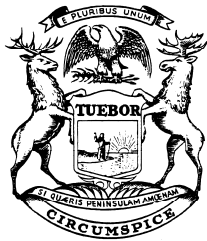




PSI licensure:certification  
 3210 E Tropicana  
 Las Vegas, NV 89121  
 www.psiexams.com

*Before paying for  
 your examination registration,  
 be sure you understand  
 the contents of this bulletin.  
 Please retain and use it as a reference  
 when contacting PSI.*

**Michigan Department of Labor & Economic Growth  
 Real Estate Appraiser  
 Licensing Examinations**



**CANDIDATE INFORMATION BULLETIN**

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**Please refer to our website to check for the most updated information at [www.psiexams.com](http://www.psiexams.com).**

## EXAMINATIONS BY PSI licensure:certification

This Candidate Information Brochure provides you with information about the examination process for becoming licensed as a Real Estate Appraiser in the State of Michigan.

The Michigan Department of Labor & Economic Growth (referred to as the Department) has contracted with PSI licensure:certification (PSI) to administer the examination program. PSI works closely with the Department to make certain that the administration of these examinations meets the State's as well as nationally established technical and professional standards for examination administration. PSI provides these examinations through a network of computer examination centers in Michigan.

Following are the National Uniform Licensing and Certification Examinations, developed by the Appraiser Qualifications Board (AQB), as the Licensing Examinations for Appraisers in Michigan offered by PSI:

- State Licensed Appraiser
- Certified Residential Appraiser
- Certified General Appraiser

## REQUIREMENTS FOR REAL ESTATE APPRAISER LICENSURE IN MICHIGAN

### APPRAISER

NOTE: Only the State has the authority to determine a candidate's eligibility to be licensed/registered.

1. Requests for license requirement, applications and instructions are available from:

The Michigan Real Estate Appraisers Board Office:  
Department of Labor & Economic Growth  
Bureau of Commercial Services  
Board of Real Estate Appraisers  
P.O. Box 30219  
Lansing, MI 48909  
Phone: 517-241-9288 Fax: 517-373-1044  
or on the web at  
[www.michigan.gov/appraisers](http://www.michigan.gov/appraisers)

2. LICENSURE APPLICATIONS MUST BE SUBMITTED TO AND APPROVED BY THE DEPARTMENT, PRIOR TO SUBMITTING AN EXAMINATION APPLICATION TO PSI. CANDIDATES MUST HAVE ACQUIRED THE EDUCATION AND OR EXPERIENCE REQUIRED BY LAW PRIOR TO SITTING FOR THE EXAMINATION. PERSONS WHO VIOLATE THESE PROVISIONS WILL HAVE THEIR EXAMINATION RESULTS INVALIDATED AND MUST REAPPLY FOR THE EXAMINATION AFTER BEING APPROVED BY THE DEPARTMENT.
4. RESIDENCY: Nonresidents of Michigan must file a Consent to Service of process form with the license application.
5. SUBMISSION INFORMATION: License applications must be approved by the Department prior to taking the examination. The evaluation of materials concerning education and experience often takes 30-90 days so it is

important to send information to the Department as early as possible.

6. Once the Department has approved you for testing, you will receive an authorization to test notification. This notification will also be submitted to PSI allowing the authorized candidate to register, pay for and schedule the required licensure examination.
7. All licensure requirements, including the passing of the examination, must be completed within one year after the date of the authorization to test notification. If not completed within one year, the fees paid to the State will be forfeited to the Department and the license application shall be void pursuant to MCL 339.409(3).
8. Passing examination scores are considered valid for 2 years from the date of the examination.
9. Candidates that have their application for licensure denied are notified by the Department of the elements they need to complete in order to be approved for licensure.

All questions and requests for information about examinations should be directed to PSI.

PSI licensure:certification  
3210 E Tropicana  
Las Vegas, NV 89121  
(800) 733-9267 • Fax (702) 932-2666  
[www.psiexams.com](http://www.psiexams.com)

## EXAMINATION REGISTRATION PAYMENT AND SCHEDULING PROCEDURES

Upon approval of licensure eligibility, the Department will mail an authorization to test notice allowing the authorized candidate to register, pay for and schedule the required licensure examination with PSI.

