

**2026 Level I  
Review Questions**

**1. A property's tax bill is \$15,000 and the property's market value is \$3,000,000. What is the effective tax rate?**

- |         |        |
|---------|--------|
| A) 60%  | C) 1%  |
| B) .50% | D) 10% |

**2. Business lot has a NOI monthly income of \$1,000. The rate of return is 10%. What is the value of the property?**

- |             |              |
|-------------|--------------|
| A) \$10,000 | C) \$130,000 |
| B) \$12,000 | D) \$120,000 |

**3. NE 1/4, SE 1/4, NE 1/4 of section 5 has how many square feet?**

- |            |              |
|------------|--------------|
| A) 217,800 | C) 4,356,000 |
| B) 435,600 | D) 43,560    |

**For question # 4 the following data is available, to develop an adjustment for time in the sales comparison approach.**

**Sale #1 sold 1 yr. ago for \$50,000 and 8 months ago for \$53,600**

**Sale #2 sold 1 yr. ago for \$48,000 and 5 months ago for \$54,048**

**Sale #3 sold 1 yr. ago for \$52,000 and 9 months ago for \$54,808**


**4. What is the time adjustment per month?**

- |        |         |
|--------|---------|
| A) .9% | C) 1.8% |
| B) 18% | D) .5%  |

**5. Basement recreation room has 1,800 sq. ft. It has floor, ceiling, and wall finish. What is the cost to add for this room?**

- |             |             |
|-------------|-------------|
| A) \$4,700  | C) \$7,600  |
| B) \$17,900 | D) \$10,400 |

Questions 6, 7, and 8 are based on the following information:

A building has 40,000 sq. ft of gross building, of which only 39,000 sq. ft. is the net leasable area. Mkt. rent is \$20 per sq. ft. for net leasable area. Vacancy and collection loss is 4% of the PGI. Miscellaneous income is \$4,000.00. Operating expenses are 35% of the EGI. Debt service is projected to be 75% of the NOI.

6. What is the Potential Gross Income of this property?

- A) \$800,000
- B) \$780,000
- C) \$680,000
- D) \$750,000

7. What is the Effective Gross Income of this property?

- A) \$768,000
- B) \$752,800
- C) \$802,000
- D) \$643,000

8. What is the Net Operating Income of this property?

- A) \$767,999
- B) \$489,320
- C) \$643,000
- D) \$780,000

9. A property contains 15,000 sq. ft. Market rent is \$16.00 per sq. ft. The vacancy rate for this type business is 5%, and the collection loss rate is 1%. The property has miscellaneous income of \$500.00 per month. Net leasable area is 14,000 sq. ft. What is the EGI for this property?

- A) \$224,000
- B) \$216,560
- C) \$222,550
- D) None of the above

10. A residential parcel has 10 acres. There is a dwelling on the property. 7 acres are being farmed. The farm land base rate is \$2,120 and the productivity factor is 1.10. Excess residential acreage is valued at \$1,250 per acre. Homesites are valued at \$6,000.00. What is the estimated value of this parcel rounded to the nearest \$100.00?

- A) \$24,800
- B) \$9,600
- C) \$28,400
- D) \$6,000

11. A two story frame house has 1,500 sq. ft. on each floor. The first floor has 2 increments of brick. The second floor has 1 increment of brick. What value would you have for the second floor?

- A) \$94,700
- B) \$109,700
- C) \$36,600
- D) None of the above

12. If the Quality Grade for a dwelling is a C+1, what is the appropriate Quality Grade Factor?

- A) 110%
- B) 105%
- C) 120%
- D) 95%

**13. The house in question 11 has an open framed porch of 550 sq. ft. What value would you put down for the porch?**

- |                    |                    |
|--------------------|--------------------|
| <b>A) \$21,000</b> | <b>C) \$11,800</b> |
| <b>B) \$10,100</b> | <b>D) \$23,500</b> |

**14. Apartment houses in the area have a GIM of 7.0. The EGI of the subject house is \$70,000 and the NOI is \$48,000. What is the estimated value of the subject property?**

- |                     |                     |
|---------------------|---------------------|
| <b>A) \$490,000</b> | <b>C) \$336,000</b> |
| <b>B) \$390,000</b> | <b>D) \$200,100</b> |

**15. A house has an attic of 1,400 sq. ft. Of which 900 is finished. What value would you put on the property record card for the attic ?**

- |                    |                   |
|--------------------|-------------------|
| <b>A) \$38,600</b> | <b>C) \$8,400</b> |
| <b>B) \$27,000</b> | <b>D) \$7,400</b> |

**16. Using the following information determine a value for a subject property.**

**Subject: Frame Construction, 4 rooms on 1<sup>st</sup> floor, hot water heater, 4 rooms on the 2<sup>nd</sup> floor, 2 bathrooms on the 2nd floor, a 2 car garage, and not located on the water.**

**Sale # 1: Brick construction 4 rooms on the 1st floor, 4 rooms on the 2nd floor, hot water heat, 1 second floor bathroom, 3 car garage, and located on the water. Sold for \$150,000 3 days ago.**

**Sale # 2: Frame Construction, 4 rooms on 1<sup>st</sup> floor, hot water heat, 4 rooms on the 2<sup>nd</sup> floor, 2 car garage, 2 bathrooms on the 2<sup>nd</sup> floor, and not located on the water. Sold for \$130,000 1 year ago.**

**Sale # 3: Brick Construction, 4 rooms on the 1<sup>st</sup> floor, forced heat and air, 3 rooms on the 2<sup>nd</sup> floor, 1 second floor bathroom, 2 car garage, and not located on the water. Sold for \$100,000 2 years ago.**

