

Week 1 Practice Questions (20)

The State of Real Estate Development and Real Estate Acquisition

Choose the best answer.

1. The Sprint 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) _____, (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 a community (i.e., houses, subdivisions, community centers, etc.) to which they belong.
- 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. 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
8. 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
9. 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
10. 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 U.S. housing market in October 2021?
- A. A rising rental rates
 - B. An increase in rental properties
 - C. An increase in investment property
11. Ms. Baaheth, former Louisiana Real Estate Commissioner, indicated that Louisiana real estate market is still a seller'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 demand is larger than the supply of real estate properties.
12. 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

13. 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

14. What is the key factor that sustains your activities in flipping a house?

A. Team work

B. Macro-economic factors

C. Procurement

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

A. The year 2020

B. The year 2021

C. Now

16. Name five types of properties that need to be developed in neighborhoods.

A. Vacant lots, single-family homes, multi-family homes, commercial buildings and mixed-use facilities.

B. Vacant lots, single-family homes, convenient stores, commercial buildings and mixed-use facilities.

C. Vacant lots, pay-day-loans service centers, multi-family homes, commercial buildings and mixed-use facilities.

17. Which of the following correctly lists five criteria for when neighborhoods need to be developed?

A. According to civic center activities, according to crime-prevention programs, according to neighborhood strategic plans, according to local planning, zoning and building coded and according to agreed-upon completion schedules.

B. Individual initiative, according to local government policy, according to neighborhood strategic plans, according to local planning, zoning and building coded and according to agreed-upon completion schedules.

C. According to fire marshal codes, according the state government initiatives, according to civic center activities, according to crime-prevention programs, according to neighborhood strategic plans

18. The land acquisition process requires a legal transaction. What type of professional should you have on your team to undertake the process?

A. You can do it yourself

B. An Attorney

C. Accountant

D. Banker

19. What are five primary factors used by organizations in selecting developers?

A. Number of business employees, number of government contacts, community impact and diversity, and capacity building.

B. Experience and capacity, project strength, repayment ability, community impact and diversity, and capacity building.

C. Educational level of business owners, number of business employees, number of government contacts, community impact and diversity, and capacity building

20. Should a neighborhood developer respond to a proposal in whatever way they see fit and submit the information when they are finished?

A. Yes, it strengthens developer's capacity

B. No, Respond to the proposal as requested and submit on time.

C. Probably yes, because it will show your credibility.