Chapter 17 Multiple Choice Questions

1. Which of the following is not one of the principal types of residential development?
   a. Power center
   b. Single-family detached
   c. Single-family attached
   d. Manufactured homes

2. _______ means that the house is separated from any adjoining structure with at least some open land on all four sides.
   a. Second home
   b. Zero-lot house
   c. Detached house
   d. Patio house

3. The most desired type of housing in America is/are
   a. single-family attached.
   b. single-family detached.
   c. plexes.
   d. patio homes.

4. The advantages of attached housing include
   a. lower per unit development costs.
   b. lower per unit land costs.
   c. less environmental impact on the site.
   d. All of the above

5. Regarding market analysis for residential development, which of the following is not true?
   a. Market analysis reduces the risk of real estate development.
   b. A high percentage of unsold housing generally indicates a poor market.
   c. Successful market analysis requires the determination of the type of housing preferred by various income groups.
   d. A low number of unsold housing of a specific type always indicates a good market for that particular housing type.

6. Advantages of attached housing include all except
   a. greater development costs per unit.
   b. less time spent on maintenance.
   c. less ecological impact on the site.
   d. lower per unit land costs.
7. The _______ rate is a measure of how quickly (or slowly) newly constructed residences are being sold upon completion.
   a. vacancy
   b. absorption
   c. sales
   d. depletion

8. Which of the following is not a step in the market analysis process for residential development?
   a. Delineation of the trade area
   b. Determining the impact of regional trends on the local market
   c. Determination of possible changes in the demand factors
   d. Estimation of future demand

9. The suburban version of the row house is most generally called a
   a. patio house.
   b. condominium.
   c. townhouse.
   d. zero-lot-line house.

10. Garden apartments typically
    a. are 2 - 3 story buildings.
    b. are located in downtown areas.
    c. have a density of sixty to eighty units per acre.
    d. have elevator service.

11. Financial feasibility analysis for a residential development
    a. must be done before the local governing authorities will allow development of the property.
    b. analyzes the expected cash flows of a project from conception to its anticipated sell-out.
    c. is complicated by the fact that the construction loan is not repaid until several years after the project sells out.
    d. is not of any great importance to a potential lender.

12. The type of dwelling most desired by the American family is the
    a. single-family detached house.
    b. single-family attached house.
    c. multifamily condominium unit.
    d. mobile home.
13. The attached row house is a type of dwelling on its own fee simple lot that shares  
   a. common areas.  
   b. owners.  
   c. common walls.  
   d. each unit.

14. Which statement is not true?  
   a. Real estate development often requires a large cash outflow over a long period  
      before a positive cash flow occurs.  
   b. Development loans are usually needed to absorb the large negative cash flows  
      during the early months of such projects.  
   c. Bank financing helps to reduce the developer’s risk.  
   d. Financial feasibility of a residential project is not dependent on the absorption  
      rate of the market.

15. Which of the following statements about mobile homes is not true?  
   a. The traditional image has been of cheap, high-density housing  
   b. Their poor reputation of the past was undeserved  
   c. Mobile homes generally depreciate in value  
   d. In the past, mobile homes were financed as personal property.

16. The changing image of the mobile home has been brought about by which of the  
    following factors?  
   a. Improved design  
   b. Introduction of local construction codes  
   c. Self driven units  
   d. Color selection.

17. What is the primary factor leading to the selection of a second home?  
   a. Location relative to transportation routes  
   b. Employment opportunities in the area  
   c. Amenities  
   d. Family size.

18. When analyzing a market for a particular residential project, the market area is  
    mostly determined by  
   a. the geographic area it encompasses.  
   b. the distribution of family income of the area.  
   c. employment opportunities and commuting ranges.  
   d. the age distribution of the population.