The Examination Registration Form is found at the end of this Candidate Information Bulletin. You must pay for the examination at the time you register. Be sure the registration form is complete, accurate, signed, and that you include the correct fee.

Your examination fee will be forfeited if you do not test within 1 year of the date your examination fee is received by PSI.

### EXAMINATION FEE

Examination Fee	\$120
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NOTE: REGISTRATION FEES ARE NOT REFUNDABLE. REGISTRATION FEES EXPIRE AFTER ONE YEAR OF REGISTERING.

## INTERNET REGISTRATION AND SCHEDULING

For the fastest and most convenient test scheduling process, PSI recommends that candidates register for their exams using the Internet. In order to register over the Internet, candidates will need to have a valid MasterCard or VISA. Candidates register online by accessing PSI's registration website at [www.psiexams.com](http://www.psiexams.com). Internet registration is available 24 hours a day. In order to register by Internet, complete the steps below:

1. Log onto PSI's website, select the link associated with the Michigan examinations. Complete the associated registration form online and submit your information to PSI via the Internet.
2. Upon completion of the online registration form, you will be given the available exam dates and locations for scheduling your examination. Select your desired testing date and location.

## TELEPHONE REGISTRATION AND SCHEDULING

The second fastest method of scheduling is via the telephone with PSI's Interactive Voice Response system (IVR) during non-business hours, or through live registrars during business hours. For telephone registration, you will need a valid VISA or MasterCard.

1. Complete the Examination Registration Form, including your credit card number and expiration date, so that you will be prepared with all of the information needed to register by telephone.

Call (800) 733-9267, 24 hours a day and register using the Automated Registration System. Otherwise, PSI registrars are available Monday through Friday, between 7:30 am and 8:00 pm and Saturday, between 11:00 am and 5:00 pm, Eastern Time, to receive the information listed on your Examination Registration Form and schedule your appointment for the examination.

## FAX REGISTRATION AND SCHEDULING

For Fax registration, you will need a valid VISA or MasterCard.

Complete the Examination Registration Form, including your credit card number and expiration date.

1. Fax the completed form to PSI (702) 932-2666. Fax registrations are accepted 24 hours a day.
2. If your information is incomplete or incorrect, it will be returned for correction.

Please allow 4 business days to process your Registration. After 4 business days, you may schedule your examination using a touch-tone phone, by calling PSI 24 hours a day at (800) 733-9267. To schedule with a PSI registrar, call Monday through Friday, between 7:30 am and 8:00 pm and Saturday, between 11:00 am and 5:00 pm, Eastern Time. You may also schedule online by accessing PSI's registration website at [www.psiexams.com](http://www.psiexams.com).

## STANDARD MAIL REGISTRATION AND SCHEDULING

For those desiring to make payment for their examination using cashier's checks or money orders, or for those that simply do not wish to provide credit card information over the phone or Internet, you must use the Standard Mail Registration. In order to register, please follow the steps below.

1. Complete the PSI registration Form (found at the end of the bulletin), and submit the form and appropriate examination fee to PSI. Payment of fees can be made by money order or cashier's check. Money orders or cashier's checks should be made payable to PSI. Print your social security number on your cashier's check or money order to ensure that your fees are properly assigned. **CASH, COMPANY CHECKS, PERSONAL CHECKS ARE NOT ACCEPTED.**

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Please allow 2 weeks to process your Registration. After 2 weeks you may schedule your examination using a touch-tone phone, by calling PSI 24 hours a day at (800) 733-9267. To schedule with a PSI registrar, call Monday through Friday, between 7:30 am and 8:00 pm and Saturday, between 11:00 am and 5:00 pm, Eastern Time. You may also schedule online by accessing PSI's registration website at [www.psiexams.com](http://www.psiexams.com).

## SCHEDULING FYI'S

- Only the candidate may schedule an appointment through a CSR, not a friend or relative.
- If space is available in the examination site of your choice, you may schedule an examination 1 day prior to the examination date of your choice, up to 7:00 p.m. ET.

