



Practice relating to
Residential Estate
Agency (PREA)

Sample Questions

propertymark
QUALIFICATIONS

PRACTICE RELATING TO RESIDENTIAL ESTATE AGENCY (PREA) SAMPLE QUESTIONS AND ANSWERS

This unit develops some of the principles introduced in the legal units. It looks at the process from market appraisal, taking particulars, taking instructions, marketing, negotiating the sale and progressing the transaction. At all times considering the ethical implications of acting as an estate agent.

Questions, and answers where provided, are correct as at time of publishing.

April 2021

CONTENTS

Assessment information.	3	SCENARIO 4	10
SCENARIO 1.	4	Question 1	10
Question 1	4	Question 2	11
Question 2	5	SCENARIO 5	12
SCENARIO 2.	6	Question 1	12
Question 1	6	Question 2	13
Question 2	7		
SCENARIO 3.	8		
Question 1	8		
Question 2	9		



ASSESSMENT INFORMATION

Assessment Method	Short essay style exams 2 hours
Availability of assessment	Set times of the year as identified within the qualification page on the Propertymark Qualifications website

Examinations are manually marked by an examiner and moderated by an experienced and qualified moderator.

The pass mark for each unit is **45%**.

The successful achievement of all units will result in either a final certificate showing a Pass or Distinction Grade.

In order to obtain an overall grade of Distinction, you need to achieve an **overall average mark of 70% across all examinations**.

SCENARIO 1

A new negotiator has started work in your office and their parents' house is listed for sale with you on a sole agency basis. The agency also has an appointment to take instructions on the property of applicants interested in purchasing the negotiator's parent's house, although no offer has been made yet.

Question 1

Advise the new negotiator of the correct way to deal with this situation.

SCENARIO 1 (CONTD.)

Question 2

Explain the procedures that should be followed when visiting the potential buyers house to take instructions. You are not required to consider the market appraisal procedure in your answer.

SCENARIO 2

You have been appointed as a consultant to an estate agency with three offices dealing mainly with sales of owner-occupied properties by private treaty. The owners of the firm are worried because their market share seems to have fallen significantly over the last 18 months. The owners are also of the opinion that opening an auction department may be beneficial.

Question 1

Explain the six main sources of instruction and how you would advise the owners to tackle their problem.

SCENARIO 2 (CONTD.)

Question 2

Explain to the owners why auctions may or may not be a viable enterprise.

SCENARIO 3

Your office offers estate agency, financial services, and surveying. An elderly couple are selling their large detached house. You have undertaken the market appraisal on the house, gained instructions, and the property has been on the market for a month. You have received an agreed offer which has been reported to the sellers, the buyer, and their legal advisers.

Question 1

Explain what you would expect to happen next in the sales process.

SCENARIO 3 (CONTD.)

Question 2

If instructions to sell are not received at a market appraisal appointment, explain what subsequent follow up actions would be appropriate.

SCENARIO 4

You have received instructions to sell a 1920s bay fronted detached house in very poor condition but with extensive gardens and river frontage. The seller informs you that the plot size is 1 acre (0.4047 hectares), there are mooring rights and scope to extend the property. The location is very isolated.

Question 1

In highlighting the property's key selling points in the sale details and other marketing material, explain what measures you could take to ensure compliance with the relevant legislation.

SCENARIO 4 (CONTD.)

Question 2

Because of the nature of the property the seller has asked you to come up with a marketing plan. Explain how you would go about producing such a plan and the media available to market the property.

SCENARIO 5

John and Sarah own a top floor apartment within a purpose-built block of six apartments built in 1975 and held on a 99 year lease.

During the 15 months that you had been marketing this property most of the viewers expressed concern over the remaining term of the lease.

Eight weeks ago, you agreed a sale. You have just spoken to the buyer's solicitor who is getting frustrated because they are still waiting for information about the lease.

Question 1

Explain the steps you should have advised John and Sarah to take, which would have overcome most of the delays and what they could have done to overcome the earlier resistance to the property.

SCENARIO 5 (CONTD.)

Question 2

Your viewing records show that all previous viewings had been conducted by the seller. The viewing by the present buyers had been conducted by your senior negotiator. Explain how your member of staff might have influenced the buyers during the viewing.