

# Certified Apartment Portfolio Supervisor (CAPS) Practice Exam - Module 1 (Sample)

## Study Guide



**Everything you need from our exam experts!**

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**SAMPLE**

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# Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

**Remember:** successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

# How to Use This Guide

**This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:**

## **1. Start with a Diagnostic Review**

**Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.**

## **2. Study in Short, Focused Sessions**

**Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations.**

## **3. Learn from the Explanations**

**After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.**

## **4. Track Your Progress**

**Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.**

## **5. Simulate the Real Exam**

**Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.**

## **6. Repeat and Review**

**Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.**

**There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!**

## Questions

- 1. Which organization offers the CAPS certification?**
  - A. The National Apartment Association (NAA)**
  - B. The Apartment Owners Association**
  - C. The Institute of Real Estate Management**
  - D. The National Association of Realtors**
- 2. In the context of portfolio management, what does the term "budgeting" refer to?**
  - A. The process of creating a financial plan for income and expenses**
  - B. The assessment of property value over time**
  - C. Lease negotiation with tenants**
  - D. The evaluation of market trends**
- 3. How do local regulations affect property management practices?**
  - A. They determine tenant payment methods**
  - B. They dictate legal compliance requirements for operations and resident relations**
  - C. They limit the ability to make renovations**
  - D. They establish rental price caps**
- 4. What does the ADEA stand for?**
  - A. Age Discrimination and Employment Act**
  - B. American Disability Employment Act**
  - C. Association for Diverse Employment Advancement**
  - D. Accreditation of Disability Employment Agencies**
- 5. What role does the property manager play in fostering community relations?**
  - A. They handle financial transactions.**
  - B. They serve as a liaison between residents and management.**
  - C. They are responsible for property construction.**
  - D. They focus primarily on marketing strategies.**

- 6. What does LIHTC stand for in the context of housing development?**
- A. Low Income Housing Tax Credit**
  - B. Long-term Investment Housing Tax Code**
  - C. Leading Initiative for Housing Tax Credit**
  - D. Limited Income Homes Tax Credit**
- 7. Which Act involves the certification of credit report usage to prevent discrimination?**
- A. Fair Housing Act**
  - B. Family Medical Leave Act**
  - C. Fair Credit Reporting Act**
  - D. Immigration Reform and Control Act**
- 8. Which organizations are part of the Housing Advocacy?**
- A. NAA and NMHC**
  - B. HUD and DOL**
  - C. NAHB and AIA**
  - D. FHA and VA**
- 9. Which of the following is NOT impacted by Fair Housing laws?**
- A. Advertising for rental units**
  - B. Tenant screening processes**
  - C. Lease negotiations**
  - D. Property tax assessments**
- 10. What is the benefit of conducting property market analysis?**
- A. To modify lease agreements frequently**
  - B. To determine market trends and set competitive rates**
  - C. To evaluate the performance of individual tenants**
  - D. To reduce the complexity of property management tasks**



## **Answers**

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1. A
2. A
3. B
4. A
5. B
6. A
7. C
8. A
9. D
10. B

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## **Explanations**

**1. Which organization offers the CAPS certification?**

- A. The National Apartment Association (NAA)**
- B. The Apartment Owners Association**
- C. The Institute of Real Estate Management**
- D. The National Association of Realtors**

The correct choice is that the CAPS certification is offered by the National Apartment Association (NAA). This organization is dedicated to the multifamily housing industry and plays a crucial role in providing educational resources and professional development opportunities for those involved in property management. The NAA's CAPS program is specifically designed to enhance knowledge and skills in the apartment management sector, addressing critical topics such as leadership, financial performance, and resident relations. This certification is a mark of excellence that demonstrates a professional's commitment to the multifamily housing industry, equipping them with the tools and expertise needed to succeed. In contrast, the other organizations listed, while influential in their respective areas of real estate and housing, do not specifically administer the CAPS certification. The Apartment Owners Association primarily focuses on support and advocacy for landlords and property owners. The Institute of Real Estate Management (IREM) provides designations and certifications more attuned to the management of diverse real estate assets, not exclusively focused on multifamily housing. The National Association of Realtors (NAR) represents professionals in the residential and commercial real estate sectors, particularly in buying and selling properties, rather than focusing on apartment management education and certification.