## CANCELING AN EXAMINATION APPOINTMENT

You may cancel and reschedule an examination appointment without forfeiting your fee if your *cancellation notice is received 2 days before the scheduled examination date*. For example, for a Monday appointment, the cancellation notice would need to be received on the previous Saturday. You may call PSI at (800) 733-9267. Please note that you may also use the automated system, using a touch-tone phone, 24 hours a day in order to cancel and reschedule your appointment.

**Note:** A voice mail message is not an acceptable form of cancellation. Please use the Internet, automated telephone system (IVR), or call PSI and speak to a Customer Service Representative.

## SCHEDULING A RE-EXAMINATION

It is not possible to make a new examination appointment on the same day you have taken an examination; this is due to processing and reporting scores. A candidate who tests unsuccessfully on a Wednesday can call the next day, Thursday, and retest as soon as Friday, depending upon space availability. In order to retest, you must re-register following the steps for registration and scheduling as outlined earlier.



You may re-register over the Internet, telephone or by mail. Once registered, you can reschedule for your re-examination.

### MISSED APPOINTMENT OR LATE CANCELLATION

Your registration will be invalid, you will not be able to take the examination as scheduled, and you will forfeit your examination fee, if you:

- Do not cancel your appointment 2 days before the scheduled examination date;
- Do not appear for your examination appointment;
- Arrive after examination start time;
- Do not present proper identification when you arrive for the examination.

### SPECIAL EXAMINATION ARRANGEMENTS

All examination centers are equipped to provide access in accordance with the Americans with Disabilities Act (ADA) of 1990, and every reasonable accommodation will be made in meeting a candidate's needs. Applicants with disabilities requesting special testing arrangements must fill out the special arrangement request form found at [www.psiexams.com](http://www.psiexams.com). Select Michigan, and the license type, and the form will be found under "Information Links." A copy of this form may also be obtained by phoning 1-800-733-9267. You will need to fax this form and supporting documentation to (702) 932-2666.

Candidates applying for assistance other than an ADA accommodation must contact PSI in writing. Any costs associated with a non-ADA accommodation will be paid by the candidate.

### EXAMINATION SITE CLOSING FOR AN EMERGENCY

In the event that severe weather or another emergency forces the closure of an examination site on a scheduled examination date, your examination will be rescheduled. PSI personnel will attempt to contact you in this situation. However, you may check the status of your examination schedule by calling (800) 733-9267. Every effort will be made to reschedule your examination at a convenient time as soon as possible. You will be rescheduled at no additional charge.

### SOCIAL SECURITY NUMBER CONFIDENTIALITY

PSI will use your social security number only as an identification number in maintaining your records and reporting your examination results to the state. A Federal law requires state agencies to collect and record the social security numbers of all licensees of the professions licensed by the state.

### EXAMINATION REVIEW

AQB will be consistently evaluating the examinations being administered to ensure that the examinations accurately measure competency in the required knowledge areas. While taking the examination, examinees will have the opportunity to provide comments on any questions, by using the comments key on the keyboard. These comments will be analyzed by AQB examination development staff. AQB does not respond to individuals regarding these comments. All substantive

comments are reviewed. This is the only review of examination materials available to candidates.

## **EXAMINATION SITE LOCATIONS**

### **Lansing Examination Center (Closing 3/20/08)**

Point North, 815 Coolidge Road, Suite 302  
Lansing, MI 48912

*From U.S. Highway 127, exit at Lake Lansing Road and head east (If coming from the North, you would turn left; coming from the south, you would turn right.) At the traffic light at the first 4-way intersection (immediately past Blue Care Network which would be on your right), turn right on to Coolidge. Go approximately 1.3 miles and turn right just past the sign saying Pointe North (prior to the traffic light at Saginaw). Suite 302 is on the West side of the 300 Building.*

### **Holt-Lansing Examination Center (Opening 3/20/08)**

4202 Charlar Drive, Suite 101  
Holt, Michigan 48842

*Follow I-496 E, which becomes US-127 S. Take the Holt Rd exit 70. Turn right onto Holt Rd. Turn left onto Cedar St. Turn right onto Charlar Dr.*

