Gold Coast Broker Pre-License Course Errata

1) P. 87, ch. 6 – add the following explanation above the table entitled "alternative Uses" beginning on line 16. We have not demonstrated I/R x V yet, so an explanation is required:
   a. To determine the highest and be uses among alternative uses, the following computations are made to determine the use with the highest capitalized value:
      i. Estimated Net Operating Income (NOI) = cost of improvements x Return on Improvements (0.12)
      ii. Residual return to the site – Estimated NOI – Return on improvements
      iii. Capitalized value of the land – Residual return to the site ÷ Capitalization rate (0.10)

2) P. 102, ch. 7, lines 40 & 42
   a. Sale price of $94,500, should be: $194,500

3) P. 132, ch. 7, Q# 37, answer "c" is $696,875

4) P. 148, ch. 8, lines 45 & 47 under the "Adjustment" column
   a. Line 45 - $23,000 should be $33,000
   b. Line 47 - $306,000 should be $316,000

5) P. 254, ch. 13, line 3 – should read "buyer will owe 16 days interest from the day of closing (June 15 to June 30) on their new loan.

6) P. 258, ch. 13 Q#14 – first sentence should read: The day of closing is April 20 and belongs to the seller.

7) P. 258, ch. 13, Q#15, answers "c" "d" should be: $735.48

8) P. 274, ch. 14, Q#9 – A 50-unit apartment building sold, and the building was valued at $5,000,000. Under current tax laws, what is the annual depreciation the investor may deduct?

9) P. 274, ch 14, – Q# 10 should be worded:
   a. A warehouse was purchased for $3,125,000, of which the land value was estimated at 20%. After owning the warehouse for 10 years, the total accumulated depreciation that was deducted from income taxes was:

10) P. 297, ch 15 - line 3 should read: $187,500 loan x .010746 Monthly loan constant x 12 months = $24,179 annual debt service

11) P. 327, ch 18 – line 22 should read: "$100,00 or greater per year.

11) P. 339, Q# 5 – answer "d" should read: Managing a community association with more than 10 units.

12) P. 361 Q #10 answer "a" should be $12,076.92
    a. Calculate as: land value of 150,000 ÷ 600,000 = 25% land value (building value is 75%). $600,000 + $28,000 x 75% ÷39 = $12,076.92

13) P. 372 –
    a. Ch 6 ans. Key under #24 second line should read: Capitalized value at 10% = $40,000 Residual return to site ÷ 10% = $400,000
    b. Ch 6 answer key under #25 second line should read: Capitalized value at 10% = $32,000 Residual return to site ÷ 10% = $320,000

14) P. 374 Ch 13 answers 15-20 should be renumbered to 14-19

15) P. 374, Ch 13 Q#15 (after renumbering) should be answer "d"

16) P. 374 Ch 14 #10 - $3,125,000 x 80% ÷39 = 64,103 x 10 = $641,030

17) P. 374 Ch. 15 answers 19-29 should be numbered 18-28

18) p. 376 #3 says $113.66 Monthly payment x 12 months = $1,353.92; (typo) – should be $1,363.92