**2. In the context of portfolio management, what does the term "budgeting" refer to?**

- A. The process of creating a financial plan for income and expenses**
- B. The assessment of property value over time**
- C. Lease negotiation with tenants**
- D. The evaluation of market trends**

In portfolio management, "budgeting" primarily refers to creating a financial plan for income and expenses. This process involves estimating the anticipated revenues and expenditures over a specific period, often on an annual basis, to ensure that resources are allocated efficiently and financial goals are met. A well-structured budget helps property managers and supervisors make informed decisions, anticipate cash flow needs, and identify areas where costs can be controlled or reduced, ultimately contributing to the overall profitability of the portfolio. The importance of a detailed budgeting process lies in its ability to provide a clear framework for financial accountability and management. It also serves as a benchmark against which actual performance can be measured throughout the budget period, helping to identify variances that need to be addressed.

### **3. How do local regulations affect property management practices?**

- A. They determine tenant payment methods**
- B. They dictate legal compliance requirements for operations and resident relations**
- C. They limit the ability to make renovations**
- D. They establish rental price caps**

Local regulations play a crucial role in shaping property management practices by establishing the legal framework within which property managers must operate. These regulations encompass a wide range of compliance requirements that govern various aspects of property management, including fair housing laws, tenant rights, safety standards, and operational protocols. By dictating what is legally permissible, local regulations ensure that property management practices align with both federal and state laws, protecting the rights of tenants and ensuring their safety and well-being. Property managers must stay informed about these regulations to avoid legal repercussions and to enhance resident relations, which is essential for successful property management. The other options touch on aspects of property management but do not comprehensively capture the broad and significant impact that legal compliance has on operations. While tenant payment methods and limitations on renovations can be influenced by local regulations, they are specific aspects rather than overarching compliance requirements. Similarly, rental price caps can be a factor in some areas but are not universally applicable, whereas legal compliance is a fundamental consideration that affects all aspects of property management.

### **4. What does the ADEA stand for?**

- A. Age Discrimination and Employment Act**
- B. American Disability Employment Act**
- C. Association for Diverse Employment Advancement**
- D. Accreditation of Disability Employment Agencies**

The ADEA stands for the Age Discrimination in Employment Act. This important legislation was enacted to protect employees and job applicants who are 40 years of age or older from discrimination based on age. The act applies to various aspects of employment, including hiring, promotions, compensation, and general employment terms. It aims to promote fair treatment in the workplace and combat stereotypes that can cause older workers to face unfair challenges in securing and maintaining employment. This act is particularly significant as it addresses age-related biases in a labor market that often values youth over experience, thus encouraging age diversity and inclusion within organizations.

**5. What role does the property manager play in fostering community relations?**

- A. They handle financial transactions.**
- B. They serve as a liaison between residents and management.**
- C. They are responsible for property construction.**
- D. They focus primarily on marketing strategies.**

The role of the property manager in fostering community relations is fundamentally about communication and connection. Serving as a liaison between residents and management allows the property manager to effectively bridge the gap between the two parties. This involves not only conveying residents' needs, concerns, and feedback to management but also ensuring that management's policies and updates are clearly communicated to residents. By facilitating this exchange of information, property managers help create an environment where residents feel heard and valued, which is essential for building a strong community. This role encompasses organizing resident meetings, addressing any grievances, and fostering a sense of belonging among residents, all of which contribute to a positive living experience. In contrast to the other roles mentioned, handling financial transactions, overseeing property construction, and focusing on marketing strategies are important tasks but do not specifically address the development of community relationships. These functions may contribute to the overall operation and success of the property, but they do not directly engage with the community dynamics as effectively as a property manager who actively promotes interaction between residents and management.

**6. What does LIHTC stand for in the context of housing development?**

- A. Low Income Housing Tax Credit**
- B. Long-term Investment Housing Tax Code**
- C. Leading Initiative for Housing Tax Credit**
- D. Limited Income Homes Tax Credit**

In the context of housing development, LIHTC stands for Low Income Housing Tax Credit. This program was established to incentivize the development and rehabilitation of affordable rental housing for low-income households. By offering tax credits to developers, it encourages the construction of more affordable housing units, helping to address the housing shortage that many communities face. The tax credits allow developers to receive a reduction in their federal tax obligations in exchange for renting a certain percentage of their units to low-income tenants. This effectively lowers the overall cost of development and operation, making it financially viable to create and maintain affordable housing. Understanding LIHTC is crucial for professionals in property management and housing development, as it plays a significant role in financing affordable housing projects and ensuring that there are options available for those who may not be able to afford market-rate rentals.

