



CALIFORNIA SALESPERSON EXAM

Review.
Understand.
Try again.

California Real Estate Exam Review Workbook

A clear plan. A careful calculation. A better next attempt.

7

CONTENT AREAS

65

OUTLINE TOPICS

18

MATH REFERENCES

Made for your desk, not just your downloads folder. Check a topic, work through the calculation, and give each mistake a useful next step.

Free to print and keep. No account or email required.

**01 / YOUR REVIEW ROUTINE**

Make the next attempt count.

Keep this beside your practice questions. Write in pencil, leave room for corrections, and use another example to test whether the rule still makes sense.

Seven-area topic checklists	03-09
Formula reference and setup notes	10-15
Three mistake-review worksheets	16-18
Sources and your next study session	19

PRINT ONLY WHAT YOU NEED

US Letter, portrait, at actual size or fit to printable area. All essential text is dark and remains readable in grayscale. To write on the worksheets, print pages 16-18 single-sided. The other pages can be printed double-sided.

KEEP A DIGITAL COPY

The topic checkboxes and review worksheets are fillable in compatible PDF readers. Download your own copy, keep entries brief, then save and reopen it to check that your work was retained. Browser support varies; printing and handwriting always remain an option.

WHAT A CHECKMARK MEANS

Read = reviewed the lesson. Apply = attempted a related question without notes. Revisit = needs another attempt. These are review records, not scores or proof of exam readiness.

THE EXAM FORMAT

150 questions | 3 hours | 70% passing threshold. The workbook is a review companion, not a qualifying pre-license course or official DRE examination material.

Independent exam preparation. Not affiliated with or endorsed by the California Department of Real Estate. Use current official sources for legal requirements and the full lessons for context and exceptions.



02 / DRE AREA 6 / APPROXIMATELY 25%

Practice of Real Estate and Disclosures

Read the lesson. Apply it without notes. Revisit any concept you cannot explain, including a guessed-correct answer.

PUBLISHED DRE TOPIC	READ	APPLY	REVISIT
Trust Account Management	☐	☐	☐
Fair Housing Laws	☐	☐	☐
Truth in Advertising	☐	☐	☐
Record Keeping Requirements	☐	☐	☐
Agency Supervision	☐	☐	☐
Permitted Activities of Unlicensed Sales Assistants	☐	☐	☐
DRE Jurisdiction and Disciplinary Actions	☐	☐	☐
Licensing, and Continuing Education Requirements and Procedures	☐	☐	☐
California Real Estate Recovery Fund	☐	☐	☐
General Ethics	☐	☐	☐
Technology	☐	☐	☐
Property Management	☐	☐	☐
Commercial/Industrial/Income Properties	☐	☐	☐
Specialty Areas	☐	☐	☐
Transfer Disclosure Statement	☐	☐	☐
Natural Hazard Disclosure Statements	☐	☐	☐
Disclosure of Material Facts Affecting Property Value	☐	☐	☐
Need for Inspection and Obtaining/Verifying Information	☐	☐	☐
Reports	☐	☐	☐
Servicing Diverse Populations	☐	☐	☐

Weights are approximate. DRE's published topic list is not exhaustive; these checks record review, not mastery.

[Read the complete lesson and practice this area](#)



02 / DRE AREA 2 / APPROXIMATELY 17%

Laws of Agency and Fiduciary Duties

Read the lesson. Apply it without notes. Revisit any concept you cannot explain, including a guessed-correct answer.

PUBLISHED DRE TOPIC	READ	APPLY	REVISIT
Law, Definition and Nature of Agency Relationships, Types of Agencies, and Agents	☐	☐	☐
Creation of Agency and Agency Agreements	☐	☐	☐
Responsibilities of Agent to Seller/Buyer as Principal	☐	☐	☐
Disclosure of Agency	☐	☐	☐
Disclosure of Acting as Principal or Other Interest	☐	☐	☐
Termination of Agency	☐	☐	☐
Commission and Fees	☐	☐	☐
Responsibilities of Agent to Non-Client Third Parties	☐	☐	☐

Weights are approximate. DRE's published topic list is not exhaustive; these checks record review, not mastery.

