

NY Real Estate Exam — Cheat Sheet

Formulas, key terms and the New York specifics, on one page. Free from Exam Practice Hub.

How the exam works

75 multiple-choice questions, administered by the New York Department of State. You need 70% to pass — 53 correct, so you can miss 22. You must finish the 77-hour qualifying course first. Results come back pass/fail only; you are not shown which questions you missed.

The maths you must know

Commission	Sale price x rate. Split the brokerage share, then the agent's share. Always use the SALE price, not the list price.
Percentage change	Increase / ORIGINAL value. Dividing by the new value is the classic wrong answer.
Area	Area = width x depth. An acre is 43,560 sq ft. A square yard is 9 sq ft.
Price per sq ft	Price / above-grade living area. A finished basement is valued separately.
GRM	Price / gross rent. Monthly and annual differ by 12 — read which the question wants.
Cap rate	NOI / value. Rearranged: Value = NOI / cap rate.
NOI	Gross income - vacancy - operating expenses. BEFORE debt service, depreciation and income tax.
Taxes	Assessed value (not market value) / 1,000 x rate.
Points	1 point = 1% of the LOAN, never the purchase price.
Proration	Split at closing by days used. Seller owes through the day before closing.

Agency — the most-tested topic

- Fiduciary duties: **OLD CAR** — Obedience, Loyalty, Disclosure, Confidentiality, Accounting, Reasonable care.
- Confidentiality survives after the deal closes. Price, motivation and urgency are always confidential.
- Disclose material defects in the PROPERTY. Never disclose facts about your CLIENT.
- Dual agency is legal in NY only with informed written consent from both sides. Loyalty is the duty that shrinks.
- NY Agency Disclosure Form is required at FIRST SUBSTANTIVE CONTACT — before discussing price or motivation.
- Obedience covers lawful instructions only. A seller telling you to hide a defect does not override disclosure.

Listings and contracts

Exclusive right to sell	Broker paid no matter who sells — including the owner.
Exclusive agency	Owner may sell it themselves and owe nothing.
Open listing	Any number of brokers; only the procuring broker is paid.
Net listing	Broker keeps everything above a set price. Prohibited/restricted in NY.
Counteroffer	Any change to terms REJECTS the original offer. It cannot be revived.
Acceptance	Not binding until COMMUNICATED back to the offeror.
Voidable vs void	Voidable = one party may cancel (duress, minor). Void = never existed (no capacity, illegal).
Liquidated damages	Deposit agreed in advance as the seller's remedy. Too high = unenforceable penalty.

Estates, ownership and encumbrances

- **Joint tenancy** — equal shares, right of survivorship, four unities (time, title, interest, possession).
- **Tenancy in common** — unequal shares allowed, NO survivorship, share passes to heirs. NY's default presumption.
- **Tenancy by the entirety** — married couples only, survivorship, neither spouse can convey alone.
- **Life estate** — lasts a measuring life, then to the remainderman. Life tenant must not commit waste.
- **Liens** are financial claims; **easements** restrict use. Voluntary = mortgage. Involuntary = tax, judgment, mechanic's.
- **Tax liens outrank everything**, including a first mortgage recorded years earlier.
- **Fixtures** convey; personal property does not. Tests: attachment, adaptation, intent.

Deeds, title and closing

General warranty	Strongest. Warrants the entire history of title.
Special warranty	Covers only the grantor's own period of ownership.
Bargain and sale	No warranty of clear title. Customary in much of New York.
Quitclaim	Conveys whatever interest exists — possibly none. Used to clear clouds.
Recording	NY is race-notice: a good-faith buyer who records FIRST wins.
Title insurance	Covers defects existing BEFORE closing — forged deeds, missed heirs, unrecorded liens.
Transfer tax	Paid by the SELLER (\$2 per \$500). The 1%+ mansion tax on \$1M+ is paid by the BUYER.

New York specifics and fair housing

- Salesperson licence must be held by a sponsoring **broker**. Commission never flows directly to a salesperson.
- Licence renews every **2 years** with **22.5 hours** CE, including fair housing and implicit bias. No experience exemption.
- Escrow deposits go into a separate account within **3 business days**. Commingling is a fast route to revocation.
- **Blind ads** — any advertisement omitting the brokerage name — are prohibited.
- Federal protected classes: race, colour, religion, sex, national origin, disability, familial status.
- NY adds age, marital status, sexual orientation, gender identity, military status and lawful source of income.
- **Steering** = channelling by protected class. **Blockbusting** = inducing panic selling. **Redlining** = refusing loans by area.
- Property Condition Disclosure Statement is required before contract — the old \$500 credit option was eliminated in March 2024.