**Properties have increased in value 6% per year.**

**Brick is worth \$15,000 more than frame.**

**First floor rooms are worth \$10,000**

**Hot water heat is worth \$2000 more than forced air.**

**Second floor rooms are worth \$8,000**

**Bathrooms have a value of \$5,000**

**Garage bays are worth \$4,000**

**Waterfront is worth \$10,000 more than non waterfront.**

	Sale 1	Sale 2	Sale 3	Subject
Sale Price				
Date of Sale	Current	1 year ago	2 years ago	
<i>Time Adjustment</i>				
<i>Time Adjusted Sale Price</i>				
<b>Amenities</b>				
Construction				Frame
1st Floor rooms				4
Heat				Hot water
2nd floor rooms				4
2nd floor bathrooms				2
Garage				2 car
Location				Not waterfront
Net Adjustment				
Adjusted sale price				

16. What is the value determined for the subject property?

- |              |            |
|--------------|------------|
| A) \$137,800 | C) 126,000 |
| B) 112,000   | D) 125,266 |

17. To find the PRD, you divide the \_\_\_\_\_ by the Weighted Mean.

- |           |                               |
|-----------|-------------------------------|
| A) Mean   | C) Average Absolute Deviation |
| B) Median | D) Confidence Intervals       |

18. For uniformity purposes, the PRD must be between \_\_\_\_\_ and 1.03.

- |        |        |
|--------|--------|
| A) .97 | C) .05 |
| B) .90 | D) .98 |

19. Subtracting Operating Expenses and Reserve for Replacements from the EGI equals the \_\_\_\_\_.

- |        |                                |
|--------|--------------------------------|
| A) PGI | C) Vacancy and Collection Loss |
| B) NOI | D) Miscellaneous Income        |

20. The availability of commodities and/or services for purchase that sellers offer at a certain price is known as?

- |                 |           |
|-----------------|-----------|
| A) Market Value | C) Supply |
| B) Equilibrium  | D) Demand |

21. In the sales comparison approach, attribute adjustments such as building size, # of bathrooms, year built are examples of \_\_\_\_\_ ?

- |                            |                             |
|----------------------------|-----------------------------|
| A) qualitative adjustments | C) quantitative adjustments |
| B) paired sales            | D) a buyers market          |

22. A corner doughnut shop has monthly NOI of \$1,250. The owner's overall cap rate for the property is 11%. What is the value of this property ?

- A) \$138,180
- B) \$11,360
- C) \$1,650
- D) \$136,360

23. The standard lot for neighborhood 8675309 is 100'x132' and the base rate is \$100 per front foot. Lot #11's dimensions are 125'x120'. What is value of Lot #11?

- A) \$12,000
- B) \$13,250
- C) \$25,000
- D) \$11,000

24. The sale price of a property divided by the annual effective gross income it generates is the \_\_\_\_\_.

- A) gross income multiplier
- B) neighborhood factor
- C) gross rent multiplier
- D) indicated value

25. The \_\_\_\_\_ rate reflects the return on the investment.

- A) recapture
- B) capitalization
- C) effective tax
- D) discount

26. What value would you put down for a 20' by 30' brick attached garage?

- A) \$9,200
- B) \$32,800
- C) \$16,700
- D) \$25,600

27. As taught in this Level I prep class, the first adjustment in the Sales Comparison Approach is for \_\_\_\_\_.

- A) bedrooms
- B) sale prices
- C) garages
- D) time

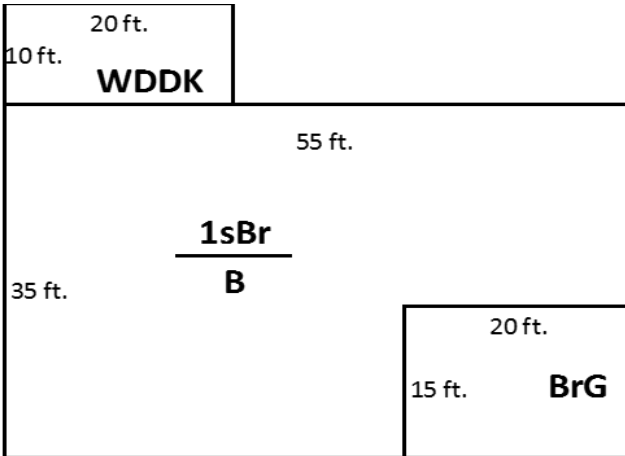
28. I am pricing a two-story dwelling that has air conditioning throughout. The dwelling has 1,900 square feet on the first floor and 1,300 square feet on the second floor. What is the air conditioning adjustment amount ?

- A) \$8,700
- B) \$9,300
- C) \$6,900
- D) \$8,900

29. If my subject property has 5 bedrooms and my comparable has 4 bedrooms, when making the adjustment to the comparable, this adjustment would be made \_\_\_\_\_.

- A) downward
- B) upward
- C) no adjustment required
- D) as a paired sales adjustment

For problems 30 - 32, use the following information and sketch.



This one story brick house was built in 2003 in Orange County. It was built over an unfinished basement and has central air conditioning throughout. It also contains an attached brick garage and a wood deck. The quality grade for this dwelling is a C+1 and its condition rating is good.

30. What is the square footage for the first floor of the dwelling?

- A) 400
- B) 1,925
- C) 1,625
- D) 1,225

31. What is the Replacement Cost (RCN) of the dwelling?

- A) \$293,190
- B) \$160,000
- C) \$225,000
- D) \$156,300

32. What is the Improvement Value of the dwelling?

- A) \$152,600
- B) \$195,000
- C) \$250,000
- D) \$237,500