Exam Final Review Sheet

The night before, read only these pages.

Exam rules

Item	Current rule	Checked
	See the official page (link on the site's exam map).	2026–11–15
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Last 24 hours checklist

- Bring the ID that matches your registration name exactly.
- Arrive or log in early; late candidates may be refused.
- Pace: 100 questions in 180 minutes; first pass: do not get stuck, flag it and come back.
- Circle NOT / EXCEPT / main / best before reading the options.
- Where the exam answer and the current rule differ, give the exam answer.

One trap and one must-know per chapter

01 Fundamentals of Law P2 Hold steady

Trap: Rigid precedent application and out-of-province binding authority trap——The question stem states that a judge must follow a decision from another province or cannot depart from an earlier precedent even when material facts differ.

Must know: Common law relies on stare decisis to ensure the predictability of legal outcomes. Decisions of the provincial Court of Appeal and the Supreme Court of Canada are binding on lower courts, whereas out-of-province or foreign decisions are merely persuasive. Furthermore, if the material facts of a case differ substantially, a judge may distinguish the prior precedent and not be bound by it.

02 The Real Estate Services Act P2 Hold steady

Trap: Outdated entity name trap——The question stem asks who is responsible for licensing, rulemaking, investigating complaints, or imposing discipline, and the options list BCFSA alongside RECBC and OSRE.

Must know: RESA governs who must be licensed, how licences are issued, and penalties for contraventions; the Real Estate Services Rules (B.C. Reg. 209/2021) govern day-to-day practice standards including disclosures, trust accounts, advertising, and agency relationships; REDMA governs developers' disclosure obligations and buyer rescission rights when marketing development units.

03 What the Purchaser Buys: Estates and Interests in Land P2 Hold steady

Trap: Confusing mortgage principal and interest with operating expense allocations——The question stem features a dispute between a life tenant and a remainderman or reversioner over who pays property taxes, mortgage interest, mortgage principal, or insurance premiums.

Must know: The Crown is the ultimate owner of all land, and private individuals hold estates of varying duration; when an owner dies intestate without legal heirs, the land escheats to the Crown, and the government may also expropriate land under statutory authority.

04 The Subdivision of Land and Title Registration in BC P1 Must score

Trap: Confusing the Three-Year and Ten-Year Lease Thresholds——When the question stem mentions a lease, actual occupation, part of a parcel, part of a building, or a transparency declaration, first verify whether the three-year Land Title Act line or the ten-year LOTA line applies.

Must know: Under section 73 of the Land Title Act, no person may subdivide land to transfer or lease it for a term exceeding three years (including a lease for life) without Part 7 approval; however, a subdivision does not include a division of land to lease a building or part of a building.

05 The Professional Liability of Real Estate Licensees P1 Must score

Trap: General Disclaimer Shield Trap——The question stem mentions a general disclaimer, phrases such as 'believed to be correct but not guaranteed', or a licensee publishing data knowing it is inaccurate and relying on an exculpatory clause.

Must know: The same misconduct can simultaneously trigger civil litigation, disciplinary proceedings, and a claim against the Real Estate Compensation Fund; the three avenues are parallel and mutually non-exclusive, and disciplinary action aims to uphold industry reputation and public confidence rather than requiring actual financial injury to any person.

06 Commercial and Residential Tenancies

P1 Must score

Trap: Confusing commercial and residential tenancy rules——In the first sentence of the stem, immediately identify whether the premises are used as a commercial shop, office, or warehouse versus a residential living accommodation, and verify whether the term exceeds 20 years.

Must know: A lease creates an interest in land that runs with the land, whereas a licence is merely a contractual privilege; regardless of how an agreement is titled, where exclusive possession is granted to the occupant, courts will generally ascertain the intention of the parties and classify it as a lease.

07 Strata Properties and Cooperatives

P1 Must score

Trap: Confusing denominators of 80% vote and 3/4 vote——The question stem provides both the total number of eligible voters and the number of voters attending the meeting, or involves winding up the strata corporation and cancelling the strata plan.

Must know: Individual strata lots are typically held by owners in fee simple, while common property is owned by all owners as tenants in common and exclusively managed by the strata corporation; each owner shares common expenses and strata judgment debts based on their lot's unit entitlement divided by the total unit entitlement of all lots (unless a different formula is passed by unanimous vote and registered).

