage
 - D. appreciation
12. Of the following, which is the most expensive and complicated appraisal type?
- A. Comparative unit method
 - B. Quantity survey
 - C. Unit-in-place
 - D. Building permit record review
13. Under normal market conditions, an apartment building's vacancy rate is determined by:
- A. the building's operation costs
 - B. building size and total number of units
 - C. rent schedule
 - D. the area's housing availability
14. Developer Dan builds a \$300,000 home in an area filled with homes valued between \$200,000 and \$250,000. The value of Dan's home is likely to diminish due to:
- A. Progression
 - B. Regression
 - C. Integration
 - D. Disintegration

15. To an appraiser, depreciation is:
- A. loss in utility and value from any cause
 - B. loss in land value
 - C. physical deterioration of the property
 - D. functional obsolescence