### **Southfield (Detroit area) Examination Center**

Crossroads Building  
16250 Northland Drive, Suite 361  
Southfield, MI 48075

*From I-75 North and South, exit West 8 Mile Rd. Cross the Lodge Fwy (Hwy 10). Turn right on Northland Drive. Northland Drive is next to the Northland Shopping Center.*

*From Southfield Fwy North and South, exit East 8 Mile Rd. Go east on 8 Mile to Northland Drive. Northland Drive is next to the Northland Shopping Center*

### **Grand Rapids Examination Center**

4595 Broadmoor, Suite 201  
Grand Rapids, MI 49512

*From I-96, exit East Beltline Avenue and proceed south approximately 4 miles. Once you pass 28<sup>th</sup> Street, Beltline becomes Broadmoor. Continue south an additional 2 miles. The examination center is just south of 44<sup>th</sup> Street on the right.*

*From US-131, take exit 77 (M6 the new highway) east toward Lansing. Take exit 15 (M37/Broadmoor), head north (Left) on Broadmoor. The examination center is on the left in the Kentwood Corporate Complex.*

### **Gaylord Examination Center**

440 W. Main St., Suite D  
Gaylord, MI 49735

*From I-75 North take exit #282 / M-32 toward Alpena/Gaylord. Turn Right on W Main St (M-32) and go a little less than half a mile. 440 W. Main St. is on the left hand side of the road, in the Alpine Executive Center. (Turn at "Brothers Coffee & Tea" which faces Main Street. The building is at the corner of Main and Indiana.)*

### **Marquette Examination Center**

Mid Towne Office Complex  
1229 W. Washington  
Marquette, MI 49855



Complex is across the street from Shopko. Enter the building on the left, and go up the stairs. Go left at the top of the stairs, suite is at the end of the hall on the right.

## REPORTING TO THE EXAMINATION SITE

On the day of the examination, you should arrive at least 30 minutes prior to your scheduled appointment time. This allows time for sign-in and identification verification. *If you arrive late, you may not be admitted to the examination site and you will forfeit your examination registration fee.*

### REQUIRED IDENTIFICATION AT EXAMINATION SITE

You must provide 2 forms of identification. One must be a VALID form of government issued identification (driver's license, state ID, passport, military ID), which bears your signature and has your photograph. The second ID must have your signature and preprinted legal name. All identification provided must match the name on the Examination Registration Form.

If you cannot provide the required identification, you must call (800) 733-9267 at least 3 weeks prior to your scheduled appointment to arrange a way to meet this security requirement. *Failure to provide all of the required identification at the time of the examination without notifying PSI is considered a missed appointment, and you will not be able to take the examination.*

### SECURITY PROCEDURES

The following security procedures apply during examinations:

- No children, notes, books, briefcases, backpacks, hats, cellular telephones, or pagers are allowed in the examination area. (Note: There is no space to store these materials at the examination center.) Small purses (size of a wallet) will be permitted. Larger purses cannot be taken to the candidate's seat.
- No smoking, eating, or drinking is allowed in the examination center.
- Only calculators that are silent, battery-operated, do not have paper tape printing capabilities, and do not have a keyboard containing the alphabet are permitted.
- Once you have been seated and the examination begins, you may leave the examination center only to use the restroom, and only after obtaining permission from the proctor. You will not receive extra time to complete the examination.
- Any candidate seen giving or receiving assistance, found with unauthorized materials, or who violates any security regulations will be asked to surrender all examination materials and to leave the examination center. All such instances will be reported to the Department and you may be denied licensure.
- Copying or communicating examination content is a violation of security regulations and may result in the cancellation of your examination results or legal action taken under copyright laws.

## IMPORTANT NOTICE FOR ALL CANDIDATES

Due to many complaints from the buildings' tenants, PSI (and the properties which house the PSI test centers) cannot accommodate any individuals other than the person who is being tested.

PSI understands that test candidates are often comforted by having guests accompany them to their exams. It may also be necessary for a guest to drive the candidate to the test center. However, incidents from previous guests have prompted warnings from Property Management. For this reason, PSI has adopted the following policy concerning guests.