08 Introduction to Financial Statements

P2 Hold steady

Trap: Assuming all share transactions are exempt from licensing——The question stem mentions a corporation holding real estate and contrasts acquiring 100% of the shares against acquiring partial shares.

Must know: Selling a business that holds no real estate or selling only partial corporate shares does not require a real estate licence; however, an asset sale package that includes real property components or purchasing 100% of the shares in a corporation holding real estate requires a real estate licence.

09 Professional Ethics P1 Must score

Trap: Confusing self–regulatory authority with statutory authority——The question stem mentions the discipline committee of a real estate board, suspending or cancelling a licence, or comparing the REALTOR® Code with RESA/Rules.

Must know: The statutory track (RESA and Real Estate Services Rules) is enforced by BCFSA and applies to every licensee, whereas the self–regulatory track (REALTOR® Code) governs only CREA members; Code duties may exceed legal standards, but where they conflict, the law prevails.

10 The Law of Contract P2 Hold steady

Trap: Confusing unenforceable with void——The question stem mentions an oral agreement, not in writing, Law and Equity Act s. 59, or a party under 19 years of age (infant).

Must know: A void contract never existed in law and money paid must be returned; an illegal contract allows the court to refuse assistance to a knowing party seeking to recover money; a voidable contract remains valid and enforceable until rescinded; an unenforceable contract contains all essential elements but cannot be enforced through court action due to a procedural defect.

11 Contracts for Real Estate Transactions

P1 Must score

Trap: Confusing void with unenforceable——The question stem features an oral land sale, an agreement unsigned by one party, or a lease for three years or less, with options simultaneously presenting void, illegal, and unenforceable.

Must know: Except for leases of three years or less, contracts respecting land must be in writing signed by the party to be charged to be enforceable (not enforceable rather than void), though statutory exceptions such as deposit payment or acts of reasonable detrimental reliance can make the contract enforceable.

12 Law of Agency: Whoever Acts for a Person Owes That Person Loyalty P1 Must score

Trap: Unrepresented-party overstep trap——The stem uses words such as "unrepresented party / non-client", "open house", "asks for advice on price or terms", or "helps negotiate".

Must know: An agent impliedly warrants to a third party that the agent has authority (if the agent exceeds that authority, the agent must compensate the third party). In BC, before a licensee signs a contract for a client, the licensee must obtain written authorization under current Rule s.45 (former 5-3), sign the licensee's own name, and state the capacity as agent.

13 Introduction to Mortgage Finance: Why a Trade Cannot Do Without Debt

P2 Hold steady

Trap: Dividing the annual rate by twelve——The stem says compounded semi-annually or j_2, and also monthly payments, and an option contains divide by 12 or 0.5%.

Must know: Buyers rarely pay the whole price at once, and sellers rarely want to wait, so debt fills the gap. To recover the principal, the lender takes a right on the borrower's title and, after default, may take over the property once charges that rank ahead have been paid. That borrowing is called a mortgage.

14 Interest Rates and Mortgages: Monthly Payment, Outstanding Balance, and Prepayment P2 Hold steady

Trap: Calculating the balance by subtraction——The stem asks how much is still owed to the lender when the property is sold, or it says that after three years of payments a large share of principal must already be gone, and an option subtracts the payments already made from the loan amount.

Must know: On a constant payment mortgage, the loan amount (PV), the periodic rate that matches the payment frequency, the number of payments, the payment each period (PMT), and the balance at maturity (FV) are locked together. Given four, the fifth is uniquely determined. On a fully amortized mortgage the balance at maturity is zero, and 25 years of monthly payments equals 300 payments.

15 Introduction to Mortgage Law: Charge, Liability, and Foreclosure P2 Hold steady

Trap: Swapping the results of the two foreclosure routes——The stem mentions another province, a power of sale, or a sale without a court, or it asks whether the difference can still be claimed after the lender becomes the owner.

Must know: In law a mortgage is not the loan itself. It is security over an interest in land. The mainstream view on the exam is that a mortgage still retains the common-law character of a transfer. Section 231(1) of the current Land Title Act states that a registered mortgage is first a charge. Section 231(2) only deems the rights and obligations to be those of a transfer. The mortgagee is not the registered owner.

