Washington Real Estate Fundamentals
Course Learning Objectives

Upon completion of this course, you should be able to:

- Identify factors involved in successfully pursuing a real estate career.
- Describe the various careers, and ancillary business activities, available in real estate and be able to identify the government agency with oversight of each.
- List professional trade associations within the real estate industry and explain why they differ from regulatory agencies.
- Contrast the services of various types of real estate companies.
- Explain the differences and identify specific responsibilities for independent contractors and employees.
- Summarize the concept of real estate as a bundle of legal rights.
- Recall and compare the definitions of land, real estate, real property, personal property, surface rights, subsurface rights, air rights and water rights.
- Recognize fixtures, including trade fixtures and apply the legal tests of a fixture.
- Describe the natural and artificial factors that affect land use.
- Explain the economic factors that affect land use.
- List some common real estate investment objectives, and the effect zoning and restrictions may have on the return of those investments.
- Discuss separation of rights of possession and use under different forms of ownership.
- Define ownership in severalty.
- Define forms of co-ownership.
- Define condominium.
- Explain the statutes that are associated with condominium ownership.
- Describe cooperatives and how they differ from condominium ownership.
- Describe time-sharing and the exchange of time-share use.
- Discuss ways in which business organizations can hold ownership of real property.
- Explain what land use controls are and why they are important to understand.
- Discuss the purpose for planning and zoning.
Describe the types of zones that might be established by local ordinances.
Define nonconforming use, variance, conditional use permit, and spot zoning.
Explain the rights and responsibilities of a life tenant.
Describe the different types of nonfreehold estates including estate for years, periodic estate, estate at will and estate at sufferance.
Explain the difference between the right of survivorship and the right of inheritance.
Define estate, tenements, and hereditaments.
Compare corporeal versus incorporeal rights.
Explain the different freehold estates including the types of fee simple estates and the rights inherent in each.
Define encumbrance, encroachment and right of accession.
Explain the different types of easements along with usage.
List and describe the different types of liens.
Discuss requirements and types and enforcement of covenants.
Explain the allodial system of property ownership and the powers of federal and local government regarding such.
List the most common appurtenant rights of profit, license, air and subsurface rights and water rights.
Identify taxing entities.
Describe ad valorem taxation.
Discuss the enforcement of tax liens.
Define the term contract and describe the elements which a valid contract must include.
Discuss standardized forms most commonly used in real estate.
Indicate the common "buzz words" which deserve special attention.
Define and explain the terms oral, implied and written contracts, equitable title, consideration, legal capacity.
Discuss ambiguous contracts and how they are handled by courts.
Explain offers and counteroffers and what constitutes each.
Be conversant with common contract vocabulary terms and able to explain.
Define reality of consent.
Describe legality of object.
Identify fraud and misrepresentation.
Evaluate mistakes of fact and law.
Describe undue influence and duress.
Classify void, voidable, and executory contracts.
Identify the elements of an offer to purchase.
Recall terms and conditions of a real estate sales contract.
Discuss how discharge or termination of offers to purchase occurs.
Explain contracts for deed.
Describe option contracts.
Summarize common conditions found in sales contracts.
Explain how the economic loss rule has been applied.
Define the term "brokerage relationship", and name the involved parties.
Explain fiduciary relationship.
Explain real estate agency, identify responsibilities to clients, customers and third parties.
Describe the role of multiple listing associations and cooperative brokerage agreements.
Describe and contrast the responsibilities of a single agent and a dual agent.
Describe why the usage of various types of listing agreements has changed over the years.
Relate the role the multiple listing service (MLS) had in defining which party brokers and salespersons represented in a real estate transaction.
Discuss the reason why a FTC report published in 1983 led to many changes in real estate agency representation and disclosure requirements for real estate professionals.
List and explain the elements of real estate agency representation and apply company policy to your practice of agency representation.
Explain the obligations a salesperson has to a client vs. a customer.
List and explain the elements of real estate agency representation and apply
company policy to your practice of agency representation.

