

Circle *True* or *False* as the better answer.

1. The owners of row houses and townhouses usually own the individual lot where the unit is located.
True False
2. Planned unit developments usually involve common areas and Homeowners' Associations.
True False
3. A condominium unit may be described as the ownership of an airspace, combined with a joint ownership of the land and the common areas.
True False
4. According to HUD, mobile homes constructed after 1976 are properly classified as manufactured homes.
True False
5. The landlord's interest in investment property is called the leasehold estate.
True False
6. The value of the lessee's interest in real property can be measured by capitalizing the difference between the contract and market rents.
True False
7. A gross lease requires the tenant to pay all operating expenses.
True False
8. The benefits that belong to the leased fee interest include the lease income than the rights to the reversion.
True False
9. In mortgaged property, the lender's real property ownership interest can be less than the remaining balance on the loan.
True False
10. Eminent domain appraisals involve essentially the same appraisal process as other appraisals.
True False

Multiple Choice Questions. Indicate the best answer.

1. Old-style urban housing built without side yards and without common area amenities are often called
 - a. Condominiums
 - b. Airspace units
 - c. Row houses
 - d. Town houses
2. In which type of housing would you not expect to find a Homeowners Association?
 - a. Conventional tract housing
 - b. Town houses
 - c. Planned unit developments
 - d. Condominiums
3. The unique problems in appraising planned unit developments concern
 - a. The handling of recreation facilities in the cost approach
 - b. A lack of vacant land sales
 - c. The comparison of Homeowners' Associations
 - d. All of the above
4. Ownership includes the airspace and an undivided interest in the common areas. Which type of housing is described?
 - a. Row houses
 - b. Cooperative
 - c. Condominium
 - d. Zero-lot-line home
5. When appraising an individual condominium, the appraiser most commonly emphasizes the
 - a. Sales comparison approach
 - b. Income approach
 - c. Capitalization method
 - d. Gross income multiplier method
6. A buyer has purchased a percentage ownership in an association that owns an apartment building and the land on which it is located. If such purchase includes the right to occupy a specific unit, and to share the common areas, it most likely represents a
 - a. Planned unit development
 - b. Cooperative
 - c. Leasehold
 - d. Condominium

7. By FHA standards, a manufactured home must meet the following standards:
 - a. It is designed and constructed to the Federal Manufactured Construction and Safety Standards and is so labeled.
 - b. When erected on a site it has at least 400 square feet and is built and remains on a permanent chassis.
 - c. It is designed to be used as a dwelling with a permanent foundation built to FHA criteria
 - d. All of the above.
8. In the appraisal of a manufactured home, the appraiser would usually give the greatest weight to
 - a. The income approach
 - b. The sales comparison approach
 - c. The modular approach
 - d. The cost approach
9. The value of the lessee's interest in real property can be defined or calculated as
 - a. The remainder estate
 - b. The value of the capitalized income
 - c. The difference between the contract and market rent, capitalized over the life of the lease
 - d. The leased fee
10. The lessor's interest in leased property is usually appraised by
 - a. The cost approach
 - b. The sales comparison approach
 - c. The income approach
 - d. The capitalization of the life estate
11. Valuation for eminent domain
 - a. Involves a completely different appraisal process
 - b. Is a specialized area of appraisal practice
 - c. Is not concerned with market value
 - d. Rarely requires the appraiser's testimony
12. In condemnation, which of the following is a court test to determine what parcels make up the "larger parcel" in a partial taking?
 - a. The parcels must be under the same ownership
 - b. The parcels must be put to the same use
 - c. The parcels must be contiguous
 - d. All of the above