

GAINES AND COLEMAN

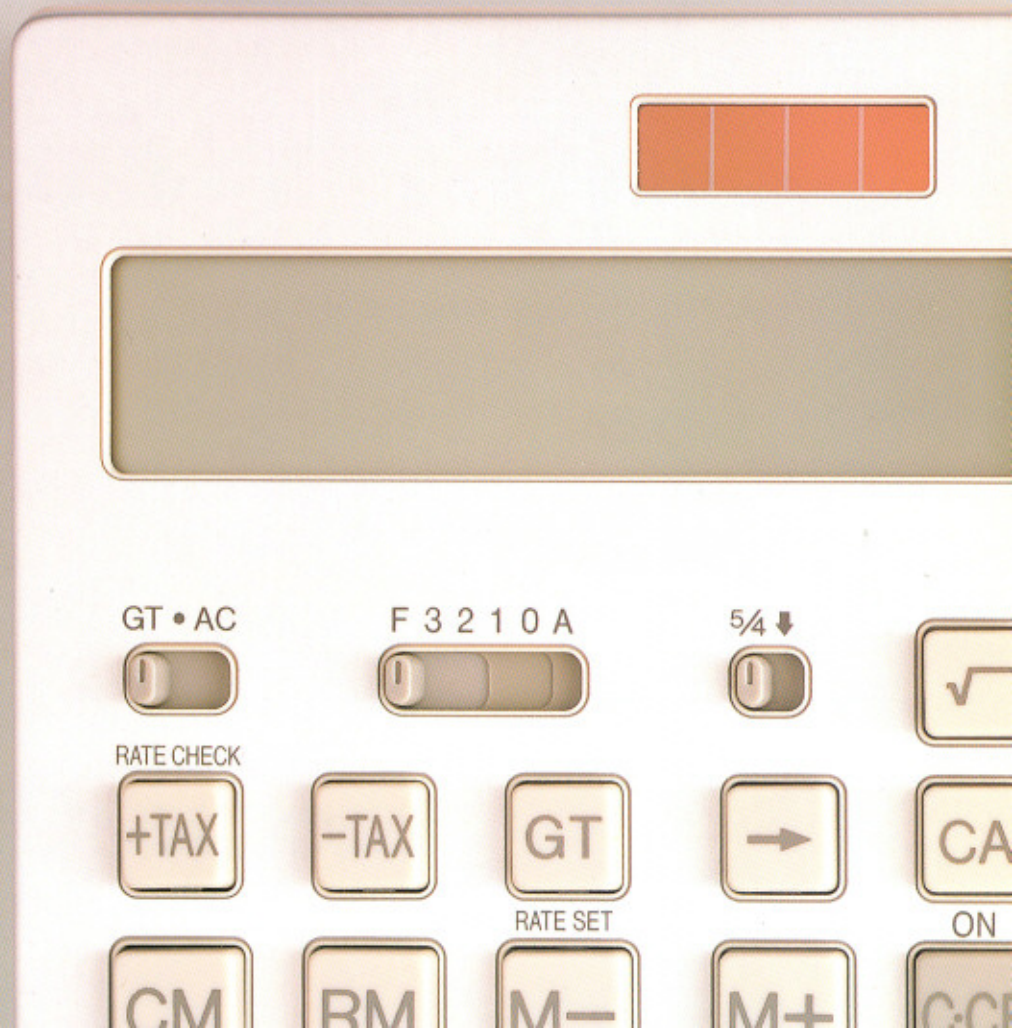
REAL ESTATE

math

SIXTH EDITION

*what you need to know*

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# REAL ESTATE *math*

*what you need to know*

SIXTH EDITION

## Complete, Easy-to-Understand Real Estate Math for Sales and Broker Students

In a hands-on, workbook style, *Real Estate Math* contains all the math you need to know to pass your real estate exam. It clearly defines all the important **math concepts**, and for each concept presents **formulas and calculations**, shows typical completed **examples and scenarios**, and presents **sample problems**.