"Person(s) accompanying a test candidate may not wait in the test center, inside the building or on the building's property. This applies to guests of any nature, including drivers, children, friends, family, colleagues or instructors."

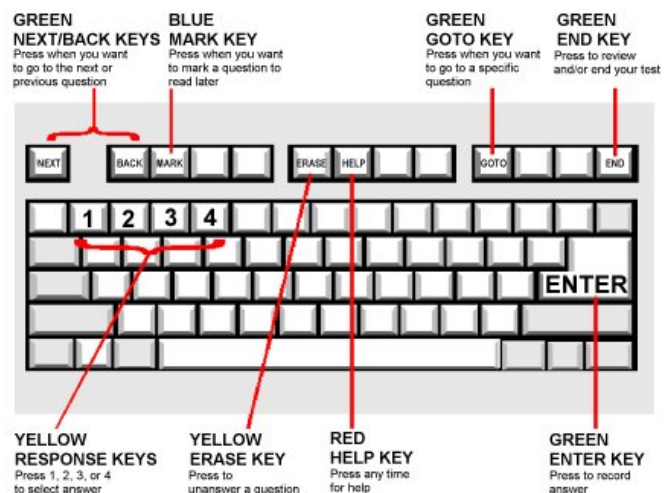
There are facilities nearby such as shopping malls, stores or restaurants where guests may go while the candidate takes a test. Please take the time to visit those locations instead of waiting in or around the building.

Also of note, many candidates have been arriving hours before their scheduled exam time. This is not necessary. Please plan to arrive no earlier than 30 minutes before the start-time of your exam. This will provide plenty of time for check-in.

Thank you for your understanding and for your cooperation.

## TAKING THE EXAMINATION BY COMPUTER

Taking the PSI examination by computer is simple. You do not need any computer experience or typing skills. You will use fewer keys than you use on a touch-tone telephone. All response keys are colored and have prominent characters. An illustration of the special keyboard is shown here.



### IDENTIFICATION SCREEN

You will be directed to a semiprivate testing station to take the examination. When you are seated at the testing station,

you will be prompted to confirm your name, identification number, and the examination for which you are registered.

### TUTORIAL

Before you start your examination, an introductory tutorial to the computer and keyboard is provided on the computer screen. The time you spend on this tutorial, up to 15 minutes, DOES NOT count as part of your examination time. Sample questions are included as part of the tutorial so that you may practice using the keys, answering questions, and reviewing your answers.

One question appears on the screen at a time. During the examination, minutes remaining will be displayed at the top of the screen and updated as you record your answers.

### EXAMINATION QUESTION EXAMPLE

During the examination, you should press 1, 2, 3, or 4 to select your answer or press "MARK" to mark it for later review. You should then press "ENTER" to record your answer and move on to the next question. A sample question display follows:

**IMPORTANT:** After you have entered your responses, you will later be able to return to any question(s) and change your response, provided the examination time has not run out.

### **SCORE REPORTING**

In order to pass the examination, you must achieve a minimum scaled score of 100. You will receive your score report immediately following the completion of the examination.

It is important to note that a scaled score of 100 is not a percentage score or the actual number of items needed to be answered correctly to pass the examination; those numbers will vary from examination to examination, based on the difficulty level of the items in any particular examination.

Candidates passing the examination will receive ONLY a score indication of PASS. Passing numeric scores are not available. Candidates who do not pass will receive an individual score for each of the major sections in the examination outline. Candidates should use this information to assist them in studying for the re-examination.

### LICENSE FEE REMITTANCE FORM

When you have passed the examination required for the desired license, you will receive a License Fee Remittance form. *You are responsible for submitting the License Fee Remittance form and appropriate fee to the Department.* The Department cannot complete the processing of your license until the fee and form are received.

If you are upgrading your license from another level, you must also return the existing wall license and pocket card. If there is more than one year remaining on the current license, the fee owed may be different. If the instructions on the form are not clear, contact the department for more information.

### VERIFICATION OF FAILED SCORE

If you receive a failing score on the examination, you may request that the examination be re-scored for verification of the score.

