Real Estate

Exam Information	Description
Exam number **411** **Items** **47** **National Career Cluster** **Marketing & Sales** **Certification available** **Yes**	The Real Estate industry certification exam assesses learners' understanding of real estate basics, including the scope of the real estate business, land usage, land description, ownership, contracts, deeds, mortgages, title searches and closings, liens, financing sources, the appraisal process, investments in real estate, and the sales and marketing process. The exam covers real estate marketing and sales through ethics, human, employee, and customer relations, product knowledge, and the use of advertising and media.

Exam Blueprint and Performance Skills

Standard	Percentage of exam score
1. Economics Of Real Estate*	29%
2. Geography Of Real Estate *	12%
3. Property Rights & Ownership	22%
4. Purchasing, Marketing, & Finance *	37%

*Includes performance skill evaluation

Standard 1 - Economics of Real Estate (29% of exam score)

Candidates will understand the economics of the real estate industry

Objective 1 Determine the scope of the real estate industry.

1. Understand the economic characteristics of land (Scarcity, Location, Improvements).
2. Discuss how the health of the real estate market affects the economy.
3. Compare and contrast the variety of supporting employment opportunities including real estate agents and brokers, lenders, title insurance, appraisers, and construction personnel.
4. Identify the impact on banking, home improvement, and retail industries.
5. Understand the advantages/disadvantages of home ownership. (Equity, Tax Benefits, Bundle of Rights)
6. Define the concept of equity as it applies to real property.

Objective 2 Determine forces influencing the market for land.

1. Understand the concept of supply and demand.
2. Know how employment has an impact on the market for land.
3. Interpret government regulations and their impact.
4. Examine the value of water and water rights.
5. Analyze the ways land is appraised.

Optional: Standard performance evaluations on the final page of this document

Standard 2 - Geography of Real Estate (12%)

Candidates will understand the geography of the real estate industry

Objective 1 CDevelop an understanding of the nature and characteristics of land. Understand the concept of bundle of rights..

1. Define and understand the definition of real property.
2. Understand the physical characteristics of land. (Indestructibility, Uniqueness, Immobility)

Objective 2 Understand the many uses of land.

1. Understand the concept of highest and best use.
2. Identify a variety of land use options (single-family residence, multi-family residences, condominiums, commercial, recreational, planned-unit development).
3. Evaluate trends in the local area involving land use, and determine how these trends affect the student and their community.

Objective 3 Determine the importance of identifying land and legal descriptions.

1. Understand the purpose and usage of a legal description.
2. Identify the four frequently used approaches to describing property: metes and bounds, informal reference (address), recorded plat, and assessor's parcel number.
3. Identify the Great Salt Lake Base and Meridian.
4. Write a description of property and be able to draw it.
5. Know number of square feet in an acre (43,560).

Optional: Standard performance evaluations on the final page of this document

Standard 3 - Property Rights & Ownership (22%)

Candidates will understand property rights and the fundamentals of ownership

Objective 1 Develop an awareness of the different types of property ownership.

1. Understand the concept of bundle of rights.
2. Identify the difference between fee-simple title, leasehold estate and a life estate.
3. Explain the different types of property ownership; joint tenants vs. tenants in common.
4. Understand the difference in water rights (Riparian, Littoral, Appropriative, Irrigation).

Objective 2 DDevelop an understanding of various types of contracts and the important part they play in real estate.

1. Define contract.
2. Understand the essential elements necessary for a contract to be a legal/valid document.
   a. Offer
   b. Acceptance
   c. Legal Purpose
   d. Consideration
   e. In Writing
3. Distinguish between void, voidable, and breach, in relationship to contracts.

Objective 3 Develop an understanding of deeds and the part they play in real estate.

1. Define deed.
2. Determine the items necessary to make a deed valid.
3. Identify the uses and different types of deeds. Warranty Deed; Special Warranty Deed; Quit Claim Deed; and Trustee's Deed (along with adverse possession and eminent domain).

Standard 4 - Purchasing, Marketing, & Finance (37%)

Candidates will understand the methods purchasing, marketing and financing real estate

Objective 1 Candidates will understand the method and process of buying and selling real property.

1. Determine factors that make a home marketable for purchase and future resale (kitchen, location, lot size, bedrooms etc.).
2. Be aware of the different types of insurances affiliated with real estate (title, homeowners, earthquake, flood, private mortgage insurance and credit-life insurance).
3. Understand the ethical duties of agents and customers during a transaction (disclosure).

Objective 2 Develop an understanding of mortgages and methods of financing real estate investments.

1. Understand the various sources of funds for home mortgages (banks, credit union and mortgage brokers).
2. Identify the different types of mortgage offerings (Conventional, FHA, VA).
3. Calculate interest, PITI, LTV, commission and qualifying loan ratios.

Objective 3 Develop an understanding of short-term and long-term costs of financing.

Optional: Standard performance evaluations on the final page of this document

Performance Skills Evaluation
Exam name: Real Estate

Candidate Name: ______________________________

Performance assessments may be completed and evaluated any time before the certification is issued. The following performance skills can be used in connection with the associated standards and exam. The evaluator will function as the subject matter expert to determine if the candidate meets the skills requirements with a Yes/No for passing.

Standard 1 – Economics of Real Estate ● Evaluate local real estate values and the effect of the economy on those values.	**Pass:**
Standard 2 – Property Rights & Ownership ● Identify the necessary elements of a legal contract.	**Pass:**
Standard 4 – Purchasing, Marketing & Financing ● Calculate qualification for a loan. ● Determine pros and cons of two or more financing methods. ● Know how to evaluate the possible need and benefit of three real estate insurance products. ● Create an advertising promotional tool to promote a specific property.	**Pass:**

Evaluator Name: ______________________________ **Date:** ______________