16 Mortgage Analysis in Real Estate Practice

P2 Hold steady

Trap: Reversing discount and bonus——The stem states which of the contract rate and the market rate is higher, but an option says that both kinds of departure raise the cash-equivalent price, or that both lower it.

Must know: The market value of the offer equals the cash down payment plus the market value of the mortgage. The market value of the mortgage is the present value of the future payment stream and the balance due at the end, discounted at the market rate.

17 Mortgage Underwriting and Borrower Qualification P2 Hold steady

Trap: Mixing up character and capacity——The stem gives employment or residence stability on one side and whether the income ratios fit on the other, and an option writes the two as the same C.

Must know: Character is a behavioural forecast. Its materials are employment stability, length of residence, and industry experience. Capacity is a financial forecast, measured with gross annual income and the debt-service ratios. Underwriting makes both forecasts at the same time.

18 Local Government Law and Land Use

P2 Hold steady

Trap: Treating the OCP as what can be built now——The stem gives both an official community plan designation and zoning that is still in force, the two do not match, and an option says construction can proceed under the plan.

Must know: A municipality is not a constitutional body. Its powers come from provincial enabling legislation, and the province can take them back or enlarge them by amending the statute.

19 Taxes on Real Property P2 Hold steady

Trap: Applying GST collection to the transfer tax——The stem puts property transfer tax and GST in the same completion, or it says the seller agrees to collect the transfer tax, or that signing the contract is what triggers it.

Must know: Property transfer tax is triggered only when an interest in land is registered at the land title office. The buyer must pay it in full before registration can be completed. The seller has no duty to collect it.

20 Building Design and Construction

P3 Skim

Trap: Years swapped——The stem asks which item is five years and which is ten, or it only asks whether the new home still has a warranty without saying which kind.

Must know: Materials and labour are covered for 2 years, the building envelope including water penetration for 5 years, and structural defects for 10 years.

21 Introduction to Real Estate Appraisal

P2 Hold steady

Trap: One price answers every question——The stem gives, together, the lowest price the seller will accept, the highest price the buyer will pay, and the sale price, or the client holds an appraisal and asks whether it is worth buying.

Must know: An appraisal is an expert opinion of the value of real property. It must be stated as a specific amount, a numerical range, or a relationship such as not above or not below a figure. Signing, or making a final statement, is what makes it final. Until then, every communication must say that this is not the final conclusion.

22 Direct Comparison and Cost Approaches of Appraisal P2 Hold steady

Trap: The direction is reversed——The stem states that the subject has an extra item, or that the comparable has an extra item, and asks whose price the money is added to, and whether it is an addition or a subtraction.

Must know: A practising appraiser is bound by CUSPAP and issues a formal appraisal report. A licensee's Comparative Market Analysis is not bound by that standard and cannot be treated as a formal appraisal. The declared value on a transfer registration is not evidence of a comparable sale.

23 The Income or Investment Approach of Appraisal P2 Hold steady

Trap: Full occupancy as the top rent——The stem states that the building is already fully leased, or that the tenants have lived there for many years, and asks whether current market rent must still be used.

Must know: The income (investment) approach is used only for property that can produce rental income. The price is the capital a buyer will pay for that net operating income, not the personal value to one owner.

24 From Contract to Completion

P2 Hold steady

Trap: Deposit treated as received by the seller——The stem states that the deposit was paid to the buyer's brokerage and is held in the trust account, and asks whether that line appears on the seller's statement of adjustments.

Must know: Title registration, tax, transparency and anti–money laundering, and trust money close at the same time. If any one chain breaks, completion cannot be finished.

25 Introduction to Marketing P3 Skim

Trap: Mixing advertising and publicity——The stem says who pays, who approves the final copy, whether the reporting medium is employed by the licensee, and whether the angle favours the licensee or works against the licensee.

Must know: The same advertising sentence can fall under the licensing rules, the federal competition statute, and the provincial consumer statute at the same time. It can also hit only the identity layer, simply because the brokerage name is left off.

26 Technology and the Real Estate Licensee P3 Skim

Trap: Treating a translation as the licensee name——The brokerage name on an advertisement, a business card, a radio read, or a social profile page is a translation, a short form, or only an emblem, and not the full name on the licence.

Must know: Practice regulation, privacy, marketing outreach, and electronic form each govern one stretch. When one of the other three goes wrong, it can still be pursued under the duty of honesty in rule 33 and reasonable care and skill in rule 34.