

Week 1 Practice Questions (20)

The State of Real Estate Development and Real Estate Acquisition

Choose the best answer.

1. The Fall 2022 Creating Sustainable Neighborhood Developers' Program includes twelve modules on: (1) The State of Real Estate Development; (2) Entrepreneurship and Small Business fundamentals; (3) Real Estate Acquisition; (4) QuickBooks; (5) Team Management: Leadership; (6) Personal Finance & Funding; (7) Provisional Capacity Assessment; (8) Development & Construction; (9) License-Permits-Certifications-Insurance; (10) Understanding Blueprints, Bidding Projects, and Construction Documentation; (11) _____; and (12) Construction Bonding Awareness and Project Management. Fill up the blank using the following.

- A. Contractor Procurement
- B. Xactimate
- C. Quantum Computing

2. Which of the following most accurately describes "Creating sustainable neighborhood developer program"?

- A. the process of renovating and improving a house or district so that it conforms to middle-class taste
- B. the process of training, mentoring, and cultivating individuals who want to improve and develop the community (i.e., houses, subdivisions, community centers, etc.) they belong to.
- C. the process of renovation of deteriorated urban neighborhoods by means of the influx of more affluent residents

3. Who can develop neighborhoods?

- A. Individuals
- B. Non-profits
- C. For-profits
- D. You
- E. All-of the above

4. Similar to the broader economy, commercial real estate is a cyclical market. There are four phases to the real estate cycle: Recovery – expansion - hyper-supply - _____.

- A. deflation
- B. recession
- C. stagnation

5. Which of the following could be a good indicator of the expansion stage of real estate cycle?

- A. fear in the general population
- B. lower supply of property
- C. lower home mortgage rates

6. There are several factors that significantly affect the Real Estate Market. Which of the following is NOT considered as a major factor?
- A. Interest rates
 - B. Demographics
 - C. Exchange rates
7. What is the definition of an adjudicated property?
- A. A property that has been idled because of insufficient development funds
 - B. A property for which a tax sale title is acquired by a political subdivision/ city
 - C. A property that has been placed in state or local government by eminent domain law
8. Who is the tax debtor? Who is the tax sale purchaser?
- A. The tax debtor is the mortgage loan originator of the property. The tax sale purchaser is the local government.
 - B. The tax debtor is the current resident of the property. The tax sale purchaser is any developer who purchased the adjudicated property.
 - C. The tax debtor is the original owner of the property. The tax sale purchaser is the person who acquires a tax sale interest in a property.
9. Are you required to name all interested parties when you file a petition to quiet tax title?
- A. Yes
 - B. No
10. How does the City of New Orleans dispose of a tax adjudicated property?
- A. D.O.A.P.
 - B. S.O.A.P.
 - C. both (A) and (B)
11. Who do you need to have relationships and access to do business with municipalities?
- A. City Council
 - B. Community Leaders
 - C. Regulators
 - D. Citizens
 - E. All of the Above
12. Knowledge of the following are needed to accomplish a project?
- A. Comprehensive Zoning Code
 - B. Local Ordinances and Codes
 - C. Comprehensive Plans
 - D. Sanitation
 - E. A, B and C

13. According to the real estate cycle model, _____ is surely followed by sky-rocketing prices, over-developments, and a rising number of vacancies in the housing market.
- A. stagnation
 - B. hyper-supply
 - C. recession
14. According to Fred E. Foldvary, the average real estate cycle lasts _____ , and the current cycle will end by 2025?
- A. 4 years
 - B. 8 years
 - C. 18 years
15. The real estate market is part of the economy. As a result, the economy and the real estate market, in general, move together. For instance, a decrease in the market interest rate tends to increase the economic investments (i.e. machinery purchases and new plant construction by firms), so does the real estate market. There are also many other factors that affect the real estate market. Which of the following is one of the factors that greatly affect the real estate market?
- A. The Balance of Trade
 - B. U.S. Government housing policies
 - C. Inflation rates
16. Ms. Baaheth, former Louisiana Real Estate Commissioner, presented her predictions on the current state of national real estate market. Which of the following is NOT her observations related to the local (Baton Rouge and New Orleans) housing market in October 2022?
- A. Home prices leveling
 - B. Becoming a buyer's market
 - C. Investors' market will increase
 - D. Recession phase of the real estate cycle.
17. Ms. Baaheth, former Louisiana Real Estate Commissioner, indicated that Louisiana real estate market becomes a buyer's market because:
- A. People have less money to spend on real estate
 - B. Sellers see few buyers for their real estate properties
 - C. The Supply is larger than the demand of real estate properties.
18. Which of the following companies is a real estate brokerage firm, which is based in Seattle and charges 1% of listing fee?
- A. Zillow
 - B. Trulia
 - C. Redfin

19. According to Ms. Baaheth, there are two types of real estate investments in a broad sense. Which of the following is considered as a long term real estate investment?

- A. Land Purchases
- B. Flipping real estate properties
- C. Purchasing a real estate funds

20. When is the best time to enter the Real Estate Market?

- A. The year 2020
- B. The year 2021
- C. Now