Re-scoring of computer based examinations WILL NOT include any verification of the content of an examination, or the content or accuracy of specific items received by the candidate. Re-scoring of computer based examinations also will not include any investigation of comments about items entered by the candidate during administration of the examination.

You can write to PSI to request the re-scoring of your failing examination. Please include your name, last 4 digits of your social security number, name and date of the test.

### DUPLICATE FAILED SCORE REPORT

You can write to PSI, within 30 days of taking the examination, to request a duplicate of your failed score report. After 30 days there will be a fee for a duplicate score report of \$10. *Money Order or cashier's check ONLY.*

### **TIPS FOR PREPARING FOR YOUR LICENSE EXAMINATION**

The following suggestions will help you prepare for your examination.

- Planned preparation increases your likelihood of passing.
- Start with a current copy of this Candidate Information Bulletin and use the examination content outline as the basis of your study.
- Read study materials that cover all the topics in the content outline.
- Take notes on what you study. Putting information in writing helps you commit it to memory. Underline or highlight key ideas that will help with a later review.
- Discuss new terms or concepts as frequently as you can with colleagues. This will test your understanding and reinforce ideas.
- Your studies will be most effective if you study frequently, for periods of about 45 to 60 minutes. Concentration tends to wander when you study for longer periods of time.

## DESCRIPTION OF EXAMINATIONS

### NATIONAL UNIFORM LICENSING AND CERTIFICATION EXAMINATIONS, DEVELOPED BY THE APPRAISER QUALIFICATIONS BOARD (AOB)

Michigan utilizes the National Uniform Licensing and Certification Examinations are developed by the Appraiser Qualifications Board (AOB).

For further information or to express concerns about the examination content, please contact:  
 The Appraiser Qualifications Board  
 C/O The Appraisal Foundation  
 1155 15th Street, NW, Suite 1111  
 Washington, DC 20005  
[www.appraisalfoundation.org](http://www.appraisalfoundation.org)  
 Main Number: 202.347.7722 Fax: 202-347-7727

#### EXAMINATION SUMMARY TABLE

Examination	# of Questions	Passing Scaled Score	Time Allowed
State Licensed Appraiser	150	100	6 hours
Certified Residential Appraiser	150	100	6 hours
Certified General Appraiser	150	100	8 hours

#### PRETEST ITEMS

In addition to the number of examination items specified, fifteen "pretest" questions will be administered to candidates during the examinations. These questions will not be scored and the time taken to answer them will not count against examination time. The administration of such non-scored experimental questions is an essential step in developing future licensing examinations.

#### CONTENT OUTLINES

The examination content outlines have been prepared by the AOB.

Use the outline as a guide for pre-examination review course material. The outlines list the domains that are on the examination and the percentage of questions for each domain. Do not schedule your examination until you are familiar with the domains in the outline.

### NATIONAL UNIFORM AND CERTIFICATION EXAMINATION CONTENT OUTLINES (EFFECTIVE 1/1/08)

DOMAIN & SUBTOPICS	State Licensed Appraiser	Certified Residential Appraiser	Certified General Appraiser
I. Influences on RE Value	5%	5%	5%
Governmental Economic Social Environmental, geographic and physical			
II. Legal Considerations	5%	5%	4%
Forms of ownership Public and private controls Real estate contracts Leases			
III. Types of Value	5%	5%	6%
Market value Other value types			
IV. Economic Principles	5%	5%	6%
Classical economic principles Application/illustrations of economic principles			
V. Real Estate Markets & Analysis	4%	4%	5%
Market fundamentals, characteristics, definitions Supply analysis Demand analysis Use of market analysis			
VI. Property Description	11%	11%	10%
Geographic characteristics of the land/site Geologic characteristics of the land/site Location and neighborhood characteristics Land/site considerations for highest and best use Improvements-architectural styles/types of construction			
VII. Highest and Best Use Analysis	9%	9%	9%
Test constraints: legal, physical, financially feasible and maximally productive Application of highest and best use Market analysis			
VIII. Appraisal Math and Statistics	3%	3%	4%
Statistics Valuation models (AVMs and mass appraisal) Real estate finance			
IX. Sales Comp Approach	15%	15%	10%
Valuation principles Procedures: Identification, derivation and measurement of adjustments Partial interests Reconciliation			
X. Site Value	5%	5%	4%
XI. Cost Approach	9%	9%	6%
Concepts and definitions Replacement/reproduction cost new Methods of estimating accrued depreciation			
XII. Income Approach	7%	7%	15%
Valuation principles Valuation procedures: Direct capitalization			

