

RE 310 – Principles of Real Estate

How Do You Buy Real Estate?

Practice Homework Problems – Solutions

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- 1) George owns a downtown warehouse property. He lists this property with Ringo using an open listing agreement. John would like to buy a warehouse property located near downtown, and Ringo shows him George's property.
 - a) In this example, who is the principal and who is the agent?
 - b) Who is the customer and who is the client? What responsibilities does the agent owe each?
 - c) If John buys the property, does Ringo receive a commission?
 - d) Suppose that George independently shows the property to Paul and sells it to him? Does Ringo receive a commission in this case?
 - e) How does Yoko Ono fit into the mix?
- 2) What is a transaction broker in Kansas, and when would one be used?
- 3) George hires Martha to oversee the management of a property he owns. Who is the principal and who is the agent in this relationship? What type of agency relationship is this?
- 4) List and briefly describe each of the five basic duties an agent owes to the principal.
- 5) What is the difference between a *dual agent* and a *transaction broker*? Which is the type of relationship that is permissible in Kansas?
- 6) You are the seller's agent for the owner of a class B commercial office building downtown. If your contract with the seller is a "exclusive agency listing," under what circumstances will you earn a commission on the sale?
- 7) Explain briefly the seller's agent's obligations to his client under BRRETA. How do these differ from his obligations to a customer?
- 8) What are the required elements of a valid contract?
- 9) Tom has given Dick general power of attorney to oversee Tom's affairs. Who is the *principal* and who is the *agent* in this relationship? What type of agency relationship is this?
- 10) Explain briefly the difference between a *general warranty deed* and a *special warranty deed*.
- 11) Give an example of when you might use a *quitclaim deed* to transfer an interest in real estate.
- 12) List and explain briefly the required elements of a valid deed.