**7. Which Act involves the certification of credit report usage to prevent discrimination?**

- A. Fair Housing Act**
- B. Family Medical Leave Act**
- C. Fair Credit Reporting Act**
- D. Immigration Reform and Control Act**

The Fair Credit Reporting Act (FCRA) is the correct choice because it establishes guidelines for the collection and use of consumer credit information, including ensuring that consumers are treated fairly and that their privacy is respected. One of the critical aspects of the FCRA is its focus on promoting accuracy and preventing discrimination in the use of consumer reports, which includes credit reports. This protection is designed to ensure that individuals are not unfairly treated based on their credit history, thereby preventing discrimination in lending and rental practices. Understanding the role of the FCRA is essential in the context of managing residential properties, as property managers often rely on credit reports to evaluate potential tenants. The emphasis on certification and the permissible purposes for using credit reports helps ensure that such practices comply with legal standards, which ultimately supports fair housing practices.

**8. Which organizations are part of the Housing Advocacy?**

- A. NAA and NMHC**
- B. HUD and DOL**
- C. NAHB and AIA**
- D. FHA and VA**

The correct choice highlights two significant organizations: the National Apartment Association (NAA) and the National Multi Housing Council (NMHC). Both are instrumental in housing advocacy efforts and play a pivotal role in representing the interests of the multifamily housing industry. The NAA focuses on educating and advocating for rental housing owners and managers, promoting policies that support the industry, and addressing economic and regulatory issues that affect the rental housing market. The NMHC, on the other hand, primarily focuses on the interests of owners, managers, developers, and investors in the multifamily housing sector and engages in advocacy efforts at the national level to promote policies that benefit the industry. The other organizations listed in the other choices focus on various aspects of housing and urban development, but they do not serve the specific role of advocating for multifamily housing in the same targeted way that NAA and NMHC do. For instance, HUD (part of option B) is a government agency overseeing various housing programs but does not advocate from the industry's perspective. DOL is concerned with labor issues. Similarly, NAHB focuses on single-family home building, while AIA is concentrated on architecture rather than housing advocacy per se. Options involving FHA and VA relate to additional aspects of housing finance and assistance

**9. Which of the following is NOT impacted by Fair Housing laws?**

- A. Advertising for rental units**
- B. Tenant screening processes**
- C. Lease negotiations**
- D. Property tax assessments**

The focus of Fair Housing laws is to prevent discrimination in housing-related activities based on protected characteristics such as race, color, religion, sex, national origin, familial status, and disability. These laws specifically aim to ensure equal treatment in areas such as advertising for rental units, tenant screening processes, and lease negotiations, as they directly relate to access to housing. Advertising for rental units is regulated to prevent discriminatory practices, ensuring that advertisements do not imply a preference for or against any particular group. Tenant screening processes must also comply with Fair Housing laws by applying uniform criteria to all applicants regardless of their protected characteristics. Lease negotiations are similarly influenced by these laws, as it is critical to treat all potential tenants equally throughout the process of finalizing lease terms. In contrast, property tax assessments are generally determined by local taxation authorities based on the value of the property and do not directly relate to the individual characteristics of tenants or applicants. These assessments are intended to reflect the economic value of the property rather than discriminate against any group. Therefore, property tax assessments are not directly impacted by Fair Housing laws, making this the correct choice in the context of understanding how these laws apply across various housing-related activities.

**10. What is the benefit of conducting property market analysis?**

- A. To modify lease agreements frequently**
- B. To determine market trends and set competitive rates**
- C. To evaluate the performance of individual tenants**
- D. To reduce the complexity of property management tasks**

Conducting property market analysis is crucial for understanding the dynamics of the real estate market in which a property operates. The primary benefit of this analysis is that it allows property managers and owners to determine market trends and set competitive rental rates. By analyzing factors such as current occupancy rates, rental prices for similar properties, and overall demand in the area, property managers can make informed decisions about pricing strategies. This knowledge aids in positioning the property competitively in the market, ensuring that its rental rates align with what prospective tenants are willing to pay, thereby maximizing occupancy rates and revenue. Additionally, insights gained from market trends can inform marketing strategies, helping to attract the right tenants and reduce vacancies. Other choices may touch on aspects of property management but do not address the core advantage of market analysis, which is rooted in strategic pricing and understanding market conditions. Properly leveraging this information can significantly enhance the profitability and success of property management.



## Next Steps

**Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.**

**As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.**

**If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at [hello@examzify.com](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://caps-one.examzify.com>**

**We wish you the very best on your exam journey. You've got this!**