

# Phase 1 Homework Questions

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## Chapter 1: Define or describe the following Key Terms

Real Estate

Capital Markets

User Markets

Property Markets

Capitalization Rates

Tangible vs. Intangible Assets

Real Property

## Chapter 1: Study Questions

1. The term real estate can be used in three fundamental ways. List these three alternative uses or definitions.
3. Describe the value of U.S. real estate by comparing it to the values of other asset classes (e.g., stocks, bonds).
4. How much of the wealth of a typical U.S. household is tied up in housing? How does this compare to the role that assets and investments play in the portfolios of U.S. households?
5. Real estate assets and markets are unique when compared to other assets or markets. Discuss the primary ways that real estate markets are different from the markets for other asset that trade in well-developed public markets.
7. Identify and describe the interaction of the three economic sectors that affect real estate value.

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## Chapter 2: Define or describe the following Key Terms

Dominant vs. Servient parcel

Types of Liens

Property rights

Restrictive Covenants

Forms of Tenancy

Fee Simple types

Easements

Mineral Rights – Rule of Capture

## Chapter 2: Study Questions

1. Explain how rights differ from power or force, and from permission.
3. Why are restrictive covenants a good idea for a subdivision? Can they have any detrimental effects on the subdivision or its residents? For example are there any listed in the chapter that might have questionable effects on value of a residence?
5. A friend has an elderly mother who lives in a house adjacent to her church. The church is growing, and would welcome the opportunity to obtain her house for its use. She would like to support the needs of her church, but she does not want to move and feels strongly about owning her own home. On the other hand, your friend knows that she will not be able to remain in the house many more years, and will be faced with moving and selling within a few years. What options can you suggest as possible plans to explore?
7. In the United States, the bundle of rights called real property seems to have gotten smaller in recent decades. Explain what has caused this. Why is it good? Why is it bad?

## Phase 1 Homework Questions

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### Chapter 3: Define or describe the following Key Terms

Accretion vs. Reliction

Adverse Possession

Covenant of Seizin

Types of Deeds (7)

Doctrine of Constructive Notice

Easement by Estoppel

Encroachment

Habendum Clause

Metes and Bounds

Title Abstract / Insurance

### Chapter 3: Study Questions

1. Explain how title insurance works. What risks does it cover? Who pays, and when? What common exceptions does it make?
2. If a grantee obtains title insurance, what value, if any, is there in the covenant of seizen in a warranty deed?
4. Name at least six adverse (conflicting) claims to property or other title defects, that will not be evident from a search of property records but which might be detected by inspection of the property and its occupants.
5. Why might it be advisable to require a survey in purchasing a 20-year-old home in an urban subdivision?

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### Chapter 5: Define or describe the following Key Terms

Economic base (p. 102)

Comparison activities (p 121)

### Chapter 5: Study Questions

1. Characteristics/types of Economic Forces
2. Characteristics/types of Social Forces
3. Characteristics/types of Environmental Forces
4. Characteristics/types of Governmental Forces

List 5 major economic base activities in Wilmington, NC.

2. Using the US Census Web-Site: What is the distribution of income for Wilmington, New Hanover County, and North Carolina? Why are there differences in distribution?

- a. NC: <http://quickfacts.census.gov/qfd/states/37000.html>
- b. NHC: <http://quickfacts.census.gov/qfd/states/37/37129.html>
- c. Wilmington: <http://quickfacts.census.gov/qfd/states/37/3774440.html>