- Explain the obligations a salesperson has to a client vs. a customer.
- Describe why proper agency disclosures have become such a critical element of practicing real estate.
- Demonstrate a familiarity with the various agency situations described under RCW 18.86, and with the disclosures necessary to avoid any potential conflicts of interest.
- Demonstrate the ability to identify the broker’s client in various agency situations.
- Identify the licensee’s duties of client in each situation and how agency law applies.
- List and explain types of listing agreements and the key provisions in each as well as ways a listing agreement can be terminated.
- Identify when a broker is entitled to a commission and key methods used to determine compensation.
- Explain the basic elements of a competitive market analysis (CMA) for determining market value of a listing.
- Discuss the necessity and methods of a correct legal description and demonstrate proficiency in using the various land units and measurements.
- Differentiate between the four legal means of describing a property, determine property locations and parcel size from a rectangular survey description; use formulas to calculate area and volume of land and buildings.
- Define and discuss the term title as it pertains to real estate and identify methods by which title may be transferred.
- Discuss why title insurance is necessary.
- Explain what title insurance does and does not cover.
- Identify and describe the various forms of deeds and their essential elements.
- Explain the basic requirements for a valid conveyance.
- Define the four forms of policies—owner’s policy, mortgagee’s policy, leasehold policy, contract buyer’s policy.
- Describe the Torrens system.
Define market, supply and demand and identify the affecting factors.

Explain the difference between market value, market price and cost.

Discuss the three approaches to value.

Explain how to determine economic rent.

Discuss the relationship between over and under improvements and highest and best use.

List the steps in the appraisal process utilizing three approaches, market, cost and income.

Explain when each of the three appraisal approaches would be appropriate.

Explain how to arrive at net income with all the component parts.

Explain the terms closing, escrow, and settlement as they relate to a real estate transaction.

Identify and describe Internal Revenue Service requirements in the closing process including 1099 reporting.

Describe the role of the real estate licensee in the escrow closing process.

Recognize the variety of mortgages available and when each would be appropriate for the borrower.

Describe the difference between a mortgage lender and a mortgage broker.

Identify common sources of mortgage lenders.

Explain the primary and secondary mortgage markets and how they interact.

Describe how FHA and VA loan work.

Identify who can qualify for a VA loan.

List the forms and documentation needed to start the loan process.

Explain the loan process and qualification procedures.

State the rights of the borrower and summarize the rights of the lender.

Explain the objectives, mission and duties of the Consumer Financial Protection Bureau.


List the initial reforms implemented by the CFPB in January 2014.

Describe the impact of the new financial rules and disclosure forms on real
estate transactions.

- Explain the basic elements of a valid lease and how leases are both a conveyance and a contract.
- Explore duties, obligations, and rights of the parties to the lease agreement.
- Discuss terminations and evictions.
- Explain the duties of a property manager.
- Describe both management proposal and management agreement.
- Discuss the relationship between a property manager and a property owner.
- Describe the role of insurance in risk management.
- Discuss how the Uniform Residential Landlord Tenant Act creates rights and obligations in residential leases.
- Define what should be included in a residential property management contract.
- Discuss the necessity of developing policies for managing a residential property.
- Analyze rents in a community to make informed decisions as to economic adjustments.
- Explain how to prepare a property for lease, the prequalification and qualification process, showing the property, obtaining the lease application, and getting the lease signed.
- Describe lessor disclosure requirements, and both tenant and lessor obligations.
- Identify the necessity of rent collection procedures and the process of eviction, as well as how to handle tenant problems and use charges.
- Discuss how the Washington Residential Landlord-Tenant Act creates rights and obligations in residential leases.
- List the tenant’s options when a rental property is in need of repairs.
- Describe prohibited landlord actions.
- Summarize the four types of eviction.
- Demonstrate an understanding of the legal and regulatory environment affecting real estate licensees in the state.
- Describe disciplinary hearings and adjudicative proceedings.
Explain the role of real estate broker, designated broker, managing broker, and firm in the context of a real estate transaction.
Demonstrate an awareness of legal duties and obligations to the client and other parties involved.
Indicate an awareness of “common pitfalls” which may be encountered by brokers.
Describe any specific duties imposed on licensees by the state of Washington in regards to becoming a licensee including prohibitions described in RCW 18.85.361 (Grounds for Disciplinary Actions), RCW 18.86.030 (Duties of Licensee), and RCW 18.235.130 (Uniform Regulation of Business and Professions Act).
Summarize the acts which would constitute unprofessional conduct.
Discuss the practices which are the grounds for disciplinary actions.
Recognize the protected classes of the Fair Housing Act.
Determine if certain acts are prohibited under the Fair Housing Act.
List exemptions and exceptions to the Fair Housing Act.
Describe the Fair Housing enforcement process.
Identify the types of remedies that are enforced in a fair housing complaint.
Recall the responsibilities and programs of the Department of Housing and Urban Development (HUD) and the Office of Fair Housing and Equal Opportunity.
Follow the guidelines for fair housing advertising, use of logos, slogans, and statements.