[Read the complete lesson and practice this area](#)

EXPLAIN ONE DISTINCTION WITHOUT NOTES

CHANGE ONE FACT. WHAT CHANGES IN THE ANSWER?

NEXT REVIEW DATE:



02 / DRE AREA 1 / APPROXIMATELY 15%

Property Ownership and Land Use Controls and Regulations

Read the lesson. Apply it without notes. Revisit any concept you cannot explain, including a guessed-correct answer.

PUBLISHED DRE TOPIC	READ	APPLY	REVISIT
Classes of Property	☐	☐	☐
Property Characteristics	☐	☐	☐
Encumbrances	☐	☐	☐
Types of Ownership	☐	☐	☐
Descriptions of Property	☐	☐	☐
Government Rights in Land	☐	☐	☐
Public Controls	☐	☐	☐
Environmental Hazards and Regulations	☐	☐	☐
Private Controls	☐	☐	☐
Water Rights	☐	☐	☐
Special Categories of Land	☐	☐	☐

Weights are approximate. DRE's published topic list is not exhaustive; these checks record review, not mastery.

[Read the complete lesson and practice this area](#)



02 / DRE AREA 3 / APPROXIMATELY 14%

Property Valuation and Financial Analysis

Read the lesson. Apply it without notes. Revisit any concept you cannot explain, including a guessed-correct answer.

PUBLISHED DRE TOPIC	READ	APPLY	REVISIT
Value	☐	☐	☐
Methods of Estimating Value	☐	☐	☐
Financial Analysis	☐	☐	☐

Weights are approximate. DRE's published topic list is not exhaustive; these checks record review, not mastery.

[Read the complete lesson and practice this area](#)

EXPLAIN ONE DISTINCTION WITHOUT NOTES

CHANGE ONE FACT. WHAT CHANGES IN THE ANSWER?

NEXT REVIEW DATE: _____



02 / DRE AREA 7 / APPROXIMATELY 12%

Contracts

Read the lesson. Apply it without notes. Revisit any concept you cannot explain, including a guessed-correct answer.

PUBLISHED DRE TOPIC	READ	APPLY	REVISIT
General	☐	☐	☐
Listing Agreements	☐	☐	☐
Buyer Broker Agreements	☐	☐	☐
Offers/Purchase Contracts	☐	☐	☐
Agreements	☐	☐	☐
Promissory Notes/Securities	☐	☐	☐
Purchase/Lease Options	☐	☐	☐
Advanced Fee	☐	☐	☐

Weights are approximate. DRE's published topic list is not exhaustive; these checks record review, not mastery.

Read the complete lesson and practice this area

EXPLAIN ONE DISTINCTION WITHOUT NOTES

CHANGE ONE FACT. WHAT CHANGES IN THE ANSWER?

NEXT REVIEW DATE: _____



02 / DRE AREA 4 / APPROXIMATELY 9%

Financing

Read the lesson. Apply it without notes. Revisit any concept you cannot explain, including a guessed-correct answer.

PUBLISHED DRE TOPIC	READ	APPLY	REVISIT
General Concepts	☐	☐	☐
Types of Loans	☐	☐	☐
Sources of Financing	☐	☐	☐
Government Programs	☐	☐	☐
Mortgages/Deeds of Trust/Notes	☐	☐	☐
Financing/Credit Laws	☐	☐	☐
Loan Brokerage	☐	☐	☐
Types of Loan Originators	☐	☐	☐

Weights are approximate. DRE's published topic list is not exhaustive; these checks record review, not mastery.

[Read the complete lesson and practice this area](#)

EXPLAIN ONE DISTINCTION WITHOUT NOTES

CHANGE ONE FACT. WHAT CHANGES IN THE ANSWER?