### This Exciting New Edition Features:

- ▲ Practice problems—sharpen math skills and reduce test-taking anxiety
  - ▲ Over 350 problems, including 70 new chapter problems
  - ▲ NEW! Multistep problems, containing more than one type of calculation, with solutions
  - ▲ Three posttests, including solutions and page references
  
- ▲ Graphics—highlight key concepts for visual math learning
  - ▲ Illustrations and graphics help clarify important concepts and calculator keystrokes
  - ▲ Hints—provide math memory tips
  - ▲ NEW! Practical tips and shortcuts for mastering real estate math for the exam and professional use
  
- ▲ Focus on sales *and* broker prelicensing candidates
  - ▲ NEW! Chapter section and practice problems that clearly identify broker-level topics
  - ▲ NEW! 20-question posttest designed for broker students

# You and This Book

Virtually every real estate transaction involves numbers; therefore, it follows that everyone in the real estate business should be proficient with numbers. This book will help both prospective and experienced real estate professionals perform numerical calculations with confidence. It will assist in sharpening the use of simple arithmetic in general—and in the field of real estate in particular. The book is especially designed for those who are preparing to take an examination leading to a real estate license.

## OUR GOAL FOR YOU

The aim of this book is to help you become more comfortable with arithmetic basics as they are used in the real estate business. Little or no prior knowledge of either the arithmetic or the real estate field is assumed.

## GENERAL ORGANIZATION

This book has been carefully arranged to help you gain skill in solving problems involving numbers. An explanation of key terminology is presented at the beginning of each chapter. Each chapter presents “bite-size” concepts in a format that is easy to reference when studying. Throughout each chapter you will encounter one or more *examples* to illustrate each concept. *Practice problems* are provided throughout each chapter to give you an opportunity to “put to work” the concepts presented. The practice problems are numbered sequentially in each chapter. This numbering system enables you to quickly locate the solution to each problem at the end of each chapter.

Every effort has been made to keep the explanations, problems, and solutions relevant, accurate, and success focused. Conscientious students will acquire the necessary skills to feel at ease when confronted with real estate situations involving numerical calculations.

## SPECIAL FEATURES OF THIS BOOK

The table of contents and the index provide you with the means to quickly locate the key points covered in this book. A pretest is included to aid you in assessing your level of understanding *before* you launch into the study of the material. The pretest is presented in a multiple-choice format similar to what you will encounter on your licensing examination. At the end of each pretest question is a chapter number in parenthesis that references where an explanation of the concept tested in that particular question can be found. To help you determine how well you have

grasped the material after you have studied it, three multiple-choice posttests are included. Solutions to all pretest and posttest questions follow each test. In between are eight chapters that start with an introduction to basic arithmetic concepts, progress through numerical calculations in specific parts of real estate activities, and culminate in the final chapter, which brings together much of what has preceded it.

Sales associate and broker candidates will find the various calculations in this book to be helpful in preparing for the license examination. New in this edition is a special section on investment analysis designed especially for broker candidates (see Chapter 7).

This book is designed to provide you with what you need to know to successfully perform the various calculations that you will encounter on your license exam. If you take the time and effort to work through each type of calculation presented in *Real Estate Math*, you will be confident and prepared to answer the math questions on your exam!

## HOW TO USE THIS BOOK WITH SUCCESS

Work your way systematically through this book. Each chapter is designed to build on what has preceded it. Just lightly reading the material over once constitutes neither studying nor learning. Take the time and make the effort; you will learn and remember what you have studied.

A basic arithmetic review is provided in Chapters 1 and 2. If you are a bit rusty when it comes to arithmetic, the Review of the Basics found in Chapter 1 provides a brief yet thorough refresher.

Study the explanations and examples thoroughly before attempting the practice problems. Once you begin to work the practice problems and are completely satisfied with your skill level in a particular subject area, you may choose to move on to the next subject. If for any given problem you cannot arrive at the correct solution as presented in the answer key, refer back to the page where the applicable concept is explained and illustrated.

Throughout this book, you will discover opportunities to express certain elements differently than the author has. For example, just as one-half may be written  $\frac{1}{2}$ , 0.5, or .5 and have the same meaning, so a formula may be expressed in different ways without changing its meaning or a problem may be approached differently and yet result in the same answer.

Calculators are a great aid in the business and you should know how to use one with ease. Chapter 2 includes keystrokes for basic arithmetic calculations. The author urges you to use a calculator for all of your calculations to become proficient with its use before taking your real estate license examination and embarking on your new real estate career. Although financial calculators are available, only a basic four-function calculator is needed to work these problems.