DOMAIN & SUBTOPICS	State Licensed Appraiser	Certified Residential Appraiser	Certified General Appraiser
XIII. Valuation of Partial Interest	1%	1%	1%
XIV. Appraisal Standards and Ethics	16%	16%	15%
Preamble and rules Standards 1-6 Statements and advisory opinions			

## SAMPLE QUESTIONS

The following questions are offered as examples of the types of questions you will be asked during the course of the. The examples do not represent the full range of content or difficulty levels found in the actual examinations. They are intended to familiarize you with the types of questions you can expect to find in the examinations. (The answer key is found after each sample question.)

1. The subject property is a 10,000 s.f. office building encumbered by a full-service lease with a contract base rent of \$1.25 per s.f. monthly. Stabilized vacancy/credit loss allowance for similar properties within the market area is 7% of PGI. The operating expense ratio for similar properties is 30% of EGI, plus reserves for replacement of \$0.15 per s.f. Based on these facts, what is the projected net operating income?

- A. \$97,650
- B. \$93,000
- C. \$96,150
- D. \$94,500

Answer = C

2. The assignment is a warehouse located in an industrial park. The client requires the cost approach be completed. There are no vacant land comparables in the market area. There are 3 sales of commercial buildings in the industrial park with similar lots that the appraiser has researched extensively. The appraiser found the following information:

Sale 1 sold for \$1,750,000. The buyer allocated 20% of the value to the site and 80% to the value of the structure.

Sale 2 sold for \$1,000,000. The buyer was not available for verification, but the seller was available. The seller had just built the structure after holding the lot for 10 years as an investment property. He paid \$100,000 for the lot and had earned 25% straight line annual return on his investment over the cost of the structure and its entrepreneurial profit.

Sale 3 sold for \$3,500,000. The buyer estimated that 90% of what he paid was for the structure.

What is the indicated value of the lot using the allocation approach?

- A. \$350,000
- B. \$500,000
- C. \$135,000
- D. \$125,000

Answer = A

3. During the research of a subject property an appraiser learns the occupants (parents) have been granted a life estate by their children. What interest do the children hold in the property?

- A. Remainderman
- B. Life tenant
- C. Trustee
- D. Trustor

Answer = A

4. A homeowner purchased two adjacent lots in a tract subdivision 20 years ago and built a single-unit residence entirely on one lot, utilizing the second lot as a side yard. The homeowner has decided to build a smaller home on the vacant side lot and retain the existing home as a rental. What term applies to the second yard?

- A. Surplus land
- B. Vacant site
- C. Excess land
- D. Underutilized site

Answer = C

5. The subject assignment is to appraise an 1880's vintage house using the cost approach. The house has metal stamped ceilings, lath and plaster walls, which are items not easily available in today's construction. The estimated replacement cost using modern materials is \$120 per s.f. Contractors charge \$15 more per s.f. to work on older houses. The estimated reproduction cost is \$185 per s.f. What is the estimated loss in utility?

- A. \$65 per s.f.
- B. \$33 per s.f.
- C. \$80 per s.f.
- D. \$15 per s.f.

Answer = A

6. While working on an appraisal of a residential property in a new home subdivision, the appraiser finds that the builders have a total of 100 home sites currently offered for sale. In measuring market demand the appraiser notes that all of the builders are currently averaging two new sales contracts per month (combined), and are expecting to sell 24 homes within the next year. What conclusion could be drawn with regard to the 100 available home sites and a market period of the next 12 months?

- A. The market is in a condition of supply and demand.
- B. The market is in a condition of balance.
- C. The market is in a condition of oversupply.
- D. The market is in a condition of undersupply.

Answer = C







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