NEXT REVIEW DATE: _____



02 / DRE AREA 5 / APPROXIMATELY 8%

Transfer of Property

Read the lesson. Apply it without notes. Revisit any concept you cannot explain, including a guessed-correct answer.

PUBLISHED DRE TOPIC	READ	APPLY	REVISIT
Title Insurance	☐	☐	☐
Deeds	☐	☐	☐
Escrow	☐	☐	☐
Tax Aspects	☐	☐	☐
Special Processes	☐	☐	☐
Transfer through Court Supervision	☐	☐	☐
Types of Vesting	☐	☐	☐

Weights are approximate. DRE's published topic list is not exhaustive; these checks record review, not mastery.

Read the complete lesson and practice this area

EXPLAIN ONE DISTINCTION WITHOUT NOTES

CHANGE ONE FACT. WHAT CHANGES IN THE ANSWER?

NEXT REVIEW DATE:



03 / MATH REFERENCE 01

Commission, leverage and prorations.

Use the stated units, periods and assumptions. Convert percentages to decimals where needed. Keep intermediate precision and round only as directed, except transfer-tax units, which round upward.

Commission

$$\text{Commission} = \text{Sale Price} \times \text{Rate}$$

For a percentage-based commission, multiply the sale price by the agreed rate as a decimal. Compensation is negotiable, not set by law. A broker's right to payment depends on the agreement and performance, not this calculation alone. Apply each split to the amount allocated at the previous step.

Loan-to-Value

$$\text{LTV (\%)} = \text{Loan} / \text{Stated Value Basis} \times 100$$

LTV compares the loan with the value basis required by the exercise or loan program. A \$240,000 loan divided by a \$300,000 value basis is 80%. If a \$300,000 purchase appraises at \$280,000 and underwriting uses the lower figure, the same loan has an LTV of about 85.71%. The buyer still pays \$60,000 toward the purchase price. Down payment and LTV use different bases in that example.

Proration

$$\text{Daily Rate} = \text{Annual Amount} / \text{Stated Year Basis}; \text{Share} = \text{Daily Rate} \times \text{Assigned Days}$$

Proration allocates an expense or income between ownership periods. Use the problem's day-count convention and closing-day assignment. A 30/360 exercise uses 30-day months; an actual-day exercise uses the stated calendar basis. Prepaid expenses paid by the seller can create a seller credit. Advance rent collected by the seller for the buyer's period creates a buyer credit instead.

[Use worked examples and source notes online](#)



03 / MATH REFERENCE 02

Rent, income value and area.

Use the stated units, periods and assumptions. Convert percentages to decimals where needed. Keep intermediate precision and round only as directed, except transfer-tax units, which round upward.

Gross Rent Multiplier

$$\text{GRM} = \text{Price} / \text{Gross Rent}; \text{Value} = \text{Gross Rent} \times \text{GRM (matching periods)}$$

Monthly and annual multipliers both exist. A \$360,000 property with \$3,000 monthly rent has a monthly multiplier of 120 or an annual multiplier of 10. Match the rent period to the multiplier. GRM ignores operating expenses, so a lower multiplier alone does not establish a better investment.

Cap Rate

$$\text{Cap Rate (\%)} = \text{NOI} / \text{Value} \times 100; \text{Value} = \text{NOI} / \text{Decimal Cap Rate}$$

A capitalization rate compares a representative year's net operating income with property value or price. Divide NOI by value to find the decimal rate; multiply by 100 to express it as a percentage. Divide NOI by a decimal cap rate to estimate value. This is a property-income measure before debt service, not the buyer's total investment return or a guaranteed interest payment.

Area Calculation

$$\text{Rectangle Area} = \text{Length} \times \text{Width}$$

For a rectangular parcel, multiply the length by the width. For irregular shapes, break them into simple rectangles or triangles, calculate each piece, and add them up. To convert square feet to acres, divide by 43,560 (the number of square feet in one acre).

[Use worked examples and source notes online](#)



03 / MATH REFERENCE 03

Growth, operating income and payments.

Use the stated units, periods and assumptions. Convert percentages to decimals where needed. Keep intermediate precision and round only as directed, except transfer-tax units, which round upward.

Appreciation & Depreciation

New Value = Original $\times$ (1 + Rate)^{Periods}; use (1 - Rate) for compound decline

Appreciation means a property gains value over time; depreciation means it loses value. To find the new value after one year, multiply the original value by (1 + rate) for appreciation or (1 - rate) for depreciation. If it compounds over multiple years, apply the calculation year by year; each year uses the previous year's value, not the original.

Net Operating Income

NOI = Effective Gross Income - Operating Expenses

Start with scheduled income, subtract stated vacancy and collection losses, add other income, then subtract operating expenses. NOI is before debt service, income taxes and depreciation. It is not the owner's spendable cash after financing.

Mortgage Payment

Monthly P&I = (Loan / 1,000) $\times$ Factor

When a problem supplies a monthly payment factor per \$1,000, divide the loan by 1,000 and multiply by the factor. A \$200,000 loan with a \$6.00 factor has monthly P&I of \$1,200. Use the factor for the stated rate and term. Add taxes and insurance separately when asked for PITI.

[Use worked examples and source notes online](#)



03 / MATH REFERENCE 04

Points, seller proceeds and land.

Use the stated units, periods and assumptions. Convert percentages to decimals where needed. Keep intermediate precision and round only as directed, except transfer-tax units, which round upward.

Discount Points & Yield

$$\text{Point Cost} = \text{Loan Amount} \times \text{Number of Points} / 100$$

One point costs 1% of the loan amount. Discount points are upfront charges associated with a lower contractual rate. Actual rate reduction and lender yield depend on the loan terms. Apply a yield approximation only when the exercise supplies it; one point does not universally change the rate or yield by one eighth of a percentage point.

Net-to-Seller

$$\text{Required Price} = (\text{Desired Net} + \text{Costs} + \text{Payoffs}) / (1 - \text{Commission Rate})$$

Start with the seller's desired net, then add the stated fixed selling costs and loan payoffs. Divide that total by one minus the commission rate as a decimal. With a \$200,000 target net, an agreed 6% commission, and no other costs or payoffs, the required sale price is $\$200,000 / 0.94$, or about \$212,766. This is a proceeds calculation under the stated assumptions; an asking price does not guarantee that result.

Section / Township Area

$$\text{Standard Section} = 640 \text{ acres; multiply by the stated fractions}$$

A standard section is one square mile, or 640 acres. A standard six-by-six-mile township contains 36 sections and 23,040 acres. Actual surveyed acreages can differ. For a standard section, the NW quarter of the SE quarter is $640 \times 1/4 \times 1/4 = 40$ acres. One more quarter gives 10 acres. Read the description from right to left to locate the parcel, and apply each stated fraction to calculate its area.

[Use worked examples and source notes online](#)



03 / MATH REFERENCE 05

Taxes, transfer charges and interest.

Use the stated units, periods and assumptions. Convert percentages to decimals where needed. Keep intermediate precision and round only as directed, except transfer-tax units, which round upward.

Property Tax

Value-Based Tax = Taxable Assessed Value × Applicable Decimal Rate; add fixed charges separately

Proposition 13 generally limits the base levy to 1% of assessed value, with qualifying bonded debt and other charges added separately. Factored base-year value generally rises by the inflation factor, capped at 2% annually. A reassessable ownership change establishes current fair market value; exclusions and base-year transfers can change the result. New construction generally reassesses the new portion. Decline-in-value assessments follow separate rules.

Documentary Transfer Tax

County Tax = $\text{ceil}((\text{Consideration} - \text{Liens Remaining}) / \$500) \times \$0.55$, if taxable value exceeds \$100

For a taxable transfer under Revenue and Taxation Code section 11911, exclude liens remaining on the property from consideration or value. If that base exceeds \$100, divide by \$500, round the units UP, and multiply by \$0.55. A \$100,100 base gives 201 units and \$110.55. A loan paid off at closing is not a remaining lien. Check statutory exemptions and local ordinances separately; this formula does not determine every city's tax.

Simple Interest

Interest = Principal × Rate × Time

Multiply principal by the annual rate and time in years. For five months, time is 5/12. For a monthly amortizing-loan exercise, interest is the current balance times the annual rate divided by 12; subtract it from the P&I payment to find principal reduction. Use the stated convention when interest is based on days.

[Use worked examples and source notes online](#)



03 / MATH REFERENCE 06

Adjustments, ratios and overbids.

Use the stated units, periods and assumptions. Convert percentages to decimals where needed. Keep intermediate precision and round only as directed, except transfer-tax units, which round upward.

Sales Comparison Adjustments

Adjusted Comp = Sale Price $\pm$ Feature Differences

Adjust each comparable's sale price to reflect the subject's characteristics. If the comparable is superior, subtract the market-supported contribution of that difference; if inferior, add. Then reconcile the adjusted indications using the quality and relevance of the evidence.

Buyer Qualifying Ratios

Housing Ratio (%) = Monthly Housing Costs / Monthly Qualifying Income $\times$ 100; Debt Ratio (%) = Total Monthly Qualifying Debt / Monthly Qualifying Income $\times$ 100

Compare stated monthly housing costs with qualifying monthly income. The total-debt ratio includes other qualifying debts. If an exercise supplies both limits, calculate the housing allowance under each and use the smaller. Ratios such as 28/36 or 31/43 are not universal lending limits. Actual eligibility depends on the program, underwriting method, income, debts and other requirements; VA also evaluates residual income.

Probate Overbid

Minimum = Bid + 10% of first \$10,000 + 5% of the rest

For a court-confirmed real-property sale, Probate Code section 10311 describes a qualifying increased offer of at least 10% above the first \$10,000 of the original bid plus 5% above the excess. On \$500,000, add \$1,000 and \$24,500 to reach \$525,500. Not every probate sale requires confirmation. The court's procedures and statutory conditions also govern the sale.

[Use worked examples and source notes online](#)



04 / REVIEW ENTRY 01

Turn a miss into a method.

Include guessed-correct answers. Record why your choice failed, explain the controlling rule, then change one fact and try again without notes.

Question ID and topic

My answer and why I chose it

Correct rule or calculation, with the source

The fact that changes the answer

A new example and my next review date

Later check: could I explain the rule and solve the changed-fact example without the answer in front of me?



04 / REVIEW ENTRY 02

Turn a miss into a method.

Include guessed-correct answers. Record why your choice failed, explain the controlling rule, then change one fact and try again without notes.

Question ID and topic

My answer and why I chose it

Correct rule or calculation, with the source

The fact that changes the answer

A new example and my next review date

Later check: could I explain the rule and solve the changed-fact example without the answer in front of me?



04 / REVIEW ENTRY 03

Turn a miss into a method.

Include guessed-correct answers. Record why your choice failed, explain the controlling rule, then change one fact and try again without notes.

Question ID and topic

My answer and why I chose it

Correct rule or calculation, with the source

The fact that changes the answer

A new example and my next review date

Later check: could I explain the rule and solve the changed-fact example without the answer in front of me?



05 / CONTINUE WITH PURPOSE

One concept. One better attempt.

- 01 Choose one weak concept from recent practice.
- 02 Read its lesson and explain the rule in your own words.
- 03 Answer a short set without notes. Record guesses as well as mistakes.
- 04 Review each error, including why the alternatives fail.
- 05 Return later with a different example before treating the concept as secure.

CONTROLLING SOURCES AND FURTHER READING

DRE salesperson examination content

DRE, Taking the Exam

RTC 11911: county documentary transfer tax

BOE California property tax overview

Fannie Mae debt-to-income ratios

Keep the paper. Continue online.

Free lessons, practice questions and math tools are available without an account. Scan to return to the study-sheet library, or visit the address below.



passcaliforniarealestate.com/study-sheets

Want account-based practice? Explore the optional study app.